

# General Purposes & Audit Committee Agenda



To: Councillor Karen Jewitt (Chair)  
Councillor Stephen Mann (Vice-Chair)  
Councillors Nina Degrads, Paul Scott, Chris Clark, Joy Prince,  
Stuart Millson, Tim Pollard, Jan Buttinger and Steve Hollands

Co-Optee Member: James Smith

Reserve Members: Pat Clouder, Bernadette Khan, Sean Fitzsimons,  
Clive Fraser, Andrew Pelling, Jason Cummings, Badsha Quadir, Ian Parker  
and Simon Hoar

A meeting of the **General Purposes & Audit Committee** which you are hereby summoned to attend, will be held on **Thursday, 10 June 2021** 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 Ossei-Gerning  
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[www.croydon.gov.uk/meetings](http://www.croydon.gov.uk/meetings)  
Wednesday, 2 June 2021

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<https://webcasting.croydon.gov.uk/croydon/meetings/12369>

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If you require any assistance, please contact Michelle Ossei-Gerning  
020 8726 6000 x84246 as detailed above

## **AGENDA – PART A**

**1. Apologies for Absence**

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

**2. 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.

**3. 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.

**4. Oracle Audit Presentation (Pages 5 - 18)**

Oracle Audit Presentation.

**5. Terms of Reference**

The Terms of Reference of the General Purposes and Audit Committee.  
[To Follow]

**6. Update on Independent Chair for General Purposes and Audit Committee**

Information to be shared with the Committee.

**7. Report in the Public Interest Action Plan - Progress Update**  
(Pages 19 - 104)

The Quarter 1 Progress Update Report in the Public Interest, is attached.

**8. Update on Council Whistleblowing**

[To Follow]

**9. Anti-Fraud Update Report (Pages 105 - 110)**

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 2020 – 31 March 2021.

**10. Corporate Risk Register**

The report updates the General Purposes & Audit Committee Members on the corporate risk register (the register) as at 1 June 2021.

[To Follow]

**11. Work Programme (Pages 111 - 116)**

To consider and approve the Committee work programme for the municipal year 2021/22.

**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**

# Croydon Council General Purposes & Audit Committee – IT Controls in My Resources

Page 5

Victoria Richardson  
Head of HR & Finance Service Centre  
Resources Department

Agenda Item 4

27 May 2021

## Purpose of the Presentation

1. To update members on progress towards addressing the Oracle security and access controls findings from the 2019/20 IT Controls Audit.

# **Deficiency 1 - Segregation of duties conflicts between Oracle system administration, developer, and finance roles**

## **Recommendation**

The recommendation from the Auditors was for management to consider reviewing the elevated access assignment and, where possible, restricting Oracle administrator access to members of the IT department only with all conflicting finance responsibilities being removed from System administrator accounts.

## **Update**

- We found that system admin access was assigned to system accounts or members of the support and implementation teams.
- We have ended the implementation team user accounts
- We have reduced the number of people with system admin accounts
- Effectively monitoring segregation of duties manually is time consuming and cannot be done with office tools. We are considering the business case to use Oracle Risk Management Cloud, which can implement appropriate formalised and documented controls to monitor system administrator and support team access as a tool is required analyse and monitor.
- In the interim, we are investigating the use reports to provide some limited monitoring of system administrator and support team access

## **Deficiency 2 – Oracle system configuration access granted to an excessive number of users, including non-IT staff / end users**

### **Recommendation**

Management should consider reviewing all users with system configuration capabilities assigned and, where possible, removing this from end users / limiting this access to members of IT department.

### **Update**

- The relationship between roles and privileges is complex, we have engaged our support provider, to help us assess the risk posed by the privileges and recommend appropriate actions.
- We completed a detailed piece of work to understand where system configuration privileges exist within roles assigned to users outside of the support team. This identified a number of users where the configuration privileges assigned are appropriate for their role e.g. HR Data Team setting up new positions for staff.
- Some users have been allocated roles with specific configuration privileges inherent within them. The configuration privileges are not required for their day to day work. We have undertaken sample testing to confirm if users can perform system configuration changes using that privilege. The testing confirmed that they do not have access via the application. This is because access depends on a number of complimentary controls e.g. security profiles, data roles. Our analysis indicates that in these cases the risk may be reduced. For completeness, we are investigating if we can create a role with the configuration privileges remove.
- We have removed configuration privileges from users identified in our analysis where it was low impact and simple to address.



## **Deficiency 3 - Users self-assigning responsibilities without formal management approval**

### **Recommendation**

Where administrative staff require additional functionality, they should be required to request this through the formal change management procedures.

### **Update**

- We have identified that there has been self-assignment of forecast approver roles within the projects module by project managers. We have reviewed the controls and are working on a solution to prevent this.

Page 9. We have removed the ability for third-party support team members to assign responsibilities. Access will be given as & when required and monitored so it and removed when no longer needed.

- We have now removed access to the IT security manager role from 3rd Party support staff.
- The majority of self-assignment occurred during or just after implementation, however we have restated the message that that the internal My Resources support team must not self-assign roles and must follow the normal user access request process if they require additional responsibilities.
- We are developing monitoring controls via a report to identify instances where members of staff have assigned themselves additional responsibilities and any non-compliance.

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Action Plan – Appendix A - Oracle Cloud IT Controls Audit  
Action Plan June 2021

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# Auditors Summary

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## Questions

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# Thank you

Victoria Richardson

Head of HR & Finance Service Centre

Resources Department

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## Croydon Council Oracle Cloud IT Controls Audit Action Plan

Ref	Action	Objective	Assigned to	Due Date	Update	Date Completed
<b>Observation 1. Segregation of duties conflicts between Oracle system administration, developer, and finance roles</b>						
1.1	Review Support team role and privilege combinations.	To separate financial reporting duties / system access and the ability to administer system security	Oracle Applications Support Team Manager	31-Jul-21		
1.2	Develop procedure for regular independent review of Oracle security logs	Proactive, regular review of logs of information security events (e.g. login activity, unauthorised access attempts, access provisioning activity)	My Resources Lead / Oracle Applications Support Team Manager	31-Aug-21		
1.3	Develop system administrators access policy	To formally document policy and issue to users with system administrator roles	My Resources Lead / Oracle Applications Support Team Manager	31-Aug-21		
1.4	Review the number of people with system admin accounts	To reduce the number of people with system admin accounts	Oracle Applications Support Team Manager	N/A	Completed	15-Mar-21
1.5	Develop Business Case to use Oracle Risk Management Cloud	To investigate Oracle Risk Management Cloud to facilitate the use of appropriate formalised and documented controls to monitor system administrator and support team access.	My Resources Lead	TBC	Approved in principle subject to licence discussions.	
1.6	Investigate the use of reports to provide some limited monitoring of system administrator and support team access	To proactively and formally review reports to detect inappropriate or anomalous activity.	My Resources Lead / Oracle Applications Support Team Manager	31-Aug-21	Report to monitor Password changes has been identified.	

## Croydon Council Oracle Cloud IT Controls Audit Action Plan

Observation 2. Oracle system configuration access granted to an excessive number of users, including non-IT staff / end users						
2.1	Undertake a detailed analysis of users roles and privileges	To understand roles and privileges, and where system configuration privileges exist within roles assigned to users outside of the support team.	My Resources Lead/Oracle Applications Support Team Manager/Support Provider	N/A	Completed	31-Mar-21
2.2	Support Provider to explain the approach used to design role based system access	To understand Oracle best practice and how that was applied to the system during implementation.	Support Provider	N/A	Completed	30-Apr-21
2.3	Undertake sample testing of users with access to critical Oracle functions that allows them to change system configurations to confirm if they can use configuration privileges.	To confirm the risks of users identified having these elevated privileges and confirm if complimentary controls e.g. security profiles and data roles prevent access via the application.	Oracle Applications Support Team Manager	N/A	Sample testing completed	31-Jan-21
2.4	Remove configuration privileges from users identified in our analysis where it was low impact and simple to address.	To reduce the risks of users changing configurations.	Oracle Applications Support Team Manager	N/A	Completed	01-Mar-21
2.5	Carry out a risk assessment of more complex role and privilege combinations, with support from our support provider	To assess the risk posed by the privileges, investigate if new custom roles without configuration privileges can be created and recommend any appropriate actions.	Support Provider	31-Jul-21	Due Date to be confirmed with Support Provider	
2.6	Implement regular user access review	To ensure access remains appropriate in line with job duties.	My Resources Lead	31-Jul-21		



## Croydon Council Oracle Cloud IT Controls Audit Action Plan

Observation 3. Users self-assigning responsibilities without formal management approval						
3.1	Remove access to the IT security manager role from 3rd Party support staff.	To strengthen control. Work requiring the IT Security manager role will be carried out by appropriate members of the Council's Oracle support team.	Oracle Applications Support Team Manager	N/A	Completed	15-Mar-21
3.2	Restate the message to users that they must not self-assign roles and must follow the normal user access request process if they require additional responsibilities.	To prevent users self assigning responsibilities without formal management approval.	Oracle Applications Support Team Manager	N/A	Completed	28-Sep-20
3.3	Develop a report to identify instances where members of staff have assigned themselves additional responsibilities and any non-compliance.	To monitor users self assigning responsibilities without formal management approval.	Oracle Applications Support Team Manager	30-Jun-21	Report developed. To be scheduled to be run monthly	

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<b>REPORT TO:</b>	General Purposes & Audit Committee 10 <sup>th</sup> June
<b>SUBJECT:</b>	<b>Report in the Public Interest – Quarter 1 Update</b>
<b>LEAD OFFICER:</b>	Asmat Hussain, Interim Executive Director of Resources and Monitoring Officer
<b>CABINET MEMBER:</b>	Cllr Hamida Ali, Leader of the Council
<b>WARDS:</b>	<i>All</i>
<b>PUBLIC/EXEMPT:</b>	Public

**SUMMARY OF REPORT:**

The report provides the Quarter 1 update of progress made responding to the Council’s Report in the Public Interest. It gives a high level summary of actions taken to date informed by updates received across all services in the Council.

**POLICY CONTEXT/AMBITIOUS FOR CROYDON:**

This covering report provides an overview of the work that has been progressed to achieve the recommendations as set out in the Report in the Public Interest. It focuses on the actions that have been progressed since the update that went to Cabinet on the 12<sup>th</sup> April 2021. Specifically on the 24 actions that were set between April and May 2021 and the 30 progressed actions to be completed by the end of June 2021.

The Action Plan for the Report in the Public Interest has been incorporated into the Croydon Renewal Plans and represents one of the 11 programmes of work being delivered.

The action plan covers a wide range of areas including financial management, governance, staff training, assets and budget development all of which are core elements of any strategy to ensure services are delivered in a responsive manner with a focus on value for money for our residents.

**FINANCIAL IMPACT:**

This report will have no direct financial impact on the borough as its focus is on updating against the recommendations as accepted by the Council in November 2020. Some of the recommendations implemented will have an attached financial cost. This will be included in the costs of the overall improvement plan being developed for the Council and will be reported to Members when these are fully known. This will need to be contained within the existing approved budget for 2021/22.

The external auditor’s costs have totalled £65,000 to date.

## **RECOMMENDATIONS:**

General Purposes & Audit Committee (GPAC) is recommended to:

- 1.1 Note and agree the progress the Council has made in regard to achieving the recommendations set out by external auditor in the Report in the Public Interest (appendix 1) with 55 out of 99 actions complete;
- 1.2 Note the beginning of work to properly evidence what has been achieved so far and the intention to carry out an internal audit of actions delivered to provide full assurance to members and residents on the change achieved;
- 1.3 Note the Refreshed Action Plan, which incorporates recommendations made by GPAC as per 2<sup>nd</sup> December 2020 meeting. This was approved by Cabinet 12<sup>th</sup> April 2021 and reviewed by the Head of Internal Audit.

## **2. EXECUTIVE SUMMARY**

- 2.1 On 23<sup>rd</sup> October 2020 the Council's external auditor, Grant Thornton, issued a Report in the Public Interest (RIPI) concerning the Council's financial position and related governance arrangements. In line with the statutory framework for the RIPI, the Council held an Extraordinary Council meeting on 19<sup>th</sup> November 2020 to discuss the report and the proposed action plan to address it.
- 2.2 The previous update, approved by Cabinet on the 12<sup>th</sup> April, provided a comprehensive progress update across all recommendations and also agreed the refreshed RIPI Action Plan having incorporated views from both the Scrutiny and Overview Committee (SOC) and General Purposes and Audit Committee (GPAC). This covering report represents the first quarterly Update on the RIPI response based on activity this financial year. It focuses on actions that were set to be complete by close of April and May 2021, as well as updating against actions set to be delivered by the end of June 2021.
- 2.3 This report also sets out the current approach to reporting for the remainder of this financial year. GPAC is to note the reporting schedule as agreed previously across GPAC, SOC, Cabinet and Council. Additionally, GPAC should note the ongoing discussions to review this reporting schedule to assess the best approach to provide effective updates to Council members as appropriate whilst limiting duplication. This is being aligned with the current review of the Council's current meeting governance.

## **3. HIGH LEVEL UPDATE ON THE ACTION PLAN**

- 3.1 Statistics on the number of actions complete and outstanding are below. Full detail can be seen in appendix 1.

Number of actions	Number of actions completed	Number of actions outstanding
99	55	44

- 3.2 The Council has completed 55 Actions to date with 20 delivered since the April 12<sup>th</sup> Cabinet report. Further actions have been progressed as required however, the Council acknowledges that achieving the desired outcome (e.g. co-creating a working environment that respects and values all our staff and take positive action to ensure that this is the case” LBC 4 – IV) will be a long-term process and the Council is therefore committed to providing updates in further quarterly reports and keeping the actions open. A further 11 actions are set to be finalised by the end of June. Progress updates have been provided against all of these and all other outstanding actions (appendix 1).
- 3.3 Whilst good progress has been made, the Council cannot lose sight on the 44 actions that still need to be completed and has to continue to monitor actions delivered previously to ensure momentum is maintained and they have the impact expected. The Council will continue to drive to ensure actions are completed by deadline and any concerns escalated are mitigated against.
- 3.4 The table below sets out the actions identified as high priority by the external auditor with a RAG rating.

High Priority Action	Actions Completed/Total Actions	Rag
R1a Children’s Social Care	5/5 (was 1/5 per 12 <sup>th</sup> April Update)	Actions are now complete with monthly Finance, Performance & Risk reports scheduled for Cabinets going forward.  The RAG rating has therefore been shifted to green following on from the April 12 <sup>th</sup> update.
R1b Adult Social Care	8/9 (was 4/9 per 12 <sup>th</sup> April Update)	The outstanding action relates to the offer and deliver of training to members. Whilst an initial training offer has been compiled, work is still ongoing to approve the training offer. The meeting to approve is expected to be arranged by the end of June at the latest.  There is potential this will slip into amber therefore in the future due to the risk of delay.

