

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>CABINET</b>	
<b>DATE OF DECISION</b>	<b>28 June 2023</b>	
<b>REPORT TITLE:</b>	<b>2023-24 Period 1 Financial Performance Report</b>	
<b>CORPORATE DIRECTOR</b>	<b>Jane West Corporate Director of Resources (Section 151 Officer)</b>	
<b>LEAD OFFICER:</b>	<b>Allister Bannin, Director of Finance (Deputy S151)</b>	
<b>LEAD MEMBER:</b>	<b>Cllr Jason Cummings, Cabinet Member for Finance</b>	
<b>KEY DECISION?</b>	<b>No</b>	<b>Reason: N/A</b>
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>	<b>Public Grounds for the exemption: N/A</b>
<b>WARDS AFFECTED:</b>	<b>All</b>	

## 1 SUMMARY OF REPORT

- 1.1** This report provides the Council's financial performance as at Period 1 (April 2023) for the General Fund, Housing Revenue Account (HRA) and the Capital Programme. The report forms part of the Council's financial management process for publicly reporting financial performance on a monthly basis.
- 1.2** It is not common practice for a Council to report at Period 1 due to the prioritisation of closing the accounts for the previous financial year, however it was agreed at Audit and Governance Committee on 13/10/22 that a narrative only report would be provided for Period 1 of 2023-24. This recognises the financial difficulties that Croydon Council continues to face and the changing financial position during 2022-23 arising from the Opening the Books exercise.
- 1.3** The Council's 2023-24 budget required capitalisation directions from government of £63m to balance. The main reason for this is the Council's historic legacy borrowing and debt burden which continues to be critical to the sustainability of the Council's revenue budget.

## **2 RECOMMENDATIONS**

For the reasons set out in the report, the Executive Mayor in Cabinet is recommended:

- 2.1** to note the General Fund revenue budget risks as detailed in the directorate sections of the report.
- 2.2** to note the Housing Revenue Account (HRA) revenue budget risks as detailed in the report.
- 2.3** to note the Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regard to its level of indebtedness and balancing the budget to ensure it can deliver sustainable local government services.
- 2.4** to note that the Council continues to operate Spend Control Panels to ensure that tight financial control and assurance oversight are maintained.
- 2.5** to note the work that has commenced on the Council's Transformation Programme as set out from paragraph 4.43.

## **3 REASONS FOR RECOMMENDATIONS**

- 3.1** The Financial Performance Report is presented monthly to Cabinet and provides a detailed breakdown of the Council's financial position and the in-year challenges it faces. It covers the General Fund, Housing Revenue Account (HRA) and Capital Programme. The Financial Performance Report ensures there is transparency in the financial position, and enables scrutiny by the Executive Mayor, Cabinet, Scrutiny & Overview Committee and the public. It offers reassurance regarding the commitment by Chief Officers to more effective financial management and discipline.

## **4 BACKGROUND AND DETAILS**

- 4.1** The end of year closing of the financial accounts for 2022-23 is still underway. It is expected that the Council will breakeven against the General Fund 2022-23 budget, however this is following the utilisation of capitalisation directions requested from DLUHC to resolve historical inaccurate accounting treatments and to fund the ongoing annual servicing of debt.

## **Cost of Living Considerations**

- 4.2** There are a number of inflationary pressures that the Council, like all local authorities, is managing. The UK's Consumer Prices Index (CPI) inflation rate was 10.1% in the 12 months to March 2023, remaining consistently high following the Office for National Statistics (ONS) reporting in November 2022 that the CPI hit 11.1% in October 2022 (reaching the highest level since 1981). This impact goes beyond the Council as the cost of living is affecting all households and businesses.
- 4.3** These macro-economic factors are impacted by international events, and therefore well beyond the control of Croydon Council. Despite the limitations, the Council is seeking to support households wherever possible.
- 4.4** A dedicated cost of living information hub has been established on the Council's website. This provides a single source of information, informing residents of the financial support available and signposting to further support, advice and guidance. This information is continually reviewed, updated and improved.
- 4.5** At a national level, household support was announced in the form of a revised energy price guarantee, designed to limit the inflation on household energy bills. Households with a domestic energy connection have been eligible for a £400 discount over the winter and residents on means-tested benefits have been eligible for a £650 cost of living payment from Government.
- 4.6** The Council provides a wide range of support for residents that may be struggling due to the cost of living pressures. These include:
- Discretionary support for residents in financial hardship, including the Household Support Fund
  - Council Tax support – for residents on a low income or in receipt of benefits, Council Tax bills could be reduced by up to 100%
  - Council Tax Hardship Fund (supporting low income households that cannot afford to pay their full increase in Council Tax)
  - Benefits calculator, to ensure residents receive the support to which they are entitled
  - Energy advice, including heating and money saving options, through our Croydon Healthy Homes service
  - Free holiday activity clubs with healthy meals for children
  - Croydon Works to help residents into employment or to receive training to support them into work and funding of the voluntary sector to provide advice and guidance
- 4.7** The cost of living information hub also signposts residents to a range of support provided by other organisations in Croydon, including:
- NHS Healthy Start vouchers for families
  - Free school meals
  - Support from voluntary, community and faith sector organisations

