LONDON BOROUGH OF CROYDON

REPORT:		CABINET
DATE OF DECISION:		29 July 2026
REPORT TITLE:		2025-26 Provisional Outturn Financial Performance Report
CORPORATE DIRECTOR:		Conrad Hall Corporate Director of Resources (Section 151 Officer)
LEAD OFFICER:		Allister Bannin, Director of Finance (Deputy S151)
LEAD MEMBER:		Cllr Jason Cummings, Cabinet Member for Finance
REPORT FOR:		Noting
KEY DECISION?	No	Reason: N/A
CONTAINS EXEMPT INFORMATION?	No	Public Grounds for the exemption: N/A
WARDS AFFECTED:		All

1 EXECUTIVE SUMMARY

1.1 This report provides the Council's provisional outturn (prior to final accounting adjustments and external audit review) financial performance for 2025-26.

1.2 The financial performance for General Fund revenue was an underspend of £27.3m against the 2025-26 budget, achieving the target required by the Stabilisation Plan. There is no overall change since Period 10.

1.3 The General Fund capital programme showed a provisional underspend of £38.6m.

1.4 The financial performance for the Housing Revenue Account (HRA) was an underspend of £1.6m. This demonstrates a £1.6m improvement since the break-even forecast at Period 10. The HRA capital programme showed a provisional underspend of £13.5m.

1.5 The financial performance for the Dedicated Schools Grant (DSG) was an overspend of £32.7m. This demonstrates a £2.0m improvement since the £34.7m forecast overspend at Period 10.

Financial Performance Summary Table

Financial Performance Area	2025-26 Budget (£m)	2025-26 Provisional Outturn (£m)	2025-26 Variance (£m)	2025-26 Variance (%)
Revenue Forecast (General Fund)	375.8	348.5	(27.3)	(7.3%)
Revenue Forecast (Housing Revenue Account)	-	(1.6)	(1.6)	N/A
Capital Forecast (General Fund)	214.6	176.0	(38.6)	(18.0%)
Capital Forecast (Housing Revenue Account)	108.5	95.0	(13.5)	(12.4%)
Dedicated Schools Grant (DSG) High Needs Education Services	86.7	119.4	32.7	37.7%
Dedicated Schools Grant (DSG) Early Years Block	73.2	73.2	-	-

2 RECOMMENDATIONS

For the reasons set out in the report, the Executive Mayor and Cabinet are recommended to:

2.1 Note the General Fund revenue budget provisional underspend of £27.3m, achieving the target required by the Stabilisation Plan. This would reduce the necessary level of capitalisation directions from £136.0m to £108.7m.

2.2 Note that the provisional outturn is the position prior to final accounting adjustments (e.g. capital accounting and revaluations) and any changes required from the external audit.

2.3 Note that the significant level of 2026-27 savings (£34.098m), agreed by Full Council in February 2026, include reduction in budgets that are delivering underspends in 2025-26 and will, therefore, not be recurrent underspends in 2026-27.

2.4 Note the unfunded local government cost pressures that exist nationally, regionally and locally relating to increases in demand and market prices which need to be addressed by Government changes to policy and/or funding levels.

2.5 Note the Medium Term Financial Strategy (MTFS) savings achievement of £21.6m (86.1%) against the total savings target of £25.1m as set out from paragraph 5.100.

2.6 Note the Housing Revenue Account (HRA) revenue outturn was a £1.6m underspend.

2.7 Note the Dedicated Schools Grant (DSG) provisional overspend of £32.7m.

2.8 Note the General Fund capital programme 2025-26 provisional underspend of £38.6m (18.0%) against the revised budget of £214.6m. The capital budget includes expected capitalisation directions of £108.7m (£136.0m less the Stabilisation Plan target underspend of £27.3m).

2.9 Note the HRA capital programme 2025-26 provisional underspend of £13.5m (12.4%) against the revised capital budget of £108.5m.

2.10 Note the Council's historic borrowing and subsequent debt burden and national, regional and local service pressures continue to be critical to the non-sustainability of the Council's revenue budget as set out from paragraph 5.125.

3 REASONS FOR RECOMMENDATIONS

3.1 The Financial Performance Report is presented quarterly 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 to maintain a balanced budget.

3.2 The quarterly Financial Performance Reports (presented to Cabinet) and the summary updates for intervening periods from Period 2 to Period 10 are published on the Council's Corporate Performance and Finance Reporting webpage (link: Corporate Performance and Finance Reporting | Croydon Council).

4 CONTRIBUTION TO EXECUTIVE MAYOR PERRY'S BUSINESS PLAN

A Cleaner, and Safer Croydon.	A town centre that is busy, confident and thriving	Stronger local high streets and economies	A fair deal for residents	Better roads, better journeys	Places people can be proud to call home	Backing families, young people and adults
			✓			

To note, Executive Mayor's Business Plan for 2026-2030 approved at Cabinet, pending final approval at Full Council, anticipated October 2026.

5 BACKGROUND AND DETAILS

5.1 The 2025-26 budget approved by Council in February 2025 set a net revenue budget of £375.8m. This required capitalisation directions from Government of £136m to balance, owing to funding the ongoing annual cost of servicing the disproportionate level of debt and unfunded local government cost pressures that exist nationally, regionally and locally relating to increases in demand as well as market prices.

5.2 On 23 February 2026, the Government published the in-principle Exceptional Financial Support for local authorities for 2026-27 (Exceptional Financial Support for local authorities for 2026-27 - GOV.UK). This included a revision to Croydon's 2025-26 in-principle amount from £136.0m to £110.3m.

5.3 The Council's historic legacy borrowing and debt burden continues to be critical to the non-sustainability of the Council's revenue budget, with a General Fund debt servicing cost in 2025-26 of £82m (including Private Finance Initiatives but excluding IFRS16 lease adjustments). The CIPFA Financial Resilience Index shows Croydon's 2024-25 Gross External Debt to Income (Council Tax, Business Rates and fees) ratio as 211% compared to an average 124% for the other 32 London boroughs.

GENERAL FUND REVENUE BUDGET SUMMARY

5.4 The General Fund revenue budget provisional outturn was an underspend of £27.3m, achieving the target required by the Stabilisation Plan. This would reduce the necessary level of capitalisation directions from £136m to £108.7m.

5.5 All service directorates were asked to reduce their net expenditure below their budgets so that the annual budget could be balanced with reduced use of capitalisation directions, including achievement of the £27.3m Stabilisation Plan target. All service directorates have demonstrated an underspend which is a great achievement, given what a challenge this was against the background of increased demand pressures which continued to build across local government as well as increased market prices.

Table showing the provisional outturn by Directorate

Directorate	Net Budget (£m)	Provisional Outturn (£m)	Variance (£m)	Prior Month Forecast Variance (£m)	Change in Forecast Variance (£m)
Adult Social Care and Health	191.2	187.1	**(4.1)**	(4.1)	-
Assistant Chief Executive	26.4	23.6	**(2.8)**	(2.8)	-
Children, Young People and Education	161.1	161.0	**(0.1)**	(0.1)	-
Housing	54.1	50.8	**(3.3)**	(3.3)	-
Resources	20.6	19.5	**(1.1)**	(1.1)	-
Sustainable Communities, Regeneration & Economic Recovery	78.1	75.8	**(2.3)**	(2.3)	-
Subtotal Service Directorates	**531.5**	**517.8**	**(13.7)**	**(13.7)**	**-**
Corporate Items and Funding	(155.7)	(169.3)	**(13.6)**	(13.6)	-
Total Net Expenditure	**375.8**	**348.5**	**(27.3)**	**(27.3)**	**-**

5.6 The Council continues to build on the improvements in financial management that were made in recent years. However, the Council is still on a journey of improvement, which is fully recognised within the organisation.

Stabilisation Plan

5.7 The Executive Mayor and Cabinet approved the Stabilisation Plan at the Cabinet Meeting on 25 June 2025. The target was £27.3m of unused capitalisation directions.

Table showing the Stabilisation Plan actions

Action	Lead Directorate	Target (£m)	Provisional Outturn (£m)	Status
Non-pay inflation budget not used	Corporate	9.000	9.000	Achieved
Pay inflation not used	Corporate	-	3.686	Over-achieved
Risk contingency budget not used	Corporate	5.000	5.000	Achieved
Overall Housing target (detail below)	Housing	3.940	3.504	Amber
General Needs allocation to TA	*Housing*	*2.100*	0.870	Amber
Reduce TA placements from 25% to 13% of presentations	*Housing*	*1.200*	1.792	Over-achieved
Accelerate House Buying Process for homeless families	*Housing*	*0.350*	0.253	Amber
Introduce more Out of Borough private sector placements	*Housing*	*0.290*	0.589	Over-achieved
Accelerate Target Operating Model Programme	Corporate	3.700	-	Red
In year savings overachievement, cost reductions and income generation (detail below of directorate underspends above specific actions)	Corporate	3.000	4.796	Over-achieved
Forecast underspend above ALI programme	*ASCH*		*3.700*	
Forecast underspend above Access Croydon	*ACE*		*2.700*	
Forecast underspend	*CYPE*		*0.100*	
Forecast underspend above specific actions	*Housing*		*(0.204)*	
Forecast underspend above BWH floor maximisation	*Resources*		*1.100*	
Forecast underspend above parking income	*SCRER*		*1.500*	
Forecast underspend above inflation & risk budgets	*Corporate*		*(4.100)*	
Increased parking income	SCRER	1.000	0.800	Amber
Maximise floor occupancy BWH	Resources	0.500	-	Red
Disabled Facilities Grant maximisation	Housing	0.500	0.529	Over-achieved
Accelerate Adults Living Independently (ALI) Programme	ASCH	0.400	0.400	Achieved
Access Croydon	ACE	0.111	0.111	Achieved
Open Precious House (previously Angel Lodge) children's home	CYPE	0.100	-	Red
Capital programme reduction (£1.5m removed from 2025-26 and £500k deferred to 2026-27)	Corporate	0.050	0.050	Achieved
	Total	**27.301**	**27.876**	

Key: Blue (Achieved) = Actioned and achieved at target value.
Green (Over-achieved) = Actioned and achieved above target value.
Amber = Target was partially met in year.
Red = Achievement was not completed in year.

