

ANNUAL GOVERNANCE STATEMENT 2015/16

Scope of responsibility

Croydon Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Croydon Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

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

The purpose of the governance framework

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

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

The governance framework has been in place at Croydon Council for the year ended 31 March 2016 and up to the date of approval of the annual report and statement of accounts.

The governance framework

- "Croydon's Community Strategy 2010-15" is the overarching strategy of the Local Strategic Partnership, including the Council, in support of delivery of the borough's ambitious 30 year vision, "We are Croydon". A new community strategy 2016-2021 is being presented to Members in late July 2016. The Community Strategy is supported

by the Council's corporate plan and service plans for each department and team. These are reviewed and updated annually. In addition, the Council has its own Vision and Corporate Values statement developed after extensive consultation amongst staff ensuring effective management of change and transformation.

- The Council's Constitution sets out how decisions are made and the procedures that are followed to ensure open and transparent policy and decision making that complies with established policies, procedures, laws and regulations and is accountable to local people. The Council's policy and decision making is through the Cabinet process, other than non executive matters and the Policy framework, which is set by full Council. These meetings are open to the public, except where personal or confidential matters are being discussed. In addition, the Chief Executive and senior officers make decisions under their relevant Scheme of Authorisations. The Council publishes a Forward Plan that details the key decisions to be made by the Leader Cabinet, Cabinet Committees or officers in relation to executive matters.
- The Council has designated the Head of Corporate Law as Acting Council Solicitor, and Acting Monitoring Officer, who shall, after consulting with the Head of Paid Service and Chief Finance Officer, report to the Full Council, or the Leader in relation to an executive function, if they consider that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission would give rise to unlawful action. The Monitoring Officer also conducts investigations into matters referred by the Ethics Committee and make reports and recommendations in respect of them to the Ethics Committee.
- The financial management of the Council is conducted in accordance with the Financial Regulations set out in the Constitution (4H). The Council has designated the Assistant Chief Executive (Corporate Resources & S151 Officer) as the Chief Financial Officer in accordance with Section 151 of the Local Government Act 1972. The Council has in place a three year financial strategy that is updated annually supporting the Council's strategic objectives. The financial strategy ensures the economical, effective and efficient use of resources including a financial management process for reporting the Council's financial standing.
- The Council's financial management arrangements conform to the requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2010).
- The Council maintains an effective Internal Audit service that has operated, in accordance with the Public Sector Internal Audit Standards, the authority's assurance arrangements conforming with the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit* (2010). As required by the Accounts and Audit (England) Regulations the Assistant Chief Executive (Corporate Resources & S151 Officer) has reviewed the effectiveness of the Internal Audit service and reported this to the General Purposes & Audit Committee which has concluded that the Internal Audit service is satisfactory and fit for purpose. This undertaking is part of the core functions of the General Purposes & Audit Committee, as set out in CIPFA's *Audit Committees: Practical Guidance for Local Authorities* and applied in the Council.

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

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

Review of effectiveness

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

This review process includes:

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

- Internal audit's responsibility for monitoring the quality and effectiveness of internal controls. Using the Council's risk registers and an audit needs assessment, a plan of internal audit work is developed. The outcome of the internal audit risk-based work is reported to all relevant Executive Directors and Directors and regularly to the General Purposes & Audit Committee. Implementation of recommendations is monitored and progress reported. The work of the Internal Audit function is reviewed regularly by the external auditors who place reliance on the work completed. The Assistant Chief Executive (Corporate Resources & S151 Officer) has reviewed the effectiveness of the Internal Audit service and reported this to the General Purposes & Audit Committee which has concluded that the Internal Audit service is satisfactory and fit for purpose.
- The assurance provided by Members and the assurance of senior managers through the Council's Executive Leadership Team in developing departmental and corporate risk registers and agreeing annual departmental assurance statements.
- The opinion of the external auditors in their reports and annual letter.
- Other review agencies, through their inspection arrangements, such as the Care Quality Commission and Ofsted.

