

CROYDON COUNCIL

Draft ANNUAL GOVERNANCE STATEMENT (AGS) 2024/25

Introduction

1. Croydon Council is responsible for ensuring that its business is conducted in accordance with the law and high standards of good governance. The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least annually, of the effectiveness of its systems of internal control and to prepare an Annual Governance Statement (AGS) reporting on the review along with the Statement of Accounts.
2. This AGS sets out the outcome of the Council's review of the effectiveness of its governance arrangement from 1st April 2024 to 31st March 2025. The review and statement were informed by, amongst others -
 - The Secretary of State for Levelling Up, Housing & Communities' (SoS) July 2023 Directions.
 - The Improvement and Assurance Panel London Borough of Croydon Exit Strategy October 2023.
 - The Improvement and Assurance Panel (IAP) Progress Report to the SoS dated 25th April 2024. The Improvement and Assurance Panel (IAP) Progress Report to the SoS dated 15th November 2024.
 - Ministerial response to the IAP Report dated 12th December 2024.
 - Local Government Association Corporate Peer Challenge Croydon Council January 2025
 - The Minister for Local Government, Department for Levelling Up, Housing & Communities' Letter to Mayor Jason Perry dated 20th February 2024 for Exceptional Financial Support for the financial years 23/24, 24/25 and 25/26.
 - The Improvement and Assurance Panel (IAP) Progress Report to the SoS dated 25th April 2025.
 - Ministerial response and minded to letter dated 12th June 2025.
 - The report on the progress on the 2023/24 AGS Action Plan.
 - The review of the Council's Local Code of Corporate Governance.
 - The Corporate Directors' Assurance Statements.
 - The Local Government & Social Care Ombudsman Annual Review Letter 2024/25
 - The Annual Report of the Head of Internal Audit 24/25.

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

Executive Summary

3. The Council's corporate outcomes and priorities are set out in the Mayor's Business Plan 2022-26 and include to balance its books and deliver good sustainable and transformative services for its residents and embed good governance across its functions and responsibilities. The Council is committed to upholding the highest possible standards of good governance to deliver on its corporate priorities.

4. The Council's Local Code of Corporate Governance (reviewed in April 2025) demonstrates how its constitution, policies, strategies, practices, internal controls and other governance arrangement meets the CIPFA good governance framework for local government. The Council has an effective decision-making and internal control framework designed to ensure the highest standards of good governance. The Council's governance structures at Member level (i.e., Full Council, Executive Mayor and Cabinet, Scrutiny and Overview, Ethics, Audit and Governance and other Committees), and at Officer level (i.e., Chief Executive, Corporate Management Team, Directorate Management Teams, Internal Control Boards, Transformation Boards, Statutory Officers Board, Internal Audit, etc.), and the accompanying governance documents are effective. They make certain the Council conducts its business in accordance with the law, constitution and its policies and procedures, and that public money is properly accounted for, as the Council work to achieve the best outcomes for residents within the resources it has.
5. The Council is assured that the CIPFA good governance framework requirements are being met, and its corporate governance arrangement is adequate and effective. However, there continues to be significant challenges with the Council's finances. The Council was affected by the sector wide spike in demand for temporary accommodation, SEND transport and significant unit cost increases in nightly let accommodation, adults and children's placements which led to an overspend of £29.2m in 2024/25. It is the Council's understanding that the majority of London Boroughs also overspent in 24/25 for this reason.
6. Despite the Improvement and Assurance Panel informing MHCLG in their letters and in the Exit Strategy that the Council cannot resolve the impact of the cost of toxic debt by itself, it has still not been possible to secure a resolution to this matter. At present the MTFS 2025/29 assumes an increasing use of exceptional financial support paid for by borrowing. The cost of servicing the Council's debt is already above £70m in 25/26 and is forecast to increase over the MTFS period. The Council has submitted proposals to MHCLG and HMT most recently as part of the comprehensive spending review to offer solutions to this.
7. The Council has continued with the detailed savings and improvement plans to improve on its financial position. This includes plans for a new target operating model and services transformation to deliver significant cost savings and efficiencies. These plans and actions also demonstrate how the Council is making every effort to meet the requirements of the July 2023 SoS Direction and subsequent October 2023 IAP Exit Strategy Action Plan and overall, the Council's best value duty. This governance review acknowledges the following key milestones:
 - a) In July 2023, the SoS issued Directions to the Council requiring certain actions be taken to comply with its Best Value Duty. This included action on the Council's finances, housing service and transformation. The SoS made clear it was important that the Council continued to lead its recovery. The SoS appointed the Improvement & Assurance Panel and gave them the power to direct the Council if they were not satisfied with the progress being made to meet the Best Value Duty.

