

## Appendix A – Draft Croydon Council Productivity Assessment July 2024 (for sign off by the Mayor)

### 1. Transformation: transformation of the design and delivery of services to make better use of resources

#### *Croydon Council's recent challenges and changes*

- As with many other local authorities, Croydon Council's financial and staffing resources have reduced significantly since 2010:
  - staffing has reduced between Q3 2010 (6,166 Full Time Equivalent - FTE) and Q3 2023 (3,882 FTE)<sup>1</sup> and again as of 31 March 2024 (3,729).
  - core spending power<sup>2</sup> has reduced by 5% in real terms from £415.5m in 2010/11 to £394.9m in 2024-25 (real terms 2022-23 values).
  - core spending per capita has reduced by 14%, given the borough's 10% increase in population over the period from 357,951 in 2010/11 to 393,924 in 2024/25<sup>3</sup>.
- 2020 marked a pivotal moment for Croydon, with a [Report in the Public Interest \(RIPI\)](#) identifying wide-ranging and significant failures in leadership, governance and financial management. The report brought to light serious financial concerns, including serious weaknesses in the authority's strategy for commercial investment and residential development, overspends in adults' and children's social care, as well as poor governance of the council's interest in its subsidiaries. In November 2020, the council issued its first s.114 notice, indicating that its position was such that it could not continue to operate without exceptional government financial support. A second s.114 was issued in December 2020.
- Since then, the authority has been open to a widespread range of reviews, reports and expert sector input. In February 2021, the Government appointed a non-statutory [Improvement and Assurance Panel \(IAP\)](#) to oversee Croydon's recovery efforts. The Panel was appointed to advise and support the council and report regularly to the Secretary of State on the progress of the 'Croydon Renewal Plan' developed by the authority, since superseded by the [Mayor's Business Plan 2022-26](#).
- We have worked closely with the Panel and made significant progress, overhauling and strengthening the council's financial, legal, decision-making and other governance processes to lay the foundations for recovery. Improvements include a new organisational operating model, new senior officer leadership and a new system of internal control, governing behaviour and the use of resources. This includes new service plans, performance management and regular public reporting, risk management, as well as monthly financial assurance and oversight of the budget and reporting, to ensure transparency. The council has delivered £100.8m savings over 2021/22 and 2022/23 and, as of Period 10 2023/24, £32.4m (89.8%) of the £36m savings target for 2023/24. These savings are significantly higher than other London boroughs and our statistical neighbours. The current approach to savings is not sustainable without transformation. What is required is radical transformation of the authority.
- In 2022, Croydon changed to a directly elected mayor model of governance. At the direction of the borough's first directly elected Executive Mayor, we embarked on an 'Opening the Books' exercise. This, alongside external audit reviews of past expenditure, identified a range of additional challenges, including the need to rectify legacy budget errors totalling £161.6m in one off costs and £49m in ongoing annual shortfalls. The council subsequently issued a third s.114 notice in November 2022 and was also forced to request a further Capitalisation Direction from Government to balance its budget.
- The historic financial issues uncovered by the Opening the Books review left the council with a £60m a year recurring budget gap, much of which related to the exceptional costs of servicing our debt. In response, the Executive Mayor made the tough decision to cut this by £22m a year by proposing an increase in council tax of 14.99%. This was the highest council tax rise in the country in 2023/24 and reduced the £60m structural deficit and the request of Government to £38m.

<sup>1</sup> Source: ONS, Quarterly Public Sector Employment Survey summarised for local govt by the LGA.

<sup>2</sup> Source: DLUHC, Local Government Finance Settlements - analysed by London Councils. HM Treasury's latest GDP deflator figures used to calculate real terms figures (2022-23 values). NB - Core Spending power has been defined consistently since 2015-16. Prior to that the definition changed annually. The above figures represent the nearest like-for-like comparison with the 2015-16 onwards definition - to ensure a like-for-like comparison between 2010-11 and 2024-25.

