

## **ANNUAL GOVERNANCE STATEMENT 2013/14**

### **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, and which includes 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 our website or from [governance@croydon.gov.uk](mailto: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 2011, regulation 4(3), which requires all relevant bodies to prepare 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 and its activities through which it accounts to, engages with and leads its communities. It 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, to 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 2014 and up to the date of approval of the annual report and statement of accounts.

## The governance framework

- “Croydon’s Community Strategy 2010-15” 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 ensuring effective management of change and transformation.
- The Council’s Constitution sets out how decisions are made and the procedures that are followed to ensure open and transparent policy and decision making that complies with established policies, procedures, laws and regulations and is accountable to local people. The Council’s policy and decision making is through the Cabinet process, other than 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 designated the Director of Democratic & Legal Services as the Monitoring Officer whose function is to ensure compliance with established policies, procedures, laws and regulations. After consultation with the Head of Paid Service and Chief Financial Officer, the Monitoring Officer will report to full Council if she considers that any proposal, decision or omission would result in unlawfulness or maladministration.
- 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 Director of Finance 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 standards set out in the Code of Audit Practice for Internal Audit in Local Government ensuring the authority’s assurance arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit* (2010). As required by the Accounts and Audit Regulations the Director of Finance and Section 151 Officer has reviewed the effectiveness of the Internal Audit service and reported this to the Audit Advisory 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 Audit Advisory Committee, as set out in CIPFA’s *Audit Committees: Practical Guidance for Local Authorities* and applied in the Council.

- Since April 2013 there has been a new set of public sector wide standards for internal audit which have replaced the CIPFA code of practice for Internal Audit. The Council now complies with these standards.
- 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 performance quarterly to Cabinet. The performance management framework is utilized to measure the quality of services for users, ensuring they are delivered in accordance with the authority's objectives and that they represent the best use of resources and value for money.
- The Council has a robust risk management process to identify, assess and manage the significant business risks to the Council's objectives including those 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 Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing champions risk management at the heart of the Council's decision making, with each Cabinet Member having access to the risks relating to their portfolio. In addition, each Council department has a designated risk management champion. Key corporate risks are regularly reviewed by the Corporate Management Team and by the Audit Advisory Committee.
- The Council has adopted codes of conduct for its staff and its Members. These are introduced to all staff as they are inducted into the organisation and they are given their own copies. Members sign an undertaking to abide by their Code of Conduct at the point of their election. 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. 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 letting contracts and then robustly monitoring them. 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 lead by a board made up of relevant Chief Executives. Each of the themes within the LSP is overseen by its own board. The Council's Risk Management service supports these themed boards via the Partnership Managers to ensure that risks to achieving objectives are identified understood and responsibility for addressing them is allocated.

- 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 public sector which contribute to and influence strategy and policy of the local area. The four 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 crime reduction strategy or children's plan. Cabinet road show meetings across the Borough afford the community an opportunity to meet and interrogate decision makers in the Borough on diverse issues including health, crime, transport and environmental issues. 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 Performance, Development & Competency Scheme. The Council's Workforce service delivers its own suite of courses covering core personal competencies. Other training solutions are provided as required. The Council has also developed a Management Development Programme to improve leadership and management competencies across the organisation. In addition, a programme titled '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 authority 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 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 Director of Finance and Section 151 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's responsibility for monitoring the quality and effectiveness of internal controls. Using the Council's risk registers and an audit needs assessment, a strategic plan and programme are developed. The outcome of the internal audit risk-based work is reported to all relevant Executive Directors and Directors and regularly to the Audit Advisory 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 Director of Finance and Section 151 Officer has reviewed the effectiveness of the Internal Audit service and reported this to the Audit Advisory 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 Management 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 have 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 Audit Advisory Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. This will now be undertaken by the General Purposes and Audit Committee. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