Housing

5.8 Given the rapid escalation of homelessness over the last couple of years and the seriousness of the impact, a dedicated strategic response has been developed, and this is outlined in the Stabilisation Plan. The plan is focussed on three key objectives which are shown below along with key strands of work associated with each objective. This has ensured a reduction in demand by 20% compared to 2024-25, the reduction was achieved by reducing the new placements into temporary accommodation from 60% in 2023-24 to 25% in 2024-25 and further to 13% in 2025-26 representing a significant performance improvement; and an increase in the number of households moved out of temporary into settled housing (private and social housing).

5.9 The plan is focussed on three key objectives along with key strands of work associated with each objective as set out below:

(a) Reduce homelessness demand.

- Providing clear information on the website to help applicants make timely and informed choices on their housing options including a video message. Support if you are homeless or at risk of becoming homeless | Croydon Council;
- Actively promoting self-service and 'find your own' housing options to residents – with financial assistance offered through Discretionary Housing Payment (DHP) grant;
- Implementation of 'appointment only' service for homeless assistance to improve deployment of resources and ensure effective response to those in urgent need;
- Visiting households where family exclusion is the cause of presentation, to prevent homelessness through mediation; and
- Actively working with private landlords to reduce evictions through initiatives as 'call before you serve' - Call before you serve - Croydon Council

(b) Increase housing supply to support move-on from temporary to settled accommodation.

- Increased access to supply of social rented re-lets from the Council and Registered Providers for temporary accommodation households;

- Expanded the supply of affordable private rented sector accommodation out of London to accelerate move on from temporary accommodation into long-term sustainable solutions;
- Embedded a 'one-reasonable-offer' approach; and
- Moved and eliminated use of Bed & Breakfast with shared facilities for families from April 2025.

(c) Reduce expenditure on temporary accommodation.

- Negotiating reduced nightly rates with temporary accommodation providers;
- Reviewing and undertaking occupancy audit of temporary accommodation to identify any voids, fraud, or irregular arrangements and recovering the units;
- Reducing the volume of spot commissioned nightly charged temporary accommodation by moving to a sustainable model including long-term leased accommodation;
- Increasing the supply of additional social rented housing through an acquisitions programme; and
- Moved and eliminated use of commercial hotels from August 2024.

<u>Increased parking income</u>

5.10 The provisional outturn for parking and moving traffic offence income was £0.8m above budget. This was previously on track to achieve more than £1m above budget, however, the income was reduced at the end of 2025-26 owing to the loss of income from six Low Traffic Neighbourhoods following the court judgement.

<u>Open Precious House (previously Angel Lodge) children's home</u>

5.11 The Stabilisation Plan included a target aiming to achieve the Precious House MTFS savings earlier than 2026-28. The registration application was submitted in May 2025 and OFSTED approved the registration effective 22 March 2026. The MTFS savings will be achieved in 2026-28, however, the delay in OFSTED registration did not allow the saving to be achieved earlier in 2025-26.

DIRECTORATE VARIANCES

ADULT SOCIAL CARE AND HEALTH (ASCH)

Division	Net Budget (£m)	Provisional Outturn (£m)	Variance (£m)
Adult Social Care Operations	174.7	171.4	(3.3)
Adult Strategic Commissioning, Policy & Improvement	14.5	13.5	(1.0)
Central ASCH	2.0	2.2	0.2
Total ASCH	**191.2**	**187.1**	**(4.1)**
Public Health Grant Ringfenced Services	**-**	**-**	**-**

5.12 The ASCH directorate has a provisional underspend of £4.1m (2.1%) against the budget of £191.2m.

5.13 The ASCH Directorate has delivered the savings target of £5.0m in 2025-26, delivered primarily through the Adults Living Independently (ALI) programme. In addition, a further £0.4m has been achieved as part of the ALI programme as a contribution to the Stabilisation Plan.

<u>Adult Social Care Operations - provisional underspend of £3.3m</u>

5.14 All services within operations, except Disabilities & Transitions, had a provisional underspend position. The underspends primarily related to staffing.

5.15 Disabilities & Transitions had a provisional overspend of £0.8m which related to services provided to people with no recourse to public funds. Work is ongoing with the market to provide more cost-effective accommodation options.

5.16 The demand and levels of need from acute hospitals continues to be high. Croydon University Hospital are operating at bed capacity of nearly 99% and have high numbers each day awaiting admission from urgent treatment centres and emergency departments. This is a similar position across South West London boroughs and acute hospitals. The integration of health and social care services via the Discharge Transformation Programme is crucial to address these challenges effectively and ensure residents receive care and support via the correct discharge pathways that support enablement/reablement. This includes increasing/re-modelling the current intermediate care bed service, improving our reablement service and ensuring that all residents have access to community health services.

5.17 Increased demand for care particularly for older people, but also in working age, is creating ongoing budgetary pressure which the service is seeking to mitigate through the initiatives underway as part of the ALI programme. In addition, in the financial year, contract reprovisioning was required owing to quality concerns in respect of a significant service provider.

5.18 In recent years, the country, London and Croydon have experienced market pressures over and above the amount they awarded the care market for inflationary cost pressures. Some of this is being driven by growth in the 'replacement cost' of placements. This is a situation whereby the cost of new care placements are higher than the cost of recently closed placements. The amount that they are higher by is greater than the levels of inflation that have been awarded to the older existing packages of care.

5.19 To mitigate the impact of these in year market cost pressures, negotiations have taken place with key suppliers to agree placement costs with the aim of significantly reducing the level of market pressure inflation required.

Adult Social Care Commissioning, Policy and Improvement - provisional underspend of £1.0m

5.20 The Commissioning, Policy and Improvement division has a provisional underspend of £1.0m owing to over-achievement of income (£0.6m), underspend on contracts (£0.3m) and periods of staffing vacancy (£0.1m).

Public Health Division - breakeven position in ringfenced grant after movement in reserves

5.21 A provisional breakeven position for Public Health after the drawdown of £1.4m from ringfenced Public Health reserves. The planned drawdown from reserves supported prevention related investment in public health services and activities.

ASSISTANT CHIEF EXECUTIVE (ACE)

Division	Net Budget (£m)	Provisional Outturn (£m)	Variance (£m)
Policy, Programmes and Performance	2.4	1.9	(0.5)
Elections Service	0.4	0.4	-
Croydon Technology Service	7.2	5.4	(1.8)
Chief People Officer	0.1	0.1	-
Central ACE	16.3	15.8	(0.5)
Total Assistant Chief Executive	**26.4**	**23.6**	**(2.8)**

5.22 The ACE directorate has a provisional underspend of £2.8m (10.6%) against the budget of £26.4m.

Policy, Programmes & Performance Division - provisional underspend of £0.5m

5.23 The division had an underspend owing to the implementation of staffing vacancy efficiencies. These vacancies were held to accommodate the Integrated Shared Services Target Operating Model.

Croydon Technology Service Division – provisional underspend of £1.8m

5.24 The division had an underspend in contracts (£1.1m) and an underspend in staffing owing to unfilled vacancies and staffing recharges to capital (£0.7m).

Chief People Officer Division – provisional breakeven position

5.25 There was a breakeven position with periods of staffing vacancy (as part of recruitment into the new structure) offsetting a £0.1m MTFS saving on staffing which will be achieved from 1 April 2026 when the Oracle Time and Labour module is fully implemented and reductions in payroll staffing will occur.

Central Assistant Chief Executive - provisional underspend of £0.5m

5.26 The underspend was mainly relating to Concessionary Travel owing to reduced concessionary travel recharged from Transport for London (£0.4m). There was a further underspend of £0.1m in the Resident Contact Centre resulting from the Stabilisation Plan action regarding Access Croydon.