- b) In October 2023, the IAP in collaboration with the Council published the Exit Strategy and Action Plan which sets out the actions required of the Council to evidence compliance with the best value duty and exit statutory intervention.
- c) On 27th October 2023, the IAP reported to the SoS on the Council's progress on the Exit Strategy and concluded that *"the Council continues to improve, and the pace of improvement has moved up a gear, however risks remain"*. On 24th January 2024, the SoS responded acknowledging the need for the Council to *"go further to identify transformation efficiencies and reduce costs to achieve financial sustainability"*.
- d) On 27th March 2024, and in a response to the SOS letter, the Council's Cabinet approved the Future Croydon Transformation Plan 2024 – 2029 which sets out the intent and commitment of the Council to radically transform the way that it operates, how it delivers services to the people of Croydon and how it connects with and supports residents across the borough. This will continue to deliver the priorities in the Mayor's Business Plan and the Medium-Term Financial Strategy, saving just under £100m over the next four financial years. The Transformation Plan aligns with the IAP Exit Strategy which commits the Council to demonstrate, by July 2025, it is on a path towards financial sustainability and can meet its duty of best value without government oversight (subject to a deal on the debt).
- e) The Council has accumulated £1.6bn in debt and holds significantly less value than this in terms of its disposable assets, hence it being non-asset backed and toxic. For the financial year 2024/25, to set a balanced budget, the SoS agreed in principle to exceptional financial support by way of Capitalisation Directions (CD) of £38m and an additional legacy Capitalisation Direction of £9.4m for 2019/20 to resolve a highway contract dispute. The total value of CD confirmed and in principle agreed, from 2019-20 to 2024-25 amount to £417m. These permissions to borrow have enabled the Council to set balanced budgets.
- f) On 25th April 2024, the IAP updated the Minister of State on the Council's progress on the areas of the Exit Strategy. The IAP concludes that *"the Council continues to make firm progress in its improvement journey. It has balanced its budget for the year just passed and has set what was considered to be a sound one for this year, although by the end of the first quarter the Council (along with many other Councils) was experiencing escalating demand and cost pressures in children's social services, homelessness and passenger transport for children with special educational needs and disabilities. The Council produced the framework of a transformation plan (Future Croydon) which should be capable of taking the Council to its declared objective of being London's most cost-effective Council. The Council is steadily improving service delivery across all areas, although objective testing of this is awaited in key services. The Exit Strategy is being advanced well, and the IAP are comfortable that it is either being met or, where there is a delay, there is a reason for this and that plans are in place to make up the ground."*
- g) On 15th November 2024, the IAP updated the SoS on the Council's progress against the Exit Strategy Action Plan. The IAP advised that *"many of the actions have been met to time and to the necessary quality. An exception is the*

objective for financial sustainability and which is at risk. The Council's financial position has significantly deteriorated during 2024, in large part because of spending pressures with children placement, SEN transport, and placement of homeless families. These costs pressures are currently being experienced in the sector. The Council is likely to require a greater level of exceptional financial support in 2025/26 than in the current year. The ability of the Council to meet its asset disposal target this year is also at risk. The deteriorating financial position is commanding the fullest attention of members and managers." The IAP remain positive that *"the Council continues to make substantial progress in eliminating the failings that precipitated this intervention in 2021"*..

