

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	20 November 2024	
REPORT TITLE:	Future Croydon - the Transformation Plan 6-Month Progress Update	
CORPORATE DIRECTOR	Elaine Jackson Assistant Chief Executive	
LEAD OFFICER:	Sharon Godman, Director of Transformation Email: Sharon.godman@croydon.gov.uk	
LEAD MEMBER:	Mayor Jason Perry	
KEY DECISION?	NO	
CONTAINS EXEMPT INFORMATION?	NO	
WARDS AFFECTED:	All Wards	

1. Summary of Report

- 1.1 In March 2024 the Executive Mayor published the Council’s Future Croydon Transformation Plan (2024 – 2029). The proposed changes are both radical and ground breaking, aiming to fundamentally address our financial challenges, improve services for residents and support the delivery of the priorities set out in the Executive Mayor’s Business Plan.
- 1.2 By doing this, the Council will:
- Deliver the priorities set out in the Business Plan of the Executive Mayor
 - Balance its books and strive to become the most cost effective and efficient Council in London
 - Implement the Medium-Term Financial Strategy
- 1.3 The Executive Mayor committed to publishing two progress reports each year that set out the transformation journey. At **Appendix 1** is a progress update of the radical transformation programmes in the Future Croydon plan from April to September 2024.
- 1.4 The report includes an update on the Council Improvement Plan (2022-2027) in **Appendix 2**. This plan focuses on key projects that will strengthen the Council’s foundations and support future transformation.

- 1.5 The goal of Future Croydon, and the Council Improvement Plan is to create a better Croydon for all residents. The Executive Mayor is committed to improving how the Council operates and the services it provides, to support the people who live and work in our borough. This update shows the significant progress made over the last six months.

2. Recommendations

For the reasons set out in the report and its supporting appendices, the Executive Mayor and Cabinet, is recommended to:

- 2.1 Note the progress made in the first six months of the "Future Croydon" Transformation Plan (2024-2029) at set out in **Appendix 1**.
- 2.2 Note progress made in the Council Improvement Plan (2022-2027) as set out in **Appendix 2**.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The recommendations in this report provide an update on the progress made in the first six months on the Future Croydon Transformation Plan and the Council Improvement plan approved in March 2024.

4. Background and Details

- 4.1 The Council has been on an improvement journey since the receipt of the Report in the Public Interest in October 2020 ¹ and the issuing of its first Section 114 notice in autumn 2020. Key changes have included a new senior leadership team, a new system of internal controls to improve governance and financial management, service planning, strengthening performance management and financial oversight. In May 2022, as the Executive Mayor took office, a new governance model was introduced.
- 4.2 The Council has identified an average of over £41m savings per year from 2021-22 to 2024-25. These annual savings are significantly higher than for other London boroughs and the Council's statistical neighbours. At a time when all councils are facing unprecedented pressures, due to rising demand for services and the cost of living, Croydon has the extra challenge of its £1.4bn General Fund debt burden. In 2025-26, this is forecast to cost £69m - amounting to 16% of core spending power. This means that the Council continues to require extraordinary financial support from the Government, which in previous years has been in the form of capitalisation directions.

¹ Report in the Public Interest (October 2020) | Croydon Intranet

This is not sustainable as it adds to the Council's borrowing, and the Council continues to talk to the Government about a new solution.

- 4.3 During 2024, the financial challenges facing Croydon have increased significantly, as they have for most other local councils. Demand for support for families facing homelessness, the cost of support for children with complex needs and the demand for home to school transport for children with special educational needs and disabilities has increased greatly. Other councils are also reporting huge increases in demand and costs for adult social care services², but these pressures are less for Croydon owing to the successful transformation of the service that started four years ago and continues. Furthermore, implications of the recent budget are yet to be fully realised.
- 4.4 Croydon needs to find further significant savings and will only do this through radical reform, to become the most cost-efficient and effective council in London.
- 4.5 In November 2022, a transformation plan was approved, and this has evolved into the Council Improvement Plan (2022-2027), that lays the groundwork for the Future Croydon Transformation Plan (2024-2029). Driven by the Executive Mayor's Business Plan, Future Croydon, is now one of the biggest change programmes in local government today.