**Table 1 Significant governance issues 2013/14**

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

<b>Key Risks</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Responsible Cabinet Member</b>
<p>1.The Council faces significant reductions in its grant funding over the period 2015/18 presenting the authority with challenging targets</p>	<p>The Cabinet on 10<sup>th</sup> February and Council on 24<sup>th</sup> February approved detailed proposals for the financial year 2014/15 in support of the Council's Financial Strategy 2013/17. This included agreed £18 M efficiencies and £2.5 M cuts as well as £1.1M in new income generating activities in respect of the 14/15 financial year to start to address these challenges. Given the change in local government funding to a more incentivised model, focus on economic and housing growth are a key priority to drive new house building and business recovery. For the period 2015/18 there is an estimated £100 million budget gap. The new Cabinet is now focused on rebuilding the Council from the bottom up, driving performance, being clear about the priorities for the Council, addressing technology and service integration/transformation, making the most of the Council's assets, developing alternative service delivery models, developing opportunities for growth.</p>	<p>Director of Finance &amp; Assets</p>	<p>Cabinet Member for Finance &amp; Treasury</p>

<p>2. Scale, and speed, of business transformation required to bring about improvement of children's social care, and pace of change in Improving quality of children's social care to 'good' as measured by future OFSTED inspection.</p>	<p>Continuing trend and pace of improvement within Children's Social Care through 2013/14. The Multi Agency Safeguarding Hub has been successfully implemented and is strengthening social care front door arrangements. A recruitment campaign has been mounted to recruit permanent social workers and reduce the dependency on interim resource and associated cost pressures: which has produced some good results but continued efforts will be required, notably staffing at the front line in child protection work continuing to need attention. There is a programme of constant improvements in social work processes within the Council. The Children's Recording System has been implemented and further development work will continue through 2014-16. Significant improvements in data quality have been achieved and performance information is now being produced weekly and monthly to support operational and strategic service management. Additional capacity for critical service areas has been put in place.</p>	<p>Executive Director of Children, Families and Learners</p>	<p>Cabinet Member for Children, Families and Learners</p>
<p>3. Continuing increase in the rate of homelessness and demand for social housing in 13/14 following changes to Welfare Benefit cap, under-occupancy adjustment (bedroom limit), Universal Credit and Direct Payments.</p>	<p>Croydon was one of the four London boroughs within the first phase roll out for welfare reform changes. Various groups were set up to address these challenges and some continue as business as usual. In the first instance a corporate homelessness task group was initiated at the end of 2012 and a weekly management meeting continues to look at the 6 week placements and upcoming supply.</p> <p>At a strategic level, welfare reform governance remains in place at a corporate and departmental level supported by operational working groups as well as</p>	<p>Executive Director of Adult Services, Health &amp; Housing</p>	<p>Deputy Leader (Statutory) – Homes and Regeneration</p>

	<p>forward looking development groups on challenges such as universal credit, local support services framework and digital inclusion.</p> <p>At an operational level, a multiagency Welfare Reform Team, including partners from Job Centre Plus, Housing Benefit, welfare benefits and the council's housing teams together with a range of partners from the third sector continues to respond to the implementation of welfare reform and the planning for the longer terms impacts of further changes such as universal credit and Disability Living Allowance moving to Personal Independence Payments.</p> <p>Discretionary Housing Payments were reviewed in 2013/14 and tailored to ensure that support for the most vulnerable is prioritised.</p> <p>The council has taken some innovative measures to address homelessness including buying street properties for use as temporary accommodation and new initiatives have been agreed to ensure that the council maintains its competitive footing in the lettings market, including a new guaranteed rent scheme and the re-launch of other private rented sector schemes and bonds.</p> <p>South West London housing working groups will continue to meet to ensure that local authorities are working together to tackle housing need across boroughs.</p>		
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	<p>A number of larger development projects are due to come on stream in 2014/15 providing a significant number of additional units. Approximately 40 Council new builds are due to be delivered during 2014/15, Croydon's 5 Year Housing Delivery Plan aims for 9,500 starts on site between 2013 &amp; 2018 and delivery plans have been developed for pipeline sites. The target for starts in 2013/14 was 1171 and this target was exceeded with 1620 starts.</p> <p>The new Cabinet will look at a number of new initiatives to address the homelessness and housing supply issues faced by this borough, using its powers and influence to do so.</p> <p>We will be once again throughout 14/15 be looking to improve on our processes improving the customer journey, to find innovative ways to attract landlords and raise standards in the private rented sector through the introduction of a licensing scheme for private landlords.</p>		
<p>4. The Care Act introduces the biggest changes to adult social care since the Community Care Act in 1990 and introduces new wide sweeping duties on local authorities.</p>	<p>Croydon responded to two Department of Health consultations in 2013; one considering the future 'paying for care' arrangements and also the 'National eligibility criteria for adult care and support'. Future draft regulations and guidelines are to be produced for consultation and these will also be responded to.</p> <p>A Departmental away day was held in November 2013 to examine the proposed changes within the legislation in detail. An action plan has been developed setting out activities planned to determine the impacts and implications of the measures within the Care Act. The</p>	<p>Executive Director of Adult Services, Health &amp; Housing</p>	<p>Cabinet Member for People and Communities</p>

