

Croydon Renewal Plan

**Rebuilding the council: our
priorities over the next six
months**

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Introduction

In Croydon we face a huge challenge to balance our books and rebuild the council, but we know we can do it. Over the last year we have shown what can be done when we work together - and there is no better example than how the council have responded to the COVID-19 pandemic. Alongside our partners we've worked creatively to support Croydon residents and each other throughout the pandemic. The past few months have been extremely difficult, and there's been a lot of anger and frustration about our financial crisis, but things are changing. Support from government now means that we can focus on the council's recovery and renewal – and every one of us has a part to play in this very important reset moment. This document summarises our plans and sets out how every member of staff can take action to make sure this change happens.

We have made a good start:

We are on course to achieve £36m of savings in 2020/21, and have approved savings of £44.67m for 2021/22, £24.51m for 2022/23 and £16.59m for 2023/24.

We have a three year [Croydon Renewal Improvement Plan](#) to rebuild the council and improve our finances. It responds to findings of several reviews and adopts their recommendations. It was developed with your feedback and comments. Thank you for getting involved and sharing your ideas so far – but we know that there's still more to say and plenty of ways to help influence what happens next.

The government has accepted our plan and is willing to lend money over two years to help the council to balance its budget while we make the changes needed to cut our spending. The council is allowed to borrow up to £70 million to fill the gap in the 2020/21 budget.

The government may also allow us to borrow up to £50 million to balance our 2021/22 budget, depending on the progress we make. By this summer we will need to identify more savings for the years 2022/23 and 2023/24, contributing to another £60m in savings.

Our task

Looking ahead, we need to continue to work as one, to rebuild the council and regain the trust of our colleagues, residents and partners to do what's right for the borough. This applies to everyone: leadership, managers and staff, and to every service: from keeping vulnerable people safe to bringing in the council's income from fees, rents, fines and taxes.

In the past we have promised more than we could afford. Now we are focusing on a small number of new priorities and ways of working for the next three years.

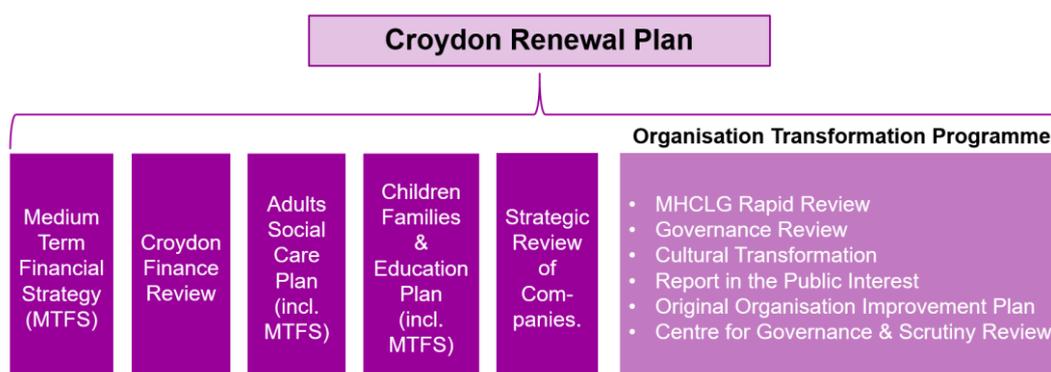
This means continuing to improve how this council is run, living within our means yet providing the best services we can. We will give priority to supporting adults and children in need, keeping the borough's streets clean and safe, and addressing gaps in our funding caused by the demands of tackling Covid-19, which has already cost Croydon over £46m.

It also means finding further savings, improving our financial discipline and doing everything we can to put our finances on a sustainable footing. Our top priorities remain improving the council's financial rigour through tight budget controls and focusing on supporting local people who need us most.

Now that the budget for 2021/22 is set we must be absolutely focused on delivering it. All directors and budget holders must make sure agreed savings are delivered as planned. If they can't, they will have to make up the shortfall with savings from another part of their service (with no bailout by another service or a central pot).