5. Future Croydon, Transformation Plan 2024 – 2029: Progress update between April – September 2024

- 5.1 Outlined in this report is a high-level summary of the work undertaken since April 2024 with more detail found in the Future Croydon Transformation Plan Six Month Progress Report at **Appendix 1**.

Croydon the Place

- 5.2 Croydon residents are passionate about improving their borough, with significant emphasis on the need for a Town Centre that is thriving. The Executive Mayor is leading efforts to revitalise this area through a Town Centre Advisory Board.
- 5.3 In late 2023, the Council secured £18.5 million from the Central Government's Levelling Up Fund for the "Reconnecting Croydon" initiative, which aims to enhance local infrastructure and public spaces for residents and visitors. The Town Centre Regeneration Strategy (TCRS) is currently underway and expected to conclude by spring 2025. This September an Inward Investment Plan was finalised to attract further investment, with ongoing projects that focus on improving public spaces and urban greening, as part of the Growth Zone programme planned for January 2024.

² Local Government Association Letter to the Chancellor of the Exchequer The Rt Hon Rachel Reeves MP, on stabilising council finances and protecting vital services 7 October 2024

Also, this summer, the "Costa Del Croydon" initiative launched, with Unibail-Rodamco-Westfield received planning approval to revamp the historic Alders department store, adding new dining and shopping options. This sits alongside a further £6 million investment approved for other regeneration efforts and good engagement on the Local Plan.

- 5.4 These projects lay the groundwork for a bolder vision for the town centre that is being developed as part of the Future Croydon, transformation plan.

Residents

- 5.5 The Council is committed to improving trust and customer satisfaction. The Council's **Customer First programme** is about building a seamless, positive customer experience for residents in all interactions with the Council.

- 5.6 We have made progress in several service areas including:

- **Improved Customer Offer:** In November, Access Croydon will launch a new customer journey management system designed to improve the experience for residents. Last year, Access Croydon recorded over 10,500 visits, with 42% related to housing support. The new system will introduce a 'virtual queue,' allowing residents to avoid standing in line. Instead, they will receive alerts via text or email when staff are available, and information will be displayed on screens at Access Croydon.
This improvement will help to reduce queuing time for residents and allow time to better understand residents' needs to ensure expectations are met.
- **Improved Housing Support:** The self-help tool has been improved to make it easier for residents to book and access appointments. This improvement has resulted in a 36% decrease in calls from residents seeking housing support.
- **Better Registrars Service:** In the last year over 31% of calls made to the Contact Centre related to booking a Citizenship appointment. In November residents will be able to manage and book their appointments online, streamlining the process and avoiding the need for repeat calls into the Contact Centre.

Council

- 5.7 The **Target Operating Model** programme is a core component of the transformation plan. The plan has ten major programmes and aims to save £100m over the next four years by changing the way it works for Croydon's residents. An operating model sets out how work gets done and covers six key areas: Services, Culture, Organisation, Governance, Capabilities, Technology. The design of the operating model will focus on

residents needs and describe how the Council will become a more efficient and responsive organisation.

- 5.8 The Council has worked in partnership with Boston Consulting Group (BCG) to develop the new target operating model. The programme has run for 16 weeks from June through to October and had several phases that have included:

Phase 1: Diagnostic - developing a baseline

- BCG has **assessed the current operating model** and operations to understand spending drivers, challenges in today's model and where the opportunities for change may be. This involved a review of best practices from other councils, and also included other industry norms to create some guiding principles and a vision for a future operating model.