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

Table 1

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

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

<p>2. There is a risk that the delivery of Outcomes Based Commissioning could fail to realize the full potential benefits of the integration of Health and Social Care provision for the over 65's</p>	<p>The 5 providers within the accountable provider alliance (APA) have been meeting regularly, through the APA Executive Board , and there is now a clear integrated Model of Care that commissioners from Croydon Council and the Clinical Commissioning Group have approved. The Model of Care is closely aligned with the key worksteams of the transformation of adult social care programme and this synergy will ensure demand management and the best outcomes for our residents.</p> <p>Provider Capability Assessments have been developed to ensure that Providers are deemed capable of providing the necessary services.</p> <p>The Programme is ensuring links are made with other relevant strategies such as the Clinical Commissioning Group primary care development strategy and is working with the Corporate Programme Office in Croydon to ensure sufficient governance and risk management is in place.</p> <p>The pause to allow commissioner / provider alliance model to be fully developed and embedded is designed to ensure that the longer term benefits of Health & Social Care Integration are realised.</p>	<p>Executive Director of People</p>	<p>Cabinet Member for Families, Health & Social Care</p>
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<p>3. Risk that that the impact of new Housing and Planning Bill and government policy will reduce resources and force sales to the point that the HRA is no longer viable. And in the meantime will not be able to sustain either services or investment in stock and certainly not to the current level of expectations and targets.</p>	<p>The 30 year business plan of the Housing Revenue Account had previously factored in an assumed increase in rents (equal to increases in the consumer price index +1%). Government policy now requires social landlords to commit to decreasing rent by 1% from 16/17 over four years. This effectively reduces resources by £3m pa against the original business planning model. In addition introduction of “Pay to Stay” the forced sale of higher value council owned properties is likely to significantly exacerbate this negative impact. The impact on Croydon will not be known until the Government issues detailed regulations later this year.</p> <p>A programme of work is underway to review the current expenditure commitments and investigate efficiency savings that can be identified within the Housing Revenue Account, as well as an assessment of the impact of various options to ensure tenants’ interests are protected.</p> <p>There are ongoing discussions regarding the potential for efficiencies and savings/cuts to spending from across the housing service (Place & People) e.g. repairs and maintenance, general housing management, new build schemes and ‘housing plus’ services such as Community Development.</p> <p>The Council is also investigating in detail the use of Right to Buy receipts and the policy of selling Council homes in order to understand the best financial approach for Croydon.</p>	<p>Assistant Executive Resources 151 Officer)</p> <p>Chief (Corporate & Section</p>	<p>Cabinet Member for Homes, Regeneration and Planning & Deputy Leader.</p> <p>Cabinet Member for Finance & Treasury</p>
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	<p>The formation of Brick by Brick, a development company, will also allow provision of further affordable housing outside the borrowing restrictions of the Housing Revenue Account.</p>		
<p>4. Risk of continued shortage of affordable housing to meet urgent housing needs and increasing use of temporary accommodation and B&B for homeless households</p>	<p>To reduce the use of temporary accommodation and Bed and Breakfast costs, changes are being made to processes with interventions by the Gateway service actively reducing homelessness, by focusing on preventative measures. The establishment of a Homelessness Task Group provides additional challenge to the decision making process from when customers enter temporary accommodation to when a decision is made about eligibility for housing support.</p> <p>A Pan London initiative has been developed through London Councils to achieve value for money on Bed & Breakfast rates.</p> <p>The Council is actively maintaining and strengthening partnership arrangements with Registered Providers and enabling Registered Providers of social housing to bid for sites.</p> <p>The development of a council-wide Compulsory Purchase Order Strategy will consider the use of</p>	<p>Executive Director of People</p>	<p>Cabinet Member Families, Health & Social Care</p>

	<p>powers to support priority areas and schemes. The development of proposals for a site acquisition and capital funding programme will enable a number of stalled sites to come forward for affordable housing through the Housing Investment Fund. The formation of Brick by Brick, a development company, will also allow provision of further affordable housing as part of Croydon's supply strategy.</p>		
<p>5. Risk that a reduction in home Office funding for Unaccompanied Asylum Seekers will lead to additional budget pressures.</p>	<p>Croydon is treated as a Gateway authority due to the position of the Home Office in Lunar House. Based on the numbers of Unaccompanied Asylum Seeking Children supported by Croydon, the potential loss in funding equated to just under £4m.</p> <p>The Council held meetings with the Immigration Minister and others in the Home Office and entered in ongoing correspondence, conversations and clarifications with them.</p> <p>In the short-term, grant funding has been agreed with the Home Office and for the longer term, the Government is now putting in place a new policy that will encourage the distribution of Unaccompanied Asylum Seeking Children more evenly across local authorities across the United Kingdom. There remains a risk, however, that grant funding is reduced more rapidly than the redistribution of children to other local authority areas.</p>	<p>Executive Director of People</p>	<p>Cabinet Member for Children, Young People & Learning</p>

