

DRAFT ANNUAL GOVERNANCE STATEMENT (AGS) 2023/24

Introduction

1. Croydon Council is responsible for ensuring that its business is conducted in accordance with the law and high standards of good governance. The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least annually, of the effectiveness of its systems of internal control and to prepare an Annual Governance Statement (AGS) reporting on the review along with the Statement of Accounts.
2. This AGS sets out the outcome of the Council's review of the effectiveness of its governance arrangement from 1st April 2023 to 31st March 2024. The review and statement were informed by, amongst others -
 - The Secretary of State (SoS) for Levelling Up, Housing & Communities' July 2023 Directions.
 - The Improvement and Assurance Panel (IAP) Progress Report to the SoS dated 27th October 2023.
 - The Improvement and Assurance Panel London Borough of Croydon Exit Strategy October 2023.
 - The Minister for Local Government, Department for Levelling Up, Housing & Communities' Letter to Mayor Jason Perry dated 27th February 2024 (Exceptional Financial Support).
 - The Improvement and Assurance Panel (IAP) Progress Report to the SoS dated 25th April 2024.
 - The review of the Council's Local Code of Corporate Governance.
 - The Corporate Directors' Assurance Statements.
 - The Annual Report of the Head of Internal Audit 23/24.

The AGS provides assurance on the Council's governance arrangements as well as identifying areas for future focus and improvement.

Summary

3. The Council's corporate outcomes and priorities are set out in the Mayor's Business Plan 2022-26 and include to balance its books and deliver good sustainable and transformative services for its residents and embed good governance across its functions and responsibilities. The Council is committed to upholding the highest possible standards of good governance to deliver on its corporate priorities.
4. The Council's Local Code of Corporate Governance (reviewed in May 2024) demonstrates how its constitution, policies, strategies, practices, internal controls and other governance arrangement meets the CIPFA good governance framework for local government.
5. Although, the Council is assured that the CIPFA good governance requirements are being met and its governance arrangement is fit for purpose, there continues to be significant challenges with the Council's financial sustainability, service performance and compliance with systems of internal controls. The Opening the Books exercise revealed the depth of the financial problems such that it led to the July 2023 Direction by the Secretary of State for the Department of Levelling Up, Housing and Communities (DLUHC) and the appointment on a statutory footing the Improvement and Assurance Panel (IAP). In 2023/24, the SoS Direction and subsequent IAP Exit

Strategy Action Plan has shaped the Council's journey on financial recovery, service improvement and transformation, which has continued at pace. This governance review has identified the following:

- a) The Council has accumulated £1.6bn in debt and holds significantly less value than this in terms of its disposable assets. In March 2023, for the financial year 2023/24, the SoS for DLUHC agreed in principle to exceptional financial support by way of Capitalisation Directions (CD) totalling £161.6m to meet the accumulated budget and accounting failings and errors and £63m to provide for a balanced budget following the Opening the Books programme. This combined with efficiency savings of £36m and exceptional 14.99% above cap council tax increase was required to secure a balanced budget for 2023/24.
- b) In April 2023, Grant Thornton, issued an Interim External Auditor's Report for the financial years 2019-20, 2020-21 and 2021-22 pending completion of their final assessments. The External Auditor Report's findings on financial sustainability, governance and improving economy, efficiency and effectiveness are for 2019/20 adverse conclusion expected; for 2020/21 'significant weaknesses identified', and 2021/22 'significant weaknesses identified'. The Report's recommendations were accepted by the Council and progressed and reported through the AGS 2022/23 Action Plan.
- c) In July 2023, the SoS issued Directions to the Council requiring certain actions be taken to comply with its Best Value Duty. This included action on the Council's finances, housing service and transformation. The SoS made clear it was important that the Council continued to lead its recovery. However, the SoS appointed Improvement & Assurance Panel now has the power to direct the Council if they are not satisfied with the progress being made to meet the Best Value Duty.
- d) In October 2023, the IAP in collaboration with the Council published the Exit Strategy and Action Plan which sets out the actions required of the Council to evidence compliance with the best value duty and exit statutory intervention.
- e) On 27th October 2023, the IAP reported to the SoS on the Council's progress on the Exit Strategy and concluded that the Council continues to improve, and the pace of improvement has moved up a gear, however risks remain. On 24th January 2024, the SoS responded acknowledging the need for the Council to go further to identify transformation efficiencies and reduce costs to achieve financial sustainability.
- f) In March 2024, Grant Thornton, issued its interim External Auditor's Annual Report for 2022/23 which found that there is undoubtedly improvement in the Council's overall trajectory but there are significant weaknesses in the Council's financial sustainability; governance and improving economy, efficiency and effectiveness. The Report's recommendations were accepted by the Council and are now being actioned.
- g) On 27th March 2024, the Cabinet approved the Future Croydon Transformation Plan 2024 – 2029 which sets out the intent and commitment of the council to radically transform the way that it operates, how it delivers services to the people of Croydon and how it connects with and supports residents across the borough. This will continue to deliver the priorities in the Mayor's Business Plan and the

Medium-Term Financial Strategy, saving just under £100m over the next four financial years. The Transformation Plan aligns with the IAP Exit Strategy which commits the council to demonstrate, by July 2025, it is on a path towards financial sustainability and can meet its duty of best value without government oversight. The fundamental matter of resolving the cost of debt remains to be negotiated with Government.

- h) On 25th April 2024, the IAP updated the SoS on the Council's progress on the areas of the Exit Strategy. The IAP concludes that the Council continues to make firm progress in its improvement journey. It has balanced its budget for the year just passed and has set what was considered to be a sound one for this year, although by the end of the first quarter the Council (along with many other councils) was experiencing escalating demand and cost pressures in children's social services, homelessness and passenger transport for children with special educational needs and disabilities. The Council has produced the framework of a transformation plan (Future Croydon) which should be capable of taking the Council to its declared objective of being London's most cost-effective council. The Council is steadily improving service delivery across all areas, although objective testing of this is awaited in key services. The Exit Strategy is being advanced well and the IAP are comfortable that it is either being met or, where there is a delay, there is a reason for this and that plans are in place to make up the ground.
 - i) In July 2024, as requested by Central Government, the Council published its Productivity Plan setting out, amongst others, action taken to date and in the pipeline for the transformation of the design and delivery of services to make better use of resources and deliver savings.
 - j) The Annual Report of the Head of Internal Audit for the year ending March 2023/24 provided only 'Limited Assurance' that the system of internal control accorded with proper practice. These are detailed in paragraphs below.
 - k) There has been significant progress with the previous year's 2022/23 AGS action plan and which are set out in the paragraphs below.
4. The Council is on the right pathway to financial recovery, improving on its service performance and the provision to residents of sustainable services. The IAP's reports to the SoS and the Council's own Productivity Plan (July 2024) attest to this. But there are still significant challenges ahead. The Council must continue to ensure compliance with its systems of internal controls combined with improvements in its service performance and this review has identified comprehensive action plans to achieve these outcomes. These are mostly contained in the IAP Exit Strategy Action Plan 2023-25, the Council's Improvement Plan 2022-27, Future Croydon Transformation Plan 2024-29, and actions in response to External Audit Reports and Internal Audit Annual Report. They will all form part of the 2023/24 AGS Action Plan which is attached as Appendix 2.

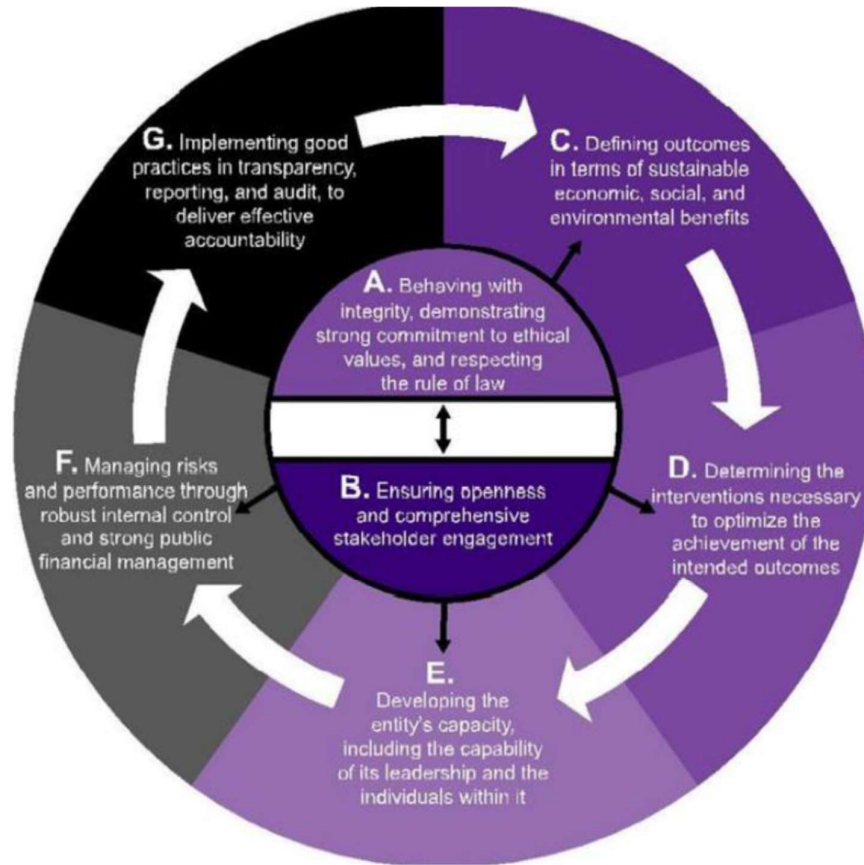
The Principles of Good Governance

- 5. The Council's Local Code of Governance sets out the Council's commitment to uphold the highest possible standards of good governance and how this is being delivered. These standards are designed to ensure that the Council conducts its business in

accordance with the law and that public money is properly accounted for, as the Council work to achieve the best outcomes for residents within the resources it has.

6. The diagram below, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework'), illustrates the various principles of good governance in the public sector and how these relate to each other.

DIAGRAM



7. The Council's Local Code of Corporate Governance reviewed in May 2024 and available here [WEB LINK](#) demonstrates how its governance framework that includes its constitution, policies, strategies, practices, values, and internal controls arrangement meets the CIPFA good governance framework for local government. It provides evidence based assurance that the Council is committed to: a) conducting its business in accordance with the law; b) behaving with integrity and strong ethical values; c) openness and resident engagement; d) delivering through the Mayor's Business Plan 2022-26, Croydon Improvement Plan 2022-27 and Future Croydon Transformation Plan 2024-29 sustainable finances and services and economic and

social benefits to residents; e) evidencing delivery through key targets in its performance management framework; and f) effectively managing risk and performance through robust internal controls. These are further evidence in the paragraphs below.

The Governance framework

8. The Council's Governance Framework document was reviewed in May 2024 and is available here [WEB LINK](#). The framework is the set of structures, rules, processes, procedures, and values by which the Council is directed and controlled and through which it is accountable to, engages with and, where appropriate, leads the community of Croydon. It includes the Council's governance structure at Member level i.e., Full Council, Executive Mayor and Cabinet, Scrutiny and Overview, Ethics, Audit and Governance and other Committees, and at Officer level i.e., Chief Executive, Corporate Management Team, Directorate Management Teams, Internal Control Boards, Programme Management Boards, Transformation Boards, and the role of Statutory Officers. Also, it incorporates and references relevant governance documents such as the Constitution, HR Handbook, Audit Charter, Risk Management Strategy and Project and Programme Management Framework.

The Constitution

9. The Council's arrangements for decision making and conduct of its statutory functions are contained in its Constitution available [here](#). It sets out the various bodies (referred to above and below) that are responsible for certain functions, the rules of procedure under which they operate, and the protocols, codes of conduct and good practice that must be adhered to and to ensure effective governance. The Constitution is reviewed and updated regularly through the Constitution Working Group and the General Purposes Committee, and any amendment approved by Full Council. [See AGS Action Plan in Appendix 1 for progress made with the review of the Constitution].
10. Full Council which comprises all 70 Members (Councillors) plus the Executive Mayor, is responsible for making non-executive decisions such as the Budget and Council Tax setting for the Authority or approving the policies, plans and strategies that are specified in the Council's Budget and Policy Framework detailed in article 4 of the Constitution. The Executive Mayor is responsible for making all executive decisions which are generally decisions that are not the responsibility of Full Council.
11. The Council publishes a 'Forward Plan' that details the key decisions to be made by the Executive Mayor in relation to executive matters.
12. Full Council delegates various non-executive functions to Committees, Sub-Committees and to Officers for the efficient conduct of business. These Delegations are set out in 'Responsibility for Functions' contained in Part 3 of the Constitution. As with the Scrutiny and Overview Committee, seats on the non-executive committees are allocated between the political groups in proportion to their respective numbers of Members.

Overview and Scrutiny

13. The Council has a Scrutiny and Overview Committee whose role is to scrutinise the decisions of the Executive Mayor and to contribute to policy review and development. The Committee is chaired by a Councillor from the Opposition Group. The work of the Committee is supported by the Statutory Scrutiny Officer. The Scrutiny Annual Report for 2023/24 available here [XXXXX](#) shows how the committee has discharged its functions. During the year the Committee and its Sub-Committees have made

recommendations to the Executive Mayor which has been considered and responded to. The IAP letters to the SoS of 27th October 2023 and 25th April 2024 acknowledge that that the scrutiny arrangement is effective and adding value to the Council's governance.

Audit and Governance

- 14 The audit functions of the Council are discharged by the Audit and Governance Committee. The Committee is Chaired by an Independent Member and this year saw the appointment of another Independent Member to provide further independent oversight and assurance.
- 15 The Committee provides independent assurance to the Council of the adequacy of the risk management framework and the internal control environment; oversees internal and external audit; help to ensure that efficient and effective assurance arrangements are in place; and provide independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment. The IAP letters to the SoS of 27th October 2023 and 25th April 2024 acknowledge that that the audit arrangement is effective and adding value to the Council's governance.
- 16 The Committee reports annually to Full Council on its performance and effectiveness. The Committee Annual Report for 2023/24 is available [here](#)

Codes of Conduct

17. The Council has adopted a Code of Conduct for Members (including Co-opted Members). All Members are required to undertake to observe the Code of Conduct when they accept office as Councillors or are appointed to a committee. The details of Members' interests are published on the Council's website.
18. The Council has determined that its Ethics Committee shall be responsible for receiving and considering reports on matters of probity and ethics and to consider matters relating to the Members' Code of Conduct. The Monitoring Officer conducts investigations into complaints on Member conduct and, where appropriate, convenes meetings of the Hearings Panel. The Council has appointed several Independent Persons who are consulted by the Monitoring Officer on initial assessments and investigations on Member conduct complaints and provide much valued independent opinion.
19. The Monitoring Officer reports to the Ethics Committee on a quarterly and yearly basis on complaints received for alleged breach of the Code of Conduct and on any trends and lessons learnt. The annual report for 2023 is available here: [Rpt Annual complaints update 2023.pdf \(croydon.gov.uk\)](#). The complaints (which were mostly from members of the public) were effectively dealt with and there were no discernible concerns about individual or wider Member behaviour.
20. In November 2023, the outcome of the review of the Council's Members Code of Conduct and arrangements for dealing with allegations of breach of the Code was reported to the Ethics Committee. The review confirmed that the Council's arrangements are effective and are in accordance with the statutory requirements. There are tidying up amendments required to the Code and the arrangements which will be the subject of a further report to the Committee. The review report is available

here: [Agenda for Ethics Committee on Wednesday, 15th November, 2023, 6.30 pm | Croydon Council](#)

21. The Council also has a Code of Conduct for Officers: all staff are given their own copy as they are inducted into the organisation. This Code was reviewed in 2021/22 to ensure consistency of arrangements for reporting interests, gifts and hospitality for Members and Officers.
22. The Codes are supported by Protocols such as the Protocol on Staff / Member Relations and the Planning Code of Good Practice, which are all contained within the Constitution.
23. An innovative and unique officer 'Guardians programme' was implemented in 2021/22 and promoted via a series of webinars, as part of the changes to the Council's culture, shifting the workplace to becoming more psychologically safe for staff to enable them to raise issues and concerns and give confidence if whistleblowing was needed that they would be supported. The Guardians who are volunteer trained council staff, to provide other council staff with a safe space to share concerns about behaviour or the culture at Croydon. The Guardians can signpost staff where appropriate to mechanisms within and outside the Council where they can get advice about situations that cause them concern, such as perceived bullying or inappropriate behaviour. This is an approach which is recognised as contributing to the development of an open culture. It was modelled on the NHS duty of candour and the speak out champions.