	<p>action plan will be reviewed and revised as further information becomes available. A gap analysis has been carried out and scenario planning is taking place to further inform planning and preparation.</p> <p>Croydon is working with residential, nursing and domiciliary care providers in the borough, briefing them on the anticipated implications of the Care Act as well seeking information from them – relating to the numbers of “self-funders” to whom they provide services to assist with modelling of future costs.</p> <p>Croydon is also working with external groups and organisations, such as the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) to assist with the planning and implementation of the Act. In addition the council is participating with other local authorities and Local Government Futures as part of the development of a revised national funding allocation formula which will be used to allocate funds from 2016/17. The Department of Health state that the reforms will be funded in full. Funds to assist with implementation have been provided for in 2014/15 and 2015/16 (which includes monies within the Better Care Fund for that year).</p> <p>A ‘Head of Care Act Implementation’ has been appointed and a Care Act Programme Board has been established, meeting on a monthly basis to steer the programme of work and monitor progress against delivery of the action plan.</p>		
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<p>5. There is a risk that the delivery of the large number of public realm improvements (including Transport for London capital investment, schools development etc) planned over the coming 18 months will have an adverse impact on the borough's highways and transport infrastructure, especially within the town centre.</p>	<p>Action so far has included the management of the programmes of works through the Investment Delivery &amp; Scheduling (MIDAS) Group which regularly reviews and plans to minimise disruption. In addition plans are challenged and reviewed by Places (now Growth) Board, Connected Croydon Board and tributary boards by a senior client and there has been a review of the impact of Connected Croydon upon Parking and Highways services.</p> <p>Work has also commenced on the development of five-year management plan for the development of the town centre to co-ordinate public and private investment in infrastructure and development, minimising any adverse impacts on the Croydon economy and communicating the plan and the benefits of investment effectively to key stakeholders. This includes development of a town centre traffic management strategy and new Town Centre Management Board comprising suppliers and stakeholders to plan and co-ordinate activity and chaired by the CE for Croydon Council.</p> <p>The Council has also commenced work on the development of a Growth Plan for the OAPF area to meet its ambitious targets for delivery of new homes and resurgence as a major regional retail and commercial centre. Governance and organisational structures will also be reviewed to ensure effective support and delivery of the plan and this is to be further strengthened through the development of a programme approach to delivery and the appointment of a new director and programme assurance role. The Growth</p>	<p>Executive Director of Development &amp; Environment</p>	<p>Deputy Leader (Statutory) – Homes and Regeneration</p> <p>Cabinet Member for Transport and Environment</p>
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	<p>Plan together with the forthcoming Liveability Plan will ensure a joined up and strategic approach to the delivery of regeneration projects and programmes and essential operational and environmental services.</p>		
<p>6. There are a significant number of supported housing schemes (including those specializing in complex needs) operating within the borough with increasing additional numbers of tenants now deemed 'Ordinarily Resident' in Croydon, with the authority funding, their eligible social care needs creating significant service and financial pressures. In addition levels of Housing Benefit paid to claimants with care and support needs living in private sector supported housing may be reduced due to clarification of the DWP rules regarding "Exempt Accommodation".</p>	<p>The Council has sought legal advice regarding the DWP rules on 'exempt accommodation' and is developing a planned response to tackle the issue, taking all legal advice into account.</p> <p>A strategy has been developed to reduce reliance on private sector landlords in the provision of supported housing and additional housing options will be identified for people with care and support needs.</p> <p>A protocol has been developed to ensure that managers and practitioners respond consistently to new referrals on the issue of 'ordinary residence' and an assessment of financial responsibility for the Council is effectively determined for every case.</p> <p>The council is working with supported living providers in the borough on how best to address these issues and is also exploring ways of improving management of the market to minimise the occurrence of such cases in the future.</p> <p>The Council will be examining the opportunities for holding tenants' original home local authority responsible where possible.</p>	<p>Executive Director of Adult Services, Health &amp; Housing</p>	<p>Cabinet Member for People and Communities</p>