Phase 2: Design - service reimagination and target operating model

- This phase involved **identifying six service areas that could be subject to redesign** from the perspective of the resident – outside in – to help shape and influence the development of the target operating model. The services chosen focussed on six important areas: Payments, Cleaner Safer Croydon, Homelessness Prevention, Information, Advice and Guidance, Customer Service, and Household Planning Applications. Each area has had a senior leader leading design workshops involving staff and managers from across the Council at different levels. All Councillors and representatives from the community and voluntary sector were invited to attend design workshops.

- 5.9 The outcome of this work will play an important role in shaping business cases in these important service areas and the wider operating model. As a direct result of this work, the Executive Mayor has approved the development of a next-generation Artificial Intelligence (AI) assistant for the website, significantly enhancing residents' access to information, advice, and guidance. Artificial Intelligence aims to make technology easier to use, helping residents navigate digital and on-line services getting the information, advice and guidance they need at a time that suits them. Appropriate safeguards will be in place and extensive testing will be undertaken prior to launch.

- 5.10 A key part of this programme has been engagement with residents, staff, Councillors, and partners. In summary it has involved:

- Seeking the views of 850 + residents through immersive sessions, direct engagement, and a resident poll to understand sentiments;
- Seeking the views of 600+ staff from workshops and a poll to understand experience, opinion and work.
- Design with 300 + middle managers involving breakout sessions.
- Engagement with 30+ external partners including a survey of voluntary, community and faith organisations to understand relationships and opportunities.

- Discussions with Executive Mayor, Cabinet & Political Groups
- Briefing Leader of Opposition
- Senior leaders, elected member workshops, Trade Union briefings
- Briefings with appointed bodies; Scrutiny Chair & Vice Chair, Chair of Audit & Governance, Improvement & Assurance Panel
- Staff webinars and internal Council meetings.

5.11 BCG has reviewed the Council's recent Resident Survey undertaken in 2023, which combined with this further insight has helped to shape and influence some emerging strategic priorities as well as informed work to develop a new target operating model. This work highlights the need for fundamental changes to be made to the way we work to benefit Croydon residents. These changes are essential for delivering the Executive Mayor's Business Plan, advancing the Future Croydon transformation plan, and making the necessary savings.

5.12 The proposed changes are likely to be centred around the following emerging strategic priorities:

- **Helping to restore a sense of pride in Croydon as a place.** This means putting even more focus on attracting investment into Croydon, regenerating the town centre and local neighbourhoods to help rebuild pride in the borough.
- **Working even more closely with partners.** This means changing how some services are delivered to better match residents' priorities, and to deliver greater value. This includes working more closely with the voluntary sector, public sector, businesses and others.
- **Acting more effectively as "One Council".** This means making it simpler for residents to access Council services – providing easier ways to access information and contact the Council, including 'self-service' digital options where appropriate.
- **Organising to become the most cost-effective Council in London.** This means simplifying Council teams and investing in digital tools to support the workforce and better service residents.

5.13 A business case that sets out a new target operating model for the Council along with the key programmes of work will be presented at the Cabinet meeting in February 2025 and aligned with the Medium-Term Financial Strategy.

Adults Living Independently Transformation Programme

5.14 **The Adults Living Independently** Transformation Programme (previously called ASC&H Strategic Delivery Partner) aims to enhance the quality of services provided to residents, focussing on improving personal independence and overall outcomes whilst at the same time making services financially sustainable. The programme is a collaboration with Newton Consulting and will run through to March 2026. It is structured in two phases:

Phase 1: Diagnostic

- Completed in May 2024, this phase involved a **comprehensive evaluation of how we deliver adult social care services** to identify opportunities for transformation. The goal is to improve service delivery and achieve financial savings whilst enhancing resident independence, leading to better health and social outcomes for residents. Living more independently, is important for enhancing quality of life and reducing reliance on institutional care.