<sup>3</sup> Source: ONS, Mid-Year Estimates (MYEs) and Sub-National Population Projections. NB - MYEs used from 2010 to 2022. For 2023 and 2024, the annual projected changes in 2023 and 2024 - using the latest (i.e. 2018-based) Sub-National Population projections - is applied to the 2022 MYE figure.

- Croydon Council has a £1.6bn debt (including £300m Housing Revenue Account debt). Despite a range of measures including asset disposal and transformation in service delivery that will reduce this debt, and withdrawal of the s.114 notice, the scale of the debt burden means the authority is unable to deliver a balanced budget without exceptional financial support or a longer-term solution from Government. To date, Capitalisation Directions totalling £369.6m, plus £38m for 2024/25, have been approved in principle by Government. Following the significant increase in Capitalisation support, the government moved the IAP onto a statutory footing until July 2025, or sooner if appropriate. We are working closely with the IAP on a proposal to the Government to secure our long-term financial sustainability.
- In his [Written Ministerial Statement](#) on 20 July 2023, the Secretary of State noted that Croydon Council “has made good progress in laying the foundations for its recovery” and noted that as a result “the Council will continue to lead their recovery” under the new arrangements. At the Scrutiny and Overview Committee on 25 July 2023, Tony McArdle, Chair of the Panel, said, “With exception of the inability at the moment for the council to operate under its own means, the council is, as most other authorities are, meeting the duty of best value without necessarily being perfect.”

### ***Measuring productivity in Croydon Council***

- The council measures its productivity regularly and reports to Cabinet quarterly through the Mayor’s Business Plan Performance Report – the report for February 2024 is [here](#). It includes performance indicators, targets and comparable benchmarks.
- The council analyses financial benchmarking extensively and uses LG Futures data to provide data from comparable councils. The benchmarking uses DLUHC Revenue Outturn data as its base.
- The council reports on its financial position [monthly](#) covering all aspects of its finances e.g. general fund, housing revenue account, balance sheet and capital. It will incorporate its treasury position and council tax collection from 2024/25.

### ***Changes made to improve services (including preventative measures) and the effects produced***

- The 2024/25 budget plans savings of £6.684m in debt servicing costs produced from the asset disposal programme, and £23.731m from savings and change proposals, a total of £30.415m. Beyond 2024-25, the [Medium Term Financial Strategy 2024-28](#) (MTFS) models savings of £20m a year although this is likely to increase.
- Through delivery of the agreed Department for Education Safety Valve Plan we aim to achieve a balanced Dedicated Schools Grant budget with no in-year overspend in respect of Special Educational Needs and Disability services by the end of 2025/26. The historic High Needs deficit of £28m, held as a negative reserve on the council’s balance sheet, is being reduced in line with the Safety Valve agreement and as long as progress is in line with the agreement, it will eventually be eliminated.
- Adult Social Care Transformation saved £9.4m in packages of care in 2023/24.
- The [Adult Social Care & Health Peer Challenge Report](#) references prevention and demand management work in Croydon including the Managing Demand Programme, ‘a large and impressive programme’ founded upon the six steps to reducing demand in adult social care as outlined by the Institute of Public Care, and the council’s selection in 2022 as a [Discharge Integrated Frontrunner](#) site – one of six national pilots working collaboratively across health, social care and the voluntary sector to design and test new service models, including the joint commissioning of a more integrated model for intermediate care.
- The [Council Improvement Plan](#) lists projects producing savings in 2023/24:
  - Restructuring the Housing Needs Division produced savings of £1,250,000 over 2023/24 and 2024/25 against investment of £260,000 (ref: PR000132).
  - Develop systems and processes at the front door of Children’s Social Care to maximise efficiencies, increase multi-agency contributions to target council resources to greatest effect, reducing the need for high-cost interventions including care placements, saving £200,000 in 2023/24 against initial investment of £190,000 (ref. PR000078).
  - Review Supported Exempt Accommodation properties with Housing Benefit in payment and establish occupation and charging principles as well as review the level of support being provided, saving £1,483,000 in 2023/24 (ref. PR000059).
  - Timely set up of temporary accommodation rent accounts has led to an additional £4.5m in income from Housing Benefit in 2023/24.

