



ANNUAL GOVERNANCE STATEMENT 2016/17

Scope of responsibility

Croydon Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Croydon Council also has a duty under the Local Government Act 1999 to 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.

In discharging this overall responsibility, Croydon Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes effective arrangements for the management of risk.

Croydon Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the authority's code can be obtained from governance@croydon.gov.uk. This statement explains how Croydon Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6 (1), which requires all relevant bodies to prepare and approve an annual governance statement.

The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled as well as the activities through which it accounts to, engages with and leads its communities. The framework enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives. Internal controls evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Croydon Council for the year ended 31 March 2017 and up to the date of approval of the annual report and statement of accounts.

The governance framework

- "Croydon's Community Strategy 2016-21" is the overarching strategy of the Local

Strategic Partnership, including the Council, in support of delivery of the borough's ambitious 30 year vision, "We are Croydon". The Community Strategy is supported by the Council's corporate plan and service plans for each department and team. These are reviewed and updated annually. In addition, the Council has its own Vision and Corporate Values statement developed after extensive consultation amongst staff to ensure there is effective management of change and transformation.

- The Council's Constitution sets out how decisions are made and the procedures that are followed to evidence open and transparent policy and decision making that ensures compliance with established policies, procedures, laws and regulations. The Council's policy and decision making is conducted through the Cabinet process, with the exception of non-executive matters and the Policy framework, which is set by full Council. These meetings are open to the public, except where personal or confidential matters are being discussed. In addition, the Chief Executive and senior officers make decisions under their relevant Scheme of Authorisations. The Council publishes a Forward Plan that details the key decisions to be made by the Leader Cabinet, Cabinet Committees or officers in relation to executive matters.
- The Council has a designated Director of Law & Monitoring Officer, who shall, after consulting with the Head of Paid Service and Chief Finance Officer, report to the Full Council, or the Leader in relation to an executive function, if they consider that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission would give rise to unlawful action. The Director of Law & Monitoring Officer also conducts investigations into matters referred by the Ethics Committee and delivers reports and recommendations in respect of those investigations to the Ethics Committee.
- The financial management of the Council is conducted in accordance with the Financial Regulations set out in the Constitution (4H). The Council has designated the Executive Director of Resources (& Section 151 Officer) as the Chief Financial Officer in accordance with Section 151 of the Local Government Act 1972. The Council has in place a three year financial strategy that is updated annually supporting the Council's strategic objectives. The financial strategy ensures the economical, effective and efficient use of resources including a financial management process for reporting the Council's financial standing.
- The Council's financial management arrangements conform to the requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2010).
- The Council maintains an effective Internal Audit service that has operated, in accordance with the Public Sector Internal Audit Standards. The Council's assurance arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit (2010)*. As required by the Accounts and Audit (England) Regulations, the Executive Director of Resources (& Section 151 Officer) has reviewed the effectiveness of the Internal Audit service and reported this to the General Purposes & Audit Committee which has concluded that the Internal Audit service is satisfactory and fit for purpose. This undertaking is part of the core functions of the General Purposes & Audit Committee, as set out in CIPFA's *Audit Committees: Practical Guidance for Local Authorities* and applied in the Council.