- h) On 12th December 2024, the Minister of State responded to the IAP report acknowledging that *"overall, there have been significant developments in the Council's progress towards reform and recovery, particularly improved governance, leadership and service delivery. The Council remains one of the most financially distressed in the country with General Fund debt sits at £1.3 billion and relies on exceptional financial support (EFS) through capitalisation directions to balance their budget. The Council have produced a Transformation Plan and a Medium-Term Financial Strategy (MTFS) to attempt to reduce their large deficit and debt to a more manageable level. The IAP is to provide a further progress update in April 2025."*
- i) In October 2024, the Council was the subject of the Local Government Association (LGA) Corporate Peer Review Challenge which comprises a comprehensive review of key finance, performance and governance information. Also, speaking to a range of Council staff, members and external partners, with a view to providing robust, strategic, and credible challenge and support. The Review (published in January 2025) acknowledged the changes and scale of progress that the Council has made in the last four years including in its governance arrangement, the delivery of the IAP Exit Strategy Action Plan, financial management and monitoring, and design and delivery of transformation. The structural debt remains a live issue and meaningful engagement is required with the Government to satisfactorily resolve this issue. Their Report makes several recommendations which are now being progressed and is due to be reported to Cabinet in Autumn 2025.
- j) On 20th February 2025, following a request by the Council for Exceptional Financial Support to set a balanced budget for 2025/26, the Minister of State approved an in-principle CD of a total not exceeding £136m. This is subject to *"the Council providing assurance of its financial position and ongoing action to improve on its financial position. The Council is expected, with the agreement of the IAP, to develop and implement a resourcing plan, deliver its transformation plans at an accelerated pace and with sustainable and long-term savings, develop and implement a Stabilisation Plan, and review its current asset disposal strategy, identifying new opportunities to expedite existing and further disposals where possible"*. These actions are being progressed by the Council through the Stabilisation Plan April 2025.
- k) By letter dated 25th April 2025 (published on 12th June 2025), the IAP provided its update report to the SoS. The letter advised that *"the Council had made steady progress with the Exit Strategy Action Plan and in the areas of*

governance, culture and leadership, and service performance, with most actions either completed or on track. But the objective of placing the Council's finances on sustainable footing has not been achieved. The letter concludes that a great deal of effort has been put into the Council becoming a properly functioning local authority and with a good deal of success. While not perfect, the Council stands comparison with authorities elsewhere in most respects. However, the Council continues to present an unbalanced financial position. The substantial projected overspend in 2024/25 together with an MTFS that increasingly relies on EFS, makes it inescapable that the Council will remain financially unsustainable for the foreseeable future." The Council's platform for change and improvement in its financial position is its Transformation Programme and Stabilisation Plan. The Panel recommended that the SoS consider continuing a form of statutory intervention beyond July 2025 and *"increasing the focus upon where challenges are most acute"*.

- l) On 12th June 2025, the SoS decided that she was "minded to" escalate statutory intervention to a commissioner led intervention. This involves issuing Directions to the Council to, amongst others, continue to develop and implement its Stabilisation and Transformation Plan and appoint Commissioners to undertake Council functions relating to strategic decisions and strategic financial decisions, financial administration and strategic financial management, and appointment and dismissals of designated statutory officers. The SoS was satisfied that the scale of the Council's financial difficulties and the failure to adequately respond, and the assurance required moving forward meant that a short and sharp reset, with fast action, is required on the Council's recovery. Further, that the Council is not meeting its Best Value Duty requirements in the themes of Continuous Improvement, Leadership, and Use of Resources.

- m) On 25th June 2025, the Council responded to the SoS "minded to" letter. That the Exit Strategy Action Plan was the "*proxies for success*" in determining whether the Council has met the BV duty and should exit intervention. The Council has met 96% of the actions in the Exit Strategy and for the remainder that are not or fully met, relating to Council's budget outturn for 2024/25 and maximising asset sales, there a good reason why this is so, in the Exit Strategy delivery report. The Council has been on a trajectory of improvement in governance, culture, leadership; financial stability (except during 2024 and for good reason); service performance improvements; and capacity and capability. The IAP Progress letters and the LGA CPC Report attest to this. The deterioration in the Council's financial position during 2024 is due to demand and budget pressures and was the same across the majority of London Boroughs. The Council has taken concrete action to address the deterioration in its financial position through its Transformation Programme's and Stabilisation Plan. To date, despite the Council's longstanding request, the debt issue is yet to be resolved and impacts significantly on the Council and its residents. The Council requested that the SoS conduct a rapid Best Value Review, and an independent financial assessment tailored to deliver an evidenced solution to the restoration of sustainability to the Council's budget and in the most expeditious manner. This would, in the Council's view assist in determining whether the appointment of commissioners and the removal of legal authority from the Council is warranted and was balanced in comparison with other intervention decisions.