Croydon Renewal Plan

Our Renewal Plan brings together recommendations and actions from eleven reviews and programmes. It will take several years to implement. The main areas are summed up below.



The plan to rebuild the council and recover its financial stability over three years covers:

- New **priorities** and ways of working for the council
- A **financial recovery** plan for savings, the sale of properties and other income generation
- Delivering **core services at costs** in line or lower than London average or at the legal minimum

- Digitising council services to enable as many **residents** as possible to **self-serve**
- Bringing spending on **Social Care for Children and Adults (age 18-64)** down to the London average and **for Adults (age 65+)** down to the England average
- The response to the review of **council companies** and **investment arrangements**
- **Stronger governance**, management practice and the management of demand and cost
- A new system of **internal control** for finance, performance and risk
- A review of the code of conduct for councillors and officers, and action to **change culture and behaviours** and strengthen staff engagement, involvement and equality.

What you think and what you do matters – and no plan is deliverable without the people who make them happen. We want you to be involved.

Our top priorities between now and September 2021

We need to move quickly on each element of the above Croydon Renewal Plan. Between now and September 2021 we must:

Carry out our plans on time so we are on target to deliver all the savings for 2021/22, and develop proposals for further savings for 2022/23, going into 2023/24, by July 2021

Develop a robust, accurate, appropriately resourced financial control system, provide regular monthly reports, and all staff must understand and comply with procedures fully

Set up a system of internal control, including framework reporting on, and clear accountability for, finance, risk, performance, workforce, Health & Safety and equalities

Make progress in developing a plan to transform our front line services and in changing our culture to become a council that delivers its services in a financially disciplined and motivated way

Raise income from properties, including the potential sale of Brick by Brick, a decision on the sale of Croydon Park Hotel and disposal of 7 ‘quick-win’ assets

Finalise interim and permanent senior management arrangements and implement the restructure.

Changing our culture: what does Cultural Transformation mean?

We have not always lived by our values. We need to rebuild how we do things. That is what we call our cultural transformation programme. This is a three year programme to become a council that delivers services in a financially sustainable way. We must aim to deliver good quality services that are within budget, and in doing this we hope to rebuild trust with residents.

Part of what we need to do is strengthen leadership and management capability, service and organisational performance, and create a psychologically safe and inclusive environment for all staff. This will include continuing some good practices from the past, but we will also need to stop some practices and adopt new behaviours that will serve us as we move forward.

The way we work together needs to focus on the areas in the table below. The first six months will lay the foundations for the next three years. Rebuilding trust is a key part of what we need to do and each one of us needs to demonstrate the values that we have agreed as an organisation.

What do we need to do?	How will we achieve it?	What will be better as a result?
1. Improve staff engagement, health and wellbeing	By involving you in co-design of the process and support available.	<p>Staff feel supported to deliver</p> <p>Staff can use multiple channels to have their voice heard and influence our organisational decisions</p> <p>Our values are lived by all</p> <p>Staff know health and wellbeing can be discussed openly as part performance</p>
2. Create an equitable, diverse and inclusive workforce and workplace	<p>Improve workforce diversity at all levels. Staff are treated fairly and equitably.</p> <p>Create psychological safe space mechanisms to enable staff to speak up and speak out.</p> <p>Strengthened governance.</p> <p>Anonymised recruitment.</p> <p>Deliver the equalities strategy and action plans</p>	<p>We welcome feedback and challenge, and act on this to deliver improvements</p> <p>Staff feel they are treated fairly and equitably</p> <p>All forms of discrimination and inequities are addressed through new and established channels.</p> <p>Opportunities for career advancement are fair and open to all</p>

