

Scrutiny & Overview Committee

Meeting held on Tuesday, 25 July 2023 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Rowenna Davis (Chair), Councillor Richard Chatterjee (Vice-Chair), Councillor Leila Ben-Hassel (Deputy-Chair) Councillors Jade Appleton, Simon Fox and Eunice O'Dame.

Also Present: Councillor Jason Cummings & Andy Stranack

Apologies: None.

PART A

43/23 Minutes of the Previous Meeting

The minutes of the meeting held on 6 June 2023 were agreed as an record.

44/23 Disclosure of Interests

There were no disclosures of interest made at the meeting.

45/23 Urgent Business (if any)

The Chair highlighted the recent letter published by the Secretary of State for the Department of Levelling-Up, Housing and Communities (DLUHC), Michael Gove MP on 20 July 2023, which provided updated guidance on the statutory intervention at the London Borough of Croydon. As this was after the publication of the Committee's agenda, the Chair invited the Council's Chief Executive, Katherine Kerswell, to provide an update under 'Urgent Business' on the implications of the new guidance and to outline the next steps for the Council. Members of the Government's Improvement & Assurance Panel were in attendance at the meeting, and the Chief Executive invited the Panel Chair, Tony McArdle, to provide additional insight on behalf of the Panel as part of the update.

It was advised that the letter from DLUHC confirmed that the Council would be entering into statutory arrangements with the Improvement & Assurance Panel. Since the original letter from DLUHC about the statutory arrangements, received in March 2023, the Council and the Panel had continued to work together under the previously established arrangement, while waiting for further guidance. The letter from DLUHC highlighted three previous identified

areas of particular concern, namely finance, transformation, and housing. It was confirmed that the Council was not expecting any further guidance from DLUHC.

The ongoing role of the Improvement & Assurance Panel was to guide, challenge and advise the Council on its recovery. If the Panel felt it was needed, it also had the power to direct the Council to ensure it was meeting its best value duty. Tony McArdle would continue as Chair of the Panel, while Jon Wilson and Phil Brookes would continue in their respective roles as leads in adult social care, and commercial and asset disposal. There would be two new additions to the team, with Brian Roberts joining as financial lead and Pamela Leonce as housing lead.

It was confirmed that DLUHC had recently opened a consultation on the Best Value Duty of local authorities, a link to which would be circulated to the Committee following the meeting. This document explained what the Government meant by Best Value Duty. It was highlighted that a local authority was not expected to be perfect, but it should be working towards this and be able to deliver a sustainable budget, which the Council was not able to do until its debt issue was resolved.

Panel Chair, Tony McArdle, advised the Committee that the Panel looked forward to continuing to support the Council with its recovery. Although the Government had put statutory arrangements in place, it was not envisioned that the current relationship between the Panel and the Council would be significantly different. The Panel would remain in Croydon until 2025 and it was their role to provide reassurance to the DLUHC Secretary of State on the Council's journey towards ongoing sustainability.

A requirement of the statutory intervention was to have an exit strategy in place to set out where the Council was expected to be by the time the Panel was due to leave Croydon in 2025. Although, the Strategy was owned by the Panel and would set out their expectations for the Council on behalf of the Secretary of State, there had been conversations with the Mayor, Cabinet and officers as part of its development. It was hoped that the exit strategy would be available within a couple of months.

At the conclusion of the item, the Chair thanked the Chief Executive and Mr McArdle for the update provided.

Actions

Following consideration of this item, the Scrutiny & Overview Committee agreed the following action to follow-up after the meeting: -

1. That the link to the Department for Levelling-Up, Housing and Communities' consultation 'Best value standards and intervention - a statutory guide for best value authorities' would be circulated to the Committee.

Conclusions

At the conclusion of this item, the Scrutiny & Overview Committee reached the following conclusions: -

1. It was noted that a requirement of the statutory intervention was to have in place an 'Exit Strategy', setting out a range of criteria the Council was expected to have achieved by the time the Improvement & Assurance Panel was scheduled to leave Croydon in 2025. This document was currently being prepared.
2. Although the Improvement & Assurance Panel were the owners of the 'Exit Strategy', the Scrutiny & Overview Committee welcomed the reassurance given that the Mayor, the Cabinet and council officers were engaged with the Panel on its development.

