

LONDON BOROUGH OF CROYDON

REPORT:	AUDIT AND GOVERNANCE COMMITTEE	
DATE OF DECISION	28 NOVEMBER 2024	
REPORT TITLE:	UPDATE ON THE ANNUAL GOVERNANCE STATEMENT 2023/24 ACTION PLAN	
CORPORATE DIRECTOR / DIRECTOR:	STEPHEN LAWRENCE-ORUMWENSE DIRECTOR OF LEGAL SERVICES & MONITORING OFFICER JANE WEST CORPORATE DIRECTOR OF RESOURCES	
LEAD OFFICER:	STEPHEN LAWRENCE-ORUMWENSE DIRECTOR OF LEGAL SERVICES & MONITORING OFFICER	
LEAD MEMBER:	CLLR JASON CUMMINGS LEAD MEMBER FOR RESOURCES	
DECISION TAKER:	N/A	
AUTHORITY TO TAKE DECISION:	N/A	
KEY DECISION? [Insert Ref. Number if a Key Decision]	No	REASON: N/A
CONTAINS EXEMPT INFORMATION?	NO	
WARDS AFFECTED:	N/A	

1 SUMMARY OF REPORT

- 1.1 In the 2023/24 Annual Governance Statement (AGS), the Council developed an Action Plan to address the gaps in governance identified in the previous year. This report provides an update on the progress made with the Action Plan.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to consider and comment on the Annual Government Statement 2023/24 Action Plan Progress Update which is attached as Appendix 1.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and the proper standards of good governance. The recommendation provides an update on the progress made on the improvement identified in the Council's governance arrangement.
- 3.2 The Committee is responsible for reviewing and monitoring the effectiveness of the Council's governance, risk and systems of internal controls and the implementation of agreed actions. The recommendation provides an opportunity for the Committee to review and comment on progress made in the areas identified for action.

4 BACKGROUND AND DETAILS

- 4.1 The AGS 2023/24 acknowledge that although the CIPFA good governance framework requirements are met and its corporate governance arrangement is fit for purpose, there continues to be significant challenges with the Council's financial sustainability, service performance and compliance with systems of internal controls.
- 4.2 The Council is on the right pathway to financial recovery, improving on its service performance and the provision to residents of sustainable services. The Improvement and Assurance Panel (IAP) reports to the Secretary of State (SoS) and the Council's own Productivity Plan (July 2024) attest to this. But there are still significant challenges ahead and improvements required. The Council must continue to ensure compliance with its systems of internal controls combined with improvements in its service performance and the governance review identified comprehensive action plans to achieve these outcomes. These are mostly contained in the IAP Exit Strategy Action Plan 2023-25, the Council's Improvement Plan 2022-27, Future Croydon Transformation Plan 2024-29, and actions in response to External Audit Reports and Internal Audit Annual Report. There were also other gaps in good governance identified in the review. They all form part of the 2023/24 AGS Action Plan.
- 4.3 Attached at Appendix 1 is an Update on the progress made on the delivery of the 2023/24 AGS Action Plan. The key highlights are:
 - a) There is good progress with the IAP Exit Strategy Action Plan 2023-25. All later actions are underway and latest reporting from September 2024 shows that 86% of actions due by the end of September 2024 and 90% of actions due by the end of March 2025 were on track to be completed within agreed timescales. The IAP October 24 letter to the SoS and SoS response are due to be published in December 24.
 - b) The Council Improvement Plan 2022-27 which comprises 35 programmes with a majority on track and amber.
 - b) Future Croydon Transformation Plan 2024-29 which include 6 active programmes of transformation and improvements.

- c) The recommendations of the External Audit Annual Report for 2022/23 in respect of governance and improving on economy, efficient and effectiveness in Housing are being met.
- d) There is considerable progress with clearing the outstanding internal audit recommendations backlog although there are responses still outstanding.
- e) The work on strengthening the Council's governance through reviews and updates to the Constitution is progressing well and with updates to be approved by Full Council in December 24 and January 25.
- f) The Invest Programme for all managers that covers the council's policies and procedures for finance, commissioning and procurement and geared towards meeting the requirements to raise awareness amongst staff of key Council's policies and procedures.
- g) The improvements in the arrangements for managing customer complaints.

5. ALTERNATIVE OPTIONS CONSIDERED

Not applicable.

6. CONSULTATION

6.1 Not applicable.

7. CONTRIBUTION TO COUNCIL PRIORITIES

7.1 The AGS and Action Plan aligns with the Mayor's Business Plan 2022-26 "Outcome 1: The Council balances its books, listens to residents and delivers good sustainable services" and "Priority 4: Ensure good governance is embedded and adopt best practice".

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

8.1.1 There are no financial consideration arising from the recommendation. But there are significant financial and reputational risk arising from non-delivery of the Action Plan which are to rectify the gaps in governance identified.

8.2 LEGAL IMPLICATIONS

8.2.1 There are no legal implications arising from the recommendations. However, the actions identified in the AGS Action Plan are fundamental to the delivery of a robust and effective governance arrangement and compliance with the various legal obligations. The Committee is responsible for monitoring progress in addressing governance risk related issues, the effectiveness of internal controls and the implementation of agreed action.

8.3 EQUALITIES IMPLICATIONS

8.3.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share those protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

The Annual Governance Statement Action Plan do not give arise to any equality's issues. However, the Council has had due regard to its obligations under the Equality Act in preparing and approving the statement.

9 APPENDICES

Annual Governance Statement 2023/24 Action Plan and Progress Update