

1. The Council has fully accepted all recommendations made by the external auditor (R1-R20)
2. The Council has added additional recommendations LBC1-4.
3. There are 9 high priority recommendations from the external auditor for the Council to urgently address:
4. Actions marked as “GPAC/SOC” recommendation came from their input following consultation carried out in Dec 2020/Jan 2021

High Priority Actions	High Priority Actions
R1a Children’s Social Care	R12 Revolving Investment Fund
R1b Adult Social Care	R14 Treasury Management
R2 Adequacy of Council Reserves	R18 Ongoing investment in Brick by Brick
R3 Use of Transformation Funding	R20 Governance of subsidiaries
R9 Budget Challenge/Rigour	

A note has been made against actions that do not represent “one-off” measures but instead represent actions, principles and values that should be continually delivered or established as repeating tasks. These actions will be marked as Business as Usual (BAU) in the “Status/Updated Deadline” column.

Overall accountability for the action plan rests with the Chief Executive

Recommendation 1a – HIGH PRIORITY			
The Executive Director Children Families and Education needs to address the underlying causes of social care overspends in children’s social care and take effective action to manage both the demand and the resulting cost pressures.			
Cabinet Member Accountability: Councillor Flemming, Cabinet Member for Children, Young People and Learning			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) Develop a strategy for managing demand and expected impact / outcome and set up panels to manage activity and cost: <ul style="list-style-type: none"> - Weekly care panel to divert children from care - Bi-weekly Children Looked After review panel to identify children who can be supported to be reunited with families from care, and to systematically review higher cost placements 	<p>The Care Panel was established in February 2021. Outcomes from the care panel & new entries to care are monitored weekly at DLT.</p> <p>To build on this work further process maps are being refreshed to formalise challenge, authorisation and decision making for children in care or at risk of care. A scoping workshop to enhance multi-agency partnership provision has also been delivered in March 2021.</p>	<p>COMPLETE – Embedded into BAU</p>	<p>Interim Director, Early Help and Children’s Social Care</p>
ii) Develop a monthly Corporate Finance, Performance and Risk report to progress, track and measure activity. Specifically for Children’s social care, this will monitor the effectiveness of actions to reduce the number of local children in care. <p>This progress report will bring together data on the monthly movement in numbers of children in care, the achievement of care outcomes, the financial impact</p>	<p>The June 7th Corporate Finance, performance & Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p>	<p>COMPLETE – Embedded into BAU with updates to Cabinet monthly</p>	<p>Interim Corporate Director, Children Families and Education to ensure accurate data incorporated into monthly Performance reporting.</p>

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<p>including full year forecast, and benchmarking against best practice.</p>	<p>The monthly reports will develop over time as recommendations are progressed.</p>		
<p>iii) The progress report will be routinely presented to the Children’s Improvement Board, Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny & Overview Committee which will bring a greater level of control and transparency (see Recommendation 5 which will also be incorporated into this process). The first report to members will be accompanied by detail outlining the statutory and non-statutory areas of service and the impact of demand management across the service.</p>	<p>The Corporate Finance, Performance and Risk report will provide an update on improvement actions across the Council including Children’s. (1a-ii)</p> <p>Training will be offered to members on the nature of statutory and non-statutory service (See LBC3 – i)</p>	<p>COMPLETE – Embedded into BAU with updates to Cabinet monthly</p> <p>Training offer to be picked up under Recommendation LBC-3</p>	<p>Interim Corporate Director, Children Families and Education to ensure accurate data incorporated into monthly Performance reporting.</p>
<p>iv) Secure independent external challenge through the Partners in Practice programme to enable valid judgements to be made about the correct level of funding to meet the needs of Croydon’s children in care.</p>	<p>Report from LB Camden received under Partners in Practice Programme – December 2020</p> <p>Independent Financial Adviser commissioned by the DFE to provide expert challenge and support commenced on 22/2/21 for a period of 9 months.</p>	<p>COMPLETE</p> <p>Ongoing support until November 2021</p>	<p>Interim Corporate Director, Children Families and Education</p>
<p>v) Data set used to inform progress report to be collated, updated and shared with GPAC to allow members to monitor progress on managing demand within social care.</p>	<p>Dataset developed and being progressed further.</p> <p>The Corporate Finance, Performance and Risk report draws upon this data and provides GPAC with the relevant information per this action.</p>	<p>COMPLETE - Embedded into BAU</p>	<p>Interim Corporate Director, Children Families and Education</p>

Recommendation 1b – HIGH PRIORITY			
The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.			
Cabinet Member Accountability: Councillor Campbell, Cabinet Member for Families, Health and Social Care			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) Commission a diagnostic of spend and opportunities to be carried out by the Local Government Association (LGA) National Care & Health Improvement Adviser Finance and Risks to inform future shape of transformation opportunities.	This was carried out and used during November 2020 to inform development of the Adult Social Care Improvement Plan	COMPLETE	Interim Corporate Director Adult Social Care and Health
ii) Review the current service delivery models of adult social care and gateway services to right size the budget and delivery model to benchmark with comparator Councils in relation to population and service outcomes.	Data has been collected which provides benchmarking of Croydon ASC care spend vs other Councils, this was factored in to the Adult Social Care Improvement Plan. Budget modelling has been agreed for ASC for 21/22 budget. Service modelling forms part of adult's improvement plan.	COMPLETE	Interim Corporate Director Adult Social Care and Health
iii) To create a placements board to challenge the Council on current cost of placements, managing demand for new placements and ensuring value for money in procurement of placements	Placements boards have been implemented in the Council to challenge placements and reduce expenditure. Daily challenge panel has been in place since S114 Notice. All spend is then promoted to the Spend Control Panel, as agreed with then S151 Officer.	COMPLETE - Embedded into BAU	Interim Corporate Director Adult Social Care and Health

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	Placements programme is in place with an agreed scope. Funding also agreed for Care Cubed placements tool agreed at ELT on 8 March 21.		
iv) Use the output from the diagnostic review to remodel financial implications to help shape the Medium Term Financial Strategy (MTFS)	<p>Diagnostic review and benchmarking data has been used to shape the Adult Social Care Improvement plan.</p> <p>Croydon Adults Improvement plan has been fully developed and aligned to budget as signed off at March Cabinet. LBC delivery tracker being updated fortnightly.</p>	COMPLETE	Interim Director of Finance (S151)
v) Develop a monthly Corporate Finance, Performance and Risk report to progress, track and measure activity. This will include monitoring of the new service delivery model to track progress and challenge effectiveness of the plan.	<p>The June 7th Corporate Finance, performance & Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p> <p>The monthly reports will develop over time as recommendations are progressed.</p>	COMPLETE - Embedded into BAU with updates to Cabinet monthly	Interim Corporate Director Adult Social Care and Health to ensure accurate data incorporated into monthly Performance reporting.
vi) Progress will be governed by reporting to the Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny & Overview Committee which will bring a greater level	The Corporate Finance, Performance and Risk report will provide an update on improvement	COMPLETE – Embedded into BAU with updates	Interim Corporate Director Adult Social Care and Health to ensure accurate data

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<p>of control and transparency. The first report to members will be accompanied by detail outlining the statutory and non-statutory areas of service and the impact of demand management across the service.</p>	<p>actions across the Council including HWA's (1b-v).</p> <p>Training will be offered to members on the nature of statutory and non-statutory service (See LBC3 – i)</p> <p>.</p>	<p>to Cabinet monthly</p> <p>Training offer to be picked up under Recommendation LBC-3</p>	<p>incorporated into monthly Performance reporting.</p>
<p>vii) Ensure that cost of care tool is used effectively to track all case expenditure to improve financial control, identify areas of focus for further improvement and to enable better decision making.</p>	<p>The Cost of Care tool referred to in has been utilised to help accurately forecast its spend to support budget setting, improve financial management and identify opportunities for further savings.</p> <p>A separate tool called CareCubed is in the process of being acquired. It is a benchmarking tool that allows adult social care to acquire an indicative cost of placing an individual aligned with their assessed care and support needs. This indicative amount is then used to aid contract negotiations with providers.</p> <p>The tool has successfully enabled savings in other Council's and will be tested in Croydon over the next 12 months. Training for staff to use tool is in planning.</p>	<p>COMPLETE Embedded into BAU</p>	<p>Interim Corporate Director Adult Social Care and Health</p>

