



Department for Levelling Up,
Housing & Communities

Tony McArdle
Chair
London Borough of Croydon Improvement
and Assurance Panel

Kemi Badenoch MP
*Minister of State for Equalities and Levelling
Up Communities*

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7 March 2022

Dear Tony

I am writing in response to your fourth report, received on 7 December last year, which provided an update on the Improvement and Assurance Panel's assessment of the London Borough of Croydon's progress in implementing their three-year Recovery Plan.

Your comprehensive report clearly highlights the actions and decisions taken by the Council over the last quarter to implement the Croydon Renewal Plan. I am pleased that the foundations for a sustainable future are being established, including improved budgetary control and strengthened financial assurance processes. The generation of significant capital receipts through the disposal of the Croydon Park Hotel and College Green sites is encouraging and the Council should continue to develop its asset disposal strategy moving forward. The cultural transformation framework is also a positive step and it is vital that the Council leadership continues to drive this forward to embed culture change across the organisation.

Your report also it makes clear that the Panel are supportive of the Council's request for capitalisation of £50m in 2021-22 and a further £25m in 2022-23, which I have considered carefully. A capitalisation direction of £50m will be provided for 2021-22 and an in-principle agreement to £25m of capitalisation support for 2022-23, subject to confirmation upon the continued progress of the Council. Conditions of this support will include agreement of an asset disposal strategy and significant progress in the closure of outstanding accounts.

The London Borough of Croydon will continue to face many challenges in the forthcoming months. The progress that has been made in addressing the Council's past failings is encouraging. However, I agree with the Panel's assessment that the Council are at a critical point of their recovery journey and there is more to be done. The recent publication of the Report in the Public Interest by external auditors Grant Thornton into the historic governance and financial failings at Fairfield Halls is a concerning reminder of those past failings. A high level of assurance is essential to make sure that the Council continues to make the necessary improvements. My expectation is that the Council will continue to engage and work constructively with the Panel to ensure that progress does not stall, particularly in light of the forthcoming

Mayoral elections in May. A failure to do so would be of extreme concern and could lead to a reconsideration of whether a statutory approach might be more suitable to secure the improvements that are required.

I would like to thank you and the Panel for your sustained efforts over the last year supporting the London Borough of Croydon and I look forward to receiving your next assessment of progress in due course.

Yours Sincerely,

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

KEMI BADENOCH MP
Minister of State for Equalities
and Levelling Up Communities