R2 Adequacy of Council Reserves	2/4	<p>The outstanding actions relate to the offer and deliver of training to members. Whilst an initial training offer has been compiled, work is still ongoing to approve the training offer. The meeting to approve is expected to be arranged by the end of June at the latest.</p> <p>There is potential this will slip into amber therefore in the future due to the risk of delay.</p>
R3 Use of Transformation Funding	1/2 (was 0/2 per 12 <sup>th</sup> April Update)	<p>The outstanding action relates to the offer and deliver of training to members. Whilst an initial training offer has been compiled, work is still ongoing to approve the training offer. The meeting to approve is expected to be arranged by the end of June at the latest.</p> <p>There is potential this will slip into amber therefore in the future due to the risk of delay.</p>
R9 Budget Challenge/Rigour	5/5 – Marked complete in 12 <sup>th</sup> April Update	
R12 Revolving Investment Fund	3/3 – Marked complete in 12 <sup>th</sup> April Update	
R14 Treasury Management	2/2– Marked complete in 12 <sup>th</sup> April Update	
R18 Ongoing investment in Brick by Brick	1/1– Marked complete in 12 <sup>th</sup> April Update	
R20 Governance of subsidiaries	0/9	A task and finish group has now been established with Legal and Finance to work through the existing list of companies that the

		<p>Council has an interest in.</p> <p>The group has been operating since April 2021 and is undertaking work around the governance process, directorships, status and relationship with its third party companies as well as assist in elements of the wider asset management review.</p> <p>This recommendation will continue to be marked as amber. Work has progressed across all actions however, no actions have yet been fully delivered. (see 4.3 for further details)</p>
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3.5 To ensure aligned with the wider Croydon Renewal Plan activities the following criteria was utilised as developed by the PMO Steering Group.

Rag Definitions used:

Green - no known blockers to delivery

Amber - blockers to delivery with mitigations in place/planned

Red - blockers to delivery with no resolution identified

#### 4. KEY MILESTONES ACHIEVED THIS UPDATE

4.1 A comprehensive summary of actions taken to date across all recommendations is contained within the refreshed action plan in appendix 1. This section provides some additional information on key achievements delivered since the April 12<sup>th</sup> Cabinet paper

4.2 At Cabinet on June 7<sup>th</sup> the Council will be presenting the first iteration of its monthly Corporate Finance, Performance and Risk report. These reports are being introduced to improve the corporate performance offer across the Council and provide updates on key performance indicators to monitor the delivery of actions against the Croydon Renewal Plan. The June 7<sup>th</sup> iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021.

4.3 RIPI recommendation 20, in particular, is a complex and resource intensive task. A working group has been established with representatives from finance and legal to review the Council's arrangement with its subsidiaries and companies it has an interest in. This group meets fortnightly and is currently established as a task and finish group with the aim of gathering information and recommending future governance arrangements. An initial review of Council registered companies has taken place to attain an understanding of the scope of work to be undertaken. A list of Council Companies has been created, which

is in the process of being assessed. This task involves various officers across service areas reporting to the working group in respect of companies they are involved with. In parallel to the auditing work, the working group is considering future governance arrangements including benchmarking and best practice. It is envisaged that the working group will need to continue its work for the foreseeable future before the governance arrangements, including training, can be commenced. Further updates will be offered each quarter.

- 4.4 The Cost of Care tool, referred to in recommendation 1b (VIII), was procured a few years ago to enable adult social care to review how change in activity and service models might effect the budget. It was utilised as part of the October 2020 budget development analysis to help adult social care in its forecast of activity and spend to support budget setting. In future years the tool is superseded by the budget development advice provided through the Local Government Association. A separate tool called CareCubed is in the process of being acquired. It is a benchmarking tool that allows adult social care to acquire an indicative cost of placing an individual aligned with their assessed care and support needs. This indicative amount is then used to aid contract negotiations with providers. The tool has successfully enabled savings in other Council's and will be tested in Croydon over the next 12 months. (Recommendation 1b),
- 4.5 A training offer for Councillors has been compiled with reference to the RIPI Action Plan to ensure all aspects have been picked up. Following approval at the relevant Council meeting, action will quickly be taken to schedule and deliver training over the course of this financial year. Work is ongoing to approve the training offer, this is expected to be arranged by the end of June at the latest. A further refreshed training programme for members will be prepared later in the year for 2022, to ensure members have a framework of learning to support Council decision-making.
- 4.6 The Council has revised the approach to transformation funding to ensure that it is compliant with regulations issued by MHCLG. The guidance requires Full Council to approve the council's scheme, which is being drafted in line with Statutory guidance. Bids for transformation funding have been requested from departments and are currently being assessed against the statutory guidance. Following assessment they will be presented to cabinet for approval (recommendation 4).
- 4.7 On March 26<sup>th</sup> the Council held a virtual Croydon Renewal Conference. The purpose of the sessions delivered on this day was to share with all staff the challenges facing the Council and the core priorities that were to be achieved by September 2021. In addition, the sessions established that achieving the improvement journey facing the Council was the responsibility of all staff and everyone had to contribute to the process and cultural changes necessary to drive the Council to where it needs to be. Further to the conference, the Interim CEO and Assistant Chief Executive have continued to engage with staff, through 14 staff roadshows attended by nearly 530 people, to allow them to give feedback on the direction of the organisation and share any concerns. An engagement strategy until October 2021 has been set out regarding the Croydon Renewal Plan to maintain momentum and ensure the Council



continues to be open with staff about its situation and progress (Recommendation LBC 4) .

4.8 Children’s Services have made progress managing the sustained financial challenge resulting from Croydon being a national point of entry for Unaccompanied Asylum Seeking Children. The service has met with central government partners including the Home Office, Department for Education and MHCLG to secure practical support to relieve the financial pressures. These discussions have delivered cost savings for Croydon including full cost recovery for the age assessment team and the Duty Team at Lunar House (approximately £595k per annum agreed over 2021-22). The Council has also lobbied London Boroughs successfully to extend the pan-London rota to offer same day placements to all newly arrived Children at Lunar House for a period of 3 months whilst a longer term solution is agreed with central government. A paper will be presented to Cabinet on June 7<sup>th</sup> providing a detailed update on the work carried out and setting out potential next steps (recommendation 6 and 7).

**5. FUTURE UPDATES ON THE REPORT IN THE PUBLIC INTEREST**

5.1 The RIPI action plan has been incorporated into the wider Croydon Renewal Plan and forms 1 of the 11 programmes of work aiming to support the Council’s financial recovery, improve governance arrangements and drive operational improvement. The Croydon Renewal Plan currently consists of nearly 400 recommendations which are to be delivered within the next 5 years.

5.2 Per the action plan (appendix 1), quarterly RIPI updates are to be provided to GPAC, SOC, Council and Cabinet. This update will be presented directly to GPAC on the 10<sup>th</sup> June, SOC on the 15<sup>th</sup> June and Full Council on the 5<sup>th</sup> July.

5.3 The dates for the remaining updates this financial year are in the table shown below

5.4

<b>RIPI Update Report</b>	<b>SOC</b>	<b>Cabinet Date</b>	<b>Full Council</b>	<b>GPAC</b>
Q.2 Update	7 <sup>th</sup> Sept	13 <sup>th</sup> Sept	11 <sup>th</sup> October	16 <sup>th</sup> Sept
Q.3 Update	8 <sup>th</sup> February	24 <sup>th</sup> January	31 <sup>st</sup> January	3 <sup>rd</sup> Feb
Q.4 Update	29 <sup>th</sup> March	21 <sup>st</sup> March	28 <sup>th</sup> March	3 <sup>rd</sup> March

5.5 The RIPI action plan is closely aligned with the Corporate Finance, Performance and Risk reporting. From June 2021, these are set to come to GPAC, SOC and Cabinet on a monthly basis.

5.6 It is recognised that the above schedule consists of levels of duplication and the Council is reviewing mechanisms and alternative reporting structures that will increase efficiency whilst providing adequate oversight to members on progress made delivering the action plan. Any such alternative approaches will need to

give due regard to the role of our external partners and the wider community.

- 5.7 The review of how both the RIPI and Corporate Finance, Performance and Risk Reporting will be reported across Council meetings will be finalised by August 2021 with the intention to implement a new approach by September 2021.

## **6. EVIDENCING CHANGE**

- 6.1 An Internal audit of the actions marked complete in the RIPI action plan has commenced. Officers will be reviewing a sample of completed actions to give reasonable assurance that they have indeed been fully delivered. The first outcomes from this review will be shared via the Q.2 RIPI Update set to be reported in September.
- 6.2 Beyond simply ensuring that an action is completed the audit will be evaluating the effectiveness of the delivery and focusing in part on the culture change the RIPI recommendations were set to drive. The RIPI represents only part of the wider Croydon Renewal Improvement Plan and it is recognised that the Council will need to continually promote a good culture and change old working practices well beyond the action plan's completion to embed the changes needed.
- 6.3 The internal audit will be completed in stages, actions marked complete in the April 12<sup>th</sup> Cabinet Report have been initially provided for checking (appendix 2).

## **7. CONSULTATION**

- 7.1 The action plan has been previously reviewed by both GPAC and the SOC who made recommendations to enhance what was being progressed. These changes were approved by Cabinet on 12<sup>th</sup> April 2021. Services have been directly engaged with to ensure updates were recorded accurately and contained the most up to date information.

## **8. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 8.1 To date, the external auditor's costs have totalled £65,000 as updated in the April 12<sup>th</sup> paper.
- 8.2 The Council is working to deliver the overarching improvement plan, of which the RIPI action plan forms a key part. Costs will be incurred delivering many of the actions contained within the plan and these will be presented to Members as the Council's Improvement Journey progresses. Any costs will need to be contained within existing budget provisions .

Approved by: Matthew Davis, Deputy 151 Officer

## **9. LEGAL CONSIDERATIONS**

- 9.1 The Report in the Public Interest (“the Report”) dated 23 October 2020 was issued under the provisions of the Local Audit and Accountability Act 2014 (“the Act”). The Council must comply with the requirements of the Act in responding to the Report.
- 9.2 Under the provisions of paragraph 5(5) and (6) of Schedule 7 to the Act, the Council must decide within a period of one month whether the Report requires the authority to take any action or whether the recommendations are to be accepted. It must also decide what, if any, action is to be taken in response to the Report and its recommendations. The Report was considered at the Council meeting on 19 November when all of the Report’s recommendations R1 – R20 and additional recommendations LBC1 – LBC3 were agreed together with an Action Plan in response to each of the recommendations. A further recommendation LBC4 was added following additional consultation. Paragraph 7 goes on to provide that the authority’s functions under paragraph 5 are not to be the responsibility of the executive.
- 9.3 Paragraph 10(1) of the Act provides that after considering the Report and its response to it, the Council must notify the external auditor of its decisions, and publish a notice on its website containing a summary of those decisions which has been approved by the external auditor.
- 9.4 At the time of writing this report, all of the relevant requirements of the Act have been complied with.
- 9.5 Any additional legal considerations arising from individual workstreams will be assessed as projects and actions come forward.

Approved by: Sandra Herbert Head of Litigation and Corporate Law for and on behalf of the interim Director of Law and Governance and Deputy Monitoring Officer.

## **10. HUMAN RESOURCES IMPACT**

- 10.1 There are no human resource impacts arising directly from the recommendations in this report. However, there will be impacts associated with the delivery of the improvement plan. The improvement plan is part of a range of measures relating to improving the Council’s financial position and it is inevitable that this will ultimately impact on the Council’s workforce, when the Council’s agreed Human Resources policies and procedures will be followed.
- 10.2 Human resources impacts will be appropriately reported to the relevant decision-making bodies as individual actions from the plan are implemented.

Approved by: Sue Moorman, Director of HR

## **11. EQUALITIES IMPACT**

- 11.1 There are no equality impacts arising directly from the recommendations in this report. As such, an equality analysis has not been undertaken following the initial response to the external auditor's report. However, there will be impacts associated with the delivery of the improvement plan. The improvement plan is part of a range of measures relating to improving the Council's financial position and it is inevitable that this will ultimately impact on the Council's workforce and the communities it serves.
- 11.2 Consideration will be given as each of the individual actions included in the Action Plan are implemented as to whether they are relevant to equalities and will require an equalities impact assessment undertaken to ascertain the potential impact on vulnerable groups and groups that share protected characteristics.
- 11.3 Any improvements to governance that arise from the implementation of the recommendations in the action must pay due regard to ensuring that all residents in Croydon are able to understand the actions the Council takes in their name, the decisions it makes to spend resources on their behalf, and who is accountable for that action.
- 11.4 Close attention will need to be paid to ensure the Council is as transparent as possible and is as open and engaging with all its local communities through this process of improvement and afterwards in the new governance practices that are established.

Approved by: Yvonne Okiyo, Equalities Manager

## **12. ENVIRONMENTAL IMPACT**

- 12.1 There are no positive or negative impacts on the environment as a result of any of the recommendations of this report.

## **13. CRIME AND DISORDER REDUCTION IMPACT**

- 13.1 There are no implications in this report that would have an impact on crime prevention or reduction.

## **14. DATA PROTECTION IMPLICATIONS**

- 14.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

- 14.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

NO, as the report contains no sensitive/personal data

Approved by Asmat Hussain; Interim Executive Director of Resources

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**CONTACT OFFICER:** Henry Butt, Strategic Support Officer to the CEO, 14767

**APPENDICES TO THIS REPORT:** Appendix 1 – RIPI Action Plan  
Appendix 2 – RIPI Action Plan – Closed actions as of 12<sup>th</sup> April 2021 Cabinet report

**BACKGROUND DOCUMENTS:** None

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

1. The Council has fully accepted all recommendations made by the external auditor (R1-R20)
2. The Council has added additional recommendations LBC1-4
3. There are 9 high priority recommendations from the external auditor for the Council to urgently address:

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

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

### Overall accountability for the action plan rests with the Interim Chief Executive

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

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

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

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

monitor progress on managing demand within social care.		The Corporate Finance, Performance and Risk report draws upon this data and provides GPAC with the relevant information per this action.	COMPLETE - first iteration of report now developed and shared. updates are scheduled to come to Cabinet monthly	
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## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – June 2021 UPDATE

### Recommendation 1b – HIGH PRIORITY

The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.