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<p>viii) Training to be provided to members to understand the budget for Adult Social Care and share rationale for persistent overspend in service. Training to also inform members on the complex health and care landscape in the borough.</p>	<p>A Training offer has been developed for all members including where appropriate, specific training for committee members. This was approved by the Members Learning & Development Panel on July 13th 2021. It has been aligned with the actions in the RIPI action plan to ensure all aspects covered.</p> <p>Training on the Adult Social Care Budget was completed via a briefing to members of the Health & Social Care Sub-committee in June 2021.</p> <p>Training for members will continue to be offered on annual basis as BAU. Consideration will be taken in the future about how and when best to inform on matters relevant to ASC.</p>	<p>COMPLETE</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p>
<p>ix) Data set used to inform progress report to be collated, updated and shared with GPAC to allow members to monitor progress on managing demand within social care</p>	<p>A finance and performance workstream has been established and meets fortnightly. The key objectives for this workstream are to ensure dashboards are developed to enable the senior management team to track activity against the benchmarking</p>	<p>COMPLETE</p> <p>Embedded into BAU with updates to Cabinet monthly</p>	<p>Interim Corporate Director Adult Social Care and Health to ensure accurate data incorporated into monthly Performance reporting.</p>

	<p>forecasts set out in the adults improvement plan; and against the move towards both London (younger adults) and England (older adults) averages.</p> <p>Bettergov have been commissioned to help finalise dashboard and benchmarking modelling. 2 dashboards are to be utilised one focused on activity which is complete and another on finances which is in development.</p> <p>The MTFS tracker is currently updated weekly.</p> <p>The Corporate Finance, Performance and Risk report draws upon this data and provides GPAC with the relevant information per this action.</p>		
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Recommendation 2 – HIGH PRIORITY

The Council (including Cabinet and Scrutiny and Overview Committee) should challenge the adequacy of the reserves assessment which should include a risk assessment before approving the budget.

Cabinet Member Accountability: Councillor King, Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) Develop a reserves strategy as part of the Medium Term Financial Strategy (MTFS) and present it for approval with the Budget reports to Cabinet and Full Council. This needs to incorporate a clear assessment of risks and liabilities that demonstrate all current and future exposure has been thought through and factored into the recommendations. Strategy to map the financial governance process around agreeing additions to reserves to be included to reduce risk of duplication and that there were no gaps in approach.</p>	<p>The MTFS and 21/22 Budget agreed on 8th March contains a clear strategy for growing the reserves base up to a level which by 23/24 would give a general fund reserve in excess of £60 million</p>	<p>COMPLETE - Embedded into BAU</p>	<p>Interim Director of Finance (S151)</p>
<p>ii) In considering future budget reports, Cabinet will assure itself that all risks and liabilities have been properly considered by requesting that the Scrutiny & Overview Committee and the General Purposes and Audit Committee review the adequacy of the strategy and its relationship to the MTFS prior to Cabinet taking a decision.</p>	<p>From April 2021 Financial Monitoring reports will be provided to Cabinet on a monthly basis to ensure Members have increased oversight on any emerging pressures or movements.</p> <p>The 21/22 Budget was reported to Scrutiny on 16th February 2021 and comments were verbally reported to cabinet on 8th March 2021.</p> <p>Future year's timescales will need to include time for both this and reference to GPAC and Scrutiny</p>	<p>COMPLETE - Embedded into BAU with updates to Cabinet monthly</p>	<p>Interim Director of Finance (S151)</p>
<p>iii) Training to be delivered to relevant members to raise understanding of reserves</p>	<p>An outline Training programme for all members including where appropriate, specific training for</p>	<p>See recommendation</p>	

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	<p>committee members, was approved by the Members Learning & Development Panel on July 13th 2021. It has been aligned with the actions in the RIPI action plan to ensure all aspects covered.</p> <p>See recommendation LBC3 – i for further detail.</p>	<p>LBC3 – i for detail.</p> <p>Training to be delivered by March 2022</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Director of HR / Head of Democratic Services</p>
<p>iv) Council to identify the most appropriate mechanism for the Scrutiny & Overview Committee to monitor and assess progress made against delivering the budget throughout the year. As a part of this any update would need to provide reassurance that effective budget controls are in place to mitigate against potential pressures.</p> <p>Furthermore, the Council is to consider approach to providing reassurance to Members that effective budget controls were in place to mitigate against potential risks to the delivery of the budget</p>	<p>The Council has continued to maintain mechanisms to mitigate against potential budget risks and provide Scrutiny & Overview Committee and wider Council Members with oversight of the Council’s Financial Performance. These mechanisms include the Spending Control Panel and Budget Tracker.</p> <p>The Council is now well into its periodic financial performance regime, with Period 3 going to August 16th Cabinet.</p> <p>On the Forward Plan, decisions are planned on an MTFS update (October) and budget development for next financial year (January/February).</p>	<p>Embedded as BAU</p> <p>Next quarterly update to be provided in January 2022</p>	<p>Interim Director of Finance (S151)</p>

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	<p>A forensic financial audit has been commissioned. The report has been received by the section 151 officer and will inform the future structure of the Finance Function</p>		
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Recommendation 3 – HIGH PRIORITY
 The Chief Executive should oversee a review of the outcomes achieved from the use of transformation funding to demonstrate that the funding has been applied in accordance with the aim of the scheme.

Cabinet Member Accountability: Councillor King, Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
i) A review of all schemes previously funded from transformation capital receipts be undertaken and a report produced that assesses whether the funding has been applied in accordance with the scheme.	This work is completed following discussions with the external auditor. An update will be made to GPAC as part of the report on the 2019/20 accounts.	COMPLETE	Interim Director of Finance (S151)
ii) Training to be delivered to relevant members on transformation funding to raise understanding.	An outline training programme has been developed for all members including where appropriate, specific training for committee members, was approved by the Members Learning & Development Panel on July 13 th 2021. It has been aligned with the actions in the RIPI action plan to ensure all aspects covered. See recommendation LBC3 – i for further detail.	See recommendation LBC3 – i for detail. Training to be delivered by March 2022	Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive Interim Director of Finance (S151) Director of HR Head of Democratic Services

Recommendation 4			
The s151 officer should set out the strategy for applying capital receipts for transformation annually as part of the budget setting process.			
Cabinet Member Accountability: Councillor King, Cabinet Member for Croydon Renewal			
Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) A strategy for funding transformation to be incorporated into the budget setting process using the current Ministry of Housing, Communities and Local Government (MHCLG) Flexible Use of Capital Receipts Scheme.</p>	<p>Following extension of the Flexible Use of capital receipts scheme. Proposals for the use of up to £5 million of capital receipts, subject to availability of receipts will be drafted and agreed by ELT. This should be received in w/c 7th June</p>	<p>COMPLETE - Embedded into BAU and incorporated into budget setting going forward</p>	<p>Interim Director of Finance (S151)</p>
<p>ii) In the absence of any national capital receipts for transformation scheme, the strategy for funding transformation will set out how future schemes will be funded using invest to save principles using rolling investment that is set aside and supported by business cases that demonstrate return. Any business case will have to demonstrate governance of the programme to assure the section 151 officer and Cabinet that the deliverables are being met.</p> <p>All schemes approved for funding under this strategy will be assessed individually and against the overarching risk exposure and affordability for the Council.</p>	<p>See 4i above.</p>	<p>COMPLETE – Process Embedded into BAU with updates to Cabinet monthly</p>	<p>Interim Director of Finance (S151)</p>