CHILDREN, YOUNG PEOPLE AND EDUCATION (CYPE)

Division	Net Budget (£m)	Provisional Outturn (£m)	Variance (£m)
Children's Social Care	114.2	112.9	(1.3)
Unaccompanied Asylum-Seeking Children (UASC) <18	1.8	1.7	(0.1)
UASC Care Experienced Young People >18	(1.4)	0.9	2.3
Asylum Seekers and Homes for Ukraine	0.2	-	(0.2)
Non-DSG Education Services	36.6	35.9	(0.7)
Central CYPE	9.7	9.6	(0.1)
Total CYPE	**161.1**	**161.0**	**(0.1)**

Dedicated Schools Grant (DSG) High Needs Education Services	86.7	119.4	32.7
Dedicated Schools Grant (DSG) Early Years Block	73.2	73.2	-

General Fund

5.27 The CYPE directorate has a General Fund provisional underspend of £0.1m (0.1%) against the budget of £161.1m.

Children's Social Care Division (including UASC and UASC Care Experienced Young People) - provisional overspend of £0.9m

5.28 The Children's Social Care division provisional net overspend consists of:

- Unaccompanied Asylum-Seeking Children (UASC) overspend of £2.2m relating to placement and social care costs;
- Court proceedings overspend of £0.5m owing to a rise in care proceedings and pre-proceedings leading to more court directed assessments, and more complex family situations requiring multiple or extended assessments;
- Section 17 (Children in Need) overspend of £0.4m owing to higher demand requiring support (e.g. emergency accommodation, subsistence and travel);
- NHS funding shortfall of £0.4m for Children with Disabilities domiciliary services (in addition to the shortfall of NHS income detailed below in placements);
- Adoption underspend of £0.4m owing to placements being reviewed throughout the year and ending over 18-year old placements when no longer required;
- Staffing underspend of £1.0m against the £53.2m budget; and
- Placements underspend of £1.2m against the £46.5m budget, with reduced expenditure costs offsetting a £0.5m shortfall in NHS income.

Unaccompanied Asylum-Seeking Children (UASC)

5.29 The current funding model is not adequate to cover the full costs of UASC, including social worker time, especially as the number of care-experienced young people continues to rise. There is a legacy of increased numbers owing to the period before the National Transfer Scheme (NTS) became mandatory for all local authorities with children's services in November 2021. This now facilitates a more equitable distribution of new cases among local authorities across the country. There is a reduction in the weekly grant funding once young people turn 18 years old.

5.30 Work is underway to review those that are deemed non-grant claimable, to ensure all possible funding streams are maximised and the Council is providing the best outcomes for this cohort. In March 2026, the number of Not in Education, Employment or Training (NEET) clients over 21 years old had reduced to 40. These clients will be closed where possible as the Council has no Children's Social Care responsibility post 21 years old for clients not in education.

Placements

5.31 Volatility remains a challenge and high-cost placements have a disproportionate impact on overall placement spend. The current highest open placement cost is £13,205 per week (£689k per year). The agreement for NHS income to jointly fund residential placements where "continuing health care" needs are met remains an ongoing challenge for Croydon.

5.32 Initiatives underway to mitigate the market volatility, as part of the Helping Families Thrive Programme (HFT), include:

- Development of Council owned children's homes - Croydon is developing children's homes and supported accommodation provision within the borough, which we own or have nomination rights for, to help manage the impact of high-cost placements and ensure a clear pathway for care experienced young people;

- Creation of Keeping Families Together (KFT) framework within current practice and process;

- KFT panel held weekly to ensure all agencies, and commissioned services, are fully focussed on keeping children with families where safe to do so. There is a focus on current care to understand opportunities to reunify clients with their family network;

- Review of current residential cohort (working with the Strategic Partner) to support reunification, commissioning of services and specialist foster care;

- Market engagement and exploring block contracting to help stabilise costs and address the challenge of in borough provision being used by other councils; and

- Increased use of kinship care.

5.33 These initiatives represent a comprehensive, proactive approach to managing current budget challenges whilst establishing a long-term sustainable approach for placements moving forward. The HFT programme extends into 2026-27 and these initiatives will continue to be developed and monitored to ensure savings targets are achieved.

Asylum Seekers and Homes for Ukraine

5.34 Provisional underspend of £0.2m against the General Fund net expenditure budget of £0.2m. Costs have been maintained within the level of grant income and the expenditure budget has been aligned in 2026-27 to the level of expected grant income.

Central CYPE

5.35 Provisional underspend of £0.1m, owing to an underspend on commissioned contracts (£0.2m) partially offset by an overspend within Safeguarding and Quality Assurance staffing (£0.1m).

Non-Dedicated Schools Grant (DSG) Education services

5.36 Provisional underspend of £0.7m in General Fund Education services.

5.37 Home to school travel assistance for children with special educational needs and disabilities (SEND) is a national pressure. Croydon, like many other boroughs, experienced significant financial pressures in 2024-25 as a result of the growing number of SEND pupils requiring travel assistance.

5.38 Significant growth budget was allocated to travel assistance budgets for 2025-26 and the provisional outturn is an underspend of £1.0m. However, this underspend may not be recurrent for 2026-27 owing to the recent increases in fuel prices and continuing increase in demand.

5.39 Within Education there is one Private Finance Initiative (PFI) contract. Following completion of modelling to re-assess the affordability model, it was identified that there could be a deficit by the end of the contract. This is caused by the period of higher inflation experienced over recent years (above the general average assumption of 2.5% over the life of the contract). The amount of deficit will be affected by the level of inflation in future years and options are being explored around how the cost pressure could be mitigated.

5.40 The Education division includes General Fund pressures in Education Psychology services and historic teachers pensions payments. These were partially offset in-year by expenditure underspends and increased income across the services, resulting in a net overspend of £0.3m.

<u>Dedicated Schools Grant (DSG)</u>

DSG High Needs Block

5.41 The provisional overspend position for the DSG high needs block is £32.7m (37.7%) against a budget of £86.7m.

5.42 The position includes a transfer from the Schools Block to the High Needs Block as part of the DSG deficit management plan and approved by Schools Forum.

5.43 The main areas of overspend are owing to the following factors:

- Expenditure pressures on independent and out of borough placements owing to significant demand, particularly in reception and year 7. The average cost per placement is significantly higher for non-maintained independent provision. To mitigate this pressure, work is taking place with mainstream schools to expand local provision and placement options including working with two academy trusts to reduce the Published Admission Number (PAN) and increase Enhanced Learning Provision (ELP) placements;
- Significant demand for speech and language therapy;
- More placements of pupils in mainstream schools owing to increase in demand above the budgeted amount. This growth is, however, expected as part of the High Needs strategy to place more pupils in mainstream provisions and the use of the Cluster of Schools model. The cost per placement of these provisions has stayed the same, as the banding rates have remained unchanged over the last few years; and
- Increased number of complex cases, which the local authority has agreed to fund under a separate pathway, to prevent placement in out of borough and independent provisions.

5.44 The Chartered Institute of Public Finance and Accountancy (CIPFA) was commissioned to review the Special Educational Needs and Disabilities (SEND) placements recording, payments and forecasting within the Dedicated Schools Grant (DSG). This “Diagnostic Review of SEND budget overspend 2024-25” was presented to the Audit & Governance Committee on 12/3/26. The CIPFA review recommendations are supporting the Council in making and embedding improvements, including in processes and procedures, structural organisation, IT systems and training.

5.45 On 9 February 2026, the High Needs Stability Grant was announced alongside the Local Government Finance Settlement. Based on the provisional outturn this is estimated to be in the region of £52m. This will significantly reduce the accumulated deficit as at the end of the 2025-26 financial year. However, a substantial deficit of circa £6m will remain and the deficit is set to continue to grow annually.

5.46 Payment of the High Needs Stability grant will be made by the DfE as a Section 31 grant during 2026-27, following local authorities meeting local SEND reform plan conditions. Local SEND reform plans are to be developed collaboratively by local area partnerships (including schools, health, early years settings and post-16 providers) to ensure the plan reflects the shared responsibility of the whole local system in supporting children and young people. Given this new approach, the Safety Valve programme ended on 31 March 2026.

5.47 The risk relating to the DSG deficit impact on the General Fund is currently mitigated through the statutory override up to the end of 2027-28. This means that the DSG deficit does not need to be recovered in full by the General Fund or held against non-earmarked General Fund reserves up to this date.

<u>DSG Early Years Block</u>

5.48 The provisional outturn for the DSG Early Years Block was a breakeven position against the budget of £73.2m. There were increased hours of early years provision, however, the allocations for DSG Early Years funding will be updated by the DfE in July 2026 and the grant is expected to increase for the extra expenditure.

HOUSING

Division	Net Budget (£m)	Provisional Outturn (£m)	Variance (£m)
Housing (General Fund)	54.1	50.8	(3.3)
Total Housing (General Fund)	**54.1**	**50.8**	**(3.3)**

5.49 The Housing directorate has a General Fund provisional underspend of £3.3m (6.1%) against the budget of £54.1m.

5.50 There is ongoing demand within the nightly paid portfolio, in line with the increased activity experienced in the 2024-25 financial year and is consistent with other London boroughs' experiences. London Councils reported the number of homelessness Londoners requiring temporary accommodation reached the highest level ever recorded[1].