Officer-Level

24. The Chief Executive is the most senior officer in the Council. The Chief Executive and the Corporate Directors may exercise any functions of the Council or the Executive which have been delegated to them and they in turn may delegate decisions or functions to one or more officers in any of the Council's directorates, except when prohibited to do so by the Constitution or law.
25. The current Council structure, approved by Full Council on 5 July 2021, provides for a corporate management team, with seven members as its core membership, and six directorates. The law also requires the Council to appoint certain statutory chief officers that are responsible for the governance of the Council and have specific statutory powers. Similarly, the Council must name the 'proper officers' to undertake specific statutory functions. Each of the above are described in more detail below:
 - a) **Chief Executive:** The most senior officer in the Council is the Chief Executive Officer (and Head of Paid Service). Certain matters not reserved to the Council, the Executive Mayor, are decided by the Chief Executive acting under delegated powers, and the Chief Executive is responsible for deciding how executive decisions are implemented.
 - b) **Corporate Management Team (CMT):** This is the Council's senior management team, consisting of the Chief Executive, the Assistant Chief Executive and the five Corporate Directors. Seven other posts have a standing membership of the Corporate Management Team meeting and can attend or put items on the agenda. They are posts such as the Head of Internal Audit and the Monitoring Officer. Reporting into CMT are the respective Directorate Management Teams, Internal Control Boards and Transformation Boards. The minutes and papers of CMT are distributed to all director and the standing members of the team.
 - c) **Directorate Management Teams (DMTs):** These are the management teams within each of the Council's six directorates, each headed up by either a

Corporate Director or the Assistant Chief Executive and consisting of Directors and, heads of service where they report directly to the Corporate Director or the Assistant Chief Executive. These directorates are the:

- Adult Social Care and Health Directorate
- Assistant Chief Executive's Directorate
- Children, Young People and Education Directorate
- Housing Directorate
- Resources Directorate
- Sustainable Communities, Regeneration & Economic Recovery Directorate

Each directorate has its own underlying management structure reporting to the DMT. Each directorate determines how they ensure that health and safety matters, performance management, equality, diversity and inclusion and major projects and programmes are addressed at the directorate level. Some can incorporate them within their regular DMT agendas others may find it more appropriate to have sub committees from their main DMT.

d) Internal Control Boards (ICB) – The ICBs are corporate officer boards which operate alongside the respective directorate structures providing governance over cross directorate matters and include the:

- Capital Board
- Corporate Resilience Board
- Digital Board
- Workforce & Equality, Diversity & Inclusion Board
- Finance, Risk & Assurance Board
- Health & Safety Board
- Information Management Board
- Procurement Board
- Statutory Officers Board
-

Each ICB has terms of reference and includes membership from each directorate management team and other officers and is accountable for the delivery of allocated corporate strategies on behalf of the Council. The minutes of each Board are presented at the CMT and shared with all directors. Each ICB's terms of reference require the consideration of escalation to the next CMT meeting of matters of concern.

The ICBs can also act as a 'Programme Board' in the overall Project & Programme Management Framework for cross-departmental pieces of work, with highlight reports, exception reports, plans and logs being reported to these meetings. Where projects or programmes are specific only to a directorate, the Directorate DMT may act as Programme Board.

e) Statutory Chief Officers: The statutory chief officers are the:

- Head of Paid Service (Local Government and Housing Act 1989, s 4)
- Monitoring Officer (Local Government and Housing Act 1989, s 5)
- S151 (or Chief Finance) Officer (Local Government Act 1972, s 151)
- Director of Children's Services (Children Act 2004, s 18)
- Director of Public Health (National Health Service Act 2006, s 73A(1)); and
- Director of Adult Social Services (Local Authority Social Services Act 1970, s 6(A1))

These are officers that the Council must appoint, some of which may be combined and some of which cannot, but they all have additional personal responsibilities. These officers have statutory mechanisms for bringing concerns to the attention of the Council, and for requiring the Council to consider their decisions and actions publicly

There are a number of other statutory officer roles that a local authority must have in place, (such as, but not limited to, a Scrutiny Officer, a Caldicott Guardian, a Head of Internal Audit and a Chief Information Officer) but these are not chief officer posts in their own right. All however attend the Statutory Officers Board meetings.

f) The three chief officer roles with leading responsibilities relating to governance are the:

- **Chief Finance Officer** – who is responsible for finance and expenditure. The Council designated the role of the Corporate Director of Resources as the Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972.
- **Monitoring Officer** – who is responsible for lawful behaviour. The Council designated the role of the Director of Legal Services as the Monitoring Officer in accordance with Section 5 of the Local Government and Housing Act 1989.
- **Head of Paid Service-** who is responsible for the overall functioning of the Council and the allocation of resources. **The Council designated the role of the Chief Executive as Head of Paid Service** – in accordance with Section 4 of the Local Government and Housing Act 1989.

26. Each of these statutory officers has the power to refer certain matters to the Council. During 2023/24 there were regular meetings of the Statutory Officers Group chaired by the Chief Executive, to discuss relevant issues and the effective functioning of their roles and liaised regularly between meetings on matters affecting the governance of the authority. The Statutory Officers ensure the provision of professional advice on all decision-making reports to ensure legal, financial, risk management and equality implications are addressed, including compliance with the Public Sector Equality Duty.

27. The Chief Executive chairs a weekly meeting of the Corporate Management Team to consider key items of business and ensure the organisation is delivering the Mayor's Business Plan and the Council's priorities. Each Corporate Director holds weekly Directorate Management Team meetings. These are used to support internal control processes (e.g., budget and risk management, equality, diversity and inclusion compliance, monitoring of complaints, health and safety, and performance indicators)

as well as business within the directorate. Directors are then responsible for cascading information down to Heads of Service via their divisional management teams to ensure effective delivery of Council services and decision making in accordance with the scheme of delegation. There is a meeting each month of CMT, Directors and Heads of Service called the Extended Management Team to aid corporate understanding and knowledge of the whole council's activity, build a good governance and compliance culture and to build a shared leadership and senior management cadre.

Corporate Directors' Assurance Statements

28. The 2023/24 AGS has been underpinned by Corporate Directors / Directors Assurance Statements. The feedback from the Statements received suggest that there are still gaps in areas such as awareness and compliance with contracts and tenders and financial regulations; internal audit recommendations; minor and major project management arrangements and oversight; and generally, key council's policies and procedures. There should be an annual programme of raising staff awareness on these and other issues that are fundamental to the Council's performance. This should be addressed in the 2023/24 AGS Action Plan.

Council Priorities / Mayor's Business Plan / Transformation Plans

29. In December 2022, Full Council adopted the Mayor's Business Plan 2022-2026 (available here <https://www.croydon.gov.uk/mayors-business-plan-2022-2026>) which sets out the strategic outcomes and priorities of the Council. The five Outcomes are:

- The Council balances its books, listens to residents and delivers good sustainable services.
- Croydon is a place of opportunity for business, earning and learning.
- Children and young people in Croydon have the chance to thrive, learn and fulfil their potential.
- Croydon is a cleaner, safer and healthier place, a borough we're proud to call home.
- People can lead healthier and independent lives for longer.

Each outcome is underpinned by a subset of priorities. There is a detailed delivery plan, which has been used to inform the development of service plans across the organisation, and performance indicators have been developed to track delivery against these commitments. The performance reports are reviewed at DMTs and at CMT. They are also reported on a quarterly basis to Scrutiny and Overview Committee and Executive Mayor in Cabinet.

30. The three key documents that sets out the Council's transformation plans in the short and medium term are: the IAP [Intervention Exit Strategy 2023-25](#) (see details in the Paragraphs below); the [Council Improvement Plan 2022-27](#) and ['Future Croydon', our Transformation Plan for 2024-2029](#).
31. The [Council Improvement Plan 2022-27](#) is an update of the council's existing transformation plan, originally adopted in November 2022. It includes existing and new improvement projects across services including children's, adults, planning, and housing that are critical to strengthening the foundations for future transformation. These projects, some still in development, will contribute to savings in the MTFs. They are grouped under the following ten programmes:

- Adult Social Care and Health Improvement Programme.
 - Asset Management Programme.
 - Borough Regeneration Programme.
 - Business Improvement Programme.
 - Cleaner Croydon Programme.
 - Children, Young People and Education Improvement Programme.
 - Digital and Legacy Improvement Programme.
 - Housing Improvement Programme.
 - Libraries, Community Hubs & Museum Programme.
 - Safer Croydon Programme.
32. On 27th March 2024, the Cabinet approved and adopted [‘Future Croydon’, our Transformation Plan for 2024–2029](#). It builds on the programmes found in the Council Improvement Plan 2022-27 already underway. ‘Future Croydon’ provides a framework for innovation and a radical redesign of the council, underpinned by data and digital ways of working, and supported by a customer-focussed workforce. Its programmes will transform the organisation, help to deliver the priorities in the Mayor’s Business Plan and contribute to the delivery of the savings of almost £100m stipulated in the Medium-Term Financial Strategy. ‘Future Croydon’ focusses transformation through the lenses of [Our Council](#), [Our Residents](#), and [Our Place](#).
33. For ***Our Council*** the aim is to be the most cost-efficient and effective council in London, totally focussed on residents. The culture will be one that puts the customer/resident first, organising services around their needs and experiences, harnessing technology, data and the workforce to deliver a council that does less, but does it better. To achieve this aim, a Strategic Partner has been procured to deliver a blueprint for a new target operating model by September 2024. This will include:
- [A new Target Operating Model and Vision](#) for the council, radically redesigned and based on a fundamental review of what we do, how we do it and who does it, including our ways of working, opportunities for consolidation, rationalisation, automation, a new commissioning and commercial approach supported by a corporate contract review, and work with communities and partners [[‘Future Croydon’](#) pp.16-17].
 - Development of a [workforce plan](#), including a skills audit and enhanced change management and leadership capability [[‘Future Croydon’](#) p.17].
 - [Data-driven approaches](#) to enable the council to deliver better targeted services, promote collaboration between council services, partners and the community, and pinpoint opportunities to prevent unnecessary expenditure and reduce costs [[‘Future Croydon’](#) p.18].
 - [A digitally led new design](#) to support the new operating model, including ways of working and interacting with the council [[‘Future Croydon’](#) p.18].

Future Croydon Transformation Plan aligns with the IAP Exit Strategy which commits the council to demonstrate, by July 2025, it is on a path towards financial sustainability and can meet its duty of best value without government oversight.

34. On 10th July 2024, as requested by Central Government, the Council published its Productivity Plan (available here [Croydon Council Productivity Plan v0.9.pdf](#)) setting out, amongst others, action taken to date and in the pipeline (as above) for the transformation of the design and delivery of services to make better use of resources and deliver savings.

Medium Term Financial Strategy 2022-2026

35. Local government finances are under strain from inflation, the impact of cost of-living pressures on local communities and an increase in demand for essential social care, housing, passenger transport and welfare services. This has contributed towards an increase in costs and demand for Croydon services, such as children's social care, support to homeless families and passenger transport for children with special educational needs and disabilities. These impacts are partially embedded within the 2024-25 Croydon budget proposals with £18.1m set aside as an inflation provision and a provision of £11.5m for additional demand and legacy budget pressures but unfortunately this has proved insufficient. The Council is currently facing a large projected overspend for 2024-25.
36. The financial challenge for Croydon is compounded by significant, and independently well documented, local legacy issues (governance, financial, service delivery and structural). In November 2020, the Council issued its first S114 notice, flagging that it was in a position whereby it could not continue to operate without exceptional financial support. In December 2020, the Council requested exceptional financial support, which was agreed by government through the provision of capitalisation directions, of £150m over four years from 2020-21. Croydon put in place the 'Croydon Renewal Plan' in response to the financial crisis and made significant progress by delivering cumulative savings of £90m over 2021-22 and 2022-23. However, the requirement upon Croydon, following external audit review and the outcome of the 'Opening the Books' exercise launched by the Executive Mayor in 2022, identified that the full scale of the financial challenges was far greater than had been originally envisaged. On-going legacy budget corrections of £49m were required for 2023-24 with prior year adjustments of £161.6m identified. The seriousness of the Council's financial position resulted in the Corporate Director of Resources and S151 Officer deciding that the Council's budget was not financially sustainable and issuing a Section 114 Notice from 2023-24 onwards. The section 114 Notice was issued on 22nd November 2022 and reported to Cabinet on 30th November 2022. The Report concluded that the Council cannot solve its financial issues on its own and set out a range of requests of government for exceptional financial and other support. A package of measures was subsequently agreed with central government that enabled the Council to set a balanced budget for 2023-24. These included:
 - An increase in the 2023-24 Referendum Cap for council tax increases from 4.99% to 14.99% for Croydon.
 - Central government making available exceptional financial support, in the form of permission for additional borrowing to fund revenue (a Capitalisation Direction) of £63m in 2023-24 (£58m on top of the £5m previously agreed by government in 2021 for 2023-24).

- A further Capitalisation Direction of £161.6m to cover the prior year legacy issues that were revealed through the Opening the Books programme.

These measures, along with the Council agreeing to make savings of £36m in 2023-24, enabled Croydon to set a balanced budget for 2023-24.

37. Legacy issues still emerge. In January 2024 the Council had to request a further legacy Capitalisation Direction of £9.439m for 2019-20. This relates to an historic contractual issue for highway works and improvements. The use of Capitalisation Directions, which allow additional local authority borrowing, is the Government's only solution at this stage for councils in financial distress. A key structural problem already facing Croydon is that the Council has a high level of debt. As at the end of 2021-22 OFLOG data confirmed that the cost of servicing Croydon's debt, at 16% of core spending power, is double that for the median English authority. As mitigation against the capitalisation directions the council has put in place an asset disposal programme that aims to deliver £200m of receipts over the 2022-23 to 2025-26 period. After allowing for the disposals programme the net cost of servicing Croydon's 2024-25 debt is estimated at 15% of core spending power.
38. The on-going impact of the legacy issues facing Croydon means that extraordinary government support is still necessary unless a resolution to the high cost of servicing the Council's General Fund debt of £1.4bn is found. Such support is budgeted at £38m for 2024-25 and modelled to be required at the same level for future years. Dialogue has continued with government regarding the level and type of future government support. The Council's preferred option for future government support would be for a £540m debt write off or an equivalent level of revenue grant support to be provided. This would deliver estimated revenue budget savings of £38m p.a. and enable the Council to set balanced budgets that neither relied on future government support nor placed additional and avoidable pressure on Croydon's taxpayers. For 2024-25 the Government have notified Croydon that there will be no change in how exceptional support is made available. The use of a Capitalisation Direction of £38m is now budgeted for 2024-25 and a request has been submitted for a further £9.439m relating to 2019-20. Further exceptional financial support will be required from government for future years and £38m is modelled into the MTFs on an ongoing basis. The Council's unprecedented debt burden is symptomatic of an authority failing to meet its best value duty. It will need to be resolved for the Council to come out of the current statutory intervention.

SoS Directions and Improvement & Assurance Panel.

39. Following the 'minded to letter' on 16th March 2023 and the Council's response on 31st March 2023, on 20th July 2023 the Secretary of State for Levelling Up, Housing and Communities ("the SoS") issued Directions to the Council on the actions to be taken to comply with its Best Value Duty. The Directions and its accompanying documents can be accessed at [Statutory intervention: London Borough of Croydon - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statutory-instructions/statutory-intervention-london-borough-of-croydon). The SoS Directions requires the Council to continue to lead its recovery and focus upon amongst other matters, continue to address the culture of poor financial management; improve the capacity and capability of the housing service; restore public trust and confidence by transforming the Council's activities, practices, and omissions to ensure that they are compatible with the best value duty; and secure that functions are exercised in conformity with the best value duty thereby delivering improvements in services and outcomes for the people of Croydon. The Directions are

expected to remain in force until 20th July 2025. But it could be amended or revoked at an earlier date by the SoS if appropriate.

40. The Council is now the subject of formal statutory intervention. The Council is still responsible for all decision making relating to its powers, functions and responsibilities and continues to lead on its recovery and improvements. The SoS has appointed an Improvement & Assurance Panel with the power of last resort to direct the Council to act if they deem it is failing to comply with the Best Value Duty. The Panel also provide external advice, expertise and challenge to the Council and assurance to the Secretary of State on the Council's progress via 6 monthly letters.
41. In October 2023, the IAP in collaboration with the Council published the Exit Strategy and Action Plan which sets out the actions required of the Council to evidence compliance with the best value duty and exit statutory intervention. The Strategy Action Plan is a significant part of the AGS Action Plan for 2022/23. The Strategy covers the following areas: governance; culture and leadership; financial stability; service performance; and capacity and capability to improve. The Strategy breaks progress milestones down into intervals set for March 2024, September 2024, and March 2025 and which coincide with the Panel's bi-annual progress reports by letter to the Secretary of State.
42. On 27th October 2023, the IAP reported to the SoS on the Council's progress on the Exit Strategy and concluded that the Council continues to improve, and the pace of improvement has moved up a gear. There are risks. The Council must set a balanced budget (for 2024/25), achieve a positive outcome in the anticipated Ofsted and Care Quality Commission inspection, work though the backlog of investment needs in Housing Services and deliver on its transformation plans. Under 'Governance' the letter states that

"The Council has continued to embed the sound governance arrangements that we identified had been emerging. The Executive Mayor has prioritised the critical requirement of returning to financial stability and this is reflected in his Business Plan.... Mechanisms that support good governance have continued to be developed or embedded as appropriate. Comprehensive and relevant Key Performance Indicators for delivery of the Mayor's Business Plan have been debated and introduced and these enable both effective monitoring and ensure accountability. An array of Internal Control Boards provide for the necessary management of performance and change.

On 24th January 2024, the SoS responded acknowledging the need for the Council to go further to identify transformation efficiencies and reduce costs to achieve financial sustainability.

43. On 25th April 2024, the IAP updated the SoS on the Council's progress on the areas of the Exit Strategy. The IAP concludes that the Council continues to make firm progress in its improvement journey. It has balanced its budget for the year just passed and has set a sound one for the current year. The Council has produced the framework of a transformation plan (Future Croydon) which should be capable of taking the Council to its declared objective of being London's most cost-effective council. The Council is steadily improving service delivery across all areas, although objective testing of this is awaited in key services. The Exit Strategy is being advanced well and the IAP are comfortable that it is either being met or, where there is a delay, there is a reason for

this and that plans are in place to make up the ground. Under 'Governance' the letter states:

"The core governance arrangements of the Council continue to operate soundly and the growing maturity of these is in itself a valuable self-reinforcing characteristic. Everyone is, in simple terms, becoming used to doing things properly and doing them well. Relevant matters are well-considered in the appropriate forums and the timeliness of decision-making arrangements is good. The targets for governance set in the Exit Strategy are being met.