- Croydon Council has adopted strategies, policies and practices that are consistent with the principles of the CIPFA/SOLACE Framework *Good Governance in Local Government*.
- The Council has a performance planning process supplemented by detailed business planning to establish, monitor and communicate Croydon Council's objectives. This includes a performance management system that sets key targets and reports on performance monitoring to Cabinet each quarter. The performance management framework is utilised to measure the quality of services for users, to ensure that they are delivered in accordance with the Council's objectives and that these services represent the best use of resources and value for money.
- The Council has a robust risk management process to identify, assess and manage those significant risks to the Council's objectives including the risks of its key strategic partnerships. The risk management process includes a risk management policy statement, corporate and departmental risk registers, risk management steering group, and appropriate staff training. The Cabinet Member for Finance & Treasury champions risk management which is at the heart of the Council's decision making, with each Cabinet Member having access to the risks relating to their portfolio. Key corporate risks are regularly reviewed by the Divisional and Departmental Management Teams and by the General Purposes & Audit Committee.
- The Council has adopted codes of conduct for its staff and its Members, including co-opted members. These are introduced to all staff as they are inducted into the organisation and they are given their own copies. Members and co-opted members sign an undertaking to abide by their Code of Conduct at the point of their election or appointment. These Codes are available for reference at all times and reminders and training are provided as necessary.
- To ensure that concerns or complaints from the public can be raised, the Council has adopted a formal complaints policy which sets out how complaints can be made, what should be expected and how to appeal. In addition, the Council has adopted a fraud hotline.
- A whistle-blowing policy has been adopted to enable staff, partners and contractors to raise concerns of crime or maladministration confidentially. This has been designed to enable referrals to be made without fear of being identified. In addition, the Council has adopted a whistle blowing hotline supported by a third sector partner. These arrangements are part of ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained in the Council.
- The Council's control framework extends to partnerships and other joint working and this is reflected in the Council's overall governance arrangements.
- Many of the Council's services are delivered in partnership with commercial organisations. Where this is the case, the Council ensures that proper governance is maintained by closely following procurement procedures when awarding contracts and then robustly monitoring those contracts. Increasingly, Council services are delivered in partnership with other local public sector organisations. The most significant arrangements are grouped under the umbrella of the Local Strategic Partnership (LSP) which is led by a board made up of relevant Chief Executives. Each of the themes within the LSP is overseen by its own board.

- The Strategic Partnership seeks to address community engagement by, amongst other methods, involving representatives from themed partnerships, cabinet road shows, business development partnerships and the community voluntary sector alliance. The Local Strategic Partnership hosts a congress for key stakeholders from community, voluntary, business and the public sector which contribute to and influence strategy and policy of the local area. The thematic partnerships undertake a range of consultation exercises to enable all residents and customers to contribute to; and shape the strategic themed plans such as the Safer Croydon Partnership Community Safety Strategy 2014-17 or Children and Family Partnership plan. In addition, the Council undertakes surveys with a representative sample of its residents who provide the Council with reliable feedback on important issues that help improve services as part of establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- Members' induction training is undertaken after each local government election. In addition, an on-going programme of training and awareness is available for Members with formal and informal events each year, including all major changes in legislation and governance issues.
- A corporate induction programme, 'Inspire', is delivered to all new staff joining the Council, supplemented by department specific elements. In addition, further developmental needs are identified through the Council's Appraisal Scheme. The Council's Organisational Development service delivers its own suite of courses covering core personal competencies. Other training solutions are provided as required. The Council has also developed a "Leading the Croydon Way" Programme to improve leadership and management competencies across the organisation. In addition, a programme entitled 'Doing the Right Thing' is run to strengthen the governance processes and procedures of the Council.

Review of effectiveness

Croydon Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

This review process includes:

- The Director of Law & Monitoring Officer's annual review of the constitution to ensure its aims and principles are given full effect. This includes a review of the financial regulations by the Executive Director of Resources (& S151 Officer)
- The Scrutiny and Strategic Overview Committee's ability to "call in" the Council's key decisions prior to implementation to consider the appropriateness of the decision.
- The General Purposes & Audit Committee's responsibility for discharging the functions of an audit committee, including reviewing the risk management process, the performance of Internal Audit and agreeing the external audit plan.