<p>6. There is a risk that the scale of redevelopment anticipated in the borough over the next five years could have an adverse effect on the borough's highways and transport infrastructure, and existing business base, particularly within the metropolitan center.</p>	<p>There is an unprecedented amount of redevelopment in the borough over the next five years which includes Transport for London capital investment, schools development, public realm improvement projects and specific projects such as the Croydon Partnership redevelopment of the shopping center.</p> <p>The programme of works continues to be managed through the Investment Delivery & Scheduling Group (MIDAS) which reviews plans to minimize disruption and uses a sophisticated Five Year Integrated Delivery Plan tool to do this. Challenge is provided by the Growth Board, Connected Croydon Board and tributary boards. Relevant Boards are attended by key external officers from Tramlink and Transport for London.</p> <p>The Croydon Strategic Metropolitan Board has been created and meets bi-monthly. This board is chaired by the Chief Executive and attended by relevant parties such as the Greater London Authority and has oversight of delivery of the Delivery Plan. The five year Delivery Plan is a roadmap for delivery of the whole town center redevelopment and sets out a series of outcomes and actions which the Council and partners will use to manage impact and measure success. Alongside the Plan sits a Dashboard tool which can be used to assess impact of the various developments and developments in combination. The tool can be used to effectively schedule works and manage communications.</p> <p>All groups and boards are working together to manage</p>	<p>Executive Director of Place</p>	<p>Cabinet Member for Homes, Regeneration and Planning & Deputy Leader.</p> <p>Cabinet Member for Transport & Environment</p> <p>Cabinet Member for Economy & Jobs</p>
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	the schedule of works as well as deliver a joined up communications campaign to residents and businesses.		
7. Significant internal audit recommendations were raised due to a lack of compliance with the Councils Contracts and Tenders Regulations, including contract formalities and the retention and availability of key documents;	<p>The Council's contract management transformation programme will provide a framework for ensuring effective contract management arrangements are in place. As a part of developing this new approach all the Council's contracts have been identified and assessed for current levels of performance and contract management assurance. A process for the electronic retention of contracts is also being developed which will ensure that officers are readily able to access contracts in order to support commercial contract management arrangements.</p> <p>The new tenders and contracts regulations have been agreed and these seek to clarify the roles and responsibilities of everyone involved in commissioning and procurement. An organizational wide engagement process is now underway to ensure officers are aware of the changes.</p>	Director SCC (Assistant Chief Executive (Corporate Resources & Section 151 Officer))	Cabinet Member for Finance & Treasury
8. Internal audit work revealed ongoing late commitments being raised and authorized for adult social community care payments, which are impacting financial and budgetary control,	<p>Improvements have been made to the commitment and prior authorization process resulting in a significant improvement to the late commitment report. The report is run and examined by the Senior Management Team on a weekly basis.</p> <p>There is a review of the People Department IT systems which will recommend a change to the Adult Social Care case management system and improve</p>	Director of Adult Social Care (Executive Director People)	Cabinet Member for Finance & Treasury

	<p>the commitment and payment process. As this will take time to implement, measures taken in the interim are: a review of the business process within hospital discharges to simplify the process, a further commitment check process will be in place for emergency placements, Care Act facilitators will ensure the system process is in place before the case is presented to the panel and further training has been provided to practitioners.</p>		
<p>9. Significant internal audit recommendations were raised relating to contract management, including weaknesses in active monitoring and physical checking.</p>	<p>The Council's contract management transformation is still in the process of being implemented. This will develop a centre of contract management excellence and provide targeted corporate support for all tier one contracts (high risk, high value). This will be supported by clear contract management guidance and tools that make clear roles and responsibilities in regards to contract management, provides contract managers with tools to ensure contracts are actively managed and, ensures greater corporate visibility of overall contract portfolio performance through greater reporting requirements. This will also be supported by a programme of learning and development opportunities for those involved in managing contracts.</p>	<p>Director SCC (Assistant Chief Executive (Corporate Resources & Section 151 Officer))</p>	<p>Cabinet Member for Finance & Treasury</p>