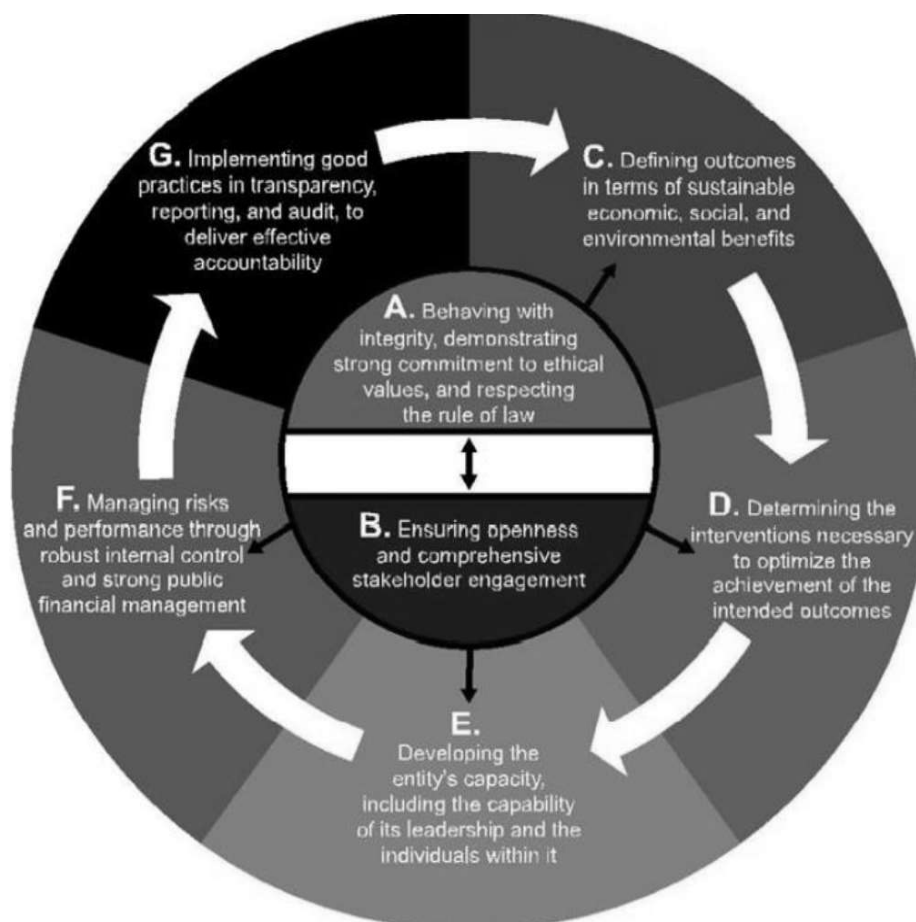
- n) The Internal Audit Annual Report for the year ending March 2024/25 provides that there were 55% Substantial Assurance, 42 % Limited Assurance, and 3 % No Assurance, that the system of internal control accorded with proper practice. The affected service areas are taking action to address recommendations made. Historical backlogs in compliance with Internal Audit recommendations have mostly been addressed and with good progress made. The Head of Internal Audit opinion as to the adequacy and effectiveness of the Council's arrangement overall for systems for control, risk management and governance is that they are sound but with improvements required. Weaknesses identified during individual audits and investigations are not so significant, in aggregate, to the system of internal control.
 - o) On 17th July 2025 the SoS confirmed that she was satisfied that the Council was failing in its best value duty and issued new Directions to the Council to work with SoS appointed Commissioners to transform the Council. The Direction, amongst other matters, requires the Council to continue to develop and implement the stabilisation and transformation Plans and to address the culture of financial management and remains poor in key respects. The Direction also provide for certain functions of the Council to be exercised by the Commissioners. This includes a) all functions associated with the governance, scrutiny and transparency of strategic decision making and strategic financial decision making; b) the arrangement for the administration of the Council's financial affairs and all functions associated with strategic financial management; c) functions associated with the Council's operating model and redesign of services; d) appointment and dismissal of statutory officers; e) performance management framework for senior officers and f) functions to determine senior officers structure.
 - p) Overall, the Council has made considerable progress on the delivery of the 2023/24 AGS Action Plan that includes the actions identified in the IAP Exit Strategy Action Plan, the Croydon Improvement Plan 2022-27, the Future Croydon Transformation Plan 2024-29, the recommendations from External Audit Annual Report for 2022/23, the outstanding internal Audit Recommendations backlog, and improvements in the arrangement for managing customer complaints. The details of the progress made are set out in Appendix 1. These are both short- and long-term improvements plans crucial to the Council's financial sustainability and savings and services effectiveness and will continue to be monitored in the 2024/25 financial year.
8. This governance review is assured that the Council through its transformation programme and stabilisation plan is working to fix its finances and improve on its service performance and the provision of sustainable services to residents. The IAP's reports and the LGA Corporate Review confirms this. There are still significant challenges and risks ahead that need to be effectively managed. The Council's historic and longstanding debt burden and revenue impact is a perennial issue that the IAP has long recognised that the Council cannot resolve on its own and it needs support to do so from the Government. To date discussions on this have not concluded and needs to be progressed to aid the Council's return to financial sustainability.