5.51 Pressure on temporary accommodation is being effectively managed through a strengthened focus on prevention and the delivery of sustainable move-on options. As part of the Stabilisation Plan, a series of targeted initiatives have been implemented to strengthen control over the use of temporary accommodation. These measures include more robust decision-making in relation to new placements, enhanced access to both private rented sector and social housing, and strengthened occupancy checks to ensure that accommodation is used appropriately and prioritised for households in genuine need. As a result, demand for new temporary accommodation placements has reduced to 13%, compared with 25% in the previous year, demonstrating a significant improvement in demand management. This approach has delivered clear performance improvements, evidenced by a reduction in the total number of households living in temporary accommodation from 3,665 in March 2025 to 3,294 in March 2026 (a 10% reduction and the first sustained decrease in several years). Collectively, these measures contributed to the delivery of £3.5m Stabilisation Plan efficiencies.

5.52 The average cost per night increased from the prior year end value of £79.52 to £81.65 at the end of March 2026. Work with the sub-region to control rates per night has supported a more contained increase in average cost, as new units are procured within the agreed 'Pan London' level.

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[1] London Councils reporting of the worsening homelessness risk to boroughs' finances £330m homelessness overspend as housing crisis threatens to bankrupt London boroughs | London Councils – Home

5.53 Income forecasting accuracy improved with the placements income interface from the NEC Housing IT system to Oracle successfully implemented and the outputs on both systems reconciled.

5.54 There is further work underway to improve the forecasting accuracy of expenditure. A new temporary accommodation projection toolkit has been developed to inform the base and future activity levels taking into account the variables and complexities of this area. The ongoing development of functionality within NEC has supported this and will continue to strengthen the ability to refine forecasting going forward.

Temporary Accommodation Income Pressure

5.55 The Housing Benefit (HB) subsidy received from the Department for Work and Pensions (DWP) for temporary accommodation is frozen at 90% of the Local Housing Allowance (LHA) in 2011 and has not been increased since. This inherent gap between the accommodation costs, which have increased since then, and HB income remains significant for provision of temporary accommodation. By contrast, registered social landlords in the borough receive HB at the value of the actual accommodation costs. This is clearly an unlevel playing field. The estimated cost of the policy decision to Croydon is approximately £40 million per annum.

5.56 In addition, there is a pressure owing to temporary accommodation management fees (extra payment to secure properties from some private landlords) of £40/week/unit which are no longer recoverable through Housing Benefit (HB) subsidy from DWP. The HB subsidy ended in 2017 with the introduction of the Homelessness Prevention Grant (HPG) which Government deemed to be a better means for Local Authorities to manage its temporary accommodation pressures. In previous years this pressure was experienced in the central Housing Benefit subsidy budget held in the Resources directorate, with a partial recharge to Housing. From April 2025 this was simplified with the extra costs (non-claimable from HB) recorded in the NEC housing IT system and no longer counted as part of the rent cost for housing benefit subsidy.

RESOURCES

Division	Net Budget (£m)	Provisional Outturn (£m)	Variance (£m)
Property, Procurement and Capital	6.9	7.1	0.2
Finance	9.0	7.9	(1.1)
Legal Services and Monitoring Officer	3.8	3.8	-
Insurance, Anti-Fraud and Risk	1.1	0.9	(0.2)
Internal Audit Service	-	-	-
Pensions and Treasury Management	-	-	-
Central Resources	(0.2)	(0.2)	-
Total Resources	**20.6**	**19.5**	**(1.1)**

5.57 The Resources directorate has a provisional underspend of £1.1m (5.3%) against the budget of £20.6m.

Property, Procurement and Capital Division – provisional overspend of £0.2m

5.58 The division had a net £0.2m overspend in Corporate Landlord services. This included a £0.2m under-achievement in advertising income and overspends in staffing and non-pay expenditure costs, partially offset by increased rent & service charge income and recovery of schools' utilities costs.

Finance Division – provisional underspend of £1.1m

5.59 Provisional underspend primarily owing to £1.2m income above budget for land charges and street naming, and court cost income. This is reduced by a £0.1m overall overspend on staffing owing to temporarily increased agency staffing in Strategic Finance to work through historic accounting issues, including the prior years' accounts, the 2024-25 external audit and preparation for the 2025-26 closing of accounts, which is partially reduced by staffing vacancies in the Payments, Revenues, Benefits and Debt service.

5.60 The Finance Division holds the Improvement Costs cost centre which had costs of £517k against a budget of £555k. This funded the cost of the Improvement and Assurance Panel up to July 2025 and then the cost of the four Commissioners appointed by MHCLG to support the Council in meeting its Best Value Duty. The cost centre also includes the cost of external review work and strategic project support for improvements.

Insurance, Anti-Fraud and Risk Service - provisional underspend of £0.2m

5.61 There was a provisional underspend of £0.2m owing to reduced insurance claim costs.

SUSTAINABLE COMMUNITIES, REGENERATION & ECONOMIC RECOVERY (SCRER)

Division	Net Budget (£m)	Provisional Outturn (£m)	Variance (£m)
Streets and Environment	57.9	57.3	(0.6)
Culture and Community Safety	11.5	10.4	(1.1)
Planning & Sustainable Regeneration	8.1	7.4	(0.7)
Central SCRER	0.6	0.7	0.1
Total SCRER	**78.1**	**75.8**	**(2.3)**

5.62 The SCRER directorate had a provisional underspend of £2.3m (2.9%) against the budget of £78.1m.

Streets and Environment Division – provisional underspend of £0.6m

5.63 The division had an underspend of £0.6m. There was a parking overachievement in income of £0.8m, owing to the London-wide Penalty Charge Notice (PCN) increase for 2025-26 reduced by not receiving income in March from the six Low Traffic Neighbourhoods which ceased following the court judgment.

5.64 Environmental Health, Trading Standards and Licensing had an underspend of £0.5m owing to staffing vacancies, lower legal recharges and additional licensing income. There were also underspends in Highway Services (£0.5m) reflecting lower street lighting energy charges and in Independent Travel (£0.3m).

5.65 These underspends were partly offset by a £1.4m pressure within Environmental Services, driven by higher grounds maintenance costs, increased waste disposal costs resulting from increased waste tonnages and additional street cleansing ‘pass through’ costs by the provider. There was also an overspend of £0.1m owing to agency staffing costs.

Low Traffic Neighbourhood (LTN) fine reimbursements

5.66 The High Court ruled on 4 March 2026 that six of the Council's LTNs, originally introduced in 2020 and made permanent in March 2024, were unlawful. The Council revoked the schemes in line with the decision and the Executive Mayor ensured that arrangements were put in place to refund eligible motorists. The total related penalty fine income from March 2024 to March 2026 was £7.309m. A provision has been allowed for in the 2025-26 accounts based on an estimate of unclaimed refunds as at 31/3/26 that could be claimed. This provision of £3.300m and the refunds already made by 31/3/26 (£0.030m), have been funded in 2025-26 through the Business Risk reserve.

Culture and Community Safety Division - provisional underspend of £1.1m

5.67 The division had an underspend of £1.1m. This was primarily driven by income exceeding budget within the Bereavement & Registrars service (£0.4m), additional grant funding and periods of staffing vacancies in the Violence Reduction Network (£0.4m), higher income and periods of staffing vacancies across the libraries service (£0.2m) and reduced mortuary costs (£0.1m).

Planning and Sustainable Regeneration Division - provisional underspend of £0.7m

5.68 The division had an underspend of £0.7m. This was primarily driven by a £0.4m underspend in Development Management owing to higher income and periods of staffing vacancies.

5.69 Additional underspends were delivered across several areas, including Building Control (£0.2m) owing to staffing underspends partially offset by income under-achievement and Spatial Planning (£0.2m) owing to higher income. Also grant utilisation, additional income and vacancy management resulted in a £0.4m underspend across Economic Delivery & Employment Investment, Growth & Regeneration and Strategic Transport.

5.70 These underspends were partly offset by a £0.5m pressure within the Employment, Skills and Economic Development service owing to premises & staffing costs and reduced external funding.

Central SCRER Division – provisional overspend of £0.1m

5.71 The central division had an overspend of £0.1m owing to legal costs.

CORPORATE ITEMS AND FUNDING

Area of Spend	Net Budget (£m)	Provisional Outturn (£m)	Variance (£m)
Non-pay Inflation Budget	9.0	-	(9.0)
Pay Inflation budget	3.7	-	(3.7)
Risk Contingency Budget	5.0	-	(5.0)
Other corporate items	(173.4)	(169.3)	4.1
Total Corporate Items and Funding	**(155.7)**	**(169.3)**	**(13.6)**

5.72 The corporate directorate had a provisional underspend of £13.6m. The forecast underspend related to £9.0m of non-pay inflation budget and £3.7m pay inflation budget not required by services, and the non-utilisation of the £5.0m risk contingency budget. This underspend was reduced by these main areas:

- £0.550m Target Operating Model savings held centrally (which will be achieved in 2026-27);
- £1.500m "Customer access (Council wide) savings" (which have been cancelled through growth in 2026-27 to avoid double counting against transformation savings);
- £0.554m Care Experienced Young People (Care Leavers) Council Tax discount; and
- £1.882m increased Minimum Revenue Position (MRP) cost following updated figures that have rolled forward from the completion of the 2024-25 annual accounts (including accounting regulatory changes that took effect from 2024-25 relating to International Financial Reporting Standard IFRS16 Leases).

5.73 The corporate area holds funding streams such as Council Tax, retained share of Business Rates and Core Grants. The corporate budget also holds the Council-wide risk contingency budget (£5m) and the budgets for borrowing and interest received.