Table 2 Issues raised in 2014/15 Statement and progress to date

Key Risks	Action	Progress	Responsible Cabinet Member & Responsible Officer
<p>1. 68% of the schools audited during 2014/15 were given a limited assurance (15 'limited' out of 22 schools audited). Significant recommendations raised as a result of these audits related primarily to compliance with procurement requirements</p>	<p>The Council's Governance team is offering preparation for audit visits to schools to explain good practice and audit expectations. Several visits have now been conducted where invited by schools. It is hoped that the effect of these will be reflected in audit results during the coming year. In addition, at the request of the General Purposes & Audit Committee, Members of the Council who are also school governors have been requested to ensure that audit reports are discussed at governors meetings so that implementation of recommendations can be monitored. Training is also offered periodically to School Business Managers and governors by Octavo and the Council's Governance team as well as other providers.</p> <p>Key risks and awareness raising for governors was an agenda item at the autumn term Director's meeting with Chairs of Governors.</p>	<p>A lot of work has been carried out to raise awareness of how schools can 'do the right thing' in terms of good governance. This has seen a significant improvement in the results of internal audits carried out in schools over the last year.</p> <p>At the point of writing, only 15% of schools (4 out of 26) received a limited assurance for finalised audits carried out during 2015/16 (68% in 2014/15).</p>	<p>Cabinet Member for Children, Families and Learners</p> <p>Executive Director People</p>
<p>2. Several internal audits made recommendations to address lack of compliance with the Council's Contracts & Tenders Regulations.</p>	<p>The main issues relate to contract management and a lack of a consistent approach across all areas of the Council and compliance with good practice. In 2015/16 the Council is implementing the contract management transformation programme. This will introduce a new systematic</p>	<p>The Council's contract management transformation programme has been delayed and is still being implemented. The new approach should be in place by Qtr3 16/17 and will provide a framework for ensuring effective contract</p>	<p>Cabinet Member for Finance & Treasury</p> <p>Assistant Chief Executive (Corporate Resources & Section</p>

<p>These included contract formalities and the retention and availability of key documents.</p>	<p>approach to contract management embedding a new commercial focus and professionalising the service. It will also provide new tools and systems to support better contract compliance and ensure retention and availability of contracts documents.</p> <ul style="list-style-type: none"> • Governance changes have been implemented for the Education and Public Realm Delivery Programmes clearly identifying the responsible Director and ensuring reporting processes capture the right information and decisions are made in the correct and a timely manner. Revised programme boards have Directors engaged in more detailed management decisions including procurement governance and contract / project management. The transfer of the client role to managers with extensive experience of capital and area based regeneration delivery has resulted in more robust accountability for change, finance and delivery issues. Programme Boards include regular Procurement forward plan and contract management items to provide additional exposure to these issues; programme boards have procurement and finance officers in attendance. • Changes to staffing structures will embed capital delivery more firmly within the mainstream operational practices of the organisation; the Capital Delivery Hub (CDH) has been broken up; historic service practices will be reviewed and a standardised approach to procurement and contract management will be rolled out. • An Audit single point of contact has been appointed in the department to ensure that audit 	<p>management arrangements are in place. As a part of developing this new approach all the Council's contracts have been identified and assessed for current levels of performance and contract management assurance. This information is now being used to priorities areas for further support and to inform the developing framework.</p> <p>A process for the electronic retention of contracts is also being developed which will ensure that officers are readily able to access contracts in order to support commercial contract management arrangements.</p> <p>The new tenders and contracts regulations have been agreed and these seek to clarify the roles and responsibilities of everyone involved in commissioning and procurement. An organizational wide engagement process is now underway to ensure officers are aware of the changes.</p>	<p>151 Officer)</p>
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	responses are more effectively managed and co-ordinated and that priority is given to providing information in a timely manner.		
3. The current economic conditions, lack of supply of private and public sector rented accommodation, changes to housing benefit and welfare reform continue to increase the rate of homelessness and demand for social housing. As a result, the Council continues to need costly emergency and temporary accommodation during 14/15	<p>Homelessness continues to increase in response to structural economic factors and an increasingly unaffordable housing market in London and the South East of England.</p> <p>Homeless acceptances increased by 118 (15%) in 2014/15 and the use of temporary accommodation by 14% in 2014/15. The most common cause of homelessness is the loss of a private rented tenancy (up 31% on previous year). Acceptances are projected to increase by 60 per year over the next five years and the use of temporary accommodation by 300 households per year.</p> <p>Recent judgments in the Supreme Court concerning local authorities' assessment of vulnerability, use of temporary accommodation out of borough and decisions concerning intentional homelessness are also expected to place additional demands on the use of temporary accommodation, and add a substantial layer of complexity on assessing the suitability of temporary accommodation.</p> <p>Despite this challenging outlook, a number of projects and plans are underway which provide a positive response. In terms of overall housing supply the majority of the 2014/15 Council new</p>	<p>The new Gateway service has been set up and is now fully operational, working actively to decrease the number of families entering into temporary accommodation and reducing the length of time spent in bed and breakfast. This is achieved through early intervention and use of preventative measures, and taking a holistic family view of customers' circumstances and needs. Weekly monitoring of the service results is in place.</p> <p>A Homelessness Task Group has been set up which provides additional challenge and oversight of the decision making process from where people enter into temporary accommodation to decisions about eligibility for housing support.</p> <p>A Pan London initiative has been developed through London Councils to achieve value for money on Bed & Breakfast rates.</p> <p>To help manage supply and demand, a new allocations policy and tenancy strategy is in place and procurement of</p>	<p>Deputy Leader (Statutory) – Homes and Regeneration</p> <p>Executive Director of People</p>