<p>7. Over 50% of the schools audited during 2013/14 were given a limited or no assurance (11 'limited' and 3 'No' out of 25 schools). Significant recommendations raised as a result of these audits related primarily to the recruitment processes and checks and compliance with procurement requirements</p>	<p>The Local Authority has issued guidance to schools regarding the requirement, emphasising the need to ensure DBS checks for all governors. The message is reinforced through governor training and compliance is checked through the annual safeguarding audit of schools conducted during the autumn term each year. If checks are found not have been carried out this is followed up by the Improvement Adviser for Safeguarding and Multi-Agency Liaison. No Croydon schools have given cause for concern to OFSTED regarding DBS checks during inspections when this aspect is checked as part of the inspection when checking compliance of a school's Single Central Register. Croydon's expectations exceed national expectations. Schools have been reminded of the need to adhere to procurement procedures or to have full governing body approval recorded in the school's finance policy if they seek to deviate from the standard process.</p>	<p>Executive Director of Children, Families and Learners</p>	<p>Cabinet Member for Children, Families and Learners</p>
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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 new 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.**

**Table 2 Issues raised in 2012/13 Statement and progress to date**

<b>Key Risks</b>	<b>Action</b>	<b>Progress</b>	<b>Responsible Officer</b>
<p>1. The current economic conditions, changes to housing benefit and welfare reform continue to increase demand for social housing and potential homelessness. These changes include Housing Benefit cap, Under Occupancy rules, Universal Credit and New Homes Bonus. Croydon is one of the 4 London boroughs within the first phase roll out for welfare reform changes which will impact on the demand for social housing.</p>	<p>The current economic conditions combined with changes to housing benefit and welfare reform continue to increase demand for social housing and statutory homelessness services, with the Council continuing to require more high cost emergency and temporary accommodation. Changes include the Housing Benefit cap, Under Occupancy rules, Universal Credit and New Homes Bonus. Croydon is also one of the four London boroughs within the first phase roll out for welfare reform changes.</p> <p>An increase in statutory homelessness has been experienced during 2012/13 and there has been significant pressure on the Council, with breaches of statutory obligations regarding the use of shared emergency accommodation for more than six weeks. These circumstances result in additional cost to the General Fund as spending on emergency and temporary accommodation increases.</p> <p>To respond, a Corporate Homelessness Task group was established, which has developed and is overseeing a revised action plan. Additional governance structures have been established to maintain oversight of this such as a weekly welfare group review, a fortnightly</p>	<p>The interplay between the current economic climate, rising homelessness demand, difficulties in securing private rented sector accommodation due to high rents and low supply, Housing Benefit changes and acute shortage of all housing supply has continued to cause large numbers of families to be accommodated in emergency bed &amp; breakfast hotel accommodation for long periods of time. The forecast trend is for further increases in homeless presentations and people requiring intervention from the Council.</p> <p>Significant and Intensive work has been carried out during 2013/14, governed by a B&amp;B and Supply Taskforce, developing options and solutions to increase housing supply, support and develop bespoke action plans for people affected by welfare reform, implementing demand management techniques, providing direct support to homeless households and developing strategic relationships with landlords.</p>	<p>Executive Director of Adult Services, Health &amp; Housing</p>

