

## **ANNUAL GOVERNANCE STATEMENT 2011/12**

### **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 adopted strategies, policies and practices that are consistent with the principles of the CIPFA/SOLACE Framework *Good Governance in Local Government*. This statement explains how Croydon Council meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement of internal control.

### **The purpose of the governance framework**

The governance framework comprises the systems and processes for the direction and control of the authority and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

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 Croydon Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be 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 2012 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.

- 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 statutory Forward Plan that details the key decisions to be made by the Leader Cabinet, Cabinet Committees of 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 and the Financial Code of Practice set out in the Constitution (4H). The Council has designated the Executive Director of Corporate Resources & Customer Services and Deputy Chief Executive 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 operates in accordance with the standards set out in the Code of Audit Practice for Internal Audit in Local Government. As required by the Accounts and Audit Regulations the Executive Director of Resources & Customer Services 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.
- 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 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 Cabinet Member for Housing, Capital Budget and Asset Management 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 risk management process was awarded **satisfactory** assurance by Internal Audit in 2011/12.

- 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. The application of the policy is overseen by the Council's Standards Committee. 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.
- 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 who 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.

- 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 HR&OD 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' was launched during the year, 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 Deputy Chief Executive and Executive Director of Corporate Resources & Customer Services.
- 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 Audit Advisory 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 three-year strategic plan and annual 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 Executive Director of Resources & Customer Services 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.

We 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 a plan to address weaknesses and ensure continuous improvement of the system is in place.

### Significant governance issues 2011/12

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

Key Risks	Action	Responsible Officer
<p>1. The financial shortfall identified in the budget of NHS Croydon and the broader NHS Southwest London could potentially impact future social care provision. This could result in increased demand on council services around adult social care, but also regarding some services for children.</p>	<p>This was a key operational and financial risk in 2011/12. The Council implemented a number of appropriate control measures to minimise the likelihood and impact of the risk occurring, which has resulted in the current risk rating being reviewed and reduced.</p> <p>The Council adopted a supportive approach to the health community through this difficult period. However, the Council ensured that the expectation that outstanding bills would be settled was clearly communicated to and understood by NHS partners. Furthermore, the Council provided clarity about the actions that would be taken in light of any default.</p> <p>The NHS developed an NHS Croydon Recovery Plan as part of the NHS South West London cluster financial plan.</p> <p>In terms of managing service</p>	<p>Executive Director, Adult Services, Health &amp; Housing</p>

	<p>demand and pressures, the Council ensured absolute clarity about organisational accountabilities and responsibilities across the sector. The Council was clear that it could not absorb further demand.</p> <p>Close working with health and wellbeing partners is enabling further service redesign on joint pathways, improved pathway management and offers to GP groups around commissioning support to facilitate efficiency in services. Work with NHS partners, including GP consortia, reduced the risk to individuals through effective use of safeguarding processes.</p>	
<p>2. The transition of Public Health Functions to the Council could result in the following potential impacts:</p> <ul style="list-style-type: none"> <li>• Loss of key skills and funding;</li> <li>• Lack of clarity over roles and responsibilities during a transition period; and</li> <li>• Inability to maintain current service levels.</li> </ul>	<p>Planning for the transfer of public health functions is underway, building on the existing close working relationships between health and social care partners. The Health and Wellbeing Board was established in 2011, jointly chaired by the NHS and the Council. There is an executive group comprised of senior officers from both organisations. There has been continued engagement with GPs and future forums are planned to bring key stakeholders together.</p> <p>The Council has ensured that it engages with the national policy on transfer of public health functions through commenting on the financial return to the Department of Health regarding public health designated budgets and reviewing the implications of the partially published national guidance.</p>	<p>Executive Director, Adult Services, Health &amp; Housing</p>

