



The Mayor's Office
12th Floor
Bernard Weatherill House
8 Mint Walk
Croydon, CR0 1EA

Respond via email:
Mayor@croydon.gov.uk
020 8667 8288

28 February 2025

Dear Resident,

I would like to update you on the Council's budget for 2025/26.

As I write councils across the country and particularly in London, are experiencing extreme and unprecedented funding pressures. We are being impacted by spiralling demand for services like homelessness support and social care, combined with massive increases in the costs of temporary accommodation and placements. To give you an idea of how this is affecting us in Croydon, London's largest borough, we are now the third highest in the country for people asking for homelessness support.

We have made huge strides in improving our Council and fixing our financial management. Croydon's progress has been recognised by lots of external partners, including the Government. But owing to these new financial pressures, like many councils, Croydon is now facing an incredibly challenging situation. This is compounded by the Council's £1.4bn historic debt burden, which I inherited, and which will cost the Council £71m this year.

For these reasons, we are among 30 councils who have been granted exceptional financial support from the Government this year. The capitalisation direction granted is not additional funding and does not solve our debt problem. Rather, it is permission to use borrowing or asset sales to help mitigate the extreme demand pressures facing the Council.

We need national action on the unsustainable demand and costs for councils. Like other councils, we await the national Spending Review in June. In the meantime, I am determined that we must take our own action to stabilise the Council's finances, protect local services and our hometown's future.

I have upheld my pledge not to increase Council Tax above the national limit, so we are increasing by 2.99%, together with the 2% increase for adult social care that the

Government expects all councils to charge. This means that, with the increase to the Greater London Authority charge, there is a total Council Tax increase of £2.18 a week for a Band D property in Croydon. Our budget includes help for those in need of financial support - find out more at www.croydon.gov.uk/benefits/council-tax-support

We are responding to our challenges with a budget in line with my Executive Mayor's Business Plan 2022-26 – a budget that will help stabilise council finances, whilst protecting services, and maximising our borough's potential for economic growth.

The scale of the financial challenge means real change is needed. We will overhaul our Council, modernising the way we do business to become more cost effective and efficient, whilst improving our services for you. Our approach must be to do things differently, focusing on better outcomes through greater efficiency.

The changes will include using new digital tools, to make contacting us seamless and hassle free, and so you can get in touch at a time that suits you. We will also be working more closely with charities and partners, including through commissioned services, and we will be focusing on preventative action to avoid people reaching crisis point.

We will deliver these changes over the next four years, and by 2028-29 they will save £27.7m per year, whilst delivering better outcomes for local people.

To help stabilise the council finances, this year we will make savings of £22m. We will maximise income from land and buildings to prevent the cost of borrowing rising further, whilst protecting Croydon's heritage for future generations.

Alongside these changes to our Council, we will focus on our places, with a raft of initiatives for clean, safe streets; a bold new vision for our town centre and plans to unleash our borough's potential for economic growth.

From our Cleaner Croydon campaign, which is delivering blitz cleans in local high streets, and stepped-up enforcement against fly-tippers, to our new waste contract, we will be investing in your priorities. I look forward to working with you all as we continue to restore pride in our hometown.

Yours sincerely,

A handwritten signature in black ink that reads "Jason Perry". The signature is written in a cursive, flowing style.

Mayor Jason Perry
Executive Mayor of Croydon