Council Tax and budget were set by Full Council following a consultation exercise and engagement with the opposition parties that was continuous and constructive.

Audit and Scrutiny arrangements both add value, and the plans for their programmes in the coming municipal year are well advanced, are derived from the Council's stated priority activities and are related to the assessed risks facing the Council."

Croydon arm's length companies

44. The Committee on Standards in Public Life report dated January 2019 made a best practice recommendation regarding separate bodies created by local authorities and how such bodies should be referenced in the Council's AGS together with the transparency expected from those bodies, namely that, *'Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place'*.
45. Croydon Council acknowledges that it has an 'arm's length' interest in the following organisations:
 - a) Croydon Council owns a 100% stake in the development company Brick By Brick Croydon Limited, which was established to deliver housing across a number of Council owned sites in the Borough. The Council took a decision in February 2021 to trade out 23 sites to completion and dispose of all of its remaining sites. All sites have now been developed and as at the end of March 2024 all sites bar one were disposed. The remaining site was Red Clover Gardens and whilst it had not been disposed the transaction had exchanged contracts with the sale being completed in May 2024. Regular Brick by Brick Update reports have been shared with Cabinet periodically with the last update made to Cabinet in February 2024. Progress on either selling the company or a solvent winding down the company and expected financial implications have been shared with Cabinet with a clear trail of all loans and interest paid by Brick by Brick back to the Council. It is expected that the Council will either wind down BBB or sell the company by the end of 2024/25.
 - b) The Council has a 99% membership of LBC Holdings LLP which itself holds 10% holdings of the other LLPs in the structure. An independent charity, Croydon Affordable Housing, holds a 90% membership in each of the LLPs (other than LBC Holdings LLP). The Council has entered 80year leases (with an option to break at 40 years) and 40year loan transactions (amongst other agreements) with Croydon Affordable Homes LLP ('CAH') and Croydon Affordable Tenures LLP ('CAT'). A

review of the financial accounting position in respect of CAH and CAT was completed by PWC in February 2022 and was necessary as part of finalising the accounts for 2019/20 and 2020/21. Failure to correctly account for the monies exchanged with this company contributed significantly to the need for the further capitalisation direction referenced above. These account corrections have now been made and the Council has since appointed a director to the board of Croydon Affordable Homes

- c) The Council holds 100% stake in three companies related to the Taberner House development and these include Croydon Central Management Company, Croydon TH Ltd and Croydon TH Commercial Ltd. The Council has appointed a Board Director to the Croydon Central Management Company, Croydon TH Ltd and Croydon TH Commercial Ltd. The Council is in the process of transferring its equity interest to the investors of the Taberner development and it is expected this will be concluded by end of 2024/ 2025.
- d) The Council holds a 100% stake in several Charitable organisations, each of which have been established over some time. A list of these Charitable organisation is provided below
 - The Wettern Tree Garden Trust
 - Queenhill Road Playground
 - Rotary Field, Purley
 - Woodcote Village Green
 - Willian Webb, Land forming part of the Promenade de Verdun
 - Garwood's Gift in connection with Lloyd Park
 - Charity of James Spurrier Wright
 - The Betts Mead Recreation Ground

46. The Croydon Companies' Supervision and Monitoring Panel, chaired by the Chief Finance Officer, ensure good governance of the Council's external entities. The Panel reports at least biannually to the Executive Mayor and Cabinet, making recommendations as appropriate. The Executive Mayor and Cabinet were presented with a report in February 2024 with regards to the companies monitored by the Croydon Companies' Supervision and Monitoring Panel.

Reports in the Public Interest

47. In January 2022, the Council's external auditor, Grant Thornton, issued a second Report in the Public Interest (RIPI 2) concerning the refurbishment of Fairfield Halls and related governance arrangements. The report detailed significant concerns regarding the decision making, value for money, behaviour and governance arrangements for chief and statutory officers and members that were associated with this major project during the financial years 2016/17 to 2019/20. On 3 February 2022, the Council accepted in full the Report and its recommendations. The recommendations and action plan were built into the 2022/23 AGS Action Plan and progress made is set out in Appendix 1. The Council has made significant progress in completing the actions arising from the recommendations. Between January and March 2023, as a precursor to closing off the action plan, the Council took steps to further reassure itself and raise awareness of the learning arising from the recommendations and that they are embedded in practice. The following actions and sessions have taken place. A stakeholder group of officers from Finance, Legal,

Property, Procurement, Democratic Services and Capital Programme have had a lesson learnt session that includes an insight into current practice and any further changes required. Also, a presentation on lessons learnt have been taken to Capital Internal Control Board, Housing and SCREE DMT, CMT, Directors and Heads of Service Meeting, and Statutory Officers Group. This is to ensure wider dissemination of expectations in managing major capital projects. Whilst the External Auditors recommendation have been addressed, there are plans to continue to improve the management of programmes and capital projects across the Council. The Council is developing a Project Delivery Framework that sets out the expectations for the direction and management of portfolios, programmes and projects ensuring value for money and the successful and timely delivery of policy and business objectives.

Housing Improvement

48. Following the national television coverage of chronically poor housing conditions at Regina Road in March 2021, the Housing Directorate self-referred to the Regulator for Social Housing who declared the Council was in breach of the Home and Tenant Involvement and Engagement standards. The Council committed to the creation of the independently chaired Housing Improvement Board and the development and implementation of the Housing Improvement Plan in May 2021 based on the breaches and the failings highlighted by an independent report (ARK Consultancy Investigation into Conditions at 1-87 Regina Road). Since July 2021, Housing Directorate has developed and begun to deliver the Housing Improvement Plan. Improvements to the Council's housing services have remained a focus of the Improvement and Assurance Panel and are a significant part of the Exit Strategy Action Plan.
49. In December 2022, a new Housing Transformation Programme was approved by the Mayor in Cabinet and endorsed by the independent Housing Improvement Board (HIB). There are a total of 67 projects across eight workstreams and progress updates are reported to Cabinet. In July 2023, October 23 and March 24 (available here [Agenda for Cabinet on Wednesday, 27th March, 2024, 6.30 pm | Croydon Council](#)) progress update report was considered by the Mayor in Cabinet. The Programme continues to deliver against the milestones set out within the Voluntary Undertaking agreed with the Regulator for Social Housing and the overall Improvement programme agreed with the Housing Improvement Board. This includes on: repairs and maintenance; recruitment and staffing; tenant engagement and customer care; contract management; leadership, and strategic direction (Housing Strategy, Homelessness Prevention Strategy, Resident Engagement Strategy); Regina Road regeneration programme; and performance monitoring.
50. Housing Improvement is in the 2022/23 AGS Action Plan and progress made indicated above is also set out in Appendix 1. There are still significant challenges ahead in respect of data accuracy, lack of historical records, customer oversight, spike in demand/calls for support, backlog of disrepair cases and associated complaints and demand for emergency and temporary accommodation and associated cost. This is acknowledged in the IAP letter to the SoS dated 25th April 2024.

Performance management

51. A Performance reporting framework created in April 2021 to ensure delivery of a robust suite of corporate performance reports remains in place. This ensures that what the data is reporting is visible to everyone and open to challenge. Directorate and statutory performance reporting are a suite of measures from the Mayors Business Plan report

2022-26, operational performance reports and statutory measures. These reports are presented at monthly Directorate Management Team meetings to allow a process of review, check, and challenge by the Corporate Director with their Directors. Relevant data, based on the principle of exception reporting, from these reports are incorporated into the monthly performance report presented to the Corporate Management Team to allow check and challenge areas which are underperforming. Corporate Directors / Directors are responsible for discussing the contents of departmental and statutory performance reports with the relevant Cabinet Member to ensure line of sight and accountability. This allows Members the opportunity for discussion and challenge of performance where required and to understand potential risks. Corporate Directors are responsible for the dissemination of these reports for discussion at Divisional Management Team meetings to ensure all managers and Heads of Service are sighted. Reports to the Chief Executive are also created using the data from the suite of reports as detailed above, with the focus being on one Directorate per report. This allows for informed one to one session between the Chief Executive and the relevant Corporate Director. The Chief Executive and the Corporate director for CYPE also hold escalation meetings with the relevant KPI owners for underperforming indicators to review recovery action and challenge progress.

52. During the year, key performance indicators on the Mayors Business Plan 2022-26 were reported to Cabinet in October 23 and February 24 (available here: [Agenda for Cabinet on Wednesday, 14th February 2024, 6.30 pm | Croydon Council](#)). There are also regular budget monitoring reports to Cabinet on the Council's finances (last report available here [2023-24 Period 8 Financial Performance Report.pdf \(croydon.gov.uk\)](#)).

Risk Management

53. The Council's risk management process is designed to identify, assess, and manage significant risks to the Council's objectives including risks associated with delivering the Mayor's Business Plan. The process includes a risk management policy statement, corporate /directorate risk registers, and appropriate staff training delivered to risk owners (Directors and above).
54. During the 2023/24 period, the Council has continued to embed an approach to risk management consistent with the 'Three Lines of Defence' model recognised by the Institute of Internal Auditors and HM Treasury 'Orange Book' standards, as good practice. The first 'line of defence' is implemented by the risk owners (the Council's directorates, Corporate Directors, Directors and Heads of Service as appropriate) to ensure an effective control environment, implement risk management policies in relation to their roles and responsibilities, and being fully aware of the risk factors to be considered in every decision and action. The second line of defence is the maintenance of a risk management framework and compliance functions, in supporting structured risk management implemented by risk owners. The third line of defence is implemented by both internal and external audit who take an independent view of the application of risk management, reviewing and evaluating the design and implementation of risk management and the effectiveness of the first and second lines of defence.
55. All corporate/strategic risks are formally reviewed and signed off quarterly by the risk owner on the council's corporate risk management system 'JCAD'. In turn, all risks are reviewed quarterly by the Directorate Management Teams and assurance given/obtained by the Corporate Director. CMT and the Audit and Governance Committee then review all red rated risks. In addition, risk management 'deep dives'

on individual risks are undertaken by the Audit and Governance Committee as well as the monthly review of corporate 'red' risks by CMT. In April, October and November 23 and February and April 2024 (available here [Agenda item - Corporate Risk Management | Croydon Council](#)) reports on the risk register and deep dives were taken to the Audit & Governance Committee for review and assurance.

Procurement

56. The Procurement Board is an Internal Control Board and meets monthly with director-level attendance to ensure compliance with the Council's Contract and Tender Regulations, holding managers to account and providing challenge to ensure that the use of waivers is minimised.
57. Through the Annual Procurement Plan, the Council has a strategic overview of the commissioning and contracts pipeline. This Annual Procurement Plan is presented to the Mayor in Cabinet for approval before the start of the financial year and updated at least on a quarterly basis. The Council has in place a Contracts Register which is reviewed and updated regularly. The procurement ICT system is currently being reviewed as part of the Council's Oracle ERP Improvement Programme.
58. Internal Audit identified a number of improvements required to tender evaluations, contract frameworks, systems and documentation. These are being addressed through the Procurement Improvement Plan and progress made is identified in the AGS 2022/23 Action Plan attached as Appendix 1. The IAP Exit Strategy Action Plan also has actions to improve on the procurement function and which are being progressed and will continue to 2024/25.

Complaints, Fraud and Whistleblowing

59. The Council's formal complaints policy sets out how complaints can be made by the public, what should be expected in terms of response and the residents' rights of escalation. Lessons learned from complaints are fed back to services regularly and included in the quarterly and annual reports that are presented to directorate management teams and CMT.
60. The Local Government and Social Care Ombudsman (LGO) issued 1 public report about the Council during 2023/24. This was reported to cabinet in January 2024. The Council accepted the Ombudsman's final decision and recommendations, and the Ombudsman confirmed their satisfaction with the actions taken. There were also Housing Ombudsman reports and recommendations that were accepted and actioned. The Ombudsman and complaints annual report are discussed at CMT and taken to Scrutiny and Overview for review and challenge lessons learned. The annual complaints and LGO report for 2023/24 is scheduled for the 19 November 2024 scrutiny meeting. In the letter by the LGO dated 17th July 2024, the LGO raised concerns about the delays by the Council in implementing agreed actions in response to recommendations. This should be monitored to ensure compliance. Significant work is being undertaken to improve the quality of complaint responses and the response times. Face to face training is undertaken, online training packages implemented, weekly reports are sent to all service and management detailing current open and overdue complaints, service improvement meetings are held directly with services, monthly departmental complaint bulletins are sent to all complaint handlers and quarterly and annual performance reports are presented to DMTs and CMT. Complaint handling is also a key aspect of the Housing Improvement Plan and is an action in the Exit Strategy.

61. Audit & Governance Committee continues to oversee the Anti-fraud and Corruption Policy and Strategy and Anti Bribery and Anti Money Laundering policies. In addition, the committee receives regular reports in relation to the activities of the shared Croydon/Lambeth anti-fraud service, which was established in January 2023. The aim of the shared service has been to target pro-active anti-fraud initiatives in addition to reactive investigations. The activities of the service for 2023/24 was reported to the Committee in April 2024 (available here [Agenda for Audit & Governance Committee on Thursday, 11th April, 2024, 6.30 pm | Croydon Council](#)).
62. The Committee also oversees the council's Whistleblowing Policy and Procedure which enables staff, partners, and contractors to raise concerns in the public interest about suspected serious wrongdoing and without fear of being identified. The Policy is supported by a whistleblowing hotline supported by a third sector partner. There were report to the Committee on whistleblowing referrals received during 2023/24 and the outcomes (available here [Agenda for Audit & Governance Committee on Thursday, 1st February, 2024, 6.30 pm | Croydon Council](#)).

Health and Safety

63. Responsibility for health and safety ultimately rests with the Chief Executive. Below the CEO, the Director for Commercial Investment and Capital is appointed as the SRO for the whole of H&S across the Council. The SRO has the final responsibility of decision taking on all matters relating to H&S across the Council. To ensure this responsibility is discharged effectively across the Council the Corporate Health and Safety Internal Control Board and directorate subgroups were established. Their role includes the monitoring of statistics, safety audit reports and trends of accidents and near misses, dangerous occurrences and notifiable diseases and making recommendations for and monitoring progress on corrective action on unsafe and unhealthy conditions and practices. The Board also monitors the effectiveness of health and safety training and communications and escalating any issues to CMT as appropriate. The Board is chaired by a corporate director and attended by directorate representatives, the corporate health and safety team and trade union representatives. The minutes of the Health and Safety Board are presented at CMT with any urgent items immediately escalated to the next CMT meeting and shared with all directors. Improvements in the arrangements for Health and Safety is in the 2021/22 AGS Action Plan and progress made are set out in Appendix 1.

Information Governance

64. The Information Management Internal Control Board (IMICB) leads the Council's strategic approach to governance of information management. Chaired by the Council's Monitoring Officer and membership includes Chief Information Officer and Senior Information Risk Owner (SIRO), the Caldicott Guardian, Data Protection Officer, Information Manager, and key service leads. The Board's role is to support the Council to ensure compliance with Data Protection, Freedom of Information (FOI) and Caldicott requirements and assist in making good Information Management (IM) part of the culture of the Council. The Board reports to CMT in respect of IM issues/incidents and has an overview of the Council's compliance with policies, procedure and guidance and commissions reviews of policies, procedure and guidance as appropriate.
65. In 2023/24, following the Enforcement Action issued by the Information Commissioner Office (ICO), the Council has improved on its practices and secured compliance with

ICO's letter relating to FOI and Subject Access Request. The progress made is reported in the 2022/23 AGS Action Plan attached as Appendix 1. However, in 2024/25 the Council must maintain and build on the improvement made and has in place appropriate data protection policies and practices to further drive forward compliance across the Council.

Safeguarding

66. The Council's approach to safeguarding both in relation to vulnerable adults and children is led by the Corporate Directors for Adult Social Care and Health, and Children, Young People and Education respectively and is also subject to the relevant statutory inspections.
67. The Croydon Safeguarding Children Partnership (CSCP) is the multi-agency, statutory body responsible for ensuring that organisations within Croydon work together to safeguard and promote the welfare of children. This is achieved via audits, a comprehensive learning offer and case reviews (including where children die or are seriously harmed). The CSCP ensure the effectiveness of local safeguarding practice. It is an equal partnership between the three statutory partners (Local Authority, Health & Police) alongside Education and Independent Scrutiny, supported by an Adult Independent Scrutineer and two Young Scrutineers. The operating procedures for the CSCP were revised and agreed by the CSCP in March 2023 ([CSCP Arrangements 2023](#)) and are currently under revision following the publication of *Working Together 2023*. The CSCP business plan reflects the quality assurance and audit work it carries out, including the Section 11 Audits which enable the CSCP to be assured of the safeguarding arrangements for organisations working with children. Where the safeguarding arrangements are not sufficiently robust, those organisations are committed to action plans which are regularly reviewed. The CSCP Executive has quarterly updates to ensure line of sight.
68. The CSCP is currently producing an annual report for the year 2023-24 which is required to be published by September 2024 (*Working Together 2023*) and will be subsequently reviewed at Corporate Management Team, Children and Young People Scrutiny Sub-Committee and Cabinet. The Annual Report for 2022-23 is here: [croydon_safeguarding_children_partnership_annual_review_2022-23_v3.pdf \(croydonicsb.org.uk\)](#)
69. Croydon Safeguarding Adults Board (CSAB) is the multi-agency arrangements in place to ensure Croydon's adults are safeguarded. It is an equal partnership between the three statutory partners (Local Authority, Health & Police) with an Independent Chair. The CSAB ensures there is effective communications with Croydon residents, between professionals, agencies and different Boards and Partnerships. The CSAB continues to work closely with the Croydon Safeguarding Children Partnership in order to have oversight of cross cutting safeguarding agendas such as transition between children's and adults' services.
70. The CSAB presented the 2022/23 annual report at Cabinet in November 2023. The partnership approach is featured heavily within the report, which is a core role of the board, its sub-groups and their respective Chairs/Vice-Chairs, who continue to tirelessly to help build and strengthen those relationships to improve outcomes for vulnerable adults. This includes continue work to embrace and improve representation across all areas of the partnership. The work of Andrew Brown and the BME Forum who is Vice Chair of this board, is just one example of many to highlight.