- Support for businesses through the London Business Hub and the British Business Bank
- CroydonPlus credit union which offers affordable ways to manage money, including savings accounts and loans

### **Savings**

- 4.8** The 2023-24 budgets include a challenging savings target of £33.1m. Progress in achieving savings will be monitored throughout the year and reported in monthly financial performance reports to Cabinet from Period 2.
- 4.9** Directorates will identify any risks to achievement of individual savings and make plans to mitigate these risks where possible or identify alternative savings as required.

### **Adult Social Care and Health (ASCH)**

- 4.10** The ASCH Directorate has challenging savings targets totalling circa £10m to deliver in 2023-24 on placements and care packages through demand management, commissioning and review of care packages. Risks continue in the provider market from inflation including higher fuel, labour and property costs which may result in claims for increased fees and/or financial instability with the potential for 'handing back' contracts.
- 4.11** Staffing underspends are expected to continue from periods of vacancy above the £1m MTFS 5% vacancy factor saving applied to staffing budgets in 2023-24. There is a national shortage of both social workers and occupational therapists and recruitment to many roles is proving challenging. The periods of vacancy are a barrier to achieving savings as staff are focussed on statutory delivery rather than delivering transformation to improve performance, data management and reduce operational risks across the directorate.

### **Assistant Chief Executive (ACE)**

- 4.12** Recruitment is continuing into the new staffing structure for the Policy, Programmes and Performance Division and there may be a short-term underspend in 2023-24 from periods of vacancy.
- 4.13** Learning & Organisational Development is commissioning and delivering a cross-Council package of training and it is expected that the training budget will be utilised in full.
- 4.14** The Croydon Digital and Resident Access Division will undergo a restructure to achieve MTFS staffing savings and is also working on MTFS savings in IT contracts.
- 4.15** The Public Health Division is expecting to underspend again in 2023-24. This is on top of increased one-off contributions to Public Health eligible spend across the Council, pending 2024-25 MTFS General Fund savings to be found through permanent Public Health grant allocations.

- 4.16** The Council has received grant funding towards the support of Refugees and Asylum Seekers and the underspend from 2022-23 has been carried forward in an earmarked reserve to fund ongoing expenditure in 2023-24.

### **Children, Young People and Education (CYPE)**

- 4.17** The Children's Social Care Division will monitor placement and care package expenditure during the year. There may be staffing underspends from periods of vacancy and an underspend in legal costs (if the lower numbers of care proceedings and UASC age assessment challenges continue) to help mitigate pressures. The Division is producing service level agreements for reviewed HRA funding towards Youth Engagement and Youth Offending services, and these may result in a General Fund pressure. The Division is also reviewing the housing accommodation charges from the Housing General Fund for Care Experienced Young People.
- 4.18** The Quality, Commissioning and Performance Improvement Division may continue to experience a staffing underspend from periods of vacancy (above the 5% vacancy factor MTFS saving of £0.3m applied to the 2023-24 budget).
- 4.19** Non-DSG Education services may continue to experience underspends from periods of staffing vacancy and increased Traded Services income. There is a continuing pressure of £0.3m from under-achievement in income due to a prior year MTFS income saving (NHS funding towards speech and language therapy) not achieved.
- 4.20** Dedicated Schools Grant (DSG) High Needs education services will be closely monitoring the cost pressures in Special School placements and Out of Borough placement costs. There are ongoing transformation projects which are delivering savings to reduce pressures within the high needs block as part of the DfE Safety Valve programme.