Phase 2: Design and Implementation

- The next phase running from September to January 2025 involves **creating a new operating model for adult social care** to achieve better outcomes for residents. It is anticipated that during this phase staff, partners, residents and other interested parties will work together to design affordable processes that improve service quality. Changes must meet performance and savings goals to ensure they are effective, long lasting and sustainable.

Asset Transformation Programme

- 5.15 This annual programme of reviewing our property portfolio supports the Councils Medium-Term Financial Strategy (MTFS) focusing on key projects aimed at improving our financial health and service delivery for residents.
- 5.16 **Croydon Campus** comprises the Town Hall and Bernard Weatherill House. The programme is reviewing how the Council uses space in these buildings and is considering how best to generate income, reducing the Council's debt and making better use of our building resources.
- 5.17 **Coroners Court Relocation:** the current license for the Coroners Court from its current location in Davis House expires in December 2026. In May 2023 Cabinet approved disposal of Davis House and works are progressing to relocate the court to new premises by December 2025.

CYPE Strategic Delivery Partner

- 5.18 IMPOWER Consulting has been engaged by Croydon's Children, Young People and Education (CYPE) directorate to support them in making improvements to services for children and families. The focus is on identifying opportunities and addressing challenges in the way resources are allocated and managed. Making it easier to access services for residents and use monies and other resources effectively and efficiently.
- 5.19 IMPOWER's first step, an **Amplified Analysis**, seeks to understand the needs of services and find ways to improve them.

5.20 Progress so far includes:

- **Journey Mining:** reviewing our data on children's lived experiences in early help and social care to help identify areas where services can be improved to better meet the needs of those children and families.
- **Listening Tool:** using AI (artificial intelligence) to analyse data from 12,000 Child and Family Assessments to identify and monitor changes in demand and track complexity of cases.
- **Benchmarking:** comparing the Council spending to other Councils to better understand any differences and identify areas of good practise that can be applied at Croydon.
- **Prevention Spend Mapping:** reviewing how much is spent on early intervention and Family Hubs, identifying opportunities to optimise what we spend, so more resources can be directed towards programmes that benefit residents and their families.
- **Deep Dives:** detailed analyses in specific areas such as Travel to School and Fostering. By looking more closely at such services the directorate are beginning to gain a deeper insight into some of the more complex issues. This should help to respond with more targeted solutions for children and families.

5.21 As the project gains ground IMPOWER has also started looking for areas of immediate impact or improvement, to the lives and lived experience of children in care by focusing on individual needs and making sure resources are effectively allocated.

Council Improvement Plan 2022–2027: progress between April – September 2024

5.22 The Council has 34 ongoing projects in this plan. Each project aims to enhance how the Council operates, focusing on making meaningful changes that improve the experience for residents in the short term, strengthening our ability for further transformation in the future by updating existing systems and processes.

5.23 Over the past 6 months 14 projects have been 'closed or completed'. A more detailed update on these projects is provided in Appendix 2 of this report.

Set out below are some of the key achievements.

Oracle Improvement Programme

5.24 The objective of the Oracle Improvement Programme is to **modernise the Council's Finance, HR, and Procurement systems** using the latest Oracle best practices to make the Council more efficient and cost-effective. The improvements will take place gradually throughout 2024 to the end of 2025 to ensure success.

Achievements so far include:

- Updating the latest version of the Oracle system including the introduction of new features that improve the range of functions available;
- Introduced a new feature where suppliers can self-register with the Council;
- Improvements to the Human Resources module that will improve how the Council manages employee sickness absence and how it records staff equality data such as disability and necessary data needed for employee reasonable adjustments.

Housing Improvement Programme

5.25 In the first 6 months of the current year the **Housing Improvement Programme** has successfully completed and closed three key projects:

- **Temporary Accommodation & Occupancy Review** 3400 inspections have been carried out, projecting cost avoidance of almost £1m over 12 months.
- **Dynamic Purchasing System** went live March/April making how the Council procures Emergency Accommodation legally compliant. This project is now closed.
- A new **Homelessness Prevention and Rough Sleepers Strategy** was approved by Full Council.