- Facilitate occupancy checks in emergency and temporary accommodation, supporting improved welfare checks for residents, saving £600,000 in 2023/24 against initial investment of £491,000 (ref PR000161).

### *Transformation Plans (over next 2 years and measurement of outcomes)*

Three key documents set out our transformation plans in the short and medium term: the IAP [Intervention Exit Strategy 2023-25](#); the [Council Improvement Plan 2022-27](#) and '[Future Croydon](#)', our Transformation Plan for 2024–2029.

- The [Intervention Exit Strategy 2023-25](#) was agreed between the IAP and the council in October 2023, committing the council to demonstrate, by July 2025, that it is on a path towards financial sustainability and can meet its duty of best value without government oversight. It details actions and outcomes required under the headings of Governance, Culture and Leadership, Fiscal Stability, Service Performance, and Capacity and Capability to Improve. Progress is reviewed monthly internally and reported to the IAP every six months.
- The [Council Improvement Plan 2022-27](#) is an update of the council's existing transformation plan, originally adopted in November 2022. It includes existing and new improvement projects across services including children's, adults, planning, and housing that are critical to strengthening the foundations for future transformation. These projects, some still in development, will make a substantial contribution to savings in the MTFS. They are grouped under the following ten programmes:
  - Adult Social Care and Health Improvement Programme.
  - Asset Management Programme.
  - Borough Regeneration Programme.
  - Business Improvement Programme.
  - Cleaner Croydon Programme.
  - Children, Young People and Education Improvement Programme.
  - Digital and Legacy Improvement Programme.
  - Housing Improvement Programme.
  - Libraries, Community Hubs & Museum Programme.
  - Safer Croydon Programme.
- '[Future Croydon](#)', our Transformation Plan for 2024–2029 was adopted in March 2024. It builds on the programmes found in the Council Improvement Plan 2022-27 already underway. 'Future Croydon' provides a framework for innovation and a radical redesign of the council, underpinned by data and digital ways of working, and supported by a customer-focussed workforce. Its programmes will transform the organisation, help to deliver the priorities in the Mayor's Business Plan and contribute to delivery of the savings of almost £100m stipulated in the MTFS. 'Future Croydon' focusses transformation through the lenses of [Our Council](#), [Our Residents](#), and [Our Place](#). Progress will be reported to Cabinet every six months.
  - For **Our Council** the aim is to be the most cost-efficient and effective council in London, totally focussed on our residents. The culture will be one that puts the customer first, organising services around their needs and experiences, harnessing technology, data and the workforce to deliver a council that does less, but does it better. To achieve this aim we have procured a Strategic Partner to deliver a blueprint for a new target operating model by September 2024. This will include:
    - A new [Target Operating Model and Vision](#) for the council, radically redesigned and based on a fundamental review of what we do, how we do it and who does it, including our ways of working, opportunities for consolidation, rationalisation, automation, a new commissioning and commercial approach supported by a corporate contract review, and work with communities and partners [['Future Croydon'](#) pp.16-17].
    - Development of a [workforce plan](#), including a skills audit and enhanced change management and leadership capability [['Future Croydon'](#) p.17].
    - [Data-driven approaches](#) to enable the council to deliver better targeted services, promote collaboration between council services, partners and the community, and pinpoint opportunities to prevent unnecessary expenditure and reduce costs [['Future Croydon'](#) p.18].
    - A [digitally led new design](#) to support the new operating model, including ways of working and interacting with the council [['Future Croydon'](#) p.18].
    - Some of the projects are in the discovery and development stages. The full details, planned savings and performance indicators have not yet been determined. As these are defined, they will be separately reported to Members for consideration and approval through the appropriate route for each case.