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<p>iii) There will be an annual report to the Scrutiny & Overview Committee and GPAC on the use of transformation funding and the delivery of schemes. A corporate strategy needs to be developed to assess future transformation projects prior to funding. This should include a requirement to identify the intended outcomes, risk exposure, ongoing affordability, how success will be measured, how progress will be tracked, and any interdependencies with other projects and any wider benefits.</p>	<p>Report to be prepared at the end of each financial year from 21/22 onwards</p>	<p>June 2022</p>	<p>Interim Director of Finance (S151)</p>
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Recommendation 5			
The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.			
Cabinet Member Accountability: Councillor Flemming, Cabinet Member for Children, Young People and Learning			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Dedicated Schools Grant recovery plan should be presented to General Purposes and Audit Committee and Scrutiny and Overview Committee for review and agreement to ensure that it is adequate to meet objectives and timelines that have been set.	Reviewed at GPAC 4 March 2021	COMPLETE	Interim Director of Education
ii) Special Educational Needs Finance Board to be established and chaired by the interim Director of Education to oversee the delivery of the Dedicated Schools Grant recovery plan.	Initial meetings held with further meetings to be scheduled to update on the progress of the DSG recovery plan.	COMPLETE - Embedded into BAU	Interim Director of Education
iii) Training to be provided to members to ensure the committee possess a working understand of education funding and budgets	DSG training has been delivered to members of Scrutiny Committee, Labour Group and Conservative Group	COMPLETE	Interim Director of Education / Head of Learning &OD
iv) Implement the ‘New Approach to Special Educational Needs delivery’ strategy working with schools to ensure that more of our Special Educational Needs pupils are educated in mainstream provision to include: <ul style="list-style-type: none"> • Developing more capacity within the post-16 provision • Opening of new Special Educational Needs free schools 	<p>Report delivered to School’s Forum on Monday 26th April and full approval given to widen the project to two further locality areas.</p> <p>1% increase in CYP with an EHCP being educated in a Mainstream school.</p> <p>Addington Valley Academy – the opening of new building on target to open in September 2021.</p> <p>Provision for our Post-16 SEN learners at Coulsdon College has</p>	Update provided- Further update to come to Q.3	Interim Director of Education

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	been extremely successful. Discussions underway about making this pathway provision part of the main college site.		
v) Progress against the recovery plan to be included in the monthly budget monitoring report to Children’s, Families and Education Department Leadership Team, the Executive Leadership Team, the Children’s Improvement Board and the quarterly Cabinet, General Purposes and Audit Committee and Scrutiny & Overview Committee which will bring a greater level of control and transparency.	Progress update included in the monthly budget monitoring to Education SLT and CFE DLT.	COMPLETE Embedded into BAU with updates to Cabinet monthly	Interim Corporate Director, Children Families and Education / Interim Head of Finance - CFE
vi) Progress on Dedicated Schools Grant recovery plan to be reported to the Schools’ Forum on a termly basis	Included in the forward plan of agenda items for Schools’ Forum	COMPLETE Embedded into BAU	Interim Head of Finance, Children, Families and Education

Recommendation 6			
The Executive Director Children, Families and Education needs to review the services provided to UASC and to identify options to meet their needs within the grant funding provided by the Home Office.			
Cabinet Member Accountability: Councillor Flemming, Cabinet Member for Children, Young People and Learning			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) Complete a forensic review of grant income against the total expenditure for unaccompanied asylum seeking children and care leavers over the past 3 years, including the co-ordination of pan-London arrangements	Review completed and is informing Council’s approach to UASC support offer.	COMPLETE	Interim Head of Finance, Children, Families and Education
ii) Negotiate with the Home Office and Department for Education to secure the same financial support provided to other port of entry authorities such as Kent and Portsmouth to cover the exceptional overhead costs caused by the volume of unaccompanied asylum seeking children received in the Borough. <ul style="list-style-type: none"> • Full cost recovery for exceptional overheads provided by Croydon such as age assessments, the social care duty service at Lunar House and legal fees. Due to volumes in the Borough from its port of entry position, these cannot be absorbed within normal overhead cost as per all other local authorities. • Increased funding for children cared for over and above the voluntary national rate to match the funding of Croydon’s children in care. 	<p>Meetings have been held with senior officials in the Home Office and Department for Education, underpinned by forensic review and modelling of additional costs.</p> <p>Agreement of full cost recovery for the age assessment team and the Duty Team at Lunar House for one year. This will cover costs of approximately £595k per annum agreed over 2021-22</p> <p>A report on the Council’s approach to UASC went to Cabinet in June and August 2021 Cabinet. These noted the risk involved in potential further savings in Children’s Services and recommended to allow Officers to look at all options possible going forward.</p>	<p>Ongoing – review for October 2021</p> <p>Next update to be provided in January 2022</p>	Interim Corporate Director, Children Families and Education
iii) Work with London local authorities to safely transfer responsibility for an agreed number of children in	Since the previous quarter update there have been no further	COMPLETE	Interim Corporate Director, Children Families and Education

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<p>Croydon’s care to reduce disproportionate burden on Croydon.</p>	<p>transfers of children placed out of borough agreed.</p> <p>24 have been confirmed and work is underway between Croydon and the relevant boroughs to complete the transfers.</p>		
<p>iv) Introduce a needs based approach to withdrawing services to young people whose appeal rights are exhausted alongside earlier, robust triple planning as part of their pathway at 16 plus. This will assist and support a planned, safe voluntary return when all legal routes to remain have been exhausted and avoid a forced detention and removal when young people have no recourse to public funds, limited access to NHS and education and cannot work legally in UK.</p>	<p>A planned programme of Human Rights Assessments (HRAs) to inform the decision to safely withdraw services is underway. There are currently 15 young people whose appeal rights are exhausted. All will have an HRA by mid-August.</p>	<p>COMPLETE - Embedded into BAU</p>	<p>Director Early Help and Children’s Social Care</p>

Recommendation 7			
The Executive Director Children, Families and Education needs to identify the capacity threshold for the numbers of UASC that it has the capacity to deliver safe UASC services to.			
Cabinet Member Accountability: Councillor Flemming, Cabinet Member for Children, Young People and Learning			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) Draw on the analysis and review at 6 (i) to develop options to establish a capacity threshold for Croydon for unaccompanied asylum seeking children that is commensurate with other Local Authorities and in line with the nationally agreed standards and funding.	The voluntary national rate is the equivalent of 0.07% of the child population. In Croydon that equates to 66 children. This underpins the forensic review and modelling completed in 6i	COMPLETE - Embedded into BAU	Interim Corporate Director, Children Families and Education
ii) Present options for the Council to deliver safe services within the capacity threshold to the Children’s Improvement Board, Cabinet and General Purposes and Audit Committee and Scrutiny & Overview Committee to increase levels of control and improve transparency.	A Cabinet paper on the Council’s approach to caring for UASC will be presented on June 7 th 2021.	COMPLETE	Interim Corporate Director, Children Families and Education

Recommendation 8			
The Cabinet reports on the financial position need to improve the transparency of reporting of any remedial action taken to address in year overspends.			
Cabinet Member Accountability: Councillor Young, Cabinet Member for Resources and Financial Governance and Councillor King, Cabinet Member for Croydon Renewal			
Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) A review of financial reporting best practice is to be undertaken and the results used to design reports and a system of reporting that will improve its approach to managing finance, performance and risk to introduce a greater level of transparency and better grip of expenditure. All departments will be required to report against their budgets to the Departmental and Executive Leadership Teams on a monthly basis.</p>	<p>A process for monthly reporting is being developed with the period 1 report to come to Cabinet June 7th 2021. These reports will develop iteratively over the coming months.</p> <p>See recommendation 8 – ii for further information on performance monitoring.</p>	<p>COMPLETE</p>	<p>Interim Director of Finance (S151)</p>
<p>ii) The Council will develop a new corporate framework for monthly reporting that includes finance, performance and risk. This will report to the Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny and Overview Committee as appropriate.</p> <p>The new framework will include progress against service delivery, departmental actions plans, savings opportunities and actions contained within the Croydon Renewal Plan. All actions will be assigned to accountable people (including relevant cabinet member) and will be tracked through a central reporting team to ensure that the process is joined up, consistent and timely. This will be a recognised Programme Management Office function using savings and actions trackers</p>	<p>The Council has developed a new Corporate framework to deliver monthly Corporate Finance, Performance and Risk update reports. These monitor implementation of improvement actions across the Council (including those contained in the RIPI and as part of the CRP) and set out KPIs and accountable officers.</p> <p>The PMO presented an approach to monthly Corporate, Finance,</p>	<p>COMPLETE</p> <p>Embedded into BAU with updates to Cabinet monthly</p>	<p>Chief Executive</p>