5.26 **Improved Housing Services for Tenants and Residents.** Building on the resident engagement that has been undertaken projects aim to improve housing services for Council tenants and residents, particularly by providing better support for those facing homelessness. The service is dedicated to ensuring that residents receive timely assistance and a positive experience when interacting with the Council's housing services. This commitment not only addresses immediate needs but also fosters a supportive community, leading to improved living conditions and greater resident satisfaction.

6. Transformation Finances

6.1 The Transformation Plan and Council Improvement Plan have received £20.8m in funding to date, comprising £15m from the revenue budget and £5.8m from earmarked reserves.

6.2 As the 2025-29 Medium Term Financial Strategy Update in October indicated, the scale of savings required by the Council cannot be met through gradual cost reductions or just stopping some services. There needs to be an increasing reliance on savings that are delivered through the transformation programme. There is an expectation that the work of the three strategic partners will deliver significant savings. £25m is already factored into the latest draft savings proposals for CYPE and ASC&H and the target operating model work is expected to add further significant savings in the future.

- 6.3 A total of £17.1m has so far been allocated to programmes in the Transformation Plan and Council Improvement Plan. Since April 2023 £8.4m has been spent against these programmes. Overall, these efforts are aimed at creating a more responsive Council that prioritises the well-being and needs of its residents and businesses.

7. Risks

- 7.1 Risk management is essential for ensuring that projects and programmes run smoothly and that any challenges are addressed promptly. This process is overseen by the relevant project or programme Senior Accountable Officer and Senior Responsible Officer, who ensure that all project risks are documented and tracked in our project reporting system Verto365.
- 7.2 Every three months, the Corporate Management Team reviews these risks, and if necessary, a risk is added to the Council-wide Corporate Risk Register. Our primary risks as identified in March remain unchanged, they relate to capacity issues, the ambitious goals of our transformation efforts, and potential conflicts between enhancing internal efficiency and meeting external needs.
- 7.3 By managing these risks, we strive to ensure that our transformation projects and programmes are completed successfully, and the intended benefits are realised. Ongoing monitoring allows us to quickly address challenges, leading to better outcomes for both residents and the wider Croydon community.

8. Social Value

- 8.1 Social value is at the heart of Croydon's commitment to its residents, ensuring that every pound spent by the Council on services and contracts generates meaningful benefits for the community. By mandating our three strategic partners, Boston Consulting Group, Newton Consulting, and IMPOWER to deliver these additional benefits, we are not merely fulfilling contractual obligations; we are actively enhancing the quality of life for Croydon residents.
- 8.2 This proactive approach guarantees that contracts exceed basic requirements, contributing to a vibrant and thriving borough. Between April and September our strategic partners have developed comprehensive social value plans that include:
- **Supporting Young People:** assisting students in local schools and colleges to secure paid apprenticeships. This programme aims to provide young individuals with valuable work experience while earning a wage and improving future career prospects.
 - **Digital Skills Training:** focussing on providing coding training to schoolgirls aged 12 to 18, to improve their employment opportunities and foster greater engagement in technology and engineering fields.

- **Readiness for Work Workshops:** offering a six-week paid placement specifically designed for care leavers and young adults, to provide participants with practical experience in the workplace, equipping them with essential skills.
- **Career Talks:** focusing on career opportunities, potential pathways, and connecting participants with industry professionals and local employers. These talks will empower young people to make informed decisions about their future and provide valuable insight into the diverse career options open to them.

Combining hands on experience with tailored support from our strategic partners will help young people transitions smoothly into the workplace, strengthening the communities they will contribute to in the future.