### ***Services with the greatest potential for savings***

- Adult Social Care transformation, through the appointment of a strategic delivery partner to transform demand management with performance aligned to London benchmarking, a skilled workforce, use of digital and technology, and delivery of a sustainable budget, could potentially deliver £13m between 2024/25 and 2026/27 [[‘Future Croydon’](#) p.16].
- Transformation across the Children, Young People and Education Directorate, accelerated and deepened through engagement of a strategic delivery partner, has the potential to deliver £9.5m between 2024/25 and 2027/28 [[‘Future Croydon’](#) p.17].
- The Asset Transformation Programme will dispose of non-essential or underperforming properties, generating £50m in capital receipts a year (£200m over four years from 2023/24) to reduce capital borrowing and annual revenue costs. This will save £6.684m in debt servicing costs in 2024/25. In addition, a Croydon Campus project will reconfigure the Town Hall and council offices at Bernard Wetherill House and Davis House [[‘Future Croydon’](#) p.16].
- The Income and Collection Programme to correctly price fees and charges and improve management of demand, is expected to raise more than £4m in additional income over 2024/25 and 2025/26 [ref: PR000094, [Council Improvement Plan: Business Improvement Programme](#) p.3]
- The Parking Review, with new Automatic Number Plate Recognition cameras and new parking tariffs, is expected to recover income owed of more than £950,000 a year from 2024/25 [ref: PR000357, [Council Improvement Plan: Borough Regeneration Programme](#) p.2].

### ***The role of capital spending in transformation.***

- Given the council’s General Fund debt of £1.3bn and reliance of exceptional government financial support in the form of Capitalisation Directions, we are taking a prudent approach to the use of capital, as detailed in our [Capital Strategy 2023-29](#). The council’s aim is not to incur any new additional borrowing, only to replace existing loans when required on maturity.

## **2. Technology & data: plans to take advantage of technology and make better use of data to inform decision making, service design and use of resources**

- A Data driven council project will develop a Croydon data strategy and roadmap to support the new target operating model with data-driven approaches, enhancing the council’s ability to target services, to promote collaboration among council services, partners and the community, and to pinpoint opportunities to prevent unnecessary expenditure and reduce costs. The potential efficiencies are estimated at approximately £10m [[‘Future Croydon’](#) p.18].
- A Council-wide Business Intelligence & Improvement Programme will improve accessibility and use of data; improve data culture, literacy and maturity, and explore opportunities to use data, AI and predictive analytics to improve services and reduce costs [[Council Improvement Plan: Business Improvement Programme](#) p.2].
- By March 2025 key business systems, data, and business intelligence systems will provide sound management information. The quality of practice and delivery of outcomes will be evidenced by data and CQC Assessment. Activity and performance measures will be in line with comparable councils [[IAP Exit Strategy](#) p.14].
- Data from annual residents surveys will be used for service improvement and a new resident engagement approach for co-design [[IAP Exit Strategy](#) p.8].
- Data on staff sickness and turnover rates will be used to improve monitoring and management of staffing resources, increasing productivity [[IAP Exit Strategy](#) p.8].
- The quality of housing service data will be improved to understand the condition of its housing stock and the residents who live there. 40% of stock condition surveys were completed by March 2024. 60% will be completed by March 2025. This will provide up-to-date reliable stock data for the effective management of its stock. Robust data on council tenant characteristics will inform communication channels and service delivery and be used to maximise income from rents and service charges. [[IAP Exit Strategy](#) p.16].