	<p>Performance Risk Reporting to Cabinet on April 12th.</p> <p>The June 7th Corporate Finance, performance & Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p> <p>The monthly reports will develop over time as recommendations are progressed.</p>		
<p>iii) A review of the capacity within the Finance Team to ensure there is adequate support for departmental cost centre managers to fulfil their responsibilities as budget holders.</p>	<p>A proposed structure for the finance team to ensure the service has the right support for departmental cost centre managers was developed in November 2020.</p> <p>This will be reviewed following the financial forensic audit which will inform the future size and shape of the Finance function.</p>	<p>Progressed – Further update to come for Quarter 3</p>	<p>Interim Director of Finance (S151)</p>

Recommendation 9 – HIGH PRIORITY			
The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.			
Cabinet Member Accountability: Councillor King, Cabinet Member for Croydon Renewal/ Callton Young, Cabinet Member for Resources and Financial Governance			
Action	Progress made to date	Status/ Updated Deadline	Accountability
i) To support the Annual Budget setting process Budget Development Meetings will be held for each department and will be attended by Executive Directors, Corporate Leadership Team and Members with accountability for their service area and staff who are responsible for service delivery that understand what impact growth and savings plans will have on the services. To support this process Members will be provided with a clear set of proposals that demonstrate cost pressures (growth) and savings opportunities with narrative and comparators on budget and outcomes delivered to describe the impact of the decisions that are required to be taken.	Proposals were provided to members with a formal decision in November Cabinet. Saving opportunities for 21/22 were set out across all services and have been incorporated into delivery of Croydon Renewal Plan. The Council recognises further savings will be necessary to achieve a sustainable budget in the long term. Discussions for further savings next year will be scheduled starting from April 2021.	COMPLETE Embedded into BAU	Interim Director of Finance (S151)
ii) To support the budget exercise the Council will seek external support to test the draft budget proposals, seek ideas and good practice and will take the same approach by seeking support for the scrutiny process.	Various support from external sources has been utilised to date to offer capacity and advice. This includes the LGA, Centre for Governance and Scrutiny, Council peers and CIPFA. The Council will continue to use such opportunities moving forward.	COMPLETE Embedded into BAU	Interim Director of Finance (S151) Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive
iii) Develop a budget savings tracker that profiles savings by month to enable Members to track that savings are on target. This will need to correlate with the finance, performance and risk reporting that Council will introduce.	An in year savings tracker has been developed to monitor identified savings and escalate any delivery challenges. In year savings are rag rated based on confidence in delivery.	COMPLETE Embedded into BAU	Interim Director of Finance (S151)

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<p>iv) To increase understanding of the choices Cabinet Members are making with regards to the emerging budget and to effectively challenge budget assumptions, Scrutiny and Overview Committee Members to receive regular briefings on the progress of budget setting.</p>	<p>Budget Discussions were conducted across January and February 2021. This included focused discussion on the 21/22 budget for specific directorates. Discussion took place at Children and Young People Sub-Committee, Health & Social Care Sub-Committee, at Scrutiny, Streets, Environment & Homes sub-committee and finally the Scrutiny & Overview Committee.</p> <p>The Council will continue to brief Scrutiny committees on budget matters. Work is ongoing to further develop the process for budget scrutiny with conversations ongoing with Scrutiny Chairs. A date is held in the Forward Plan to ensure SOC has the chance to challenge the proposed budget for 2022/23.</p>	<p>COMPLETE Embedded into BAU</p>	<p>Interim Director of Finance (S151)</p>
<p>v) To review the budget setting-timetable to ensure that the Scrutiny & Overview Committee has the time to digest and review the budget proposals and underlying assumptions and for Cabinet to respond fully to any challenge or comments and for Cabinet to be able to consider changing its proposals.</p>	<p>The Council is taking action to ensure budget discussions happen at an earlier date and more opportunities are offered to members to offer input into the budget and review its management. These actions include finalisation of Council meetings forward plan up until April 2022 with dates marked for policy discussions and monthly financial performance updates at Cabinet.</p>	<p>COMPLETE Embedded into BAU</p>	<p>Interim Director of Finance (S151)</p>

	<p>Additionally, budget developments meetings will begin in Spring 2021 as opposed to Autumn meaning savings will be identified and shared with members earlier in year. An MTFS update is scheduled for Cabinet in October.</p> <p>The Council will continue to brief Scrutiny committees on budget matters. Work is ongoing to further develop the process for budget scrutiny with conversations ongoing with Scrutiny Chairs. A date is held in the Forward Plan to ensure SOC has the chance to challenge the proposed budget for 2022/23.</p>		
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Recommendation 10 The General Purposes and Audit Committee must challenge officers on the progress in implementing the Financial Consultant’s recommendations to improve the budget setting, monitoring and reporting process and actions to address the Head of Internal Audit’s concerns on internal controls.			
Member Accountability: Councillor Karen Jewitt, Chair of General Purposes and Audit Committee			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) Delivery of the Financial Consultant’s recommendations and the Head of Internal Audit’s concerns will be reported to the General Purposes and Audit Committee and to the Improvement Board as part of the Croydon Renewal Plan.	<p>Phase 1 of the review have been established and the work on the 75 recommendations in the initial review is ongoing. A progress update on the implementation of these recommendations went to GPAC in April. This included notice on completion of the Capital Programme review, Updated MTFS and new financial governance arrangements.</p> <p>Further updates on these will be presented to GPAC, with a date set for September.</p> <p>In March ELT agreed a renewed Internal Audit Governance Framework. The agreed framework states the Head of internal Audit is to regularly prepare reports for DLTs and ELT (4 times a year for each) to ensure visibility on existing concerns and mitigating actions in place,</p> <p>The Head of Internal Audit is regularly attending GPAC and can use the meeting as an opportunity</p>	<p>The next update on the Finance Review is scheduled for GPAC September 2021</p> <p>An update in this action plan will be shared in the Q.3 update</p>	Interim Director of Finance (S151)

	<p>to provide updates on concerns and the management actions being delivered to address the concerns.</p>		
<p>ii) That a piece of work be undertaken to clarify the roles of GPAC and Scrutiny to reduce duplication and ensure right things are being reviewed at the right time</p>	<p>Updates on phase 1 of the Finance Review are currently scheduled on the GPAC work plan up until September including updates on phase 1. It is suggested that it remain this way but Scrutiny call in as they feel appropriate to ensure correct level of challenge. The next update will be received at GPAC in September 2021 with a further update provisionally scheduled for February 2022.</p> <p>Phase 2 and 3 of the finance review have been paused to prioritise other pieces of work.</p> <p>The respective roles of GPAC and Scrutiny will be clarified as part of the wider review of the Constitution. (see LBC Recommendation 1)</p>	<p>COMPLETE</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Interim Director of Finance (S151)</p>

Recommendation 11			
The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.			
Cabinet Member Accountability: Councillor King, Cabinet Member for Croydon Renewal			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Council have commissioned PwC to undertake a strategic review of the Growth Zone with completion expected November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	PwC report to cabinet made recommendations on future of Growth Zone. These are now being implemented	COMPLETE	Interim Director of Finance (S151)
ii) Revised financial model profile to be presented alongside budget review in February 2021 to Cabinet, General Purposes and Audit Committee and the Scrutiny and Overview Committee.	The March cabinet report sets out a direction of travel, with 1 year of capital expenditure. Considering the current macro-economic climate (i.e. impact of pandemic) and challenges facing Croydon and its economy, this means that the financial model will need updating throughout this calendar year. Dates for GPAC and Scrutiny & Overview Committee are being scheduled. An update on the report will go to Cabinet in December 2021.	Further update to be provided in December 2021	Interim Director of Finance (S151)
iii) Cabinet paper with revised profile and recommendations to be issued March 2021.	See 11ii	COMPLETE	Interim Director of Finance (S151)
iv) The Council needs a mechanism in place to review projects to use the learning to inform any future work. This should be extended across all areas of the Council, with learning retained centrally as a corporate resources.	Project closure process in place as part of the governance of all projects.	COMPLETE – but needs further development to be embedded into BAU fully	Interim Director of Finance (S151)