9. The Council's delivery of its transformation plans, and the sub-set stabilisation plan must, be pursued with even more rigour. This must be underpinned by effective governance arrangements both in the strategic and operational context. The Council's corporate governance arrangement remains effective and adequate for this purpose. As with the previous year, this review has identified comprehensive action plans to meet these financial and service provision challenges and do all we can to meet the best value duty. These are mostly contained in the Stabilisation Plan April 2025 (successor to the IAP Exit Strategy Action Plan 2023-25), the Future Croydon Transformation Plan 2024-29, the Council's Improvement Plan 2022-27, and actions in response to Internal Audit Annual Report. They will all form part of the 2024/25 AGS Action Plan which is attached as Appendix 2. The delivery of these actions will be monitored through the Finance, Risk & Assurance Internal Control Board, Corporate Management Team and regular updates to the Audit and Governance Committee.

The Local Code of Governance

10. The Council's Local Code of Governance sets out the Council's commitment to uphold the highest possible standards of good governance and how this is being delivered. These standards are designed to ensure that the Council conducts its business in accordance with the law and that public money is properly accounted for, as the Council work to achieve the best outcomes for residents within the resources it has.
11. The diagram below, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework'), illustrates the various principles of good governance in the public sector and how these relate to each other.

DIAGRAM



12. The Council's Local Code of Corporate Governance reviewed in April 2025 and available here: [L B Croydon - Local Code of Corporate Governance.docx](#) demonstrates how its governance framework that includes its constitution, policies, strategies, practices, values, and internal controls arrangement meets the CIPFA good governance framework for local government. It provides evidence based assurance that the Council is committed to: a) conducting its business in accordance with the law; b) behaving with integrity and strong ethical values; c) openness and resident engagement; d) delivering through the Mayor's Business Plan 2022-26, Croydon Improvement Plan 2022-27 and Future Croydon Transformation Plan 2024-29 and the subset Stabilisation Plan 25/26; e) evidencing delivery through key targets in its performance management framework; and f) effectively managing risk and performance through robust internal controls. These are further evidence in the paragraphs below.

The Governance Framework

13. The Council's Governance Framework document was reviewed in April 2025 and is available here: [Governance Framework.docx](#) The framework is the set of structures, rules, processes, procedures, and values by which the Council is directed and controlled and through which it is accountable to, engages with and, where

appropriate, leads the community of Croydon. It includes the Council's governance structure at Member level i.e., Full Council, Executive Mayor and Cabinet, Scrutiny and Overview, Ethics, Audit and Governance and other Committees, and at Officer level i.e., Chief Executive, Corporate Management Team, Directorate Management Teams, Internal Control Boards, Programme Management Boards, Improvement Boards, Transformation Boards, and the role of Statutory Officers. Also, it incorporates and references relevant governance documents such as the Constitution, HR Handbook, Audit Charter, Risk Management Strategy and Framework, and Project and Programme Management Framework.

The Constitution

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

Overview and Scrutiny

18. The Council has a Scrutiny and Overview Committee whose role is to scrutinise the decisions of the Executive Mayor and to contribute to policy review and development. The Committee is chaired by a Councillor from the Opposition Group. The work of the Committee is supported by the Statutory Scrutiny Officer. The Scrutiny Annual Report, which is due to be submitted to the Full Council meeting on 22 October 2025, will show how the committee has discharged its functions. During the year the Committee and its Sub-Committees have made recommendations to the Executive Mayor which have all been considered and responded to. The IAP letters to the SoS of 25th April 2024 and 2025 and the LGA Corporate Peer Review Report published in January 2025 acknowledge that the governance arrangement (include scrutiny) is effective, making good progress and is adding value to the Council's governance.