### **Sharing data with other organisations -**

- **We have shared data to tackle fraud:**

- The council subscribes to the National Fraud Initiative Fraud Hub, enabling council data to be matched against it on an ongoing basis. Currently the hub matches against a regularly updated deceased persons register. By using it, Croydon Pensions team has prevented £553,190.81 in incorrect pension payments to deceased pensioners and recovered £13,960.98 in pension payments that had been made since 06.07.2023. The hub will include more datasets overtime as it is developed by the Cabinet Office with member councils, including Croydon. The council's Fraud Prevention Officer trains teams to use the Fraud Hub in their business areas.
  - Under our Business Intelligence Review we matched data with the National Fraud Initiative to ensure discounts and benefits go only to eligible residents. As of March 2024, £914,213 in revenue has been raised through cancellation of Single Persons Discounts; £81,500 has been saved through cancellation of Disability Freedom Passes.
  - The Counter-Fraud Shared Service works with HR to review all new recruits against the CIFAS database to identify previous fraudulent conduct against member organisations. Since 01.04.2023 this initiative has prevented 20 successful candidates with records of fraudulent conduct from joining Croydon Council.
- Under the Front Runner initiative, the council's social care teams collaborate with health professionals on hospital avoidance strategies and early hospital discharge planning for individuals, though the existence of separate IT systems for health and social care presents a challenge when working in the community. A case file audit in November 2023 during a [Peer Challenge of Adult Social Care](#) found that in 92% of cases information had been shared appropriately between agencies.

### **New technology**

- A [Digitally led council project](#) will develop a Croydon digital strategy and roadmap to support the new target operating model, delivering a digitally led design, including ways of working and interacting with the council. The potential efficiencies are estimated at approximately £10m [['Future Croydon'](#) p.18].
- The [Council Improvement Plan](#) contains projects in development to improve the council's Core Digital System, transform Croydon Digital Service and reprocur IT systems for Planning, Building Control and regulatory services, including environmental health, trading standards, and licensing.
- Substantial investment is planned to improve [Oracle's Finance, HR and Procurement modules](#) and associated business processes (ref. PR000344). This will position the council to increase automation and ultimately deliver AI solutions for financial, procurement and HR processes. Predictive planning technology will be used to produce a statistically robust revenue forecast. The [improvements](#) will be key enablers of future cashable efficiency savings for the council.
- The [NEC Housing software system](#) went live in June 2023, providing a single set of customer information and a core property register. It covers placements in temporary and emergency accommodation, and all processes for the allocation and management of council housing stock. It highlighted past data issues which are now being addressed. Phase 2 will provide the benefits of process automation, workflow, fully integrated systems with a single view of the customer and improved management of compliance. Workflow will reduce opportunities for services to work in silos and will create efficiency savings, through improved communication and collaboration between directorates. It interfaces with repairs contractor systems, Oracle Financials and the council's NEC Revenues and Benefits software system.
- The Revenues and Benefits system administers council tax, council tax support, business rates and housing benefit. Recent developments introduced automation, reducing repetitive administrative tasks and giving staff more time for conversations with residents about debt to explain the support available to manage it.

### **3. Reduction of wasteful expenditure:** Plans to reduce wasteful spend within the organisation and systems

#### **Governance structures to ensure accountability of spend**

- Monthly financial performance reports on the council's general fund, housing revenue account and capital expenditure are made to the Mayor in Cabinet. These report on risks and opportunities, over and underspends on the delivery of significant projects either revenue or capital expenditure.

- Monthly assurance meetings are held with the Chief Executive, Section 151 Officer and each Corporate Director
- A Spend Control Panel meets daily.