5.74 Corporate holds the £9m balance of non-pay inflation budget and £3.7m balance of pay inflation budget not required by services. The 2025-26 national pay award was agreed at 3.2% by the National Joint Council of employers and trade unions.

5.75 The corporate area funds redundancy, severance and pension strain costs which contribute to achieving General Fund MTFS savings. The 2025-26 costs, above those that were allocated to transformation capital schemes, were £0.2m against the budget of £0.6m.

Collection Fund

5.76 The table below shows the Council Tax annual income estimated in the 2025-26 budget agreed by Full Council in February and the updated billing amount following changes in the Council Tax Base during the year (net collectable debit).

Total Council Tax income (for Council and Government bodies)	Annual Net Collectible Debit (NCD) at budget setting (£m)	Revised Annual NCD at year end (£m)	Variance Against Budget (£m)	Variance Against Budget (%)
Council Tax	350.3	349.8	(0.5)	(0.14)

5.77 When the budget was set it was assumed that the Council would collect 98% of the £350.3m NCD, this is budgeted income equal to £343.3m. The in-year target collection was 94.26% (£330.1m). The actual collection rate was 94.25% (£329.7m) and £7.9m has been collected for Council Tax arrears for prior years. Therefore, total income was collected of £337.6m and a balance of £5.7m needs to be collected in future years.

5.78 Council Tax income is collected for the Council, the Greater London Authority (GLA) and to pay levies to the London Pensions Fund Authority (LPFA), Lee Valley Regional Park Authority and the Environment Agency.

5.79 The table below summarises the provisional performance on collecting Council Tax income.

Council Tax Income Target (NCD) at year end (£m)	Council Tax Income Collection at year end (£m)	Council Tax Income Target at year end (%)	Council Tax Income Collection at year end (%)	Council Tax Income Collection variance (%)
349.8	329.7	94.26	94.25	(0.01)

5.80 The end of year (March 2026) collection target was 94.26% and collection was 94.25%, which was 0.01% behind the target and equates to £0.035m. While performance was very close to the target, it was hoped to exceed 94.26%. However, several factors impacted in-year collection. Delays by the Valuation Office Agency in processing property bandings meant some new homes were brought into Council Tax several months after completion. These cases required backdated billing, reducing the likelihood of full in-year collection.

5.81 The application of Council Tax premiums on empty properties, alongside the introduction of the second homes premium, also adversely affected collection. These accounts typically present higher recovery risks owing to absentee ownership and lower payment compliance, with increased premium levels contributing to higher arrears.

5.82 Targeted recovery action was undertaken throughout the year. This included focused arrears campaigns, enhanced monitoring of failed Direct Debits, revised customer contact arrangements and proactive use of Attachment of Earnings where employment details were available. These measures supported improved collection performance in the latter part of the year.

5.83 Enforcement activity has now reduced, with 369 fewer summonses issued compared with the same point last year. However, earlier in the year enforcement was front-loaded, with 1,258 more summonses issued by September than in the previous year, suggesting financial pressures on some households occurred earlier in the year.

5.84 Overall, continued economic pressures on taxpayers, alongside structural factors affecting higher-risk accounts, underpinned the setting of a lower in-year collection target of 94.26%.

5.85 Business Rates income is collected for the Council (retained share), the GLA and the Government. The Business Rates Supplement is collected to fund the Cross-Rail development in London. The Council acts as an administrator for Business Rates with the level of rates for businesses set by the national Valuation Office Agency.

5.86 The table below shows the provisional performance on collecting Business Rates income.

Business Rates Income Target (NCD) at year end (£m)	Business Rates Income Collection at year end (£m)	Business Rates Income Target at year end (%)	Business Rates Income Collection at year end (%)	Business Rates Income Collection variance (%)
132.5	121.5	99.25	92.02	(7.23)

5.87 The end of year (March 2026) collection target was 99.25% and collection was 92.02% which is 7.23% behind the target equating to £9.6m.

5.88 This underperformance is primarily owing to retrospective amendments to rateable values by the Valuation Office, which have resulted in refunds and backdated liabilities. The most significant example occurred in March 2026, when a new property with a rateable value of £11.8m was added and backdated to September 2024. This created a £6.8m liability for 2025-26 (5.13%) with only a matter of weeks available for collection.

5.89 In addition, £1.7m is attributable to refunds of two hereditaments, interest payments arising from revaluations increased by £240k compared to 2024, more than £1m remains subject to liability disputes, and £220k relates to accounts undergoing restructure or liquidation.

5.90 There is a funding risk in the Collection Fund if the growth in Council Tax properties is not as high as budgeted, and similarly if there is a decline in the number (or level of rates) of Business Rates premises.

5.91 There is also a funding risk in the Collection Fund if cost of living pressures impact the collection of Council Tax and Business Rates income, and/or increase the levels of claimants for Council Tax Support. 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).

Treasury Management

5.92 The table below shows the position on the Council's interest payable on external debt (borrowing) and interest receivable on cash and cash equivalent balances (primarily interest received on immediately accessible money market funds).

General Fund Interest Type	2025-26 Budget (£m)	2025-26 Provisional Outturn (£m)	2025-26 Variance (£m)
Interest payable cost	43.1	43.4	0.3
Interest receivable income	(3.0)	(3.1)	(0.1)

Treasury Investments (Quarter Four)

5.93 During the quarter the average investment balances held by the Council were £89.5m, earning interest of £0.9m (a yield of 4.22%). Average investment balances for the year were £124.6m, earning £5.5m (a yield of 4.39%). Investments were made in accordance with the Council's Investment Policy included in the Treasury Management Strategy Statement for 2025-26 agreed by Full Council. The Council's investments at 31 March 2026 are detailed in the table below:

Counterparty	Type	Principal (£m)	Start Date	End Date	Interest Rate (%)	Risk Rating
Insight	MMF	20.000			3.82	1
Aberdeen Sterling	MMF	0.900			3.77	1
Blackpool Council	LA	10.000	23/01/26	30/04/26	4.50	1
Hackney Council	LA	10.000	24/03/26	08/10/26	5.75	1
Gloucester Council	LA	10.000	15/01/26	15/07/26	4.55	1
Wiltshire Council	LA	10.000	24/02/26	24/06/26	5.30	1
Cornwall Council	LA	5.000	27/03/26	24/04/26	8.00	1
Total Investments		**65.900**				

Type acronyms: MMF = Money Market Fund. LA = Local Authority.

5.94 The Council's investments have a risk rating of 1 according to the methodology adopted by our treasury advisers. A score of 1 is the lowest score and indicates an extremely low risk of default.

Table showing maturity structure (liquidity)

Maturity Period (Liquidity)	Percentage of Investments
< 1 Month	54.5%
1-3 Months	15.2%
3-6 Months	15.2%
6-9 Months	15.2%

Treasury Borrowing

5.95 During the quarter the Council refinanced £10.0m of maturing debt from the Public Works Loan Board (PWLB), with the PWLB under the General Fund. A further £70.0m of debt was added with the PWLB. The level of General Fund external debt increased to £1,222.0m. The average interest rate increased from 3.82% to 3.88% as per the table below:

General Fund External Debt at 31 March 2026	Principal Outstanding (£m)	Average Interest Rate	Average Duration (Years)
Public Works Loan Board	1,095.040	4.04%	14.9
Market Debt	127.000	2.49%	12.3
Total General Fund External Debt	**1,222.040**	**3.88%**	**14.6**

5.96 During the quarter the Council added £10.0m of debt under the Housing Revenue Account. The following table shows the position of Housing Revenue Account (HRA) external debt:

HRA External Debt at 31 March 2026	Principal Outstanding (£m)	Average Interest Rate	Average Duration (Years)
Public Works Loan Board	373.9	3.69%	17.2
Total HRA External Debt	**373.9**	**3.69%**	**17.2**

Transformation Programme (non-capital)

5.97 The Transformation Programme (non-capital) had £2.741m earmarked reserve to support the Transformation Plan. The earmarked reserve was the result of the closedown, at the end of 2024-25, of the Corporate Improvement Plan and clawback of all unspent budget allocations. £0.645m has been used during 2025-26. The revenue base budget for the Transformation Management Office is £1.1m.

Transformation Programme (non-capital) Allocations

Project	Detail	Lead Directorate	2025-26 Allocation (£m)
Opening Balance at 1/4/25			**2.741**
Procurement and Contract Management Improvement Project 2025-26	Original funding was approved until 31/7/25	Resources	0.216
Adults Living Independently	Business Intelligence Strategic Lead (extended to 31/3/26)	ASCH	0.124
Planning	Improving performance to maximise income by setting own fees through new legislation	SCRER	0.094
Building Control	Income project to increase market share	SCRER	0.104
Corporate File Transfer Project	Develop data infrastructure to support the Digital Operating Model	ACE	0.078
Housing Transformation Plan	Housing Transformation Lead	Housing	0.029
Unallocated to date			**2.096**

5.98 The main transformation plan investment in 2025-26 was through the capital projects listed below which feature in the General Fund Capital Programme reported later in this report.