Recommendation 12 – HIGH PRIORITY			
The s151 officer should review the financial rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.			
Cabinet Member Accountability: Councillor King, Cabinet Member for Croydon Renewal			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Council have commissioned PwC to undertake a strategic review of the Revolving Investment Fund with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	Report by PwC on governance & strategic review delivered in November 2020 to Cabinet. Treasury Management strategy updated 1st March 2021 limits new lending under the RIF to BBB working capital loans only	COMPLETE	Interim Director of Finance (S151)
ii) Recommendations to be presented alongside budget review in Feb 2021 to Cabinet, General Purposes and Audit Committee and Scrutiny and Overview	See recommendation 12i	COMPLETE	Interim Director of Finance (S151)
iii) Cabinet paper with recommendations to be issued March 2021.	See recommendation 12i	COMPLETE	Interim Director of Finance (S151)

Recommendation 13			
The s151 officer should review the purchase of Croydon Park Hotel to identify lessons learned to strengthen future due diligence arrangements.			
Cabinet Member Accountability: Councillor King, Cabinet Member for Croydon Renewal			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Council have commissioned PWC to undertake a strategic review of assets that have been purchased with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	On February 18 th Cabinet agreed the approach set out in the Interim Assets Strategy. This included, in the appendices, options for an approach on the future of Croydon Park Hotel. An update with a decision on the future of Croydon Park Hotel is provisionally scheduled for September 2021.	COMPLETE	Interim Director of Finance (S151)
ii) Recommendations, including lessons learned, will inform changes required to governance arrangements and training/development that might be required. These recommendations to be presented alongside budget review in February 2021 to Cabinet, General Purposes and Audit Committee and Scrutiny and Overview.	Under Treasury management strategy changes no new investments will be made. Lessons learned paper to be prepared.	September 2021	Interim Director of Finance (S151)
iii) Review and re-write the asset investment strategy that was approved by Cabinet in October 2018 incorporating advice from each of the Strategic Reviews. The review will explicitly consider best practice from the sector and lessons learned from other local authorities, the external auditor and the National Audit Office on effective investment practice.	Interim Asset Strategy has been approved at February 18 th Cabinet to fast track income generation and achieve “quick wins.” A 3 year 21-24 Asset Strategy is being developed provisionally set for January 2022 Cabinet.	COMPLETE	Interim Director of Finance (S151) / Interim Corporate Director of Place
iv) Cabinet paper with recommendations to be issued March 2021. Update to be provided at Scrutiny on 9 th February	The Interim Assets Disposal Strategy, was discussed at both Cabinet and Scrutiny & Overview Committee in February.	COMPLETE	Interim Director of Finance (S151)

Recommendation 14 – HIGH PRIORITY

The Cabinet and Council needs to re-consider the Treasury Management Strategy for ongoing affordability of the borrowing strategy, the associated risks and identify whether alternative options can reduce the financial burden.

Cabinet Member Accountability: Councillor Young, Cabinet Member for Resources and Financial Governance and Councillor King, Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Treasury Management Strategy will be reviewed as part of the budget setting for 2021/22 and will take into consideration the outcome of the strategic reviews to factor in the overall financial position and best practice from other local authorities. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	Treasury Management strategy updated and agreed by Council on 8 th March 2021	COMPLETE	Interim Director of Finance (S151)
ii) The outcome of the strategic reviews that the Council have commissioned will inform the Treasury Management Strategy for 21/22 onwards and any changes in governance that may be required.	See recommendation 14i	COMPLETE Embedded into BAU	Interim Director of Finance (S151)

Recommendation 15

The Chief Executive should arrange detailed Treasury Management training to assist Members to better understand and challenge the long-term financial implications of matters reported within the Treasury Management Strategy.

Cabinet Member Accountability: Councillor Young Cabinet Member for Resources and Financial Governance

Action	Progress made to date	Status/Updated Deadline	Accountability
i) Members to attend training sessions facilitated by the Local Government Association to cover treasury management to enable better and effective financial leadership.	Treasury management training was offered to all members on the 3 rd March 2021. Session was recorded and will be distributed to all Members and all budget managers.	COMPLETE	Chief Executive

Recommendation 16

The s151 officer should revisit the Minimum Revenue Provision policy to demonstrate that a prudent approach is being taken.

Cabinet Member Accountability: Councillor King Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
i) Link Asset Management has been commissioned to carry out a review of the Minimum Revenue Position policy. The report with recommendations will be discussed with General Purposes and Audit Committee and then on to Cabinet.	Minimum Revenue Provision Policy Statement 2020/21 went to Cabinet 1 st March as part of the Treasury Management Strategy.	COMPLETE	Interim Director of Finance (S151)

Recommendation 17

The Cabinet and Council should reconsider the financial business case for continuing to invest in Brick by Brick before agreeing any further borrowing.

Cabinet Member Accountability: Councillor Hamida Ali, Leader of the Council

Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) PwC has been commissioned to undertake a strategic review of Brick by Brick with completion expected in November 2020. The report with recommendations regarding the financial business case will be reviewed by the Scrutiny and Overview Committee prior to being presented to Cabinet.</p>	<p>This specific action is complete however, ongoing activity with regard to BBB still needs to be taken hence further updates suggested.</p> <p>Phase 1 of the Strategic Review set out a number of options around BBB. This was received at Cabinet in November 2020 and it was agreed by members for further work to be carried out to advice on the best approach for BBB.</p> <p>The additional paper went to Cabinet in February 2021. It recommended an approach to build out of sites by Brick by Brick combined with a sale of sites under construction whilst still considering the option of a sale of the business, with a further report to come to Cabinet.</p> <p>On July 12th Cabinet approved recommendations to reject a purchase offer for BBB and agree a modified build out scenario of 23 sites be implemented. The Council</p>	<p>Next update due in January 2022</p>	<p>Chief Executive</p>

	<p>will receive reports on BBBs financial position, sales, contractual issues and other relevant matters on a monthly basis. Quarterly updates from these will also go to Cabinet.</p>		
<p>ii) Council to review the risks relating to Brick by Brick to ensure they are appropriately listed on the risk register</p>	<p>The Risks for Brick by Brick have been reviewed and are as follows per the Corporate Risk Register:</p> <ol style="list-style-type: none"> 1. Investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC). 2. There is no effective challenge, review, investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC). <p>**These risks specifically relate to financial strategy, treasury management strategy (including borrowing), capital investment strategies and appropriateness of continuing investment and association with BBB**</p>	<p>COMPLETE - Embedded into BAU</p>	<p>Interim Director of Finance (S151)</p>

	<p>The Corporate Red Risk Register is reviewed monthly at ELT to review and update risks where necessary.</p>		
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Recommendation 18 – HIGH PRIORITY
 The Cabinet and Council should review and reconsider the ongoing financial rationale for the Council in the equity investment arrangement with Brick by Brick.

Cabinet Member Accountability: Councillor King Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) PwC has been commissioned to undertake a strategic review of Brick by Brick. The report and recommendations will consider the ongoing financial rationale and equity invested and will detail options for the Council that will be considered by the Scrutiny & Overview Committee Cabinet prior to being presented to Cabinet.</p>	<p>This paper went to Scrutiny & Overview Committee and Cabinet in February 2021.</p> <p>The Cabinet paper noted that the Council has never made any equity payments, as planned, and is not in the financial position to do so. It was noted BBB sales proceeds were meant to be placed in an account for the Council to apply interest repayment and, if excess, to substantive loan repayment. Unfortunately, this process has not occurred and instead sale proceeds were retained by BBB effectively replacing the Council's equity share.</p> <p>The Council needs to review existing arrangement, change the current agreements or replace it with fresh loans.</p> <p>It is recommended that the current arrangements continue but in a modified way to give Brick by Brick capacity to have working capital to</p>	<p>COMPLETE</p>	<p>Chief Executive</p>

	ensure that funds are available to build out units on site		
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Recommendation 19

The s151 officer and monitoring officer should monitor compliance with loan covenants with Brick by Brick and report any breaches to Members.