	<p>Local arrangements include a memorandum of understanding to cover the transition year 2012/13 and the establishment of a transition steering group chaired by the Executive Director of DASHH. A detailed transition plan and PID are in place, with the full transfer to be completed by April 2013.</p>	
<p>3. The current economic conditions and changes to benefit systems may result in increasing demand for social housing, causing additional homeless demand and the need to resort to more expensive temporary accommodation.</p>	<p>A workshop was held to explore the issues and to identify ways of mitigating this pressure. A detailed action plan has been drawn up to put measures in place to reduce the demand, work with vulnerable groups, procure more private sector accommodation and explore new ways of increasing the supply of housing. For 2012/13 it has been agreed that funding shortfalls will be covered by the new homes bonus.</p> <p>There are fortnightly meetings to monitor the numbers in B&amp;B and agree appropriate remedial action where necessary. Temporary accommodation numbers are regularly reviewed (which show a 27% increase over the previous financial year) and weekly figures for people in hotel accommodation are reported to the Director.</p> <p>The Council is developing a Tenancy Strategy and delivering the action plan to mitigate the impact of housing benefit and LHA changes. Ongoing initiatives include supporting landlords to bring empty properties up to standard for leasing, use of the</p>	<p>Executive Director, Adult Services, Health &amp; Housing</p>

	<p>deposit bond scheme for accessing private sector accommodation, exploring ways to work with landlords to guarantee rents and working with landlords to reduce rents for existing tenants.</p> <p>The council has also sought to increase supply by procuring private sector properties through a private licensing agreement. As competition for emergency accommodation spaces is likely to drive up prices and the Council has therefore introduced protocols to monitor the use of local provision by other Councils.</p> <p>The Council is currently looking at the feasibility of a local social lettings agency and is exploring shared services procurement of private sector properties with other South West London boroughs.</p>	
<p>4. Loss of key / blue chip businesses and SMEs from the borough resulting in significant job losses, damage to the local economy, difficulty in attracting new inward investment, and loss of potential income to the Council from business rates</p>	<p>Sadly, during the year, Nestle announced that it is to leave Croydon, despite the Council having made a comprehensive offer to the company in October 2010.</p> <p>In terms of the larger companies, we continue to engage with them directly and through the property agents, in terms of understanding their future requirements. We are also working hard to facilitate the provision of new and refurbished office stock.</p> <p>In 2012/13 we will be enhancing this work by recruiting a dedicated Business Development and Inward Investment Manager, who will also work with the</p>	<p>Chief Executive/ Executive Director of Planning &amp; Environment</p>



	<p>London and Coast to Capital LEPs, and UKTI. We will also be using part of the Mayoral regeneration funding allocation to incentivise businesses to occupy properties in New Town</p> <p>In respect of SMEs, we will continue to provide support through loan finance and will again be using part of the Mayoral resources to support incubation and growth.</p>	
<p>5. The Council faces significant financial pressures 2012/15 caused by the level of funding available to the public sector and corresponding reduction in resources. It is likely that there could be further reductions with any subsequent spending reviews. Insufficient resources may lead to inability to meet community needs and aspirations.</p>	<p>This continues to be a significant ongoing risk for the Council given the current economic climate facing the country and the need for central government to implement a deficit recovery strategy.</p> <p>The delivery of the Step Change transformation programme remains a significant component of our strategy to manage the reduction in the Council's resources and the development of department led service transformation will continue to play that role in the future.</p> <p>The robust in year financial management processes that are in place that have supported the Council to deliver within its overall budget for the past 8 years will continue.</p> <p>The Council has already commenced the budget planning process for the period 2013/17. There has been a slight shift in emphasis away from the corporate Step Change programme to service led transformation with each</p>	<p>Executive Director, Corporate Resources &amp; Customer Services</p>