### **Housing**

- 4.21** The Housing Directorate continues to be impacted by the rapidly worsening housing market within London as private sector landlords are increasing rents or leaving the market, and tenants are struggling with cost of living pressures.
- 4.22** The challenge for Croydon in dealing with such rapid inflation has multiple strands. There are forecasting difficulties in predicting how much prices are expected to move and at what pace. This is being addressed alongside a wholesale review of the forecasting process to ensure that reporting provides the full position on risk in 2023-24.
- 4.23** There are difficulties in negotiating and approving price rises without losing properties or fuelling the rises further. Regular meetings with neighbouring boroughs are being held to ensure collective agreements are being made with the larger providers of emergency accommodation.
- 4.24** There is also the issue of entering into 2 to 5 years lease deals with landlords as 39% exited the market in 2022-23 and prices have dramatically increased as a result. In

2022-23 this meant a 10% increase in the use of nightly paid accommodation was seen. The strategy work currently underway in the Directorate will address this issue.

- 4.25** There has also been a concerted effort to hold homelessness accommodation costs down across London through partnerships with organisations like Capital Letters and via the agreed Pan-London temporary accommodation rates. The rates can no longer be contained though as demand outweighs available affordable supply. At a Pan London meeting, all boroughs confirmed that they are no longer paying the agreed Pan London rates to ensure they meet their demand challenges. A combination of all these factors has led to an increase in both the average cost of emergency and temporary accommodation that Croydon can secure to meet demand, as well as an increase in the use of nightly paid emergency accommodation to compensate for the loss of some longer-term leased accommodation because of landlords leaving the market.
- 4.26** Pressures are expected to continue in 2023-24. The restructure for Housing Options is underway and will form the bedrock for process change and a more cohesive journey for a homeless household. An immediate switch to better practice and dramatically reduced spend on homelessness cannot be expected within 2023-24 whilst significant change is underway, and the financial benefits are expected to be realised in the longer term.
- 4.27** Income collection rates will need to be monitored closely in 2023-24. There may be a requirement to increase the loss allowance (bad debt provision) again in 2023-24 if income collection is not significantly improved. A new housing IT system (NEC) is being implemented which will improve monitoring and reporting.

### **Resources**

- 4.28** The Finance Division will undergo a restructure of the accountancy service in 2023-24 and then commence recruitment into roles which are currently covered by agency staffing. The capacity and skills levels required in the accountancy service are being reviewed and a growth bid may be submitted for 2024-25 if needed.
- 4.29** There could be an underspend in the Payments, Revenues, Benefits and Debt Service from income over-achievement in court awarded costs, however this will be monitored throughout the year as the level is activity-based.
- 4.30** The Legal Services and Monitoring Officer Division is reviewing usage of external legal advice. It is planned to increase the inhouse staffing structure (moving budget from external legal expenditure in directorates) to provide more legal services internally and therefore reduce overall legal expenditure.

### **Sustainable Communities, Regeneration & Economic Recovery (SCRER)**

- 4.31** The biggest pressure in the directorate continues to be from under-achievement in parking, parking enforcement and moving traffic offence income. Demand for parking services has not returned to pre-pandemic levels and this is affecting all areas of parking which includes Automated Number Plate Recognition (ANPR), pay and display and on-street parking.

- 4.32** Parking Services continue to have delays in connection with the roll out of new ANPR cameras which affect the income levels within the service. The Parking budget has been rebased for 2023-24 based on a timetabled roll out of Healthy Neighbourhood Schemes, so the delays in the implementation of the cameras continue to have a detrimental effect.
- 4.33** The SCRER directorate is expected to continue to have a staffing underspend in 2023-24 due to periods of vacancy.
- 4.34** The Culture and Community Safety Division leads on the London Borough of Culture 2023 activities, funded through external funding sources. This is a year-long celebration of Croydon's unique identity, diverse communities and rich heritage, culture and creativity. The programme for "This is Croydon" showcases Croydon to the world. It includes major events with international headliners performing alongside emerging home-grown talent, plus hundreds of cultural activities from our communities.
- 4.35** The Environment Act 2021 operates as the UK's new framework of environmental protection. Given that the UK has left the EU, new laws that relate to nature protection, water quality, clean air, as well as additional environmental protections that originally came from Brussels, needed to be established. The Act is a vehicle for a number of Department for Environment, Food and Rural Affairs' (Defra) different environmental policies and sets out the legal framework for significant reforms to local authority waste and recycling services, as well as creating new statutory duties for local authorities on nature recovery. The government has stated that additional burdens funding will be provided to local authorities for the new requirements as they come into force, however the Council will need to monitor closely the extra costs involved.