### *Identifying and reducing waste*

- To date we have used the budget setting process to set efficiency targets and ask all services to produce savings plans. We have taken this approach as far as we can within the existing council design. In future, it will be more difficult to make more savings of a similar scale safely. We now need to redesign the council as set out in our [‘Future Croydon’ Transformation Plan](#) to make further savings possible.
- The [Council Improvement Plan 2022-27](#) includes the Business Process Improvement Programme (PR000105) to review all service business processes and identify recommendations for savings, improvement and transformation. Also included are transformation projects for HR & Organisational Development (PR0000359), the Development Management Planning Service (PR000109), for Building Control (PR000108), and for transport for children and adults with special educational needs and disabilities (PR000065). A review by Methods consultancy in 2023 identified over 700 opportunities for business improvement; some may provide cashable savings. These findings have been used to inform and shape activities and targets for 2024/05.
- There will also be strategic business reviews of the Housing Revenue Account, asset management, homelessness, temporary accommodation, and the housing repairs function [[IAP Exit Strategy](#) p.17].
- The aim of the [Procurement & Contract Management Improvement Plan](#) (March 2024) is to extract the most value from the council’s procurements, ensure compliance with legal and regulatory requirements and manage supplier contracts so that they deliver in line with business case objectives throughout their term. Procurement and contract management staff will have the right blend of commercial and technical expertise and all staff contributing to the procurement process will have appropriate skills and awareness. Improved efficiencies and a focus on compliance will ensure that purchasing transactions are raised ‘right first time’. The use of strategic procurement systems will aid effective planning, improved visibility of contract performance and stronger controls on contact spend. More powerful management information will support a rounded assessment of purchasing and procurement performance across the council [[IAP Exit Strategy](#) pp. 21-22].
- Housing Benefit Subsidy for Supported Exempt Accommodation (SEA) and Emergency and Temporary Accommodation: SEA properties with Housing Benefit in payment are being reviewed to establish occupation and charging principles, and assess the level of support being provided. Efficiency £2,795,000 between 2023/24 and 2024/25 [ref: PR000059, [Council Improvement Plan](#): Housing Improvement Programme p.6].
- A Dynamic Purchasing System will manage demand for emergency accommodation (EA) and improve efficiency and effectiveness in the acquisition of EA [ref: PR000087, [Council Improvement Plan](#): Housing Improvement Programme p.6].
- Temporary And Emergency Accommodation Case Reviews, occupancy checks and exit plans for those not owed a duty: Investment £491,000; Efficiency £1,050,000 over 2023/24 and 2024/25 [ref: PR000161, [Council Improvement Plan](#): Housing Improvement Programme p.6].

### *Invest to save examples*

- The [Council Improvement Plan](#) and [‘Future Croydon’ Transformation Plan](#) list the investments planned and efficiencies expected against each project, where the estimates are available. Examples are:
  - Adult Social Care Strategic Delivery Partner: Investment £1,134,480; Efficiency: £13m between 2024/25 and 2026/27 [[‘Future Croydon’](#) p.16].
  - Children, Young People and Education Strategic Delivery Partner: Investment £2,580,542; Efficiency £9.5m between 2024/25 and 2027/28 [[‘Future Croydon’](#) p.17].
  - Asset Transformation Programme: Investment £124,507; Efficiency £100m (capital receipts 2023/24 & 2024/25) [[‘Future Croydon’](#) p.16].
  - Community Equipment Service outsourcing: Investment £234,000; Efficiency £2m over 7 year contract) [ref: PR000092, [Council Improvement Plan](#): ASCH Improvement Programme p.2].
  - Parking Review: Investment £200,000; Additional Income £951,100 a year from 2024/25 [ref: PR000357, [Council Improvement Plan](#): Borough Regeneration Programme p.2].
  - Income and Collection Programme: Investment £50,000 in 2023/24; Additional Income £4,054,000 over 2024/25 and 2025/26 [ref: PR000094, [Council Improvement Plan](#): Business Improvement Programme p.3].
  - Transformation of Calleydown short breaks centre: Investment £134,000; Efficiency £284,000 over 2024/25 and 2025/26 [ref: PR000089, [Council Improvement Plan](#): CYPE Improvement Programme p.4].

- Corporate Parenting Transformation: Investment £742,750; Efficiency £1,125,000 across 2023/24 and 2024/25 [ref: PR000079, [Council Improvement Plan](#): CYPE Improvement Programme p.4].
- Supported Housing Review of housing related contracts across Housing, CYPE and ASCH to ensure best value, compliance and address overlap in provision: Investment £80,000; Efficiency £240,000 in 2026/27 [ref: PR000166, [Council Improvement Plan](#): Housing Improvement Programme p.6].
- As the remainder of projects in these plans are defined, the savings and other benefits will be estimated.