<https://democracy.croydon.gov.uk/documents/s52084/CSAB%20Annual%20Report%202022%202023%20Final.pdf>

During 2023/24 the CSAB has been delivering against the key actions of the report; and this will be updated on in the 2023/24 version going to Cabinet in October 2024.

Learning and organisational development

71. There is a member training and development programme that is overseen by a member-led Member Learning & Development Panel and includes training identified. In 2023/24 various training programme were delivered and included scrutiny training around budget monitoring and setting.
72. Staff development needs are identified through the Council's Appraisal Scheme, one to one's, and training needs analysis. The Council's Learning and Organisational Development service delivers and/or commissions a suite of elective and mandatory courses including children, and adult social care specialisations in a variety of formats, such as e-learning through a centralised learning management system hosted by Learning Pool currently.
73. Plans have been approved by Cabinet to make improvements to the Oracle ERP which will include talent management by the end of September 2025 enabling an integrated systems approach. Work has been completed during 2023/4 to launch the corporate virtual induction programme 'Welcome to Croydon'. The new contents cover three key thematic areas: (i) managers' induction checklist, to ensure effective compliance (ii) mandatory training for new staff on fundamental topics such as health and safety, information governance, and equality and diversity (iii) understanding the council – to ensure effective orientation and understanding of the council, its decision-making processes, governance, and compliance. This will be available to all new staff joining the Council, supplemented by department-specific elements. Further work is planned for 2024/5 to enhance the induction with an in-person induction experience which will introduce new staff to key council colleagues and enhance their understanding of how the council serves its residents.

Working in partnership

74. A number of the Council's services are delivered in partnership with commercial organisations and, increasingly, with other local public sector organisations, and the voluntary, community and faith sector. In order that the Council can maintain effective partnerships with a number of these organisations, representatives of the Council, usually elected councillors, sit on the various committees and forums that are responsible for these.
75. The borough has themed partnerships (including the statutory Health and Wellbeing Board, Safer Croydon Partnership, Croydon Safeguarding Children Partnership and Croydon Safeguarding Adults Board) that bring together the Council and representatives of the emergency services, health, education, business, faith, voluntary and community sectors involved in decision making that affects the wellbeing

of those who live, work, are schooled in and visit Croydon. The partnerships ensure a focus on local priorities.

76. These partnerships undertake a range of partnership activities and consultation exercises to enable all residents and customers to contribute to and shape the strategic themed plans such as the Joint Local Health and Wellbeing Strategy and the Safer Croydon Partnership Community Safety Strategy. In addition, the Council undertakes surveys with residents who provide the Council with reliable feedback on important issues that help improve services as part of establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability, and encouraging open consultation.
77. The Health and Care Act has led to the introduction of statutory arrangements for integrated care systems (ICSs) from April 2022. In Croydon, this has meant moving from Croydon Clinical Commissioning Group (CCG), to a South West London Integrated Care System (SWL ICS). In South West London there are six ICS Places: Croydon, Kingston, Merton, Richmond, Sutton and Wandsworth. The Croydon arrangements are delivered through the One Croydon Alliance and the Croydon Health and Care Board of which the Executive Mayor is Co-Chair.

Internal audit

78. The Council maintains an Internal Audit service delivered by Mazars as part of 'The Apex Framework' providing local authorities including Croydon with internal audit resources in a tried and tested framework that operates in accordance with the Public Sector Internal Audit Standards. The Council's assurance arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit (2019)*. The Council's contract with Mazars is cliented by the Head of Internal Audit and the Corporate Director of Resources.
79. Internal audit is responsible for monitoring the quality and effectiveness of the Council's governance, risk management and controls. An internal audit plan is compiled annually for the work to be undertaken, which is submitted to the Audit and Governance Committee for review and approval. The plan is informed by the results of the previous year's audit and follow-up work by Internal Audit, the Council's risk registers and discussions with senior managers, directors and members of the Council's CMT. The Head of Internal Audit is a standing member of the CMT and can attend at any time and ask for items on the agenda. The post reports to the Corporate Director of Resources but also has access to the Chief Executive at any time.
80. The outcome of the internal audit risk-based work is reported to all relevant Corporate Directors and Directors and regularly to the Audit and Governance Committee. Implementation of recommendations is monitored, and progress regularly reported to the Audit and Governance Committee.
81. In addition to the quality assurance processes in place, the Internal Audit function is reviewed by the external auditors as part of their annual audit process and every five years by an external body to assess compliance with the Public Sector Internal Audit Standards (this is currently overdue, but due to be completed in 2024/25).
82. The Annual Report of the Head of Internal Audit for the year ending 31 March 2023/24 confirms that the corporate government framework complies with the CIPFA good governance requirement and risk management processes are considered effective. However, the Report provides 'Limited Assurance that the system of internal control

accorded with proper practice'. 75% of internal audits of systems falls into these categories. Internal Audit identified the following significant control weaknesses:

- general compliance issues in basic areas of governance and control;
- a number of issues with contract letting, monitoring and management across the organisation;
- issues with the role of the Data Protection officer (DPO) and the management of Subject Access Requests (SARs), Freedom of Information (FOI) requests and privacy notices;
- issues over the process of service budget monitoring; and
- issues in the areas of temporary accommodation, housing tenancy checks and repairs and maintenance.

83. The Council has action plans to address these issues and Internal Audit will continue to be involved in further audits of these areas. During 2023/24 CMT regularly reviewed the management actions arising from internal audits, helping ensure that historic and current actions were being implemented and improvements to systems and controls were made as appropriate.

External audit

84. In March 2023, the Council's External Auditors Grant Thornton published a Section 24 Schedule 7 Local Audit and Accountability Act 2014 Recommendation Report on the Council's historically inadequate arrangements and capacity in the financial years 2019/20, 2020/21 and 2021/22, to prepare reliable financial statements and supporting working papers. The recommendations included a root and branch review of financial management in all service departments; resolve the accounting arrangements in respect of Croydon Affordable Homes; invest significant extra resource (when possible) in finance capacity, internal audit and risk management; develop an action plan to clear the three outstanding years of accounts and audit by June 2024; and ensure that the lessons learned from the former Chief Executive's termination payments are applied to all future Chief Officer severance payments. The Council has accepted the recommendations and completed parts in 2022/23 and progressed others in 2023/24 and as part of the AGS Action Plan which is attached as Appendix 1.
85. In April 2023, Grant Thornton, issued an Interim External Auditor's Report for the financial years 2019-20, 2020-21 and 2021-22 pending completion of their final assessments. The Report findings on financial sustainability, governance and improving economy, efficiency and effectiveness are for 2019/20 adverse conclusion expected; 2020/21 significant weaknesses identified, and 2021/22 significant weaknesses identified. The Report makes recommendations to the Council which have all been accepted. They relate to the delivery of sufficient savings to return the Council to financial sustainability, increasing the profile of internal audit and the pace of delivery of internal audit recommendations, improving resident engagement and strengthening procurement governance. These were the subject of action plan in the AGS 2022/23, and progress made are set out in Appendix 1.
86. In March 2024, Grant Thornton, issued its interim External Auditor's Annual Report for 2022/23 ([Interim External Auditors Annual Report 2022-23 \(1\).pdf](#)) which found that there is undoubtedly improvement in the Council's overall trajectory but there are significant weaknesses in the Council's financial sustainability (legacy debt burden, reliance on Capitalisation Directions and request for debt write off); governance (mapping of strategic risk to the achievement of corporate objectives and aligning Scrutiny work programme with high risk in Risk Register) and improving economy,

efficiency and effectiveness (housing services and contract management). The Report's recommendations were accepted by the Council and is now being progressed and will feature in the next AGS action plan.

Peer Reviews

87. As part of its ongoing programme of continuous improvement, the Council do voluntarily request peer review of its services. In November 2023, the Adult Social Care and Health Directorate invited the Local Government Association (LGA) to undertake a Peer Challenge to get an external perspective on the Directorate's self-assessed position. A number of areas of good practice were confirmed through the review alongside key areas of improvement. The findings of the Peer Challenge and associated Action Plan were outlined in a report to Cabinet in May 2024. <https://democracy.croydon.gov.uk/documents/s57724/ASCH%20Peer%20Challenge%20Findings%20Next%20Steps%20Cabinet%20May%202024%20FINAL%20BB%20amends.pdf>
88. In March 2024, the LGA undertook a Peer Review of the Council's Public Health function, and which highlighted several areas of strength and areas for potential improvement ranging from systemwide change to operational improvements. The findings of the review and associated progress update on the recommendations made are to be reported to Cabinet on 25th September 2024 and available here **XXXXXXXXXX**.

Conclusion

89. The Council's Local Code of Corporate Governance demonstrates how its constitution, policies, strategies, practices, internal controls and other governance arrangement meets the CIPFA good governance framework for local government. The Council has an effective decision-making and internal control arrangement designed to ensure the highest standards of good governance. The Council's governance structures at Member level (i.e., Full Council, Executive Mayor and Cabinet, Scrutiny and Overview, Ethics, Audit and Governance and other Committees), and at Officers level (i.e., Chief Executive, Corporate Management Team, Directorate Management Teams, Internal Control Boards, Transformation Boards and Statutory Officers), and the accompanying governance documents are effective. They make certain the Council conducts its business in accordance with the law and that public money is properly accounted for, as the Council work to achieve the best outcomes for residents within the resources it has. The Council is assured that the CIPFA good governance requirements are being met and its governance arrangement is fit for purpose
83. There has been significant progress with the previous year 2022/23 AGS action plan in respect of the following:
- a) Financial Management (implementing the recommendations of the External Auditors Section 24 Statutory Recommendations and the Interim Report for the financial years 2019 – 22 Recommendations);
 - b) Capital Projects and Programmes (management and monitoring of capital projects through the Capital Internal Control Board and monthly Financial Performance Report to Cabinet);
 - c) Housing Improvements (Housing Transformation Programme delivering against the milestone agreed with the Regulator for Social Housing);

- d) Strengthen Governance Framework (ongoing review and updates of the Constitution);
- e) Information Management (dealing with the backlog in subject access and freedom of information act requests to the satisfaction of the Information Commissioners Office following the Enforcement Notice in June 2023;
- g) Procurement and Contract Management (Procurement Improvement Plan that is bench against the LGA National Procurement Strategy);
- h) RIPI 2 Recommendations (completing the actions arising from the recommendations and reassurance that the learning arising from the recommendations are now fully embedded); and
- i) Secretary of State Directions to comply with best value duty (Implementing the IAP Exit Strategy Action Plan).

84. The Council is on the right pathway to financial recovery, improving on its service performance and the provision to residents of sustainable services. The IAP's reports to the SoS and the Council's own Productivity Plan (July 2024) attest to this. But there are still significant challenges ahead and improvements required. The Council must continue to ensure compliance with its systems of internal controls combined with improvements in its service performance and this review has identified comprehensive action plans to achieve these outcomes. These are mostly contained in the IAP Exit Strategy Action Plan 2023-25, the Council's Improvement Plan 2022-27, Future Croydon Transformation Plan 2024-29, and actions in response to External Audit Reports and Internal Audit Annual Report. There are also other gaps in good governance identified in this review. They will all form part of the 2023/24 AGS Action Plan which is attached as Appendix 2. The delivery of these actions will be monitored through the ICBs, CMT and regular updates to the Audit and Governance Committee.

Signed by

Executive Mayor

Date xxxxxxxxxxxxxxxxxxxxxx

Signed by

Chief Executive

Date xxxxxxxxxxxxxxxxxxxxxx

Appendix 1

(a) AGS 2022/23 Action Plan and Progress Update

No.	Governance Issue	Action	Accountable	Responsible	Status Update from 2022/23	Assessment of Impact / Outcomes Achieved
1	Financial management	Implement the External Auditors Section 24 statutory recommendations that are still outstanding.	Corporate Director of Resources	Allister Bannin, Director of Finance (Deputy S151 Officer)	<p>External Auditors Section 24 statutory recommendations:</p> <p>"Finalise the root and branch review of financial management in all service departments and in respect of corporate decisions as part of the Opening the Books exercise". An update on progress against the 76 recommendations from the Opening the Books external review was taken to Audit and Governance Committee on 18/7/24 through the "Revenue and Capital Monitoring Improvements" report. This showed 45 recommendations have been completed. A further update to A&G Committee is planned for early 2025.</p> <p>"Resolve the accounting arrangements in respect of Croydon Affordable Homes". This has been completed and agreed with the auditors for the 2019-20 final accounts which were taken to A&G Committee on 14/3/24.</p> <p>"Invest significant extra resource (when possible) in finance capacity, internal audit and risk management to ensure robust processes are brought into place to monitor progress and meet statutory financial obligations". The Director of Finance (Deputy S151) completed the restructure consultation for the Strategic Finance service area in October 2023. A growth bid of £0.5m was agreed as part of the Council's 2024-25 budget setting process to improve capacity and skills levels in the Strategic Finance structure. Capacity in Internal Audit and Risk Management was increased in 2022-23.</p> <p>"Demonstrate clearly to Council tax payers how the additional Council tax for 2023/24 has been properly controlled and demonstrates improvements in value for money arrangements". It was agreed with Grant Thornton to detail this in a report by June 2024. The "Section 24 Statutory Recommendation Report and Productivity Plan" was taken to A&G Committee on 18/7/24, slightly delayed owing to the A&G Committee being deferred to July 2024 owing to the General Election. Also the monthly financial performance reports include the list of transformation projects and their budget allocations.</p> <p>"Develop an action plan to clear the three outstanding years of accounts and audit by June 2024". The 2019-20 audit findings report was taken to A&G Committee on 14/3/24. The 2019-20 accounts are in the final stages of internal quality assurance within Grant Thornton for sign-off. The 2020-21 audit is underway, however on 30/7/24 the Minister of State for Local Government and English Devolution made a statement to the House of Commons providing an intention for a "backstop" date of 13/12/24 for all accounts up to and including 2022-23 which will impact all of these years' accounts.</p> <p>"Develop and enhance governance process for all key investment decisions and develop a Panel to address the accounting implication of all capital investments". This recommendation is aligned to the Capital Framework Improvement Plan from PwC. An update on progress against the 9 recommendations from this plan was taken to A&G Committee on 18/7/24 which showed 5 as completed. A further update to A&G Committee is planned for early 2025.</p> <p>"Enhance existing officer control activities by ensuring the Scrutiny and Governance Committee robustly challenges the monthly budgets report from officers from a governance and control perspective". Implemented. The Scrutiny and Overview Committee receives and challenges the monthly financial performance reports and uses its subcommittees to deep dive into financial performance of service directorates.</p> <p>"Ensure that the lessons learned from the former CEO's termination payments, as set out to Full Council in 2022 and set out in detail below, are applied to all future Chief Officer severance payments". Implemented. The requirement of Statutory Guidance on Special Severance Payment is being adhered to. There have been changes made to the Pay Policy Statement to make it clear that Special Severance Payments and severance packages of £100,000 and above should be approved by a vote of full Council. However, if the proposals are being made in the context of litigation and the making of the decision is urgent, General Purposes Committee (GPC) can approve such payments in accordance with the Council's constitution. Decisions will only be referred to the GPC for approval in limited and exceptional cases, where a decision is required urgently in the context of litigation. A robust written business case setting out the considerations for making a Special Severance Payment, along with appropriate written professional legal and financial advice, must be provided where approval for a Special Severance Payment is sought. In line with Statutory Guidance any settlement agreement between £20,000 and up to £100,000 has to be approved by the Executive Mayor and Chief Executive, with a full written business case demonstrating good value to the taxpayer. A settlement below £20,000 has the same requirements, approved by the Chief People Officer.</p> <p>"That proper records are kept of any conversations, discussions, or meetings of any potential settlement agreements with an employee." Implemented. Records are kept within the written business case to demonstrate the legal and financial best value case. Where members are involved in the decision-making process, a full written note will be taken and retained by Democratic Services.</p> <p>"That reasonable enquiries are made to establish all the facts, events, and circumstances that give rise to any proposed settlement agreement, including any wrongdoing by the parties involved". Implemented. Appropriate legal and financial advice is taken and recorded to ensure all facts and events are considered as part of the best value written business case.</p> <p>"That legal advice is sought on merits and chances of success of any potential claim against the Council and quantum of damages awarded. This should inform the decision on any potential settlement payment". Implemented. As above, legal advice is sought and captured in the written business case to ensure best value for the taxpayer is satisfied.</p> <p>"There is compliance with the governance arrangements relating to the decision-making on settlement payments". Implemented. Addressed through the Pay Policy statement 2023/4 which sets out clearly the governance arrangements and compliance with the Statutory Guidance for Special Severance Payments.</p> <p>"That officers and members who are the subject of the dispute are not involved in the decision-making relating to the proposed settlement agreement". Implemented. Addressed in the Pay Policy Statement 2023/4.</p> <p>"That Democratic Services attend both the open and exempt part of any committee meeting for approval of settlement payments. That proper minutes of the meeting are taken so that there is an understanding of the reasons for the decision and the deliberation by the committee". Implemented. Addressed in the Pay Policy Statement and in all meeting practice.</p>	<p>Improvements in financial management are demonstrated through the monthly financial performance reports to Cabinet. At 2023-24 Provisional Outturn, the overall General Fund revenue forecast was breakeven (after the capitalisation direction of £63m and adding £10m into the Council's Business Risk Reserve given the financial challenges currently facing local government) with service directorates at underspend position except for Children, Young People and Education (owing to high cost placements to meet individual needs) and Housing (owing to homelessness accommodation pressures).</p> <p>Improved capital governance through the Capital Internal Control Board is in place.</p>