What do we need to do?	How will we achieve it?	What will be better as a result?
<p>3. Strengthen our management capability to lead and support change</p>	<p>Managers equipped to lead council through change to deliver objectives.</p> <p>Review and reset management behaviours aligned to the Nolan principles and our values</p> <p>360° reviews to support manager development.</p>	<p>Managers are adept at creating psychologically safe places for staff voice and engagement</p> <p>Managers effectively manage diverse teams</p> <p>Managers consistently model our values and behaviours</p> <p>Staff feel confident raising concerns with their manager and are listened to</p> <p>There is greater staff satisfaction</p>
<p>4. Focus on core skills and capabilities</p>	<p>Suite of compulsory training & refreshers:</p> <p>Quality training that includes budget and financial management, risk and governance, and management of people.</p> <p>Member/Officer Protocol awareness training.</p> <p>Code of Conduct training.</p>	<p>Members and officers understand their respective roles</p> <p>Members and officers are guided by the Nolan Principles of Public Life</p> <p>Staff understand their core work and consistently get the basics right</p> <p>Staff have clarity on what they have to deliver and have the skills and tools to fulfil their roles effectively.</p> <p>Financial management will be significantly improved.</p>
<p>5. Improve performance management and strengthen accountability</p>	<p>Appraisal and performance management are aligned to council's values and behaviours.</p>	<p>We know what we have to achieve, take responsibility, and do what we need to do, following processes as we take decisions and deliver services. Accountability is really clear and understood.</p> <p>All appraisals reflect timely quality conversations.</p> <p>We celebrate successes in delivery.</p> <p>We are open and honest about where we need to improve, and take action to address this</p> <p>Better use of our systems and data to drive improvement.</p> <p>Poor performance is identified early and managed.</p>

How you can help us get there: seven projects to get us where we need to be by September 2021

Seven projects below focus on delivering our top priorities by September. They lay the foundations for the changes and savings we must make over the next 3 to 5 years. They will help us meet the conditions for continued government support and provide assurance to the MHCLG Improvement and Assurance Panel. If we don't achieve these priorities we won't get the loan we need.

Croydon Renewal Plan Programmes	Top priorities for next six months	Projects to achieve top priorities	How you can help
<p>Medium Term Financial Strategy</p> <p>Croydon Finance Review</p> <p>Adults Social Care Improvement</p> <p>Children, Families and Education Improvement</p> <p>Organisational Transformation</p>	<p>Develop a robust, accurate and appropriately resourced financial control system, provide regular monthly reports, and all staff must understand and comply with procedures fully</p>	<p>1. Financial Control System</p> <ul style="list-style-type: none"> • Monthly budget reports and defined role for finance business partners and cost centre managers to manage budgets effectively • Improve My Resources so that it works for budget holders and decision makers • Connect Controcc/Liquid Logic spend commitment systems to financial systems to improve financial data and forecasting • Financial literacy for senior managers • Training for budget holders to improve forecasting and financial management 	<ul style="list-style-type: none"> • Budget holders – No overspends <ul style="list-style-type: none"> ○ Enter your spending promptly and accurately on systems, including Controcc and Liquid Logic ○ Report your budget performance monthly ○ Attend training ○ Regularly review your forecast ○ Remember - just because you have a budget does not mean you have to spend it ○ If you cannot make the agreed savings you must find savings elsewhere. • All staff: <ul style="list-style-type: none"> ○ Ensure all spend is through agreed processes, with requisitions raised in a timely manner ○ Identify any spend pressures / review at early stage to allow planning for recommissioning / alternatives ○ Remember every £1 counts.