### **Office functions shared with other councils**

- The council has successfully shared a Joint Anti-Fraud Team with Lambeth since January 2023 and is in the early stages of joint debt collection work with oneSource (Newham and Havering). We are a partner of Capital Letters, a joint temporary accommodation provider between ten London Boroughs. We will continue to explore opportunities.

### **Agency staff and consultants**

- The council defines as ‘agency workers’ all workers supplied via an agency/our Adecco MSP framework, irrespective of whether they are also called ‘consultant’ or ‘interim’. £32m was spent on the agency workers in 2023/24, 21% of the council’s total pay bill of c £150m. The council’s vacancy rate is around 18%, and there are some additional supernumerary agency roles covering time limited project work. All consultancy services secured through a procurement approach, refer to a company providing consultancy advice, not individuals, and are excluded from this data. A weekly Recruitment Panel reviews all appointments centrally, both agency and permanent.
- Value for money: given the council’s relatively high pensions-related on-costs, it is generally less expensive to hire agency workers employed at grade 12 and below than to appoint permanent staff. Much higher costs are incurred at a senior level where the market can dictate high rates. However, Croydon like all other councils faces some acute skills shortages and is in a hyper-competitive market with other public sector employers and private sector employees, especially in occupations such as finance, legal, planning, procurement, property and digital. The council often faces having to provide statutory services, such as children’s social care, while struggling to recruit. In a period of transformation, it also often needs to cover key leadership roles. Day rates for social workers and leadership roles can be very high compared to the rates for permanent staff.
- Reduction of use/costs: Where possible, the council will seek to appoint to fixed-term contracts, but such is the market that agency workers will refuse the engagement unless they are paid a high day rate.

### **Work with the Mayor of London & GLA**

- The council’s Local Plan must support the Mayor of London’s London Plan 2021 and London Housing Strategy and delivery of the Mayor of London’s target of 20,709 new homes in Croydon between 2019/20 and 2028/29.
- Croydon Town Centre is identified as an Opportunity Area in the London Plan. The Growth Zone business rate uplift retention funding mechanism was approved by Cabinet and the Mayor of London in 2016, and ring-fences growth in business rates from April 2018 for 16 years. The Growth Zone is essential to enable the delivery of critical and essential infrastructure to mitigate the impact of the planned growth for the benefit of existing and future residents, businesses and visitors. In addition, in recent years there has been a need to pivot this original intention of the Growth Zone to support a wider programme of projects to facilitate and enable the regeneration of the Croydon Opportunity Area.
- Transport for London releases Safe and Healthy Streets Funding every year for the Local Implementation Plan measures which are to deliver the Mayor of London’s Transport Strategy objectives locally. Capital funding amounted to £2.162m in 2023/24.
- Nearly £54m has been received in housing grant from the GLA to rebuild the Regina Road Estate, providing safe, well-designed council homes.
- The Mayor of London designated Croydon Borough of Culture 2023 and supported it with a grant of £1.3m. The council delivered the objectives of the project with no general fund funding and brought in additional funding, e.g. from the Arts Council and the voluntary sector.
- The council receives funding from the Mayor’s Office for Policing and Crime (MOPAC), for safer streets and the prevention of violent crime, and from the GLA to support the Family Justice Centre. For 2024/25 the funding totalled £847,209.

## 4. Equality, Diversity and Inclusion

### *Public Sector Equality Duty*

- The council has a statutory duty to comply with the provisions set out in the Equality Act 2010. In summary, the council must in the exercise of all its functions, “have due regard to” the need to comply with the three arms or aims of the general equality duty. These are to:
  - eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act,
  - advance equality of opportunity between people who share a protected characteristic and people who do not share it, and
  - foster good relations between people who share a protected characteristic and people who do not share it.