	<p>departmental producing a transformation plan drawing on the corporate enablers that are in place. A revised Financial Strategy for the period 2013/17 will be taken to Cabinet later in the year reflecting the national changes which have impacted the Council since the publication of the previous strategy.</p> <p>The Local Government Resource Review is now underway. This will inform the method of allocation funding to local government from 2013/14 onwards.</p>	
6. The financial impact on the Council resulting from a 10% reduction in council tax benefit funding support from central government.	The Council intends to consult on a Local Policy for Council Tax Benefit in the summer/autumn to help to mitigate the impact of the funding reduced from central government.	Executive Director, Corporate Resources & Customer Services
7. Risk that recommendations from enquiries into civil disturbances of August 2011 are not fully implemented by the council, with potential impact on the Borough's recovery	The corporate plan includes a response to all the recommendations that fall to the Council. We will monitor to ensure that they are implemented. We will also remain accountable for our recovery actions to the Taskforce that was set up in the wake of the riots.	Chief Executive
8. Issues of non compliance were identified in relation to the appointment and payment of non permanent resource.	<p>Much work has already been undertaken to ensure that the internal audit recommendations are implemented.</p> <p>As the internal audit found, our systems and processes are largely sound, with the main issue one of compliance.</p> <p>We are therefore providing further guidance on how to appoint and manage agency and interim staff. We are also making clear to managers that non-compliance with corporate procedures is unacceptable</p>	Chief Executive

	and will be treated as a performance management issue with potential disciplinary implications.	
9. Issues of non-compliance were identified in relation to procurement and payment procedures.	A full review of the issues of non-compliance has been commissioned and the Council will be instigating a programme of training for those officers who have been identified as failing to adhere to the approved procedures.	Executive Director, Corporate Resources & Customer Services
10. Audits conducted in the Children's Families and Learners Department highlighted weaknesses in relation to contract monitoring and management in the following teams:, UASC and Access to Resources (children's social care)	<p>In response to the UASC Audit, all recommendations have been addressed as follows:</p> <ul style="list-style-type: none"> <li>• A team leader now has designated responsibility for collating all health data and health assessment requests are completed on day of admission by the duty social worker.</li> <li>• There are now no backlogs of age assessments and all are completed within a departmental timescale of 10 days (UKBA allows for 21 days).</li> <li>• Virtual School monitors UASC admissions and all social workers are now trained in completing admissions forms. There is now a dedicated UASC facility at John Ruskin.</li> <li>• A successful fostering recruitment campaign is having results but the majority ethnicity profile of the foster carer population of Croydon (White British / Black Caribbean / Black African) does not match the majority ethnicity profile of UASC</li> </ul>	Executive Director, Children, Families and Learners

	<p>(Afghanistan / Iraq) and there will remain a need for IFA placements for this group.</p> <ul style="list-style-type: none"> <li>• ART maintain a log of statutory checks of providers and these have been scrutinised during the recent safeguarding and LAC Inspection by Ofsted inspectors.</li> </ul> <p>In response to the Audit for Access to Resources services (Children's Social Care) all recommendations have been addressed as follows:</p> <ul style="list-style-type: none"> <li>• All foster carer bank details are kept on a protected excel spreadsheet</li> <li>• The ART budget is robustly monitored within LAC budget and CFL spend arrangements</li> </ul> <p>A single risk log is now maintained and actions to recoup overpayment clearly recorded</p>	
<p>11. Over 40% of the schools audited during 2011/12 were given a limited assurance (15 'limited' out of 35 schools). Significant recommendations raised as a result of these audits related primarily to the obtaining of School Governor CRB checks and compliance with procurement requirements</p>	<p>Actions have been put in place within each school to address audit findings.</p>	<p>Executive Director, Children, Families and Learners</p>

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. 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.

## Issues raised in 2010/11 Statement and progress to date

Key Risks	Action Agreed	Outcome	Responsible Officer
<p>1. The Council faces significant financial pressures from the impact of reduction in central government grant funding and the impact this will have on the delivery of services.</p>	<p>A robust budget for 2011/12 has been set which includes £40m of budget reductions. The proactive nature and strategic planning for the Step Change programme has enabled the Council to balance its budget through significant levels of efficiencies. The already robust financial management process has been developed further to include a series of budget readiness reports to assess our readiness to deliver the 11/12 budget. The Council has also put in place a series of quarterly scrutiny meetings where any overspending services receive detailed examination and support to help identify solutions to enable a balanced budget to be achieved.</p> <p>The Council has already commenced the budget planning process for the period 2012/15 within the overall Financial Strategy and financial planning model which has served the Council well in the past. The delivery of further efficiencies from the Step Change programme will be a key part of the delivery</p>	<p>The 2011/12 budget has been delivered within budget. This is a significant achievement given the £40m of reductions that had to be delivered as a consequence of the revised CSR and frontloaded reduction in formula grant funding from central government.</p> <p>The 2012/13 budget has been set and the same robust process is already in place to ensure we deliver again within our available resources.</p>	<p>Executive Director of Resources &amp; Customer Services</p>