	<p>builds (30) will become available in 15/16, as will the expected increase in housing association new build from the end of the 2011/15 affordable homes programme (minus those owed to sub-regional partners via the nominations agreement). Also Croydon's 5 Year Housing Delivery Plan aiming to deliver 9,500 starts on site between 2013 & 2018 will start to have an effect.</p> <p>A new plan to reduce the Council's use of temporary accommodation will commence which will include a thoroughgoing review of cases currently in temporary accommodation, amendments to the housing allocations scheme, and a review of current arrangements to procure temporary accommodation.</p> <p>In addition Housing Needs and Gateway Services are progressing with pilot projects aimed at preventing homelessness through early intervention, engaging people already placed in emergency accommodation. Further areas for developing prevention initiatives include family mediation and landlord negotiation. The target for 2015/16 is to prevent homelessness for 65 households.</p>	<p>temporary accommodation outside of the borough is considered where appropriate.</p>	
<p>4. The Council continues to face significant reductions in its grant funding over the period 2015/18</p>	<p>The deficit recovery programme is expected to continue over this period and the council is expecting to see a further £50m reduction in grant funding. The Croydon Challenge programme and the benefits the programme delivers will be critical to the council's financial strategy. The approach will continue to focus on the medium term (3</p>	<p>The Council has a track record of delivering significant savings since 2010 and reported a small underspend for 2015/16.</p> <p>The council is well placed to tackle the challenges ahead and has a</p>	<p>Cabinet Member for Finance & Treasury</p> <p>Assistant Chief Executive (Corporate Resources & S151 Officer)</p>

	<p>years) to ensure there is a clear strategy to delivering a balanced budget. The target is to present proposals to Scrutiny and Overview Committee in December 2015.</p>	<p>comprehensive transformation programme in place.</p> <p>Quarterly monitoring of in-year financial performance is carried out by the Corporate Leadership Team and Cabinet. The savings for 17/18 have been signed off by Cabinet as part of the budget setting report.</p> <p>In order to contain the spending for the People department where there is increasing pressure for services through changing demographics and customer needs, a review of the spend and needs of the top 50 most costly families in the People department has been accelerated to report opportunities for cost reduction. There has also been an increase in care placement controls and challenge in social care and a Transformation of Adult Social Care services programme has been started.</p>	
<p>5. The Care Act introduces the biggest changes to adult social care since the Community Care Act in 1990 and introduces new wide sweeping duties on local authorities further developing in 14/15.</p>	<p>Care Act implementation plans are reviewed monthly by the Care Act Work stream Board. This has ensured phase 1 of implementation was achieved and is now actively working towards 2016. Regular reports are delivered for Executive Leadership Team in respect of the regulations and guidelines and implementation progress.</p> <p>The funding arrangements of the Dilnot</p>	<p>In April 2015 The Care Act 2014 replaced most previous law regarding carers and people being cared for. It outlines the way in which local authorities should carry out carer's assessments and needs assessments; how local authorities should determine who is eligible for support; how local authorities should charge for both</p>	<p>Cabinet Member for People and Communities</p> <p>Executive Director of People</p>