- Oracle Improvement Programme
- Improving Payments
- Digital Foundations
- Unified Front Door (including Information, Advice & Guidance)
- Demand management
- Community Partnerships

- Commercial Excellence
- Shared Services
- Simpler Organisation
- Strategic Delivery Support

5.99 The Adults Living Independently and Helping Families Thrive programmes are funded in revenue through the Business Risk earmarked reserve.

Savings

5.100 The 2025-26 budgets included a challenging MTFS savings target of £21.8m. Together with slippage of £3.3m from 2024-25, the total savings target was £25.1m. The achievement of savings was £21.6m (86.1%). The financial impact of not achieving savings in full is included within the relevant directorate forecast positions, i.e. the directorates would have higher underspends if all savings were achieved in year.

5.101 The new MTFS savings target of £21.821m included the £21.705m savings shown in the Full Council Budget Meeting schedule plus the £0.116m extra contracts saving agreed through the budget amendment.

Table showing 2025-26 savings achievement by Cabinet portfolio

	2025-26					
Cabinet Portfolio	Savings target £000's	Slippage from previous year £000's	Revised savings target £000's	Forecast savings achievable £000's	Savings slippage £000's	Not yet evidenced or (over delivery) £000's
Health & Adult Social Care	4,975	-	4,975	4,975	-	-
Children & Young People	3,734	649	4,383	3,600	149	634
Homes	634	-	634	634	-	-
Finance	8,871	600	9,471	8,905	316	250
Planning & Regeneration	280	-	280	280	-	-
Streets & Environment	2,821	334	3,155	3,015	140	-
Communities & Culture	90	-	90	90	-	-
Community Safety	-	-	-	-	-	-
Cross-Portfolio	416	1,750	2,166	116	550	1,500
Total	**21,821**	**3,333**	**25,154**	**21,615**	**1,155**	**2,384**

Savings achievement not yet evidenced

5.102 Children and Young People portfolio: Forecast slippage of £0.149m relates to the timing of changes in 2025-26 relating to the review of youth engagement services and safeguarding partnership back-office support savings. These will be achieved in full in 2026-27 through the full-year effect of changes implemented in 2025-26.

5.103 There were £0.234m savings that were not achieved relating to “Calleydown - Increasing capacity and reducing respite costs (transformation project)”. £0.050m of the total £0.284m saving was achieved through staffing in relation to the centre.

5.104 NHS Funding savings of £0.400m related to funding from the Integrated Care Board (ICB) for packages of care and support and specialist placements were not achieved in 2025-26. Benchmarking by Impower in September 2024 evidenced that compared to Croydon receiving no joint funding towards care placements in 2024-25, other London statistical neighbour boroughs (including those in the South West London ICB area) do receive joint funding income. The Council employed a nurse assessor to review individual cases, providing backing evidence for negotiations with Health. Conversations are still continuing with ICB NHS colleagues and the Council is cautiously optimistic that income will be agreed in 2026-27.

5.105 Finance portfolio: There is savings slippage of £0.316m. The “Increasing advertising income from Council assets and property” saving of £0.100m was offset in 2025-26 through increased rental income.

5.106 The achievement of Human Resources and Organisation Development savings of £0.1m are delayed until 2026-27 when the Oracle Time and Labour module is fully implemented and reductions in payroll staffing will occur.

5.107 The workforce restructure saving in Croydon Technology Service of £0.5m is linked to the End User Service re-procurement and subsequent service transformation. £0.1m is slipping and will be achieved in 2026-27 through the full-year effect of the external contract extension ending in 2025-26.

5.108 The Film Office income generation saving of £0.016m is slipping. The service is working to drive activity through proactive contract management to maximise income opportunities for 2026-27.

5.109 The “Reduction in legal demand including reduced use of external legal advice” saving of £0.250m was dependent on the level of legal casework across the Council and was not achieved. There were lower external legal costs in 2025-26 than 2024-25 in ACE, Corporate, CYPE, Housing General Fund and SCRER. However, there were increased costs in ASCH and

Resources. Total external legal costs across the Council increased from £1.8m (2024-25) to £2.2m (2025-26).

5.110 Streets and Environment portfolio: There is slippage on the 'Proactive marketing & use of Council maintained green spaces for public events' saving of £0.140m. The Streets & Environment and Planning teams are liaising around the number of days that events can be held in parks. Slippage was offset by staffing underspends within the service.

5.111 Cross-portfolio: There are £2.050m savings that have not been evidenced to date:

- The "Customer access (Council wide)" saving of £1.500m slipped from 2024-25 which has been cancelled through growth in the 2026-27 budget to avoid double counting against transformation savings;
- Target Operating Model (TOM) - Digital Operating Model savings of £0.300m slipping to 2026-27; and
- The "Consider new structures through layers and spans review" saving of £0.250m slipped from 2024-25 which will be delivered in 2026-27 as part of the TOM - Simplifying the Organisation project.

Reserves

5.112 There are no budgeted contributions to, or drawdowns from, the General Fund balances of £27.5m in 2025-26. General Fund balances serve as a cushion should any overspend remain at the end of 2025-26. The use of General Fund balances to support the budget is not a permanent solution and must be replenished back to a prudent level in subsequent years if used.

5.113 The provisional outturn position for the Council utilises £1.240m of Collection Fund earmarked reserves (the estimate of £1.249m was agreed by Full Council in the budget to fund the prior year Collection Fund deficit) and utilises £0.645m of transformation earmarked reserves carried forward from 2024-25.

5.114 The Financial Improvement earmarked reserve has been used to fund the estimated Housing Benefit subsidy loss above budget (£1.2m) whilst the external audit of Housing Benefit subsidy claims from 2022-23 to 2024-25 are still being completed.

5.115 The Business Risk earmarked reserve has been used to fund:

- £1.995m costs relating to the Helping Families Thrive programme;
- £2.437m contribution towards the costs of the Adults Living Independently programme;

- £3.330m parking and moving traffic offence fine refunds (processed by 31/3/26 and for estimated to be claimed in the future) for six LTNs ruled unlawful by the High Court; and
- Less £4.8m net increase in the Business Risk reserve from other adjustments.

5.116 The following table shows the provisional movement in earmarked revenue reserves in 2025-26:

Earmarked Revenue Reserve	**Service Area**	**Balance at 1/4/25 (£m)**	**Movement (£m)**	**Provisional Balance at 31/3/26 (£m)**
General Fund Balances	Corporate	27.5	-	27.5
Collection Fund (Council Tax and Business Rates)	Corporate	6.8	(1.2)	5.5
Business Risk	Corporate	12.0	(3.0)	8.9
Financial Improvement	Corporate	3.4	(1.2)	2.2
Transformation	Corporate	2.7	(0.6)	2.1
Insurance	Resources	2.9	(0.2)	2.8
Growth Zone	SCRER	30.0	(4.7)	25.3
Borough CIL – Local Meaningful Proportion	SCRER	5.1	(0.3)	4.8
Street Lighting PFI	SCRER	7.8	(3.0)	4.8
Public Health Grant	ASCH	12.5	(1.4)	11.2
Dedicated Schools Grant (DSG) *(please note comments below table)*	CYPE	9.9	-	9.9
Homes for Ukraine - Tariff Grant	CYPE	4.0	(0.7)	3.3
Other earmarked revenue reserves (under £2m)	Various	22.4	8.5	30.9
Total General Fund Earmarked Revenue Reserves		**147.0**	**(7.8)**	**139.2**
Balances held by schools	CYPE	5.4	(1.0)	4.4
Housing Revenue Account (HRA) reserves	Housing	22.4	(9.3)	13.1

5.117 The accounting treatment for the Dedicated Schools Grant dictates that prior year surpluses need to be held in a DSG reserve as above. However, where the authority has incurred a deficit on its schools' budget in years beginning 1 April 2020 ending 31 March 2026, the Local Authorities (Capital Finance and Accounting) Regulations do not allow for such amounts to be included in the General Fund and instead must be held in a DSG adjustment account. This is commonly known as the DSG statutory override and the Government has extended this from March 2026 to March 2028.

5.118 The deficit balance on the DSG adjustment account at 31/3/25 was £38.0m. The net effect of the adjustment account and reserve was a deficit of £28.1m at 31/3/25. In 2025-26 the accumulated deficit has provisionally increased by £32.7m owing to the in-year overspend and decreased by £3.3m owing to the Safety Valve payment from DfE. The provisional net position (of the adjustment account and reserve) at the end of 2025-26 is £57.6m. Alongside the Final 2026-27 Local Government Finance Settlement (LGFS), the Government published an explanatory note on the Government's approach to Dedicated Schools Grant deficits, as set out from paragraph 5.45.

HOUSING REVENUE ACCOUNT (HRA)

5.119 The HRA has a provisional underspend of £1.6m, primarily as a result of increased income collection. The underspend means that the drawdown from the HRA reserve in 2025-26 is £1.6m lower than the budgeted drawdown expectation.