- Internal audit is responsible for monitoring the quality and effectiveness of internal controls. Using the Council's risk registers and an audit needs assessment, a plan of internal audit work is developed. The outcome of the internal audit risk-based work is reported to all relevant Executive Directors and Directors and regularly to the General Purposes & Audit Committee. Implementation of recommendations is monitored and progress reported. The work of the Internal Audit function is reviewed regularly by the external auditors who place reliance on the work completed. The Executive Director of Resources (& Section 151 Officer) has reviewed the effectiveness of the Internal Audit service and reported this to the General Purposes & Audit Committee which has concluded that the Internal Audit service is satisfactory and fit for purpose.
- The assurance provided by Members and the assurance of senior managers through the Council's Executive Leadership Team in developing departmental and corporate risk registers and agreeing annual departmental assurance statements.
- The opinion of the external auditors in their reports and annual letter.
- Other review agencies, through their inspection arrangements, such as the Care Quality Commission and Ofsted.

The Council has been advised on the implications of the result of the review of the effectiveness of the governance framework and system of internal control by the General Purposes & Audit Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

Table 1

Based on the review the following key risks have been identified:

| Key Risks | Action | Responsible Officer | Responsible Cabinet Member |
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| <p>1. The Council faces significant reductions in its grant funding, during the period 2016 to 2020. At the same time, the Council has a rising demand for services and growth in population. The risk is that the demand/budget gap is not bridged without the Council having to introduce cuts to services.</p> | <p>The Council is continuing to manage and monitor budgets closely. High risk areas are being monitored on a monthly basis.</p> <p>The Managing Demand Programme is also looking at ways to manage costs by changing behaviours of both residents and staff.</p> <p>The council is also exploring increasing commercial opportunities particularly through its Development Company Brick by Brick and Croydon Equipment Services, but this itself brings with it an element of debt risk/commercial risk.</p> | <p>Executive Director of Resources (& Section 151 Officer)</p> | <p>Cabinet Member for Finance & Treasury</p> |
| <p>2. Care market management; providers cannot meet the Council's demands at the costs available and budgeted for. The demand for residential and nursing placements and homecare (domiciliary care) for Older People (OP) outstrips supplier capacity and capability to offer / deliver. Croydon commissions the highest number of Learning Disability placements across London and has the second largest care home market in London. Our capacity to</p> | <p>Two market management strategies for domiciliary care and residential and nursing care are in development. Detailed plans for market management will come from these.</p> <p>A 3 year inflation strategy for Adult Social Care is in place with provider engagement and processes for looking at market pricing issues.</p> <p>The Improved Better Care funding released for social care will contribute to support the stabilisation of the care market. Plans are being developed to support the market where needed.</p> <p>A market facilitation plan is in place for learning disabilities to support providers to transform their business models to support</p> | <p>Executive Director of People</p> | <p>Cabinet Member for Families, Health & Social Care</p> |

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| <p>effectively manage this market is limited compared to its size and the pressure placed upon the health economy by the size of this market is often greater than the markets ability to supply and therefore becomes unsustainable.</p> | <p>new ways of working that will support our ability to keep the market as stable as possible with a move to more personalised commissioning and purchasing of services.</p> <p>Strategic partnerships in older people and learning disabilities are being sought to ensure sufficient capacity as well as looking at in-house provision and re sophisticated pricing models.</p> | | |
| <p>3. The integration of Health & Social Care could fail to progress leading to significant problems including failure to provide joined up services for the over 65's, silo working and the prospect of cost shunting between agencies.</p> | <p>The Alliance Agreement for Outcomes Based Commissioning (OBC) is now live. This agreement will:</p> <ul style="list-style-type: none"> • Deliver and expand on the new models of care for the over 65's, in particular Living Independently for Everyone (LIFE) & Integrated Community Networks (ICN's) through the 'Out of Hospital' Plan; • Support integration of social care services with Croydon Health Services (hospital and community provider) and ensure appropriate funding sources; and • Deliver the transition plan leading to a decision to extend the Alliance in December 2017, including: <ul style="list-style-type: none"> ○ Developing the 10 year financial model; and ○ Agreeing risk and benefit share. | <p>Executive Director of People</p> | <p>Cabinet Member for Families, Health & Social Care</p> |