Cabinet Member Accountability: Councillor King Cabinet Member for Croydon Renewal

Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) Loan covenants are within scope of the PwC strategic review and will be considered as part of the overall recommendations.</p> <p>A review of the existing loan covenants and their governance is to be undertaken. Learning from this review, a new system of control for all loan agreements entered into by the Council will be presented to Members and this will form part of the new Corporate Finance, Performance and Risk reporting system.</p> <p>The review and the proposed new system for loan covenants will be presented to GPAC & Scrutiny and Overview Committee prior to being presented to Cabinet for approval.</p>	<p>Loan agreements to be redrafted to provide a comprehensive single agreement</p> <p>The February Cabinet report agreed that detail of the revised loan scheme be delegated to the Chief Executive after consultation with the leader and appropriate lead members.</p>	<p>COMPLETE Embedded into BAU</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Interim Director of Finance (S151)</p>

Recommendation 20 – HIGH PRIORITY

The Cabinet and Council should review its arrangements to govern its interest in subsidiaries, how the subsidiaries are linked, and the long-term impact of the subsidiaries on the Council's financial position and how the Council's and taxpayers' interest is safeguarded.

Cabinet Member Accountability: Councillor Young, Cabinet Member for Resources and Financial Governance

Action	Progress made to date	Updated Deadline/ Status/Updated Deadline	Accountability
<p>i) An audit of the Council's approach to membership of each subsidiary board will be undertaken. The audit will involve officers of the Council and any Chairs/Members of company boards.</p>	<p>A working group was established to work through the existing list of companies that the Council has an interest in. Relevant officers and Directors of company boards were invited to present a paper at each of the working group meetings to discuss the company/companies they are involved with.</p> <p>These informed renewed governance arrangements which were approved by Cabinet on 26th July 2021, establishing the Croydon Companies' Supervision and Monitoring Panel (CCSMP) and approving its terms of reference.</p> <p>As part of a refreshed approach to membership the S151 Officer in consultation with the Chief Executive, has delegated authority to appoint and remove nominated Directors from the board of Group entities.</p>	<p>COMPLETE – governance arrangements embedded into BAU</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Interim Director of Finance (S151)</p>

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<p>ii) As part of this review the membership balance of the boards will be considered in aggregate in regard to best practice for achieving diversity, skill set, sectoral knowledge and Croydon Council representation.</p>	<p>The terms of reference for CCSMP includes the following: <i>“In fulfilling its responsibilities the CCSMP will: Evaluate effectiveness of Group entity board governance structure and processes and recommend changes as required, including with a view to achieving diversity, skill set, sectoral knowledge and appropriate representation.”</i></p> <p>This measure will help ensure diversity, equality and inclusion aspects will be considered in all future decisions on membership.</p>	<p>COMPLETE – governance arrangements embedded into BAU</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Interim Director of Finance (S151)</p>
<p>iii) External guidance on best practice will be sought. Roles, responsibilities and legal requirements for local authority company directors and guidance on skill set will be sought and this will include the best way to assess the competence of Members and Chief Officers for these roles.</p>	<p>Principles of Good Governance have been embedded within the terms of reference for CCSMP. These principles consider best practice at other local authorities including Nottingham City Council, Birmingham City Council, Ealing Council and Wirral Council.</p> <p>Furthermore, the terms of reference include the following: <i>“In fulfilling its responsibilities the CCSMP will: Receive updates and training in respect of best practice for company governance and associated matters”</i></p>	<p>COMPLETE – External guidance will be continually sought as BAU</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Interim Director of Finance (S151)</p>

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<p>iv) Process for identifying gaps in knowledge and or experience will be brought forward to include training considerations. If necessary interim arrangements will be made to remove risks and ensure effective governance.</p>	<p>The Principles of Good Governance, which are embedded within the terms of reference for CCSMP, include the following:</p> <ul style="list-style-type: none"> • <i>“Directors of the Group entity must act for the entity, declaring and avoiding any actual or apparent conflict of interest. The Group entity should have skills appropriate to the sector and roles. To ensure this is achieved the Board should have mandatory training including induction, an annual training programme and guidance notes. An annual skills audit and triennial independent review should be used to support the entity Board and identify appropriate external expertise</i> • <i>Council nominated directors and member representatives to receive mandatory training on an annual basis and appropriate indemnity arrangements to be ensured”</i> <p>As explained above (20i), the ability to appoint and remove Directors has also been delegated.</p>	<p>COMPLETE – training referred to and governance arrangements to continue as BAU</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive Interim Director of Finance (S151)</p>
<p>v) Essential mandatory training will be undertaken on an annual basis and the retention of the director role for</p>		<p>Next update due in January 2022</p>	<p>Interim Corporate Director of Resources</p>

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<p>each Councillor and Council official will rely on completion of the recommended training.</p>	<p>See above for (iv) – the date of the training will be determined in due course through the CCSMP.</p>	<p>Training referred to will continue as BAU</p>	<p>(Section 151) and Deputy Chief Executive Interim Director of Finance (S151)</p>
<p>vi) The impact of these changes will need to be reflected in the Council's Constitution and relevant protocols.</p>	<p>CCSMP's responsibilities, as set out in the terms of reference, includes:</p> <p><i>“Embedding principles of good governance as referenced in Section B of these Terms of Reference, including by making recommendations via the Chair for the Council’s constitution to be amended to reflect the role of CCSMP and recommended corporate protocols, such item to be on the agenda for the first meeting of the CCSMP”</i></p> <p>Work to review the constitution will include ensuring that the Council’s constitution reflects best practice in relation to governance of subsidiaries.</p>	<p>Next update due in January 2022</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive Interim Director of Finance (S151)</p>
<p>vii) Support for the effective governance of the Council’s subsidiaries and retaining a corporate overview of activity of individual companies and the whole group of companies is to be developed.</p>	<p>In addition to embedding the Principles of Good Governance section B of the terms of reference.</p> <p>CCSMP's responsibilities, as set out in the terms of reference, includes:</p>	<p>Responsibility referred to will continue as BAU. Next update due in January 2022</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p>

	<p><i>“Supporting the development of Group entities and the Group”</i>. A full list of responsibilities can be seen here.</p> <p>Further, although Brick By Brick will have separate reporting and governance arrangements, when CCSMP reports to Cabinet, Cabinet will also be asked to note the reports presented separately on Brick By Brick to ensure holistic consideration of the Council’s Group entities.</p>	<p>update on impact of CCSMP.</p>	<p>Interim Director of Finance (S151)</p>
<p>viii) Raise awareness of the timing of the Annual General Meetings of subsidiaries amongst Members.</p>	<p>CCSMP’s responsibilities, as set out in the terms of reference, includes:</p> <p><i>“The CCSMP will, via the Chair, report to Cabinet on a biannual basis at minimum and make recommendations as appropriate. The Chair shall frequently brief relevant Cabinet Members between formal reporting to Cabinet.”</i></p> <p>The Scheduling of this has is being actively discussed through the CCSMP.</p>	<p>Next update due in January 2022</p> <p>Updates from CCSMP chair will continue as BAU.</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Interim Director of Finance (S151)</p>
<p>IX) Cost effective mechanism to publish Board membership of Council subsidiaries to be investigated</p>	<p>Board membership of subsidiaries can be included within CCSMP’s</p>	<p>Updates from CCSMP chair will continue as BAU.</p>	<p>Interim Corporate Director of Resources (Section 151) and</p>