### **Corporate Items and Funding**

- 4.36** The corporate area holds funding streams such as Council Tax, retained share of Business Rates and Core Grants. The corporate budget also holds a Council-wide risk contingency budget (£5m) and the budgets for borrowing and interest received.
- 4.37** The corporate area funds redundancy, severance and pension strain costs which contribute to achieving General Fund MTFs savings. There may be a pressure in 2023-24 from this area of costs due to the implementation of staffing savings.
- 4.38** The corporate area holds the central budget for pay and non-pay inflation. The requirement for directorates will be reviewed during 2023-24 (based on inflation experienced on contracts and NJC national negotiations on the pay award for staff) and the required budget allocation may create a pressure above the central allowance of £32.9m. There is a further budget of £5.5m held centrally for the potential impact of economic demand pressures on Croydon.
- 4.39** The corporate area also holds the 2023-24 Transformation budget of £10m, which will fund work carried out in directorates and cross-Council to achieve MTFs savings and improve services for local residents and businesses. The Transformation budget reduces to £5m from 2024-25.

- 4.40** There is £7.3m budget held in Corporate for adjustments to correct General Fund recharge budgets for recharges to the HRA and corporate support (overhead) recharges. This budget will be allocated during 2023-24 as the service level agreements (SLA's) are finalised for HRA recharges and when the review of corporate support recharges is finalised.
- 4.41** There is a funding risk in the Collection Fund if cost of living pressures impact the collection of Council Tax and Business Rates income. The impact of the Council Tax increase is partially mitigated through the Council Tax Hardship Fund (supporting low income households that cannot afford to pay their full increase in Council Tax).
- 4.42** There is borrowing cost uncertainty from interest rates (with the Bank of England currently continuing to increase the base rate) and the timing of capital receipts from asset disposals (assumed in the MTFS at circa £50m per annum).

### **Transformation Programme**

- 4.43** The Transformation Programme has £14m of resources allocated to it, £4m in the 2022-23 Capital Programme and £10m in the 2023-24 revenue budget. The Transformation Programme published in November 2022 set out £5.9m of project commitments with recognition that further sums were still to be confirmed.
- 4.44** A new project to review the Croydon Adult Learning and Training (CALAT) service has been added to the programme with an initial £0.050m budget approved by the Corporate Director of Resources (S151 Officer).
- 4.45** Highlights from the transformation progress made to date include:
- The Business Intelligence Project is a cross-discipline officer group to identify areas where the council may be funding activities/discounts for residents who are not eligible. To date 1,911 invalid single person discounts have been cancelled, increasing Council Tax income by circa £0.9m. The project has also deactivated 474 Freedom Passes with investigations ongoing.
  - The HR Transformation work has concluded the restructure of the payroll team and is moving to implement the service changes.
  - The Housing Needs and Homelessness Service is undergoing major restructure affecting 168 staff within the division - 138 full-time and 30 part-time posts. The restructure will ensure that the Housing Needs and Homelessness service is fit-for-purpose and that all staff are skills-matched to the roles needed to deliver an efficient and effective Service. Formal consultation closed on 28th April 2023.
  - A review of the Community Equipment Service is proceeding at pace with a range of options being developed.



## **Housing Revenue Account (HRA)**

**4.46** The main risks within the Housing Revenue Account are:

- Repairs and maintenance:
  - pressures from the current Axis repairs contract, ending in August 2023, due to agreed changes in the payment model and negotiated inflationary increases.
  - extra expenditure to deal with the backlog of repairs and maintenance
  - void and disrepair costs carried out by specialist contractors to reduce void losses and minimise future disrepair claims.
  - settlement of disrepair cases and related legal fees, including those relating to Regina Road.
  
- Tenancy and income:
  - pressures in utility costs related to higher energy prices
  - the impact of cost of living pressures on rent collection (including a potential increase in bad debt cost)
  - loss of income due to void (empty) residential properties
  - loss of income due to void garages
  
- Recharge review:
  - General Fund services are producing service level agreements (SLA's) to evidence recharges of costs to the HRA, which could result in increased charges to the HRA.