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<p>Medium Term Financial Strategy</p> <p>Adults Social Care Improvement</p> <p>Children, Families and Education Improvement</p>	<p>Carry out our plans on time so we are on target to deliver</p> <p>all the savings for 2021/22</p>	<p>2. Delivering 2021/22 Budget</p> <ul style="list-style-type: none"> • In-year savings tracker to provide assurance of delivery and identifying corrective actions where needed • Forensic review and assurance workshops on delivery of savings readiness; RAG rated delivery deadlines • Spending Control Panel • Adults and Children's placements panel • Recruitment Panel 	<ul style="list-style-type: none"> • Deliver agreed savings – any delay creates further risk for the council • Senior managers: Tell residents and partners what we will stop doing; support staff to say no. • Collect income on time and reduce bad debt • Remember shortfalls will need to be made up from another part of your service (there will be no bailouts or corporate contingencies) • All teams: review your service standards and operations to spot opportunities to reduce spend • Education: In interactions with parents, consider what you can do to raise confidence in our special schools, so more children learn and socialise with their friends closer to home. • Services for children: <ul style="list-style-type: none"> ○ Parents are the experts on their children – continue have systematic conversations to support and challenge to keep children safely at home ○ Know what is on offer locally, to signpost families to sources of support at an early stage and avoid statutory intervention ○ Progress tripartite funding arrangements across health, social care and education for children with health and care needs but on a day to day basis • All staff: only print if essential, and avoid colour.

Croydon Renewal Plan Programmes	Top priorities for next six months	Projects to achieve top priorities	How you can help
		<p>2. Delivering 2021/22 Budget (continued)</p>	<ul style="list-style-type: none"> • Financial assessments for social care: do them promptly to get fees in; delay means £000s of fees add up that people may not be able to clear • Adult social care: Take a strengths based practice approach to assessment and review of residents and carers; use assistive technology, personal budgets and local networks. • Social care & homelessness: assess types and levels of need in advance and plan to meet them cutting expensive spot purchases to a minimum. • Commissioning and Procurement costs the council £375m a year (a 10% saving on existing contracts would halve this year's budget gap). • This is time critical work, so please plan ahead. • Before buying, or renewing a contract, ask: <ul style="list-style-type: none"> ○ Why do we need this? Is there another way to achieve outcomes? Am I over-specifying? ○ Why buy it that way? Is there a cheaper, more efficient way to get similar benefits? ○ Do I need all of what I'm buying? ○ Can I negotiate a contract to cut the cost?
<p>Medium Term Financial Strategy</p>	<p>Develop proposals for further savings for 2022/23, going into 2023/24, by July 2021</p>	<p>3. Developing 2022/23 Budget</p> <ul style="list-style-type: none"> • 2022/23 budget development meetings (April to June) to identify savings options 	<p>We need your thoughts and experience to find savings and suggest more efficient, effective ways of working, including digitisation. All ideas welcome.</p> <p>The council needs to start identifying savings much earlier in the financial year.</p>

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<p>Adults Social Care Improvement</p> <p>Children, Families and Education Improvement</p>		<p>3. Developing 2022/23 Budget (continued)</p> <ul style="list-style-type: none"> Savings proposals completed by July 2021 Review of Housing Revenue Account completed <p>Croydon was the fifth highest spender in adult social care in London per head of population in 2019/20; there is an opportunity to reduce spending to London average levels, which would reduce spending by £20m.</p> <p>Croydon was the top spender in children's social care in London per head of population in 2019/20. Some of the difference related to spending on asylum seeking children and young people (we are asking government to lessen this burden) but there is scope to reduce spending in other areas.</p>	<ul style="list-style-type: none"> Directors and budget holders: prepare budget proposals using comparative data on costs and good practice; identify when savings would be achieved and impact on budget; submit forms early so Finance can review them; circulate well before BDMs so cabinet members can read in advance and there is informed discussion. All teams: review your service standards and operations to spot opportunities to reduce spend Adult social care: Take a strengths based practice approach to assessment and review of residents and carers; use assistive technology, personal budgets and local networks. Social care and homelessness: assess types / levels of need in advance and plan to meet them cutting expensive spot purchases to a minimum. Commissioners: a 10% saving on existing contracts would halve this year's budget gap. Before buying, or renewing a contract, ask: <ul style="list-style-type: none"> Why do we need this? Is there another way to achieve outcomes? Am I over-specifying? Why buy it that way? Is there a cheaper, more efficient way to get similar benefits? Do I need all of what I'm buying? Can I negotiate a contract to cut the cost? Education: Are there services currently provided free to schools that could be traded, to ensure we can continue to provide them?