46/23

Month 2 Financial Performance Monitoring

The Committee considered a report on pages 19 to 52 of the agenda that provided an overview of the latest budget position for 2023-24 up until the end of Month 2 (May 2023). This report was included on the agenda as part of the Committee's ongoing scrutiny of the delivery of 2023-24 budget.

The Cabinet Member for Finance, Councillor Jason Cummings, Chief Executive, Katherine Kerswell, Corporate Director for Resources, Jane West, and Director of Finance, Allister Bannin were in attendance for this item at the meeting.

The first question from the Committee related to the forecast that, based on the current projection, there would be an overspend of £3.6m at year end, which would require the use of contingency funding to deliver a balanced budget. It was questioned whether it was normal accounting practice to allocate contingency funding at such an early stage in the year and whether this would discourage services from addressing any such overspends. In response, it was clarified that £3.6m figure in the report was not a current overspend, instead it was a year-end forecast, which should it crystallise by the year end, could be met from contingency funds. Where potential overspends had been highlighted within individual service budgets, there was an expectation that the specific service would proactively work to recover this over the course of the year by either addressing the cause of the overspend or through identifying alternative savings.

It was confirmed that the report included a breakdown on the underspend within the budget arising from staffing vacancies, which was broken down by directorates. It was noted that there were particular underspends forecasted on staffing within services with hard to recruit roles, such as social care and planning. There were also instances where recruitment had been held where a restructure was planned.

In response to concerns about the potential impact of staffing vacancies, it was confirmed that the risk was being actively monitored and managed. There was a specific challenge within social care, with a national shortage of trained staff to fill specialised roles. This required a wider workforce strategy and separately work was underway on overseas recruitment. As well as working on encouraging new employees to join Croydon, given the need to make significant savings, it was also important for the Council to look at how it could do things differently and more efficiently through areas such as automation.

As the next meeting of the Committee on 26 September 2023 was due to include an item on the People and Cultural Transformation Strategy, it was agreed that further information on the work on recruitment and retention would be requested as part of this report.

Regarding transformation, it was confirmed that the Transformation Internal Control Board had been meeting for six months, which had helped to shape the programme. The various transformation projects were being loaded into the new Verto project management software and officers were being trained on how to use this system. Projects were underway, such as the one to improve the Council's business intelligence, which was already delivering savings through identifying where the Council was paying for services that were not needed like freedom passes or identifying council tenants sub-letting their properties. The new Director of Transformation was also due to start at the Council in mid-September and it was expected that they would be leading on the wider communication of the Council's vision for transformation and ensuring the residents voice was being captured in the improvement journey.

In response to a question about whether the Council would be putting more resources into areas such as tenancy checks, it was confirmed that it would be doing so. The Council worked in partnership with Lambeth Council on fraud and was in discussions with them about additional resource. Technology, such as data matching, would also be used to identify potential fraud and the Council had recently invested in the national fraud data hub, which was providing benefit.

It was questioned whether the Council would be able to present a full budget for transformation in 2024-25 as part of the budget setting process in early 2024. It was confirmed that this would be presented as part of the budget, as the transformation work streams were crucial to the improvement journey of the Council. The Cabinet Member for Finance emphasised the importance of transformation to the Council. The work was still at an early stage and had involved staff learning a lot of new processes, even so, it was already producing results. Outside of their normal workstreams, transformation was the largest part of the role for the Cabinet Members and needed to be looked at over a three to four year period.

It was noted that it could be challenging to engage effectively with residents and that any such communication would need to be carefully managed as transformation began to change the way services were delivered. Reassurance was given that the process for how the Council engaged with

residents on transformation was currently under consideration and if needed additional resource could be allocated for this within the transformation budget. It was highlighted that a new equalities screening tool was being used which would help to identify the projects where further consultation was needed.

In advance of the meeting, additional information had been requested by the Committee on the rate of Council tax collection and the number of applications to the new hardship scheme brought in as part of the budget to mitigate against the potential impact from the 15% Council Tax rise. It was noted that collection rate was currently 0.03% below the expected target, but it was expected that this would be recovered in the coming months.