**4.47** There may be potential underspends in the HRA due to:

- staffing vacancies due to difficulties recruiting to specialist posts
- underspends in non-pay expenditure budgets including the contingency budget

## **Capital Programme and Financial Sustainability**

**4.48** The Capital strategy and programme was approved by Council in March 2023. This recognised the complex and challenging financial and operational circumstances in which the Council continues to find itself. It showed a 2023-24 Capital Programme that is reduced in scale and cost compared to previous years. With circa £1.3bn of General Fund debt and an environment of rising interest rates, the delivery of an effective Asset Management Plan and an ambitious Asset Disposal Strategy, including reducing the number of buildings used by the Council, will be essential to mitigate rising cost pressures, reduce the overall debt burden and help the Council balance its books.

**4.49** The strategy reflected the progress made to date by the Council to improve the governance and financial management of the Capital Programme following recommendations from the two Reports in the Public Interest (RIPI). The Council understands that the initial improvements put in place are the foundations of good practice and is focused on building upon these over the coming months and years.

- 4.50** Concerns were highlighted regarding value for money and investment decisions as the Council has incurred debt in investing in assets which have not retained their value and therefore the level of debt exceeds the value of the investment assets. In the three years between 2017-20 the Council borrowed £545m with no focused debt management plan in place. The majority of this debt comprises short-term borrowings which has left the council exposed to current higher interest rates. The debt is anticipated to be refinanced from 2023 onwards and therefore likely to drive significant increases in annual repayment levels.
- 4.51** An estimated circa £66m is required to service this debt from the General Fund which represents around 16% of the Council's net budget. The Council's historic legacy borrowing and debt burden has therefore become critical to the sustainability of the Council's revenue budget.
- 4.52** The Council has concluded that the expenditure it is anticipated to incur in each year of the period of 2023-27 is likely to exceed the financial resources available and that reaching financial and operational sustainability without further government assistance will not be possible. The Council's 2023-24 budget required capitalisation directions from government of £63m to balance and the Medium Term Financial Strategy (MTFS) demonstrated an ongoing estimated budget gap of £38m per annum from 2024-25.
- 4.53** Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regards to its level of historic legacy indebtedness and balancing the budget to ensure it can deliver sustainable local government services. It must be noted that annual capitalisation directions (transferring revenue cost into capital cost which must be funded over 20 years) increases the Council's debt burden. Debt write-off is the Council's preferred option and therefore a request was made to DLUHC in January 2023 for government funding to write-off £540m of the Council's General Fund debt. DLUHC has subsequently asked the Council to propose a wider range of options and these are currently being worked on.

## **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1** It is not common practice for a Council to report at Period 1 due to the prioritisation of closing the accounts for the previous financial year, however it was agreed at Audit and Governance Committee on 13/10/22 that a narrative only report would be provided for Period 1 of 2023-24. This recognises the financial difficulties that Croydon Council continues to face and the changing financial position during 2022-23 arising from the Opening the Books exercise, however it is not expected that a Period 1 report will be presented next financial year.

## **6 CONSULTATION**

6.1 None.

## **7. CONTRIBUTION TO COUNCIL PRIORITIES**

7.1 The monthly financial performance report supports the Mayor's Business Plan 2022 – 2026 objective one "The council balances its books, listens to residents and delivers good sustainable services".

## **8. IMPLICATIONS**

### **8.1 FINANCIAL IMPLICATIONS**

8.1.1 Finance comments have been provided throughout this report.

8.1.2 The Council continues to operate with internal spending controls to ensure that tight financial control and assurance oversight are maintained. A new financial management culture is being implemented across the organisation through increased communication on financial issues and training for budget managers.

8.1.3 The Council currently has a General Fund Reserve of £27.5m which serves as a cushion should any overspend materialise by the end of 2023-24. The use of reserves to support the budget is not a permanent solution and reserves must be replenished back to a prudent level in subsequent years if used.

8.1.4 The Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regards to its level of indebtedness and balancing the budget to ensure it can deliver sustainable local government services.

Comments approved by Allister Bannin, Director of Finance (Deputy s151 Officer).

### **8.2 LEGAL IMPLICATIONS**

8.2.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services and Monitoring Officer that the Council is under a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.

8.2.2 Section 28 of the Local Government Act 2003 provides that the Council is under a statutory duty to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the

Council must take such remedial action as it considers necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year. The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.