**Cabinet Member Accountability:** Councillor Campbell, Cabinet Member for Families, Health and Social Care

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) Commission a diagnostic of spend and opportunities to be carried out by the Local Government Association (LGA) National Care & Health Improvement Adviser Finance and Risks to inform future shape of transformation opportunities.	<b>COMPLETED</b> October 2020	This was carried out and used during November 2020 to inform development of the Adult Social Care Improvement Plan	COMPLETE	Executive Director Adult Social Care
ii) Review the current service delivery models of adult social care and gateway services to right size the budget and delivery model to benchmark with comparator Councils in relation to population and service outcomes.	December 2020	Data has been collected which provides benchmarking of Croydon ASC care spend vs other Councils, this was factored in to the Adult Social Care Improvement Plan.  Budget modelling has been agreed for ASC for 21/22 budget. Service modelling forms part of adult's improvement plan.	COMPLETE	Executive Director Adult Social Care
iii) To create a placements board to challenge the Council on current cost of placements, managing demand for new placements and ensuring value for money in procurement of placements	January 2021	Placements boards have been implemented in the Council to challenge placements and reduce expenditure.  Daily challenge panel has been in place since S114. All spend is then promoted to the Spend Control Panel, as agreed with then S151 Officer.  Placements programme is in place with an agreed scope. Funding	COMPLETE	Executive Director Adult Social Care

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

		also agreed for Care Cubed placements tool agreed at ELT on 8 March 21.		
iv) Use the output from the diagnostic review to remodel financial implications to help shape the Medium Term Financial Strategy (MTFS)	December 2020	Diagnostic review and benchmarking data has been used to shape the Adult Social Care Improvement plan.  Croydon Adults Improvement plan has been fully developed and aligned to budget as signed off at March Cabinet. LBC delivery tracker being updated fortnightly.	COMPLETE	Director of Finance, Investment & Risk
v) Develop a monthly Corporate Finance, Performance and Risk report to progress, track and measure activity. This will include monitoring of the new service delivery model to track progress and challenge effectiveness of the plan.	Monthly DLT meetings whilst wider Finance, Performance & Risk Report is developed with target date for May 2021	The June 7 <sup>th</sup> Corporate Finance, performance & Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.  The monthly reports will develop over time as recommendations are progressed.	COMPLETE - first iteration of report now developed and shared. updates are scheduled to come to Cabinet monthly	Executive Director Adult Social Care to ensure accurate data incorporated into monthly Performance reporting.
vi) Progress will be governed by reporting to the Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny & Overview Committee which will bring a greater level of control and transparency. The first report to members will be accompanied by detail outlining the	May 2021	The Corporate Finance, Performance and Risk report will provide an update on improvement actions across the Council including HWA's (1b-v).	COMPLETE – First iteration of report now developed and	Executive Director Adult Social Care to ensure accurate data incorporated into monthly Performance reporting.

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

<p>statutory and non-statutory areas of service and the impact of demand management across the service.</p>		<p>Training will be offered to members on the nature of statutory and non-statutory service (See LBC3 – i)</p>	<p>shared. updates are scheduled to come to Cabinet monthly</p>	
<p>vii) Ensure that cost of care tool is used effectively to track all case expenditure to improve financial control, identify areas of focus for further improvement and to enable better decision making.</p>	<p>December 2020</p>	<p>The Cost of Care tool referred to in has been utilised to help accurately forecast its spend to support budget setting, improve financial management and identify opportunities for further savings.</p> <p>A separate tool called called CareCubed is in the process of being acquired. It is a benchmarking tool that allows adult social care to acquire an indicative cost of placing an individual aligned with their assessed care and support needs. This indicative amount is then used to aid contract negotiations with providers.</p> <p>The tool has successfully enabled savings in other Council's and will be tested in Croydon over the next 12 months. Training for staff to use tool is in planning.</p>	<p>COMPLETE</p>	<p>Executive Director Adult Social Care</p>
<p>viii) Training to be provided to members to understand the budget for Adult Social Care and share rationale for persistent overspend in service. Training to also inform members on the complex health and care landscape in the borough.</p>	<p>May 2021</p>	<p>A Training offer has been compiled referencing the RIPI to ensure aspects of the action plan are picked up. Following approval at the relevant Council meeting,</p>	<p>May/June 2021</p>	<p>Executive Director Adult Social Care</p>

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

		<p>action will quickly be taken to schedule and deliver training over the course of this financial year. Work is ongoing to approve the training offer, this is expected to be identified and arranged by the end of June at the latest.</p> <p>A further refreshed training programme for members will be prepared later in the year for 2022, to ensure members have a framework of learning to support Council decision-making.</p>		
<p>IX) Data set used to inform progress report to be collated, updated and shared with GPAC to allow members to monitor progress on managing demand within social care</p>	<p>New recommendation</p>	<p>A finance and performance workstream has been established and meets fortnightly. The key objectives for this workstream are to ensure dashboards are developed to enable the senior management team to track activity against the benchmarking forecasts set out in the adults improvement plan; and against the move towards both London (younger adults) and England (older adults) averages.</p> <p>Bettergov have been commissioned to help finalise dashboard and benchmarking modelling. 2 dashboards are to be</p>	<p><b>COMPLETE</b></p>	<p>Executive Director Adult Social Care to ensure accurate data incorporated into monthly Performance reporting.</p>

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

		<p>utilised one focused on activity which is complete and another on finances which is in development.</p> <p>The MTFS tracker is currently updated weekly.</p> <p>The Corporate Finance, Performance and Risk report draws upon this data and provides GPAC with the relevant information per this action.</p>		
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## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – June 2021 UPDATE

### Recommendation 2 – HIGH PRIORITY

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

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

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

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

<p>iii) Training to be delivered to relevant members to raise understanding of reserves</p>	<p>New Recommendation – May 2021</p>	<p>Cross reference to LBC rec 3 as this will form part of the wider Member Development Programme to be developed and agreed.</p> <p>A Training offer has been compiled referencing the RIPI to ensure aspects of the action plan are picked up. Following approval at the relevant Council meeting, action will quickly be taken to schedule and deliver training over the course of this financial year. Work is ongoing to approve the training offer, this is expected to be identified and arranged by the end of June at the latest.</p> <p>A further refreshed training programme for members will be prepared later in the year for 2022, to ensure members have a framework of learning to support Council decision-making.</p>	<p>May/June 2021</p>	<p>Director of HR/ Head of Democratic Services</p>
<p>iv) Council to identify the most appropriate mechanism for the Scrutiny &amp; Overview Committee to monitor and assess progress made against delivering the budget throughout the year. As a part of this any update would need to provide reassurance that effective budget controls are in place to mitigate against potential pressures.</p>	<p>New Recommendation – June 2021</p>	<p>The Council has taken steps to give all members further regular insight into the status of its financial performance. For the 2021/22 financial year the Council will begin reporting to members on financial performance on the in year budget (first period report June 7<sup>th</sup> 2021).</p>	<p>June 2021 First period updates now delivered and shared.</p>	<p>Interim Director of Finance, Investment and Risk</p>

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

<p>Furthermore, the Council is to consider approach to providing reassurance to Members that effective budget controls were in place to mitigate against potential risks to the delivery of the budget</p>		<p>This will be done via a new report structure, each month through the Cabinet process as opposed to the current quarterly process. These papers will be published for Scrutiny to review, call in and challenge where they feel appropriate.</p> <p>The Council has already implemented a number of controls to mitigate against potential budget risks. This includes the continued operation of our Spending Control Panel, existing budget tracker, the development of finance training to increase financial literacy in the Council and the ongoing work to improve our financial control system.</p> <p>A forensic financial audit has been commissioned to be finalised by end of June.</p>	<p>Updates are scheduled to come to Cabinet monthly. RIPI Quarterly updates will continue to comment and share progress on improvements to our financial monitoring.</p>	
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## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – June 2021 UPDATE

### Recommendation 3 – HIGH PRIORITY

The Chief Executive should oversee a review of the outcomes achieved from the use of transformation funding to demonstrate that the funding has been applied in accordance with the aim of the scheme.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) A review of all schemes previously funded from transformation capital receipts be undertaken and a report produced that assesses whether the funding has been applied in accordance with the scheme.	January 2021	This work is completed following discussions with the external auditor. An update will be made to GPAC as part of the report on the 2019/20 accounts.	COMPLETE	Interim Director of Finance, Investment & Risk
ii) Training to be delivered to relevant members on transformation funding to raise understanding.	New Recommendation - May 2021	<p>Cross reference to LBC rec 3 as this will form part of the wider Member Development Programme.</p> <p>A Training offer has been compiled referencing the RIPI to ensure aspects of the action plan are picked up. Following approval at the relevant Council meeting, action will quickly be taken to schedule and deliver training over the course of this financial year. Work is ongoing to approve the training offer, this is expected to be identified and arranged by the end of June at the latest.</p>	May/June 2021	<p>Interim Director of Finance, Investment and Risk</p> <p>Director of HR</p> <p>Head of Democratic Services</p>

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

		A further refreshed training programme for members will be prepared later in the year for 2022, to ensure members have a framework of learning to support Council decision-making.		
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### Recommendation 4

The s151 officer should set out the strategy for applying capital receipts for transformation annually as part of the budget setting process.

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

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Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) A strategy for funding transformation to be incorporated into the budget setting process using the current Ministry of Housing, Communities and Local Government (MHCLG) Flexible Use of Capital Receipts Scheme.	January 2021	Following extension of the Flexible Use of capital receipts scheme. Proposals for the use of up to £5 million of capital receipts, subject to availability of receipts will be drafted and agreed by ELT. This should be received in w/c 7 <sup>th</sup> June	COMPLETE	Interim Director of Finance, Investment & Risk
ii) In the absence of any national capital receipts for transformation scheme, the strategy for funding transformation will set out how future schemes will be funded using invest to save principles using rolling investment that is set aside and supported by business cases that demonstrate return. Any business case will have to demonstrate governance of the programme to assure the section 151 officer and Cabinet that the deliverables are being met.	February 2021	See 4i above.	COMPLETE	Interim Director of Finance, Investment & Risk

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

<p>All schemes approved for funding under this strategy will be assessed individually and against the overarching risk exposure and affordability for the Council.</p>				
<p>iii) There will be an annual report to the Scrutiny &amp; Overview Committee and GPAC on the use of transformation funding and the delivery of schemes. A corporate strategy needs to be developed to assess future transformation projects prior to funding. This should include a requirement to identify the intended outcomes, risk exposure, ongoing affordability, how success will be measured, how progress will be tracked, and any interdependencies with other projects and any wider benefits.</p>	<p>December 2021</p>	<p>Report to be prepared at the end of each financial year from 21/22 onwards</p>	<p>June 2022</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>

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

### Recommendation 5

The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.

**Cabinet Member Accountability:** Councillor Flemming, Cabinet Member for Children, Young People and Learning

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) The Dedicated Schools Grant recovery plan should be presented to General Purposes and Audit Committee and Scrutiny and Overview Committee for review and agreement to ensure that it is adequate to meet objectives and timelines that have been set.	February 2021	Reviewed at GPAC 4 March 2021	COMPLETE	Interim Director of Education
ii) Special Educational Needs Finance Board to be established and chaired by the interim Director of Education to oversee the delivery of the Dedicated Schools Grant recovery plan.	<b>COMPLETED</b> October 2020	Initial meetings held with further meetings to be scheduled to update on the progress of the DSG recovery plan.	COMPLETE	Interim Director of Education
iii) Training to be provided to members to ensure the committee possess a working understand of education funding and budgets	New Recommendation	DSG training has been delivered to members of Scrutiny Committee, Labour Group and Conservative Group	COMPLETE	Interim Director of Education /Head of Learning &OD

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

<p>iv) Implement the 'New Approach to Special Educational Needs delivery' strategy working with schools to ensure that more of our Special Educational Needs pupils are educated in mainstream provision to include:</p> <ul style="list-style-type: none"> <li>• Developing more capacity within the post-16 provision</li> <li>• Opening of new Special Educational Needs free schools</li> </ul>	<p>Early adopter Locality areas from September 2020</p> <p>Ongoing discussions with current provider (Croydon College) for 2020/21 academic year Opened September 2020 in temporary location and from September 2021 in substantive location</p>	<p>Report delivered to School's Forum on Monday 26<sup>th</sup> April and full approval given to widen the project to two further locality areas.</p> <p>1% increase in CYP with an EHCP being educated in a Mainstream school.</p>	<p>Review June 2021</p>	<p>Interim Director of Education</p>
<p>v) Progress against the recovery plan to be included in the monthly budget monitoring report to Children's, Families and Education Department Leadership Team, the Executive Leadership Team, the Children's Improvement Board and the quarterly Cabinet, General Purposes and Audit Committee and Scrutiny &amp; Overview Committee which will bring a greater level of control and transparency.</p>	<p>Quarter 3 report to Cabinet February 2021</p>	<p>Progress update included in the monthly budget monitoring to Education SLT and CFE DLT.</p>	<p><b>COMPLETE</b></p>	<p>Interim Executive Director, Children Families and Education Head of Finance - CFE</p>
<p>vi) Progress on Dedicated Schools Grant recovery plan to be reported to the Schools' Forum on a termly basis</p>	<p>December 2020</p>	<p>Included in the forward plan of agenda items for Schools' Forum</p>	<p><b>Complete and ongoing</b></p>	<p>Interim Head of Finance, Children, Families and Education</p>

<b>Recommendation 6</b>				
The Executive Director Children, Families and Education needs to review the services provided to UASC and to identify options to meet their needs within the grant funding provided by the Home Office.				
<b>Cabinet Member Accountability:</b> Councillor Flemming, Cabinet Member for Children, Young People and Learning				
<b>Action</b>	<b>Original Deadline</b>	<b>Progress made to date</b>	<b>Updated Deadline</b>	<b>Accountability</b>
i) Complete a forensic review of grant income against the total expenditure for unaccompanied asylum seeking children and care leavers over the past 3 years, including the co-ordination of pan-London arrangements	December 2021	Review completed and is informing Council's approach to UASC support offer.	COMPLETE	Interim Head of Finance, Children, Families and Education
ii) Negotiate with the Home Office and Department for Education to secure the same financial support provided to other port of entry authorities such as Kent		Meetings have been held with senior officials in the Home Office and Department for Education,		Interim Executive Director, Children Families and Education



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

<p>and Portsmouth to cover the exceptional overhead costs caused by the volume of unaccompanied asylum seeking children received in the Borough.</p> <ul style="list-style-type: none"> <li>• Full cost recovery for exceptional overheads provided by Croydon such as age assessments, the social care duty service at Lunar House and legal fees. Due to volumes in the Borough from its port of entry position, these cannot be absorbed within normal overhead cost as per all other local authorities.</li> <li>• Increased funding for children cared for over and above the voluntary national rate to match the funding of Croydon's children in care.</li> </ul>	<p>Initial meeting had in November 2020</p>	<p>underpinned by forensic review and modelling of additional costs.</p> <p>Agreement of full cost recovery for the age assessment team and the Duty Team at Lunar House for one year. This will cover costs of approximately £595k per annum agreed over 2021-22</p> <p>A Cabinet report on the Council's approach to UASC will be going to Cabinet in June 2021.</p>	<p>Ongoing – review for October 2021</p>	
<p>iii) Work with London local authorities to safely transfer responsibility for an agreed number of children in Croydon's care to reduce disproportionate burden on Croydon.</p>	<p>Initial meeting held October 2020</p>	<p>Home Office Officials, Home Office and London Regional UASC Strategic Lead have secured agreement to the transfer of the care costs of 21 UASC to other London Councils.</p> <p>The Interim Chief Executive has written to all London Chief Executives to support the extension of the pan-London protocol to under 16 for a period of 3 months. 24 Councils have agreed to date.</p>	<p>Review June 2021</p>	<p>Interim Executive Director, Children Families and Education</p>
<p>iv) Introduce a needs based approach to withdrawing services to young people whose appeal rights are exhausted alongside earlier, robust triple planning as part of their pathway at 16 plus. This will assist and support a planned, safe voluntary return when all legal routes to remain have been exhausted and avoid a forced detention and removal when young people have no recourse to public funds, limited access to NHS and education and cannot work legally in UK.</p>	<p>December 2020</p>	<p>Feb 21 – 50 SW's trained in HRA Assessment Practice. First 20 in cohort identified</p> <p>Since December 2020 have completed 29 Human Rights Assessments.</p>	<p>Review June 2021</p>	<p>Director Early Help and Children's Social Care</p>

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

**Recommendation 7**  
 The Executive Director Children, Families and Education needs to identify the capacity threshold for the numbers of UASC that it has the capacity to deliver safe UASC services to.

**Cabinet Member Accountability:** Councillor Flemming, Cabinet Member for Children, Young People and Learning

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Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) Draw on the analysis and review at 6 (i) to develop options to establish a capacity threshold for Croydon for unaccompanied asylum seeking children that is commensurate with other Local Authorities and in line with the nationally agreed standards and funding.	December 2020	The voluntary national rate is the equivalent of 0.07% of the child population. In Croydon that equates to 66 children. This underpins the forensic review and modelling completed in 6i	COMPLETE	Interim Executive Director, Children Families and Education
ii) Present options for the Council to deliver safe services within the capacity threshold to the Children’s Improvement Board, Cabinet and General Purposes and Audit Committee and Scrutiny & Overview Committee to increase levels of control and improve transparency.	February 2021	A Cabinet paper on the Council’s approach to caring for UASC will be presented on June 7 <sup>th</sup> 2021.	COMPLETE	Interim Executive Director, Children Families and Education

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

**Recommendation 8**  
The Cabinet reports on the financial position need to improve the transparency of reporting of any remedial action taken to address in year overspends.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) A review of financial reporting best practice is to be undertaken and the results used to design reports and a system of reporting that will improve its approach to managing finance, performance and risk to introduce a greater level of transparency and better grip of expenditure. All departments will be required to report against their budgets to the Departmental and Executive Leadership Teams on a monthly basis.	September 2021	A process for monthly reporting is being developed with the period 1 report to come to Cabinet June 7 <sup>th</sup> 2021. These reports will develop iteratively over the coming months.  See recommendation 8 – ii for further information on performance monitoring.	COMPLETE	Interim Director of Finance, Investment & Risk
ii) The Council will develop a new corporate framework for monthly reporting that includes finance, performance and risk. This will report to the Executive Leadership Team, Cabinet, General Purposes and Audit Committee and Scrutiny and Overview Committee as appropriate.	April 2021	The Council has developed a new Corporate framework to deliver monthly Corporate Finance, Performance and Risk update reports. These monitor implementation of improvement	COMPLETE – first iteration of report now developed and shared.	Interim Chief Executive

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

<p>The new framework will include progress against service delivery, departmental actions plans, savings opportunities and actions contained within the Croydon Renewal Plan. All actions will be assigned to accountable people (including relevant cabinet member) and will be tracked through a central reporting team to ensure that the process is joined up, consistent and timely. This will be a recognised Programme Management Office function using savings and actions trackers</p>		<p>actions across the Council (including those contained in the RIPI and as part of the CRP) and set out KPIs and accountable officers.</p> <p>The PMO presented an approach to monthly Corporate, Finance, Performance Risk Reporting to Cabinet on April 12<sup>th</sup>.</p> <p>The June 7<sup>th</sup> Corporate Finance, performance &amp; Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p> <p>The monthly reports will develop over time as recommendations are progressed.</p>	<p>updates are scheduled to come to Cabinet monthly</p>	
<p>iii) A review of the capacity within the Finance Team to ensure there is adequate support for departmental cost centre managers to fulfil their responsibilities as budget holders.</p>	<p>November 2020 (update to May 2021)</p>	<p>A proposed structure for the finance team to ensure the service has the right support for departmental cost centre managers was developed in November 2020.</p> <p>This will be reviewed as part of the financial forensic audit which is due to be finalised at the end of June.</p>	<p>Review June 2021</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>

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

**Recommendation 9 – HIGH PRIORITY**  
 The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.

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

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Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) To support the Annual Budget setting process Budget Development Meetings will be held for each department and will be attended by Executive Directors, Corporate Leadership Team and Members with accountability for their service area and staff who are responsible for service delivery that understand what impact growth and savings plans will have on the services. To support this process Members will be provided with a clear set of proposals that demonstrate cost pressures (growth) and savings opportunities with narrative and comparators on budget and outcomes delivered to describe the impact of the decisions that are required to be taken.	October / November 2020	Proposals were provided to members with a formal decision in November Cabinet. Saving opportunities for 21/22 were set out across all services and have been incorporated into delivery of Croydon Renewal Plan.  The Council recognises further savings will be necessary to achieve a sustainable budget in the long term. Discussions for further savings next year will be scheduled starting from April 2021.	<b>COMPLETE</b>	Interim Director of Finance, Investment & Risk
ii) To support the budget exercise the Council will seek external support to test the draft budget proposals,	December 2020	Various support from external sources has been utilised to date to offer capacity and advice. This	<b>COMPLETE</b>	Interim Director of Finance, Investment & Risk

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

<p>seek ideas and good practice and will take the same approach by seeking support for the scrutiny process.</p>		<p>includes the LGA, Council peers and CIPFA. The Council will continue to use such opportunities moving forward.</p>		
<p>iii) Develop a budget savings tracker that profiles savings by month to enable Members to track that savings are on target. This will need to correlate with the finance, performance and risk reporting that Council will introduce.</p>	<p>January 2021</p>	<p>An in year savings tracker has been developed to monitor identified savings and escalate any delivery challenges. In year savings are rag rated based on confidence in delivery.</p>	<p>COMPLETE</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>
<p>iv) To increase understanding of the choices Cabinet Members are making with regards to the emerging budget and to effectively challenge budget assumptions, Scrutiny and Overview Committee Members to receive regular briefings on the progress of budget setting.</p>	<p>January 2021</p>	<p>Budget Discussions were conducted across January and February 2021. This included focused discussion on the 21/22 budget for specific directorates. Discussion took place at Children and Young People Sub-Committee, Health &amp; Social Care Sub-Committee, at Scrutiny, Streets, Environment &amp; Homes sub-committee and finally the Scrutiny &amp; Overview Committee.</p> <p>The Council will continue to keep Scrutiny committees sighted on budget matters.</p>	<p>COMPLETE</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>
<p>v) To review the budget setting-timetable to ensure that the Scrutiny &amp; Overview Committee has the time to digest and review the budget proposals and underlying assumptions and for Cabinet to respond fully to any challenge or comments and for Cabinet to be able to consider changing its proposals.</p>	<p>April 2021</p>	<p>The Council is taking action to ensure budget discussions happen at an earlier date and more opportunities are offered to members to offer input into the budget and review its management. These actions include finalisation of Council meetings forward plan up until April 2022 with dates marked for policy</p>	<p>COMPLETE</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>

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

		<p>discussions and monthly financial performance updates at Cabinet.</p> <p>Additionally, budget developments meetings will begin in Spring 2021 as opposed to Autumn meaning savings will be identified and shared with members earlier in year.</p>		
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### Recommendation 10

The General Purposes and Audit Committee must challenge officers on the progress in implementing the Financial Consultant’s recommendations to improve the budget setting, monitoring and reporting process and actions to address the Head of Internal Audit’s concerns on internal controls.

**Member Accountability:** Councillor Karen Jewitt, Chair of General Purposes and Audit Committee

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Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
<p>i) Delivery of the Financial Consultant’s recommendations and the Head of Internal Audit’s concerns will be reported to the General Purposes and Audit Committee and to the Improvement Board as part of the Croydon Renewal Plan.</p>	<p>October 2020</p> <p>Update to be provided in June 2021</p>	<p>Phase 1 of the review have been established and the work on the 75 recommendations in the initial review is ongoing. A progress update on the implementation of these recommendations went to GPAC in April. This included notice on completion of the Capital Programme review, Updated MTFS and new financial governance arrangements.</p> <p>Further updates on these will be presented to GPAC, with a date set for September.</p>	<p>Review June 2021 –ongoing</p> <p>The next update on the Finance Review is scheduled for GPAC September 2021</p>	<p>Interim Director of Finance, Investment &amp; Risk</p>

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

		<p>In March ELT agreed a renewed Internal Audit Governance Framework. The agreed framework states the Head of internal Audit is to regularly prepare reports for DLTs and ELT (4 times a year for each) to ensure visibility on existing concerns and mitigating actions in place,</p> <p>The Head of Internal Audit is regularly attending GPAC and can use the meeting as an opportunity to provide updates on concerns and the management actions being delivered to address the concerns.</p>		
<p>ii) That a piece of work be undertaken to clarify the roles of GPAC and Scrutiny to reduce duplication and ensure right things are being reviewed at the right time</p>	<p>New Recommendation</p>	<p>Updates on phase 1 of the Finance Review are currently scheduled on the GPAC work plan up until September including updates on phase 1. It is suggested that it remain this way but Scrutiny call in as they feel appropriate to ensure correct level of challenge.</p> <p>Phase 2 and 3 of the finance review have been paused to prioritise other pieces of work.</p>	<p>September 2021</p>	<p>Interim Executive Director of Resources</p> <p>Interim Director of Finance, Investment &amp; Risk</p>



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

**Recommendation 11**  
 The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.

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

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Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) The Council have commissioned PwC to undertake a strategic review of the Growth Zone with completion expected November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	December 2020	PwC report to cabinet made recommendations on future of GZ. These are now being implemented	<b>COMPLETE</b>	Interim Director of Finance, Investment & Risk
ii) Revised financial model profile to be presented alongside budget review in February 2021 to Cabinet, General Purposes and Audit Committee and the Scrutiny and Overview Committee.	February 2021	The March cabinet report sets out a direction of travel, with 1 year of capital expenditure. Considering the current macro-economic climate (i.e. impact of pandemic) and challenges facing Croydon and its economy, this means that the financial model will need updating throughout this calendar year. Dates for GPAC and	Progressed – further update December 2021	Interim Director of Finance, Investment & Risk

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

		Scrutiny & Overview Committee are being scheduled.  An update on the report will go to Cabinet in December 2021.		
iii) Cabinet paper with revised profile and recommendations to be issued March 2021.	March 2021	See 11ii	COMPLETE	Interim Director of Finance, Investment & Risk
iv) The Council needs a mechanism in place to review projects to use the learning to inform any future work. This should be extended across all areas of the Council, with learning retained centrally as a corporate resources.	New recommendation	Project closure process in place as part of the governance of all projects.	COMPLETE	Interim Director of Finance, Investment & Risk

### Recommendation 12 – HIGH PRIORITY

The s151 officer should review the financial rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) The Council have commissioned PwC to undertake a strategic review of the Revolving Investment Fund with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	December 2020	Report by PwC on governance & strategic review delivered in November 2020 to Cabinet.  Treasury Management strategy updated 1st March 2021 limits new lending under the RIF to BBB working capital loans only	COMPLETE	Interim Director of Finance, Investment & Risk
ii) Recommendations to be presented alongside budget review in Feb 2021 to Cabinet, General Purposes and Audit Committee and Scrutiny and Overview	February 2021	See recommendation 12i	COMPLETE	Interim Director of Finance, Investment & Risk
iii) Cabinet paper with recommendations to be issued March 2021.	March 2021	See recommendation 12i	COMPLETE	Interim Director of Finance, Investment & Risk

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

### Recommendation 13

The s151 officer should review the purchase of Croydon Park Hotel to identify lessons learned to strengthen future due diligence arrangements.

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

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Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) The Council have commissioned PWC to undertake a strategic review of assets that have been purchased with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	December 2020	On February 18 <sup>th</sup> Cabinet agreed the approach set out in the Interim Assets Strategy. This included, in the appendices, options for an approach on the future of Croydon Park Hotel. An update with a decision on the future of Croydon Park Hotel is provisionally scheduled for September 2021.	COMPLETE	Interim Director of Finance, Investment & Risk
ii) Recommendations, including lessons learned, will inform changes required to governance arrangements and training/development that might be required. These recommendations to be presented alongside budget review in February 2021 to Cabinet, General Purposes and Audit Committee and Scrutiny and Overview.	January 2021	Under Treasury management strategy changes no new investments will be made. Lessons learned paper to be prepared.	September 2021	Interim Director of Finance, Investment & Risk

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

iii) Review and re-write the asset investment strategy that was approved by Cabinet in October 2018 incorporating advice from each of the Strategic Reviews. The review will explicitly consider best practice from the sector and lessons learned from other local authorities, the external auditor and the National Audit Office on effective investment practice.	March 2021	Interim Asset Strategy has been approved at February 18 <sup>th</sup> Cabinet to fast track income generation and achieve “quick wins.”  A 3 year 21-24 Asset Strategy is being developed provisionally set for January 2022 Cabinet.	COMPLETE	Interim Director of Finance, Investment & Risk / Executive Director of Place
iv) Cabinet paper with recommendations to be issued March 2021. Update to be provided at Scrutiny on 9 <sup>th</sup> February	March 2021	The Interim Assets Disposal Strategy, was discussed at both Cabinet and Scrutiny & Overview Committee in February.	COMPLETE	Interim Director of Finance, Investment & Risk

### Recommendation 14 – HIGH PRIORITY

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

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

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

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

<b>Recommendation 15</b>				
The Chief Executive should arrange detailed Treasury Management training to assist Members to better understand and challenge the long-term financial implications of matters reported within the Treasury Management Strategy.				
<b>Cabinet Member Accountability:</b> Councillor Young Cabinet Member for Resources and Financial Governance				
Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) Members to attend training sessions facilitated by the Local Government Association to cover treasury management to enable better and effective financial leadership.	January 2021	Treasury management training was offered to all members on the 3 <sup>rd</sup> March 2021.  Session was recorded and will be distributed to all Members and all budget managers.	<b>COMPLETE</b>	Interim Chief Executive

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

### Recommendation 16

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

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

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

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

**Recommendation 17**  
 The Cabinet and Council should reconsider the financial business case for continuing to invest in Brick by Brick before agreeing any further borrowing.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) PwC has been commissioned to undertake a strategic review of Brick by Brick with completion expected in November 2020. The report with recommendations regarding the financial business case will be reviewed by the Scrutiny and Overview Committee prior to being presented to Cabinet.	December 2020  (updated to May 2021)	This specific action is complete however, ongoing activity with regard to BBB still needs to be taken hence further updates suggested.  Phase 1 of the Strategic Review set out a number of options around BBB. This was received at Cabinet in November 2020 and it was agreed by members for further work to be carried out to advice on the best approach for BBB.  The additional paper went to Cabinet in February 2021. It recommended an approach to build out of sites by Brick by Brick combined with a sale of sites under construction whilst still considering	Progressed - Next Update in September 2021	Interim Chief Executive

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

		<p>the option of a sale of the business, with a further report to Cabinet in June 2021.</p> <p>A further progress report was provided May 17<sup>th</sup> Cabinet 2021. Further reports including a decision on BBB's future are provisionally scheduled for July Cabinet.</p>			
ii)	<p>Council to review the risks relating to Brick by Brick to ensure they are appropriately listed on the risk register</p>	<p>New Recommendation</p>	<p>The Risks for Brick by Brick have been reviewed and are as follows per the Corporate Risk Register:</p> <ol style="list-style-type: none"> <li>1. Investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC).</li> <li>2. There is no effective challenge, review, investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC).</li> </ol> <p>**These risks specifically relate to financial strategy, treasury management strategy (including borrowing), capital investment strategies and appropriateness of</p>	<p><b>COMPLETE</b></p>	<p>Interim Director of Finance, Investment &amp; Risk</p>



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

		<p>continuing investment and association with BBB**</p> <p>The Corporate Red Risk Register is reviewed monthly at ELT to review and update risks where necessary.</p>		
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### Recommendation 18 – HIGH PRIORITY

The Cabinet and Council should review and reconsider the ongoing financial rationale for the Council in the equity investment arrangement with Brick by Brick.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) PwC has been commissioned to undertake a strategic review of Brick by Brick. The report and recommendations will consider the ongoing financial rationale and equity invested and will detail options for the Council that will be considered by the Scrutiny & Overview Committee Cabinet prior to being presented to Cabinet.	December 2020	<p>This paper went to Scrutiny &amp; Overview Committee and Cabinet in February 2021.</p> <p>The Cabinet paper noted that the Council has never made any equity payments, as planned, and is not in the financial position to do so. It was noted BBB sales proceeds were meant to be placed in an account for the Council to apply interest repayment and, if excess, to substantive loan repayment. Unfortunately, this process has not occurred and instead sale proceeds were retained by BBB effectively replacing the Council's equity share.</p> <p>The Council needs to review existing arrangement, change the current</p>	COMPLETE	Interim Chief Executive

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

		<p>agreements or replace it with fresh loans.</p> <p>It is recommended that the current arrangements continue but in a modified way to give Brick by Brick capacity to have working capital to ensure that funds are available to build out units on site</p>		
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**Recommendation 19**  
 The s151 officer and monitoring officer should monitor compliance with loan covenants with Brick by Brick and report any breaches to Members.

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

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Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
<p>i) Loan covenants are within scope of the PwC strategic review and will be considered as part of the overall recommendations.</p> <p>A review of the existing loan covenants and their governance is to be undertaken. Learning from this review, a new system of control for all loan agreements entered into by the Council will be presented to Members and this will form part of the new Corporate Finance, Performance and Risk reporting system.</p> <p>The review and the proposed new system for loan covenants will be presented to GPAC &amp; Scrutiny and Overview Committee prior to being presented to Cabinet for approval.</p>	<p>January 2021</p>	<p>Loan agreements to be redrafted to provide a comprehensive single agreement</p> <p>The February Cabinet report agreed that detail of the revised loan scheme be delegated to the Chief Executive after consultation with the leader and appropriate lead members.</p>	<p>COMPLETE</p>	<p>Interim Executive Director of Resources</p> <p>Interim Director of Finance, Investment &amp; Risk</p>

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

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**Recommendation 20 – HIGH PRIORITY**  
 The Cabinet and Council should review its arrangements to govern its interest in subsidiaries, how the subsidiaries are linked, and the long-term impact of the subsidiaries on the Council’s financial position and how the Council’s and taxpayers’ interest is safeguarded.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) An audit of the Council’s approach to membership of each subsidiary board will be undertaken. The audit will involve officers of the Council and any Chairs/Members of company boards.	March 2021	<p>A working group has now been established with Legal and Finance to work through the existing list of companies that the Council has an interest in. Checks are also being undertaken to ensure that this list is as complete as possible.</p> <p>The group has been operating since April 2021 and is currently established as a task and finish group undertaking work around the governance process, directorships, status and relationship with its third party companies as well as assist in elements of the wider asset management review. Relevant officers and Directors of company boards are invited to present a paper at each of the working group</p>	<p>Update to be provided June 2021</p> <p>(A further update will come through September 2021)</p>	<p>Interim Executive Director of Resources</p> <p>Interim Director of Finance</p>

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

		meetings to discuss the company/companies they are involved with.		
ii) As part of this review the membership balance of the boards will be considered in aggregate in regard to best practice for achieving diversity, skill set, sectoral knowledge and Croydon Council representation.	March 2021	At present, the working group has been established as a task and finish group in order to undertake the audit exercise described above and consider future governance for onward recommendation. The working group has been comprised of legal and finance so that any immediate financial or legal risks can be addressed as soon as possible. The recommendations for future governance is already underway and will consider (ii).	Update to be provided June 2021  (A further update will come through September 2021)	Interim Executive Director of Resources  Interim Director of Finance
iii) External guidance on best practice will be sought. Roles, responsibilities and legal requirements for local authority company directors and guidance on skill set will be sought and this will include the best way to assess the competence of Members and Chief Officers for these roles.	March 2021	This will be considered as part of the future governance recommendations.	Update to be provided June 2021  (A further update will come through September 2021)	Interim Executive Director of Resources  Interim Director of Finance
iv) Process for identifying gaps in knowledge and or experience will be brought forward to include training considerations. If necessary interim arrangements will be made to remove risks and ensure effective governance.	March 2021	This will be considered as part of the future governance recommendations.	Update to be provided June 2021  (A further update will come through September 2021)	Interim Executive Director of Resources  Interim Director of Finance

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

v) Essential mandatory training will be undertaken on an annual basis and the retention of the director role for each Councillor and Council official will rely on completion of the recommended training.	March 2021	This will be considered as part of the future governance recommendations.	Update to be provided June 2021  (A further update will come through September 2021)	Interim Executive Director of Resources  Interim Director of Finance
vi) The impact of these changes will need to be reflected in the Council's Constitution and relevant protocols.	March 2021	This will be considered as part of the future governance recommendations.	Update provided June 2021  (A further update will come through September 2021)	Interim Executive Director of Resources  Interim Director of Finance
vii) Support for the effective governance of the Council's subsidiaries and retaining a corporate overview of activity of individual companies and the whole group of companies is to be developed.	March 2021	This will be considered as part of the future governance recommendations.	Update provided June 2021  (A further update will come through September 2021)	Interim Executive Director of Resources  Interim Director of Finance
viii) Raise awareness of the timing of the Annual General Meetings of subsidiaries amongst Members.	New Recommendation	This will be considered as part of the future governance recommendations.	Update provided June 2021  (A further update will come through September 2021)	Interim Executive Director of Resources  Interim Director of Finance

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

IX) Cost effective mechanism to publish Board membership of Council subsidiaries to be investigated	New Recommendation	This will be considered as part of the future governance recommendations.	Update t provided June 2021  (A further update will come through September 2021)	Interim Executive Director of Resources  Interim Director of Finance
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## ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST – June 2021 UPDATE

LBC Recommendation 1				
Given the challenges ahead there will need to be improvement of the Council's approach to risk management to enable a satisfactory turnaround of the financial position.				
Cabinet Member Accountability: Councillor King Cabinet Member for Croydon Renewal				
Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) An externally led review of the Council's appetite for risk needs to be undertaken with Members and Officers to ensure that the council's financial capacity for managing risk is fully understood.	January 2021	<p>Cabinet risk management session has been carried out which will need to have a follow up session during the 21/22 financial year.</p> <p>A similar exercise for Corporate Management team to be developed.</p>	Sept 2021	<p>Interim Director of Finance, Investment &amp; Risk</p> <p>Director of HR</p> <p>Head of Democratic Services</p>
ii) Corporate Finance, Performance and Risk management to be combined into one reporting function to remove silo thinking and increase the rigour to enable delivery of services, savings plans and the overarching Improvement Plan. This will require one new unified system of corporate reporting.	February 2021	<p>PMO developing initial Corporate Finance, Performance and Risk report.</p> <p>These reports will be developed monthly and will provide updates from across the Council on key KPIs. A Cabinet report on the process of reporting was provided on April 12<sup>th</sup> 2021.</p> <p>The June 7<sup>th</sup> Corporate Finance, performance &amp; Risk report iteration will provide a final set of CRP measures, and targets set to date, as well as a further update on the work streams in place to produce a full set of corporate performance reports by September 2021 Cabinet.</p>	<b>COMPLETE</b>	Interim Executive Director of Resources

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

		The monthly reports will develop over time as recommendations are progressed.		
iii) Risk considerations to be made at the outset of all new decisions will ensure the Council has capacity, capability and financial resources needed to deliver. The assessment of risk is on the individual decision and its impact on the whole of the Council.	November 2020	All new programmes of work will be subject to sign off at the Programme Steering Group who will be able to provide a council wide view and ensure that risks have been considered. This process is in evolutionary phase so too soon to record as complete.	Sept 2021	All Executive Directors
iv) Develop training for Members and Officers to understand effective risk management.	January 2021 (updated to May 2021)	Cross reference to LBC rec 3 as this will form part of the wider Member Development Programme.  A training offer has been compiled referencing the RIPI to ensure aspects of the action plan are picked up. Following approval at the relevant Council meeting, action will quickly be taken to schedule and deliver training over the course of this financial year. Work is ongoing to approve the training offer, this is expected to be identified and arranged by the end of June at the latest.  A further refreshed training programme for members will be prepared later in the year for	June 2021	Interim Director of Finance  Director of HR  Head of Democratic Services



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

		2022, to ensure members have a framework of learning to support Council decision-making.		
v)	The Council to review the terms of reference in regards the General Purposes and Audit Committee and Scrutiny & Overview Committee with regards to risk management to ensure there are no gaps in governance, to remove silo thinking and that both committees have a clear understanding of their responsibilities. This will include new guidance and joint training	March 2021	This is part of the review undertaken by Centre for Governance & Scrutiny to identify gaps in governance.	June 2021 Interim Executive Director of Resources
vi)	Councillors to be provided overview of Council risk function and how risks are constantly monitored and updated in the organisation	New Recommendation	Cabinet training workshop took place in January 2021. The action is complete therefore but will need to be developed further to ensure that proper attention to changing financial position is considered throughout the year. Officers will look at opportunities to provide key learning to members through refreshed work programme for 2022.	<b>COMPLETE</b> Interim Executive Director of Resources

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

<b>LBC Recommendation 2</b>				
Clarifying member and officer roles to support good governance arrangements				
<b>Cabinet Member Accountability:</b> Councillor Young Cabinet Member for Resources and Financial Governance				
Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) The Council will need to undertake a review to consider its operating model to ensure it has capacity and specialist skills required to deliver the financial and operational improvements that are needed to deliver.	February 2021	The Interim Chief Executive has begun a consultation on the management arrangements for the council which is paused but due to recommence in near future.	September 2021	Interim Chief Executive
ii) The Member/Officer protocol is to be reviewed to ensure that it gives clarity on the respective roles and responsibilities for both Members and officers. The protocol should also explicitly place the seven principles of public life, known as the Nolan principles, at its heart. <a href="https://www.gov.uk/government/publications/the-7-principles-of-public-life">https://www.gov.uk/government/publications/the-7-principles-of-public-life</a> .  Training will be held for all Councillors and senior officers to develop good practice.	March 2021	On May 26 <sup>th</sup> a report reviewing the TOR of Ethics Committee went to the Committee and consequently a new work plan was adopted.  A Training offer has been developed for all members including where appropriate, specific training for committee members. Following approval at the relevant Council meeting, action will quickly be taken to schedule and deliver training over the course of this financial year. Work is ongoing to approve the training offer, this is expected to be identified and arranged by the end of June at the latest.	Update on progress in June 2021	Interim Executive Director of Resources  Head of Democratic Services

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

<p>iii) A review of the member and officer Codes of Conduct will be undertaken to incorporate any learning from recent events and to ensure that they explicitly include the seven principles of public life, known as the Nolan principles, as the basis of the ethical standards expected of elected and appointed public office holders.</p>	<p>March 2021</p>	<p>The Local Government Association Code of Conduct 2020 was reported into Ethics Committee in February 2021. Members asked for a gap analysis to come back to the committee in April to inform any potential future changes.</p> <p>This Gaps Analysis was provided to Councillors at the May 26<sup>th</sup> Ethics Committee.</p> <p>This is linked to LBC2 - ii.</p>	<p style="text-align: center;"><b>COMPLETE</b></p>	<p>Interim Executive Director of Resources</p>
<p>iv) Development sessions for Members and officers to better understand each other's respective roles.</p>	<p>March 2021</p>	<p>See LBC Recommendation 2 ii and iii.</p>	<p>June 2021</p>	<p>Interim Executive Director of Resources</p>
<p>v) Review the level of support and advice Scrutiny &amp; Overview Committee and the General Purposes and Audit Committee receives from the Head of Paid Services, Section 151 Officer and Monitoring Officer to ensure that the advice is in line with their statutory responsibilities. With this include clarification on the ability and process for members to request information.</p>	<p>March 2021</p>	<p>Meetings have been held between the Head of Paid Service, S151 officer, Monitoring Officer and Scrutiny Chairs to provide opportunity for regular discussion and planning.</p> <p>The Scrutiny and GPAC Workplan is being are also being linked in to the Council's forward plan.</p> <p>On the 30<sup>th</sup> March the Centre for Governance and Scrutiny presented</p>	<p>April 2021 – Action progressed</p> <p>Further update to be provided September 2021</p>	<p>Interim Executive Director of Resources</p>

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

		<p>a Scrutiny Improvement Review to the Scrutiny &amp; Overview committee.</p> <p>An Information Sharing Protocol has been at Ethics Committee on the 26<sup>th</sup> May to set out clearly what information Councillors can access and how.</p> <p>The CFGS is supporting the Council to benchmark and identify how GPAC can be developed to strengthen its role in the Council's governance.</p>		
<p>vi) Review the capacity of the organisation to support the Scrutiny &amp; Overview Committee and the General Purposes and Audit Committee so that activity is prioritised within the financial resources for these functions.</p>	<p>Commenced October 2020</p>	<p>This needs to be considered in conjunction with LBC Recommendation 2 V. See above therefore.</p>	<p>April 2021 – Action progressed</p> <p>Further update to be provided September 2021</p>	<p>Interim Executive Director Resources</p>

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

### LBC Recommendation 3

Ensuring that Members are appropriately trained across all aspects of the Council's financial duties and responsibilities

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
<p>i) A detailed training and development programme is being designed to enable all Members to fulfil their roles in regard to their role with sufficient rigour. The programme being developed will cover:</p> <ul style="list-style-type: none"> <li>• Financial management to include the importance of effective budget setting, a robust Medium Term Financial Strategy and rigorous budget monitoring (Add reserves)</li> <li>• Understanding funding sources, eg general fund, housing revenue account and direct schools grant</li> <li>• The role of Audit and the external auditor</li> <li>• Treasury management and capital strategies and the Council's approach to subsidiaries</li> <li>• Risk assessment</li> <li>• Commercial Investment</li> <li>• Mentoring</li> <li>• Commissioning and Procurement Process</li> <li>• ASC Budget</li> <li>• Transformation Funding</li> <li>• Statutory and non-statutory services</li> </ul>	<p>December 2020</p>	<p>A Training offer has been developed for all members including where appropriate, specific training for committee members. Following approval at the relevant Council meeting, action will quickly be taken to schedule and deliver training over the course of this financial year. Work is ongoing to approve the training offer, this is expected to be identified and arranged by the end of June at the latest.</p> <p>Some training has been carried out during the latter part of 2020 early 2021. This includes Finance, Treasury Management, Risk but this needs to form part of a wider programme of work that is being drawn up for agreement with Members.</p> <p>The Council will need to consider how it reports against attendance and records training on Mod.gov.</p> <p>A further refreshed training programme for members will be prepared later in the year for</p>	<p>Training offer Through relevant approval route latest June 2021</p> <p>Further update to be provided September 2021</p>	<p>Interim Chief Executive</p> <p>Interim Executive Director of Resources</p> <p>Director of HR</p> <p>Head of Democratic Services</p>

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

		2022, to ensure members have a framework of learning to support Council decision-making.			
ii)	Further work on Cabinet development will be undertaken to support members to explore priorities for the new Cabinet, agree how the Members will work together to make the most of shared skills and consider individual and collective leadership styles and ways of working.	January 2021	LGA have carried out a facilitated session for Cabinet members	COMPLETE	Interim Executive Director of Resources
iii)	<p>Target support to be provided for Cabinet Members, Scrutiny &amp; Overview Committee Members and General Purposes and Audit Committee Members to strengthen the approach to reviewing the emerging plans, actions and risks that are being developed as part of the Croydon Renewal Plan, Financial recovery and progress against the Report in the Public Interest. In particular the training will include:</p> <ul style="list-style-type: none"> <li>• The role of Scrutiny and Overview in relation to finance and General Purposes and Audit Committee</li> <li>• Developing an effective culture of scrutiny and key questioning skills</li> <li>• Maintaining a ‘big picture’ view of the financial pressures affecting the council</li> <li>• Assessing effectively budget and financial plans, budget monitoring, reserves approach</li> <li>• Challenging how resources are allocated</li> <li>• Scrutinising partnership arrangements</li> <li>• Key finance issues for Scrutiny and Overview Committee to consider</li> </ul>	December 2020	<p>An information Sharing Protocol has been written and provided to the Ethics Committee on the 26<sup>th</sup> may 2021 setting out clear guidelines for members to attain information.</p> <p>A Training offer has been developed for all members including where appropriate, specific training for committee members. Following approval at the relevant Council meeting, action will quickly be taken to schedule and deliver training over the course of this financial year. Work is ongoing to approve the training offer, this is expected to be identified and arranged by the end of June at the latest.</p>	Progressed – Further Updates to be provided Quarterly	Interim Executive Director of Resources

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

### LBC Recommendation 4

The Council develops an improvement programme that has the necessary elements for it to function effectively and within its financial resource.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) Implement new Council management arrangements that ensure: <ul style="list-style-type: none"> <li>• the delivery of high quality statutory services</li> <li>• finances are appropriately managed and controlled</li> <li>• a sound understanding of risk management is at the heart of the organisation</li> </ul>	April 2021	<ul style="list-style-type: none"> <li>• Process for Monthly finance updates established and to be implemented</li> <li>• £1m investment for additional capacity in Finance.</li> <li>• Risk Review</li> <li>• Corporate management restructure (to be recommended in near future)</li> <li>• Council meeting Ecosystem in process of being reviewed</li> <li>• Financial Control System developing</li> <li>• Priorities outlined to be achieved by September 2021.</li> <li>• Interim Assets Strategy delivered</li> </ul>	Update on next phase of work September 2021	Interim Chief Executive Officer
ii) Working with local residents, rebuild the trust with their local Council by focussing on effective delivery of core services, responding promptly and appropriately to queries and complaints and learning from good practice as well as failures and from each other.	April 2021	A Cabinet paper on Croydon Renewal Community Engagement to establish a Community Panel went to May Cabinet with operating principles and outcomes defined. The Panel is seen as a key element on our journey to becoming more transparent, open and honest in our ways of working.	Ongoing – To be updated every quarter	Interim Executive Director of Resources

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

		<p>The Panel will also represent a link between our communities and the delivery of the wider Croydon Renewal Improvement Plan.</p> <p>Rebuilding trust with residents will be an ongoing process with residents as we improve our cultures and systems to be the Council our resident’s needs. An update will continue to be provided against this action for the foreseeable future therefore.</p>			
iii)	<p>Introduce a new system of internal control focussed on finance, performance and risk to manage financial expenditure, risk management, service performance and the delivery of Council priorities. This will follow a monthly cycle of Departmental Leadership Teams, Executive Leadership Team, Cabinet and Scrutiny &amp; Overview as appropriate.</p>	<p>April 2021</p>	<p>The Council is accelerating work to deliver a renewed financial control system and a review and refresh of our internal meetings structure. Work on these is ongoing with delivery and full compliance by staff expected in September 2021.</p> <p>The Council has already developed processes that will ensure monthly reporting on its financial performance and on Corporate Finance, Performance and Risk.</p>	<p>Next Update September 2021</p>	<p>Interim Chief Executive Officer</p>
iv)	<p>Building on the work done to date and listening to staff concerns about equality and diversity in the workplace, co-create a working environment that respects and values all our staff and take positive action to ensure that this is the case.</p>	<p>April 2021</p>	<p>The Council has launched a Guardians Programme in order to provide its staff a safe space to share concerns and have conversations around working issues</p>	<p>Ongoing – To be updated every quarter</p>	<p>Interim Executive Director of Resources  Director of HR</p>



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		<p>including potential problems related to bullying or discrimination.</p> <p>The Leader &amp; Interim CEO have participated in roadshows/staff engagement sessions attended by several hundred staff not only to share corporate priorities but to hear directly from staff on their views and experiences.</p> <p>The Council held a whole staff conference in March, to initiate such staff engagement and to start to create a working environment where staff are listened to and involved in priority setting process. The Council recognises it will take time to build staff trust and confidence.</p>			
vi)	Create a new system of staff performance appraisal, co-created with staff and agreed with the trade unions.	<p>April 2021</p>	<p>The Council has implemented a light touch solution to appraisals for 2020/2021 to recognise the sheer level of work and commitment staff have shown in the last year.</p> <p>Further work on re-developing appraisals in the longer term is ongoing.</p>	<p>Next update January 2022</p>	<p>Interim Executive Director of Resources  Director of HR</p>
vi)	By working with Council staff, co-create an environment that is open to listening, free from fear, built on trust and openness and reflects the diverse borough that we serve.	Commenced with appointment of Interim Chief Executive	See recommendation LBC 4 iv	Ongoing – To be updated every quarter	Interim Executive Director of Resources  Director of HR

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

vii) Agree a training programme for Council staff that includes finance for non-financial managers, Business Case Development, understanding risk, project management and the Council's own governance processes.	January 2021	<p>The Council training budget will be held centrally to assist with developing a corporate approach to staff training that creates consistency and efficiency in the way this is managed and delivered. The more specific approach to these areas for training will be agreed once the forensic financial exercise is complete.</p> <p>The forensic audit will now not be completed until the end of June. The deadline has been moved therefore.</p>	September 2021	Interim Executive Director of Resources
viii) Ensure the actions contained in this plan are supported by a corporate programme office that can provide assurance to Members.	Complete	A PMO office has been established dedicated to coordinating and supporting the delivery of key improvement actions across the Council. This includes recommendations in the MHCLG Rapid Review, the RIPI and the Croydon Renewal Plan.	COMPLETE	Interim Executive Director of Resources
ix) Corporate level sponsorship to be allocated to all projects to ensure clarity of responsibility for delivery.	New Recommendation	ELT members already allocated across all actions. Further project managers to be identified to deliver the recommendations.	COMPLETE	Interim Chief Executive
x) Work needs to be undertaken as a priority to understand the future model of the Council, which would inform the direction of travel in the improvement journey.	New Recommendation	<p>A restructure had been proposed and consulted on however, this was paused. The restructure is expected to recommence in the near future.</p> <p>A review of the Council's Meeting Ecosystem is ongoing.</p>	September 2021	Interim Chief Executive

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

xi) Council is to provide appropriate officer support is given to Scrutiny in order that it can fulfil its role.	New Recommendation	See recommendation LBC 2 V	April 2021 – Action progressed  Further update to be provided September 2021	Interim Executive Director Resources
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**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

1. The Council has fully accepted all recommendations made by the external auditor (R1-R20)
2. The Council has added additional recommendations LBC1-4
3. There are 9 high priority recommendations from the external auditor for the Council to urgently address:

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

**This document contains all actions marked complete and therefore closed as per the April 2021 RIPI Cabinet update.**

**Overall accountability for the action plan rests with the Interim Chief Executive**

**Recommendation 1a – HIGH PRIORITY**

The Executive Director Children Families and Education needs to address the underlying causes of social care overspends in children’s social care and take effective action to manage both the demand and the resulting cost pressures.

**Cabinet Member Accountability:** Councillor Flemming, Cabinet Member for Children, Young People and Learning

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
IV) Secure independent external challenge through the Partners in Practice programme to enable valid judgements to be made about the correct level of funding to meet the needs of Croydon’s children in care.	January 2021	Report from LB Camden received under Partners in Practice Programme – December 2020  Independent Financial Adviser commissioned by the DFE to provide expert challenge and support commenced on 22/2/21 for a period of 9 months.	Ongoing support until November 2021 - Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Executive Director, Children Families and Education

**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 1b – HIGH PRIORITY**  
 The Executive Director Health, Wellbeing and Adults needs to address the underlying causes of social care overspends in adults social care and take effective action to manage both the demand and the resulting cost pressures.

**Cabinet Member Accountability:** Councillor Campbell, Cabinet Member for Families, Health and Social Care

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) Commission a diagnostic of spend and opportunities to be carried out by the Local Government Association (LGA) National Care & Health Improvement Adviser Finance and Risks to inform future shape of transformation opportunities.	<b>COMPLETED</b> October 2020	This was carried out and used during November 2020 to inform development of the Adult Social Care Improvement Plan	Marked complete in April 12 <sup>th</sup> Cabinet report	Executive Director Adult Social Care
ii) Review the current service delivery models of adult social care and gateway services to right size the budget and delivery model to benchmark with comparator Councils in relation to population and service outcomes.	December 2020	Data has been collected which provides benchmarking of Croydon ASC care spend vs other Councils, this was factored in to the Adult Social Care Improvement Plan.  Budget modelling has been agreed for ASC for 21/22 budget. Service modelling forms part of adult's improvement plan.	Marked complete in April 12 <sup>th</sup> Cabinet report	Executive Director Adult Social Care
iii) To create a placements board to challenge the Council on current cost of placements, managing demand for new placements and ensuring value for money in procurement of placements	January 2021	Placements boards have been implemented in the Council to challenge placements and reduce expenditure.  Daily challenge panel has been in place since S114. All spend is then promoted to the Spend Control Panel, as agreed with then S151 Officer.	Marked complete in April 12 <sup>th</sup> Cabinet report	Executive Director Adult Social Care

**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

		Placements programme is in place with an agreed scope. Funding also agreed for Care Cubed placements tool agreed at ELT on 8 March 21.		
iv) Use the output from the diagnostic review to remodel financial implications to help shape the Medium Term Financial Strategy (MTFS)	December 2020	<p>Diagnostic review and benchmarking data has been used to shape the Adult Social Care Improvement plan.</p> <p>Croydon Adults Improvement plan has been fully developed and aligned to budget as signed off at March Cabinet. LBC delivery tracker being updated fortnightly.</p>	Marked complete in April 12 <sup>th</sup> Cabinet report	Director of Finance, Investment & Risk



**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 2 – HIGH PRIORITY**  
 The Council (including Cabinet and Scrutiny and Overview Committee) should challenge the adequacy of the reserves assessment which should include a risk assessment before approving the budget.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) Develop a reserves strategy as part of the Medium Term Financial Strategy (MTFS) and present it for approval with the Budget reports to Cabinet and Full Council. This needs to incorporate a clear assessment of risks and liabilities that demonstrate all current and future exposure has been thought through and factored into the recommendations. Strategy to map the financial governance process around agreeing additions to reserves to be included to reduce risk of duplication and that there were no gaps in approach.	February/March 2021	The MTFS and 21/22 Budget agreed on 8 <sup>th</sup> March contains a clear strategy for growing the reserves base up to a level which by 23/24 would give a general fund reserve in excess of £60 million	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment and Risk
ii) In considering future budget reports, Cabinet will assure itself that all risks and liabilities have been properly considered by requesting that the Scrutiny & Overview Committee and the General Purposes and Audit Committee review the adequacy of the strategy and its relationship to the MTFS prior to Cabinet taking a decision.	February/March 2021	From April 2021 Financial Monitoring reports will be provided to Cabinet on a monthly basis to ensure Members have increased oversight on any emerging pressures or movements.  The 21/22 Budget was reported to Scrutiny on 16 <sup>th</sup> February 2021 and comments were verbally reported to cabinet on 8 <sup>th</sup> March 2021.  Future year's timescales will need to include time for both this and reference to GPAC and Scrutiny	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment and Risk

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**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 5**  
 The General Purposes and Audit Committee should receive reports on the actions being taken to address the Dedicated Schools Grant deficit and challenge whether sufficient progress is being made.

**Cabinet Member Accountability:** Councillor Flemming, Cabinet Member for Children, Young People and Learning

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) The Dedicated Schools Grant recovery plan should be presented to General Purposes and Audit Committee and Scrutiny and Overview Committee for review and agreement to ensure that it is adequate to meet objectives and timelines that have been set.	February 2021	Reviewed at GPAC 4 March 2021	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Education
ii) Special Educational Needs Finance Board to be established and chaired by the interim Director of Education to oversee the delivery of the Dedicated Schools Grant recovery plan.	<b>COMPLETED</b> October 2020	Initial meetings held with further meetings to be scheduled to update on the progress of the DSG recovery plan.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Education
iii) Training to be provided to members to ensure the committee possess a working understand of education funding and budgets	New Recommendation	DSG training has been delivered to members of Scrutiny Committee, Labour Group and Conservative Group	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Education /Head of Learning &OD

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**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 6**  
 The Executive Director Children, Families and Education needs to review the services provided to UASC and to identify options to meet their needs within the grant funding provided by the Home Office.

**Cabinet Member Accountability:** Councillor Flemming, Cabinet Member for Children, Young People and Learning

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) Complete a forensic review of grant income against the total expenditure for unaccompanied asylum seeking children and care leavers over the past 3 years, including the co-ordination of pan-London arrangements	December 2021	Review completed and is informing Council's approach to UASC support offer.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Head of Finance, Children, Families and Education

**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

<b>Recommendation 7</b> The Executive Director Children, Families and Education needs to identify the capacity threshold for the numbers of UASC that it has the capacity to deliver safe UASC services to.				
<b>Cabinet Member Accountability:</b> Councillor Flemming, Cabinet Member for Children, Young People and Learning				
<b>Action</b>	<b>Original Deadline</b>	<b>Progress made to date</b>	<b>Updated Deadline</b>	<b>Accountability</b>
i) Draw on the analysis and review at 6 (i) to develop options to establish a capacity threshold for Croydon for unaccompanied asylum seeking children that is commensurate with other Local Authorities and in line with the nationally agreed standards and funding.	December 2020	The voluntary national rate is the equivalent of 0.07% of the child population. In Croydon that equates to 66 children. This underpins the forensic review and modelling completed in 6i	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Executive Director, Children Families and Education

**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 9 – HIGH PRIORITY**

The Council (including Cabinet and Scrutiny and Overview Committee) need to show greater rigor in challenging underlying assumptions before approving the budget including understanding the track record of savings delivery.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) To support the Annual Budget setting process Budget Development Meetings will be held for each department and will be attended by Executive Directors, Corporate Leadership Team and Members with accountability for their service area and staff who are responsible for service delivery that understand what impact growth and savings plans will have on the services. To support this process Members will be provided with a clear set of proposals that demonstrate cost pressures (growth) and savings opportunities with narrative and comparators on budget and outcomes delivered to describe the impact of the decisions that are required to be taken.	October / November 2020 -	Proposals were provided to members with a formal decision in November Cabinet. Saving opportunities for 21/22 were set out across all services and have been incorporated into delivery of Croydon Renewal Plan.  The Council recognises further savings will be necessary to achieve a sustainable budget in the long term. Discussions for further savings next year will be scheduled starting from April 2021.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk
ii) To support the budget exercise the Council will seek external support to test the draft budget proposals, seek ideas and good practice and will take the same approach by seeking support for the scrutiny process.	December 2020	Various support from external sources has been utilised to date to offer capacity and advice. This includes the LGA, Council peers and CIPFA. The Council will continue to use such opportunities moving forward.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk
iii) Develop a budget savings tracker that profiles savings by month to enable Members to track that savings are on target. This will need to correlate with the finance, performance and risk reporting that Council will introduce.	January 2021	An in year savings tracker has been developed to monitor identified savings and escalate any delivery challenges. In year savings are rag	Marked complete in April 12 <sup>th</sup>	Interim Director of Finance, Investment & Risk

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**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

		rated based on confidence in delivery.	Cabinet report		
iv)	To increase understanding of the choices Cabinet Members are making with regards to the emerging budget and to effectively challenge budget assumptions, Scrutiny and Overview Committee Members to receive regular briefings on the progress of budget setting.	January 2021	Budget Discussions were conducted across January and February 2021. This included focused discussion on the 21/22 budget for specific directorates. Discussion took place at Children and Young People Sub-Committee, Health & Social Care Sub-Committee, at Scrutiny, Streets, Environment & Homes sub-committee and finally the Scrutiny & Overview Committee.  The Council will continue to keep Scrutiny committees sighted on budget matters.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk
v)	To review the budget setting-timetable to ensure that the Scrutiny & Overview Committee has the time to digest and review the budget proposals and underlying assumptions and for Cabinet to respond fully to any challenge or comments and for Cabinet to be able to consider changing its proposals.	April 2021	The Council is taking action to ensure budget discussions happen at an earlier date and more opportunities are offered to members to offer input into the budget and review its management. These actions include finalisation of Council meetings forward plan up until April 2022 with dates marked for policy discussions and monthly financial performance updates at Cabinet.  Additionally, budget developments meetings will begin in Spring 2021 as opposed to Autumn meaning savings will be identified and shared with members earlier in year.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk

**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 11**  
 The s151 officer needs to revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) The Council have commissioned PwC to undertake a strategic review of the Growth Zone with completion expected November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	December 2020	PwC report to cabinet made recommendations on future of GZ. These are now being implemented	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk
iii) Cabinet paper with revised profile and recommendations to be issued March 2021.	March 2021	See 11ii	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk
iv) The Council needs a mechanism in place to review projects to use the learning to inform any future work. This should be extended across all areas of the Council, with learning retained centrally as a corporate resources.	New recommendation	Project closure process in place as part of the governance of all projects.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk

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**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 12 – HIGH PRIORITY**  
 The s151 officer should review the financial rationale and associated risks and make recommendations to Cabinet and Council on whether the Revolving Investment Fund should continue.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) The Council have commissioned PwC to undertake a strategic review of the Revolving Investment Fund with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	December 2020	Report by PwC on governance & strategic review delivered in November 2020 to Cabinet.  Treasury Management strategy updated 1st March 2021 limits new lending under the RIF to BBB working capital loans only	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk
ii) Recommendations to be presented alongside budget review in Feb 2021 to Cabinet, General Purposes and Audit Committee and Scrutiny and Overview	February 2021	See recommendation 12i	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk
iii) Cabinet paper with recommendations to be issued March 2021.	March 2021	See recommendation 12i	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk

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**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 13**  
 The s151 officer should review the purchase of Croydon Park Hotel to identify lessons learned to strengthen future due diligence arrangements.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) The Council have commissioned PWC to undertake a strategic review of assets that have been purchased with completion expected in November 2020. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	December 2020	On February 18 <sup>th</sup> Cabinet agreed the approach set out in the Interim Assets Strategy. This included, in the appendices, options for an approach on the future of Croydon Park Hotel. An update with a decision on the future of Croydon Park Hotel is provisionally scheduled for September 2021.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk
iii) Review and re-write the asset investment strategy that was approved by Cabinet in October 2018 incorporating advice from each of the Strategic Reviews. The review will explicitly consider best practice from the sector and lessons learned from other local authorities, the external auditor and the National Audit Office on effective investment practice.	March 2021	Interim Asset Strategy has been approved at February 18 <sup>th</sup> Cabinet to fast track income generation and achieve “quick wins.”  A 3 year 21-24 Asset Strategy is being developed provisionally set for January 2022 Cabinet.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk / Executive Director of Place
iv) Cabinet paper with recommendations to be issued March 2021. Update to be provided at Scrutiny on 9 <sup>th</sup> February	March 2021	The Interim Assets Disposal Strategy, was discussed at both Cabinet and Scrutiny & Overview Committee in February.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk

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**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 14 – HIGH PRIORITY**

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

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) The Treasury Management Strategy will be reviewed as part of the budget setting for 2021/22 and will take into consideration the outcome of the strategic reviews to factor in the overall financial position and best practice from other local authorities. The report with recommendations on a way forward will be discussed with Cabinet and agreed by Members.	February 2021	Treasury Management strategy updated and agreed by Council on 8 <sup>th</sup> March 2021	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk
ii) The outcome of the strategic reviews that the Council have commissioned will inform the Treasury Management Strategy for 21/22 onwards and any changes in governance that may be required.	February 2021	See recommendation 14i	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk

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**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 15**  
 The Chief Executive should arrange detailed Treasury Management training to assist Members to better understand and challenge the long-term financial implications of matters reported within the Treasury Management Strategy.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) Members to attend training sessions facilitated by the Local Government Association to cover treasury management to enable better and effective financial leadership.	January 2021	Treasury management training was offered to all members on the 3 <sup>rd</sup> March 2021.  Session was recorded and will be distributed to all Members and all budget managers.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Chief Executive

**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 16**  
 The s151 officer should revisit the Minimum Revenue Provision policy to demonstrate that a prudent approach is being taken.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) Link Asset Management has been commissioned to carry out a review of the Minimum Revenue Position policy. The report with recommendations will be discussed with General Purposes and Audit Committee and then on to Cabinet.	December 2020	Minimum Revenue Provision Policy Statement 2020/21 went to Cabinet 1 <sup>st</sup> March as part of the Treasury Management Strategy.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk

**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**Recommendation 17**  
 The Cabinet and Council should reconsider the financial business case for continuing to invest in Brick by Brick before agreeing any further borrowing.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
ii) Council to review the risks relating to Brick by Brick to ensure they are appropriately listed on the risk register	New Recommendation	The Risks for Brick by Brick have been reviewed and are as follows per the Corporate Risk Register: <ol style="list-style-type: none"> <li>1. Investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC).</li> <li>2. There is no effective challenge, review, investigation or ownership taken on all activities that the Council undertakes by the Executive Leadership Team, Cabinet and all Scrutiny Committees (including GPAC).</li> </ol> **These risks specifically relate to financial strategy, treasury management strategy (including borrowing), capital investment strategies and appropriateness of continuing investment and association with BBB**	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Director of Finance, Investment & Risk

Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –

<b>Recommendation 18 – HIGH PRIORITY</b> The Cabinet and Council should review and reconsider the ongoing financial rationale for the Council in the equity investment arrangement with Brick by Brick.				
<b>Cabinet Member Accountability:</b> Councillor King Cabinet Member for Croydon Renewal				
Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
i) PwC has been commissioned to undertake a strategic review of Brick by Brick. The report and recommendations will consider the ongoing financial rationale and equity invested and will detail options for the Council that will be considered by the Scrutiny & Overview Committee Cabinet prior to being presented to Cabinet.	December 2020	<p>This paper went to Scrutiny &amp; Overview Committee and Cabinet in February 2021.</p> <p>The Cabinet paper noted that the Council has never made any equity payments, as planned, and is not in the financial position to do so. It was noted BBB sales proceeds were meant to be placed in an account for the Council to apply interest repayment and, if excess, to substantive loan repayment. Unfortunately, this process has not occurred and instead sale proceeds were retained by BBB effectively replacing the Council's equity share.</p> <p>The Council needs to review existing arrangement, change the current agreements or replace it with fresh loans.</p> <p>It is recommended that the current arrangements continue but in a modified way to give Brick by Brick capacity to have working capital to ensure that funds are available to build out units on site</p>	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Chief Executive

Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –

LBC Recommendation 3 Ensuring that Members are appropriately trained across all aspects of the Council’s financial duties and responsibilities				
Cabinet Member Accountability: Councillor Young, Cabinet Member for Resources and Financial Governance				
Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
ii) Further work on Cabinet development will be undertaken to support members to explore priorities for the new Cabinet, agree how the Members will work together to make the most of shared skills and consider individual and collective leadership styles and ways of working.	January 2021	LGA have carried out a facilitated session for Cabinet members	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Executive Director of Resources

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**Closed - ACTION PLAN IN RESPONSE TO THE REPORT IN PUBLIC INTEREST –**

**LBC Recommendation 4**  
The Council develops an improvement programme that has the necessary elements for it to function effectively and within its financial resource.

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

Action	Original Deadline	Progress made to date	Updated Deadline	Accountability
VII) Ensure the actions contained in this plan are supported by a corporate programme office that can provide assurance to Members.	Complete	A PMO office has been established dedicated to coordinating and supporting the delivery of key improvement actions across the Council. This includes recommendations in the MHCLG Rapid Review, the RIPI and the Croydon Renewal Plan.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Executive Director of Resources
IX) Corporate level sponsorship to be allocated to all projects to ensure clarity of responsibility for delivery.	New Recommendation	ELT members already allocated across all actions. Further project managers to be identified to deliver the recommendations.	Marked complete in April 12 <sup>th</sup> Cabinet report	Interim Chief Executive

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<b>REPORT TO:</b>	<b>GENERAL PURPOSES AND AUDIT COMMITTEE</b> 10 June 2021
<b>SUBJECT:</b>	<b>Anti-Fraud Update Report 1<sup>st</sup> April 2020 – 31 March 2021</b>
<b>LEAD OFFICER:</b>	<b>David Hogan, Head of Anti-Fraud</b>
<b>CABINET MEMBER</b>	<b>Councillor Callton Young</b> <b>Cabinet Member for Resources and Financial Governance</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b>	
<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>	
<b>FINANCIAL SUMMARY:</b>	
<p>The budget provision for the Anti-Fraud service for 2020/21 was £328,107 and the service was delivered within budget.</p>	
<b>FORWARD PLAN KEY DECISION REFERENCE NO: N/A</b>	

For general release

<p><b>1. RECOMMENDATIONS</b></p> <p>1.1 The Committee is asked to:</p> <ul style="list-style-type: none"> <li>• Note the Anti-fraud activity of the Corporate Anti-Fraud Team for the period 1 April 2020 – 31 March 2021</li> </ul>
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## 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 2020 – 31 March 2021.

## 3. DETAIL

### Performance 1 April 2020 to 31 March 2021

- 3.1 The CAFT comprises 10 staff (9.2 FTEs), including tenancy and corporate investigators, an Intelligence Officer, financial investigators and an Investigation Manager. The CAFT investigates allegations of fraud or corruption which affect the Council’s business. In addition, the team generates an income by providing a service to the London Borough of Lambeth, as well as providing Financial Investigation services to LB Bexley, LB Wandsworth, LB Newham and Adur/Worthing councils. Statistics related to the other councils that CAFT supports are not included in the figures below.
- 3.2 The work of the team was impacted by the national lockdowns and the need to balance the work they do with the need to keep people safe and this impacted two of the key components of their work, visiting residents and businesses and face to face interviewing. This caused a backlog of investigations casework and along with the closure and restrictions in place in some courts, has impacted on the team’s ability to conclude some investigations. When faced with a similar backlog in the mid- point of last year we prioritised backlogged work and were able to clear this within a couple of months and we will take the same approach this time. This does however reflect in the performance figures below which are slightly below target for a team that has consistently over achieved.
- 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 19/20	ANNUAL TARGET 20/21	20/21 YTD PERFORMANCE
<b>Successful Outcomes</b>	181	130	127
<b>Identified Overpayments &amp; Savings</b>	£1,414,384	£1,000,000	£985,107

Table 2 - Breakdown of Outcomes from 1 April 2020 – 31st March 2021 compared to the same period in 2019/20

2019/20		2020/21	
Area	Value £	Area	Value £

<b>Housing - 34</b> 10 Recovered Properties 4 Removed from housing list 7 Right to Buy stopped 1 Nomination Rights 5 Possession order 1 Suspended Possession Order 12 Legal notices issued* 1 tenancy warning letter	£324,000 **£8,000 £762,900 £32,400	<b>Housing - 30</b> 5 Recovered Properties 7 Removed from housing list 2 Right to Buy stopped 2 Nomination Rights 1 Temp Accommodation 10 Legal notices issued* 1 Wilful damage 1 Tenancy Warning letter 1 Possession Order	£162,000 **£14,000 £224,600 £64,800 £32,400
<b>Other - 140</b> 32 Formal Cautions 7 Dismissal/Resignation & Other Disciplinary Action 11 Council Tax Discounts 9 Council Tax reduction removed 55 Blue Badge Abuse 2 NRPF 1 Liability Order 23 Other	£287,084	<b>Other – 97</b> 2 Audit Recommendations 12 Formal Cautions 8 Dismissal/Resignation & other Disciplinary Action 16 Council Tax Discount 14 Council Tax Reduction 24 Blue Badge abuse 1 NRPF 10 Covid Business grants 1 Direct Payment 1 Landlord licence 8 Other	£487,307
<b>Total</b>	£1,414,384	<b>Total</b>	£985,107

\*Includes: Notice Seeking Possession and Notice to Quit

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

### 3.4 Case Study – Blue Badge

In August 2019 the team were alerted to a Blue Badge being misused in Fell Road. We telephoned the badge holder who confirmed they were at home and not using their permit and the vehicle was issued with a PCN. We

identified the owner as a resident of a neighbouring borough and the disabled permit was issued by LB Greenwich to one of their residents. The vehicle owner was invited to attend an interview under caution on 3 occasions and failed to attend so legal proceedings were commenced and a court date set for March 2020.

The vehicle owner pleaded not guilty and indicated he would produce the badge holder, their elderly grandfather, to give evidence to say he was with the vehicle at the time. A trial date was set for 15 April 2020 but due to Covid the trial was delayed until 21 April 2021. At trial the vehicle owner was convicted of blue badge misuse in Croydon on 07.08.2019. The court fined them £336.00, awarded us costs of £2,000.00 and ordered them to pay a victim surcharge of £34.00. The court ordered this to be paid at £1,000.00 within 14 days and then monthly instalments of £120.00. The badge holder in this case did not appear at the trial as a witness for the defendant.

### 3.5 NFI 2020/21 – progress update

At the March meeting of the Committee, the team confirmed receipt of the data matches resulting from the National Fraud Initiative, the government’s statutory bi-annual fraud and error data matching exercise. As reported for Croydon this has produced 7,494 matches and those these will mainly be highlighting a discrepancy or error, they all need to be reviewed to eliminate fraud and correct any data errors that may have caused the match. The table below is an update to show the council’s progress to date on this exercise.

Matches processed	908
Matches cleared	570
Matches identified for further investigation	338
Financial adjustments identified resulting in closure or reduction of council service provision	£64,672

## 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.

Alongside their work for Croydon Council, Croydon’s Financial Investigators undertake work for other councils, who do not have this capacity, on a fee basis. Currently they are undertaking work for LB Bexley, LB Newham, LB Wandsworth and Adur and Worthing Councils. They are also undertaking work with the DWP Organised fraud team and the police on a large scale organised benefit fraud.

Their investigations relate to a broad section of service areas 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 The Financial Investigators, as is the case with many other teams across the council, are experiencing significant delays in legal proceedings due to Covid. This has resulted in constant adjournments as the courts juggle with their own backlogs but has impacted on both case closure and case progression for the Financial Investigators.

## 5. LOCAL GOVERNMENT TRANSPARENCY CODE

5.1 Members will be aware of the Local Government Transparency Code 2015 which requires Councils to publish data about various areas of their activities. Included in the 2020/21 code is detail on Counter Fraud work, most of this information has always been reported to committee; however below are some additional areas which we are required to make public. The figures detailed below for the period from 1 April to 31 March 2021:

Number of occasions the Council has used powers under the Prevention of Social Housing Fraud Act	11
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	9.2
Total number of employees undertaking investigations and prosecutions of fraud who are professionally accredited counter fraud specialists	9
Total number of full-time equivalent employees undertaking investigations of and prosecutions who are professionally accredited counter fraud specialists	8.4
Total number of fraud cases investigated*	601

\*The number of investigations that have been closed during the period April 20 to 31 January 2021.

## 6. FINANCIAL AND RISK ASSESSMENTS

6.1 The budget provision for the anti-fraud service for 2020/21 is £328,107 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: Geetha Blood, Interim Head of Finance, Resources & Place)

**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 the 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: Chris Buss, Director of Finance, Investment and Risk)

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

<b>REPORT TO:</b>	<b>GENERAL PURPOSES AND AUDIT COMMITTEE</b> 10 June 2021
<b>SUBJECT:</b>	<b>WORK PROGRAMME 2021-22</b>
<b>LEAD OFFICER:</b>	<b>Stephen Rowan,</b> <b>Head of Democratic Services and Scrutiny</b>
<b>ORIGIN OF ITEM:</b>	The Work Programme is scheduled for consideration at every ordinary meeting of the General Purpose and Audit Committee.
<b>BRIEF FOR THE COMMITTEE:</b>	To consider any additions, amendments or changes to the agreed work programme for the Committee in 2021/22.

## 1. EXECUTIVE SUMMARY

- 1.1 This agenda item details the Committee's proposed work programme for the 2021/22 municipal year.
- 1.2 The Committee has the opportunity to discuss any amendments or additions that it wishes to make to the work programme.

## 2. WORK PROGRAMME

### 2.1 The work programme

The proposed work programme is attached at **Appendix 1**.

Members are asked to consider the work programme in the context of the Committee's terms of reference and whether the proposed items will support the Committee in meeting its delegated responsibilities.

### 2.2 Additional Items

Members of the Committee are invited to suggest any other items that they consider appropriate for the Work Programme. However, due to the limited time available at Committee meetings, Members are strongly encouraged to not propose meeting agendas that contain more than three hours of substantive business in order to allow full consideration of the items on any given agenda.

The Committee should also be mindful that the Council is operating under both very restricted resources and, while no longer formally subject to section 114 spending restrictions, the Council has resolved to continue to operate in accordance with such restrictions. To that end, Members should be mindful that requests for additional reports will need to be considered in the wider context of demand for Council resources and the requirement for the Council to only incur expenditure on statutory functions.

### 2.3 **Participation in General Purpose and Audit Committee**

Members of the Committee are also requested to give consideration to any persons that it wishes to attend future meetings to assist in the consideration of specific agenda items. This may include Cabinet Members, Council or other officers or representatives of partner organisations where the Committee feels that attendance would support their ability to fully consider specific items of business.

## 3 **RECOMMENDATIONS**

- 3.1 The Committee is recommended to agree the Work Programme 2021/22 with any agreed amendments.

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**CONTACT OFFICER:** Michelle Ossei-Gerning  
Democratic Services and Governance  
Officer- Council and Regulatory  
020 8726 6000 x 84246

**BACKGROUND DOCUMENTS:** None

**APPENDIX 1:** Work Programme 2021/22 for the  
General Purpose and Audit Committee.



## General Purposes and Audit Committee

**Chair:** Karen Jewitt

**Committee Members:** Stephen Mann (Vice-Chair), Nina Degrads, Paul Scott, Chris Clark, Joy Prince, Stuart Milson, Tim Pollard, Jan Buttinger and Steve Hollands.

**Co-optee Member:** James Smith

### 2021-2022 Municipal Year

Meeting Date	Agenda Items	Report Lead
30 June 2021	<ul style="list-style-type: none"> <li>- Report in the Public Interest Action Plan – Progress Update</li> <li>- Corporate Risk Register</li> <li>- Grant Thornton Oracle Audit</li> <li>- Anti-Fraud Update Report</li> <li>- Update on Council Whistleblowing</li> <li>- Update on Independent person for GPAC Chair (to note)</li> <li>- Terms of Reference</li> </ul>	<ul style="list-style-type: none"> <li>- Elaine Jackson</li> <li>- Malcolm Davies</li> <li>- Simon Maddocks</li> <li>- David Hogan</li> <li>- Asmat Hussain</li> <li>- Asmat Hussain</li> <li>- Democratic Services</li> </ul>
8 July 2021	<ul style="list-style-type: none"> <li>- Head of Internal Audit Report</li> <li>- Redmond Review into Local Audit Report</li> <li>- Brick by Brick Audit Report</li> <li>- Annual Governance Statement</li> <li>- Audit Findings Report</li> <li>- Presentation on an area of risk</li> </ul>	<ul style="list-style-type: none"> <li>- Simon Maddocks</li> <li>- Simon Maddocks</li> <li>-</li> <li>-</li> <li>-</li> <li>- Malcolm Davies</li> </ul>

16 September 2021	<ul style="list-style-type: none"> <li>- Croydon Finance Review – Phase 1, 2 and 3 Reports – Update on Implementation</li> <li>- Report in the Public Interest Action Plan – Progress Update</li> <li>- Internal Audit Update Report</li> <li>- Anti-Fraud Update Report</li> <li>- Regulation Investigatory Powers Act</li> </ul>	<ul style="list-style-type: none"> <li>- Ian O'Donnell</li> <li>- Elaine Jackson</li> <li>- Simon Maddocks</li> <li>- David Hogan</li> <li>- Asmat Hussain</li> </ul>
14 October 2021	<ul style="list-style-type: none"> <li>- Anti-Fraud Update Report</li> <li>- Financial Performance Report</li> <li>- Treasury Annual Review</li> <li>- Presentation on an area of Risk</li> <li>- Periodical Review of the Scheme of Members Allowance</li> </ul>	<ul style="list-style-type: none"> <li>- David Hogan</li> <li>-</li> <li>- Nigel Cook</li> <li>- Malcolm Davies</li> <li>- Asmat Hussain/Stephen Rowan</li> </ul>
25 November 2021	<ul style="list-style-type: none"> <li>- Corporate Risk Register</li> <li>- Internal Audit update Report</li> <li>- Anti-Fraud Update Report</li> <li>- Internal Audit of Effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>- Malcolm Davies</li> <li>- Simon Maddocks</li> <li>- David Hogan</li> <li>- Simon Maddocks</li> </ul>
13 January 2022	<ul style="list-style-type: none"> <li>- Grant Thornton Reports – Audit Findings</li> <li>- Treasury Mid-Year Review</li> <li>- Council Meeting Dates</li> <li>- Presentation on an area of Risk</li> </ul>	<ul style="list-style-type: none"> <li>- Sarah Ironmonger</li> <li>- Nigel Cook</li> <li>- Democratic Services</li> <li>- Malcolm Davies</li> </ul>
3 February 2022	<ul style="list-style-type: none"> <li>- Croydon Finance Review – Phase 1, 2 and 3 Reports – Update on Implementation</li> <li>- Corporate Risk Register</li> <li>- Internal Audit Update Report</li> <li>- Anti-Fraud Update Report</li> <li>- Report in the Public Interest Action Plan – Progress Update</li> </ul>	<ul style="list-style-type: none"> <li>- Ian O'Donnell</li> <li>- Malcolm Davies</li> <li>- Simon Maddocks</li> <li>- David Hogan</li> <li>- Elaine Jackson</li> </ul>

<b>3 March 2022</b>	<ul style="list-style-type: none"> <li>- <b>Grant Thornton Reports: Certification Report; External Audit Report</b></li> <li>- <b>Internal Audit, Charter, Strategy and Plan</b></li> <li>- <b>General Purposes and Audit Committee Draft Annual Report</b></li> <li>- <b>Croydon Finance Review – Phase 1, 2 and 3 Reports – Update on Implementation</b></li> <li>- <b>Presentation on an area of risk</b></li> <li>- <b>Report in the Public Interest Action Plan – Progress Update</b></li> </ul>	<ul style="list-style-type: none"> <li>- <b>Sarah Ironmonger</b></li> <li>- <b>Simon Maddocks</b></li> <li>- <b>Simon Maddocks</b></li> <li>- <b>Ian O'Donnell</b></li> <li>- <b>Malcolm Davies</b></li> <li>- <b>Elaine Jackson</b></li> </ul>
<b>21 April 2022</b>	<ul style="list-style-type: none"> <li>- <b>Internal Audit Report</b></li> <li>- <b>Anti-Fraud Update Report</b></li> </ul>	<ul style="list-style-type: none"> <li>- <b>Simon Maddocks</b></li> <li>- <b>David Hogan</b></li> </ul>

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