	<p>bi-annual reports to Cabinet (see Rec 20 – VIII).</p> <p>Other company and Directorship information already publicly available on company's house.</p>		<p>Deputy Chief Executive</p> <p>Interim Director of Finance (S151)</p>
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LBC Recommendation 1			
Given the challenges ahead there will need to be improvement of the Council's approach to risk management to enable a satisfactory turnaround of the financial position.			
Cabinet Member Accountability: Councillor King Cabinet Member for Croydon Renewal			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) An externally led review of the Council's appetite for risk needs to be undertaken with Members and Officers to ensure that the council's financial capacity for managing risk is fully understood.	<p>Cabinet risk management session has been carried out which will need to have a follow up session during the 21/22 financial year.</p> <p>A selection of Officers across the Council have been given access to the Risk software to download and edit risk entries. This has included 1-1 training sessions on the creation of risks and the use of software.</p>	Training rollout has commenced and is scheduled to be completed by end March 2022.	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Director of HR</p> <p>Head of Democratic Services</p>
ii) Corporate Finance, Performance and Risk management to be combined into one reporting function to remove silo thinking and increase the rigour to enable delivery of services, savings plans and the overarching Improvement Plan. This will require one new unified system of corporate reporting.	<p>PMO developing initial Corporate Finance, Performance and Risk report.</p> <p>These reports will be developed monthly and will provide updates from across the Council on key KPIs. A Cabinet report on the process of reporting was provided on April 12th 2021.</p> <p>The June 7th Corporate Finance, performance & Risk report iteration will provide a final set of CRP measures, and targets set to date,</p>	COMPLETE – Embedded into BAU with monthly reports to Cabinet	Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive

	<p>as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p> <p>The monthly reports will develop over time as recommendations are progressed.</p>		
<p>iii) Risk considerations to be made at the outset of all new decisions will ensure the Council has capacity, capability and financial resources needed to deliver. The assessment of risk is on the individual decision and its impact on the whole of the Council.</p>	<p>All new programmes of work will be subject to sign off at the Programme Steering Group who will be able to provide a council wide view and ensure that risks have been considered. This process is in evolutionary phase so it is too soon to record this action as complete.</p> <p>Updates have been made to handling of Corporate Risk Register to improve presentation and to promote ownership across Directorates. Risks now presented to ELT on a monthly basis.</p>	<p>Next update due in January 2022</p> <p>To become BAU</p>	<p>All Corporate Directors</p>
<p>iv) Develop training for Members and Officers to understand effective risk management.</p>	<p>An initial workshop on risk took place in January 2021.</p> <p>In addition, per recommendation LBC 3 - i, this will form part of the wider Member Learning & Development Programme as approved by Members Learning &</p>	<p>Update provided – training to be delivered by March 2022.</p> <p>To be confirmed in Q.4 Update. To become BAU</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Interim Director of Finance (S151)</p>

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	<p>Development Committee on July 13th 2021.</p> <p>This training is aimed to be delivered by March 2022. Appropriate Training for Members will continue to be offered as BAU going forward.</p>		<p>Director of HR</p> <p>Head of Democratic Services</p>
<p>v) The Council to review the terms of reference in regards the General Purposes and Audit Committee and Scrutiny & Overview Committee with regards to risk management to ensure there are no gaps in governance, to remove silo thinking and that both committees have a clear understanding of their responsibilities. This will include new guidance and joint training</p>	<p>Work to update the GPAC and Scrutiny TOR is being progressed as part of the review of the Constitution, aligned with the process of introducing an Independent Chair.</p> <p>Training for Scrutiny Members to understand their roles will accompany adoption of a new approach to scrutiny in response to the CfGS Scrutiny Improvement Review. Training for GPAC members will be implemented following the appointment of the Independent Chair.</p>	<p>Next update due in January 2022</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p>
<p>vi) Councillors to be provided overview of Council risk function and how risks are constantly monitored and updated in the organisation</p>	<p>Cabinet training workshop took place in January 2021.</p> <p>Officers will look at opportunities to provide key learning to members through refreshed work programme for 2022. (see LBC 3- i)</p>	<p>COMPLETE</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p>

LBC Recommendation 2 Clarifying member and officer roles to support good governance arrangements			
Cabinet Member Accountability: Councillor Young Cabinet Member for Resources and Financial Governance			
Action	Progress made to date	Status/Updated Deadline	Accountability
i) The Council will need to undertake a review to consider its operating model to ensure it has capacity and specialist skills required to deliver the financial and operational improvements that are needed to deliver.	<p>A restructure proposal has been approved by Full Council. This should be live Autumn 2021.</p> <p>A review of the Council's Internal Governance Meeting is in its final stages and its implementation should be aligned with the restructure going live.</p>	Next update due in January 2022	Chief Executive
<p>ii) The Member/Officer protocol is to be reviewed to ensure that it gives clarity on the respective roles and responsibilities for both Members and officers. The protocol should also explicitly place the seven principles of public life, known as the Nolan principles, at its heart.</p> <p>https://www.gov.uk/government/publications/the-7-principles-of-public-life.</p> <p>Training will be held for all Councillors and senior officers to develop good practice.</p>	<p>On May 26th a report reviewing the TOR of Ethics Committee went to the Committee and consequently a new work plan was adopted.</p> <p>An outline Training programme is being developed for all members including where appropriate, specific training for committee members (see LBC 3- i)</p> <p>The Member Code of Conduct is being reviewed, based on the new LGA Model Code of Conduct, with the Nolan principles at its heart: the revised Code will be presented to Council at its meeting on 11 October 2021 for adoption.</p>	<p>Training offer finalised.</p> <p>Training to be delivered with aim to fully deliver by March 2022.</p> <p>Capacity for Members and officers to undertake this review may be impacted by the need to focus attention on redrafting the constitution in preparedness for</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Head of Democratic Services</p>

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	The Member/Officer Protocol will be reviewed as part of the wider review of the constitution, informed by the new Member and Staff Codes of Conduct.	a directly elected mayor in May 2022.	
iii) A review of the member and officer Codes of Conduct will be undertaken to incorporate any learning from recent events and to ensure that they explicitly include the seven principles of public life, known as the Nolan principles, as the basis of the ethical standards expected of elected and appointed public office holders.	The Member Code of Conduct is being reviewed, based on the new LGA Model Code of Conduct, with the Nolan principles at its heart: the revised Code will be presented to Council for approval on 11 October 2021. This is linked to LBC2 - ii.	See LBC 2 ii above.	Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive
iv) Development sessions for Members and officers to better understand each other's respective roles.	The review and revision of the Councillor/ Officer Protocol will include development sessions for members and officers to better understand each other's respective roles. See LBC Recommendation 2 ii and iii and LBC Recommendation 3 i.	See LBC 2 ii above. Next update due in January 2022 To become BAU	Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive
v) Review the level of support and advice Scrutiny & Overview Committee and the General Purposes and Audit Committee receives from the Head of Paid Services, Section 151 Officer and Monitoring Officer to ensure that the advice is in line with their statutory responsibilities. With this include clarification on the ability and process for members to request information.	Meetings have been held between the Head of Paid Service, S151 officer, Monitoring Officer and Scrutiny Chairs to provide opportunity for regular discussion and planning.	Further update to be provided in January 2022	Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive

	<p>The Scrutiny and GPAC Workplan is also being linked in to the Council’s forward plan.</p> <p>Adoption of a new approach to scrutiny in response to the CfGS Scrutiny Improvement Review will ensure that scrutiny’s work planning is supported by appropriate information and officer advice.</p> <p>An Access to Information Protocol, informed by the CfGS Scrutiny Improvement Review was presented to Ethics Committee in September 21 and further revisions will be presented to the November meeting for approval.</p>		
<p>vi) Review the capacity of the organisation to support the Scrutiny & Overview Committee and the General Purposes and Audit Committee so that activity is prioritised within the financial resources for these functions.</p>	<p>This needs to be considered in conjunction with LBC Recommendation 2 v. See above therefore.</p> <p>At its meeting on 11 October Council will formally agree to appoint an independent chair to the General Purposes and Audit Committee.</p>	<p>Further update to be provided in January 2022</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p>