There was surprise noted by some of the Committee that there had only been 283 applications to the Hardship Scheme and as such it was questioned whether knowledge of the scheme was reaching those in most need. In response, it was highlighted that the Hardship Scheme had been created to supplement other existing schemes that would be utilised first. When the scheme was created the level of need was not known, which was why a significant buffer was put in place. The Committee agreed that it would provide additional reassurance to confirm that information on the various support schemes available was being included with arrears letters when sent. In response to a question about whether the amount of housing benefit officers employed by the Council was being reduced, it was advised that these officers were being moved from the Housing team to the Revenue & Benefits team to maximise resources. There was no plan to make any officers redundant.

It was noted that the budget for Adult Social Care included the forecasted costs for three high cost care packages. If these care packages changed during the year, the forecast would be revised to take this into account. The increasing cost of adult social care was a national challenge, which would require long term transformation work to address. Although the Council had to meet its statutory duties to residents, it was important to ensure that best value was being provided as well.

In response to a question about planning income, it was confirmed that there had been lower activity in major applications, which if it continued would impact upon the budget. The main issue was the timing of applications being submitted which was beyond the Council's control, however the service was working on modelling the applications expected to come through the planning system to provide greater certainty.

At the conclusion of this item, the Chair thanked the Cabinet Member and officers for their attendance at the meeting.

Actions

Following consideration of this item, the Scrutiny & Overview Committee agreed the following action to follow-up after the meeting: -

1. The Committee agreed that an item on staffing and recruitment across the Council would be added to its work programme for 2023-24 as part of its review of the action plan for the People & Cultural Transformation Strategy.
2. Although it was accepted the data would be continually fluctuating, the Committee agreed that the provision of data on the level of staff vacancies across the organisation would help it better understand the scale of the challenge with recruitment and retention. The Committee requested the provision of data on the Council's workforce, to include: -
 - a. The number of vacancies across the organisation, broken down by service areas and compared to the expected full staff complement within each area.
 - b. A breakdown on the number of permanent, temporary and agency staff in post across each service area.
 - c. Any comparison data available with statistical neighbours on vacancy rates, mix of temporary and permanent staff and full staffing complement by area.
3. The Committee agreed that it would seek to engage with the new Transformation Director, once in post, about the transformation workstream on resident engagement.
4. In light of questions raised on the impact of the 15% Council Tax rise, agreed by Council in March 2023, the Committee agreed to request data comparing the current rate of Council Tax arrears against data from previous years.

Conclusions

At the conclusion of this item, the Scrutiny & Overview Committee reached the following conclusions: -

1. The Committee welcomed the reassurance given by the Cabinet Member for Finance on progress made with the Council's Transformation Programmes and noted that the first quarterly Transformation Monitoring report was due to be considered at the Cabinet meeting on 27 September 2023.
2. Although it was accepted that some of the factors involved were not unique to Croydon and were either London-wide or national challenges, the Committee concluded that the vacancy rates within certain services of the Council presented a considerable risk to the delivery of both business as usual services and transformation programmes.

Recommendations

The Committee agreed to submit the following recommendation for the consideration of the Mayor: -

1. The Scrutiny & Overview Committee would like to recommend that the letters sent to residents regarding Council Tax arrears are reviewed to ensure they include information about the potential availability of support schemes, such as the Council Tax Hardship Scheme.

47/23 Equalities Strategy Refresh

The Committee considered a report set out in the supplementary agenda pack on the process for refreshing the Council's Equalities Strategy. The report also provided a summary of the possible areas for update for the Committee's feedback.

The Cabinet Member Communities & Culture, Councillor Andy Stranack, the Council's Chief Executive, Katherine Kerswell, Head of Policy & Strategy, David Courcoux, Head of Learning & Organisational Development, Grace Addy, Equalities Manager, Denise McCausland and Senior Strategy Officer, John Montes, attended the meeting for this item.

From the introduction to the report, it was noted that the current strategy had been in place since its approval in 2021. As there had been significant changes both across the Council and nationally since then, it was felt to be timely to revisit the strategy to ensure that it remained fit for purpose. Although there had been progress made with delivering the original strategy, it had been found that it was difficult to measure its impact in some areas. As part of the refresh, there would be an opportunity to ensure the strategy was measurable and included clear accountability for delivery.

The first question from the Committee asked what term the Council would be using to describe the different ethnic groups formally known as BAME (Black, Asian, Minority Ethnic). It was confirmed that following consultation within the Council and with staff networks, the term Global Majority would be used, although the terms racialised groups and minoritised groups were also in use. The term Black, Asian and Minority Ethnic was still used when referring to statistics, but not in its shortened form.

Regarding the action plan for delivering the Equalities Strategy, it was confirmed that it was being reviewed to ensure that measurable targets were included, allowing the Equality, Diversity and Inclusion (EDI) Board to hold officers to account on delivery. Although the current action plan contained a large amount of ambition, clarity was needed on its targets and deliverability. Work was also needed to ensure that the ambition of the Council for the Equalities Strategy could be balanced against the capacity for delivery.

The revised action plan would have a greater emphasis on statistical outcomes rather than the more narrative aims included in the current strategy. Another issue being addressed within the current action plan was the inclusion of actions aimed at the entire organisation, which had proved difficult to define how they would be delivered. It was planned that the revised Equalities Strategy would be considered by Cabinet in September, before going to Council in October for approval. The updated action plan would follow within a couple of months of the Strategy's approval. Although core accountability would be through direct line management and across directorates through the delivery of the work programmes, it was suggested that the EDI Board could be a mechanism for providing further challenge on the delivery of the strategy. It was agreed that a recommendation would be made on finding the most appropriate mechanism for regularly challenging those officers responsible for delivery.

It was questioned how the Equalities Strategy would address other protected characteristics and hard to reach groups. It was acknowledged that some characteristics were more visible than others in the original strategy and there was a need for all to be reflected in the revised strategy. Although it was intended that the term 'minoritised groups' referred to a wider range of groups, it was accepted that it needed to be made clearer which groups were included. The Council did try to ensure that there was support across all staff networks, which was reflected in the strategy, with the voice of the networks being reflected in everything the Council does. It was suggested that further consideration needed to be given to how the intersectionality between protected characteristics was reflected in the Equalities Strategy.

It was confirmed that best practice from other local authorities had been used to inform the refresh, although it was highlighted that the Council was at the cutting edge in some areas such as its menopause policy and network. It was suggested that the Employers Board at London Councils could also be a useful group to provide input into the development of the strategy.

Although the work delivered through the Equalities Strategy was welcomed, it was noted that a key challenge was to ensure that managers were taking account of training provided and whether there were any trends in the data around grievances related to protected characteristics. It was advised that the trends in the reasons for grievances tended to fluctuate. Although training was important, improvement could only be delivered in conjunction with other areas such as improved accountability and compliance. It was noted that the Council was seeing a much higher rate of disclosure from staff with protected characteristics, which had increased from 25% to almost 60%, which was a positive reflection of the changing culture.

It was questioned how the refreshed strategy would feed into the decision-making processes of the Council. In response, it was advised that once the strategy had been agreed, the Equalities Impact Assessment (EQIA) completed by report authors and which informed the decision-making process, would be reviewed to make it more accessible and to ensure it was more data-driven. The refreshed Equalities Strategy would also link in with the

Mayor's Priorities. A driver for the refresh was the level of upcoming transformational change required across the Council and the need to ensure that equalities was taken into account and appropriate mitigation put into place. It was also important to ensure that the completion of the EQIA was much earlier in the decision-making process, so that any decisions took proper account of any issues identified.

It was confirmed that as part of the refresh, 2021 census data would be used to update the data used in the previous version, with an objective of the strategy being to ensure that the data underpinning it was as up to date as possible.

In response to a question about how progress with delivering the strategy would be tracked, it was advised that an annual review would be undertaken. Given an annual review was built into the process, the Committee agreed that it would be reasonable to extend the life of the refreshed strategy until after the next elections in 2026, when it could be reviewed by the new Administration. If the strategy was extended until 2026, it would allow the delivery of a range of short, medium and long term actions across its lifespan.

At the conclusion of this item, the Chair thanked the Cabinet Member and officers for their attendance at the meeting.

Actions

Following consideration of this item, the Scrutiny & Overview Committee agreed the following action to follow-up after the meeting: -

1. The Committee agreed that it would want the opportunity to scrutinise the accompanying action plan to the refreshed Equalities Strategy, once it was available.
2. The Committee requested that further information on the Equalities Screening tool is shared with them.
3. The Committee requested that the updated Equalities Impact Assessment is shared with them, once it was available.