	<p>meeting to monitor and action the numbers of households in B&amp;B, a monthly welfare board and a monthly temporary accommodation strategy meeting.</p> <p>For 2012/13 it was agreed that funding shortfalls for emergency and temporary accommodation, would be covered by the new homes bonus and that Housing Revenue Account funds would be effectively deployed to increase supply. The Council has been marketing our offer to Private Sector landlords and has a dedicated supply team working with Landlords to procure properties. The Council has also developed new ways of procuring additional supply for temporary accommodation through the expanding temporary accommodation project, which will continue during 2013/14 with a target of 100 properties by September 2013.</p> <p>The Council is providing landlord and family liaison to help maintain households in their tenancies and to help households to move on from temporary accommodation, as well as implementing service improvements to speed up homelessness decisions. Government guidance on the ability to discharge homelessness duty was released in November 2012 - Homelessness (Suitability of Accommodation) Order – and the Council has developed appropriate protocols and procedures in response. The council is</p>	<p>A multiagency Welfare Reform Team based within the council’s hub, including partners from Job Centre Plus, Housing Benefit, welfare benefits and the council’s housing teams together with a range of partners from the third sector continues to respond to the implementation of welfare reform and the planning for the longer terms impacts of further changes such as universal credit and Disability Living Allowance moving to Personal Independence Payments.</p> <p>The team have dealt with over 3200 cases, enabling just under 1000 to stay in their current homes and pay the difference with some budgeting advice, enabling just under 400 households to get into enough work to remove the benefit cap and limiting evictions exclusively due to welfare reform to 2 since the implementation (April 2013 for Croydon). This has limited the considerable adverse impact of the Government’s welfare reforms and the Council’s decision to be a pilot of welfare reform changes.</p> <p>The Council focused on procuring a portfolio of private rented sector properties to replace shared B&amp;B and</p>	
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	<p>currently seeking legal advice around the impact of the welfare benefit cap on homelessness decisions. During 2012/13 Cabinet has approved a new Allocations policy, tenancy strategy and a policy to procure additional temporary accommodation outside of the Borough.</p> <p>The Council is developing a five year regeneration programme to significantly increase the supply of social housing to deal with the increased demands and needs,</p>	<p>in the longer term establish a core and a flexible temporary accommodation portfolio to cope with fluctuations in demand going forward.</p> <p>Croydon's 5 Year Housing Delivery Plan aims for 9,500 starts on site between 2013-2018 and delivery plans have been developed for pipeline sites. The target for starts in 2013/14 was 1171, this target was exceeded with 1620 starts. The target for affordable housing completions was 220 which was also exceeded with 354 completions.</p> <p>New enabling types of support have been identified and delivered to encourage Registered Providers to commence affordable housing construction in Croydon, despite the impact of the new affordable housing model and 80% reduction in government funding, which initially resulted in a lack of viable affordable housing schemes in Croydon. The increasing number of construction starts during 2013/14 demonstrates that our approach is working and will deliver higher than average levels of housing completions over the next couple of years.</p>	
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2. Risk of not providing sufficient school places through a variety of factors including funding streams, suitable sites and construction/project delays to the programme.	<p>The Council has effectively identified the projected demand for schools places over the next three years and are securing funding and sites to meet the needs identified.</p> <p>This risk in relation to supply is being mitigated by management at Children’s Families &amp; Learners (CFL) and Planning &amp; Environment (P&amp;E) Department Management Teams and via a programme and project governance structure of Estates Strategy Board, Estates Operational Board and Assets and Places. Decisions regarding funding are made via Cabinet and £63M Department for Education (DfE) funding has been secured – with a further bid having been made to the DfE in April 2013 to meet future needs. The first part of the forward plan for primary schools for 2014 and 2015 was agreed by Cabinet in January 2013 and there will be a further cabinet paper in June 2013 to agree the remaining strategy for 2014 and 2015.</p>	<p>At the close of both the primary and secondary admissions round for 2014 entry, there was no child without an offer and in each phase, the Council hit record levels in allocating places at parents 1-3<sup>rd</sup> preferences.</p> <p>The Council has also achieved a surplus of places of approximately 10% in both phases (approximately double the forecast of actual demand until the end of the 2014/15 education year) which will allow for new pupils to be allocated places quickly and for some movement between schools.</p> <p>The normal position is now to have no child without an offer and over 2000 primary allocations are made each term. Overall annual performance improvement is over 80%.</p> <p>Cabinet papers in Nov 2013 signed of the 2016/17 supply strategy in principle and a costed firm strategy will be presented to the July Cabinet.</p>	Executive Director of Children, Families and Learners