1.1		Implement the External Auditors Interim Report for the financial year 2019/20, 2020/21 and 2021/22 recommendations	As above	As above	<p>External Auditors Interim Report for the financial year 2019/20, 2020/21 and 2021/22 recommendations:</p> <p>"With three Section 114 notices having been issued in two years, and the Council having made it clear that extraordinary government support is required to return to financial sustainability, it will be important that the Council maintains discipline over its own savings and transformation plans. For savings plans, Internal Audit recommendations for improvement in Star Chamber processes should be implemented as a matter of priority. Plans that are realistic should be approved. For transformation projects, arrangements should be put in place for tracking and challenging outcomes before any further funding is approved."</p> <p>Implemented. Proposed savings plans were discussed in Star Chambers in July and September 2023 and realistic savings were approved to be put forward to Full Council in February 2024. A permanent Director of Transformation has been recruited to support tracking and challenging of outcomes for transformation projects. The approved list of transformation projects and their budget allocations are included in the monthly financial performance reports.</p> <p>The Council should continue to focus on resolving Internal Audit recommendations, including from 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22". This work is ongoing and prioritised, with the Corporate Management Team (CMT) holding internal audit focus meetings to monitor progress.</p> <p>"The Council should continually review arrangements for overseeing standards and codes of conduct. The Ethics Committee, in overseeing standards, should be mindful that the substance of cultural behaviour is as critical as the procedural form". Agreed and ongoing. The Council has undertaken a review of its arrangements and is satisfied that it is fit for its purpose. See report to the Ethics Committee meeting on 15th November 2023 at pages 27 - 33.</p> <p>"Regular engagement with residents should continue. The Council's goal should be to improve upon a performance where 36% of its respondents described their experience with the Council as poor or very poor. As the housing contracts are re-procured or insourced, they should be sense checked for lessons learnt from engagement with the previous contractor. Working with partners is more effective where there are shared goals, clear roles and responsibilities, performance metrics that are monitored, and a forward-looking view". Agreed. The three new repairs and maintenance contracts let in summer 2023 are demonstrating good progress in dealing with the repairs and maintenance backlog.</p> <p>"The Council should continue the work started to strengthen governance over procurement. This will be particularly important as the Council prepares for new procurement legislation and a transition period of six months in 2023, when two different sets of regulations are expected to be in force at the same time. Internal Audit findings around contract letting, monitoring and management arrangements between 2019-20 and 2021-22 should be actioned at the earliest opportunity". The procurement and contract management improvement plan that has been issued and now implemented takes into account and make provision for the new Procurement Act which comes into force in October 2024. The improvement plan include arrangement for reviewing and monitoring of procurement and contract management and provides for an improved governance regime. The plan actions the internal audit recommendations. More details are provided in the procurement and contract management section of this report..</p>	
-----	--	--	----------	----------	---	--

2	Capital Projects and Programmes	To continue to improve on arrangements for the management of major capital projects and programmes.	Corporate Directors	Allister Bannin, Director of Finance (Deputy S151 Officer)	<p>An update on progress against the 9 recommendations from the PwC Capital Framework Improvement Plan was taken to A&G Committee on 18/7/24 which showed 5 as completed. A further update to A&G Committee is planned for early 2025.</p> <p>The Capital Internal Control Board (CICB) continues to further improve the governance of the capital programme taking on board what best practice can be incorporated within the resource constraints given the Council's financial position. This includes overseeing the development of business case templates in line with the Five Case Model and associated training and governance approval routes, which will be taken forward after the recruitment of capital accounting officers into the new Strategic Finance structure.</p> <p>The capital programme is reviewed by the CICB on a monthly basis, providing robust challenge to project managers on project delivery. Capital delivery is reported on a monthly basis to Cabinet through the Financial Performance Report. Verto 365 project management software has been rolled out across the Council and this is supporting the CICB to oversee the delivery of the Capital Programme in a more consistent and informed way.</p> <p>For 2023-24, as part of the budget setting process, a new best practice Capital Strategy was prepared and approved by Full Council. This set out the overall capital strategy and capital programme plans. It also set out clearly the governance of the capital programme including, roles and responsibilities, funding and financing, decision making process, risk management and escalation approach, and management and monitoring processes. This was further developed through the Capital Programme and Capital Strategy 2023-29 agreed by Full Council in March 2024.</p>	<p>Improved oversight, monitoring and reporting of the capital strategy and programme.</p> <p>Earlier detection of risks to delivery and remedial action.</p>
3	Ongoing Improvement in awareness and practice in finance management	Implement CIPFA maturity model. Finance training for non-finance managers	Corporate Director of Resources	Allister Bannin, Director of Finance (Deputy S151 Officer)	<p>CIPFA carried out a Financial Management (FM) Review to improve alignment with best practice of the CIPFA FM Model. The review commenced in October 2022, workshops with senior finance officers concluded in April 2023 and draft recommendations have been provided to the council.</p> <p>Issues and draft recommendations raised from the review highlighted the main areas of processes/systems, budget holder accountability/skills, monitoring of revenue savings & capital delivery, and the skills/knowledge/ways of working of finance staff (and the risk from the high level of interim finance staff).</p> <p>Processes/systems: The Oracle Improvement Project is underway with three workstreams (finance, procurement and human resources) for quick wins to improve workflows and surrounding processes, review current and potential modules and longer term improvements. The business case for the finance and procurement workstreams was agreed by the Executive Mayor in Cabinet in March 2024, and the HR workstream has been agreed by Individual Mayoral Decision on 18 June 2024. The new Strategic Finance structure creates a new Finance Manager post (reporting to the Chief Accountant) to lead on ongoing systems development, production of guidance notes and delivery of training.</p> <p>Budget holder accountability/skills: The Council commissioned CIPFA to provide training to over 300 budget holders in 2022 and to provide Housing Revenue Account (HRA) ringfence and recharge training to officers and Councillors in June 2023. Once new business case templates and governance routes are agreed for capital, then capital training will be provided for capital leads. The extra capacity built into the new Strategic Finance structure for systems (one Finance Manager and two Accountant posts) will allow monthly reporting on the submission of forecasts by budget holders to improve accountability and identify training needs to provide support as required.</p> <p>Monitoring of revenue savings & capital delivery: The Council brought in a savings tracker at the beginning of 2023-24 which allows monthly monitoring of savings delivery and the RAG rated performance of individual savings is reported monthly to Directorate Management Teams (DMTs), the Corporate Management Team (CMT) and Mayor's Advisory Board. A summary of savings performance at directorate level is reported to Cabinet monthly through the financial performance reports. Monitoring of capital delivery was improved through the creation of the Capital Internal Control Board (CICB) in 2022 and further improved during 2023-24 through the Council-wide implementation of the Verto project management software system. The Verto project delivery and risk information, together with financial reports, are reviewed by the CICB on a monthly basis and deep dives into specific projects are undertaken by the CICB on a risk-based approach. Capital monitoring has also been harmonised with revenue budget monitoring, to ensure consistent timelines and consolidation of information for both revenue and capital to be taken to DMTs (for consideration at the same meeting) for integration into the monthly financial performance reports.</p> <p>Skills/knowledge/ways of working of finance staff (and the risk from the high level of interim finance staff): The Strategic Finance restructure reviewed the capacity and skill levels required in the accountancy function and identified required growth of £0.5m in the revenue staffing budget which was agreed by Full Council in the 2024-25 budget. The Council has recruited a permanent Director of Finance (Deputy s151), six permanent Head of Strategic Finance posts and is now recruiting to ten Finance Manager posts which are currently filled by acting up, agency or fixed term contract arrangements. Recruitment will then continue down the levels of post throughout the structure. Once appointments are made, a skills audit will be undertaken to identify the training needs of staff including external CIPFA and AAT professional studies. The new Finance Manager (Systems) post will lead on updating guidance and procedure notes and providing internal training to both finance and non-finance staff.</p>	<p>Improved monitoring and reporting of revenue, savings & capital.</p> <p>Timely identification of risks and remedial actions.</p> <p>Enhanced financial skills and awareness of officers and Members.</p> <p>Accurate treatment of expenditure and income for the Council's annual accounts.</p>

4	Housing Improvement	To continue to improve the housing function and housing standards for residents through the Housing Transformation Programme	Corporate Director of Housing	Susmita Sen	<p>The Housing Transformation programme continues to deliver against the milestones set out within the Voluntary Undertaking agreed with the Regulator for Social Housing and the overall Improvement programme agreed with the Housing Improvement Board. This includes:</p> <p>Repairs contact centre insourced in August 2023. Recruitment completed for permanent staffing. Tenancy checks in all housing stock as part of a rolling programme - increasing understanding of customers and their profiling needs to target services better.</p> <p>Co-designed a new tenant engagement framework using TPAS (tenant engagement specialists). Approved at Full Council.</p> <p>Customer Care training programme procured and being rolled out throughout the directorate as part of the culture change programme.</p> <p>Contract management hub in place for the three main repairs contractors. Governance being developed through appropriate clienting meetings.</p> <p>Good leadership and direction: New Housing strategy passed at Full Council. New Homelessness Prevention strategy and Rough Sleeping Action Plan passed at Full Council. New HRA Business Plan and Asset Management Strategy passed at Full Council.</p> <p>New interim director of Assets and Repairs joined in January 2024. Permanent appointment to Director of Housing Management and Director of Homelessness Prevention and Accommodation.</p> <p>New homeless prevention model implemented in September 2023. Customers assessed within timeframes - average wait time for appointments significantly reduced - some embedding and managing of change still required.</p> <p>Voluntary Undertaking agreed with Regulator of Social Housing in Sept 2024. Action plan monitored on a regular basis.</p> <p>Dynamic Purchasing System (Landlord Approved List) in place with existing landlords uploaded and compliant and strategy for new landlords composed.</p> <p>HouseMark Photobook implemented on estates to raise standards of grounds cleanliness and enable residents to feedback.</p> <p>New SLAs developed with Legal services. SLAs now in place with Violence Reduction Network, Parks and Grounds, and corporate anti-fraud.</p> <p>Architect and main consultant partner appointed on the Regina Road regeneration programme.</p> <p>New lettable standards in place and currently monitored through new homes survey - feedback given to contractors to ensure continuous improvement. Void turnaround times showing significant improvement from 107 days (Aug 2023) to 83.6 days (Nov 2023).</p> <p>Oversight of the above is through Housing Improvement Board and Regulator of Social Housing.</p>	<p>Closer relationship with customer through insourcing of contact centre</p> <p>More effective contract management of repairs contracts</p> <p>More visible improvements to estates through estate walkabout programme</p> <p>78% new tenancies satisfied with our services</p> <p>Impact of prevention model due to be assessed for Housing Needs – reduction anticipated in wait times for appointments.</p> <p>Specific internal service level agreements detailing services provided against HRA recharging.</p> <p>DPS will ensure compliance of temporary accommodation providers.</p> <p>New homes to be provided on the Regina Road estate following successful ballot.</p> <p>Improvements to Voids properties and new</p>
5	Review and improve arrangements for health and safety	Review of effectiveness of health and safety arrangements	Corporate Director of SCRER	Huw Rhys-Lewis	<p>Corporate Health & Safety Board continues to meet every 6-8 weeks. A corporate health & safety strategy and policy has been developed by the corporate health & safety team. A central digital location has been set up to save service level risk assessments so that a clearer picture of the robustness of risk assessments can be obtained. The fire & building safety working group has been re-convened and is chaired by the Director of Assets & Commercial Investment. Work is continuing on improving the consistency and quality of method statements and risk assessments with particular focus being given to the various operational teams across the Council. This also includes Improving the timeliness and consistency of responding to actions identified following health and safety audits. Note: The Corporate Health & Safety Manager retired at the end of 2023. A new Interim Health & Safety Manager has been recruited by the Property Team. This post will continue to undertake a review of corporate health & safety policies, procedures and assurance across the Council reporting findings to the Corporate Health & Safety Board and where necessary escalating matters to CMT</p> <p>The fire & building safety working group has achieved its outcome, Corporate and Housing FRA programme in place and continues to deliver with corporate FRAs being QAed and checked by the H&S team. Follow up actions is assigned to appropriate team (FM or local managers) and this will be tracked using the task and finish group that will be monitored at the new Health Safety and Compliance Working Group meeting.</p> <p>The fire & building safety working group has been changed to Health Safety and Compliance Working Group meeting chaired by the HOS HSC. Work is continuing to improve compliance record and follow up actions and contractors performance.</p>	<p>Better awareness of health and safety requirements and arrangements.</p>

				<p>The new HOS HSC manager have reviewed the ongoing project of a central digital location to save service level risk assessments so that a clearer picture of the robustness of risk assessments can be obtained. This project has been put on hold as the response and quality of RAs received was not suitable, H&S team have replaced this with a management review of high-risk services as a priority. This will look at the quality and suitability of service activities risk assessments, develop a task and finish group on a new audit tool to track actions and for manager to complete actions.</p> <p>New for 2024-2025: Health and Safety statement and Policy is with the CMT for a final sign off. The policy reflects the council's transformation priorities and area of focus for the forthcoming year. The main focus area will be Lone Working, Workplace violence, Fire Safety, DSE, Risk Assessment.</p> <p>Revised fire evac procedure and fire warden strategy for the BWH, training provided to senior managers acting as fire wardens. This will form part of the revised fire safety policy for the council to reflect new ways of operation.</p> <p>Introduction of mandatory H&S on the LMS for staff and managers. Other role specific training around lone working, risk assessment, accident investigation rolled out in 2024.</p> <p>Introduction of workstation assessment (DSE) system to manage workstation assessment for office staff, manage musculoskeletal disorders and take appropriate action.</p> <p>Introduction of CIN (Contractor Incident Notification) for the council and school to inform H&S team of contractors issues/misdemeanour, this will allow the H&S to keep close eye on contractor performance, especially where H&S issues are raised.</p> <p>Introduction of a new Corporate Accident/Incident reporting system to cover incidents for the maintained schools and help significant monitor incidents in the school.</p> <p>Introduction of new Audit system to help manage undertake audits/inspections and manage action.</p> <p>Red File system/Process has been reviewed, IROs have been provided training and works ongoing to review historical data and cleanse the system to comply with the GDPR.</p> <p>Lone Working system has been brought under the H&S management, in line with revised Lone Working arrangement.</p>	
--	--	--	--	--	--

6	Strengthen governance framework	<p>Ensure directorate schemes of management (i.e., delegation) are reviewed and updated.</p> <p>Ongoing review and updates to the Constitution</p>	Corporate Directors & Monitoring Officer	Corporate Directors & Stephen Lawrence-Orumwense	<p>The purpose of the Directorate schemes of delegation is to set out the detailed arrangements for each Directorate as regards which officers are given delegated authority by the Corporate Director to discharge which functions. Some of the current schemes are several years old, and pre-date the Council's change to a mayor and cabinet Executive model. The schemes also need to be updated to take account of changes in responsibilities between Directorates, Directorate re-structures, changes in legislation etc. The review of the delegation schemes is progressing. For most Directorates, the majority of the work in reviewing their schemes has been completed. The next stage is to finalise the draft new scheme of delegation and take to the Corporate Management Team for approval. This planned for September 2024. There is ongoing work by the Constitutional Working Group (CWG) to review and strengthen the Council's governance arrangement via the Constitution. There has been a review of and update to the Council's Pensions Committee, Pension Board, and Local Pension Board Rules in the Constitution. This was approved at Full Council meeting in December 2023. There is Work Programme for CWG on potential changes to the Constitution. This includes updating changes to the Financial Regulations, Tender and Contracts Regulations and the Terms of Reference of the Health and Wellbeing Board. At the meeting of CWG in November 2023, a paper on the development of Contract Standing Order to replace the current Tender and Contracts Regulations was discussed. The aims are to ensure: a) an efficient and effective governance process; b) compliance with procurement regulations; c) a planned approach to a procurement pipeline; d) alignment with the financial scheme of delegation; e) best value for the Council and the residents of Croydon; and f) a strategic deployment of procurement resource. As at the time of finalising the AGS 23/24 (August 24), required updating changes had been made to the Corporate Parenting Panel, Health & Wellbeing Board, Tenders & Contract Regulations, Staff Employment Procedure Rules and other related changes. Residual tasks are being carried over to the next AGS 23/24 Action Plan.</p>	<p>Better awareness and transparency of decision makers in Directorates. An updated Constitution that better reflect the Council's governance arrangement, statutory development and best practice.</p>
---	--	--	--	--	--	---