Audit and Governance

19. The audit functions of the Council are discharged by the Audit and Governance Committee. The Committee is Chaired by an Independent Member and has another Independent Member to provide further independent oversight and assurance.
20. The Committee provides independent assurance to the Council of the adequacy of the risk management framework and the internal control environment, oversees internal and external audit and help to ensure that efficient and effective assurance arrangements are in place. The Committee also provide independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment. The IAP letters to the SoS of 25th April 2024 and 2025 and the LGA Corporate Peer Review Report published in January 2025 acknowledge that that the governance arrangement (include audit) is effective, making good progress and is adding value to the Council's governance.
21. The Committee reports annually to Full Council on its performance and effectiveness. The Committee Annual Report for 2024-25 will be presented to the Full Council meeting on 22 October 2025.

Codes of Conduct

22. The Council has adopted a Code of Conduct for Members (including Co-opted Members). All Members are required to undertake to observe the Code of Conduct when they accept office as Councillors or are appointed to a committee. The details of Members' interests are published on the Council's website.
23. The Council has determined that its Ethics Committee shall be responsible for receiving and considering reports on matters of probity and ethics and to consider matters relating to the Members' Code of Conduct. The Monitoring Officer conducts investigations into complaints on Member conduct and, where appropriate, convenes meetings of the Hearings Panel. The Council has appointed several Independent Persons who are consulted by the Monitoring Officer on initial assessments and investigations on Member conduct complaints and provide much valued independent opinion.
24. The Monitoring Officer reports to the Ethics Committee on a quarterly and yearly basis on complaints received for alleged breach of the Code of Conduct and on any trends and lessons learnt. The annual report for 2024 is available here: [Annual Report on Ethics Complaints For 2024](#). The complaints (which were mostly from members of the public) were effectively dealt with and there were no discernible concerns about individual or wider Member behaviour.
25. The Council also has a Code of Conduct for Officers: all staff are given their own copy as they are inducted into the organisation. There is mandatory training for officers on the code of conduct.
26. The Codes are supported by Protocols such as the Protocol on Staff / Member Relations and the Planning Code of Good Practice, which are all contained within the Constitution.
27. An innovative and unique officer 'Guardians programme' was implemented in 2021/22 and promoted via a series of webinars. This was part of the changes to the Council's culture, shifting the workplace to becoming more psychologically safe for staff to raise issues and concerns and give confidence if whistleblowing was needed that they would be supported. The Guardians who are volunteer trained Council staff, provide other

Council staff with a safe space to share concerns about behaviour or the culture at Croydon. The Guardians can signpost staff where appropriate to mechanisms within and outside the Council where they can get advice about situations that cause them concern, such as perceived bullying or inappropriate behaviour. This is an approach which is recognised as contributing to the development of an open culture. It was modelled on the NHS duty of candour and the speak out champions. The Guardians meet on a regular basis with the Chief People Officer and without breaching and confidentiality share trends and issues that are raised so broader action can be taken where necessary.

Officer-Level

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

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

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

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

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

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

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

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

These are officers that the Council must appoint, some of which may be combined and some of which cannot, but they all have additional personal responsibilities. These officers have statutory mechanisms for bringing concerns to the attention of the Council, and for requiring the Council to consider their decisions and actions publicly. In 2024, all of these appointments were permanent staff of the authority.

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

- f) Often referred to as the Golden Triangle, the three chief officer roles with leading responsibilities relating to governance are the:
- **Chief Finance Officer** – who is responsible for finance and expenditure. The Council designated the role of the Corporate Director of Resources as the Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972.
 - **Monitoring Officer** – who is responsible for lawful behaviour. The Council designated the role of the Director of Legal Services as the Monitoring Officer in accordance with Section 5 of the Local Government and Housing Act 1989.
 - **Head of Paid Service**- who is responsible for the overall functioning of the Council and the allocation of resources. **The Council designated the role of the Chief Executive as Head of Paid Service** – in accordance with Section 4 of the Local Government and Housing Act 1989.
30. Each of these statutory officers has the power to refer certain matters to the Council. During 2024/25 there were regular meetings of the Statutory Officers Group chaired by the Chief Executive, to discuss relevant issues and the effective functioning of their roles and liaised regularly between meetings on matters affecting the governance of the authority. The Statutory Officers ensure the provision of professional advice on all decision-making reports to ensure legal, financial, risk management and equality implications are addressed, including compliance with the Public Sector Equality Duty. It has also been agreed that where necessary a Golden Triangle meeting of the three officers identified in f) will meet to discuss issues of significant concern.
31. The Chief Executive chairs a weekly meeting of the Corporate Management Team to consider key items of business and ensure the organisation is delivering the Mayor's Business Plan and the Council's priorities. Each Corporate Director holds weekly Directorate Management Team meetings. These are used to support internal control processes (e.g., budget and risk management, equality, diversity and inclusion compliance, monitoring of complaints, health and safety, and performance indicators) as well as business within the directorate. Directors are then responsible for cascading information down to Heads of Service via their divisional management teams to ensure effective delivery of Council services and decision making in accordance with the scheme of delegation. There is a meeting each month of CMT, Directors and Heads of Service called the Extended Management Team to aid corporate understanding and