**8.2.3** In addition, the Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's Chief Finance Officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets as set out in this report.

**8.2.4** The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report also demonstrates compliance with that legal duty.

Comments approved by Sandra Herbert, Head of Litigation and Corporate Law and Deputy Monitoring Officer on behalf of the Director of Legal Services and Monitoring Officer.

### **8.3 HUMAN RESOURCES IMPLICATIONS**

**8.3.1** There are no immediate workforce implications as a result of the content of this report, albeit there is potential for a number of the proposals to have an impact on staffing. Any mitigation on budget implications that may have direct effect on staffing will be managed in accordance with relevant human resources policies and where necessary consultation with recognised trade unions.

**8.3.2** The Council is aware that many staff may also be impacted by the increase in cost of living. Many staff are also Croydon residents and may seek support from the Council including via the cost of living hub on the intranet. The Council offers support through the Employee Assistant Programme (EAP) and staff may seek help via and be signposted to the EAP, the Guardians programme, and other appropriate sources of assistance and advice on the Council's intranet.

Comments approved by Dean Shoesmith, Chief People Officer.

### **8.4 EQUALITIES IMPLICATIONS**

**8.4.1** The Council has a statutory duty to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must therefore have due regard to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.

- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 8.4.2** In setting the Council's budget for 2023-2024, all savings proposals must complete an Equality Impact Assessment. As Officers deliver against the approved budget, including the savings within it, they will continue to monitor for any unanticipated equality impacts. If any impacts arise, officers will offer mitigation to minimise any unintended impact.
- 8.4.3** This report sets out a number of proposals that will change the services and provisions we provide for residents across Croydon. These proposals are subject to further work decisions.
- 8.4.4** The Council must, therefore, ensure that we have considered any equality implications. The Council has an established Equality Impact Assessment [EqIA] process, with clear guidance, templates and training for managers to use whenever new policies or services changes are being considered. This approach ensures that proposals are checked in relation to the impact on people with protected characteristics under Equality Act 2010.
- 8.4.5** Assessing the impact of proposed changes to policies, procedures, services and organisational change is not just something the law requires; it is a positive opportunity for the council to ensure it makes better decisions, based on robust evidence.
- 8.4.6** Our approach is to ensure the equality impact assessments are data led, using user information, demographic data and forecasts, as well as service specific data and national evidence to fully understand the impact of each savings proposal. This enables the Council to have proper regard to its statutory equality duties.
- 8.4.7** We have a large number of vulnerable children and asylum seekers who are in need of our services. We have also been faced with the rise of costs of the provision of adult social care, which has been exasperated following the pandemic. Alongside this our residents have been hit with the increased cost of living, we have supported residents by providing mitigation for changes where possible and signposting to other support organisations in the borough who can provide support. We will continue to seek mitigation during the equality analysis process where possible.
- 8.4.8** Our initial data suggests that residents across all equality characterises may be affected by changes. National and local data highlights that this may have a greater impact on race, disabilities, sex, pregnancy and maternity and age. We will

continue to assess the impact and strive to improve our evidence and data collection, to enable us to make informed decisions.

**8.4.9** Where consultations take place, we will ensure that we make it accessible for all characteristics including those with disabilities including neurodiversity by ensuring that we adopt Disability standards in our consultation platform. Notwithstanding those residents who are digitally excluded. We will also consult using plain English to support our residents who do not have English as a first language.

**8.4.10** With regard to potential staff redundancies, as a diverse borough we will undertake equality analysis and seek mitigation for staff by offering redeployment and employability support. We will also assess the impact of job losses on protected characteristics. We will also ensure that disabled staff are treated more favourably during restructure in that they will be required to meet the minimum standard prior to been offered an interview.

**8.4.11** Research from existing EQIAs identifies that rising costs impact on some Disabled groups, communities from the Global Majority, African, Asian, African Caribbean households, young people, some people aged 15 – 64 and some people in the pregnancy/maternity characteristic . Research also indicates that there is an intersectional impact on young people from the Global Majority and both Disabled and Dual Heritage communities. Deprivation in borough is largely focused in the north and the east where the Global Majority of residents from the African, African Caribbean and Asian communities reside.

Comments approved by Denise McCausland, Equalities Programme Manager, Policy and Strategy.

## **9. APPENDICES**

**9.1** None.

## **10. BACKGROUND DOCUMENTS**

**10.1** None.