7	Information management	Provide assurance that the Council is operating in accordance with best practice and relevant legislation to include Publication Schemes, Open Data, Data Storage Security, Subject Access Request and Freedom of Information. Fully implement the Action Plan arising from the June 2023 Enforcement Notice by the Information Commissioners Office.	Assistant Chief Executive'	Paul Golland	<p>Publication Scheme - The Council continues to review and update our processes in line with responsibilities set out in the Information Commissioner's Office Model Publication Scheme. This is ensuring that all information required to be in the public domain is published. Croydon remains compliant. We continue to proactively publish key information including:</p> <ul style="list-style-type: none"> •Who we are and what we do •What we spend and how we spend it •What our priorities are and how we are doing •How we make decisions •Our policies and procedures •Lists and registers •The services we offer. <p>Subject Access Requests (SAR) - A detailed SAR improvement plan was developed and shared with the ICO. This has led to significant progress in the Council's performance, a reduced backlog of requests and a big improvement in our compliance rate. The Council is no longer required to attend quarterly compliance meetings or share our monthly statistics with the ICO.</p> <p>Freedom of Information (FOI) Requests -Croydon was subject to an Enforcement Notice issued by the ICO in June 2023. This was due to a backlog of overdue FOI requests and the notice required that we improve our compliance rate and close all requests in our backlog, as of June 2023. Working closely with the ICO, a detailed FOI improvement plan was developed and significant changes to our processes followed. With the continued support of the Corporate Management Team the Council has seen great improvement in FOI response timeframes. We are now hitting the 90% compliance rate, which means responding to the request within 20 working days. The backlog now consists of 4 and we expect these to be closed soon. The ICO will review the Enforcement Notice in the second wee+G2k of February, and we expect to no longer be to subject to it. We continue to publish our previous FOI responses in a disclosure log on the Council's public-facing website.</p> <p>Resources - As part of the improvement plans for both SAR and FOI, additional human resources have been deployed. Within the Central Information Management Team three roles have been appointed:</p> <ul style="list-style-type: none"> •A dedicated full-time Data Protection Officer •An additional full-time SAR / FOI Officer •A full-time Admin Support Officer <p>Within the Children, Young People & Education Directorate</p> <ul style="list-style-type: none"> •One secondment of a full-time SAR Officer •A full-time Admin Support Officer <p>Within Housing Directorate</p> <ul style="list-style-type: none"> •An additional full-time shared resource, coordinating responses. <p>Data Protection, GDPR Training - There is a mandatory e-Learning training module for all Council staff to complete online. This training is for all new staff starting with the Council and all staff are required to do yearly refresher training. This training has been refreshed as of January 2024. The Croydon learning team are now able to capture statistics and send out reminders to staff. A more in-depth face-to-face training sessions, held virtually on MS Teams, are available via Croydon learning for up to 40 attendees. These are held monthly and advertised on the intranet and via the Chief Executive's news bulletins. In line with the ICO's recommendation, these sessions are an opportunity for staff to engage with the team and for staff to ask for more service specific guidance. This training is continually being revised to include examples of previous Data Breaches, remedies and changes to processes as required. Going forward, there is a plan to make it mandatory for staff, and their line-manager, who have been involved in a Data Breach, to complete the e-Learning training again and a recommendation to attend the in-depth face-to-face session.</p> <p>Freedom of Information Training - The FOI improvement plan led to the team creating new FOI & EIR training. This training details the background to the legislation, key obligations of the Council and all relevant exemptions & exceptions. It has been delivered to all key stakeholders and has been added to Croydon's e-Learning portal. Going forward, we will recommend that e-Learning training be made mandatory for all Team Managers and other key staff.</p> <p>Reporting - Weekly SAR / FOI reports sent to the whole organisation highlighting all open and overdue cases per directorate. Colleagues can view the report and advise on any closures or responses due. Regular updates on FOI, SARs and Data Breaches are reported to the Corporate Management Team and the Information Management Internal Control Board.</p> <p>Governance - The Data Protection Officer and Chief Digital Officer are both members of the Council's Statutory Officers' Meeting, chaired the Chief Executive. This meeting gives us the opportunity to raise and address key concerns. There is a monthly Information Management Internal Control Board meeting to discuss the Council's Information Governance arrangements, chaired by the Council's Director of Legal Services and Monitoring Officer. This meeting allows the Information Management Team to raise and discuss on-going issues and improvements with key stakeholders. From this meeting serious risks can be escalated to the Corporate Management Team.</p> <p>Policies/procedures - A new freedom of information policy has now been published on the Council's public facing website. We are currently involved in reviewing all the Council's Information Security and Information Management Policies. These policies will be ratified at the Information Management Internal Control Board. For more details on added or amended procedures please refer to the FOI/SAR improvement plans, linked above.</p>	Meeting the requirements of the ICO Enforcement Letter and improvement in the standing of the Council on compliance with FOI and SAR.
---	-------------------------------	--	----------------------------	--------------	--	---

8	Officer Induction Programme	Establish and maintain an officer induction and performance management programme.	Assistant Chief Executive	Dean Shoesmith	<p>The online corporate induction programme has been relaunched to provide an overview of the operation and governance of the council, providing (i) essential information about the organisational structure, committees and decision-making processes (ii) mandatory training for new staff including GDPR/information governance, health and safety, and equality, diversity and inclusion. (iii) online managers' induction checklist to ensure completion and compliance for each new starter. Work is currently on-going to supplement the basic online induction essentials with an in-person induction experience to address the correct cultural orientation to the council. The People and Cultural Transformation Plan action plan has been co-created engaging 250 staff, including front line employees, trade union representatives and staff network representatives. The action plan has been reviewed by Scrutiny and Cabinet and agreed at the end of September 2023. Work is ongoing to implement those actions associated with the four-year strategy against each of the seven strategic objectives, referred to as pillars. Reed Learning has been commissioned to support the council with the design and delivery of a management development programme with ten modules derived from 400 managers' development needs analysis from the managers' conference held in July 2024, which will be rolled out across the council for the rest of the financial year. The council has launched two specialist diversity talent development programmes, Black on Board and Raising the Bar (women's leadership development), to ensure targeted positive action for improving talent management for global majority and female staff, where there are issues of underrepresentation. Work is in train for further diversity talent development to cover disability and LGBTQ+. ACAS has delivered training to managers on employment relations skills, to ensure improved management of discipline, grievance, sickness and poor performance. The council's employee relations policies framework has been reviewed, agreed with the trade unions and signed-off by CMT, seeking to make practical implementation easier, reducing timescales and improving procedural compliance.</p>	<p>Improved induction of all new starters and ensuring the completion of mandatory training, as well as good knowledge of how the council operates. Co-creation of the PCTS strategy and actions has supported a positive culture change across the workforce as demonstrated to Cabinet and Scrutiny in reviewing and approving the action plan. The ACAS skills training aimed to ensure improved procedural compliance and reduce risk and costs associated with employment litigation, as has the review of the HR policies covering employee relations.</p>
---	------------------------------------	---	---------------------------	----------------	---	--

9	Procurement and contract management.	Address areas for improvement in procurement and contracting identified by Internal Audit.	Corporate Director of Resources	Huw Rhys-Lewis	<p>Procurement Improvement Plan/Benchmarking - We have further developed our procurement improvement plan to allow us to monitor our progress against well regarded benchmarks. The plan now includes a set of activities to enable us to reach a 'mature' standard when measured against the LGA National Procurement Strategy (NPS) and the equivalent Cabinet Office, Commercial Continuous Improvement Framework (CCIAF) 'good' standard, by March 25. In August 23, we baselined our current performance against this standard to inform the actions we need to take.</p> <p>From the benchmarking exercise, the resulting procurement improvement plan focuses on 5 key areas:</p> <p>1. A revised operating model for the procurement function. The new operating model has been informed by extensive consultation with other local authorities (October 23). It will see procurement playing a more strategic role in future, with early engagement to provide commercial expertise to our most critical procurements and to provide support to the management of our contracts, helping to ensure that business case objectives are delivered.</p> <p>2. Developing procurement skills, stronger market engagement & appropriate, clear governance & processes. Discovery work has been done with Directorates since April 23 to improve the planning for future procurements. As a consequence, an updated forward plan will be published in January 24 to provide the market with visibility of upcoming opportunities. Revised Contract Standing Orders are also in the process of being reviewed, for approval by Cabinet and Full Council in April 24. These will include reduced thresholds requiring involvement by the Procurement function to enable an increased commercial focus on more strategic projects; more streamlined governance and the establishment of fixed procurement gateway delegations instead of requesting through the APP. Business case & other procurement gateway templates are also being developed to further streamline the procurement and contract approval process and remove unnecessary duplication. These will be piloted in March 24. A savings/benefits methodology is being developed to allow procurement savings to be tracked in a consistent manner from April 24. Apprenticeship levy funding has been identified to support the training of more junior members of staff in the Chartered Institute of Purchasing and Supply (CIPS) qualification.</p> <p>3. Improving the standard of contract management across the council. Alongside forward planning, work has also been underway since April 23 to improve the completeness of the council's contract register (and to manage instances where contracts have expired). In addition, an up to date register of contract managers will be in place by February 24. Following a pilot (October 23), a baselining exercise to assess current contract management performance across the council's key contracts (categorised as Platinum and Gold) will be conducted in January-February 24. This will inform a set of recommendations to be produced for the end of February 24 to improve contract management practice with an objective that all key contracts are operating at a CCIAF 'Good' standard as a minimum by March 25.</p> <p>4. Using our procurements to drive social value. The forward plan mentioned above will also be shared with local suppliers so they can identify suitable opportunities. A cross-functional team has been formed to develop a new social value policy, a draft to be completed in March 24 and final version approved by Jun 24 (in the longer term this will extend to facilitating meetings with main contractors so they can identify opportunities within the supply chain on larger procurements).</p> <p>5. Further developing and integrating our P2P, e-tendering, pipeline & contract management systems, alongside improved reporting capability to aid compliance. A review of Oracle Fusion's ability to support pipeline management, e-tendering and contract management requirements versus alternatives has been undertaken (October 23) and our future strategy for commercial systems agreed by the Oracle Steering Group (Nov 23) as part of a wider systems business case. This also include a series of recommendations to improve the purchase to pay process alongside implementation plans. For 23/24, these include the development of improved reporting to identify areas of non-compliance, analysing the root causes and starting to address these. An interim resource is being recruited to support this.</p>	<p>The ongoing Procurement Improvement plan is intended to deliver the following outcomes:</p> <p>Improved commercial skills across the council Increased expert procurement input throughout the contract lifecycle, so improving value for money delivered through our contracts Improved supplier relationships through early engagement and robust contract management practices More informed decision making & improved compliance to processes through development of our systems and management information Ensuring our decision making is subject to appropriate the controls whilst maintaining an efficient process</p>
---	---	--	---------------------------------	----------------	--	---

10	Recommendations arising from the Report in the Public Interest relating to the refurbishment of Fairfield Hall.	To continue to implement the action plan in response to the recommendations. Also, to ensure, learning arising continues to be embedded across the organisation.	Corporate Director of Resources	Stephen Lawrence-Orumwense	The Council has made significant progress in completing the actions arising from the recommendations. The Council has taken steps to further reassure itself that the learning arising from the recommendations are now fully embedded. The following actions were taking between January to March 2024: a) A stakeholder group of officers' from Finance, Legal, Property, Procurement, Democratic Services and Capital Programme held a lessons learnt session that includes an insight into current practice and any further changes required; and b) Presentation on lessons learnt and changes in practice were discussed at Capital Internal Control Board, SCREER and Housing DMTs, CMT, Directors and Heads of Service Meeting; and Statutory Officers Group. This is to ensure wider dissemination of expectations in managing major capital projects. Whilst the recommendations have all been actioned, the Council must continue to raise awareness on arrangements for managing major and minor capital projects and to ensure effective oversight.	Better officer reports and executive decision making in respect of capital projects. Better awareness and analysis of risk and compliance requirements. Better awareness of the financial reporting requirements in respect of capital projects.
11	Secretary of State Directions to comply with Best Value Duty	To implement the Action Plan (i.e., Exit Strategy) to secure compliance with the Secretary of State Directions	Chief Executive and Corporate Directors	Katherine Kerswell	<p>The Exit Strategy Action covers the following themes: Governance, Culture and Leadership, Financial Strategy, Service Performance: CYPE; ASCH; and Housing , and Capability & Capacity to Improve.</p> <p>A delivery tracker has been developed to monitor progress against all 177 actions in the Exit Strategy.</p> <p>Progress is reviewed regularly by DMT's and at CMT on a bi-monthly basis.</p> <p>The majority of actions due March 2024 have been completed. The Panel have confirmed the Exit Strategy is being advanced well and that they are comfortable that it is either being met or, where there is a delay, there is a reason for this and that plans are in place to make up the ground. Progress will continue to be monitored overtime and reported on at the following intervals:</p> <ul style="list-style-type: none"> •March 2024- Progress report on the Exit Strategy submitted to IAP to inform April 2024 letter to SOS. This is now completed. •July 2024- Interim progress report on the Exit Strategy submitted to IAP. This is now completed. •September 2024- Progress report on the Exit Strategy submitted to IAP to inform October 2024 letter to SOS •January 2025- Interim progress report on the Exit Strategy submitted to IAP+G48 •March 2025- Progress report on the Exit Strategy submitted to IAP to inform April 2025 letter to SOS <p>The objectives of the Exit Strategy have been embedded into service plans for 24/25. These tasks are ongoing and will continue in the next AGS 23/24 Action Plan</p>	Improvement of the IAP assessment of the extent to which the Council is meeting its best value duty.

Appendix 1

(b) Action Plan and Progress Update in Response to the Second Report in the Public Interest

Status Update	Recommendation	Response	Action	Progress/Comments	Deadline	Responsible
Complete	R1. The Chief Executive supported by the Monitoring Officer and the Section 151 Officer should ensure that Cabinet papers for major projects set out clearly: R1.1 the legal powers to enter into a particular arrangement and attendant risk	The Council has taken action to improve the processes and contents of reports to Cabinet. Authors of reports must ensure comments are received from statutory officers and legal powers and risks are sufficient addressed. There is early consideration of all cabinet reports at the Corporate Management Team (CMT) and Mayor Advisory Board (MAB). The Chief Executive, Section 151 and Monitoring Officer are in attendance and do ensure the issues raised in R1 are always addressed. The process allows for much earlier consideration of papers and more opportunity for assurance of, and challenge to, advice being presented to the Cabinet and that the Council's interest is sufficiently protected. The Monitoring Officer also has in place final report clearance meetings before publication with Legal and Democratic Services Heads of Service to ensure that legal powers and risks are adequately covered in Cabinet reports. Reports on Regina Road and Purley Pool are some recent examples. This recommendation has been met.	1.1 A new report writers guide will be produced alongside a new report template for all Council reports to use regardless of which board or committee in will be presented in. This will explain the issues raised in the RIPI and why commentary is needed on the lawfulness of the council's arrangements	In October 22 a new officer report template and guidance that addresses the issue raised in R1 has been produced. Between October 22 and January 23, the Head of Democratic Services, Monitoring Officer and Deputy Monitoring Officer assisted by colleagues from Finance, Equalities and Procurement has provided training to Officer on the new template that includes guidance on risk and legal powers.	Sep-22	Monitoring Officer
Complete	R1.2 how the Council can protect its interests and secure economy, efficiency and effectiveness	See reponse to R1.1 above	1.2 The template for reports will be amended to include a reference in the legal comments section to the need to ensure legal advice is recorded in the paper on the power to enter into a particular arrangement for a major project and the actions required to ensure it remains lawful	This is contained in the current and new report guidance. Also, reports are reviewed by the Monitoring Officers and his Deputies to ensure legal powers for and lawfulness of decisions.		Monitoring Officer

Complete but ongoing			<p>1.3 The Capital Board will be asked to produce guidance on what constitutes a major project, and this will be incorporated into the new report writers' guide. This section in the report will also draw out the need for officers and those delivering on the Council's behalf to ensure the council delivers value for money within all its major projects and secures economy, efficiency and effectiveness for the taxpayers and residents of Croydon in accordance with Section 3(1) of the Local Government Act 1999 and the duty of best value. The template will stress the importance of ensuring the report provides decision makers with full information and the requirement to update the decision-making body when this information changes.</p>	<p>The new standard Committee Report template includes all the essential that officers must provide to assist Members to make an informed decision on major capital projects. Capital Board (22nd February 24) has determined that the threshold for major projects shall be projects with a financial value of £5m and above. However, the expectation is that all capital projects must meet the standards set out in R1-12. Between January and March 24, the Monitoring Officer has taken a discussion and lessons learnt paper to various groups in the Council to ensure the lessons learnt from R1-12 are embedded in practice.</p> <p>As a separate action point arising from the PwC Capital Framework Improvement Plan recommendations (progress against which is separately reported to A&G Committee), the Capital Internal Control Board is overseeing the development of business case templates in line with the Five Case Model and associated training and governance approval routes (for different levels of expenditure) which will be taken forward after the recruitment of capital accounting officers into the new Strategic Finance structure. This will also align with the updated thresholds to be agreed through the refresh of the financial and contract regulations underway.</p>	Apr-24	Monitoring Officer & Director of Commercial Investment & Capital
Complete but ongoing			<p>1.4 Progress reports on the delivery of major projects to Cabinet will also incorporate an assurance section that the requirements are to ensure the arrangements are lawful and have been met e.g. contracts signed, land correctly transferred etc prior to committing the Council contractually. These reports will also be available to the Scrutiny and Overview Committee in order to enable them to fully scrutinise the delivery of major projects based on the same full suite of information that is available to the Cabinet Members. These requirements will also be included in the new guide.</p>	<p>There are currently no major capital projects that are at a sufficiently developed stage to require a progress report. However, these requirements will be adhered to. An example is the Reginal Road project where progress update is reported to the Housing Transformation Board and is in the forward plan to report to Cabinet in March 24. Also, at the monthly meetings of the Capital Internal Control Board, the financial performance of the capital programme is reviewed. The board reviews the progress made with delivery of capital projects including consideration of risks, financing and contracts completion and compliance issues.</p> <p>The Council's Constitution contains the procurement safeguards referred to below including legality and executed contract before commencement of obligations.</p> <p>Expenditure delivery on all capital projects is included in the monthly Financial Performance Report to Cabinet. In 2024/25, the monthly reports include information on major project activity as well as financial spend. These reports will be available for Scrutiny and Overview Committee to review.</p>	Apr-24	Monitoring Officer Director of Commercial Investment & Capital