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<p>Organisational Transformation</p>	<p>Set up a system of internal control, including framework reporting on, and clear accountability for, finance, risk, performance, workforce, Health & Safety and equalities</p> <p>Make progress in developing a plan to transform our front line services and in changing our culture to become a council that delivers its services in a financially disciplined and motivated way</p>	<p>4. Internal Ecosystem</p> <ul style="list-style-type: none"> • Allocate new accountabilities • Network of Internal Control that will include a review of all existing boards and meetings. <p>5. Performance Management</p> <ul style="list-style-type: none"> • Programme and project management structures operating, with clear accountable officer and project delivery roles • Individual performance targets and appraisals • Cultural Change Programme <p>6. Corporate Finance, Performance and Risk Report</p> <ul style="list-style-type: none"> • Monthly reports provide transparency on finance, risk and performance to ELT, Cabinet, General Purposes & Audit and Scrutiny & Oversight Committees • Cover Croydon Renewal Plan and strategy actions • Track progress from Internal Control Boards & directorates 	<p>We have committed to give monthly reports on Corporate finance, performance and risk to ELT, Cabinet, the General Purposes and Audit Committee and the Scrutiny & Oversight Committee. This is essential for demonstrating that we have taken all necessary steps to improve our governance arrangements, financial management and operational delivery, and to reduce risk.</p> <ul style="list-style-type: none"> • Managers provide regular updates on key performance indicators, risk, financial forecasts and other performance matters. • We need to use a single system to monitor and measure and collaborate to make this work for the whole council. • All staff are confident in escalating concerns and supported by managers to identify solutions and take corrective action within our financial envelope. • Use our complaints information to identify lessons learned and make process improvements to improve service for residents.

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<p>Strategic Review of Council Companies</p>	<p>Raise income from properties, including potential sale of Brick by Brick, a decision on the sale of Croydon Park Hotel and disposal of 7 'quick-win' assets</p>	<p>7. Implementation Plan for Brick by Brick, Croydon Park Hotel and disposal of wider assets</p> <ul style="list-style-type: none"> • Brick by Brick: development of 29 sites completed and company sold or closed • Decision on Croydon Park Hotel sale • Progress on sales of 7 properties • Develop longer term Assets Disposal Strategy 2022-24 	<ul style="list-style-type: none"> • Selling council properties to generate income is vital for reducing the amount we have to borrow. • Directors/heads of service – Facilitate a property sale by vacating your service from it promptly – the sooner a sale releases funds, the less the council will have to borrow, and the less likely further cuts will be needed. • Staff at all levels – understand the need to sell or close Brick by Brick and support the staff there. The council will use alternatives to create affordable homes.
<p>Organisational Transformation</p>	<p>Finalise interim and permanent senior management arrangements and implement the restructure</p>	<p>Corporate Restructure</p>	<p>Many staff have already provided valuable input into the new structure. Please continue to engage with the process.</p>

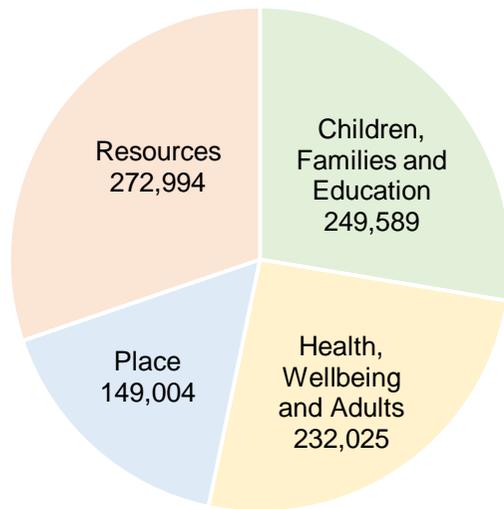
Summary of revenue spending by Croydon Council in 2021/22

The council uses the money we get from Government, businesses, the council tax, fees and charges, to pay for the services we provide (apart from council social housing which is mainly paid for by rents and government subsidies).