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| <p>4. A lack of supply of temporary accommodation and affordable accommodation increases the Council's need to use emergency accommodation results in increased costs, budget pressures, pressures on gateway services, reputational damage and the potential for legislative action.</p> | <p>The following activities are being undertaken to address the lack of supply in respect of temporary accommodation:</p> <ul style="list-style-type: none"> • Re-negotiation of the leases to Concord House, Sycamore House and Windsor House; • A paper is being submitted to Cabinet to seek approval to increase the Council's strategy of purchasing properties in order to expand the portfolio of temporary accommodation; • Review of the landlord incentive payment for the Private Rental Sector offer to remain competitive; • Regular reporting on status to the Gateway & Housing Transformation Board; • Revision of the housing allocation scheme; • Launch of Choice Based Lettings; and • Recruitment of additional staff particularly Lettings Negotiators. | <p>Executive Director of People</p> | <p>Cabinet Member for Homes, Regeneration & Planning</p> |
| <p>5. During the course of internal audit work during the year, a number of significant issues were identified arising from non-compliance with the Councils Contracts and Tenders Regulations.</p> | <p>The main issues identified related to low value spend (under £100k) and operational contract management. During 2017/18 the Council is looking to develop a new approach to low value spend and the buying process called "Easy buy". This will seek to maximise local spend, making buying simpler with greater clarity around governance and take an approach which will help mitigate the issues raised.</p> <p>The Council's focus in 2016/17 has been on strategic contract management of the tier 1 (highest value) service type contracts by value and risk. Most of the issues raised relate to tier 2 (medium to high value) contracts or construction type projects.</p> <p>The new operational contract management toolkit will provide a consistent way of doing things as well as tools and support to ensure governance compliance.</p> | <p>Executive Director of Resources (& Section 151 Officer)</p> | <p>Cabinet Member for Finance & Treasury</p> |

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| <p>6. On the 4 September 2017, Ofsted published a report on their findings from the inspection of our services for children in need of help and protection, children looked after and care leavers and review of the effectiveness of the Local Safeguarding Children Board that rated the Council as "inadequate".</p> | <p>The report highlighted strong concerns in the quality of service provision in relation to children's services. Ofsted highlighted that there was weak management oversight of social care practice and that the failings identified left some children at risk of severe harm.</p> <p>In response to the outcome of the Ofsted inspection, we have issued a Transitional Action Plan setting out key actions to be taken over the three months following the inspection, and an Improvement Plan will be submitted to Ofsted in December</p> | <p>Executive Director Of People</p> | <p>Cabinet Member for Children, People Learning Young and</p> |
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Table 2 Issues raised in 2015/16 Statement and progress to date

| Key Risks | Action | Progress | Responsible Member & Responsible Officer |
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| <p>1. The Council faces continued significant reductions in its grant funding, over the period 2016 to 2020 further confirmed by the Spending Review in November 2015. This is at the same time as significantly rising demand for services and growth in population.</p> <p>Risk that demand/budget gap is not bridged without the need for cuts to services.</p> | <p>The Council is building on its track record of delivering significant savings since 2010 by continuing work on transformation and demand management projects for the period 2017/20.</p> <p>Savings for 17/18 have been signed off by Cabinet as part of the 2016/17 budget setting report with a remaining gap of £26m for the 2017/20 period. Further work is being carried out on the savings options to bridge this gap which will have oversight by the Executive Leadership Team and Cabinet. Managing Demand will be a key part of that programme including Croydon Challenge projects such as People Gateway and Digital & Enabling.</p> <p>The Executive Leadership Team and Cabinet have sight of the quarterly monitoring of in-year financial performance, and the Corporate Plan has been aligned to the budget to ensure priorities align with resources.</p> | <p>Progress has been made to manage the 2016/17 budget, year-end underspend on £0.05m reported. Work is underway to ensure the savings are delivered in 2017/18 and that any overspends are reported and managed.</p> | <p>Cabinet Member for Finance & Treasury Executive Director of Resources (& Section 151 Officer)</p> |