	<p>of the budget for those years and a future programme of options has been identified. Our financial planning assumptions fully reflect the planned reductions in funding set out in the CSR and therefore are contained within the Council's Financial Strategy.</p> <p>The Local Government Resource Review is now underway. This will inform the method of allocation funding to local government from 2013/14 onwards. The Council is fully co-ordinated at political and officer level to ensure a Fair Deal for Croydon and has met with the Minister to put a financial case forward the borough.</p>		
<p>2. The Council is carrying out a significant restructure of tier 1-3 management and also significant organisational change from the Step Change Programme. This will result in service changes and a number of experienced staff exiting the organisation over the coming year.</p>	<p>A thorough consultation process is in place to ensure that the future structure is fit for purpose.</p> <p>Rapid implementation of the reorganisation to: lessen disruption to service delivery and reduce uncertainty amongst staff and leakage of talent through officers leaving.</p> <p>Ensuring that posts are recruited internally where employees have the requisite skill and competence to undertake the roles.</p> <p>Soundness of process</p>	<p>The corporate restructure was completed on time (22 July 2011).</p> <p>A holistic Employee Assistance Programme (EAP) was implemented to support managers through the restructure and ongoing change programmes. The Talent management plan was approved and</p>	<p>Chief Executive</p>

	and procedure to ensure fairness in staff being selected for redundancy, including mitigating redundancies through redeployment.	the talent grid has been rolled out for managers to use for succession planning.	
3. The Health and Social Care Bill is expected to result in some public health functions and funding transferring from the NHS to the Council. Future funding is currently uncertain and there is a risk that the currently strong local public health function becomes fragmented and weakened.	A project has been established to manage the transition from current public health arrangements to a sustainable future configuration.	<p>The Health and Social Care Act gained royal assent on 27 March 2012 and will result in the transfer of public health functions to the Council with effect from April 2013.</p> <p>The Council has been working closely with partners in the NHS and across the health and social care sector to manage an effective transition, with a detailed transition plan and PID in place. The nature of the risk has changed given developments over the past year and the risk associated with the transfer of public health functions has been adjusted accordingly. This remains a</p>	Executive Director of Adult Services & Housing

		key risk for the Council.	
<p>4. PCTs, which have traditionally been the Council's partners in health delivery, will cease to exist by April 2013, to be replaced by Clinical Commissioning Groups. There is a risk that joint decision making and partnership breaks down.</p>	<p>A shadow health and well being board has been established to ensure that joint priorities are agreed and commissioning plans are in place to deliver those priorities.</p>	<p>The Health and Social Care Act abolishes PCTs with effect from April 2013. The Shadow Health and Wellbeing Board has been established, with an executive group, chaired by the Executive Director of DASHH, which facilitates a strong partnership amongst health and social care.</p> <p>Serious negotiations have begun with Croydon's Clinical Commissioning Board and what remains of the PCT to deliver an Integrated Commissioning Service (ICS) that will ensure joint priorities are agreed and commissioning plans are in place to deliver those priorities. The Council will support the CCG in securing</p>	<p>Executive Director of Adult Services &amp; Housing</p>