<p>3. The Council faces significant reductions in its grant funding over the period 2013-17</p>	<p>The Cabinet approved £37m of savings in December 2012 for the period 2013/15. This has made significant inroads into the budget gaps for 2013/17. A new financial strategy for the period was agreed by Council in March 13, this set out the strategy for addressing the significant reduction in government grant over the period. The approach to transformation and efficiency savings that has been successful for the council over the last financial strategy period will continue over the period ahead. In order to maximise the income that the council receives via the new funding arrangements for local government significant efforts will be focused on growth in business rates and also increasing the housing supply in the borough that will lead to greater income through New Homes Bonus.</p>	<p>Please refer to actions listed against Risk No. 1 (Table 1).</p>	<p>Director of Finance and Assets</p>
<p>4. Loss of financial support to local residents from changes in benefit support and Council Tax rebate changes. Impact of the Welfare Reform 2012</p>	<p>The new local council tax support scheme has been designed based on a detailed consultation process with local residents. The scheme is now live and initial indications are that the changes are being managed and residents supported appropriately. Other changes such as benefit cap and under occupancy are also now live and a joined-up approach to supporting residents most affected is now in place with job centre plus and a number of other local 3<sup>rd</sup> sector agencies.</p>	<p>The local council tax support scheme and Croydon discretionary support scheme (CDS) has sought to target help to residents in greatest need. As government funding of CDS ends in March 2015, a significant review of CDS levels will have to take place,</p> <p>An integrated approach with JCP and 3<sup>rd</sup> sector partners to support households affected by the benefit cap enabled most to achieve sustainable, affordable solutions, with many starting</p>	<p>Chief Executive</p>

	<p>The Council is working closely with central government to ensure it understands the details and timing of the further proposed changes and additional advice and support will be provided as they progress.</p>	<p>work. Case management and use of DHP kept rent arrears of under-occupying council tenants low. There were evictions as a result, although these were kept to a minimum in all tenures.</p> <p>Cases getting the most DHP will be constantly reviewed. Incentives are being considered for private landlords to keep tenancies available for claimants.</p> <p>The Council is liaising with central government and local partners to keep up to date with plans to implement Universal Credit. It has mapped need and local provision to inform development of a local support services framework.</p>	
<p>5. Potential decline in retail sector, town centre and regeneration resulting in failure to attract new businesses/investment to the borough and consequent impact on business rate growth.</p>	<p>In 2012/13 a number of steps were taken to reduce the decline including: Through work with developers, 2012-13 has seen a new speculative office development; the first of its kind in years. The announcement of a Westfield / Hammerson joint venture to and the investment of £1bn into the retail core delivering a renewed retail and leisure offer is becoming a catalyst for development sites across the borough. In 2013/14 we are being more proactive, promoting a five-year development pipeline in the town centre and focusing</p>	<p>In 2013/14 we promoted a five-year development pipeline in the town centre. Discussions with the owners of major developments also began to unlock key sites and new commercial and investment opportunities. New housing schemes were delivered through Croydon Council Urban Regeneration Vehicle and private investors / developers to support wider regeneration. Plans have been developed with a view to new</p>	<p>Executive Director of Development And Environment</p>