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| <p>2. There is a risk that the delivery of Outcomes Based Commissioning could fail to realize the full potential benefits of the integration of Health and Social Care provision for the over 65's</p> | <p>The 5 providers within the Accountable Provider Alliance (APA) have been meeting regularly, through the APA Executive Board, and there is now a clear integrated Model of Care that commissioners from Croydon Council and the Clinical Commissioning Group have approved. The Model of Care is closely aligned with the key workstreams of the transformation of adult social care programme and this synergy will ensure demand management and the best outcomes for our residents.</p> <p>Provider Capability Assessments have been developed to ensure that Providers are deemed capable of providing the necessary services.</p> <p>The Programme is ensuring links are made with other relevant strategies such as the Clinical Commissioning Group primary care development strategy and is working with the Corporate Programme Office in Croydon to ensure sufficient governance and risk management is in place.</p> <p>The pause to allow commissioner / provider alliance model to be fully developed and embedded is designed to ensure that the longer term benefits of Health & Social Care Integration are</p> | <p>The APA has now been transitioned into a Commissioner / Provider Alliance with the Alliance Agreement and associated service contracts commenced on 1 April 2017. The pause was lifted.</p> <p>The models of care - ICN's (Integrated Community Networks) and LIFE (Living Independently for Everyone) have been approved and signed off and are being delivered.</p> <p>A full transition plan is in place to deliver integration and a full transformation business case for a decision to extend in December 2017.</p> <p>The transition sign off will include provider capability assessment and organisational development work as well as other enablers such as IM&T and estates rationalisation etc.</p> <p>There is a new Alliance Programme Director (in post from 5th June 2017) to continue to lead and drive the programme forward.</p> <p>Internal council governance, including a Cabinet Member group has been established.</p> | <p>Cabinet Member for Families, Health & Social Care</p> <p>Executive Director of People</p> |
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| <p>3. Risk that that the impact of new Housing and Planning Bill and government policy will reduce resources and force sales to the point that the HRA is no longer viable. And in the meantime will not be able to sustain either services or investment in stock and certainly not to the current level of expectations and targets.</p> | <p>realised.</p> <p>The 30 year business plan of the Housing Revenue Account had previously factored in an assumed increase in rents (equal to increases in the consumer price index +1%). Government policy now requires social landlords to commit to decreasing rent by 1% from 16/17 over four years. This effectively reduces resources by £3m pa against the original business planning model. In addition introduction of "Pay to Stay" the forced sale of higher value council owned properties is likely to significantly exacerbate this negative impact. The impact on Croydon will not be known until the Government issues detailed regulations later this year.</p> <p>A programme of work is underway to review the current expenditure commitments and investigate efficiency savings that can be identified within the Housing Revenue Account, as well as an assessment of the impact of various options to ensure tenants' interests are protected.</p> <p>There are ongoing discussions regarding the potential for efficiencies and savings/cuts to spending from</p> | <p>The council has reduced rents by 1% for the past two years and will need to continue to cut them in the next two years. The government has withdrawn the 'pay to stay' measure and has not so far announced details of the levy however our 30/40 year HRA business plan assumes that we will need to sell about 60 properties a year to fund the levy.</p> <p>The council has instigated a programme of reductions in expenditure. In 2016/17, we reduced the stock investment capital programme by £3m. Further capital savings, amounting to £570,000, have been secured in 2017/18. The housing service is also implementing a range of revenue spending reductions and income-generating measures in 2017/18 amounting to £808,000.</p> <p>The council is currently working on the establishment of an independent charitable vehicle which we will be able to support, through the use of right to buy receipts matched by borrowing through the general fund (the level of match as required under government regulations), for acquiring new affordable homes including those developed by Brick by Brick, in return for nomination rights to enable the council to meet housing need and rehouse households on the housing</p> | <p>Cabinet Member for Homes, Regeneration and Planning & Deputy Leader.</p> <p>Cabinet Member for Finance & Treasury</p> <p>Executive Director of Place</p> |
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| | <p>across the housing service (Place & People) e.g. repairs and maintenance, general housing management, new build schemes and 'housing plus' services such as Community Development.</p> <p>The Council is also investigating in detail the use of Right to Buy receipts and the policy of selling Council homes in order to understand the best financial approach for Croydon.</p> <p>The formation of Brick by Brick, a development company, will also allow provision of further affordable housing outside the borrowing restrictions of the Housing Revenue Account.</p> | <p>register. This vehicle would also purchase homes in the HRA stock which the council is forced to sell.</p> <p>Paper to propose an affordable rents scheme via Croydon Homes company to be considered by Cabinet June 2017.</p> <p>Brick by Brick is on track to deliver approximately 1,000 units of mixed tenure housing (50% affordable). Planning permission has to date been granted on about 30 of the proposed sites with more at pre-application stage.</p> <p>This new supply will ensure that the council can meet its obligation to replace homes sold under RTB on a two for one basis.</p> | |
| <p>4. Risk of continued shortage of affordable housing to meet urgent housing needs and increasing use of temporary accommodation and B&B for homeless households</p> | <p>To reduce the use of temporary accommodation and Bed and Breakfast costs, changes are being made to processes with interventions by the Gateway service actively reducing homelessness, by focusing on preventative measures. The establishment of a Homelessness Task Group provides additional challenge to the decision making process from when customers enter temporary accommodation to when a decision is made about eligibility for housing support.</p> | <p>A prevention team has been established within the Gateway Service which aims to keep people in their homes wherever possible and or find alternative homes.</p> <p>Work is also progressing on the Council's Demand Management initiative through a detailed focus on messaging to impact on behaviour.</p> <p>The Homelessness Task Group has been established and meets every fortnight.</p> <p>A Pan-London rate has been agreed and</p> | <p>Cabinet Member Families, Health & Social Care</p> <p>Executive Director of People</p> |