LBC Recommendation 3			
Ensuring that Members are appropriately trained across all aspects of the Council’s financial duties and responsibilities			
Cabinet Member Accountability: Councillor Young, Cabinet Member for Resources and Financial Governance			
Action	Progress made to date	Status/Updated Deadline	Accountability
<p>i) A detailed training and development programme is being designed to enable all Members to fulfil their roles in regard to their role with sufficient rigour. The programme being developed will cover:</p> <ul style="list-style-type: none"> • Financial management to include the importance of effective budget setting, a robust Medium Term Financial Strategy and rigorous budget monitoring (Add reserves) • Understanding funding sources, eg general fund, housing revenue account and direct schools grant • The role of Audit and the external auditor • Treasury management and capital strategies and the Council’s approach to subsidiaries • Risk assessment • Commercial Investment • Mentoring • Commissioning and Procurement Process • ASC Budget • Transformation Funding • Statutory and non-statutory services 	<p>An outline training programme for all members, including where appropriate specific training for committee members, was approved by the Members Learning & Development Panel on July 13th 2021. It has been aligned with the actions in the RIPI action plan to ensure all aspects covered. Detailed planning is now underway to ensure delivery by March 2022.</p> <p>Some training has already been carried out during the latter part of 2020/early 2021. This includes Finance, Treasury Management, Risk.</p> <p>The Council will ensure training attendance is recorded on Mod.gov.</p> <p>The training offer will be refreshed annually and continually offered to members as BAU going forward. A members induction programme for May 2022 will be informed by the RIPI recommendations.</p>	<p>Training offer finalised</p> <p>Training to be delivered with aim to fully deliver by March 2022.</p> <p>To become BAU</p>	<p>Chief Executive</p> <p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Director of HR</p> <p>Head of Democratic Services</p>

<p>ii) Further work on Cabinet development will be undertaken to support members to explore priorities for the new Cabinet, agree how the Members will work together to make the most of shared skills and consider individual and collective leadership styles and ways of working.</p>	<p>LGA have carried out a facilitated session for Cabinet members</p>	<p>COMPLETE</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p>
<p>iii) Target support to be provided for Cabinet Members, Scrutiny & Overview Committee Members and General Purposes and Audit Committee Members to strengthen the approach to reviewing the emerging plans, actions and risks that are being developed as part of the Croydon Renewal Plan, Financial recovery and progress against the Report in the Public Interest. In particular the training will include:</p> <ul style="list-style-type: none"> • The role of Scrutiny and Overview in relation to finance and General Purposes and Audit Committee • Developing an effective culture of scrutiny and key questioning skills • Maintaining a ‘big picture’ view of the financial pressures affecting the council • Assessing effectively budget and financial plans, budget monitoring, reserves approach • Challenging how resources are allocated • Scrutinising partnership arrangements • Key finance issues for Scrutiny and Overview Committee to consider 	<p>An Access to Information Protocol, informed by the CfGS Scrutiny Improvement Review, was presented to Ethics Committee in September 21 and further revisions will be presented to the November meeting for approval.</p> <p>A Training offer is being developed for all members including where appropriate, specific training for committee members (See LBC3 – i).</p>	<p>Further update to be provided in January 2022</p> <p>To become BAU</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p>

LBC Recommendation 4			
The Council develops an improvement programme that has the necessary elements for it to function effectively and within its financial resource.			
Cabinet Member Accountability: Councillor Hamida Ali, Leader of the Council			
Action	Progress made to date	Status/ Updated Deadline	Accountability
i) Implement new Council management arrangements that ensure: <ul style="list-style-type: none"> the delivery of high quality statutory services finances are appropriately managed and controlled a sound understanding of risk management is at the heart of the organisation 	<ul style="list-style-type: none"> Corporate Restructure approved and senior recruitment campaign due to start in August Risk Register format and style updated. Now regularly reviewed at ELT and DLTs. Interim Assets Strategy in implementation stage with number of assets targeted to be disposed by end of financial year. New process for monthly Corporate Finance, Performance and Risk reporting in place 	Update provided Further update to be provided for Q.3 To become BAU	Chief Executive Officer
ii) Working with local residents, rebuild the trust with their local Council by focussing on effective delivery of core services, responding promptly and appropriately to queries and complaints and learning from good practice as well as failures and from each other.	A Cabinet paper on Croydon Renewal Community Engagement to establish a Community Panel went to May Cabinet with operating principles and outcomes defined. The Panel is seen as a key element on our journey to becoming more transparent, open and honest in our ways of working. The Panel will also represent a link between our communities and the delivery of the	Ongoing – To be updated every quarter To become BAU	Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive

	<p>wider Croydon Renewal Improvement Plan. The implementation of this is to be finalised.</p> <p>Sessions with residents have taken place in relation to Regina Road to open up direct communication links between officers and those affected.</p> <p>Rebuilding trust with residents will be an ongoing process with residents as we improve our cultures and systems to be the Council our resident’s needs. An update will continue to be provided against this action for the foreseeable future therefore.</p>		
<p>iii) Introduce a new system of internal control focussed on finance, performance and risk to manage financial expenditure, risk management, service performance and the delivery of Council priorities. This will follow a monthly cycle of Departmental Leadership Teams, Executive Leadership Team, Cabinet and Scrutiny & Overview as appropriate.</p>	<p>New process for monthly Corporate Finance, Performance and Risk reporting in place.</p> <p>Work to align financial/HR data with the restructure is ongoing and is expected to be live in Autumn.</p>	<p>Update provided – next update for Q.3</p> <p>To become BAU</p>	<p>Chief Executive Officer</p>
<p>iv) Building on the work done to date and listening to staff concerns about equality and diversity in the workplace, co-create a working environment that respects and values all our staff and take positive action to ensure that this is the case.</p>	<p>Following the all-staff conference and the series of staff roadshows held Spring 2021. Further engagement with staff is planned for Autumn 2021 to provide an update to staff on the CRP and underline and continue to promote positive systemic and cultural changes.</p>	<p>Ongoing – To be updated every quarter</p> <p>To become BAU</p>	<p>Interim Assistant Chief Executive</p>

	<p>The Council is committed to creating a positive culture for all and continues to recognise it will take time to build staff trust and confidence.</p> <p>In addition, to the Guardians Programme detailed in the previous update the Council has implemented a series of monthly Tea Talks to provide staff a means to share experiences and discuss sensitive issues in a safe space.</p>		
v) Create a new system of staff performance appraisal, co-created with staff and agreed with the trade unions.	<p>The Council has implemented a light touch solution to appraisals for 2020/2021 to recognise the sheer level of work and commitment staff have shown in the last year.</p> <p>Further work on re-developing appraisals in the longer term is ongoing.</p>	<p>Next update January 2022</p> <p>To become BAU</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Director of HR</p>
vi) By working with Council staff, co-create an environment that is open to listening, free from fear, built on trust and openness and reflects the diverse borough that we serve.	<p>See recommendation LBC 4 iv</p>	<p>Ongoing – To be updated every quarter</p> <p>To become BAU</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p> <p>Director of HR</p>
vii) Agree a training programme for Council staff that includes finance for non-financial managers, Business Case Development, understanding risk,	<p>The Council training budget will be held centrally to assist with developing a corporate approach to staff training that creates</p>	<p>Update to be included in Quarter 3</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p>

<p>project management and the Council’s own governance processes.</p>	<p>consistency and efficiency in the way this is managed and delivered. The more specific approach to these areas for training will be agreed once the forensic financial exercise is complete.</p> <p>The forensic audit includes recommendations for improved training of budget managers and finance staff that need to be worked up.</p>	<p>To become BAU</p>	
<p>viii) Ensure the actions contained in this plan are supported by a corporate programme office that can provide assurance to Members.</p>	<p>A PMO office has been established dedicated to coordinating and supporting the delivery of key improvement actions across the Council. This includes recommendations in the MHCLG Rapid Review, the RIPI and the Croydon Renewal Plan.</p>	<p>COMPLETE Embedded as BAU</p>	<p>Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive</p>
<p>ix) Corporate level sponsorship to be allocated to all projects to ensure clarity of responsibility for delivery.</p>	<p>ELT members already allocated across all actions. Further project managers to be identified to deliver the recommendations.</p>	<p>COMPLETE</p>	<p>Chief Executive</p>
<p>x) Work needs to be undertaken as a priority to understand the future model of the Council, which would inform the direction of travel in the improvement journey.</p>	<p>See recommendation LBC 2 - i</p>	<p>This is being progressed. Work to be complete and</p>	<p>Chief Executive</p>

ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – SEPTEMBER 2021 UPDATE

Appendix 1

		reported on for Q.3 update	
xi) Council is to provide appropriate officer support to Scrutiny in order that it can fulfil its role.	See recommendation LBC 2 - V	This is being progressed. Further update to be provided Q.3 To become BAU	Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive