

General Purposes & Audit Committee Agenda



To: Councillor Karen Jewitt (Chair)
Councillor Joy Prince (Vice-Chair)
Councillors Pat Clouder, Bernadette Khan, Mary Croos, Stephen Mann,
Jan Buttinger, Oni Oviri, Stuart Millson, Steve Hollands, Muffaddal Kapasi
and Nousheen Hassan

Reserve Members: Clive Fraser, David Wood, Jamie Audsley,
Sherwan Chowdhury, Patsy Cummings, Toni Letts, Jason Cummings,
Badsha Quadir, Ian Parker and Simon Brew

A meeting of the **General Purposes & Audit Committee** which you are hereby summoned to attend, will be held on **Wednesday, 9 October 2019** at **6.30 pm** in **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**

JACQUELINE HARRIS-BAKER
Council Solicitor and Monitoring Officer
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

Michelle Gerning
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www.croydon.gov.uk/meetings
Tuesday, 1 October 2019

Members of the public are welcome to attend this meeting.
If you require any assistance, please contact the person detailed above, on the righthand side.

N.B This meeting will be paperless. The agenda can be accessed online at www.croydon.gov.uk/meetings

AGENDA – PART A

1. Apologies for Absence

To receive any apologies for absence from any members of the Committee.

2. Minutes of the Previous Meeting (Pages 5 - 18)

To approve the minutes of the meeting held on Thursday 11 July 2019 and Tuesday 23 July 2019 as an accurate record.

3. Disclosure of Interests

In accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, Members and co-opted Members of the Council are reminded that it is a requirement to register disclosable pecuniary interests (DPIs) and gifts and hospitality to the value of which exceeds £50 or multiple gifts and/or instances of hospitality with a cumulative value of £50 or more when received from a single donor within a rolling twelve month period. In addition, Members and co-opted Members are reminded that unless their disclosable pecuniary interest is registered on the register of interests or is the subject of a pending notification to the Monitoring Officer, they are required to disclose those disclosable pecuniary interests at the meeting. This should be done by completing the Disclosure of Interest form and handing it to the Democratic Services representative at the start of the meeting. The Chair will then invite Members to make their disclosure orally at the commencement of Agenda item 3. Completed disclosure forms will be provided to the Monitoring Officer for inclusion on the Register of Members' Interests.

4. Urgent Business (if any)

To receive notice of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

5. Grant Thornton Report on the Value for Money Conclusion

[Report To Follow]

6. Grant Thornton - Annual Audit Letter

[Report To Follow]

7. Treasury Management Strategy Statement and Annual Investment Strategy - Mid-Year Review 2019/20 (Pages 19 - 38)

This Report details the Council's Treasury Management activities during the first half of 2019/2020 and its compliance with the 2017 Prudential Code for Capital Finance.

8. Internal Audit Update Report (Pages 39 - 60)

This report details the work completed by Internal Audit so far during 2019/20 and the progress made in implementing recommendations from audits completed in previous years.

9. Anti-Fraud Update Report (Pages 61 - 66)

This report details the performance of the Council's Corporate Anti-Fraud Team (CAFT) and includes details of the team's performance together with an update on developments during the period 1 April 2019 – 31 August 2019.

10. Corporate Risk Register (Pages 67 - 88)

The report updates the General Purposes & Audit Committee Members on the corporate risk register (the register) as at 09 November 2019.

11. Council Meeting Dates 2020/21 (Pages 89 - 98)

The report invites Members to consider for approval and noting respectively the proposed schedule of dates for Council and Cabinet Meetings for the Council year 2020/21.

12. Exclusion of Public and Press

The following motion is to be moved and seconded where it is proposed to exclude the press and public from the remainder of a meeting:

“That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information falling within those paragraphs indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.”

PART B

13. Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review 2019/2020 - Appendix E (Pages 99 - 104)

For Members to receive Appendix E of the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review 2019/2020 Report (Part B).

General Purposes & Audit Committee

Meeting of General Purpose and Audit Committee held on Thursday, 11 July 2019 at 6.30pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Karen Jewitt (Chair);
Councillor Joy Prince (Vice-Chair);
Councillors Pat Clouder, Mary Croos, Stuart Millson, Steve Hollands and Ian Parker (In place of Jan Buttinger)

Also

Present: Councillor Simon Hall (Cabinet Member for Finance)
Richard Gray (Risk and Corporate Programme Officer)
David Hogan (Head of Anti-Fraud)
Simon Maddocks (Head of Internal Audit)
David Phillips (MAZARS)
Lisa Taylor (Director of Finance, Investment and Risk, S151 Officer)

Apologies: Councillors Bernadette Khan, Stephen Mann and Oni Oviri;
Co-optees Muffaddal Kapasi and Nousheen Hassan

PART A

14/19 **Minutes of the Previous Meeting**

The minutes of the meeting held on Thursday 4 April 2019 and Monday 20 May 2019 were agreed as an accurate record.

15/19 **Disclosure of Interests**

There were no disclosures made.

16/19 **Urgent Business (if any)**

There were no items of urgent business.

17/19 **Head of Internal Audit Annual Report**

The Head of Internal Audit introduced the item to the Committee and reported in summary that the internal control environment of the council had been given substantial assurance based on all the internal audit work carried out in 2018/19. The report detailed all work carried out during the year to support the Annual Government Statement.

One of the requirements of the report was that it should highlight specific areas of weakness that should be carried forward into the Annual Governance Statement. For 2018/19 these were the following:

- Although there continues to be improvements, during the course of internal audit work during the year, a number of issues were identified with contract monitoring and management.
- Internal audit work during the year identified a number of issues relating to financial management within the adult and children's social care teams.
- An internal audit conducted during the year of energy recharges identified some significant weaknesses resulting in circa £4M of recharges being outstanding, a significant part of which related to organisations outside of the council. This resulted in a 'No Assurance' audit report being issued.
- Following a change in legislation during 2018, internal audit identified a number of instances where privacy notices relating to the collection of personal data were missing or were no longer fit for purpose. Also noted that agreements with 3rd parties did not always address this issue adequately.

The Committee **RESOLVED** to:

- Note the Head of Internal Audit Report 2018/19 (Appendix 1) and the overall substantial level of assurance of the Council's systems of internal control.

18/19 **Internal Audit Review of Effectiveness**

The Head of Internal Audit introduced the report, which was reviewed once a year and formed as part of the Annual Government Statement. The Committee heard that the functions carried out which were listed in the report, had been effective, and this was defined by Mazars who were the internal auditors.

Officers further summarised the report highlighting that the Council had undertaken a peer review in 2016 by another borough, which was recommended every 5 years.

Officers highlighted that the Council's target for audit recommendations to date implemented at the time of the follow up, the audit was 80% for priority two and three recommendations and was 90% for priority one recommendations.

The performance for 2018/19 was lower due to the continuation of the ongoing work; however, the numbers would begin to increase.

Table 2 in the report detailed the Internal Audit service performance of 2018/19, which provided a 100% deliverance, and a good performance within the team.

Officers shared that the service had over achieved targets, which was a success, and with a number of good draft reports, on-going work was being completed within a good time.

Officers further reported the outcome of the stakeholder feedback, which was of good satisfaction. The table in the report demonstrated the significant change from previous year and the adverse comments provided were used for learning and improving the service.

Officers were happy with the service and the way audit requirements and budgets had been delivered throughout the year.

Members of the Committee welcomed the report and highlighted the good work achieved by the service accomplishing satisfactory rates in the survey. However, Members noticed that the response rates from customers were low and learned that the benchmark had been low as the survey was a response to a follow up. Staff in the service worked hard to follow up on the feedback received to attain best results, which was important for a standard return rate.

The Committee **RESOLVED** to:

- Review and comment on the Director of Finance, Investment & Risk (interim Section 151 Officer)'s assessment of the internal audit function.

19/19 **Anti-Fraud Update Report**

The Head of Anti-Fraud summarised the performance of the Anti-Fraud service and highlighted that in 2018/19 the service worked hard in strengthening the financial and risk management. This was a good year for the service with increased volume of work undertaken and strengths achieved.

An example of work achieved was around the misuse of disabled parking permits (Blue Badges). The results were of a very good and high quality standard with a tough stance taken and good resource input, and as a result, there were nine prosecutions.

With questions raised by Members of the Committee in relation to the take up of the London Counter Fraud Hub, officers informed that there had been a commitment from all thirty-two London boroughs to sign up, although to date no local authority had taken lead role, as there was still work for completion for a legal contract. As the Hub referred to a subscription, it was proposed for a London paid two-tier subscription. Croydon had not funded any subscription in this year.

Members further heard that CAFT was working with the London Councils, and the London Borough of Ealing was leading the project on behalf of all London boroughs and Croydon Council was piloting the project. Officers found that there were still ongoing work to finalise the contract arrangements. Looking ahead it was anticipated that most of the London boroughs would sign up to the Hub, and as work continued, officers would have a clearer picture in October of the numbers of subscriptions following legal paperwork completion.

Further questions from Members related to key performance indicators and “what a successful outcome looked like”. Officers highlighted that what was defined as a successful outcome was the piece of work that had a positive impact at the end, such as the council property being re-let to another family, or a blue badge being cancelled for misuse, therefore tangible outcome, cash savings and emotional savings.

In response to further queries raised by Members of the Committee on the blue badges and housing, the officers present clarified that:

- The outcome had gone up and the value had gone down as the team worked very hard, and the concentration of the work attracted emotional value.
- The service focused on what effected the residence the most and found that the misuse of blue badges was becoming a problem and the impact on parking misuse was becoming high. Having tackled the problem the affected area had improved.
- Table 2 in the report had shown a breakdown of the outcomes from April 2018 to March 2019 in comparison to the same period in 2017-18 and saw that previously there were twenty-two incidents of blue badged abuse and there had been an increase since. To capture 5 more meant the service had to invest in time and money and this did not seem correct compared to the housing values.
- The problem the service had last year was the number of high quality forged blue badges. Once reported, work was investigated immediately to capture the fraudulent activity. Last year the service provided more penalty charges and other ways in dealing with the matter, which focused around changing behaviours on the offender. The focus and goal this year was to penalise the offender by using the document as a final piece of evidence to present in court. The work around this would implement a different outcome to get to court.
- Of the 19 recovered properties for the value of £342k and 8 recovered properties for the value of £144k, Members learned that the value was set up by the audit commissioner and that the council used a figure of £33k jointly with neighbouring local authority who also claimed emotional value for recovery too.

- The key performance indicators were shown in an accurate value, as the target would be to recover property being occupied by a fraudulent council tenant.
- There were no benchmark across London. The service were using their neighbouring boroughs to join Croydon to have a benchmark value. Looking at the outcomes, the service had dropped from nineteen to eight; there were still eleven homeless families. The service needed to relook at the value and encourage using the resources available.
- There was an amendment to the last sentence in paragraph 5.1 in the local government transparency code where the detailed report covered the period from April 2018 to March 2019. The figures represent a full year.

The Chair welcomed the idea to have a cross-borough benchmark to have uniformity and a better stead.

The Committee **RESOLVED** to:

- Note the Anti-Fraud activity of the Corporate Anti-Fraud Team for the period 1 April 2018 – 31 March 2019

20/19 **Corporate Risk Register**

The Risk and Corporate Programme Officer presented the risk register covering report to the committee, which highlighted the addition of a risk entry to the corporate risk register with a 'red' rated risk score since the last committee meeting in March 2019:

'The funding levels provided through the Government Grant were significantly lower than forecasted or anticipated, resulting in severe limitations being placed on the Council's Medium Term Financial Strategy'.

The Committee **RESOLVED** to note the contents of the corporate risk register covering report as at 11 July 2019.

21/19 **Scheme of Members Allowance**

The Committee heard that in line with the basic increase of staff pay in which all staff had received, there was an annual increase of the Members' allowances of 2%, which was adopted from the Independent Remuneration Panel Report (IRP).

With further background requested by Members, the Committee heard that the IRP had been in place for twenty years, and every four years they produced a report where remit would be agreed across all parties within each

local borough in London. With the remit set by the IRP, it was considered not contentious.

Councillor Hall added that the Council was under an enormous financial pressure, and as the scheme of allowance went through Full Council last year, the allowance was proposed to be below the wages by the IRP despite this being the largest borough. However, the report presented to the Committee was about the 2% increase. This was set on the national pay award and how it would be implemented in the borough.

The Committee further heard that the level of each allowance to the role carried out was insignificant as the IRP looked to balance all different factors and time councillors would spend, by conducting surveys and average on wages. The whole mechanism on what had been taken into account was within their report.

The Committee **RESOLVED** to:

- To agree an amendment to the current Members' Allowance Scheme to provide for an increase in allowances in line with the annual local government staff pay settlement of 2% and therefore approve the revised Allowances for Members or 2019/20 as set out in Appendix A to this report; and
- To authorise the Director of Law and Governance to comply with the on-going annual publicity of the Members' Scheme of Allowances, which is required, and subject to Members' approval of recommendation 1.1 of this report, the approval of the revised Members' Allowance Scheme as detailed in this report.

22/19 **Exclusion of Public and Press**

This was not required.

The meeting ended at 7.18 pm

Signed:

Date:

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General Purposes & Audit Committee

Meeting of General Purpose and Audit Committee held on Tuesday, 23 July 2019 at 6.30 pm
in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Joy Prince (Chair);

Councillors Pat Clouder, Mary Croos, Stephen Mann, Jan Buttinger,
Steve Hollands, Clive Fraser (In place of Karen Jewitt) and
Sherwan Chowdhury (In place of Bernadette Khan)

Also

Present:

Councillor Simon Hall
Matthew Dean (Senior Manager Grant Thornton)
Sarah Ironmonger (Grant Thornton Engagement Leader)
Jacqueline Harris Baker (Executive Director of Resources and Monitoring
Officer, Legal and Governance)
Lisa Taylor (Director of Finance, Investment and Risk, S151 Officer)
Simon Maddocks (Head of Internal Audit)
Malcolm Davies (Head of Insurance and Risk)
Ian Geary (Head of Finance, Finance Investment and Risk)
Matt Hallett (Pension Fund Investment Manager)
Luke Chiverton (Head of Operations, Brick by Brick)

Apologies: Councillors Oni Oviri and Stuart Millson
Co-optees Muffaddal Kapasi and Nousheen Hassan

PART A

23/19 **Disclosure of Interests**

There were none.

24/19 **Urgent Business (if any)**

There were no items of urgent business.

25/19 **Brick by Brick Audit Report**

The Head of Operations introduced the Brick by Brick Audit Report and informed the meeting that the report was a draft from 2018. The report was in its final stages and was ready to be signed off.

Officers informed the Committee that the Director's Report on the audit of accounts had two restatements, which covered a fifteen-month period. This was due to the amendment of the financial year. The change helped prepare the group statements in a straightforward manner.

A loss of £744,952 was recognised for the period. This reflected sale revenues and the fact that some properties had not yet reached their completion stages, and therefore their value was not able to be released until all the sales were completed. It was the objective to achieve these sales during 2019/20.

Officers further summarised that all expenditure related to operating expenditure, which was budgeted for and remained variable. This covered the amount reported within the statement. Some expenditure had to be accounted for and it was recognised that the sales revenue was coming through this year.

In response to questions raised by Members, officers clarified that the statement of comprehensive income was an example of the balances, which were all payable to the London Borough of Croydon.

The statement of financial position highlighted the total assets in their current form, which represented the working progress, and investment that was due to be completed.

With regard to income revenue, officers confirmed that potentially next year the Council would see the true cost and profit achieved through the completion of a single Brick by Brick scheme with a turnover of £10million.

In response to questions raised by Members in relation to their confidence in the independent audit report, officers explained that this was in its draft form. Officers clarified that the Council was 100% the shareholder, and the audit report, which was in draft and formed part of the accounts, would be finalised by the end of the month. The Council Solicitor explained, in relation to the legal sign off, that there would have to be a major relevant impact to be part of Committee consideration; to say there was no legal implication meant there were no major legal factors that the Committee needed to consider. As such, there were no direct implications and the report was signed-off.

In relation to questions from Members in relation to significant penalties on the contracts and how they were reflected in the accounts, officers informed the meeting that material factors relating to each scheme were detailed in working progress. The evaluation work was completed and the penalty was reduced from when the scheme would be completed. This was reviewed as a bigger profit. Further, officers stated that this was to be clarified in the reported profit against the scheme.

Members asked how depreciation of housing would be measured given the turbulent housing market issues. Officers explained that depreciation related

to the buildings that were purchased and recorded as a cost within the sale of completed scheme. Brick by Brick had completed four properties.

Officers explained that uncertainty in the property market had been addressed by taking a conservative approach to values and therefore no impairment strategy was needed. The expectation was to exceed the sale of units as stated in the business plan. To date, there had been a market release of 96 units with 45% shared ownership. More units were scheduled to be released. There were also 40% off-sales reservations- 20% of what had been released had been sold. Officers reported growing interest in Brick by Brick properties.

The committee **RESOLVED** to:

- Note the draft Brick by Brick Croydon Ltd Director's Report and Financial Statements for the period ended 31st March 2019 (Appendix 1).

26/19 **Financial Performance Report**

The Director of Finance, Investment and Risk (S151 Officer) introduced the report and informed the meeting that the annual report was the outturn position for 2018/19. Part of the report was presented at Cabinet in July 2019, and this report provided a more detailed position for the Council and on its capital position.

Officers shared that the executive summary detailed an over spend of £5.466 million which was made up of small amounts of pre-exceptional and exceptional overspend.

The analysis of the departmental variances showed that the total departmental overspend finished with £6,998 million in the year, which was more than budgeted. The overspend was mainly as a result of placement costs for looked after children and children with disabilities.

The report highlighted the Council balances and reserves where officers noted that the General Fund balance was not stable. Currently the service had seen a demand increase. Officers highlighted that the Council had a General Fund balance of £10.4 million as of 31 March 2019 and earmarked reserves of £14.2 million, which would fluctuate in years to come.

Officers highlighted that the capital programme for the Council was £449 million. There was an underspend of 21% which resulted from slippage within the delivery of the scheme. The department was optimistic for change in the New Year.

Officers highlighted that the housing revenue account had an underspend of £736k which would carry forward to 2019/20 budget.

Officers summarised the 9.80% increase of the value in the Croydon Pension Fund and noted that details of the treasury management, which was in a good position for the financial year.

Officers highlighted that Cabinet approved a four-year financial strategy in October 2018. Subsequently, the service was delivering against the financial strategy, which was a part of the budget setting process.

In response to questions raised by Members in relation to the overspend of £5.466 million, officers clarified that the exceptional spend related to additional costs associated with Unaccompanied Asylum Seeking Children, which there was no recourse to public funds, and the impact on Universal Credit.

In response to questions raised by Members in relation to the overspend of electoral services, public realm and the unachievable digital advertising income target, officers explained that for electoral services the overspend was a mixture of timing and the additional costs of work scheduled in 2018/2019. For public realm and street lighting, officers explained that there were no new contracts in place and the service was managing and working with the contractor. With regards to the unachievable digital advertising income it was noted that savings were difficult to manage. Although there was a target, there were unforeseen issues.

In response to questions raised by Members in relation to borrowing, officers highlighted that the official borrowing figure would fall under that which has been set, as this was not nationally set. It was highlighted that for 2018-22, due to the Brexit, interest rates were favourable and did not change on the 1st April.

In response to questions raised by Members, in relation to the shortfall in housing benefits, officers shared that the Department for Work and Pensions provided subsidised the payment of benefits to households in need. However, the Council would not be fully reimbursed. For clarity, the Department for Work and Pensions funded the grants for the Gateway Department. In the report, the overspend was noted in the Resources Division.

Further, Members queried about the exceptional variance in the housing budget. Officers shared in detail how the Home Office provided a grant to the Council. The Council had incurred costs for the unaccompanied minor service; however, the grant did not cover the full costs for looked after children, so the Council covered some of the costs. It was therefore important to receive the right level of funding for the borough. The Council had received a big shortfall in the funding as pay had increased. It was noted that the Council was campaigning for more funding to provide the level of care needed by young people.

In response to questions raised by Members in relation to housing benefits officers clarified that what was paid was determined on a case-by-case basis.

As such, the Council often paid above the housing allowance to support individuals and families.

The Committee RESOLVED to:

- Approve the levels of reserves and provisions set out in section 8 of the report, as recommended by the Interim Section 151 Officer;
- Note the Council's outturn position, and the progress of the Council's current Financial Strategy objectives;
- Note the departmental revenue budget outturn variances as contained within Table 1 and 2 and Appendix 1 of the report;
- Note the capital budget outturn as detailed in section 4 and Appendix 2 of this report.
- Note that a report seeking final approval of the accounts following their review by external audit is a separate item on this agenda; and
- Note that work has commenced to review the MTFs which was approved at full Council in October 2018 and will be presented to Cabinet as part of the budget 2020/21 report in February 2020 with a report on the budget setting process also being presented to Scrutiny and Overview Committee in September 2019.

27/19 **Audit Findings Report**

The Director of Finance, Investment and risk (s151 Officer) shared the report with Members and highlighted that Grant Thornton had worked very hard with Croydon's accounts. It was noted that work was still ongoing and near completion.

Officers presented two audit reports enclosed within the report, (1) the Council General Fund and (2) the Pension Fund. There were also letters of representation for both audit reports. Officers shared that the Annual Accounts were currently in their draft form and would be updated once finished and available on the website.

The Grant Thornton Engagement Leader spoke to the General Fund Audit report and highlighted that Grant Thornton was in a position to provide an unqualified opinion by 31st July with no expected delay or issues.

Officers shared that the risk remained the same though there was more work to do. There were no issues with statutory duties.

Officers acknowledged the hard work of the finance team; they had produced good quality work and had responded to detailed questions between teams.

Officers highlighted one of the significant risks raised in the Audit Plan: - *Valuation Pension Fund net liability* and summarised using the McCloud Court of Appeal case ruling. This was a legal judgement that had implications for the Croydon Pension Scheme. The finance team was responsible for assessing the liability, as there was an adjustment for the transitional arrangement.

In relation to key judgements and estimates, officers noted that figures were reasonable and there were more figures to be accounted for. Officers were not expecting any difficulties.

In relation to audit adjustments, officers mentioned that the London Business Rates Pool had raised the amount in the accounts and McCloud and GMP had made an impact on past service costs. Officers further informed the meeting that the treatment of school grants was not a material figure. Officers had addressed the incorrect flaw that found one error and had undertaken some additional testing.

The accounts were complex and the Chair congratulated the team on the clarity and the hard work shown.

The Senior Manager of Grant Thornton spoke to the Pensions Fund Audit report and highlighted that the format was identical to Council Funds.

Officers highlighted that they had identified a few minor adjustments that were in respect of some of the disclosures in the accounts. To note further, the service was modifying the option on the pension funds.

Officers talked about the standard significant risks and the level 3 valuation, where there were no major issues.

The report revealed the main adjustments highlighting a number of projects, and noted that whilst the draft accounts were prepared, the valuations were updated, and the change in value had increased by over £7 million.

The Committee **RESOLVED** to:

- Note the ISA 260 (International Standards on Auditing) Reports for the Council and the Pension Fund issued by the Council's external auditors, Grant Thornton (Appendix 1 and 2 respectively).
- Approve the letters of representation (in Appendix 3 and 4) on behalf of the Council and the Pension Fund respectively.
- Approve the final accounts (Appendix 5) based on the adjustments recommended in the Audit Findings report for the Council and Pension fund (set out in Appendix 1 and 2), together with any minor changes identified under recommendation 1.4.
- Authorise the Director of Finance, Investment and Risk (interim S151 Officer) and Chair of General Purposes and Audit Committee to sign off

the Council's 2018/19 accounts and agree any changes identified between this meeting date and the 31st July 2019, as detailed in paragraph 3.4 of this report.

28/19 Annual Governance Statement

The Head of Insurance and Risk presented the Annual Governance Statement Report and highlighted that the report was part of the Annual Accounts process.

Officers spoke to the appendix to the report particularly to table one, which highlighted government issues identified in 2018/19. Officers noted that the issues were increasing within the corporate and red risk.

The Committee **RESOLVED** to:

- Approve the Annual Governance Statement for the year 2018/19 at appendix 1 to this report.
- Agree the statement on 'outcomes' in relation to 'Issues raised in 2017/18 Statement and progress to date'. (Appendix 1, Table 2)
- Agree the significant governance issues identified in relation to 2018/19 and the actions being taken to mitigate those risks.(Appendix 1, Table 1)

29/19 Exclusion of Public and Press

This was not required.

The meeting ended at 7.28 pm

Signed:

Date:

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REPORT TO:	General Purposes and Audit Committee 9 October 2019
SUBJECT:	Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review 2019/2020
LEAD OFFICER:	Nigel Cook , Head of Pensions Investment and Treasury
CABINET MEMBER	Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT:	
<p>This Report details the Council’s Treasury Management activities during the first half of 2019/2020 and its compliance with the 2017 Prudential Code for Capital Finance. It also seeks the Committee’s agreement to recommend to the Council an amendment to the Strategy in respect of the criteria for the inclusion of investment counterparties on the Council’s list.</p>	
FINANCIAL SUMMARY:	
<p>This Report details the Council’s Treasury Management activities during the first half of 2019/2020 and demonstrates its compliance with the 2017 Prudential Code for Capital Finance.</p>	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1.	<p>RECOMMENDATIONS</p> <p>The Committee are recommended to:</p> <p>1.1 Note the contents of this report; and</p> <p>1.2 Recommend to Council the adoption of revised lending list criteria as follows:</p> <p>Specified investments</p> <p>AAA rated money market funds - limit £20m</p> <p>Debt Management Office – no limit</p> <p>Royal Bank of Scotland – limit £25m</p> <p>Non-specified investments</p> <p>All institutions included on Link Asset Services’ weekly “Suggested Credit List” (the Council’s independent treasury advisors)– limit £10m</p> <p>All UK local authorities – limit £10m</p> <p>Duration to be determined by the “Suggested Credit List” of Link Asset Services.</p>
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2. EXECUTIVE SUMMARY

2.1 This Report is prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) codes of practice in respect of capital finance and treasury management. These codes recommend that members are advised of treasury management activities of the first six months of each financial year and of compliance with various strategies and policies agreed by the Council. The report:

- Reviews compliance with the Treasury Management Strategy Statement, Capital Strategy and Annual Investment Strategy as agreed by Council on 4 March 2019 (Minute A20/17 applies);
- Reviews treasury borrowing and investment activity for the period 1 April 2019 to 30 September 2019;
- Demonstrates compliance with agreed Prudential Indicators and recommends revisions as appropriate; and
- Asks the Committee to recommend to the Council the adoption of revised lending list criteria

3 DETAIL

3.1 Background

3.1.1 In December 2017, CIPFA issued codes of practice as follows:

- The Prudential Code for Capital Finance in Local Authorities
- Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes

3.1.2 Under the former code of practice, from 2019/2020, all local authorities are required to prepare a Capital Strategy which is to provide the following:

- A high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- An overview of how the associated risk is managed;
- The implications for future financial sustainability.

3.1.3 As regards Treasury Management, the primary requirements of the Code are:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.

- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the General Purposes and Audit Committee.

3.1.4 This mid-year report has been prepared in compliance with the codes and covers the following:

- An economic update for the first half of the 2019/20 financial year (Section 3.2);
- A medium term interest rates forecast (Section 3.3)
- A review of the Council’s Treasury Management Strategy Statement and Annual Investment Strategy (Section 3.4);
- The Council’s capital expenditure, as set out in the Capital Strategy, and prudential indicators (Section 3.5);
- A review of the Council’s borrowing strategy (Section 3.6);
- A review of the Council’s investment strategy (Section 3.7);
- A review of any debt re-scheduling undertaken (Section 3.8);

3.2 Economic update

3.2.1 A commentary provided by the Council’s independent treasury advisers Link Asset Services (Link) in the first week of September 2019 is included as Appendix A.

3.3 Interest rate forecasts

3.3.1 Link have provided forecasts of key interest rates as detailed in Table 1. These inform decisions as to the timing and duration of borrowing decisions

Table 1: Interest Rate Forecasts

Link Asset Services Interest Rate View											
	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25
3 Month LIBID	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20
6 Month LIBID	0.80	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40
12 Month LIBID	1.00	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60
5yr PWLB Rate	1.20	1.30	1.50	1.60	1.70	1.70	1.80	1.90	2.00	2.00	2.10
10yr PWLB Rate	1.50	1.60	1.80	1.90	2.00	2.00	2.10	2.20	2.30	2.30	2.40
25yr PWLB Rate	2.10	2.30	2.40	2.50	2.60	2.70	2.70	2.80	2.90	3.00	3.00
50yr PWLB Rate	2.00	2.20	2.30	2.40	2.50	2.60	2.60	2.70	2.80	2.90	2.90

3.3.2 A commentary by Link is included as Appendix B.

3.4 Treasury Management Strategy Statement and Annual Investment Strategy

3.4.1 The Treasury Management Strategy Statement and Annual Investment Strategy for 2019/2020 were approved by full Council on 4 March 2019 (Minute A20/17 refers).

3.4.2 In most regards the projections for the year remain appropriate. However:

- On 19 September 2019 Cabinet agreed to recommend to full Council revisions in borrowing limits arising from movements in the capital programme as discussed in Section 3.5 below; and
- This Committee is asked to recommend to full Council the adoption of revised lending list criteria as discussed in paragraph 3.7.8 below.

3.5 Capital Strategy and Prudential Indicators

3.5.1 Table 2 below shows the original capital budget as agreed by full Council on 4 March 2019 (Minute A19/17 applies) and the revised budget and the current estimated outturn reported to Cabinet on 19 September 2019. Members are advised to refer to this latter report for a commentary on these changes, found here: <https://democracy.croydon.gov.uk/mgChooseDocPack.aspx?ID=1875>

Table 2: Capital Expenditure by Services

Capital Expenditure by Service	Original Estimate £m	Revised Estimate £m	Outturn Projection £m
Health, Wellbeing and Adults		0.3	0.3
Children, Families and Education	35.6	49.9	35.7
Gateway, Strategy and Engagement	9.7	39.3	31.0
Place	77.8	126.4	103.2
Resources.	60.4	175.3	127.4
HRA	38.4	45.5	43.7
Total	221.9	436.7	341.3

The revisions to the revised estimate arise from slippage from 2018/2019 of £99.6m and re-profiling some schemes.

3.5.2 The table below details the funding sources of the capital programme. The borrowing element of the table increases the underlying need to borrow for capital purposes by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision).

Table 3: Financing of Capital Expenditure

Financing of Capital Expenditure	Original Estimate £m	Revised Estimate £m	Outturn Projection £m
Capital receipts	2.5	23.3	23.3
Capital grants	41.8	46.9	37.5
Capital reserves	7.0		
Revenue	31.4	10.0	10.0
Total financing	82.7	80.2	70.8
Borrowing requirement	139.2	356.5	270.5

3.5.3 The key controls over treasury management activity are prudential indicators to ensure that, over the medium term, borrowing will only be for a capital purposes. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and next two financial years. This allows some flexibility for limited early borrowing for future years. Full Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent. The table below shows changes in the CFR and borrowing requirements arising from the changes in the capital programme described above.

Table 4: Capital Financing Requirement

	Original Estimate* £m	Outturn Projection** £m
Borrowing	1,351.1	1,536.6
Other long term liabilities	84.9	82.8
Total debt	1,436.0	1,619.4
CFR (year-end position)	1,465.4	1,573.3

*As reported to full Council on 4 March 2019

**As reported to Cabinet on 19 September 2019

3.5.4 The Prudential Indicators relevant to the capital programme and its borrowing implications are the Operational Boundary (the expected debt position) and the Authorised Limit (the limit beyond which borrowing is prohibited). The table below shows amendments which, on 19 September 2019, Cabinet agreed to recommend to full Council.

Table 5: Key Prudential Indicators

	Original Estimate* £m	Outturn Projection** £m
Operational Boundary	1,436.0	1,655.3
Authorised Limit	1,486.0	1,705.3

*As reported to full Council on 4 March 2019

**As reported to Cabinet on 19 September 2019

3.5.5 Members will note that the Authorised Limit includes a buffer of £50m to cover unexpected cash flow shortages.

3.6 Borrowing Strategy

3.6.1 During 2019/2020 the Council has been operating in accordance with the borrowing limits approved by full Council on 4 March 2019. As discussed above, the current limits for the year are:

- Operational Boundary - £1,436m
- Authorised Limit - £1,486m

3.6.2 The level of the Council's borrowing, which is measured against the limits, was £1,357m on 1 April 2019 and subsequent borrowings of £80m have increased this to £1,437m.

3.6.3 Whilst the borrowing is still within the agreed limits the capital programme as proposed for the remainder of the year can only be financed if the limits as discussed in paragraph 3.5.4 are approved.

3.6.4 Borrowing will be taken up as required based on a continuing analysis of actual and projected expenditure over the different components of the capital programme and interest rates forecasts. It is likely that the Council will use a mixture of long term borrowing from the PWLB, short term borrowing from other local authorities and internal balances. Borrowing will be undertaken to fit into the Council's existing debt maturity profile to move towards a more even distribution of maturities. Appendix C shows the movements in PWLB interest rates for various loan periods during the last six months.

3.6.5 The Council's effective interest payable on long term debt currently stands at 3.14%.

3.7 Investment Strategy

3.7.1 From time to time, under Section 15 (1) of the Local Government Act 2003 the Secretary of State issues statutory guidance on local government investments to which local authorities are required to "have regard." This guidance was taken into account in the investment policy parameters set within the Council's Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as approved by full Council on 4 March 2019 Minute A20/17 applies).

3.7.2 The current guidance defines investments as "Specified" and "Non-specified".

3.7.3 An investment is a specified investment if all of the following apply:

- the investment and any associated payments or repayments are denominated in sterling;
- the investment has a maximum maturity of one year;
- the investment is not defined as capital expenditure; and
- the investment is made with a body or in an investment scheme described as high quality or with the UK Government, a UK local authority or a parish or community council.

3.7.4 A non-specified investment is any investment that does not meet all the conditions in paragraph 3.7.3 above.

3.7.5 It is the Council's priority when undertaking treasury activities to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. Investment instruments identified for use by the Council during 2019/2020 as advised in the current Treasury Management Strategy are detailed in Appendix D.

3.7.6 As set out in the Treasury Management Strategy (Appendix D), the criteria for the selection of counterparties for investments are based on formal credit ratings issued by Fitch Ratings and supplemented by additional market data such as rating outlooks, the pricing of credit default swaps (CDs) and bank share prices. In addition to the Fitch rated institutions all UK local authorities and some public bodies comprise the Council's Approved Lending List.

3.7.7 Each week, the Council, along with other clients, receives from Link a "Suggested Credit List." This is accompanied by a disclaimer reminding recipients, inter alia, as follows:

This document is intended for the use and assistance of customers of Link Asset Services. It should not be regarded as a substitute for the exercise by the recipient of its own judgement.

3.7.8 Notwithstanding this and other similar clauses Link are the largest suppliers of treasury management advisory services to UK local authorities and understand the market well. In their analysis they take into account the views of each of the three major credit ratings agencies along with the pricing of credit default swaps and market intelligence. They are better placed than Council officers to carry out this analysis and it is therefore recommended that the Council amend the Treasury Management Strategy by the adoption of the following revised lending list criteria:

Specified investments

AAA rated money market funds - limit £20m
Debt Management Office – no limit
Royal Bank of Scotland – limit £25m
Duration of up to one year.

Non-specified investments

All institutions included on Link Asset Services' weekly "Suggested Credit List" – limit £10m
All UK local authorities – limit £10m
Duration to be determined by the "Suggested Credit List" from Link

3.7.9 The most recent list provided by Link (20 September 2019) is attached as Appendix E. (Please note that this Appendix is restricted under Paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)

3.7.10 As regards investment returns, Link advise as follows:

"As shown by forecasts in section 3.3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.75% Bank Rate. The

continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low”.

3.7.11 Investment activity in the first half of 2019/2020 conformed to the approved strategy. The Council has experienced no liquidity issues .with an average monthly balance of £89m being maintained in temporary investments. Part of this sum is made up of core balances such as provisions and reserves set aside and cash balances that can, if necessary, be invested for longer periods to take advantage of favourable interest rates and to limit exposure to the risk of future rate movements.

3.7.12 The Director of Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2019/2020.

3.8 Repayment of Debt and Debt Rescheduling

3.8.1 With Public Works Loans Board rates low during the first half of 2019/2020 and with high premiums being attached to the premature repayment of existing debt, opportunities for debt restructuring were minimal and none were taken.

4 FINANCIAL CONSIDERATIONS

4.1 There are no further financial considerations arising from this report.

5 LEGAL CONSIDERATIONS

5.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that in relation to the Annual investment strategy, the Council is required to have regard to the Guidance is issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 entitled “Statutory guidance on Local Government Investments 3rd Edition” which is applicable from and effective for financial years commencing on or after 1 April 2018. The recommendation to full Council would entail an amendment to the Treasury Management Strategy previously approved by Members in March 2019.

5.2 In addition, two codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) contain investment guidance, which complements the Ministry of Housing Communities and Local Government (MHCLG) guidance. These publications are:

- Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes
- The Prudential Code for Capital Finance in Local Authorities

- 5.3 Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended.
- 5.4 Under the provisions of Section 3(1) and (8) of the Local Government Act 2003, the Council shall determine and keep under review how much money it can afford to borrow, and the function of determining and keeping these levels under review is a reserved function of Full Council.
- 5.4 In determining the Annual Minimum reserves and the policy around such reserves, the Council shall have regard to the Guidance issued by the Secretary of State under Section 21(1A) of the Local Government Act 2003 entitled "Statutory guidance on minimum revenue provision"

Approved by Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance & Deputy Monitoring Officer

6 OTHER CONSIDERATIONS

- 6.1 Other than the considerations referred to above, there are no Customer Focus, Equalities, Environment and Design, Crime and Disorder or Human Rights considerations arising from this report

7. DATA PROTECTION IMPLICATIONS

- 7.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to financial markets, treasury management, and debt and investments.

Approved by: Lisa Taylor, Director of Finance, Investment and Risk, S151 Officer

CONTACT OFFICER: Nigel Cook, Head of Pensions Investment and Treasury, Finance, Investment and Risk Resources Department, ext. 62552.

APPENDICES:

- A – Economic update
- B – Interest rate forecast update
- C – PWLB rates
- D – Investment instruments

E – Suggested credit list (Part B – restricted under Paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)

Economic update (as prepared by Link Asset Services in the first week of September 2019)

UK. This first half year has been a time of upheaval on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on or 31 October, with or without a deal. However, so far, there has been no majority of MPs for any one option to move forward on enabling Brexit to be implemented. At the time of writing, (first week in September), the whole political situation in the UK over **Brexit** is highly fluid and could change radically by the day. The vote in the Commons on 3 September looks likely to lead to a delay in the date for Brexit to 31 January 2020, but there is also likelihood that there will be an imminent general election. In such circumstances, any interest rate forecasts are subject to material change as the situation evolves. At present, if the UK does soon achieve an agreed deal on Brexit, including some additional clarification wording on the Irish border backstop, then it is possible that growth could recover quickly. The MPC could then need to address the issue of whether to raise Bank Rate when there is very little slack left in the labour market; this could cause wage inflation to accelerate which would then feed through into general inflation. On the other hand, if there was a no deal Brexit and there was a significant level of disruption to the economy, then growth could falter and the MPC would be likely to cut Bank Rate in order to support growth. However, with Bank Rate still only at 0.75%, it has relatively little room to make a big impact and the MPC would probably suggest that it would be up to the Chancellor to provide help to support growth by way of a fiscal boost by way of tax cuts and / or expenditure on infrastructure projects, to boost the economy. However, infrastructure projects generally take a long time to plan and to start up, and so to feed through into impacting the economy; tax cuts would be much quicker in impacting the level of consumption in the economy.

The first half of 2019/2020 has seen UK **economic growth** fall as Brexit uncertainty took a toll. In its Inflation Report of 1 August, the Bank of England was notably downbeat about the outlook for both the UK and major world economies. This mirrored investor confidence around the world which is now expecting a significant downturn or possibly even a recession in some developed economies. It was therefore no surprise that the Monetary Policy Committee (MPC) left Bank Rate unchanged at 0.75% throughout 2019, so far, and is expected to hold off on changes until there is some clarity on what is going to happen over Brexit.

As for **inflation** itself, CPI has been hovering around the Bank of England's target of 2% during 2019, (July 2.1%), and is likely to shift only a little upwards over the rest of 2019/2020. It does not therefore pose any immediate concern to the MPC at the current time.

With regard to the **labour market**, despite the contraction in quarterly GDP growth of -0.2%q/q, (+1.2% y/y), in quarter 2, employment rose by 115,000 in the same quarter: this suggests that firms are preparing to expand output and suggests there could be a return to positive growth in quarter 3. Unemployment has continued near to a 44 year low, edging up from 3.8% to 3.9% on the Independent Labour Organisation measure in June; however, that was caused by a rise in the participation rate to an all-time high. Job vacancies fell for a sixth consecutive month, hitting record levels, and indicating that employers are having major difficulties filling job vacancies with suitable staff. It

was therefore unsurprising that wage inflation picked up to a high point of 3.9%, (3 month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 1.8%. As the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This could mean that the MPC will need to take action to raise Bank Rate if there is an agreed Brexit deal as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

In the **political arena**, if there is a general election soon, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up although, conversely, a weak international backdrop could provide further support for low yielding government bonds and gilts.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a temporary boost in consumption in that year which generated an upturn in the rate of strong growth to 2.9% y/y. Growth in 2019 has been falling back after a strong start in quarter 1 at 3.1%, (annualised rate), to 2.0% in quarter 2. Quarter 3 is expected to fall further. The Fed finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not to be seen as the start of a series of cuts to ward off a downturn in growth. Financial markets are, however, expecting another cut in September. Investor confidence has been badly rattled by the progressive ramping up of increases in tariffs President Trump has made on Chinese imports and China has responded with increases in tariffs on American imports. This trade war is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China.

BOND YIELDS. It is this souring of investor confidence that has largely contributed to the sharp fall in bond yields on government debt in mid-2019 in the major western economies as investors have switched out of risky assets - equities, fearing an impending recession, and buying into bonds, so pushing their prices up and correspondingly, pushing yields down. Investors have little confidence that the US China trade war will have a satisfactory outcome in the near future and both sides look as if they are digging in to entrenched positions. However, most domestic US economic indicators are not currently pointing to a recession in the US, only to a slowing of growth. Provided the major world economies do avoid recession, then it is likely that there will be some reversal of this flow from equities into bonds and, therefore, that bond yields will recover to a limited extent from recent truly exceptional lows. However, the near-term reality is that we have seen 10 year bond yields fall below 2 year yields in the US; this has historically been a prime indicator of impending recession in the US, though this correlation has been much weaker in the UK. All German bond yields between 2 and 30 years are actually negative while many other EZ countries have bond yields which are also negative, at least in some maturity years.

EUROZONE. Growth has been slowing from +1.9% during 2018 to +0.4% q/q (+1.2% y/y) in quarter 1 and then to +0.2% q/q (+1.0% y/y) in quarter 2; there appears to be little upside potential to the growth rate in the rest of 2019. German GDP growth fell to -0.1% in quarter 2; industrial production was down 5.2% y/y in June with car production especially being hit. Germany would be particularly vulnerable to a no deal Brexit depressing exports further and if President Trump imposes tariffs on EU produced cars.

The ECB meeting in July expressed concern as to the weak outlook for growth and how low inflation was despite all the monetary stimulus the bank still has in place. The ECB is therefore expected to take action to cut its main rate of -0.4% further, but only marginally, and to look at the potential for more quantitative easing and/or other instruments of monetary policy to provide further stimulus to economic growth. On the political front, Spain and Italy are in the throes of trying to form coalition governments while the very recent results of two German state elections will put further pressure on the frail German CDU/SDP coalition government.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. The trade war with the US does not appear to have had a significant effect on GDP growth as yet as some of the impact of tariffs has been offset by falls in the exchange rate and by transshipping exports through other countries, rather than directly to the US.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

Interest rate forecast update (as prepared by Link Asset Services in the first week of September 2019)

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit. In its last meeting on 1 August, the MPC became more dovish as it was more concerned about the outlook for both the global and domestic economies. That's shown in the policy statement, based on an assumption that there is an agreed deal on Brexit, where the suggestion that rates would need to rise at a "gradual pace and to a limited extent" is now also conditional on "some recovery in global growth". Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. If there were a no deal Brexit, then it is likely that there will be a cut or cuts in Bank Rate to help support economic growth.

The above forecasts have been based on an assumption that there is some sort of muddle through to an agreed deal on Brexit. Given the current level of uncertainties, this is a huge assumption and so forecasts may need to be materially reassessed in the light of events over the next few weeks or months.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are currently a little below those to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**, possibly **Italy**, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March 2018 of a government which has made a lot of anti-austerity noise. The EU has had sharp disagreements in successive years with Italy over setting a budget within the limits of EU rules. (Early September – a new coalition government may be formed which would be less anti-EU.) The rating agencies have already downgraded Italian debt to one notch above junk level. If Italian debt were to fall below investment grade, many investors would be unable to hold Italian debt. Unsurprisingly, investors are becoming increasingly concerned by the actions of the Italian government and consequently, Italian bond yields have risen – at a time when the government faces having to refinance over €200bn of debt maturing in 2019. However, the biggest concern is the major holdings of Italian government debt held by Italian banks and insurers. Any downgrading of such debt would cause Italian bond prices to fall, causing losses on their portfolios, so reducing their capital and forcing them to sell bonds – which, in turn, would cause further falls in their prices

etc. This is the so called '**doom loop**'. Due to the Italian government's already high level of debt, it would not be able to afford to bail out the banking system. **Portugal** faces the same problem as its debt is also only one notch above junk level.

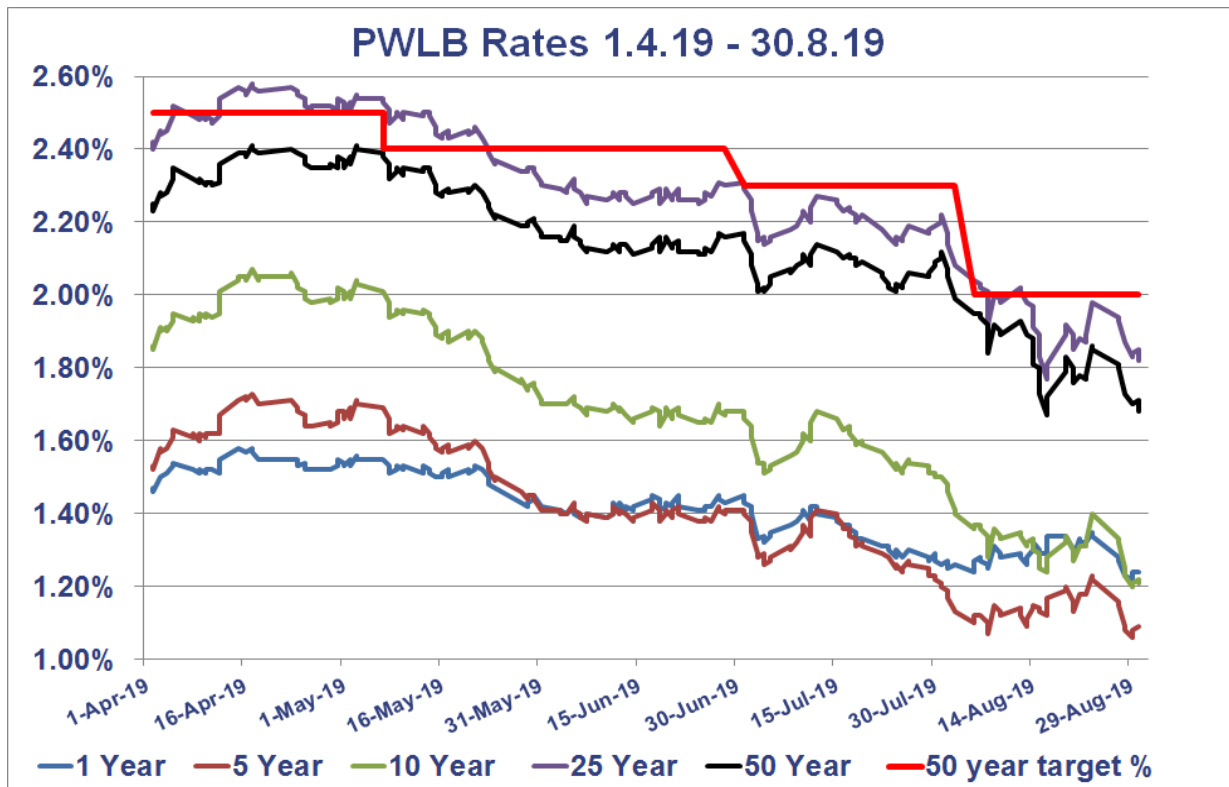
- Weak capitalisation of some **European banks**, particularly Italian banks.
- **German minority government.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD had a major internal debate as to whether it could continue to support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced that she would not stand for re-election as CDU party leader at her party's convention in December 2018. However, this makes little practical difference as she has continued as Chancellor, though more recently concerns have arisen over her health. Early September 2019 – the results of the Saxony and Brandenburg regional elections were again very disappointing for the CDU and SPD; this will rejuvenate the tensions of October 2018 between these two parties that form the current coalition government.
- **Other minority EU governments.** Sweden, Spain, Portugal, Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Italy, Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been rising anti-immigration sentiment in Germany and France.
- The increases in interest rates in the US during 2018, combined with a trade war between the USA and China, sparked major volatility in equity markets during the final quarter of 2018 and into 2019. In mid-2019, investor fears of a looming recession have again sparked moves by investors out of riskier assets i.e. equities, into safe havens of government bonds of major western countries. Some **emerging market countries** which have borrowed heavily in dollar denominated debt could be particularly exposed to investor flight from equities to safe havens, typically US treasuries, German bunds and UK gilts.
- There are concerns around the level of **US corporate debt** which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is rated at BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing and further negatively impact profits and cash flow.
- **Geopolitical risks**, for example in North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **Brexit** – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields

APPENDIX C



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.22%	1.06%	1.20%	1.77%	1.67%
Date	29/08/2019	29/08/2019	29/08/2019	16/08/2019	16/08/2019
High	1.58%	1.73%	2.07%	2.58%	2.41%
Date	15/04/2019	17/04/2019	17/04/2019	17/04/2019	17/04/2019
Average	1.41%	1.41%	1.68%	2.27%	2.13%

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LENDING LIST CRITERIA

LIST A

LIMITS TO INDIVIDUAL ORGANISATIONS

Maximum Investment Limit - £20m apart from the limits on the institutions noted below.

CREDIT RATINGS

FITCH Rating in each of the following categories:

- F1+ on Short Term Rating
- AA or above Long Term Rating
- aa- or above Viability Rating
- 5 or above for Support Rating
- AA+ or above Sovereign Rating

APPROVED ORGANISATIONS MEETING CREDIT RATINGS

ALL NON – UK BANKS that meet the FITCH ratings set out above.
ALL UK BUILDING SOCIETIES that meet the FITCH ratings set out above.
UK BANKS that meet the FITCH ratings set out above.
AAA RATED MONEY MARKET FUNDS - £15M LIMIT
DEBT MANAGEMENT OFFICE – NO LIMIT

APPROVED ORGANISATIONS NOT MEETING THE ABOVE CREDIT RATINGS

PART NATIONALISED UK BANKS – Limits as noted below:
ROYAL BANK OF SCOTLAND GROUP PLC - £25M LIMIT

LIST B

LIMITS TO INDIVIDUAL ORGANISATIONS

Maximum Investment Limit - £10m

CREDIT RATINGS

FITCH Rating in each of the following categories:

- F1+ on Short Term Rating
- AA- or above on Long Term Rating
- a+ or above Viability Rating
- 5 or above for Support Rating
- AA+ or above Sovereign Rating

APPROVED ORGANISATIONS MEETING CREDIT RATINGS

ALL NON – UK BANKS that meet the FITCH ratings set out above.
ALL UK BUILDING SOCIETIES that meet the FITCH ratings set out above.
UK BANKS that meet the FITCH ratings set out above
ALL UK LOCAL AUTHORITIES

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Agenda Item 8

REPORT TO:	GENERAL PURPOSES & AUDIT COMMITTEE 9 October 2019
SUBJECT:	Internal Audit Update Report April to August 2019
LEAD OFFICER:	Simon Maddocks, Head of Internal Audit
CABINET MEMBER:	Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT: Internal Audit's work helps the Council to improve its value for money by strengthening financial management and supporting risk management. Strengthening value for money is critical in improving the Council's ability to deliver services which, in turn helps the Council achieve all its visions and aims. The external auditor relies on the work from the internal audit programme when forming opinions and assessments of the Council's performance.	
FINANCIAL IMPACT The Internal Audit contract for 2019/20 is a fixed price contract of £383k and appropriate provision has been made within the budget for 2019/20.	

1. RECOMMENDATIONS

- 1.1 The Committee is asked to note the Internal Audit Report for April to August 2019 (Appendix 1).

2. EXECUTIVE SUMMARY

- 2.1 This report details the work completed by Internal Audit so far during 2019/20 and the progress made in implementing recommendations from audits completed in previous years.

3. DETAIL

- 3.1 The Internal Audit report (Appendix 1) includes the following:
- a list of all audits completed so far in 2019/20,
 - a list of audits relating to 2018/19, but finalised after the annual report, and
 - lists of follow up audits completed and the percentage of priority one, and other audit recommendations implemented.
- 3.2 Internal Audit is responsible for conducting an independent appraisal of all the Council's activities, financial and otherwise. It provides a service to the whole Council, including Members and all levels of management. It is not an extension of, nor a substitute for, good management. The Internal Audit Service is responsible for giving assurance on all control arrangements to the Full Council through the General Purposes & Audit Committee and the Chief Financial Officer (also known as the Section 151 Officer), who is currently the Director of Finance, Investment & Risk. It also assists management by evaluating and reporting to them the effectiveness of the controls for which they are responsible.
- 3.3 At this stage in the year there is insufficient evidence (3 final reports) on which to give an overall assurance level for the Council.

4. FOLLOW-UP REVIEWS

- 4.1 When Internal Audit identifies risks, recommendations are made and agreed with service managers to mitigate these. The Council then needs to ensure that action is taken to implement audit recommendations. The Council's targets for audit recommendations implemented are 80% for all priority 2 and 3 recommendations and 90% for priority 1 recommendations. The performance in relation to the targets set for 2014/18 audits are shown Table 1.

Table 1: Implementation of Audit Recommendations

	Target	2014/15	2015/16	2016/17	2017/18	2018/19
Implementation of priority one recommendations at follow-up	90%	100%	91%	100%	93%	69%
Implementation of all recommendations at follow-up	80%	94%	89%	87%	87%	69%

5. PROGRESS AGAINST THE AUDIT PLAN

- 5.1 By 31 August **29%** (35% last year) of the 2019/20 planned audit days had been delivered and **7%** (18% last year) of the draft audit reports due for the year had been issued. The contractor has given assurances that the necessary resources are available to deliver the internal audit plan in-year as usual.

6. PUBLICATION OF INTERNAL AUDIT REPORTS

- 6.1 Following a decision at the June 2015 meeting of this committee, all finalised internal audit reports are published on the Council's public internet site.

7. CONSULTATION

- 7.1 The outcome of all audit work is discussed and agreed with the lead service managers. The final reports and audit recommendations are sent for consideration by Departmental Leadership Teams (DLT). Details are circulated and discussed with Directors on a regular basis.

8. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 8.1 The fixed price for the Internal Audit Contract is £383k for 2019/20 and there is adequate provision within the budget. There are no additional financial considerations relating to this report
- 8.2 Internal Audit's planning methodology is based on risk assessments that include using the Council risk registers processes.

(Approved by: Ian Geary, Head of Finance, Resources & Accountancy)

9. LEGAL CONSIDERATIONS

- 9.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that information provided in this report is necessary to demonstrate the Council's compliance with requirements imposed by Regulation 5 of the Local Government Accounts and Audit (England) Regulations 2015. The Council is required to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance.

(Approved by: Sandra Herbert Head of Litigation and Corporate on behalf of the Director of Law and Deputy Monitoring Officer)

10. HUMAN RESOURCES IMPACT

- 10.1 There are no immediate human resources issues arising from this report for LBC employees or staff.

(Approved by: Gillian Bevan, Head of HR, Resources)

**11. EQUALITIES, ENVIRONMENTAL AND CRIME AND DISORDER
REDUCTION IMPACTS**

11.1 When Internal Audit is developing the Annual Audit Plan or individual audit programmes the impacts of the issues above are considered depending on the nature of the area of service being reviewed. Issues relating to these impacts would be reflected in the audit reports and recommendations.

12. DATA PROTECTION IMPLICATIONS

**12.1. WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING
OF 'PERSONAL DATA'?**

No.

12.2. The Director of Finance, Investment & Risk comments that there are no immediate data protection issues arising from this report.

(Approved by: Lisa Taylor, Director of Finance, Investment & Risk)

CONTACT OFFICER: Simon Maddocks, Head of Internal Audit

BACKGROUND DOCUMENTS: Internal Audit report for the period April to August 2019 (appendix 1)

London Borough of Croydon

Internal Audit Report for the period

1 April 2019 to 31 August 2019

Confidentiality and Disclosure Clause

This report ("Report") was prepared by Mazars LLP at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of London Borough of Croydon and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

Internal Audit activity

1. During the first five months of the 2019/20 financial year the following work has been delivered:

- 29% of the 2019/20 planned audit days have been delivered
- 35 planned audits (excluding ad hoc and fraud work) commenced, either by setting up the files, attending scope meetings or by performing the audits. This was made up of:-
 - 26 system audits commenced and/or were completed;
 - 7 school audits commenced and/or were completed; and,
 - 2 computer audits commenced and/or were completed.

In addition:

- 3 new ad hoc or fraud investigations commenced and/or were completed.

Internal Audit Performance

2. To help ensure that the internal audit plan supported the Risk Management Framework and therefore the Council Assurance Framework, the 2019/20 internal audit plan was substantially informed by the risk registers. The 2019/20 internal audit plan was presented to the General Purposes and Audit Committee on 4 April 2019.
3. Work on the 2019/20 audit plan commenced in April 2019 and delivery is now well underway.
4. Table 1 details the performance for the 2019/20 audit plan against the Council's targets. At 31 August 2019 Internal Audit had delivered 29% of the planned audit days and 7% of the planned draft reports. Although the planned drafts are behind target, there are a number of audits where the reports are close to being issued. Work has either commenced, is in progress or draft/final stages for almost 40% of the audit plan.

Table 1: Performance against targets

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
% of planned 2019/20 audit days delivered	100%	30%	29%	▼
Number of 2019/20 planned audit days delivered	1062	319	304	▼
% of 2019/20 planned draft reports issued	100%	14%	7%	▼
Number of 2019/20 planned draft reports issued	91	13	6	▼
% of draft reports issued within 2 weeks of exit meeting	85%	85%	100%	▲
2018/19 % of priority one recommendations/issues implemented at the time of the follow up audit	90%	90%	69%	▼
2018/19 % of all recommendations/issues implemented at the time of the follow up audit	80%	80%	69%	▼
2017/18 % of priority one recommendations/issues implemented at the time of the follow up audit	90%	90%	93%	▲

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
2017/18 % of all recommendations/issues implemented at the time of the follow up audit	80%	80%	87%	▲
2016/17 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	100%	▲
2016/17 % of all recommendations implemented at the time of the follow up audit	80%	80%	87%	▲
2015/16 % of priority one recommendations implemented at the time of the follow up audit	90%	90%	91%	▲
2015/16 % of priority all recommendations implemented at the time of the follow up audit	80%	80%	89%	▲
% of qualified staff engaged on audit	40%	40%	36%	▼

Audit Assurance

5. Internal Audit provides four levels of assurance as follows:

Full	The systems of internal control are sound and achieve all systems objectives and that all controls are being consistently applied.
Substantial	The systems of internal control are basically sound, there are weaknesses that put some of the systems objectives at risk and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk. (*Note - Substantial assurance is provided on School audits.)
Limited	Weaknesses in the systems of internal control are such as to put the systems objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
No	The system of internal control is generally weak leaving the system open to significant error or abuse and /or significant non-compliance with basic controls leaves the system open to error or abuse.

6. Tables 2 and 3 list the audits for which final reports were issued from 1 April to 31 August 2019. Details of the key issues arising from these reports are shown in Appendix 1.

Table 2: 2018/19 Final audit report issued since the Head of Internal Audit Report (June 2019) to 31 August 2018

Audit Title	Assurance Level	Planned Year
Non-school audits		
Mortuary	Substantial	2018/19

Table 3: 2019/20 Final audit reports issued from 1 April 2019 to 31 August 2019:

Audit Title	Assurance Level	Planned Year
Non-school audits		
Alternative School Provisioning	Limited	2019/20
Audit Title	Assurance Level	Planned Year
School audits		
All Saints C of E Primary School	Substantial	2019/20
Elmwood Infant School	Substantial	2019/20

Follow-up audits – effective implementation of recommendations

- During 2019/20 in response to the Council's follow-up requirements, Internal Audit has continued following-up the status of the implementation of the 2015/16, 2016/17, 2017/18 and 2018/19 audits. No 2019/20 follow ups are yet due to be undertaken.
- Follow-up audits are undertaken to ensure that all the recommendations/issues raised have been successfully implemented according to the action plans agreed with the service managers. The Council's target for audit recommendations/issues implemented at the time of the follow-up audit is 80% for all priority 2 & 3 recommendations/issues and 90% for priority 1 recommendations/issues.

Performance Objective	Target	Performance (to date)					
		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of priority one recommendations/issues implemented at the time of the follow up audit	90%	100%	100%	91%	100%	93%	69%
Percentage of all recommendations/issues implemented at the time of the follow up audit	80%	96%	94%	89%	87%	87%	69%

The results of those for 2015/16, 2016/17, 2017/18 and 2018/19 audits that have been followed up are included in Appendixes 2, 3, 4 and 5 respectively.

- Appendix 2 shows the follow-up audits of 2015/16 audits undertaken to date and the number of recommendations / issues raised and implemented. 89% of the total recommendations / issues were found to have been implemented and 91% of the priority 1 recommendations / issues which have been followed up have been implemented. The outstanding priority 1 recommendations / issues are detailed below:

Audit Title	Executive Director Responsible	Assurance Level	Summary of issues arising in priority 1 recommendations / issues
EMS Application	Jaqueline Harris-Baker	Limited	<p>A recommendation was raised due to the absence of an effective disaster recovery plan for the EMS application. The response to the follow up is that this is being worked on with Capita and a solution planned for January 2019.</p> <p>Response July 2019</p> <p>Work continues to move to a cloud-based DR solution which will deliver much improved recovery times. Much of the required infrastructure is now in place and the solution for the majority of systems should be complete by mid-August 2019, with the remainder due by mid-November 2019.</p>

Audit Title	Executive Director Responsible	Assurance Level	Summary of issues arising in priority 1 recommendations / issues
ICT ~Service Delivery ITIL Framework	Jaqueline Harris-Baker	Limited	<p>A recommendation was raised as it was identified that the development of an appropriate Business Impact Review (BIR) to assist in the design of both the IT Service Disaster Recovery Plan (DRP) and the associated Business Continuity Plan (BCP) are currently at an embryonic stage and no DRP or BCP solutions have been recently tested as effective.</p> <p>The response to the follow up is that this is being worked on with Capita and a solution planned for January 2019.</p> <p><u>Response July 2019</u></p> <p>Work continues to move to a cloud-based DR solution which will deliver much improved recovery times. Much of the required infrastructure is now in place and the solution for the majority of systems should be complete by mid-August 2019, with the remainder due by mid-November 2019.</p>

10. Appendix 3 shows the 2016/17 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 87% of the total recommendations/issues were found to have been implemented and 100% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

11. Appendix 4 shows the 2017/18 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 87% of the total recommendations/issues were found to have been implemented and 93% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Executive Director Responsible	Assurance Level	Summary of issues arising in priority 1 recommendations/issues
Abandoned Vehicles	Shifa Mustafa	No	<p>A priority 1 issue was raised as the records of reported abandoned vehicles on the Access 2003 database was incomplete, with images, links to '7 day' notices and the dates removed and outcomes not always being recorded.</p> <p><u>Response provided in May 2019</u></p> <p>I can confirm that authority and funding was approved for the development and implementation of a Case Management System for the NSO Service. A specific AVS function has been developed and tested and will be rolled out in July 2019.</p> <p>In addition we have recruited two AVS Specific Officers to fulfil the boroughs AVS obligations and functions. They will be starting in July 2019.</p> <p>Another priority 1 issue was raised as, although the estimated contract value for abandoned vehicle removal is over £160k, there has been no tendering for this service and there is no contract in place between Tran-Support and the Council.</p> <p><u>Response provided in May 2019</u></p> <p>There was consideration given to the transfer of this service back to Parking but was rejected and so the service remains within Neighbourhood Services. I have delegated the task of pursuing procurement to Chris McAvoy EEO Manager as SMART Stretch Objective for this appraisal year with my oversight. It is envisaged that we will have a contractor in place by August 2019 [based on suitable candidate organisations applying]</p>
Brokerage	Jaqueline Harris-Baker	Limited	<p>A priority 1 issue was raised as it was confirmed that providers outside of the signed Integrated Framework Agreement (IFA) were being used regularly for care provision of clients.</p> <p><u>Response provided August 2019:</u></p> <p>The role out of the Dynamic Purchasing system 1, which will cover the CQC registered and unregistered domiciliary care providers, is set for full implementation by January 2020. This will provide all contracted and non-contracted suppliers the opportunity to become a contracted</p>

Audit Title	Executive Director Responsible	Assurance Level	Summary of issues arising in priority 1 recommendations/issues
			provider. Unlike the Integrated Framework agreement, this DPS will not have a limit on the number of providers it accepts.

12. Appendix 5 shows the 2018/19 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 69% of the total recommendations/issues were found to have been implemented and 69% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Executive Director Responsible	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
Pensions Administration	Jaqueline Harris-Baker	Limited	<p>A priority 1 issue was raised because life certificates had not been issued during 2017/18 or 2018/19 for pensioners living overseas.</p> <p>Response provided July 2019</p> <p>Life certificates for overseas pensioners have now been posted (August 2019).</p> <p>A DPIA has been completed prior to making a final decision whether to procure address tracing and mortality screening services. This is awaiting approval by the information management team. A final decision is expected to be made in October 2019.</p>
SEN (including Ombudsmen upheld compliants)	Robert Henderson	Limited	<p>A priority 1 issue was identified because, during the last academic year, the percentage of Education and Health Care Plans (EHCPs) completed within the statutory 20 week period was 78% and sample testing also found that 15 of the sample of 20 ECHPs had not met the 16 week target for the issue of draft ECHPs. The Council did not monitor the 16 week deadline.</p> <p>Response provided August 2019</p> <p>This has formed part of our overall service plan and regular updates are sought at every 1:1.</p> <p>EHCP Assistants have revised their working practice to speed up the Assessment Process and Stage 2 of the process is initiated immediately after the Stage 1 Panel.</p> <p>From January 2019 to June 2019 the percentage of plans that met the 20 week deadline was 77%.</p> <p>Coordinators continue to monitor the 16 week timescale for issuing the draft EHC Plan but as yet we do not have a formal report to show it (we were waiting for the new database).</p>
Asbestos Management	Shifa Mustafa	Limited	<p>A priority 1 issue was identified as examination of the Apex asset database identified some 12,965 out of 22,207 housing assets marked as 'to be determined' if notifiable to the Health Safety Executive (HSE). Discussion established that information on notifying the HSE was not provided in Asbestos Management Survey Reports and, therefore, this field defaulted to 'to be determined'.</p> <p>Response provided August 2019</p> <p>Written procedures are being reviewed as part of the current reviewed referred to in response to item 2 and 3. However, current practice is that the HSE is notified in accordance with requirements set in the CoAR in the event of any notifiable works being required.</p> <p>Another priority 1 issue was raised because there were some 7,762 housing assets, assets for which there was no identifier of whether asbestos was either identified, strongly presumed, presumed or was not found. Discussion established that this number included assets such as roads; however, examination of the listing noted that there were also general rent dwellings, service tenancies and garages included.</p> <p>Response provided August 2019</p> <p>The Plan for Housing will determine a programme for surveys, re-inspections and associated remedial works within domestic dwellings,</p>

Audit Title	Executive Director Responsible	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
			<p>in accordance with current good practice, as this sits outside the requirements of CoAR.</p> <p>The review of the Asbestos Policy and Asbestos Management Plan for Housing and Schools is almost complete. I have sent the revised document out for consultation with colleagues and have held a meeting with them to discuss any issues. I am currently waiting for confirmation of the next Corporate Health and Safety Group, where the document needs to go for approval, as required in the audit report.</p> <p>Once it has been approved by the CHSG, I will be rolling out workshops for relevant staff in the delivery and repairs and maintenance teams to familiarise them with the revised policy and management plan.</p>
Virgo Fidelis Convent School	Robert Henderson	No	<p>Priority 1 recommendations were raised because, the 'Financial Policies and Procedures Manual' had not been reviewed as required, the School's School Financial Value Standard self-assessment for 2017/18 was not properly approved and was not in line with the findings of this audit, some purchase orders were not available or were not properly authorised, and the Head Teacher did not have any oversight of lettings and copies of the lettings diary, any letting application forms and accompanying indemnity insurance evidence were not available at the time of audit.</p> <p><u>Response provided in March 2019</u></p> <p>A number of items have been to the Resources Committee, which are to be ratified by the full Governing Body. The issue regarding lettings has been discussed at Resources Committee, but has not yet been resolved.</p>

Appendix 1: Key issues from finalised audits

2018/19 Key issues from final audit reports issued since the Head of Internal Audit Report (June 2019) to 31 August 2019		
Audit Title	Assurance Level & Number of Issues	Summary of key issues raised.
Non School Audits		
Mortuary	Substantial (Four priority 2 issues)	No priority 1 issues

2019/20 Key issues from final audit reports issued to 31 August 2019		
Audit Title	Assurance Level & Number of Issues	Summary of key issues raised.
Non School Audits		
Alternative School Provisioning	Limited (Two priority 1 and four priority 2 issues)	A priority 1 issue was raised as the 'notification of exclusion forms' in use did not include a privacy notice in line with the requirements of the General Data Protection Regulation (GDPR) and the Data Protection Act (DPA) 2018. Another priority 1 issue was raised as pupils' personalised plans and objectives were not set out in writing in accordance with statutory guidance.
Audit Title	Assurance Level & Number of Recommendations	Summary of key recommendations raised.
School Audits		
All Saints C of E Primary School	Substantial (Seven priority 2 and 5 priority 3 recommendations)	No priority 1 recommendations
Elmwood Infant School	Substantial (Four priority 2 and two priority 3 recommendations)	No priority 1 recommendations

Appendix 2 - Follow-up of 2015/16 audits (Incomplete follow ups only)

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Audits						
2015/16	Performance Monitoring Adult Social Care	Guy Van Dichele	Limited (3rd follow up in progress)	9	7	78%
2015/16	EMS Application	Jaqueline Harris-Baker	Limited (6th follow up in progress)	4	1	25%
2015/16	ICT Service Delivery ITIL Framework	Jaqueline Harris-Baker	Limited (4th follow up in progress)	2	1	50%
2015/16	Connected Croydon – Programme and Project Management	Shifa Mustafa	Substantial (2nd follow up in progress)	4	2	50%
2015/16	Waste Recycling	Shifa Mustafa	Substantial (6th follow up in progress)	3	2	66%
2015/16	Internal Network	Jaqueline Harris-Baker	Substantial (4th follow up in progress)	2	1	50%
Recommendations and implementation from audits that have had responses				285	253	89%
Priority 1 Recommendations from audits that have had responses				22	20	91%

Appendix 3 - Follow-up of 2016/17 audits (Incomplete follow ups only)

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Audits						
2016/17	Contract Monitoring and Management - Streets Division	Shifa Mustafa	Limited (1 st follow up in progress)	6	-	-
2016/17	HMRC Compliance	Jaqueline Harris-Baker	Substantial (4 th follow up in progress)	5	3	60%
2016/17	Anti-Social Behaviour	Shifa Mustafa	Substantial (5 th follow up in progress)	9	6	67%
2016/17	Clinical Governance	Guy Van Dichele	Substantial (4 th follow up in progress)	3	1	33%
Recommendations and implementation from audits that have had responses				445	387	87%
Priority 1 Recommendations from audits that have had responses				47	47	100%

Appendix 4 - Follow-up of 2017-18 audits

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Audits						
2017/18	Mayors Charity	Jaqueline Harris-Baker	No (No further follow up)	13	11	85%
2017/18	Abandoned Vehicles	Shifa Mustafa	No (6 th follow up in progress)	10	7	70%
2017/18	Budget Management - People	Robert Henderson	Limited (No further follow up)	2	2	100%
2017/18	Appointeeships	Hazel Simmons	Limited (No further follow up)	7	7	100%
2017/18	Health Visiting	Guy Van Dichele	Limited (No further follow up)	2	2	100%
2017/18	Direct Payments	Guy Van Dichele	Limited (No further follow up)	4	4	100%
2017/18	Special Sheltered Housing	Jaqueline Harris-Baker	Limited (No further follow up)	10	9	90%
2017/18	Unaccompanied Asylum Seeking Children	Robert Henderson	Limited (2 nd follow up in progress)	2	1	50%
2017/18	Croydon Enterprise Loan Fund	Shifa Mustafa	Limited (no further follow up)	5	5	100%
2017/18	Brokerage	Jaqueline Harris-Baker	Limited (4 th follow up in progress)	10	9	90%
2017/18	Deprivation of Liberty Safeguards	Guy Van Dichele	Limited (No further follow up)	4	4	100%
2017/18	Registrars	Hazel Simmons	Limited (No further follow up)	6	5	83%
2017/18	Food Safety	Shifa Mustafa	Limited (No further follow up)	11	9	82%
2017/18	Tree Root Inspections	Shifa Mustafa	Limited (No further follow up)	6	5	83%
2017/18	ICT Capita Contract	Jaqueline Harris-Baker	Limited (No further follow up)	1	1	100%
2017/18	SekChek Active Directory System Security	Jaqueline Harris-Baker	Limited (2 nd follow up in progress)	10	4	40%
2017/18	MyAccount and MyApplication	Jaqueline Harris-Baker	Limited (No further follow up)	5	5	100%
2017/18	Parking Enforcement and Income	Shifa Mustafa	Substantial (2 nd follow up in progress)	5	1	20%
2017/18	Payroll	Jaqueline Harris-Baker	Substantial (No further follow up)	3	3	100%
2017/18	CALAT Income Collection	Shifa Mustafa	Substantial (No further follow up)	6	6	100%
2017-18	Open Book Accounting (Axis Europe plc)	Shifa Mustafa	Substantial (No further follow up)	3	3	100%
2017-18	Temporary Accommodation Occupancy Checks	Hazel Simmons	Substantial (No further follow up)	3	3	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2017/18	Youth Offending service	Robert Henderson	Substantial (No further follow up)	3	3	100%
2017-18	Development Management	Shifa Mustafa	Substantial (1 st follow up in progress)	5	-	-
2017/18	Place Review Panel	Shifa Mustafa	Substantial (No further follow up)	3	3	100%
2017/18	Croydon Equipment Solutions	Jaqueline Harris-Baker	Substantial (No further follow up)	7	7	100%
2017/18	Street Trading Income Collection	Shifa Mustafa	Substantial (No further follow up)	9	8	89%
2017-18	Transport Fleet Management	Jaqueline Harris-Baker	Substantial (No further follow up)	3	3	100%
2017-18	Gifts and Hospitality	Jaqueline Harris-Baker	Substantial (3 rd follow up in progress)	4	3	75%
2017/18	Admitted Bodies	Jaqueline Harris-Baker	Substantial (2 nd follow up in progress)	4	1	25%
2017/18	Unix (Linux) Operating System Security	Jaqueline Harris-Baker	Substantial (3 rd follow up in progress)	3	3	100%
2017/18	Design of New Back up and Disaster Recovery Solution	Jaqueline Harris-Baker	Substantial (2 nd follow up in progress)	2	1	50%
2017/18	GIS Application	Jaqueline Harris-Baker	Substantial (3 rd follow up in progress)	5	2	40%
2017/18	Smitham 2016 School Heating Works	Shifa Mustafa	Substantial (No further follow up)	3	3	100%
2017/18	New Addington Leisure Centre and Housing Construction Works	Shifa Mustafa	Substantial (No further follow up)	1	1	100%
2017/18	One Croydon Alliance Programme	Guy Van Dechele	Substantial 2 nd follow up in progress)	7	3	43%
2017/18	Windows OS Security	Jaqueline Harris-Baker	Full (no further follow up planned)	2	2	100%
Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses				188	153	82%
Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses				32	29	91%
School Audits						
2017/18	Beulah Juniors	Robert Henderson	Limited (No further follow up)	13	11	84%
2017/18	Elmwood Infants School	Robert Henderson	Limited (No further follow up)	14	14	100%
2017/18	The Minster Nursery and Infant School	Robert Henderson	Limited (No further follow up)	17	15	89%
2017/18	Norbury Manor	Robert Henderson	Limited (No further follow up)	12	11	92%
2017/18	St Joseph's Federation	Robert Henderson	Limited (No further follow up)	25	21	84%
2017/18	Winterbourne Nursery and Infants	Robert Henderson	Limited	18	16	89%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
			(No further follow up)			
2017/18	St Mary's High School	Robert Henderson	Limited (No further follow up)	16	14	87%
2017/18	Crosfield Nursery and Selhurst Early Years	Robert Henderson	Substantial (No further follow up)	2	2	100%
2017/18	Purley Nursery	Robert Henderson	Substantial (No further follow up)	4	4	100%
2017/18	Tunstall Nursery	Robert Henderson	Substantial (No further follow up)	4	4	100%
2017/18	Thornton Heath Early Years Centre	Robert Henderson	Substantial (No further follow up)	7	6	86%
2017/18	All Saints C of E Primary	Robert Henderson	Substantial (No further follow up)	8	7	87%
2017/18	Elmwood Junior	Robert Henderson	Substantial (No further follow up)	3	3	100%
2017/18	Heavers Farm	Robert Henderson	Substantial (No further follow up)	10	10	100%
2017/18	Howard Primary	Robert Henderson	Substantial (No further follow up)	13	13	100%
2017/18	Margaret Roper	Robert Henderson	Substantial (No further follow up)	16	13	81%
2017/18	Purley Oaks Primary	Robert Henderson	Substantial (No further follow up)	7	7	100%
2017/18	Rockmount Primary	Robert Henderson	Substantial (No further follow up)	6	5	83%
2017/18	Selsdon Primary	Robert Henderson	Substantial (No further follow up)	9	9	100%
2017/18	Woodcote Primary	Robert Henderson	Substantial (No further follow up)	7	7	100%
2017/18	Coloma Convent Girls' School	Robert Henderson	Substantial (No further follow up)	14	12	86%
2017/18	Saffron Valley	Robert Henderson	Substantial (No further follow up)	6	6	100%
2017/18	Priory	Robert Henderson	Substantial (No further follow up)	6	6	100%
2017/18	Beaumont Primary	Robert Henderson	Full (No further follow up)	3	3	100%
2017/18	Archbishop Tenison	Robert Henderson	Full (No further follow up)	1	1	100%
School Audits Sub Total: Recommendations and implementation from audits that have had responses				241	220	92%
School Audits Sub Total: Priority 1 Recommendations from audits that have had responses				16	16	100%
Recommendations and implementation from audits that have had responses				429	373	87%
Priority 1 Recommendations from audits that have had responses				48	45	93%

Appendix 5 - Follow-up of 2018/19 audits

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
Non School Audits						
2018/19	Voluntary Sector Commissioning Adult Social Care	Jaqueline Harris-Baker	No Assurance (1 st follow up in progress)	8	-	-
2018/19	Community Care Payments	Guy Van Dichele	Limited (1 st follow up in progress)	7	-	-
2018/19	Housing Rents and Accounting	Hazel Simmonds	Limited (1 st follow up in progress)	3	-	-
2018/19	Housing Repairs	Hazel Simmonds	Limited (1 st follow up in progress)	2	-	-
2018/19	Pensions Administration	Jaqueline Harris-Baker	Limited (3 rd follow up in progress)	5	2	40%
2018/19	Children and Families System Support Team (ControCC)	Robert Henderson	Limited (2 nd follow up in progress)	13	8	62%
2018/19	Payments Against Orders	Robert Henderson	Limited (1 st follow up in progress)	10	-	-
2018/19	SEN to include Ombudsman upheld complaints	Robert Henderson	Limited (2 nd follow up in progress)	5	0	0%
2018/19	GDPR in Schools	Robert Henderson	Limited (No further follow up)	8	8	100%
2018/19	Air Quality Strategy, Implementation and Review	Shifa Mustafa	Limited (1 st follow up in progress)	8	-	-
2018/19	Landlord Lettings Scheme (formerly Croylease)	Hazel Simmonds	Limited (1 st follow up in progress)	8	-	-
2018/19	Allotments	Shifa Mustafa	Limited (No further follow up)	5	4	80%
2018/19	Live Well – Active Lifestyle Team	Shifa Mustafa	Limited (1 st follow up in progress)	7	-	-
2018/19	No Recourse to Public Funds (NRPF)	Hazel Simmonds	Limited (1 st follow up in progress)	4	-	-
2018/19	Croylease (Landlord letting Scheme)	Hazel Simmonds	Limited (No further follow up)	8	8	100%
2018/19	Libraries Income Collection	Shifa Mustafa	Limited (No further follow up)	5	5	100%
2018/19	Election Accounts and Claims	Jaqueline Harris-Baker	Limited (1 st follow up in progress)	7	-	-
2018/19	Asbestos Management (Beyond the Corporate Campus)	Shifa Mustafa	Limited (2 nd follow up in progress)	12	3	25%
2018/19	Council Tax	Jaqueline Harris-Baker	Substantial 1 st follow up in progress)	3	-	-
2018/19	Payments to Schools	Jaqueline Harris-Baker	Substantial (2 nd follow up in progress)	2	1	50%
2018/19	School Deficits and Surpluses (Conversion to Academy)	Robert Henderson	Substantial (1 st follow up in progress)	4	-	-

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2018/19	Leisure Contract Management	Shifa Mustafa	Substantial (2 nd follow up in progress)	2	1	50%
2018/19	Highways Statutory Defence	Shifa Mustafa	Substantial (No further follow up)	4	4	100%
2018/19	Discretionary Housing Payments	Hazel Simmonds	Substantial (No further follow up)	3	3	100%
2018/19	Leasehold Service Charges	Hazel Simmonds	Substantial (2 nd follow up in progress)	2	0	0
2018/19	Public Events	Shifa Mustafa	Substantial (2 nd follow up in progress)	7	5	71%
2018/19	South London Work and Health Partnership(SLWHP)	Shifa Mustafa	Substantial (2 nd follow up in progress)	3	2	66%
2018/19	Parking CCTV	Shifa Mustafa	Substantial (No further follow up)	1	1	100%
2018/19	Cashiers	Jaqueline Harris-Baker	Full (No further follow up)	1	1	100%
2018/19	Growth Zone – High Level Review	Shifa Mustafa	Substantial (No further follow up)	3	3	100%
2018/19	GDPR	Jaqueline Harris-Baker	Substantial (1 st follow up in progress)	2	-	-
2018/19	Access to IT Server	Jaqueline Harris-Baker	Substantial (2 nd follow up in progress)	3	0	0%
2018/19	Capita Event Management	Jaqueline Harris-Baker	Substantial (1 st follow up in progress)	3	-	-
2018/19	Third party – Service Delivery	Jaqueline Harris-Baker	Substantial (1 st follow up in progress)	1	-	-
Non-School Audits Sub Total: Recommendations and implementation from audits that have had responses				92	51	55%
Non-School Audits Sub Total: Priority 1 Recommendations from audits that have had responses				10	6	60%
School Audits						
2018/19	Virgo Fidelis Convent School	Robert Henderson	No (3 rd follow up in progress)	27	16	60%
2018/19	Coulsdon C of E Primary School	Robert Henderson	Limited (No further follow up)	8	7	88%
2018/19	The Mister Junior School	Robert Henderson	Limited (2 nd follow up in progress)	11	5	45%
2018/19	Regina Coeli Catholic Primary School	Robert Henderson	Limited (No further follow up)	10	10	100%
2018/19	St Andrews C of E VA High School	Robert Henderson	Limited (1 st follow up in progress)	5	-	-
2018/19	Thomas More Catholic School	Robert Henderson	Limited (No further follow up)	18	17	94%
2018/19	Christchurch CofE Primary School	Robert Henderson	Substantial (No further follow up)	10	10	100%
2018/19	Orchard Way Primary School	Robert Henderson	Substantial (No further follow up)	8	8	100%

Financial Year	Audit Followed-up	Executive Director Responsible	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2018/19	Park Hill Infant School	Robert Henderson	Substantial (No further follow up)	6	6	100%
2018/19	Ridgeway Primary School	Robert Henderson	Substantial (2 nd follow up in progress)	7	5	71%
2018/19	The Hayes Primary School	Robert Henderson	Substantial (1 st follow up in progress)	7	-	-
2018/19	St Mary's Catholic High School	Robert Henderson	Substantial (1 st follow up in progress)	12	-	-
2018/19	Bensham Manor School	Robert Henderson	Substantial (No further follow up)	9	8	89%
School Audits Sub Total: Recommendations and implementation from audits that have had responses				114	92	80%
School Audits Sub Total: Priority 1 Recommendations from audits that have had responses				16	12	75%
Recommendations and implementation from audits that have had responses				206	143	69%
Priority 1 Recommendations from audits that have had responses				26	18	69%

Statement of Responsibility

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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REPORT TO:	GENERAL PURPOSES AND AUDIT COMMITTEE 9 October 2019
SUBJECT:	Anti-Fraud Update Report 1st April 2019 – 31 August 2019
LEAD OFFICER:	David Hogan, Head of Anti-Fraud
CABINET MEMBER	Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT:	
<p>The work of the Anti-Fraud service helps the Council to improve its value for money by strengthening financial management and further embedding risk management. Improving value for money ensures that the Council delivers effective services contributing to the achievement of the Council’s vision and priorities. The detection of fraud and better anti-fraud awareness contribute to the perception of a law-abiding Borough.</p>	
FINANCIAL SUMMARY:	
<p>The budget provision for the Anti-Fraud service for 2019/20 is £276,000 and the service is on target to be delivered within budget.</p>	
FORWARD PLAN KEY DECISION REFERENCE NO: N/A	

1.	RECOMMENDATIONS
1.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> • Note the Anti-fraud activity of the Corporate Anti-Fraud Team for the period 1 April 2019 – 31 August 2019

2. EXECUTIVE SUMMARY

2.1 This report details the performance of the Council’s Corporate Anti-Fraud Team (CAFT) and includes details of the team’s performance together with an update on developments during the period 1 April 2019 – 31 August 2019.

3. DETAIL

Performance 1 April 2019 to 31 August 2019

- 3.1 The CAFT comprises 10 staff (8.7 FTEs), including investigators an Intelligence Officer and an Investigation Manager. The CAFT investigates allegations of fraud which affect the Council's business. In addition the team provides a service to the London Borough of Lambeth, as well as providing Financial Investigation services to the Merton/Kingston/Sutton Trading Standards partnership. Statistics related to the other councils that CAFT supports are not included in the figures below.
- 3.2 It has been reported previously to this committee that the CAFT was selected as a pilot to take part and help develop the London Counter Fraud Hub (LCFH), alongside Ealing, Camden and Islington councils and CIPFA. The LCFH project was designed to enable all of London to share data and match datasets to identify discrepancy. The datasets tested covered people registering housing need in more than one borough, claiming small business rate relief on more than one business or claiming single person discount on their council tax when they are not entitled. Following a two year period of testing and development the project, which did show some promising results, the project has stalled currently while legal work is undertaken to look at procurement and contract issues and we will provide a further update to the committee as soon as the current legal work has concluded. In the meantime it should be noted that Croydon has continued to undertake data matching through its previous methods.
- 3.3 There are local performance indicators that relate to the Council's anti-fraud work. The two indicators shown in table 1 below reflect the focus of the team. Table 2 shows a breakdown of these figures.

Table 1 – Key performance indicators

	YEAR END 18/19	ANNUAL TARGET 19/20	19/20 YTD PERFORMANCE
Successful Outcomes	100	130	77
Identified Overpayments & Savings	£1,250,000	£1,000,000	£471,642

Table 2 - Breakdown of Outcomes from 1 April 2019 – 31 August 2019 compared to the same period in 2018

2018		2019	
Area	Value £	Area	Value £
Housing - 17 3 Recovered Properties 4 Removed from housing list 1 Right to Buy stopped 1 Removed from TA 2 Possession order 5 Legal notices issued* 1 - Other	54,000 **8,000 £104,900 £18,000	Housing - 13 4 Recovered Properties 1 Removed from housing list 2 Right to Buy stopped 2 Possession order 4 Legal notices issued*	128,000 **2,000 £221,000
Other - 40 3 Formal Cautions 4 Dismissal/Resignation & Other Disciplinary Action 4 Council Tax Discounts 6 Council Tax reduction removed 3 Council tax liability order 3 Blue Badge Abuse 5 Recommendations for Improvements 5 Chargeback warnings 7 Other	£482,672	Other - 64 24 Formal Cautions 2 Dismissal/Resignation & other Disciplinary Action 3 Council Tax Discount 1 Council Tax Reduction Removed 1 Council tax liability order 32 Blue Badge abuse 1 Other	£120,642
Total	£667,572	Total	£471,642

*Includes: Notice Seeking Possession, Notice to Quit and Possession Orders

** Non-cashable saving, as cost to the council only arises when someone moves from the list to a tenancy.

3.4 Blue Badge Forgeries - case study

We have previously reported to committee that in 2018/19 the team faced a significant challenge in dealing with a number of forged Blue Badge Disabled parking permits. As we reported these were high quality forgeries and we ensured the features were widely publicised to both Met Police and our Parking Enforcement team. The team responded to reports where these permits were found being used and in a large number of cases were able to arrive before the

vehicle left the location so we could use our powers under the Disabled Persons Parking Badges Act 2013 to examine and confiscate the fraudulent badge. The result of this work is that we were able to catch 13 people using these forged permits and in each case we have sought to bring a prosecution against the individual using the vehicle at the time.

To date 5 of these cases have gone before the court with one defendant pleading not guilty, three pleading guilty and the another adjourned to allow them further time to obtain legal advice.

In our last report to the committee in July we reported that this early intervention had brought about a marked reduction in the number of cases reported and since then there have been no further reports of these false permits being used and it is believed we have eliminated this problem for the benefit of those in the borough with a genuine need to access disabled parking concessions.

4. FINANCIAL INVESTIGATIONS

- 4.1 The Council employs two Financial Investigators to undertake work using the Proceeds of Crime Act 2002. This includes investigating and developing cases to obtain confiscation orders plus cash seizure and cash forfeiture cases.

Croydon's Financial Investigators undertake work for other councils, who do not have this capacity, on a fee basis. Last year they undertook work for the Merton/Richmond Regulatory services partnership.

Their investigations relate to various departments within the Councils including:

- Environmental enforcement
- Trading Standards - trademark and rogue trader cases
- Planning – enforcement case;
- Licensing
- Internal cases
- Safeguarding cases
- Business rates evasion by fraud

- 4.2 At the time of writing the Financial Investigators have 15 cases under investigation involving a total of 23 defendants. These investigations relate to Croydon cases, with the exception of one case for Sutton council.

- 4.3 Financial Investigators are empowered to apply for restraint orders which have to be approved by a Crown Court judge. A restraint order freezes property, including money and assets anywhere in the world. The aim of the order is to preserve a defendant's assets and make them available to satisfy a confiscation order. When there is a successful prosecution and if a confiscation order is granted then the restrained assets may be sold in order to pay the confiscation order.

The Council receives a portion of the value of a confiscation order and any forfeited cash.

The Council's Financial Investigators currently have £85,000 of cash detained pending forfeiture, plus the following items are restrained;

33 Bank Accounts

4 Properties

1 plot of land

1 vehicle

5. LOCAL GOVERNMENT TRANSPARENCY CODE

- 5.1 Members will be aware of the Local Government Transparency Code which requires Councils to publish data about various areas of their activities. Included in the 2014 code is detail on Counter Fraud work, most of this information has always been reported to committee; however there are some new areas which now need to be made public. These are detailed below for the period from 1 April to 31 August 2019:

Number of occasions the Council has used powers under the Prevention of Social Housing Fraud Act	13
Total number of employees undertaking investigations and prosecutions relating to fraud	10
Total number of full-time equivalent employees undertaking investigations and prosecutions of fraud	8.7
Total number of employees undertaking investigations and prosecutions of fraud who are professionally accredited counter fraud specialists	10
Total number of full-time equivalent employees undertaking investigations of and prosecutions who are professionally accredited counter fraud specialists	8.9
Total number of fraud cases investigated*	479

*The number of investigations that have been closed during the period April '19 to August '19.

6. FINANCIAL AND RISK ASSESSMENTS

- 6.1 The budget provision for the audit and anti-fraud service for 2019/20 is £276,000 and the service is on target to be delivered within budget.
- 6.2 There are no further risk assessment issues than those already detailed within the report.

(Approved by: Ian Geary, Head of Finance, Resources & Accountancy)

7. COMMENTS OF THE SOLICITOR TO THE COUNCIL

- 7.1 The Solicitor to the Council advises that there are no additional legal implications arising from this report

(Approved by Sandra Herbert, Head of Litigation and Corporate law, for and on behalf of Sean Murphy, Interim Director of Law and Governance and Deputy Monitoring Officer)

8. HUMAN RESOURCES IMPACT

- 8.1 There are no immediate human resource considerations arising from this report for LBC staff or workers.

(Approved by: Gillian Bevan, Acting Head of HR – Resources and CE Office)

9. CUSTOMER FOCUS, EQUALITIES, ENVIRONMENTAL, CRIME AND DISORDER REDUCTION & HUMAN RIGHTS IMPACTS

- 9.1 There are no further considerations in these areas.

10. EQUALITIES IMPACT ASSESSMENT

- 10.1 An initial screening equalities impact assessment has been completed for the Anti-fraud and Corruption Policy. No further action was found to be necessary.

11. DATA PROTECTION IMPLICATIONS

11.1. WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

No, this report is for information only.

11.2. HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

NO

No DPIA has been completed as no personal data is used in the report. Any cases studies used do not include personal identifiers such as name and address

(Approved by: Lisa Taylor, Director of Finance, Investment and Risk)

CONTACT OFFICER: David Hogan (Head of Anti-Fraud)

REPORT TO:	GENERAL PURPOSES AND AUDIT COMMITTEE 09 October 2019
SUBJECT:	Corporate Risk Register
LEAD OFFICER:	Malcolm Davies – Head of Risk and Corporate Programme Office
CABINET MEMBER	Councillor Simon Hall, Cabinet Member for Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT:	
<p>This report presents the corporate risk register as at 09 October 2019 as part of the General Purposes and Audit Committee’s role of overseeing the risk management framework and receiving assurance that significant corporate (Red) risks are identified and mitigated by the organisation. This process will ensure that the risk management function will continue to contribute to the achievement of the Council’s vision, key priorities and objectives.</p> <p>In line with the Council’s commitment to openness and transparency, the corporate risk report will appear in Part A of the agenda unless there is specific justification for any individual entries being considered under Part B (set out under Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended).</p>	
FINANCIAL SUMMARY: No additional direct financial implications.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

<p>1.1 RECOMMENDATIONS</p> <p>The Committee is asked to:</p> <p>Note the contents of the corporate risk register as at October 2019</p>
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2. EXECUTIVE SUMMARY

2.1 The report updates the General Purposes & Audit Committee Members on the corporate risk register (the register) as at October 2019.

3. DETAIL

Risk Register Report

- 3.1 The register presented details all the current corporate risks rated at a total risk score of 20 and above (Red Risks).
- 3.2 Since the register was last considered by Members, there have been no risks escalated to Red.
- 3.3 Since the register was last considered by Members, there have been no risks de-escalated.
- 3.4 In line with the Council's commitment to openness and transparency, the register will appear with the corporate risk report in Part A of the agenda unless, in accordance with the Access to Information Procedure Rules in the Council's Constitution there is specific justification for any individual entries being considered under Part B (set out under Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended).
- 3.5 It should be noted that some of the grounds for exemption from public access are absolute. However, for others such as that in para.3, 'Information relating to the financial or business affairs of any particular person (including the authority holding that information)', deciding in which part of the agenda they will appear, is subject to the further test of whether, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. FINANCIAL CONSIDERATIONS

- 4.1 There are no additional financial considerations arising from this report.

(Approved by Lisa Taylor –Director of Finance, Investment & Risk and Interim S151 Officer)

5. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 5.1 The Council Solicitor advises that there are no additional legal considerations arising from this report.

(Approved by: Sean Murphy, Interim Director of Law & Monitoring Officer)

6. HUMAN RESOURCES IMPACT

- 6.1 There are no additional Human Resources implications arising from this report.

(Approved by: Sue Moorman, Director of HR)

7. EQUALITIES, ENVIRONMENTAL AND CRIME AND DISORDER REDUCTION IMPACTS

7.1 None

8. RISK ASSESSMENT

8.1 No further risk issues other than those detailed in the report.

8.2 The corporate Risk Management Team (RMT) incorporates a '**horizon scan**' strategy in respect of the risk management activities undertaken as part of the Council's Risk Management Framework.

8.3 The horizon scan strategy is implemented through the distillation of cross – organisational & external professional networks maintained by the RMT. This strategy incorporates a multi-faceted approach including:

- Intelligence sharing (especially in respect of significant events / incidents)
with other local authorities such as the Local Government Association;
- Collaborative working particularly the London Boroughs network, London Councils and the Greater London Authority;
- Research conducted via professional and generic media mechanisms for
example The Association of Local Authority Risk Mangers, CIPFA;
- Regular attendance at DMT's / DLT's on a quarterly basis;
- Participation in the relevant 'working group' activities / projects for
example
major systems implementation such as Oracle Cloud, or
policy/legislative change implementation such as IR35 compliance;
and
- The ability to 'add value' and strategic direction and guidance is an
integral
aspect of the risk management consultancy available to senior officers.

9. FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS

9.1 Information contained in the Council's Risk register or held in relation to the Council's risk management procedures may be accessible under the Freedom of Information Act subject to the application of any relevant exemptions, such as commercial sensitivity and whether disclosure was in the 'public interest'.

10. DATA PROTECTION IMPLICATIONS

10.1. **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

No.

No personal data is processed as part of the production of the Corporate Risk Register.

10.2. HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

No.

Not applicable as no personal data is processed as part of the production of the Corporate Risk Register

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CONTACT OFFICER:

Malcolm Davies,
Head of Risk & Corporate Programme Office
Ext 50005

BACKGROUND DOCUMENTS:

Appendix 1 Corporate Risk Register

Risk Register

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
EHSCS0001 Pendry, Nick	<p>The number of unaccompanied asylum seeking children looked after by Croydon remains significantly higher than the national average. LB Croydon plays a key role in supporting the National Transfer Scheme, a voluntary arrangement between local authorities to disperse and settle children and young people across the UK. This scheme has not had the anticipated success. The Pan London Protocol is in operation. London authorities have co-operated over many years to support each other (although primarily Croydon) by voluntarily taking new presentations of 16 and 17 year old UASCs on a rota basis with an agreed threshold of 0.07%. Those authorities that have been above the 0.07% threshold have come off the rota. They do come back on when young people become 18 and they fall back beneath the threshold. However, the numbers have risen in the past year and the capacity has reduced across London. One authority has recently removed themselves from the rota.</p> <p>On the basis of the average number moved through the rota last year and the new capacity, we calculate it is very possible that the Rota will be full within the next few weeks. Croydon would then be responsible for all new presentations to Lunar House as a locally based service.</p> <ul style="list-style-type: none"> - This would mean an average additional intake of 38 young people per month (based on Jan-Dec 2018 figures). - This is on top of the under 16s already accommodated by Croydon who are made subject to the NTS . - The number of UASC in Croydon's care is likely to rise significantly with a direct impact on Croydon's services generally 	<ul style="list-style-type: none"> - Significant service and staff resources pressures, with pressures on placement supply in-house and in the independent sector, and pressures on school places and LAC health services. - Impact on Council revenue budgets as a result of insufficient funding, especially as the Home Office have failed to increase the funding rates for 19/20. - NTS continues to fail (transfer scheme). - Funding deficit of £10.6m in 2018/19. - Forcast deficit for 2019/20 is £9.4m 	Henderson, Robert	<p>Continued work with the Association of London Directors of Children's Services and the Department for Education and Home Office to collectively support the National Transfer Scheme and the work of the Pan London Protocol.</p> <p>Continued work with the Home Office to ensure that only appropriate young people are placed.</p> <p>Emphasis on wider negotiation of fair funding arrangements for Croydon.</p> <p>Establishment of a new Age Assessment Team, supported by the Controlling Migration Fund to fast track all age disputed cases.</p> <p>Financial implication / impact for 2019/20 financial year (£9.4m) on going scoping of financial risk / impact for each quarter.</p> <p>Implementation of the National Transfer Scheme.</p> <p>Increased use of the rota to place young people in other boroughs.</p>	5	5	25	<p>Further engagement with Home office and Association of Directors of Children Social Services.</p> <p>LBC working with London Council's and the LGA to raise awareness of the specific UASC pressures facing 'Port of Entry' locations (such as Lunar House).</p> <p>Lobbying of the Home office and new minister taking place and will continue to take place until repsonse received.</p> <p>Ongoing work to ensure compliance and ensure opportunities are utilised through a formal system for dispersing unaccompanied child migrants as introduced by central government.</p>	5	4	20

Risk Scenario		Current			Future Risk Rating						
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
	<p>and Children's services in particular and further budget pressures resulting.</p> <p>- The relevant parts of the Immigration Act have not been enacted by Central Government.</p> <p>Risk reviewed and accepted at DMT 08/08/2019 and presented to DLT 17/09/2019.</p> <p>(Risk generated 25/06/2018)</p>			<p>LBC negotiated with other London Borough's to increase their UASC scheme to 0.08%, which is providing some short term relief.</p> <p>Leader formally written to Immigration Minister (30/05/2019) to request urgent review of the daily rates for UASC LB Croydon receives (no increase for 2 years). Response recieved 27/06/2019 confirming that no additional funding will be provided.</p> <p>The Council has held meetings with the Immigration Minister and others in Home Office. Ongoing correspondence, conversations and clarifications with Home Office taking place, but response is very slow.</p>							

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
EYE0009 Davies, Shelley	<p>Increasing population with complex learning needs and parental expectations leads to rising demand and financial pressure on SEN fixed budgets including pressure on High Needs DSG budget.</p> <p>** In 2018/19, the High Needs DSG Budget was overspent by £5.6m resulting in a cumulative deficit of £13m as at 31 March 2019 which contributed to a £9.2m overall DSG deficit. The Spending Review (2019) has identified that additional funding will be made available for SEN, which will help fund the 'in-year' deficit in 2020/21**.</p> <p>Risk reviewed and amended at DLT 17/09/2019..</p> <p>(Risk generated 27/06/2017).</p>	<p>- Children and families do not receive the advice and support they would expect.</p> <p>- Increased costs due to tribunals and complaints leading to reduced reputation.</p> <p>- Inability to achieve outcomes for children and families in Croydon.</p>	Davies, Shelley	<p>Continue to use Council Members / MP's to lobby Central Government for a review of the model that funds higher needs to reflect the actual demand for Croydon.</p> <p>Further senior management review of existing plans.</p> <p>High Needs Funding Review planned.</p> <p>Implement strategies for managing demand for more effective mainstream school placements.</p> <p>Implementation of SL DPS to reduce placement costs.</p> <p>Improved forecasting and reporting of demand led spend to manage overall budget position.</p> <p>Improved projections for school places.</p> <p>July 2019 5 yr deficit recovery plan submitted to DfE.</p> <p>Modelling of Locality Based Working & Staged Approach supporting mainstream schools meeting SEN needs.</p>	5	5	25	<p>0-25 SEND Strategy Implementation Plan to deliver change across the system – in five areas below. The SEND Strategy implementation plan Governance is through SEND Working Group; which reports into Children & Families Partnership Board.</p> <p>Early Identification and Intervention –improved HV assessment, identify needs, work with families early. Support for EY education providers, personalised inclusion funding until the end of EY Foundation Stage.</p> <p>Free School being constructed which will relieve pressure in spend in non-mainstream sector.</p> <p>Graduated response – right support, right time. Meeting needs locally in local schools at SEN Support level; reduced reliance on alternative education.</p>	5	4	20

Risk Scenario			Current					Future Risk Rating			
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				<p>New SEN strategy 2019 / 22 present to cabinet March 2019 following consultation. Plans to improve impact of service and measure to mitigate against cost.</p> <p>Provision of more Post 16 specialist placements in borough by Sept 2019 with a further 244 school placements to come on stream by Sept 2020.</p>				<p>Joint Working – children’s needs are met locally in Croydon (cost avoidance in inm sector), through co-ordinated and coherent pathways which are achieved through collaborative work with parents and YP; across education, health and care.</p> <p>Post 16 pathway development so that there are effective local education, care and health pathways to adulthood, and EHC Plans are caesed in timely way (currently 40% HNB spend is post 16).</p> <p>South London Partnership SEN Commissioning Programme for commissioning residential and day placements for children and young people with Special Education Needs.</p> <p>Utilisation of the additional funding allocated in the 2019 'Spending Review'.</p> <p>Workforce development – practitioners have the skills and knowledge to meet needs locally. Parents are confident.</p>			

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
FIR0021 Taylor, Lisa	<p>Funding levels provided through the Government Grant are significantly lower than forecast or anticipated, resulting in severe limitations being placed on the Council's Medium Term Financial Strategy. (updated for spending review 04/09/2019).</p> <p>**There is great uncertainty in relation to the level of funding beyond 2020. Medium Term Financial Planning is taking place against a background of significant funding cuts for local government alongside government plans for major local government finance reforms and this uncertainty is making planning very difficult to manage. The Spending Review (2019) has offered hope with additional funding being allocated in Local Government next year. Until this has been allocated to Croydon we are planning on estimates that could change**.</p> <p>Reviewed and amended at DLT 10//09/2019</p> <p>(Risk generated 27/06/2019).</p>	<ul style="list-style-type: none"> - Service disruptions. - Key manifesto / corporate objectives not achieved. - Resident dissatisfaction. - Media and political scrutiny. - Legal challenge and associated consequences. - Little time to strategically plan. 	Taylor, Lisa	<ul style="list-style-type: none"> a. - Continuous monitoring / scrutiny of all budgets and commitments. b. Continuing approach to organisational efficiency including smart commissioning & procurement strategies, and recruitment controls. Targeted approach to early intervention and prevention strategies (children's and adult's social care / Gateway Strategy) and exploitation of opportunities for working in collaboration with our partners. c. Diversification of organisational operating portfolio's (incl. asset investment / revenue generation opportunities. d. Continued maintenance of general reserve at current levels, with an ambition to increase the minimum level of reserves to 5% of the net revenue budget to cover any major unforeseen expenditure. e. Continued lobbying with Home Office on several occasions for fair funding. 	5	5	25	<ul style="list-style-type: none"> a. - Strategies being developed to promote and stimulate new growth opportunities. b. Continued focus / investigation into effective approaches to managing demand. c. Continued strategic approach to identifying efficiencies and savings through changes to the way the Council works e.g. exploiting new technology, consolidation of buildings and processes. d. Identification of new ways to strengthen the long term financial position through increasing income sources. e. Refresh of MTFS over summer / autumn 2019 re budget for 2020/21. 	5	5	25

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
ASC0001 McPartland, Annette	<p>Social Care market supply disruption leading to market failure and inability to fulfil statutory requirements.</p> <p>**Situation nationally has deteriorated so likelihood is very high. Market failure has become more common, increased by 82% nationally**.</p> <p>Risk is jointly owned with Commissioning & Procurement.</p> <p>Risk reviewed and accepted at DMT 15/08/2019.</p> <p>(Risk generated 24/08/2017)</p>	<ul style="list-style-type: none"> - Reduction in choice. - Failure to meet service user needs. - Delayed discharge from hospital. - Increase budget pressure. - Reduced quality of provision. - Increase in safeguarding concerns. - Increase number of providers within the provider concerns process. - Increases in delays or overpayments to providers. - Increase pressure on all internal services. 	McPartland, Annette	<ul style="list-style-type: none"> a. 2017/18 internal audit findings completed & implemented. b. Brokerage and Placements Quality Assurance. c. Inflation strategy in place to manage fees paid. d. Integrated Framework Agreement extension. e. Pan London provider concern's process managed by safeguarding team. f. Market management by Contract monitoring team. g. ADASS Pan London minimum standards programme adopted. h. One Croydon Alliance Commissioning strategy ongoing implementation. i. Right Cost of Care exercise by KPMG. j. Croydon Dynamic Purchasing and e-market system commissioned September 2018. 	5	4	20	<ul style="list-style-type: none"> a. A joint micro commissioning and market management process for all Alliance partners. b. Refreshed Market position statement. c. Restructured contract & market management function with increased number of monitors. d. Bring Services 'in-house' where appropriate. (enhance on case by case basis / review and ensure compatability) e. Creation of more 'Supported Living' capacity. f. PFI Homes Project to be reviewed. g. Reablement in South of borough - Review ability for provision within area. h. Insourcing is underway to help improve services to residents. 	5	3	15

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
EHSC0007 Pendry, Nick	<p>Dependency of Children's Services on interim resources. This includes the challenges of recruiting (particularly in Care Planning & Assessment Team) coupled with significant capacity and resourcing pressures and the impact of service reorganisations resulting in a lack of stable, high performing workforce.</p> <p>48% vacancy level (08/08/2019) – this includes a significant adjustment to the establishment for financial year 2019/20 which is ensuring lower and manageable caseloads . Permanent recruitment of management roles (i.e. team manager and service manager).</p> <p>**It must be noted that the vacancy rate is increasing (42% at July 2019) as the size of the teams have increased since Ofsted inspection in order to reduce caseloads and other pressures on Social Work staff.** The reduction of caseloads and the injection of branding 'Croydon as a social care employer'.</p> <p>This is linked to risk ref: EHSC0012</p> <p>Risk reviewed and amended at DMT 08/08/2019 and presented to DLT 17/09/2019 - NM to provide updated stats.</p> <p>(Risk generated 29/06/2018)</p>	<p>- Managers and staff working excessive hours / holding excessive caseloads..</p> <p>- Loss of key members of staff and inability to recruit and retain good quality candidates for vacant posts and reduce reliance on agency personnel.</p> <p>- Poor decision making, performance and inability to deliver service transformation.</p>	Pendry, Nick	<p>Exit interview process has been reviewed and structured to incorporate Director involvement and the ability to identify crucial management information / data to mitigate high attrition rates.</p> <p>Further progress has been made in the conversion of locums to permanent staff - as at 28 June 2019, 23 locum staff had converted to permanently employed status.</p> <p>During the period 01/06/2018 to 31/05/2019 a total of 92 external staff were permanently recruited (of which 46 were social Workers).</p> <p>New co-hort of newly qualified Social Workers commenced May 2019.</p>	5	4	20	<p>Implement recruitment and retention policy: implementation of the recruitment & retention policy is underway which includes learning and development career pathways, retention payment for Social Workers in hard to fill teams with payment in 2 instalments. There is a strategic approach to recruitment & retention which including benchmarking against other Local authorities, analysing exit interview data as well as monitoring sickness absence and 1:1 supervisions.</p> <p>Investigating Social Worker housing scheme.</p> <p>Newly qualified cohort (15 Social Worker's) joining October 2019.</p> <p>Reviewing benchmarking and 'welcome payment' for Care Planning & Assessment Teams.</p> <p>Work with HR to promote more strategic approach to recruitment Croydon experience significant difficulties recruiting and competing in London</p>	5	3	15

Risk Scenario		Current			Future Risk Rating						
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				Recruiting to vacancies: a detailed monthly analysis is identified by a workforce report. Recruitment campaigns are targeted to teams which identify unfilled vacancies and agency workers. Roles are advertised via Community Care which has a readership of social care professionals. In addition Croydon is holding a series of 'Excellence in Practice' recruitment seminars. – latest event held 29/03/2019.							

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
EHCS0010 Pendry, Nick	<p>Exploitation of young people in the Borough particularly in relation to peer on peer and gang activities and children missing from home and care.</p> <p>**It is recognised that the enforcement notice (and subsequent implications) issued by Information Commissioners Office towards the Metropolitan Police Service in respect of data sharing / gangs matrix is significant in its implications on the Services ability to deliver protection strategies etc.**</p> <p>Risk reviewed and accepted at DMT 08/08/2019 and presented to DLT 17/09/2019.</p> <p>(Risk generated 20/02/2018)</p>	<p>- Children feeling and being unsafe/becoming victims or perpetrators of crime.</p> <p>- Significant risk of harm to young people in the Borough through exploitation (sexual and criminal), being missing and/or trafficked or caught up in crime</p> <p>- Risk of harm to Croydon children placed away from Croydon without prevention, disruption and protection activity.</p>	Pendry, Nick	<p>a. The Public Health Approach to Reducing Violence which provides the framework to deliver the council's commitment to reducing violence, including serious youth violence and knife crime, in the borough was adopted on the 10th June 2019.</p> <p>b. Partnership working with the police and other agencies</p> <p>c. Strategy meetings for children who are missing, Child Exploitation risk assessment and risk reduction plans, with risk management meetings introduced, MACE as strategic oversight (multi agency child exploitation panel).</p> <p>d. Focused work with our schools around gangs and County Lines.</p> <p>e. Investment in a data analyst to understand the underlying issues and themes emerging so targeted preventative working can be developed. Analyst liaises with police and gangs analysts.</p> <p>f. Investment made in expanding the team to complete return home interviews.</p>	5	4	20	<p>a. Greater awareness and robust actions by all partners.</p> <p>b. Robust and reliable data as well as children's feedback to be analysed on a regular basis (to include: increase in Return Home Interviews, less repeat missing children, realistic National Referral Mechanism (NRM) referral rate, realistic number of children tracked at risk of criminal and sexual exploitation and risks reducing).</p> <p>c. The Violence Reduction Network is taking a fundamentally different approach where all partners work together with communities to drive down violence and by preventing violence before it happens by focusing on the causes, as well as the impact of the offences. The plans include the development of trauma-based training for staff, the community and voluntary sectors, to enable people to identify and understand adverse childhood and adult experiences and ensure those who experience them are properly supported.</p>	5	3	15

Risk Scenario		Current			Future Risk Rating						
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				<p>g. Much improved single performance and data report available now.</p> <p>h. Adolescent Support Teams who work on statutory basis with adolescents where there is a risk outside of the home. Adolescent Services within Children's Social Care incorporate the Gangs Team, Youth Offending and Child Exploitation Team, along with two statutory social care teams for adolescents.</p> <p>i. Choose Life campaign.</p> <p>j. Panels have been realigned and Complex Adolescents Panel began on 5th June 2019 so children are only discussed in one forum. This will report into the Vulnerable Adolescent Workstream.</p> <p>k. Director of Violence Reduction Unit appointed - August 2019.</p>				<p>d. Work with other local authorities to reduce placements of vulnerable children in Croydon.</p> <p>e. Working with the Head of Service responsible for Community Safety to review overall strategy</p> <p>f. Implementation of the 'Glasgow Public Health' approach to managing violence.</p> <p>g. The mayors violence reduction unit expected to deliver further targeted services in this area.</p>			

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
EHSC0012 Pendry, Nick	<p>The achievement of the improvement plan outcomes and the journey to a rating of 'Good' is too slow or not achieved, following the OFSTED inspection of 'Services for children in need of help and protection and children looked after and care leavers' which judged the Council's Children's Services as 'inadequate'.</p> <p>Risk reviewed and accepted at DMT 08/08/2019 and presented to DLT 17/09/2019.</p> <p>(Risk generated 19/12/2017)</p>	<ul style="list-style-type: none"> - Reputational damage, which has a severe impact on the Council's ability to recruit and retain high quality, skilled staff - Children and young people at risk of significant and serious harm, because children in need of help and protection and children looked after by the Local Authority do not have sufficiently robust care plans and services to meet their needs and keep them safe. - Financial cost of implementing wide ranging changes - Increased referrals to children's social care from across partners, leading to unacceptably high workloads, poor service and associated financial pressures. - Media scrutiny. - Political scrutiny and activity. 	Henderson, Robert	<p>Additional investment of £12m during 2019/20 in the base budget has resourced business support, learning and development and performance management, which create the conditions for good social work to flourish.</p> <p>July 2019 - Monitoring Report Outcomes presented. Postivie view from Ofsted were reported.</p> <p>Steady improvements in KPIs as reported to the Improvement Board indicate that the service improvement work is gaining traction, although the pace needs to speed up.</p> <p>Substantial engagement with staff has taken place across the whole department to plan and implement a locality working model across CFE, taking a risk-based approach to ensure this contributes to better services and improved outcomes for children.</p>	5	4	20	<p>Following the systemic practice training strengthened relationships will be built across children's services and schools, early years and voluntary sector providers to keep the journey of the child at the centre. Early help will continue to provide robust, effective support for families, expanding the offer so more cases step down from statutory services.</p> <p>Further develop locality based working as part of the transformation, bringing more services together around families and communities to make sure families get the right services at the right time.</p> <p>Further refine and implement transformation proposals that seek to shift resources to earlier help and prevention and so reduce the demand for costly, intrusive statutory services.</p>	5	3	15

Risk Scenario			Current			Future Risk Rating					
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				<p>Sustained focus on recruitment and retention has led to the recruitment of five permanent service managers from good and outstanding authorities, reduced staff churn and seen staff returning to work in Croydon.</p> <p>Systemic leadership training for all managers has started with CSLT and will be mandatory for all service and team managers to ensure all have the skills, knowledge and ability to provide high support and high challenge to staff to achieve the best outcomes for children and families.</p> <p>The Executive Director Children, Families and Education and Director of Early Help and Children's Social Care have analysed and evaluated the divisions strengths and weaknesses and translated these into a coherent set of sequenced priorities for action.</p>							

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
EYE0003 Davies, Shelley	<p>As at the end of March 2019, there are 6 of our 50 maintained schools in deficit potentially leading to default or an increase in arrears. The total deficit amounts to £3.6m however two of the schools (one of which is St. Andrews and will be closing August 2020) are in a loan arrangement with the LA.</p> <p>**It is noted that approximately 2/3's (£2.9m) of the deficit is attributable to two schools**.</p> <p>Risk reviewed and amended at DMT 10/09/2019 and presented to DLT 17/09/2019.</p> <p>(Risk generated 08/08/2017).</p>	- Financial loss to LBC.	Davies, Shelley	<p>Deficit schools are required to report financial outturn monthly.</p> <p>Regular update meetings with the Governing Body's / SLT's of schools with the highest levels of debt.</p> <p>Schools are met with by senior finance and education officers to discuss their deficit and their action plan for setting a balanced budget in the future.</p> <p>Schools are requested to set a licence deficit plan – this includes a 3 year budget plan as to how the school will return to a balanced position.</p> <p>We have input into the school's 3 year business plan to shape repayment terms and included a formal letter of agreement. Termly finance meetings for all maintained schools sharing best practice etc.</p>	4	5	20	<p>More enhanced benchmarking using tools currently under development with the DfE.</p> <p>The LA is using its statutory powers to investigate installing an Interim Executive Board (IEB). Powers are limited in terms of financial benefit to the LA but could steer the school towards a form of collaboration with another education body.</p>	4	5	20

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
FIR0018 Taylor, Lisa	<p>The 2019/20 budget is not managed within allocated resources resulting in an overspend and therefore the need to implement additional cuts to services. In year funding reductions are imposed whilst the Council experiences a continuous rising demand for service provision and growth in population. The continuing improvement of Children's Services following the OFSTED inspection (June / July 2017) has required greater investment in this service with over £10m having been invested in Children's Services during 2018/19. A further £12m investment has been allocated in the 2019/20 budget.</p> <p>2018/19 year-endoverspend was £5.466m. This includes costs relating to UASC, which the Home Office are still not engaging with Croydon to resolve.</p> <p>Q1 (2019/20) presented to Cabinet on 19/09/2019. Forecast in-year overspend of £9.4m which is attributable to UASC & NRPf being underfunded by the Home Office.</p> <p>Reviewed and amended at DLT 10//09/2019.</p> <p>(Risk generated 18/09/2018)</p>	<p>- Insufficient resources will lead to inability to meet needs and political aspirations. Potential inability to meet statutory responsibilities in times of increasing demand through changing demographics, for example mental health services, older people's services, children's services and housing.</p> <p>- Damage to reputation and service risk.</p> <p>- Reduction in resources.</p> <p>- Erosion of reserves.</p> <p>- Risk of failure to balance Budget and failure to maintain capital investment strategy in infrastructure (Strategic objective alignment: Enabling).</p> <p>- 2019/20 Q1 monitoring has provided indication of a forecast overspend. Action being taken by all departments to reduce costs.</p>	Taylor, Lisa	<p>a. Corporate Plan aligned to MTFS to ensure priorities align with resources</p> <p>b. MTFS 2018/22 presented to cabinet (September 2018), setting out future budget requirements.</p> <p>c. Quarterly financial monitoring with additional controls in respect of Adult and Children Social care, where the high risk areas are monitored monthly.</p> <p>d. Regular monitoring of all reserves including Transformation Projects for both service delivery and financial savings.</p> <p>e. Immediate response to national consultations / questionnaires in conjunction with continued lobbying of central government.</p> <p>f. Implementation of the Localities Project to deliver savings.</p> <p>g. Continued implementation of the Children's Improvement Plan.</p>	5	4	20	<p>a. Continue to implement all Savings & Transformation projects to ensure delivery.</p> <p>b. Refresh the MTFS to balance the 2020/21 budget and identify at an early stage projects and programmes to do this working closely with CLT / ELT and Cabinet to achieve this.</p> <p>c. Focus on preventative measures and early intervention particularly with identified top high cost families, including the Localities Project model benefits (continuous review).</p> <p>d. Children's Social Care - continued implementation of The Improvement Plan.</p> <p>e. Adult Social Care - continued review of service delivery and review of all contracts.</p> <p>f. Regular review of all fees and charges.</p> <p>g. Continued active engagement in fair funding review.</p> <p>h. Continued Home Office lobbying for fair UASC funding.</p>	5	3	15

Risk Scenario		Current			Future Risk Rating						
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				h. SEN Transport - Continued development of the service operating model to drive efficiencies. This includes the continued use of independent travel. i. Development of a 5 year financial model to continue to manage SEN Transport costs. j. Continued delivery of Gateway & Family Link Service. k. Recruitment pause commenced August 2019. l. Review of fees and charges. m. Implementation of High Needs Strategy.							

Risk Ref	Risk Scenario		Assigned To	Existing Controls	Current			Future Controls	Future Risk Rating		
	Risk	Impact			Impact	L'hood	Total		Impact	L'hood	Total
RCS0018 Harris-Baker, Jacqueline	<p>The Council's ability to deliver services (including all statutory requirements) are adversely / critically affected following the departure from the European Union by the United Kingdom.</p> <p>The United Kingdom's EU referendum (23/06/2016) resulted in the decision for the UK to exit membership from the EU. Article 50 (Treaty of Lisbon) was triggered by the UK Government on 29/03/2017 formalising the process for exit negotiations for the UK with the remaining EU member countries. On 10/04/2019 the 27 remaining EU member countries granted the UK an extension until 31/10/2019 within which time the UK is to formalise and ratify an agreement on the terms of the UK's departure. The UK Parliament has been unable to decide upon and determine the circumstances and conditions relating the the UK's departure from the EU as of 04/09/2019 with the Government losing its parliamentary majority on 03/09/2019. On 9th September 2019 the UK Government prorogued parliament until 14th October 2019.</p> <p>**This risk is closely monitored in terms of impact however the outcome of the parliamentary process / details of the UK exit conditions cannot be determined at an organisational level. The Council will continue to react to the issues arising as a result of the status of the ongoing negotiations**.</p> <p>Reviewed at DLT 10//09/2019, updated 12/09/2019.</p> <p>(Risk generated 25/06/2016).</p>	<ul style="list-style-type: none"> - Wider uncertainties about the UK's economy and trade arrangements could potentially impact development plans and inward investment that are vital for the borough's regeneration. - Uncertainty about future EU funding levels and the availability of funds projects already commenced. - The UK Economic performance will impact local authority budgets and grants. Currently there are unknowns about whether further grant cuts will be imposed and how Croydon's budget may be affected. - Croydon's business rates income could be impacted by any loss of confidence in investment in the UK economy. - A 'No-deal' Brexit has a high likelihood of causing disruption to supply chain with delays and additional processes at ports in the UK and EU. This may cause shortages in supplies, including critical areas such as medicines, food and fuel. - Uncertainties about the residency rights of current EU citizens in Croydon could cause community tensions and heightened tensions. - Civil unrest in the event of unpopular decisions taken by Parliament. - Inability of the Director of Public Health to deliver statutory assurance in respect of the Council's emergency preparedness. 	Harris-Baker, Jacqueline	<p>A report has been provided to Cabinet outlining the various implications and actions arising from a No Deal Brexit.</p> <p>An SRO has been appointed and has established a multi-service Brexit Working Group to coordinate the Council's response. This includes the sharing of information / intel, identification of risks and impact, scenario planning, communications and a corporate action plan. This work is being coordinated with partners.</p> <p>Cabinet have endorsed a statement to say that Croydon values and welcomes EU citizens and is open for business and plans are in place to safeguard our growth.</p> <p>Croydon Council Brexit group established and active and engaging with London Councils</p>	5	4	20	<p>In respect of EU regulations, the Council will monitor legislative and regulatory changes and respond in the appropriate time and keep abreast of responses by providers in EU markets.</p> <p>London Councils has called for the Mayor and London boroughs to work closely together to sustain growth and the success of London post referendum and explore the opportunities presented by devolution of powers and finance.</p> <p>The Council will continue to monitor pension fund investments, consider options and viability as volatility levels and markets change</p> <p>The Council will continue to monitor resources to enable delivery utilising the MHCLG grant as appropriate.</p> <p>The Council will continue working with developers and investors to encourage and enable suitable projects within the borough</p>	5	4	20

Risk Scenario		Current			Future Risk Rating						
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				Exec Director of Resources & Director of Policy and Partnerships met with Home Office 12/06/2019: - Contacts made regarding Business Continuity & security arrangements, - Clarification and further information provided in relation to EU settlement scheme. - Feedback provided to Home Office in relation to LAC challenges and general awareness / communications.							

Risk Scenario		Current			Future Risk Rating						
Risk Ref	Risk	Impact	Assigned To	Existing Controls	Impact	L'hood	Total	Future Controls	Impact	L'hood	Total
				<p>In respect of the Council's Pension Fund, the Council is: - assessing the risk of the investment environment having changed; - checking whether the investment vehicles will work after the UK leaves the EU; - assessing how the Council can access more attractive regions and investment opportunities; and - monitoring changes for the investment regulations for the LGPS and reviewing the Treasury Management policy and the level of risk the Council is prepared to accept in view of the UK's credit rating. All relevant information presented to Cabinet (September 2019).</p> <p>The Council is working together with its partners to be vigilant to identify any hate crime and take vigorous action against perpetrators.</p> <p>Using funding from MHCLG to ensure robust planning in place.</p> <p>We are contributing to Regional Communications Structure through London Council's.</p>							

REPORT TO:	General Purposes and Audit Committee 9 October 2019
SUBJECT:	Council Meeting Dates 2020/21
LEAD OFFICER:	Jacqueline Harris Baker Executive Director Resources and Monitoring Officer
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:	
The dates for full Council are proposed to facilitate early production of the Council diary and to enable future planning of Council business for the 2020/21 Municipal Year.	
FINANCIAL IMPACT:	
There are no financial implications arising from this report.	

1.	RECOMMENDATIONS
	The Committee is asked to:
1.1	Approve on behalf of the Council the schedule of Full Council meeting dates for 2020/2021 as detailed in paragraph 3.2 of the report;
1.2	Note the schedule of Cabinet meeting dates for 2020/21 as detailed in paragraph 3.3 of the report; and
1.3	Note the proposed schedule of remaining meeting dates for 2020/21 as detailed in Appendix 1.

2. EXECUTIVE SUMMARY

2.1 Members are asked to consider for approval and noting respectively the proposed schedule of dates for Council and Cabinet Meetings for the Council year 2020/21. The early approval of these dates will facilitate the publication of the Council Diary.

3. DETAIL

3.1 The Council's Constitution stipulates at paragraph three of Part 4A that seven meetings of the Full Council including Annual and Council Tax meetings shall be held in each year.

3.2 Paragraph 3.1 of the Council Procedure Rules, Part 4A of the Council's Constitution, states that responsibility to determine the dates of the Full Council meetings rests with the General Purposes and Audit Committee. The proposed dates for consideration for the Council year 2020/21 are listed below:

- Monday 1 June 2020 (Annual Council)

- Monday 6 July 2020
- Monday 5 October 2020
- Monday 30 November 2020
- Monday 25 January 2021
- Monday 1 March 2021 (Council Tax meeting)
- Monday 29 March 2021
- Monday 17 May 2021 (indicative date for Annual Council 2019)

3.3 In accordance with paragraph 1.5(a) of Part 4D of the Constitution, Cabinet meeting dates are set by the Leader of the Council. The Committee is asked to note the following Cabinet meeting dates that have been agreed by the Leader:

- Monday 11 May 2020
- Monday 8 June 2020
- Monday 13 July 2020
- Monday 14 September 2020
- Monday 19 October 2020
- Monday 16 November 2020
- Monday 14 December 2020
- Monday 18 January 2021
- Monday 22 February 2021
- Monday 22 March 2021
- Tuesday 4 May 2021

3.4 Appendix 1 to the report details all the proposed meeting dates for 2020/21, including Committees, Sub-Committees and panels. While the Committee is not required to formally approve these dates, they are being circulated early for Members' convenience.

4. CONSULTATION

4.1 The dates proposed in this report are based on a number of considerations. These include showing consideration to statutory requirements such as the setting of the Council Tax and the annual statement of accounts and the need to avoid school holiday dates. The dates are otherwise set by reference to the Municipal year which runs from May to May and the Financial year which runs from 1 April to 31 March.

4.2 There has been consultation with Members from both Groups on the dates proposed in this report.

5. LEGAL CONSIDERATIONS

5.1 Schedule 12 of the Local Government Act 1972 requires the Council to hold an annual meeting and such other meetings as it may determine.

6. EQUALITIES IMPACT

- 6.1 Consideration to the timing of school holiday dates has been made when setting the proposed dates. This is to take into consideration that the caring responsibilities of Members and staff impact on their ability to attend meetings during school holidays.

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BACKGROUND DOCUMENTS: None

APPENDICES: Appendix 1 – Council Diary 2020/21

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Date	Meeting	Notes
Monday 27 April 2020		11.30am
Tuesday 28 April 2020	STREETS, ENVIRONMENT & HOMES SCRUTINY SUB-COMMITTEE	
Wednesday 29 April 2020	ETHICS COMMITTEE	
Thursday 30 April 2020	CORPORATE PARENTING PANEL	
Friday 01 May 2020		
Monday 04 May 2020		
Tuesday 05 May 2020		
Wednesday 06 May 2020		
Thursday 07 May 2020		
Friday 08 May 2020		Bank Holiday
Monday 11 May 2020	CABINET	
Tuesday 12 May 2020		
Wednesday 13 May 2020		
Thursday 14 May 2020	PLANNING COMMITTEE	
Friday 15 May 2020		
Monday 18 May 2020		
Tuesday 19 May 2020		
Wednesday 20 May 2020		
Thursday 21 May 2020		
Friday 22 May 2020		
Monday 25 May 2020		Bank Holiday
Tuesday 26 May 2020		School Holiday
Wednesday 27 May 2020		School Holiday
Thursday 28 May 2020	PLANNING COMMITTEE	School Holiday
Friday 29 May 2020		School Holiday
Monday 01 June 2020	COUNCIL	Annual Council
Tuesday 02 June 2020		
Wednesday 03 June 2020		
Thursday 04 June 2020		
Friday 05 June 2020		
Monday 08 June 2020	CABINET	
Tuesday 09 June 2020		
Wednesday 10 June 2020	SAFER NEIGHBOURHOOD BOARD	
Thursday 11 June 2020	CYCLE FORUM	
Friday 12 June 2020	SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE (TBC)	
Monday 15 June 2020		
Tuesday 16 June 2020	PENSION COMMITTEE	10am
Wednesday 17 June 2020	PUBLIC TRANSPORT LIAISON PANEL	10am
Thursday 18 June 2020	SCRUTINY & OVERVIEW COMMITTEE	
Friday 19 June 2020	HEALTH & WELLBEING BOARD	2pm
Monday 22 June 2020	PLANNING COMMITTEE	
Tuesday 23 June 2020	CHILDREN & YOUNG PEOPLE SCRUTINY SUB-COMMITTEE	11.30am
Wednesday 24 June 2020	ADULT SOCIAL SERVICES REVIEW PANEL	5.30pm
Thursday 25 June 2020	LICENSING COMMITTEE	
Friday 26 June 2020	MEMBER LEARNING & DEVELOPMENT PANEL	
Monday 29 June 2020		
Tuesday 30 June 2020	HEALTH & SOCIAL CARE SCRUTINY SUB-COMMITTEE	
Wednesday 01 July 2020	TENANTS & LEASEHOLDER PANEL	
Thursday 02 July 2020	CORPORATE PARENTING PANEL	
Friday 03 July 2020	PLANNING COMMITTEE	
Monday 06 July 2020	COUNCIL	
Tuesday 07 July 2020	STREETS, ENVIRONMENT & HOMES SCRUTINY SUB-COMMITTEE	
Wednesday 08 July 2020	TRAFFIC MANAGEMENT ADVISORY COMMITTEE	
Thursday 09 July 2020	PENSION BOARD	2pm
Friday 10 July 2020	GENERAL PURPOSES & AUDIT COMMITTEE	
Monday 13 July 2020	CABINET	
Tuesday 14 July 2020	SCRUTINY & OVERVIEW COMMITTEE	
Wednesday 15 July 2020		
Thursday 16 July 2020	PLANNING COMMITTEE	
Friday 17 July 2020		
Monday 20 July 2020		
Tuesday 21 July 2020	GENERAL PURPOSES & AUDIT COMMITTEE	
Wednesday 22 July 2020		School Holiday
Thursday 23 July 2020		School Holiday

Friday	24 July 2020		School Holiday
Monday	27 July 2020		School Holiday
Tuesday	28 July 2020		School Holiday
Wednesday	29 July 2020		School Holiday
Thursday	30 July 2020	PLANNING COMMITTEE	School Holiday
Friday	31 July 2020		School Holiday
Monday	03 August 2020		School Holiday
Tuesday	04 August 2020		School Holiday
Wednesday	05 August 2020		School Holiday
Thursday	06 August 2020		School Holiday
Friday	07 August 2020		School Holiday
Monday	10 August 2020		School Holiday
Tuesday	11 August 2020		School Holiday
Wednesday	12 August 2020		School Holiday
Thursday	13 August 2020	PLANNING COMMITTEE	School Holiday
Friday	14 August 2020		School Holiday
Monday	17 August 2020		School Holiday
Tuesday	18 August 2020		School Holiday
Wednesday	19 August 2020		School Holiday
Thursday	20 August 2020		School Holiday
Friday	21 August 2020		School Holiday
Monday	24 August 2020		School Holiday
Tuesday	25 August 2020		School Holiday
Wednesday	26 August 2020		School Holiday
Thursday	27 August 2020	PLANNING COMMITTEE	School Holiday
Friday	28 August 2020		School Holiday
Monday	31 August 2020		Bank Holiday
Tuesday	01 September 2020		School Holiday 10am
Wednesday	02 September 2020	SAFER NEIGHBOURHOOD BOARD	School Holiday
Thursday	03 September 2020		
Friday	04 September 2020		
Monday	07 September 2020		
Tuesday	08 September 2020	SCRUTINY & OVERVIEW COMMITTEE	
Wednesday	09 September 2020	CORPORATE PARENTING PANEL	
Thursday	10 September 2020	PLANNING COMMITTEE	
Friday	11 September 2020		
Monday	14 September 2020	CABINET	
		PENSION COMMITTEE	10am
Tuesday	15 September 2020	CHILDREN & YOUNG PEOPLE SCRUTINY SUB-COMMITTEE	
Wednesday	16 September 2020	LICENSING COMMITTEE	
		SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE (TBC)	
Thursday	17 September 2020		
Friday	18 September 2020		
Monday	21 September 2020		Labour Conference - tbc
		CYCLE FORUM	Labour Conference - tbc
Tuesday	22 September 2020	HEALTH & SOCIAL CARE SCRUTINY SUB-COMMITTEE	Labour Conference - tbc
Wednesday	23 September 2020		Labour Conference - tbc
Thursday	24 September 2020	PLANNING COMMITTEE	
Friday	25 September 2020		
Monday	28 September 2020		Conservative Conference - tbc
		PUBLIC TRANSPORT LIAISON PANEL	Conservative Conference - tbc
Tuesday	29 September 2020	STREETS, ENVIRONMENT & HOMES SCRUTINY SUB-COMMITTEE	Conservative Conference - tbc
Wednesday	30 September 2020		Conservative Conference - tbc
Thursday	01 October 2020	MEMBER LEARNING & DEVELOPMENT PANEL	
Friday	02 October 2020		
Monday	05 October 2020	COUNCIL	
Tuesday	06 October 2020		10am
Wednesday	07 October 2020	GENERAL PURPOSES & AUDIT COMMITTEE	
Thursday	08 October 2020	PLANNING COMMITTEE	
Friday	09 October 2020		
Monday	12 October 2020		
Tuesday	13 October 2020	TENANTS & LEASEHOLDER PANEL	
Wednesday	14 October 2020	TRAFFIC MANAGEMENT ADVISORY COMMITTEE	
		PENSION BOARD	2PM
Thursday	15 October 2020	CROYDON & LEWISHAM STREET LIGHTING JOINT COMMITTEE	
Friday	16 October 2020		
Monday	19 October 2020	CABINET	
Tuesday	20 October 2020	SCRUTINY & OVERVIEW COMMITTEE	
Wednesday	21 October 2020	HEALTH & WELLBEING BOARD	2pm
Thursday	22 October 2020	PLANNING COMMITTEE	
Friday	23 October 2020		
Monday	26 October 2020		School Holiday

Tuesday	27 October 2020		School Holiday
Wednesday	28 October 2020		School Holiday
Thursday	29 October 2020		School Holiday
Friday	30 October 2020		School Holiday
Monday	02 November 2020		11.30am
Tuesday	03 November 2020	PENSION COMMITTEE	10am
		CHILDREN & YOUNG PEOPLE SCRUTINY SUB-COMMITTEE	
Wednesday	04 November 2020	ADULT SOCIAL SERVICES REVIEW PANEL	
Thursday	05 November 2020	PLANNING COMMITTEE	
Friday	06 November 2020		
Monday	09 November 2020		
Tuesday	10 November 2020	HEALTH & SOCIAL CARE SCRUTINY SUB-COMMITTEE	
Wednesday	11 November 2020	CORPORATE PARENTING PANEL	
Thursday	12 November 2020		
Friday	13 November 2020		
Monday	16 November 2020	CABINET	
		STREETS, ENVIRONMENT & HOMES SCRUTINY SUB-COMMITTEE	
Tuesday	17 November 2020	ETHICS COMMITTEE	
Wednesday	18 November 2020	PLANNING COMMITTEE	
Thursday	19 November 2020		
Friday	20 November 2020		
Monday	23 November 2020		
Tuesday	24 November 2020	CYCLE FORUM	
Wednesday	25 November 2020	SAFER NEIGHBOURHOOD BOARD	
Thursday	26 November 2020		
Friday	27 November 2020		
Monday	30 November 2020	COUNCIL	
Tuesday	01 December 2020		11.30am
Wednesday	02 December 2020		
Thursday	03 December 2020	PLANNING COMMITTEE	
Friday	04 December 2020		
Monday	07 December 2020		
Tuesday	08 December 2020	PENSION COMMITTEE	10am
		SCRUTINY & OVERVIEW COMMITTEE	
Wednesday	09 December 2020	LICENSING COMMITTEE	
Thursday	10 December 2020		
Friday	11 December 2020		
Monday	14 December 2020	CABINET	
		SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE (TBC)	
Tuesday	15 December 2020	TRAFFIC MANAGEMENT ADVISORY COMMITTEE	
Wednesday	16 December 2020	PLANNING COMMITTEE	
Thursday	17 December 2020		
Friday	18 December 2020		
Monday	21 December 2020		School Holiday
Tuesday	22 December 2020		School Holiday
Wednesday	23 December 2020		School Holiday
Thursday	24 December 2020		School Holiday
Friday	25 December 2020		Bank Holiday
Monday	28 December 2020		Bank Holiday
Tuesday	29 December 2020		School Holiday
Wednesday	30 December 2020		School Holiday
Thursday	31 December 2020		School Holiday
Friday	01 January 2021		Bank Holiday
Monday	04 January 2021		11.30am
Tuesday	05 January 2021		
Wednesday	06 January 2021		
Thursday	07 January 2021	PLANNING COMMITTEE	
Friday	08 January 2021		
Monday	11 January 2021		
Tuesday	12 January 2021	SCRUTINY & OVERVIEW COMMITTEE	
Wednesday	13 January 2021	CORPORATE PARENTING PANEL	
Thursday	14 January 2021	PENSION BOARD	2pm
		GENERAL PURPOSES & AUDIT COMMITTEE	
Friday	15 January 2021		
Monday	18 January 2021	CABINET	
		CHILDREN & YOUNG PEOPLE SCRUTINY SUB-COMMITTEE	
Tuesday	19 January 2021	HEALTH & WELLBEING BOARD	2pm
Wednesday	20 January 2021	PLANNING COMMITTEE	
Thursday	21 January 2021		
Friday	22 January 2021		
Monday	25 January 2021	MAYORALTY & HONORARY FREEDOM SELECTION SUB-COMMITTEE	6pm
		COUNCIL	
Tuesday	26 January 2021	HEALTH & SOCIAL CARE SCRUTINY SUB-COMMITTEE	

Wednesday	27 January 2021	ADULT SOCIAL SERVICES REVIEW PANEL	5.30pm
Thursday	28 January 2021	MEMBER LEARNING & DEVELOPMENT PANEL	
Friday	29 January 2021		
Monday	01 February 2021		
Tuesday	02 February 2021	STREETS, ENVIRONMENT & HOMES SCRUTINY SUB-COMMITTEE	
Wednesday	03 February 2021	TRAFFIC MANAGEMENT ADVISORY COMMITTEE	
Thursday	04 February 2021	PLANNING COMMITTEE	
Friday	05 February 2021		
Monday	08 February 2021		11.30am
Tuesday	09 February 2021	PUBLIC TRANSPORT LIAISON PANEL	10am
		TENANTS & LEASEHOLDER PANEL	
Wednesday	10 February 2021	ETHICS COMMITTEE	
Thursday	11 February 2021		
Friday	12 February 2021		
Monday	15 February 2021		School Holiday
Tuesday	16 February 2021		School Holiday
Wednesday	17 February 2021		School Holiday
Thursday	18 February 2021		School Holiday
Friday	19 February 2021		School Holiday
Monday	22 February 2021	CABINET	
Tuesday	23 February 2021	SCRUTINY & OVERVIEW COMMITTEE	
Wednesday	24 February 2021		
Thursday	25 February 2021	PLANNING COMMITTEE	
Friday	26 February 2021		
Monday	01 March 2021	COUNCIL	Budget Council
Tuesday	02 March 2021	CHILDREN & YOUNG PEOPLE SCRUTINY SUB-COMMITTEE	
Wednesday	03 March 2021	CORPORATE PARENTING PANEL	
Thursday	04 March 2021	GENERAL PURPOSES & AUDIT COMMITTEE	
Friday	05 March 2021		
Monday	08 March 2021		11.30am
Tuesday	09 March 2021	HEALTH & SOCIAL CARE SCRUTINY SUB-COMMITTEE	
Wednesday	10 March 2021	SAFER NEIGHBOURHOOD BOARD	
Thursday	11 March 2021	PLANNING COMMITTEE	
Friday	12 March 2021		
Monday	15 March 2021		
Tuesday	16 March 2021	PENSION COMMITTEE	10am
		STREETS, ENVIRONMENT & HOMES SCRUTINY SUB-COMMITTEE	
Wednesday	17 March 2021	LICENSING COMMITTEE	
Thursday	18 March 2021	MEMBER LEARNING & DEVELOPMENT PANEL	
Friday	19 March 2021		
Monday	22 March 2021	CABINET	
Tuesday	23 March 2021	CYCLE FORUM	
Wednesday	24 March 2021		
Thursday	25 March 2021	PENSION BOARD	2pm
		PLANNING COMMITTEE	
Friday	26 March 2021		
Monday	29 March 2021	COUNCIL	
Tuesday	30 March 2021	SCRUTINY & OVERVIEW COMMITTEE	
Wednesday	31 March 2021	HEALTH & WELLBEING BOARD	2pm
Thursday	01 April 2021		School Holiday
Friday	02 April 2021		Bank Holiday
Monday	05 April 2021		Bank Holiday
Tuesday	06 April 2021		School Holiday
Wednesday	07 April 2021		School Holiday
Thursday	08 April 2021	PLANNING COMMITTEE	School Holiday
Friday	09 April 2021		School Holiday
Monday	12 April 2021		School Holiday
Tuesday	13 April 2021		School Holiday
Wednesday	14 April 2021		School Holiday
Thursday	15 April 2021		School Holiday
Friday	16 April 2021		School Holiday
Monday	19 April 2021		11.30am
Tuesday	20 April 2021	CHILDREN & YOUNG PEOPLE SCRUTINY SUB-COMMITTEE	
		SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE (TBC)	
Wednesday	21 April 2021	ADULT SOCIAL SERVICES REVIEW PANEL	5.30pm
Thursday	22 April 2021	PLANNING COMMITTEE	
Friday	23 April 2021		
Monday	26 April 2021		
Tuesday	27 April 2021	STREETS, ENVIRONMENT & HOMES SCRUTINY SUB-COMMITTEE	

Wednesday	28 April 2021	CORPORATE PARENTING PANEL	
Thursday	29 April 2021	TENANTS & LEASEHOLDER PANEL	
Friday	30 April 2021		
Monday	03 May 2021		Bank Holiday
Tuesday	04 May 2021	CABINET	
Wednesday	05 May 2021	ETHICS COMMITTEE	
Thursday	06 May 2021	PLANNING COMMITTEE	
Friday	07 May 2021		
Monday	10 May 2021		
Tuesday	11 May 2021	PENSION COMMITTEE	10am
		HEALTH & SOCIAL CARE SCRUTINY SUB-COMMITTEE	
Wednesday	12 May 2021	TRAFFIC MANAGEMENT ADVISORY COMMITTEE	
Thursday	13 May 2021		
Friday	14 May 2021		
Monday	17 May 2021	COUNCIL	Annual Council
Tuesday	18 May 2021		
Wednesday	19 May 2021		
Thursday	20 May 2021		
Friday	21 May 2021		
Monday	24 May 2021		
Tuesday	25 May 2021		
Wednesday	26 May 2021		
Thursday	27 May 2021	PLANNING COMMITTEE	
Friday	28 May 2021		

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

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