Complete			1.5 Once the new guide and the new report template has been produced, it will be brought to the Audit and Governance Committee for member consultation and agreement. Training will then be developed to ensure understanding of the new requirements by report writers.	In September 2022, the new report template and guidance was taken to Audit and Governance Committee. As indicated above, officer training on the new template was provided in December 2022 and January 2023.	Dec-22	Monitoring Officer Director of Commercial Investment
Complete			1.6 The Council will make full use of its decision management software (Mod.Gov) to automate production of reports. This will have the benefit of allowing report authors to draw in expert advice earlier in the process and prevent reports from being changed after they have received legal and financial commentary. This has been amended to Share Point in Microsoft Teams.	The plan now is to use Share Point in Microsoft Teams. This was rolled out in December 2023 for Cabinet reports by the Head of Democratic Services and includes reports management guidance. Draft reports are now stored in a single location for access and help to manage issues relating to version control.	Dec-23	Monitoring Officer

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete but ongoing	R2. The Monitoring Officer should ensure that: R2.1 contracts are properly executed before entering into arrangements with third parties	The Monitoring Officer through the review undertaken and referred to in the progress/comments column is satisfied that the arrangements are in place that meet the requirements of this recommendation (i.e., R2.1 - R2.3). The proposals following the review is currently paused in view of potential changes to the Council's Tenders & Contracts Regulations which are in progress. The Monitoring Officer meets regularly with the Head of Service in Legal Services responsible for property, contracts, and planning matters to ensure that the key legal requirements and advice are adhered to and any issues of concern including risks are flagged and resolved. The Monitoring Officer has written to all Heads of Services and above and Council's lawyers reminding them of the requirements of the Contracts & Tender Regulations that contracts must be in place before arrangements for works, services or supply of good commence, in particular, for major capital projects. This was to ensure that the lessons learnt from the RIPI report is being embedded into our practices. This recommendation has been met. Between January and March 24, the Monitoring Officer has taken a discussion and lessons learnt paper to various groups across the Council to ensure the lessons learnt from R1-12 are embedded in practice.	2.1 The Monitoring Officer will undertake a review of existing council processes for the signing of contracts, storage of signed contracts, and assurance on underpinning legal requirements prior to arrangements being entered into. The Council will also take further action to enhance and ensure compliance with these processes.	A review has been undertaken, the details of which are set out below. The proposals arising from the review is to be implemented by March 2024. Current protections/ processes Contracts falling within the Tenders and Contracts Regulations (TCRs) There are currently protections with the TCRs for procured contracts as follows: 4. Officer Responsibilities 4.1 Officers involved in the commissioning and procurement process must comply with: These Regulations; • All UK and European Union binding legal requirements; 4.2 Officers must: a. Have proper regard for all necessary legal, financial and professional advice; o. Enter all purchase order information onto the Council's financial system prior to any goods or services being provided. Raising purchase orders, and any permitted exceptions, must be conducted in accordance with the Council's P2P Guidance documentation; q. The contract manager should ensure the safe keeping of contract documentation in line with Croydon's document retention policy and uploaded onto the Council's contract management system; 5. Director Responsibilities 5.1 Directors must: a. Ensure that these Regulations are followed and enforced within their areas of responsibility; b. Make the staff aware of the requirements of these regulations; g. Monitor compliance and investigate any non-compliance with the regulations and report any findings to the Director of Commercial Investment as Chair of the Contracts and Commissioning Board; j. Ensure their contract managers have kept contract documentation in line with Croydon's document retention policy and uploaded onto the Council's contract management system. 29. Contract Pre-conditions and Preliminaries 29.1 A Director must not authorise or permit a contractor to enter on any land or buildings belonging to the Council or to proceed with the Contract or start work on site until a written order to proceed with the Contract has been issued and the following actions are completed:	Jul-23	Monitoring Officer Director of Commercial Investment & Capital

				<p>a. the contractor has provided proof of insurance; b. the contractor has completed and returned to the Council the contract documents unless the Director can satisfy the Director of Legal Services and the Chair of CCB that the Council's position is otherwise adequately secured; c. where appropriate the performance bond is duly completed; d. all procedures have been completed to the satisfaction of the Director of Legal Services.</p> <p>33. Contract Storage 33.1 The Director responsible for the service area must ensure that all signed/ sealed Contracts established in accordance with these Regulations are scanned and the scanned copy or a true electronic copy (with signature/ sealed pages scanned accompanying it) is stored on the Council's Contract Management system and that the original copy of the contract has been received by the Deeds team in Croydon Legal Services. Although these protections are in the constitution, there is the need to ensure they are complied with. In relation to any non-compliance, Contracts & Commissioning Board /Procurement Board are implementing a log which will be reviewed on a regular basis and escalated, where needed.</p> <p>Other types of contracts/ agreements: The provisions regarding other contracts/ agreements are covered to some extent in the Financial Regulations. The practice and advice from Legal Services to date is to follow the principle of the TCRs that, where a contract has a value of over £100k, it needs approval by Legal and needs to be signed by and authorised signatory in Legal.</p> <p>There are likely many agreements entered into that do not come to Legal Services for consideration. There is no centralised data available to review the number of matters this might currently apply to.</p> <p>Process for signing documents by Legal Services: ·Legal review undertaken ·Final agreement engrossed (not always internally) ·Authority provided ·Signing/sealing form completed, including relevant authority ·Record in the relevant register ·Signed contract scanned, sent to client officer and saved on Visual Files ·Where relevant, hard copy retained, and archive requested</p>		
--	--	--	--	---	--	--

				<p>There are currently four registers – Sealing register, Miscellaneous register, Electronic signing register and Browne Jacobson’s POA register. The Electronic register and POA register were brought about due to the Pandemic.</p> <p>Overall, the process works, however issues can arise at some stages for example, lack of appropriate authority to enter into the agreement.</p> <p>Proposals</p> <ol style="list-style-type: none">1. Training for staff to ensure they understand and follow processes e.g., under the TCRs.2. To implement any relevant provisions into the Financial Regulations for ‘other’ agreements (e.g. for Capital Projects), similar to assurances in the TCRs. For example, agreements with a value of over 100k should be signed off by Legal.3. To implement a ‘non-compliance’ reporting/ escalation system with appropriate oversight (already underway for procured contracts).4. Clarify who are Authorised Signatories. Please note, the Intranet is confusing at present, as it refers to Authorised Signatories in the context of those authorised under the financial regulations to approve requisitions up to a certain value – please see here. This needs to be clarified (e.g. re-title to ‘Authorised Approvers?’).5. For procured contracts, Scott Funnell to provide a central email address for copies of signed contracts to be sent to in order to be centrally stored.6. Use of electronic signing/sealing platform e.g. Docusign. This will automate the process, reduce delay, simplify the registering system and storage system. Business case needed regarding cost and confirmation whether the Council can seal deeds electronically (it’ll only cost effective if this is possible). <p>The Monitoring Officer is working with the Director of Commercial Investment & Capital to take forward the above proposals. The process is in place for the signing of contracts in accordance with the Constitution Tenders and Contracts Regulations and which also accords with R2. Legal Services has in place a process for signing and storing contracts on matters they are dealing with. Electronic copies are stored on Legal Services System (Visual Files Records). Hard copies are stored in the Deeds Room. Strategic Procurement are looking at a central repository of all Council contracts. This forms part of the Strategic Procurement and Contract Plan.</p>		
--	--	--	--	---	--	--

Complete	R2.2 the properly executed documents are stored robustly to allow future scrutiny	See reponse to R2.1 above which refers to the review undertaken. There are arrangements in place for the safe and secure storage of contracts. The Monitoring Officer has written to all Heads of Services and above and Council's lawyers reminding them of the requirements for the safe storage of contracts as set out in the Contracts & Tender Regulations.	2.2 The Capital Board will be given a formal role going forward in the assurance of the contracts having been signed, that they are stored, securely and all legal requirements have been met prior to approval to proceed with a major project.	This has been amended to 'The Capital Board will be given a formal role going forward in monitoring that major projects contracts have been signed, that they are stored securely and that all legal requirements were met prior to the project proceeding.' The terms of reference of the Capital Board have been updated to reflect this. This is now part of Capital Board and Procurement Board standard agenda items for monitoring purposes.	Jul-23	Monitoring Officer, Corporate Director of Resources and Director of Commercial Investment & Capital.
Complete but ongoing	R2.3 key requirements underpinning the legal advice are in place before progressing with the arrangement	See response to R1.1 above. As mentioned above, the Monitoring Officer has regular meetings with Heads of Service in Legal Services to review legal advice and ensure they are highlighted to decision makers and key requirements followed.	2.3 This review will be reported to the Statutory Officers' Board in the first instance and will include any recommendations on required changes to processes, thresholds and delegations. This review will then be brought to the Audit and Governance Committee for Member oversight and comment.	The review arising from this recommendation was reported to the Statutory Officers' Board March 2024 meeting.	Mar-24	Monitoring Officer Director of Commercial Investment & Capital

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R3. The Monitoring Officer should ensure that where legal advice changes after a Cabinet decision that the consideration of the implications of the changes is documented and where the Monitoring Officer considers additional legal risks are identified that the Cabinet is updated on the impact on the original decision made.	Through the CMT and MAB processes, senior officers, the Mayor and Cabinet, are kept informed by the Monitoring Officer of any legal risk arising from decisions under considerations and already made. This is a business-as-usual requirement and embedded in day to day considerations of key decisions for Cabinet. In addition, the Monitoring Officer has made changes to the Council's Protocol on Decision Making to incorporate this requirement across Directorates. This recommendation has been met.	3.1 The Monitoring Officer will review the Council's Constitution, particularly Part 5A, the Protocol on Decision Making. This review will have particular regard to setting out proportionate thresholds for decisions to be reported back to the relevant decision-making body when advice (legal or otherwise) upon which the decision was based significantly changes. The review will also consider introducing a time limitation on the delegated decisions that are made by Cabinet in order to ensure they remain relevant and are used appropriately. This will also be included in the new Report Writers Guide.	Completed – a revised Part 5A was approved by Council in March 2022. This included addition of text to require Corporate Directors to keep the implementation of decisions under review and ensure that circumstances relevant to the decision continue to apply. Where there has been a material change of circumstances, a further report must be made to the decision-making body prior to implementation.	May-22	Monitoring Officer
Complete			3.2 A standing item will be included on the Statutory Officers' meeting to identify if there have been any significant changes to advice underpinning Cabinet decisions.	This will usually be discussed at Corporate Management Team which includes the Head of Paid Service, Chief Finance Officer, and Monitoring Officer. Cabinet will be updated on material changes in the circumstances given rise to decisions made and such that will require a review of the decision.	Immediate	Chief Executive

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R4. The Section 151 Officer should ensure that prior to making payments to third parties that appropriate legal documentation is in place such as a properly executed contract or a properly executed loan agreement	The Section 151 Officer do liaise with key officers on contract compliance prior to make payment under contractual obligations. The Monitoring Officer has written to all Heads of Services and above and Council's lawyers, as part of the lessons learnt, reminding them of the requirements of the Contracts & Tender Regulations that executed contracts must be in place before arrangements for payments are made. This recommendation has been met. Between January and March 24, the Monitoring Officer has taken a discussion and lessons learnt paper to various groups in the Council to ensure the lessons learnt from R1-12 are embedded in practice.	4.1 The Section 151 officer will undertake a review of the Council's existing processes for ensuring payments to third parties meet the required governance controls such as a signed and dated loan agreement or contract. This review will make any recommendations that are necessary to ensure that there are proportionate thresholds, checks and balances on payments to third parties. The Council will also take further action to enhance and ensure compliance with these processes.	The Section 151 officer confirmed that this task has been completed. A further assurance will be sought by commissioning an internal audit of these processes. In relation to procured contracts, the requirements of the Tenders and Contracts Regulations (Regulation 29) in the Constitution covers the process for assurances prior to proceeding with arrangements with contractors. A reminder note will be sent to staff.	Jul-22	Corporate Director of Resources
Complete			4.2 The Capital Board will incorporate this assurance check as part of their formal programme board oversight on the progress of major projects and will amend their terms of reference to reflect this additional role.	As mentioned above, this will form part of Capital Board and Procurement Board standard agenda item. The Capital Board Terms of Reference were updated in September 2022 to incorporate these requirements.	Jul-22	Corporate Director of Resources
Still in progress			4.3 The findings of this review will be reported to the Statutory Officers' meeting in the first instance, with any changes that are required to the Council's Constitution being reported to the Council via the Audit and Governance Committee or Ethics Committee.	The review arising from this recommendation was reported to the Statutory Officers' Board March 2024 meeting.	Mar-24	Corporate Director of Resources

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete but ongoing task	R5. The Monitoring Officer and Section 151 Officer should ensure that arrangements are in place to properly consider public procurement rules and UK obligations on subsidy control rules before entering into arrangements.	<p>The Council's Constitution, in particular, the Contract & Tender Regulations clearly sets out the required process and arrangements for entering contracts with third parties. This requires considering and applying the procurement and subsidy control rules. The Council usually engages inhouse or external legal advisers who would advise on any procurement and subsidy control issues arising from the proposed contract and whether lawful to proceed. As indicated above, these issues including any apparent risk are flagged up in the decision-making reports. For example, Purley Pool Cabinet report.</p> <p>The Procurement Team following a review of contract compliance, maintains a log of expired contracts that are not compliant with Contract & Tender Regulations and with a view to taking the necessary action to manage any risk and secure compliance (through variation and extensions). This recommendation has been met.</p>	5.1 The Council's Director of Commercial Investment will review the Council's existing arrangements for ensuring compliance with subsidy control legislation. This review will be reported to the Section 151 Officer and Monitoring Officer and will highlight any risks in the Council's current arrangements. The review will also make recommendations and set out an action plan to mitigate and address any risks that are identified. The Capital Board may play a part in the assurance mechanism before entering into arrangements. If so, its terms of reference will be amended. This review is now linked to wider ORACLE/ Procurement improvement plan which is on-going.	<p>There are representatives from Finance, Legal and Procurement at Procurement Board and Capital Board who ensure that there is compliance with statutory provisions and the Constitution's Tender and Contract Regulations. In May 23, there was a review undertaken on our procurement and contract compliance. There is now a log kept of any non-compliant contract with a view to escalation to CMT and to ensure any systemic failings are rectified. There is regular attendance at DMT's to raise awareness with a view to improving future compliance.</p> <p>For all contract, procurement, and subsidy related matters requiring Cabinet decision, legal advice/comments are sought to ensure compliance with procurement and subsidy control rules. Also, for compliance with the Council's Tender and Contracts Regulations where relevant. These reference the need to check for public subsidy issues. Risks of public subsidy will vary from project to project and each project will have to be reviewed on its own merits.</p>	Apr-24	Director of Commercial Investment & Capital

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R6. The Chief Executive, Monitoring Officer and Section 151 Officer need to consider how to respond appropriately to challenge on decisions and be prepared to take corrective action where necessary.	<p>As part of the Croydon Renewal and Improvement Plan, a range of actions have been undertaken to improve the culture of the organisation in relation to openness, transparency, accountability and challenge. The various actions are all designed to facilitate constructive challenge and open dialogue from Members, residents, officers and each other. To date, this work has included:</p> <ul style="list-style-type: none"> - Introducing a 'guardians' programme for staff, providing a safe space for staff across the organisation to raise concerns - New customer complaints handling process - Developing a new access to information protocol for Councillors - Introducing new codes of conduct for Members, Co-opted Members and Officers <p>There is regular dialogue between the Chief Executive, Section 151 Officer and Monitoring Officer to consider various challenging governance issues and decide on the appropriate response and if required, an action plan.</p>	6.1 A new member enquiry / casework process and supporting software will be rolled out to allow more pro-active tracking, management and responses to member casework enquiries and also allow learning from the casework to be captured more effectively to improve services. This may result in policy decisions needing to be revisited.	This has been completed.	Jul-22	Assistant Chief Executive
Complete			6.2 A new system of internal control officer boards have been implemented following a review of core business meetings and forums (Capital, Health & Safety, Equality Diversity & Inclusion, Finance & Assurance, Performance, Digital, Resident Voice and Corporate Resilience). To be implemented are boards on Information Management and Workforce).	This has been completed. A new Information Management Internal Control Board has been formed chaired by the Monitoring Officer to ensure a critical friend challenge and progress with the Council information management agenda.	Jul-22	Director of Policy, Programmes & Performance
Complete			6.3 A new Member / Officer working protocol will be developed and submitted to Council for adoption into the Council's Constitution. Please note that this action will also support 9.2	This has been completed and was approved by Full Council in March 2022.	Mar-22	Monitoring Officer
Complete			6.4 A new assurance framework will be developed and reported on annually to the Audit and Governance Committee	There is a governance assurance framework in place and that is reviewed annually and reported to Audit and Governance Committee.	Jul-22	Corporate Director of Resources