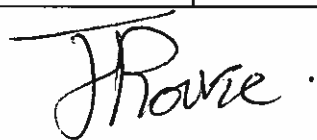


		<p>'authorisation' as a competent commissioning authority. The nature of the risk has changed given developments over the past year and this risk has been reviewed and deleted. The key new associated risks are the transfer of public health functions, the shift to a pan-South London NHS commissioning support service, and the pressures in the local NHS budget.</p>	
<p>5. The relationship between the Council and the voluntary sector is changing as a result of the Government's 'Big Society' and open public services agenda. More services are expected to be commissioned locally from the voluntary sector and the voluntary sector are expected to react to a 'commissioning' (rather than grant-making) environment. This could impact on the reputation of the Council and the services for which it is responsible.</p>	<p>The council has undertaken a series of consultation exercises including online survey, resident panel survey, received written submissions as well as meetings involving different communities; LSP congress meeting and at Croydon Voluntary Action.</p> <p>A strategy and action plan will be published in the 2011/12 containing a number of key initiatives such as community civic awards and community online toolkit. Key priorities will focus on volunteering, commissioning and social action.</p>	<p>The Commissioning Strategy has now been completed in consultation with the sector. A 'Social Value Toolkit' is currently in development (deliverable in June 2012) as well as an 'Expert Commissioning' training programme (deliverable Sept 2012). The 'Third Sector Commissioning' procedures</p>	<p>Chief Executive</p>

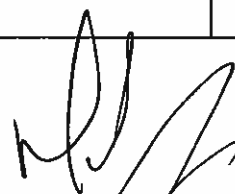
	The council has already launched the first phase of its small grants fund.	have been reviewed and there is a continuing commitment to building the right kind of infrastructure in the sector to help it better react to opportunities available. Social value will be an evaluated part of new contracting arrangements.	
6. The ending of the Government's Building Schools for the Future programme has resulted in a significant reduction in capital funding for maintaining the educational estate. This may ultimately have an impact on the number of school places available.	An education estates strategy is to be taken to the July 2011 cabinet to ensure appropriate planning is in place to secure sufficient primary and secondary school places and to provide more local special education places in order to reduce heavy reliance on expensive out-borough SEN educational placements.	This risk has now been resolved through the updated capital programme.	Executive Director of Children, Young People & Learners
7. The current economic conditions and changes to housing benefit may result in increasing demand for social housing, causing additional homeless demand and the need to resort to more expensive temporary accommodation.	A workshop was held to explore the issues and to identify ways of mitigating this pressure. A detailed action plan has been drawn up to put measures in place to reduce the demand, work with vulnerable groups, procure more private sector accommodation and explore new ways of increasing the supply of housing.	The risk remains a high priority and the detailed action plan continues to be implemented and monitored.  Temporary accommodation numbers are regularly reviewed and there are fortnightly meetings to	Executive Director of Adult Services & Housing

		<p>monitor the numbers in B&amp;B, agreeing appropriate remedial action where necessary.</p> <p>Ongoing initiatives include supporting landlords to bring empty properties up to standard for leasing, use of the deposit bond scheme for accessing private sector accommodation , exploring ways to work with landlords to guarantee rents, working with landlords to reduce rents for existing tenants and increasing supply by procuring private sector properties through a private licensing agreement.</p>	
<p>8. Audits conducted during the year identified a number of instances of non compliance with the Councils' Tenders and Contract Regulations, particularly relating to the letting of contracts.</p>	<p>A programme of 'Doing the Right Thing' was launched during the year to strengthen the governance processes and procedures of the Council, this will be supported during the year by a routine focus from the Council's Internal Audit Service on these areas of the Councils operations to ensure adherence to the</p>	<p>Over 600 members of staff have now attended the 'Doing the Right Thing' workshops which have included many key areas of governance including a section on procurement</p>	<p>Executive Director of Resources &amp; Customer Services</p>

	Council's procedures.	and commissioning.  This work has been reinforced by a series of reviews carried out by the internal audit service to identify the level of compliance with Council policies. Where necessary specific suggestions have been made to improve adherence.	
9. Significant overspends were identified in CYPL resulting from a failure in budget management.	Budget management processes for the department have been significantly tightened up, for example through budget coding and monthly meetings with managers with budget responsibility  Additional finance staff including a new Head of Finance has been put in to support the department to ensure the necessary improvements are made.	The outcome of the new budget management arrangements and finance support is that CFL 's managed within 2011/12. The robust approach to financial management continues in 2012/13.	Executive Director of Children, Young People & Learners



**Jon Rouse**  
Chief Executive



**Mike Fisher**  
Leader of the Council