Table showing the 2025-26 HRA provisional outturn

	Budget (£m)	**Provisional Outturn (£m)**	**Variance (£m)**
Rental Income	(90.3)	(91.4)	(1.1)
Service Charge Income	(7.2)	(8.0)	(0.8)
Other Income	(4.7)	(5.2)	(0.5)
Subtotal Income	**(102.2)**	**(104.6)**	**(2.4)**
Responsive Repairs & Safety (Works)	33.6	35.2	1.6
Responsive Repairs & Safety (Non-works)	4.3	5.2	0.9
Asset Planning & Capital Delivery	3.3	3.0	(0.3)
Tenancy & Resident Engagement	9.2	13.5	4.3
Tenant Support Services	6.6	7.2	0.6
Housing Compliance & Transformation	3.5	2.0	(1.5)
Regeneration	1.4	0.8	(0.6)
Regina Road	0.6	-	(0.6)
Centralised Directorate Expenditure	5.0	1.8	(3.2)
Corporate Overheads (SERCOP)	4.6	6.3	1.7
Housing Capital Charges	30.1	28.0	(2.1)
Subtotal Expenditure	**102.2**	**103.0**	**0.8**
Total HRA Net Expenditure	**-**	**(1.6)**	**(1.6)**

5.120 The £2.4m increase in income against the budget was primarily owing to rent collection of 101.7%. A key part of the Council's service offer to tenants is the support and advice element. Within the financial year the Council assisted tenants to access additional benefits and support funds to the value of circa £2.5m.

5.121 Disrepair remains a concern as the Council is dealing with a significant number of disrepair claims and provision for the funding of these claims is included in the Tenancy & Resident Engagement costs. The disrepair manager has implemented an action plan to address the cases and performance.

5.122 Staffing: The consultation for the restructures within the Housing Assets & Repairs division and Housing Tenancy division concluded and the new structures went live in September 2025. Amendments to budget allocations within the overall Housing Directorate following the outcome of the consultations have been implemented for the 2026-27 budgets.

5.123 The legislative changes from Awaab's Law coming into effect from 27 October 2025 have remained a priority to ensure that, as a landlord, the Council addresses damp, mould and emergency hazards within strict timeframes to ensure tenant safety.

5.124 Rent debtor balances on the general ledger are under review. A new policy for the recovery of former council tenant rent arrears is in progress to be more transparent and allow for more robust monitoring of payments. The new policy will ensure that debt will only be written off in cases where it has proved impossible to recover, or when the cost of further recovery actions would exceed the debt values.

Capital Programme and Financial Sustainability

5.125 The Capital strategy and programme was approved by Council in February 2025. At the end of 2024-25 the Council had £1.388bn of General Fund debt (excluding the IFRS16 leases technical accounting adjustment of an extra £0.070bn). At the end of 2025-26, the Council had £1.497bn of General Fund debt (excluding the IFRS16 leases adjustment of an extra £0.030bn). The General Fund debt increased by borrowing for capitalisation directions and financing of a small amount of capital spend. The IFRS16 lease adjustment reduced owing to Red Clover Gardens moving from a lease arrangement to direct ownership.

5.126 The strategy reflects 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) issued in October 2020 and January 2022. The Council understands that the improvements put in place are the foundations of good practice and is focused on building upon these over the coming months and years.

5.127 Concerns were highlighted in the RIPIs 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, e.g. Fairfield Halls, Croydon Park Hotel and the Colonnades. This includes the debt write-off against loans historically given to Brick By Brick.

5.128 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.

5.129 £82m was required to service debt in 2025-26 from the General Fund (including PFIs but excluding IFRS16 lease adjustments) which represents 22% of the Council's net budget. The CIPFA Financial Resilience Index shows Croydon's 2024-25 Gross External Debt to Income (Council Tax, Business Rates and fees) ratio as 211% compared to an average 124% for the other 32 London boroughs. The Council's historic legacy borrowing and debt burden is, therefore, critical to the non-sustainability of the Council's revenue budget.

5.130 The Council concluded that the expenditure it is anticipated to incur in each year of the period of 2025-29 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 2025-26 budget required capitalisation directions from Government of up to £136m to balance and the updated 2026-30 MTFS presented to Full Council in February 2026 demonstrated an estimated budget gap of £119m for 2026-27, reducing to £69m for 2029-30.

5.131 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 (each £1m of capitalisation adds circa £85k per annum revenue cost). Also, capital receipts from the Asset Disposal Strategy are no longer sufficient to cover the capitalisation directions and, therefore, the Council's debt will continue to increase. Therefore, a request was made to MHCLG in January 2023 for Government funding to write-off £540m of the Council's General Fund debt or secure another solution that would have the equivalent effect.

General Fund Capital Programme

5.132 The General Fund capital programme has a provisional underspend of £38.6m (18.0%) against the revised budget of £214.6m. The capital budget includes expected capitalisation directions of £108.7m (£136.0m less the Stabilisation Plan target underspend of £27.3m).

Table showing 2025-26 General Fund Capital Programme provisional outturn

General Fund Capital Scheme	2025-26 Revised Budget (£000's)	2025-26 Provisional Outturn (£000's)	2025-26 Variance (£000's)
Network Refresh	1,166	299	(867)
Tech Refresh	112	19	(93)
Laptop Refresh and Re-imaging	424	416	(8)
Hosting Transition (Cloud and Disaster Recovery)	616	288	(328)
Synergy Education System	220	88	(132)
NEC Housing System Phase 1	108	94	(14)
Public Switched Telephone Network Digital Migration Phase 1	240	132	(108)
Windows 2016 Server Upgrades	10	9	(1)
Uniform Planning System module updates	83	13	(70)
Subtotal Assistant Chief Executive	**2,979**	**1,358**	**(1,621)**
Samuel Coleridge Taylor Hub	25	2	(23)
Children Home DFE (Precious House)	215	213	(2)
Children Home DFE (South Norwood)	280	50	(230)
Childcare Reform Expansion	234	75	(159)
Subtotal CYPE	**754**	**340**	**(414)**
Disabled Facilities Grant	4,112	3,229	(883)
Discharge Temporary Accommodation	16,000	-	(16,000)
NEC Housing System Phase 2	810	707	(103)
Subtotal Housing	**20,922**	**3,936**	**(16,986)**
Asset Strategy - Stubbs Mead	146	-	(146)
Asset Strategy Programme (stock condition surveys)	60	18	(42)
Clocktower Chillers	19	-	(19)
BWH utilities sub-metering infrastructure	200	-	(200)
Corporate Property Maintenance Programme	1,786	994	(792)
Fairfield Halls - Council	800	546	(254)
Fairfield Halls External Screen	8	79	71
Fieldway Cluster (Timebridge Community Centre)	59	59	-
Coroner's Court Relocation	255	175	(80)
Mortuary Services - Design/appraisal work	150	96	(54)
Contingency	1,000	-	(1,000)
Oracle Improvement Programme	3,693	3,534	(159)
Education - Compliance and Fire Safety	815	140	(675)
Education - Major Maintenance	4,607	3,376	(1,231)
Education - Miscellaneous	749	735	(14)
Education - Permanent Expansion	50	50	-
Education - SEN	4,750	2,126	(2,624)
The Hayes Primary School - Wraparound Provision	60	-	(60)
NHS Coulsdon - GP Hub	1,581	344	(1,237)

General Fund Capital Scheme	2025-26 Revised Budget (£000's)	2025-26 Provisional Outturn (£000's)	2025-26 Variance (£000's)
Subtotal Resources	**20,788**	**12,272**	**(8,516)**
Ashburton Park Heritage Fund	374	207	(167)
Cashless Pay & Display	500	298	(202)
Grounds Maintenance Insourced Equipment	1,133	676	(457)
Waste and Street Cleansing Fleet Vehicles	16,900	16,560	(340)
Highways	7,418	6,789	(629)
Highways – DfT	1,243	1,305	62
Highways - bridges and structures	1,500	566	(934)
Highways - flood water management	436	566	130
Highways - Tree works GLA	114	-	(114)
Highway Improvement	411	154	(257)
Open Space Improvement	116	44	(72)
Local Authority Tree Fund	67	6	(61)
Trees Sponsorship	11	11	-
Park Asset Management	1,000	1,171	171
Parking cameras replacements	168	(2)	(170)
Parking IT system replacement	75	-	(75)
Street Lighting LED replacement	500	-	(500)
Libraries Investment	405	383	(22)
Archive Stores	90	-	(90)
Museum Refurbishment	150	136	(14)
Leisure centres equipment - contractual agreement	574	497	(77)
PlayZones	170	9	(161)
Safety - digital upgrade of CCTV	1,524	320	(1,204)
Tennis Court Upgrade	20	12	(8)
Electric Vehicle Charging Point (EVCP)	196	154	(42)
Growth Zone	5,724	3,478	(2,246)
Amplifying Surrey Street	976	453	(523)
Surrey Street Drinking Fountain	36	35	(1)
Kenley Good Growth	85	48	(37)
South Norwood Good Growth	269	249	(20)
Local Implementation Plan (LIP)	2,470	2,475	5
Reconnecting Croydon	6,600	5,480	(1,120)
District Centre Improvements	233	147	(86)
District Centre and Park Improvements (UKSPF)	957	915	(42)
CIL Local Meaningful Proportion (LMP) Small Schemes	40	55	15
Town Centre Regeneration (ILTA)	1,136	1,136	-
Walking and Cycling Strategy	97	90	(7)
Sustainable Transport S106 Funded Small Schemes	-	13	13
Subtotal SCRER	**53,718**	**44,436**	**(9,282)**