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Still in progress	<p>R7. The Chief Executive should improve record keeping arrangements so that:</p> <p>R7.1 the records supporting key decisions including financial analysis are maintained</p> <p>R7.2 a standard approach to record keeping with monitoring of which decisions have been implemented</p> <p>R7.3 tolerances are established for reporting back changes to Cabinet</p>	<p>Through the Mod.Gov Committee Management Software, the Council's Democratic Services keeps and maintains all records of key decisions taken by the Executive and Officers under Delegated Authority. This includes reports by officers, decision notices and minutes of meetings. Through this software historical records of committee meetings can access. There is an established method for record keeping of these decisions in Mod.Gov. The relevant Corporate Director and/or Director is responsible for monitoring and implementing the decision taken by the Executive. This includes reporting back to the Executive if circumstances have changed that necessitates re-consideration of the decision made. The Head of Democratic Services has provided guidance note on the arrangement for providing and maintaining record of officers delegated decisions and raise awareness with Heads of Service and above. As to R7.3, see response to R.3.</p>	<p>7.1 A review will be undertaken by the Council's Information Management Team of record keeping across the Council for key decisions, delegated decisions and Cabinet decisions in general and record keeping of formal internal control boards. The review will make any necessary recommendations regarding proposed future systems of control, in particular to ensure required or agreed future reporting requirements are adhered to through the forward plan and these will be reported to the Audit and Governance Committee and Cabinet.</p>	<p>This task has been allocated to the Monitoring Officer who is responsible for Democratic Services and which in turn is responsible for record keeping of Executive decisions. A review has been undertaken by the Head of Democratic Services. This involved meeting with various Directors and Heads of Service throughout the Council between Oct and Nov 2023, and early 2024 met with Executive Officers and Executive Support Officers. Delegated key decisions are being stored and published appropriately. However improvements required on the arrangement for non-key executive decisions. Guidance is currently being developed between Legal and Dem Services, to be rolled out by November 2024.</p>	Mar-24	Monitoring Officer
Still in progress			<p>7.2 This review to provide assurance that the Council is operating in accordance with the relevant legislation including the good practice recommendations in the Information Commissioner's Office "S46 Code of Practice – Records Management" issued under section 46 of the Freedom of Information Act 2000.</p>		Mar-24	Monitoring Officer

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R8. The Chief Executive, as Head of Paid Service, should ensure appropriate governance arrangements are implemented in a timely manner particularly for strategic developments such as Brick by Brick including where appropriate that there is clear guidance for nominated representatives on the expectations of the role including reporting back to the Council.	<p>Actions already taken by the Council to strengthen the governance arrangements for strategic and major projects and programmes include:</p> <ul style="list-style-type: none"> - Appointment of a new Commercial Investment Director; - Establishment of a Croydon Companies Supervision and Monitoring Panel (officer only) to have oversight of all Council owned companies - Establishment of a Brick by Brick Shareholder Cabinet Advisory Board (Member only); - Established a new programme office that includes a remit to work on the capital programme - Agreement of new terms of reference for the Capital Board with a focus on good planning, governance and delivery - Where warranted, non-executive and / or independent chairing and leadership has been sought, including independent chairs for the Council's General Purposes and Audit Committee, Housing Improvement Board, Children's Improvement Board and the Croydon Adult Safeguarding Board. - External training on statutory officers responsibilities has been completed separately for members and officers with additional training for non-statutory officers on company law and shareholder function. There is an Outside Bodies Protocol protocol that provides basic advise and guidance to Council's representatives on outside organisations. This has been approved by Ethics Committee. 	8.1 The Croydon Companies Supervision and Monitoring Panel (CCSMP) be tasked with considering what additional measures, if necessary, need to be introduced to support and clarify the roles and responsibilities of any person appointed by the Council to be a director of a Council owned company. This review to incorporate an undertaking to abide by the code of conduct and standards of public life (commonly known as the Nolan principles). Please note that this action will also support 9.4		May-22	Director of Commercial Investment and Capital
Complete			8.2 The Council has had guidance notes agreed on the role of a non-executive appointee on behalf of the Council but these will now be reviewed and brought back to Ethics Committee for approval.	The Council, in line with other local authorities, developed an Outside Bodies Protocol for Officers and Members representing the Council in companies, charities and other organisations external to the Council. The guidance has been reviewed and commented on by the CCSMP and is now approved by the Ethics Committee.	Feb-23	Monitoring Officer
Complete but ongoing			8.3 Mandatory training will be provided on a regular and timely basis to all Council owned company directors. Attendance at this training is part of the requirements to remain a Council appointed Director	Initial training has taken place but there is further training planned and to be commissioned by the Monitoring Officer by March 2024.	Mar-24	Monitoring Officer
Complete			8.4 The terms of reference for the Council's new internal control boards will be reviewed to ensure that there is clarity on how the work undertaken by these boards flows into member meetings and formal member briefings as appropriate.	A review of the ICBs ToR was undertaken and reported to CMT in November 2023. A further report on improvement actions was reported back to CMT in February 2024 resulting in changes to ensure the charis of all ICBs are at Corporate Director level, to merge Workforce and EDI ICBs and reiterate the corporate importance of the ICB assurance ecosystem.	Mar-24	Director of Policy, Programmes & Performance

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R9. The Chief Executive should work with the Executive Mayor to continue to embed: R9.1 a clearly understood distinction between the different roles and responsibilities of Members, officers and representatives akin to Brick by Brick	As part of the ongoing Member Development Programme, training is scheduled on an annual basis for Members on their roles and responsibilities, and the Member Officer Protocol. In the current Council term, sessions were delivered as part of the induction process in May 2022 and another session was held in October 2023. These sessions have been identified as essential for Members and the Democratic Services team engages with group whips to encourage attendance	9.1 Review role descriptions for members and a revised member handbook is being developed. This work will be brought to the Ethics Committee for approval.	This task is completed. A revised member handbook developed including role descriptions. All members were given access to the handbook following the elections.	May-22	Monitoring Officer
Complete	R9.2 clear responsibilities for officers and Portfolio Holders in challenging reports presented to Cabinet and other committees for balance, accuracy and consistency with their knowledge	Cabinet Members are able to challenge Cabinet reports before and after publication. There are opportunities for pre-decision scrutiny by Scrutiny & Overview Committees. The Majority Opposition Group regularly attends+C2 Cabinet meeting and are able at to raise questions on reports.	9.2 A new Member / Officer working protocol will be developed and submitted to Council for adoption into the Council's Constitution. This protocol will clarify responsibility for providing effective advice and challenge. Please note that this action will also support 6.3	This task is completed. Member/Officer protocol approved by Full Council in March 2022	May-22	Monitoring Officer
Complete			9.3 The Croydon Companies Supervision and Monitoring Panel be tasked with considering what additional measures, if necessary, need to be introduced to support and clarify the roles and responsibilities of any person appointed by the Council to be a director of a Council owned company.	Completed	May-22	Director of Commercial Investment and Capital
Complete			9.4 The Croydon Companies Supervision and Monitoring Panel be tasked with considering what additional measures, if necessary, need to be introduced to support and clarify the roles and responsibilities of any person appointed by the Council to be a director of a Council owned company. This review to incorporate an undertaking to abide by the code of conduct and standards of public life (commonly known as the Nolan principles). Please note that this action will also support 8.1	Completed	May-22	Director of Commercial Investment and Capital

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R10. The Chief Executive should review the terms of refence for officer and member/officer boards that oversee significant projects and capital/revenue expenditure and clarify the escalation routes for significant additional expenditure in excess of the budget	<p>The Council has introduced new system of internal control officer boards following a review of core business meetings and forums. The Boards are Capital, Health & Safety, Equality Diversity & Inclusion, Finance & Assurance, Performance, Digital, Resident Voice and Corporate Resilience. To be implemented are Boards on Information Management and Workforce. The Capital Board and Finance and Assurance Board oversees significant projects and capital/revenue expenditure and has in place escalation and reporting route to Corporate Management Team (CMT).</p> <p>Since June 2021 the Cabinet has been receiving a monthly update on the council's general fund, housing revenue account and capital expenditure. Currently, as part of the budget monitoring process, the spend on Capital Projects are reported monthly and reviewed at Capital Board, CMT and then Cabinet. Between January and March 24, the Monitoring Officer has taken a discussion and lessons learnt paper to various groups in the Council to ensure the lessons learnt from R1-12 are embeded in practice.</p>	10.1 The Capital Board will review its terms of reference to develop an effective role in regard to its oversight of the delivery of major projects and clarify the escalation routes for significant overspends. Future project governance should be reflective of the scale of each project, with an appropriate level of monitoring, reporting and resource allocated.	Capital Board reviewed its terms of reference in September 2022 to incorporate all the RPI12 requirements and will continue to regularly review and update its terms of reference and approach to ensuring the delivery of robust capital governance. This is completed.	May-22	Director of Commercial Investment & capital
Complete			10.2 The format of the monthly cabinet update on general fund, HRA and capital expenditure will be reviewed in general to ensure it is incorporating the best practice of high performing councils in budget reporting to members. This review will also pay specific regard to the reporting on risks and opportunities, over and underspends on the delivery of significant projects either revenue or capital expenditure and either general fund, parking places reserve account or housing revenue account related.	The S.151 officer confirms that this task is completed. There is regular budget monitoring report to Cabinet that deals with 10.2 above.	May-22	Corporate Director of Resources

Complete			10.3 The Internal Control Board terms of reference template will be reviewed for all boards to ensure clarity on responsibilities for risks in regard to its responsibilities, workload and escalation routes.	An initial Terms of Reference template has been used to establish the new Internal Control Boards. Once the boards have been in operation for a few months, a review will be undertaken of their effectiveness and a final Terms of Reference template will be agreed.	Jul-22	Director of Policy, Programmes & Performance
Complete			10.4 The current monthly budget assurance meetings chaired by the Chief Executive and Corporate Director of Resources will be reviewed to assess effectiveness after its first year of operation.	The monthly budget assurance meetings are continuing and their effectiveness continues to grow. As the monthly financial performance report has set out during 2022-23 these assurance meetings have been reviewed and strengthened. They will be kept under constant review to ensure they operated optimally.	Feb-23	Director of Policy, Programmes & Performance

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	<p>R11. The Section 151 Officer should ensure financial reporting on significant capital projects is enhanced so that</p> <p>R11.1 a clear agreed budget for the project is identified and the underlying financial analysis is maintained</p> <p>R11.2 a clear agreed project expenditure amount can be reported through appropriate governance processes</p> <p>R11.3 where there are changes in the original financial assumptions that there is an assessment on the project's financial viability with appropriate reporting</p> <p>R11.4 the revenue impact of any changes in the capital project are addressed in future budget setting</p>	<p>Currently, as part of the budget monitoring process, the spend on Capital Projects are reported monthly and reviewed at Capital Board, CMT and then Cabinet.</p> <p>For 2023/24, as part of the budget setting process, a new Capital Strategy was approved. This set out a capital programme much reduced in scale and cost compared to previous years. The focus of the Capital Strategy in the short and medium term is delivery of an effective Asset Management Plan and an ambitious Asset Disposal Strategy including reducing the number of buildings held by the Council. Between January and March 24, the Monitoring Officer has taken a discussion and lessons learnt paper to various groups in the Council to ensure the lessons learnt from R1-12 are embedded in practice.</p>	<p>11.1 The Corporate Director of Resources will oversee the review work to be undertaken by the Director of Commercial Investment in regard to improving the role of the Capital Board in meeting a number of these recommendations. That review will incorporate the recommendations above.</p>	<p>The Section 151 Officer attends Capital Board meetings at which these issues are addressed.</p> <p>At the monthly meetings of the Capital Board, the financial performance of the capital programme is reviewed. The Board reviews the progress made with delivery of capital projects including consideration of risks, financing and contracts completion and compliance issues.</p> <p>The Council tax Setting process for 2023/24 included a new Capital Strategy document which joined together the capital programme, asset management plan and treasury management strategy. This alongside the main budget report emphasised the importance of reducing debt through asset disposals, a significantly paired back capital programme and the consequent impact through the treasury management strategy on borrowing costs on the budget and Medium Term Financial Plan.</p>	May / June 2022	Corporate Director of Resources
Complete			<p>11.2 The review of the monthly budget report format will also take into account these recommendations and report to the Audit and Governance Committee, the Scrutiny and Overview Committee and finally Cabinet taking into account members' views.</p>	<p>Capital projects will continue to be monitored through the monthly Financial Performance Report. The focus in the autumn of 2022 shifted to paring back the capital programme and producing an asset management plan and disposals programme. Enhancements to capital monitoring and reporting have been made in 2023-24 through the introduction of the Verto software system to monitor project delivery and risks, building upon the work undertaken to develop the capital strategy. This addresses the issues raised by R11.1 and R11.2.</p>	Dec-22	Corporate Director of Resources

Status Update	Recommendation	Response / Improvement Work to Date	Action	Progress	Deadline	Responsible
Complete	R12. The Chief Executive should put in place arrangements to consider inherent conflicts of interest for executive officers	The Council's Officer Code of Conduct in the Constitution includes provision for declaration of interest. It provides that "Officers in Tier 1-3 (Head of Service and above) are required to complete an annual declaration of interest. However, should a conflict arise at any time you must report it to your manager immediately and declare it in writing as above and not wait until the annual declaration.	12.1 A new code of conduct for all officers is currently in development which will incorporate best practice in regard to the declaration of interests and arrangements for managing any conflicts.	This task has been completed and approved by Full Council in March 2022. The officer code of conduct now forms part of the Council's Constitution.	May-22	Monitoring Officer
Still in progress			12.2 An annual review of declarations for all officers will be undertaken each May. This will update a formal register of all declarations to be published on the council website.	This has been amended to Heads of Service and above in line with the Council's Office Code of Conduct. An automated process is being designed.	May annually	Head of Internal Audit
Complete			12.3 CMT, DMTs and all internal governance boards will have declarations of interest added as a standing item to their agendas	This has been actioned and completed	May-22	Director of Policy, Programmes & Performance
Complete			12.4 The Statutory Officers' Board will amend its terms of reference to include the formal review of any officer conflicts of interest and the agreement of arrangements for managing them	There is a standard agenda item for declaration of interest at the Statutory Officer's Board meeting. Officer code of conduct includes a requirement for managing conflict with line manager.	May-22	Chief Executive

Appendix 2 Annual Governance Statement 2023/24 Action Plan

No.	Governance Issue	Action	Accountable Officer	Responsible Officer	Due Date
1	Secretary of State Directions and London Borough of Croydon Intervention Exist Strategy Action Plan 2023 -25	To implement the Improvement & Assurance Panel Exit Strategy Action Plan (Intervention Exit Strategy 2023-25) relating to the following areas: governance; culture and leadership; financial stability; service performance; and capacity and capability to improve.	Chief Executive	Corporate Directors Directors	31 st March 2025.
		To deliver on the Council Improvement Plan 2022-27	Chief Executive	Corporate Directors Directors	31 st March 2025
		To deliver on the ‘Future Croydon’, our Transformation Plan for 2024–2029 .	Chief Executive	Corporate Directors Directors	31 st March 2025
2	External Auditor Annual Report for 2022/23	<p>To implement the recommendations from the External Auditors Annual Report relating to:</p> <p><u>Financial sustainability:</u></p> <p><i>The Council continues to maintain its strict controls over spend and discipline over savings and transformation plans).</i></p> <p><u>Governance:</u></p> <p><i>The Council should improve on its risk management arrangement through a) the mapping of strategic risk to the achievement of corporate objectives and associated KPIS; and b) aligning Scrutiny and Overview work plans to the high risk issues identified</i></p>	<p>Corporate Director of Resources</p> <p>Corporate Director of Housing</p>	<p>Allister Bannin, Director of Finance (Deputy S151 Officer)</p> <p>Lara Ashley, Housing Directorate Transformation Lead</p> <p>Sue Hanlon, Interim Director of Housing – Housing Estates & Improvement</p> <p>Mary Larbie, Director of Housing Management</p>	31 st March 2025

No.	Governance Issue	Action	Accountable Officer	Responsible Officer	Due Date
		<p><i>in Council's Risk Register and Performance Management Systems).</i></p> <p><u>Improving economy, efficiency and effectiveness:</u></p> <p><i>The Council needs to continue to improve the quality of its housing services and prioritise for action identified through the IAP – strengthening the quality and accuracy of its housing data, robust management of repairs, heating and void contractors to ensure performance levels remain high and put in place an improved structure for tenant and resident engagement).</i></p>			
3	Internal Audit Reports and Recommendations	All Directorates to action all outstanding internal audits agreed actions from the current and previous years.	Corporate Directors	All Directors	31 st March 2025
4	Capital Projects and Programmes	To continue to improve on arrangements for the management of major and minor capital projects and programmes including oversight of the finance and delivery of key milestones.	Corporate Directors	Allister Bannin, Director of Finance (Deputy S151 Officer)	31 st March 2025
5	Ongoing Improvement in awareness and practice in finance management	<p>Implement CIPFA maturity model.</p> <p>Finance training for non-finance managers.</p>	Corporate Director of Resources	Allister Bannin, Director of Finance (Deputy S151 Officer)	31 st March 2025
6	Strengthen governance framework	<p>Ensure Directorate Schemes of Delegation are reviewed and updated.</p> <p>To continue to review and update to the Constitution in particular, financial regulations and contracts and tender regulations and to take account of any recent statutory development.</p>	Corporate Directors & Monitoring Officer	Corporate Directors & Stephen Lawrence-Orumwense, Director of Legal Services	31 st March 2025

No.	Governance Issue	Action	Accountable Officer	Responsible Officer	Due Date
7	Information management	To continue to provide assurance that the Council is operating in accordance with best practice and relevant legislation to include Publication Schemes, Open Data, Data Storage Security, Subject Access Request and Freedom of Information. Also, to ensure that the Council has in place and embed all policies and practices fundamental to information management.	Assistant Chief Executive	Paul Golland Interim Chief Digital Officer & Director of Resident Access	31 st March 2025
8	Council Policies and Procedures	To develop and implement a yearly programme for raising awareness amongst staff of key Council's policies and procedures for example on financial controls, contract management, project management tools, mandatory training etc including policies and procedures covering the management and delivery of Capital Projects	Assistant Chief Executive Resources	Dean Shoesmith Chief People Officer, Human Resources	31 st March 2025
9	Complaints	To continue to improve arrangements for the management of customer complaints including ensuring that agreed LGO recommendations are implemented within the agreed timescales	Assistant Chief Executive	Lisa Wheatley Head of Resident Contact	31 st March 2025

End