### *Equality, Diversity and Inclusion (EDI) training for staff*

- The [Equality Strategy for Croydon 2024-27](#) details how the council will fulfil its statutory equality objectives and its aim to become an anti-racist council.
- It is important to ensure that all staff are equipped to comply with the law so that the council fulfils its statutory duty as an employer and as a provider of services, either directly or through commissioned providers. To fail to do this would be unlawful and expose the council to expensive legal challenge.
- Two council members of staff focus specifically on equalities, the Senior Equalities Officer and HR Policy and Equalities Manager. They support decision-makers to ensure decisions take account of a sound equality analysis where required and support implementation of the Equality Strategy. Most training is through e-learning.

## 5. External barriers: barriers preventing progress that the Government can help to reduce or remove.

### Funding

- **Make multi-year settlements** – uncertainty created by one-year settlements and late funding announcements is a huge barrier to becoming more productive and enabling boroughs to plan services strategically and take invest-to-save decisions. Three or four-year settlements would go a long way to solving this.
- **Reduce ringfencing** – remove ringfences and reporting requirements associated with grant funding to empower and trust councils to get on with delivering services.
- **Reduce the number of funding pots** – reduce the number of specific funding pots and arduous bidding processes, particularly in economic development and skills.
- **Ensure funding reflects need** – it is difficult to put resources into driving further productivity gains when we are facing severe demand pressures due to structural underfunding and a system that no longer reflects local needs. The Government should review and update the funding formulae for all the major grants that councils receive from government. Government grants should at least reflect up to date population numbers. Unique burdens affecting particular councils should also be compensated; for example, Croydon currently has to fund a disproportionately large number of care experienced young people who were previously Unaccompanied Asylum Seeking Children.
- **Provide assistance to enable Croydon Council to reduce its toxic debt** to a manageable level or to reduce its annual debt charges.

### Housing

- Remove barriers **preventing councils from combining Right to Buy receipts with grant funding** to deliver affordable housing.
- **Remove the cap on the proportion of individual sites that can be funded through Right to Buy receipts.**
- **Make the increase in Local Housing Allowance (LHA) rates from Autumn Statement 2023 a permanent measure.**
- **Remove the cap on LHA payable for Temporary Accommodation** in Housing Benefit subsidy (set at 90% of January 2011 LHA rates).
- **Provide certainty in relation to the Homelessness Prevention Grant and align the grant to better reflect demand** for temporary accommodation across the country.



- Provide funding to **help councils buy accommodation sold by private landlords.**
- Deliver a **new Housing Revenue Account debt settlement** based on updated assumptions, as government policy changes have altered the existing 2012 agreement beyond recognition.

#### Adult social care

- **Deliver the adult social care funding reforms** which are crucial to providing long-term financial certainty for the sector.
- **Baseline all existing Adult Social Care grants** and consolidate them into one fund.
- Implement the **Hewitt Review recommendation of 1% of Integrated Care Board budgets towards prevention.**

#### Children's services

- **Ensure the Social Care Grant reflects children's social care needs** (rather than only adult social care relative needs).
- Urgently **reform the children's social care market** to reduce profiteering.
- **Allow local authorities to open and run special schools** – this would reduce placement costs, help meet rising demand more quickly and ensure greater local oversight of places.
- **Introduce a mandatory register for all home educated children** – this would improve identification of children at risk of harm.
- **Extend the Dedicated Schools Grant (DSG) statutory override to provide financial certainty for councils.**
- Consider **writing-off accumulated DSG deficits** – for Croydon, a Safety Valve agreement has already been made with Department for Education to eliminate in-year overspends in respect of services for children and adults with special educational needs and disabilities by the end of 2025/26.
- **Where a council has a higher than normal share of children in care due to national factors - in Croydon's case previously unaccompanied asylum seeking children who are now care experienced young people - the council should receive additional grant as compensation.**

#### Regulation

- **Simplify the regulatory framework**, including developing a coordinating role for Oflog, as servicing multiple inspections limits capacity and hinders productivity.
- **Ensure regulators have the appropriate capacity** and understanding of councils and local places, including their financial context.
- **Honour new burdens funding pledge:** for example, Land Charges income now goes to government while the work is largely done by local authorities. Also, where building control companies fail, councils have to pick up the residual outstanding work for no fee.