General Fund Capital Scheme	2025-26 Revised Budget (£000's)	2025-26 Provisional Outturn (£000's)	2025-26 Variance (£000's)
TOM - Improving Payments	861	412	(449)
TOM - Digital Foundations	2,399	1,592	(807)
TOM - Unified Front Door (including Info, Advice, Guidance)	557	555	(2)
TOM – Demand management	713	378	(335)
TOM – Community Partnerships	209	177	(32)
TOM - Commercial Excellence	200	183	(17)
TOM - Shared Services	157	190	33
TOM - Simpler Organisation	232	233	1
TOM - Strategic Delivery Support	1,326	1,251	(75)
TOM - Contingency	50	-	(50)
Capitalisation Direction	108,700	108,700	-
Subtotal Corporate Items and Funding	**115,404**	**113,672**	**(1,732)**
TOTAL GENERAL FUND CAPITAL	**214,565**	**176,014**	**(38,551)**

Table showing 2025-26 General Fund Capital Programme Financing

General Fund Capital Financing	2025-26 Revised Budget (£000's)	2025-26 Provisional Outturn (£000's)	2025-26 Variance (£000's)
Community Infrastructure Levy (CIL)	2,372	2,163	(209)
CIL Local Meaningful Proportion (LMP)	460	316	(144)
Section 106	749	402	(347)
Grants & Other Contributions	30,256	21,515	(8,741)
Growth Zone	6,348	3,673	(2,675)
HRA Contributions	797	778	(19)
Reserves	1,261	1,261	-
Capital Receipts	12,878	5,217	(7,661)
Borrowing	159,444	140,689	(18,755)
Total General Fund Financing	**214,565**	**176,014**	**(38,551)**

5.133 The level of Community Infrastructure Levy (CIL) income received by the Council had decreased in recent years. However, in Quarter 4 the Council received £3.7m which brought the 2025-26 total received to £6.1m (compared to the forecast income of £3.4m at Period 9). CIL income is used to fund revenue service activities and administration costs, as well as capital expenditure.

HRA Capital Programme

5.134 The HRA capital programme had a provisional underspend of £13.5m (12.4%) against the revised budget of £108.5m.

5.135 Slippage occurred in the acquisitions programme and the Regina Road project owing to the timing of expenditure which will occur in 2026-27. The underspend within repairs and compliance related capital was owing to a strengthening of the delivery programme in respect of lifecycle replacements and major works programmes. This has led to a more accurate separation between capital and revenue activity at the earlier stage of the repair being raised and categorised.

Table showing 2025-26 HRA Capital Programme provisional outturn

HRA Capital Scheme	2025-26 Revised Budget (£000's)	2025-26 Provisional Outturn (£000's)	2025-26 Variance (£000's)
Major Repairs and Improvements Programme	21,657	21,213	(445)
Building Safety	12,345	12,696	351
Compliance	11,531	8,643	(2,888)
Special Projects	2,300	2,299	(1)
Support Costs	2,584	2,694	110
Repairs Referrals	6,000	4,176	(1,824)
Regina Road	10,379	7,406	(2,973)
Acquisitions	40,755	34,980	(5,776)
Regeneration Feasibility Studies	250	-	(250)
NEC Housing IT System	727	937	210
Total HRA Capital	**108,529**	**95,044**	**(13,485)**

Table showing 2025-26 HRA Capital Programme Financing

HRA Capital Financing	2025-26 Revised Budget (£000's)	2025-26 Provisional Outturn (£000's)	2025-26 Variance (£000's)
Major Repairs Reserve (MRR)	14,294	14,244	(50)
Other Receipts, Reserves and Grants including Right To Buy (RTB) Receipts	44,016	43,594	(422)
Revenue Contributions	1,609	957	(652)
Release of Revenue Reserve	12,470	12,470	-
Borrowing	36,140	23,778	(12,362)
Total HRA Capital Financing	**108,529**	**95,044**	**(13,485)**

6 ALTERNATIVE OPTIONS CONSIDERED

6.1 None.

7 CONSULTATION

7.1 None.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

8.1.1 Finance comments have been provided throughout this report.

8.1.2 A new financial management culture is being implemented across the organisation through increased communication on financial issues and training for budget managers. This has also been supported through improvements to the revenue and capital budget monitoring modules in the Oracle IT system from the beginning of 2025-26, as part of the Oracle Improvement Programme.

8.1.3 There are no budgeted contributions to, or drawdowns from, the General Fund balances of £27.5m in 2025-26. General Fund balances serve as a cushion should any overspend remain at the end of 2025-26. The use of General Fund balances to support the budget is not a permanent solution and must be replenished back to a prudent level in subsequent years if used.

8.1.4 The provisional outturn position for the Council utilises £7.8m of General Fund revenue earmarked reserves in 2025-26. These earmarked reserves do not impact the General Fund balances.

8.1.5 The General Fund revenue underspend demonstrates that a reduced amount of capitalisation directions will be needed in 2025-26 than the budgeted £136.0m. The provisional outturn indicates that £108.7m capitalisation directions will be required, meeting the Stabilisation Plan target to reduce capitalisation directions by £27.3m.

8.1.6 The Council's historic legacy debt burden and national, regional and local service pressures are critical to the non-sustainability of the Council's revenue budget.

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

8.2 LEGAL IMPLICATIONS

8.2.1 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 The operation of the Housing Revenue Account (HRA) is governed by Schedule 4 of the Local Government and Housing Act 1989 (the 1989 Act). Section 76 of the 1989 Act requires the Council to prevent debit balances on the HRA. Where a debit balance occurs, the Council must take appropriate action to maintain a balanced budget.

8.2.4 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty. 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 1999, "the 1999 Act"). The Best Value Duty applies to all functions of the Council including to deliver a balanced budget, providing statutory services such as adult social care and children's services and securing value for money in all spending decisions.

8.2.5 The Council is the subject of Directions from the Secretary of State issued under the 1999 Act (dated 17th July 2025) that requires the Council, amongst others, to continue to develop and implement the stabilisation and transformation Plans and to improve on its financial management. This report sets out how the Council is effectively monitoring and managing its budgetary allocations in accordance with its Best Value Duty.

Comments approved by Gina Clarke, Head of Corporate, Commercial and Planning on behalf of Stephen Lawrence-Orumwense, Director of Legal Services and Monitoring Officer, 17/06/2026.

8.3 HUMAN RESOURCES IMPLICATIONS

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

8.3.2 The Council is aware that many staff may also be impacted by the increase in cost of living. The Council offers support through the Employee Assistance 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, including the trade unions.

Comments approved by Dean Shoesmith, Chief People Officer, 08/06/2026.

8.4 EQUALITIES IMPLICATIONS

8.4.1 The Council remains committed to upholding its statutory duties under the Public Sector Equality Duty (PSED), as set out in Section 149 of the Equality Act 2010. In exercising its functions, the Council must have due regard to the need to:

- eliminate unlawful discrimination, harassment, and victimisation;
- advance equality of opportunity between people who share a protected characteristic and those who do not; and
- foster good relations between different groups.

8.4.2 In considering the recommendations within this report, the Executive Mayor and Cabinet are required to have due regard to these equality considerations. Equality impact assessments have informed the development and implementation of the Stabilisation Plan, Medium Term Financial Strategy (MTFS) savings delivery and service prioritisation decisions referenced in this report. Decision-makers are asked to consider equality impacts alongside financial sustainability when noting this report.

8.4.3 The Council recognises that financial decisions, particularly those relating to budget savings, service redesign, demand management and transformation programmes, may have a disproportionate impact on residents who share protected characteristics. This is particularly relevant in service areas experiencing significant demand pressures, including:

- Adult Social Care and Health;
- Children's Social Care and SEND/High Needs provision; and
- Homelessness and temporary accommodation.

8.4.4 These services disproportionately support disabled people, children and young people with SEND, care experienced young people, older residents, and racially minoritised communities.

8.4.5 In line with the Council's Equality Strategy 2023–2027 and anti-racism commitments, equality analysis considers structural disadvantage and potential racial disproportionality in access to services and outcomes.

8.4.6 All directorates are required to complete Equality Impact Assessments (EQIAs) for new policies, budget proposals and significant service changes. EQIAs are reviewed by the Council's equality function to ensure consistency, promote legal compliance, and identify risks and opportunities for mitigation. Equality analysis draws on local demographic data, service user profiles, consultation feedback and relevant national research.

8.4.7 The Council recognises that while individual savings proposals may appear proportionate in isolation, cumulative impacts across multiple service areas may affect some protected groups more significantly. The equality function supports directorates in reviewing potential cumulative impacts where multiple changes affect the same cohorts.

8.4.8 Where adverse impacts are identified, mitigating actions are developed and monitored through directorate governance and performance management arrangements. This may include phased implementation, reasonable adjustments, targeted communication, community engagement, and prioritisation of statutory duties and safeguarding responsibilities. Equality impacts continue to be monitored throughout the financial year as part of ongoing budget monitoring and transformation oversight.

Comments approved by Felisha Dussard, Acting Senior Equality Officer on behalf of Helen Reeves, Head of Strategy and Policy, 08/06/2026.

9. APPENDICES

9.1 None.

10. BACKGROUND DOCUMENTS

10.1 None.