	<p>recommendations (in April 2016) including the funding cap of £72k per person are still to be confirmed and this may bring about the risk of greater litigation and potentially Judicial Reviews. The ability to accurately forecast costs when there are so many variables, including behavioral change increases the level of financial risk.</p> <p>Scenario planning of future costs from April 2016 are now being produced. This is based on a new Dept of Health model with Croydon being part of the test group of 35 Local Authorities, with the aim being to validate the new model. Assuming that there are no changes to the national implementation schedule, funding will be allocated in December 2015. The intention of the Department of Health remains that funding will be made available to ensure these significant new burdens do not fall upon local authorities.</p>	<p>residential care and community care; and places new obligations on local authorities.</p> <p>The Government had planned to introduce a cap on care costs. It was suggested that there would be a cap on the maximum amount of care costs someone has to pay during their lifetime, which would be £72,000 for those of retirement age. However this has been postponed until 2020 at the earliest, and there is no certainty that it will ever come into effect. As such the risk has been mitigated in the interim, until there is further information about if, and when, these changes will come into force.</p>	
<p>6. Further development and embedding of improvement in children's social care in the context of the plan to improve services from a low base over the medium term, the growth of demand due to the increases in the population and the growth in deprivation, and the difficulty in recruiting</p>	<p>The service continues to show evidence of improvement in terms of the majority of national and local indicators. However, there are areas of concern, such as the Assessment Service, where performance still needs to improve where we are working to improve consistency in quality. This is related to the significant rise in the number of assessments coming into the service through demand growth. The Croydon Challenge project on Children in Need, is designed to address these issues by designing new services at the higher end of Early Help.</p>	<p>In order to recruit and retain social workers, the Council has implemented a Social Care improvement plan which includes a systematic training programme for social workers. In addition, the Council is taking part in the Assessed and Supported Year In Employment (ASYE) programme which is helping to recruit new social workers. Additional resource has also been committed in Children in Need to manage an immediate increase in</p>	<p>Cabinet Member for Children, Families and Learners</p> <p>Executive Director of People</p>

<p>permanent social workers, at a time of severe restraint on resources</p>	<p>Recruitment and retention has improved but the increasing demand in terms of numbers of children in need is resulting in social worker caseloads that continue to put this improvement at risk Caseload levels are therefore carefully monitored.</p> <p>Numbers of local Children Looked After have reduced in the past year. Levels of children on Child Protection plans have remained largely the same.</p> <p>The implementation of systemic training to promote relationship based practice is designed to improve the quality of interventions. Audit activity has increased in the past year to give increased information about consistency of quality.</p>	<p>demand.</p> <p>Serious case reviews and a quality assurance framework is being used to improve standards in case work. Projects to reduce the number of local looked after children and a development of an alternative model for children in need services are being considered.</p>	
<p>7. There is an on-going risk that the scale of redevelopment anticipated in the borough over the next five years, (including Transport for London capital investment, schools development, public realm improvements plus specific projects such as the Whitgift redevelopment etc.), could have an adverse</p>	<p>The Council has invested in a sophisticated tool in the form of the Five Year Integrated Delivery Plan which will help the Council manage the scheduling of developments and projects so as to minimise the impact on businesses and residents. The tool enables the Council to plan interventions with partners and stakeholders to ensure that the borough can continue to operate even during peaks of construction.</p> <p>The tool will be used by the MIDAS group (Management of Investment Delivery and Scheduling) a partnership group managed by the Council and involving key partners including</p>	<p>The Croydon Strategic Metropolitan Board, chaired by the Chief Executive and attended by relevant parties such as the Greater London Authority, has oversight of delivery of the Delivery Plan. The five year Delivery Plan is a roadmap for delivery of the whole town center redevelopment and sets out a series of outcomes and actions which the Council and partners will use to manage impact and measure success. The Plan is used in conjunction with a Dashboard tool which assesses the impact of the various developments and</p>	<p>Deputy Leader (Statutory) – Homes and Regeneration</p> <p>Cabinet Member for Transport and Environment</p> <p>Executive Director of Place</p>

<p>impact on the borough's highways and transport infrastructure, and existing business base, particularly within the metropolitan centre</p>	<p>Transport for London (TfL) to intelligently schedule highways and transport infrastructure works to manage negative impacts.</p> <p>The Council will continue to work with partners to manage joined up communications relating to the works delivery and scheduling.</p>	<p>developments in combination. The tool can be used to effectively schedule works and manage communications.</p> <p>The Investment Delivery & Scheduling Group (MIDAS) reviews plans to minimize disruption. Challenge is provided by a range of appropriate Boards and these are attended by key external officers from Tramlink and Transport for London.</p> <p>All groups and boards are working together to manage the schedule of works as well as deliver a joined up communications campaign to residents and businesses.</p>	
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We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. The Cabinet will also be identifying new ways of addressing the above matters. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Jo Negrini
Acting Chief Executive

Tony Newman
Leader of the Council