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| | <p>A Pan London initiative has been developed through London Councils to achieve value for money on Bed & Breakfast rates.</p> <p>The Council is actively maintaining and strengthening partnership arrangements with Registered Providers and enabling Registered Providers of social housing to bid for sites.</p> <p>The development of a council-wide Compulsory Purchase Order Strategy will consider the use of powers to support priority areas and schemes. The development of proposals for a site acquisition and capital funding programme will enable a number of stalled sites to come forward for affordable housing through the Housing Investment Fund. The formation of Brick by Brick, a development company, will also allow provision of further affordable housing as part of Croydon's supply strategy.</p> | <p>implemented for nighty let accommodation to control and prevent authorities outbidding each other.</p> <p>There is continued working with the Greater London Authority and the London Mayor to support the provision of affordable housing in the borough.</p> <p>Brick by Brick is on course to develop identified sites. A number of sites are currently undergoing the planning process.</p> | |
| <p>5. Risk that a reduction in home Office funding for Unaccompanied Asylum Seekers will lead to additional budget pressures.</p> | <p>Croydon is treated as a Gateway authority due to the position of the Home Office in Lunar House. Based on the numbers of Unaccompanied Asylum Seeking Children supported by Croydon, the potential loss in funding equated to just under £4m.</p> | <p>The Home Office agreed to maintain the 15-16 rates in 16-17 given Croydon's unique position with regard to Unaccompanied Asylum Seekers.</p> <p>The Cabinet Member for Finance has written to the Home Office requesting clarification</p> | <p>Cabinet Member for Children, Young People & Learning</p> <p>Executive Director of People</p> |