All figures within the pie charts are in round £,000's.

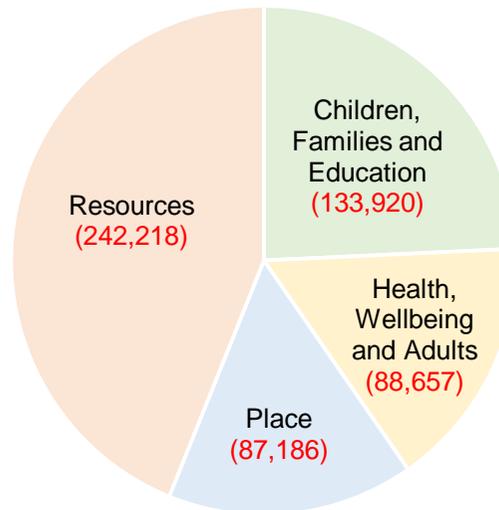
GROSS GENERAL FUND SPEND

£903.6m



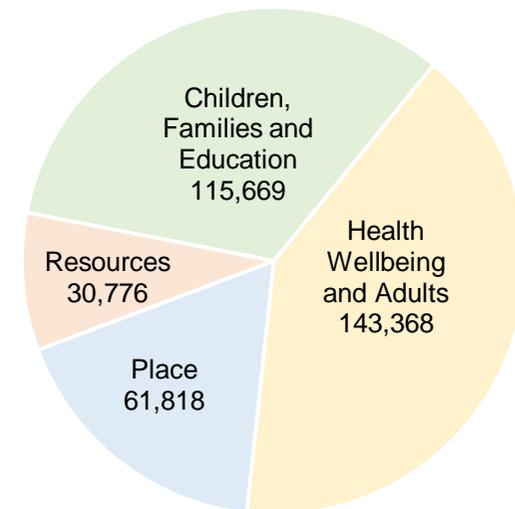
GROSS GENERAL FUND INCOME

£552m



NET GENERAL FUND SPEND

£351.6m



All figures within the tables are in round £,000's.

Children, Families and Education	Spend	Income	Net
Children's Social Care	124,524	(28,302)	96,222
Schools & Education	125,065	(105,618)	19,447
Total	249,589	(133,920)	115,669

Health, Wellbeing and Adults	Spend	Income	Net
Gateway Services	31,138	(6,933)	24,205
Adult Social Care	153,509	(38,422)	115,087
Housing Solutions*	47,379	(43,303)	4,076
Total	232,025	(88,657)	143,368
*Includes homelessness and temporary accommodation			

Place	Spend	Income	Net
Highways & Public Realm	20,514	(5,516)	14,998
Waste	37,456	(5,367)	32,089
Parking	7,909	(32,878)	(24,969)
Public Protection & Licensing	4,282	(3,799)	482
Neighbourhoods	1,845	(301)	1,544
Transport	13,902	(1,760)	12,141
Libraries, Museums & Leisure	13,656	(2,341)	11,315
Planning	8,233	(7,396)	837
Violence Reduction	3,641	(1,704)	1,936
Homes & Social Investment	25,378	(15,304)	10,074
Growth, Employment & Regeneration	12,190	(10,821)	1,369
Total	149,004	(87,186)	61,818

Resources	Spend	Income	Net
Commissioning & Procurement	24,372	(15,856)	8,517
Human Resources	9,404	(9,213)	190
Revenues and Benefits	195,361	(188,788)	6,573
Financial Services	9,162	(4,840)	4,322
Digital Services	16,088	(15,683)	405
Legal and Democratic	11,736	(4,560)	7,176
Strategy and Partnerships	6,871	(3,278)	3,592
Total	272,994	(242,218)	30,776

Council housing (Housing Revenue Account – HRA)			
	Spend	Income	Net
HRA	88,865	(88,865)	-