- 8.3 Whilst many of these initiatives are still in the planning stage, making it too early to assess their full impact, the commitment to fostering a better Croydon is clear. By focusing on creating lasting change, we will ensure that social value efforts not only meet immediate needs but also build a foundation for a brighter future for all residents. This collaborative spirit among partners reflects a shared vision to make Croydon not just a place to live, but a community where everyone can thrive.

9. Consultation

- 9.1 Engaging residents, partners, the voluntary and faith sector, and staff in ongoing initiatives is vital for creating effective and responsive services. By prioritising resident voices and co-designing solutions the Council aim to rebuild trust with residents. Good progress has been made with the residents of Regina Road and the Council will build upon this work to better meet local needs that resonate with community priorities.
- 9.2 Involving diverse partners enhances the sustainability and impact of these initiatives. Regular feedback from residents and partners fosters a sense of shared ownership and accountability. This resident-focussed approach not only boosts the effectiveness of the transformation work but also cultivates transparency, ensuring that transformation projects and programmes evolve based on resident and community insights and experiences.

10. Contribution to Executive Mayor's Business Plan

- 10.1 The Future Croydon Transformation Plan for 2024-2029 is a pivotal component of the Mayors Business Plan and specifically underpins Outcome 1: Financial Stability. With the Council's ongoing dependence on government support, prioritising financial sustainability is important. This necessitates making challenging yet essential decisions to secure a stable financial future.
- 10.2 Through the transformation outlined in Outcome 1, we will enhance the capacity to achieve the remaining four outcomes:

- Outcome 2: A place of opportunity
- Outcome 3: Supporting children and young people
- Outcome 4: Creating cleaner, safer, and healthier environments
- Outcome 5: Enabling healthier, independent living

11. Implications

11.1 Financial Implications

11.1.1 The transformation plan and Council improvement plan projects are funded from a combination of revenue budget and earmarked reserves.

11.1.2 For 2025-26 the scale of savings required by the Council cannot be met through 'salami-slicing' or just stopping some services. Whilst the identification of operational efficiencies by directorates is still required, there needs to be an increasing reliance on savings that are delivered through the transformation programme.

11.1.3 The 'Future Croydon' transformation programme will become increasingly important in supporting the Council in delivering the Mayor's Business Plan priorities and in identifying a significant level of savings in future years.

Comments James Huggett, Head of Resources, Assistant Chief Exec and MTFS on behalf of Allister Bannin, Director of Finance (Deputy s151 Officer), 23/10/2024.

11.2 Legal Implications

11.2.1 The Council as a best value authority "must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" (Section 3 Local Government Act (LGA) 1999). The Best Value Duty applies to all functions of the Council.

11.2.2 Following on from Directions issued by the Secretary of State for Levelling Up, Housing and Communities ("the SoS") under Section 15(5) of the LGA to the Council, the Plans referenced in and reported on in this report are designed to support positive outcomes in relation to the Best Value Duty and to support transforming the Council's activities, practices, and omissions to ensure that they are compatible with the best value duty.

11.2.3 In relation to individual projects which form part of the two Plans referenced in the recommendations in this report, it should be noted that the specific legal implications are/will need to be addressed in the decision-making reports to members on those individual matters and are not sought to be addressed as part of this "to note" report.

Comments approved by the Head of Commercial, Housing and Litigation & Deputy Monitoring Officer on behalf of the Director of Legal Services and Monitoring Officer. (Date 18/10/2024)

11.3 Equalities Implications

11.3.1 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.

11.3.2 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.

11.3.3 There are no direct equality implications arising from this report. The transformation and improvement plans have a range of projects and programmes that will be required to undertake an equality analysis at various stages where they have a material impact either on services for residents or our staff.

11.3.4 An annual review of the improvement and transformation programmes and projects will be conducted to inform future planning.

Comments approved by Helen Reeves, for Equalities. (16/10/2024)

12 Appendices

- Appendix 1 – Future Croydon: Transformation Plan 6-Month Progress Update
- Appendix 2 - Council Improvement plan (Updated)

13 Background Documents

N/A