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| | <p>The Council held meetings with the Immigration Minister and others in the Home Office and entered in ongoing correspondence, conversations and clarifications with them.</p> <p>In the short-term, grant funding has been agreed with the Home Office and for the longer term, the Government is now putting in place a new policy that will encourage the distribution of Unaccompanied Asylum Seeking Children more evenly across local authorities across the United Kingdom. There remains a risk, however, that grant funding is reduced more rapidly than the redistribution of children to other local authority areas.</p> | <p>regarding the rates for 17-18. To date no confirmation has been received. We are currently working on the assumption that rates will be maintained at the current rate, although this remains insufficient to meet current needs.</p> <p>An application has been made to the Controlling Migration Fund regarding the additional costs that are not covered by the main grant. The response to this bid has been delayed by the General Election.</p> <p>The Immigration Act 2016 would have led to a reduction in the commitment to Care Leavers who have no recourse to public funds. However, there is a delay in implementing the relevant aspects of the Act, which leads to an annual spend of approximately £2.5m.</p> | |
| <p>6. There is a risk that the scale of redevelopment anticipated in the borough over the next five years could have an adverse effect on the borough's highways and transport infrastructure, and existing business base, particularly within the metropolitan center.</p> | <p>There is an unprecedented amount of redevelopment in the borough over the next five years which includes Transport for London capital investment, schools development, public realm improvement projects and specific projects such as the Croydon Partnership redevelopment of the shopping centre.</p> <p>The programme of works continues to be managed through the Investment Delivery & Scheduling Group (MIDAS) which reviews plans to minimize disruption and uses a sophisticated Five</p> | <p>A Construction & Logistics Sub-Group has been established chaired by the Director of Streets which replaces MIDAS. This sub-group is one of eight forming part of the governance of Croydon's Growth Zone. It is attended by TfL and GLA bringing experience of managing the impact of construction related traffic created in other large regeneration areas in London.</p> <p>The Croydon Strategic Metropolitan Board has been replaced by a Major Projects and Growth Zone Board with a Steering Group reporting to this. Both joint chaired by the</p> | <p>Cabinet Member for Homes, Regeneration and Planning & Deputy Leader.</p> <p>Cabinet Member for Transport & Environment</p> <p>Cabinet Member for Economy & Jobs</p> <p>Executive Director of Place</p> |