Conclusions

At the conclusion of this item, the Scrutiny & Overview Committee reached the following conclusions: -

1. The Committee welcomed confirmation that the Equalities Impact Assessment was being refreshed and endorsed the approach of requiring the equalities implications of a decision to be assessed at an early stage in the decision-making process, rather than being left to a later stage when it could be more challenging to meaningfully take account of the potential equalities implications.

2. The Committee welcomed confirmation that the Equalities Strategy Action Plan would focus on measurable outcomes using SMART (Specific, Measurable, Achievable, Relevant & Time-Bound) targets, which ensure that its success could be assessed.

Recommendations

The Committee agreed to submit the following recommendations for the consideration of the Mayor: -

1. The Scrutiny & Overview Committee recommends that there is further consideration given to how the refreshed Equalities Strategy can reflect the intersectionality between protected characteristics.
2. In order to improve accountability for the delivery of the Equalities Strategy, the Scrutiny & Overview Committee recommends that a process for holding regular challenge sessions with those officers responsible for specific actions/workstreams within the Strategy is developed as part of the ongoing monitoring of delivery.
3. The Scrutiny & Overview Committee agreed with the proposal of the Cabinet Member and Officers, that given its scope, the Equalities Strategy should have a longer term end date, but recommends that: -
 - a. key review points are built into the Strategy at appropriate intervals to allow for adjustments and the opportunity to refocus as needed.
 - b. it is sufficiently dynamic to take account of any new initiatives or legislation that may arise over its lifespan.
4. The Scrutiny & Overview Committee recommends that consideration is given to embedding Equalities Champions within directorates to complement existing structures and systems within the Council aimed at promoting equalities and inclusivity.

48/23 Scrutiny Recommendations

The Committee considered a report set out on pages 53 to 60 of the agenda which presented recommendations proposed by the scrutiny sub-committees for sign-off ahead of submission to the Executive Mayor.

It was noted that feedback from the Government on the Council's bid for levelling up funding had been shared with the Committee by the Mayor. The Committee agreed it would make a recommendation to the Mayor to explore whether it would be possible to publish this feedback.

Resolved: That the recommendations made by its Sub-Committees are approved for submission to the Executive Mayor for his consideration.

Conclusions

At the conclusion of this item, the Scrutiny & Overview Committee reached the following conclusion: -

1. Arising from its discussion with the Executive Mayor at previous meeting on 6 June 2023, The Scrutiny & Overview Committee welcomed the sharing of the feedback received from the Department of Levelling-Up, Housing and Communities on the Council's bid for Levelling-Up funding and noted it reflected positively on the bid submitted.

Recommendations

The Committee agreed to submit the following recommendation for the consideration of the Mayor: -

1. The Scrutiny & Overview Committee recommends that the Mayor publishes the feedback received from the Department for Levelling-Up, Housing and Communities on the Council's bid for Levelling-Up funding.

49/23 Scrutiny Work Programme 2023-24

The Committee considered a report set out on pages 61 to 82 of the agenda which set out the draft Scrutiny Work Programme for sign-off by the Committee.

As part of this item, feedback was provided on the activity outside of formal meetings. This included: -

- The Health & Social Care Sub-Committee, visiting the Croydon University Hospital to receive a guided tour by the Chief Executive. The tour focused on the changes made to facilities to improve both the patient experience and flow through the hospital environment.
- As part of its ongoing review of health visiting, the Children & Young People Sub-Committee had arranged to meet with frontline staff to hear their experience of the delivering the service, which had informed their in-committee scrutiny of the item.

The Chair of Scrutiny & Overview Committee, Councillor Davis, advised that she had recently met with the Director of Community Safety & Culture to receive an update on the delivery of the Borough of Culture programme, with a view to scheduling it for scrutiny later in the year. The Chair thanked the officers involved in delivering the programme and noted that there were some concerns, including around staff capacity, that needed to be kept under review. It had been agreed that it would best for the Committee to review the Borough of Culture after six months, once the first set of evaluation data had been received.

Resolved: That the Scrutiny Work Programme for 2023-24 is agreed.

The meeting ended at 9.30 pm

Signed:

Date:

.....

.....