	<p>dedicated lead executives in each of the district centres. Discussing with the owners of major developments are unlocking key sites and new commercial and investment opportunities. New housing schemes are being delivered through Croydon Council Urban Regeneration Vehicle and private investors / developers to support the wider regeneration.</p> <p>New investment is planned in the district centres including New Addington, Coulsdon and Purley. Further work is planned in South Norwood..</p> <p>Work on a new public realm programme across high streets to ensure the physical appearance of the area is upgraded has reached design stage on a number of contract packages. This includes improvements to building facades ranging from small scale interventions such as new signs and repainting, up to new windows and new shop-fronts. The programme to transform the public realm, including, more space for pedestrians, a welcoming and legible arrival place outside West Croydon Station and better connections to the retail core from the retail area of London Road and the restaurant quarter South End.</p>	<p>investment in the district centres including New Addington, Coulsdon and Purley with further work planned in South Norwood.</p> <p>Within the OAPF, the major commercial occupier/employment area within Croydon a number of new measures were brought forward to attract new commercial occupiers in Croydon. As a result of these programmes, business occupancy grew by 96% and vacancy rates dropped by 37% in 2013</p> <p>In relation to the Westfield Hammerson retail development the Council approved the planning application in November 2013 (subject to judicial review). Cabinet has since approved recommendations (March 14) for the Council to use its powers to make a Compulsory Purchase Order (CPO) and to enter into the Indemnity Land Transfer Agreement (ILTA) with the developer. This paves the way for completion of land assembly and start on site in 2015 with the opening of the new centre scheduled in 2018.</p> <p>Work on a new public realm programme across Croydon's high</p>	
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		<p>streets to ensure the physical appearance of the area is upgraded also reached design stage on a number of contract packages.</p> <p>The Council has also exceeded its target for inward investment and delivery of market and affordable homes leveraging in over £129m for new affordable housing schemes, completing 354 affordable homes and 752 market home starts this year.</p>	
6. Risk of service disruption or impact associated with the re-procurement of the Council's ICT contract and the transition to a new service provider.	The Council's current contract with Cap Gemini is due to end on May 2014. A robust procurement process with strong governance has been in place over the last 12 months. The procurement remains on programme and budget with contract award programmed for July/ August 2013. This allows sufficient time for a managed transition of services to the new supplier in May 2014. The detailed planning for transition has commenced in preparation for the July 2013 contract award.	The contract for ICT provision was awarded as planned during the summer of 2013. The Council has transitioned its main ICT services contract to Capita at the end of May 2014. There have been some issues regarding this transition but these are now considered to have been resolved or impacts managed.	Chief Executive
7. 52% of schools audited during 2012/13 received limited assurance (12 limited out of 23 schools). The primary cause of significant	The audit results in part reflect our recommendation to schools that they check beyond the minimum recommended in statutory guidance. A new corporate policy has been drafted to take account of new legislation in this area. This is to be circulated to schools and the message reinforced that Croydon Council	Please refer to actions listed against Risk No. 7 (Table 1).	Executive Director Children, Families and Learners

<p>recommendations was found to be the obtaining of Criminal Records Bureau (now Disclosure and Barring Service) checks for school governors.</p>	<p>expects all governors to be checked upon appointment in the schools for which it is responsible: this message has already been given to chairs of governors at our termly meeting with chairs.</p>		
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**Nathan Elvery**  
**Chief Executive**

**Tony Newman**  
**Leader of the Council**