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| | <p>Year Integrated Delivery Plan tool to do this. Challenge is provided by the Growth Board, Connected Croydon Board and tributary boards. Relevant Boards are attended by key external officers from Tramlink and Transport for London.</p> <p>The Croydon Strategic Metropolitan Board has been created and meets bi-monthly. This board is chaired by the Chief Executive and attended by relevant parties such as the Greater London Authority and has oversight of delivery of the Delivery Plan. The five year Delivery Plan is a roadmap for delivery of the whole town center redevelopment and sets out a series of outcomes and actions which the Council and partners will use to manage impact and measure success. Alongside the Plan sits a Dashboard tool which can be used to assess impact of the various developments and developments in combination. The tool can be used to effectively schedule works and manage communications.</p> <p>All groups and boards are working together to manage the schedule of works as well as deliver a joined up communications campaign to residents and businesses.</p> | <p>GLA and LBC.</p> <p>As part of the Construction & Logistics Sub-Group a number of workstreams are now active including a forum whereby all the main developers that have a presence in central Croydon attend to co-ordinate their activity. Several initiatives are also being planned that will reduce their impact including establishing HGV holding areas to manage the volume of HGV's entering the centre, particularly during peak times and appointing a specialist utility co-ordination company to liaise and plan the utility works. The integrated development dashboard will be used to plan and monitor the status of all the development sites and enable appropriate traffic mitigation measures to be put into effect. Temporary Variable Message Signs will be used to inform drivers of potential delays on key routes.</p> <p>Alongside this, local businesses will be engaged and kept informed of any planned disruption and at the same time be encouraged to reduce the number of staff they have driving in by car and use sustainable transport modes instead. This technique, known as Construction Travel Demand Management has been used effectively alongside major sporting events such as the Olympic Games in 2012 and the Commonwealth Games in Glasgow.</p> | |
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| <p>7. Significant internal audit recommendations were raised due to a lack of compliance with the Councils Contracts and Tenders Regulations, including contract formalities and the retention and availability of key documents.</p> | <p>The Council's contract management transformation programme will provide a framework for ensuring effective contract management arrangements are in place. As a part of developing this new approach all the Council's contracts have been identified and assessed for current levels of performance and contract management assurance. A process for the electronic retention of contracts is also being developed which will ensure that officers are readily able to access contracts in order to support commercial contract management arrangements.</p> <p>The new tenders and contracts regulations have been agreed and these seek to clarify the roles and responsibilities of everyone involved in commissioning and procurement. An organizational wide engagement process is now underway to ensure officers are aware of the changes.</p> | <p>The new tender contracts regulations were agreed and implemented.</p> <p>This implementation includes developing a new approach to electronic document retention.</p> | <p>Cabinet Member for Finance & Treasury</p> <p>Director of Commissioning & Improvement (Executive Director of Resources (& S151 Officer))</p> |
| <p>8. Internal audit work revealed on-going late commitments being raised and authorized for adult social community care payments, which are impacting financial and budgetary control.</p> | <p>Improvements have been made to the commitment and prior authorization process resulting in a significant improvement to the late commitment report. The report is run and examined by the Senior Management Team on a weekly basis.</p> <p>There is a review of the People</p> | <p>Late commitments continue to be monitored by the senior management team with reports run periodically and recorded through the management team minutes. This remains a high priority and has highlighted a number of financial risks to managing the budget. To further strengthen arrangements across a number of financial areas including late commitments we have agreed to bring a</p> | <p>Cabinet Member for Finance & Treasury</p> <p>Director of Adult Social Care (Executive Director People)</p> |

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| <p>9. Significant internal audit recommendations were raised relating to contract management, including weaknesses in active monitoring and physical checking.</p> | <p>Department IT systems which will recommend a change to the Adult Social Care case management system and improve the commitment and payment process. As this will take time to implement, measures taken in the interim are: a review of the business process within hospital discharges to simplify the process, a further commitment check process will be in place for emergency placements, Care Act facilitators will ensure the system process is in place before the case is presented to the panel and further training has been provided to practitioners.</p> | <p>number of financial teams or individuals under a single finance manager which will sit in the service and report to the Assistant Directors for both under and over 65s. This post is currently getting evaluated and will go out to advert in June 2017. This will provide strengthened oversight to late commitments and to the practice and systems issues and the disproportionate amount of time spent rectifying the current practices.</p> | |
| | <p>The Council's contract management transformation is still in the process of being implemented. This will develop a centre of contract management excellence and provide targeted corporate support for all tier one contracts (high risk, high value). This will be supported by clear contract management guidance and tools that make clear roles and responsibilities in regards to contract management, provides contract managers with tools to ensure contracts are actively managed and, ensures greater corporate visibility of overall contract portfolio performance through greater reporting requirements. This will also be supported by a</p> | <p>In 2016/17 the Council's process has been focused on tier 1 service contracts by value and risk. The new Chief Executive made contracts review a key priority and has had an independent review of how contracts are managed. This has reinforced many approaches for tier 1 contracts but also suggested further framework developments to support contract management for 2017/18.</p> | <p>Cabinet Member for Finance & Treasury Director C&I (Executive Director of Resources (& S151 Officer)</p> |

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| | programme of learning and development opportunities for those involved in managing contracts. | | |
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We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. The Cabinet will also be identifying new ways of addressing the above matters. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

R Simpson

Richard Simpson
Executive Director Resources & S151 Officer

Date.....

Chris Steyn
on behalf of

Tony Newman
Leader of the Council

Date.....**29th Sept 2017**..

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