knowledge of the whole Council's activity, build a good governance and compliance culture and to build a shared leadership and senior management cadre. Over 24/25, a new series of meetings of the Council's 400 managers has been held on a number of occasions (divided into 3 sessions each time). This has begun to build a new managerial community of those managers. This has enabled detailed consultation with them and also sharing of important information about the Transformation Programme and the grip on budget management and delivery of savings.

Corporate Directors' Assurance Statements

32. The 2024/25 AGS has been underpinned by Corporate Directors / Directors Assurance Statements. The feedback from the Statements received suggest that improvements are required in the following areas: financial controls (training on Procurement Act 2024 / new Contract Standing Orders / updated Oracle System); information governance (policies, procedures and practices in information management and Council's IT Security Policy); and HR Management (Capacity within the HR Team). This should be addressed in the 2024/25 AGS Action Plan.

Council Priorities / Mayor's Business Plan / Transformation Plans

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

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

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

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

- Adults Living Independently transformation programme.

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

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

Future Croydon Transformation Plan aligns with the IAP Exit Strategy.

38. The IAP Intervention Exit Strategy 2023-25, the Council Improvement Plan 2022-27 and 'Future Croydon', our Transformation Plan for 2024–2029 are all crucial to deliver in the longer-term significant cost savings, efficiencies and a sustainable budget, and to meet the Council's best value duty. They formed part of the AGS 2023/24 Action Plan and considerable progress were made in 2024/25 and as set out in Appendix 1.
39. The Council has developed and is working to the Stabilisation Plan 2025 and which is a condition attached to the Exceptional Financial Support (EFS) for 2025/26 approved by the Government. The Stabilisation Plan sets out a series of actions to further manage demand, reduce costs, increase income, and improve productivity, which are forecast to deliver £27.3 million in savings during 2025/26. The Plan is a subset of the Future Croydon Transformation Plan and supports the accelerated delivery of the benefits set out within it. The plan (available here [Appendix A - Croydon Stabilisation Plan 2025.pdf](#)) was approved by the Executive Mayor and Cabinet at their meeting on 25th June 2026 (available here [Agenda for Cabinet on Wednesday, 25th June, 2025, 6.30 pm | Croydon Council](#)).

Medium Term Financial Strategy 2025-2029

40. Local government finances are under strain from inflation, the impact of cost of living pressures on local communities and an increase in demand for essential social care, housing, passenger transport and welfare services. This has contributed towards an increase in costs and demand for Croydon services, such as children's and adults social care, support to homeless families and passenger transport for children with special educational needs and disabilities. These impacts are embedded within the 2025-26 Croydon budget proposals with £61.7m set aside as an inflation provision and £61.5m growth allocated for service pressures.
41. The financial challenge for Croydon is compounded by significant, and independently well documented, local legacy issues (governance, financial, service delivery and structural). In November 2020, the Council issued its first S114 report, flagging that it was in a position whereby it could not continue to operate without exceptional financial support. In December 2020, the Council requested exceptional financial support, which was agreed by government through the provision of capitalisation directions, of £150m over four years from 2020-21. Croydon put in place the 'Croydon Renewal Plan' in response to the financial crisis and made significant progress by delivering cumulative savings of £90m over 2021-22 and 2022-23. However, the requirement upon Croydon, following external audit review and the outcome of the 'Opening the Books' exercise launched by the Executive Mayor in 2022, identified that the full scale of the financial challenges was far greater than had been originally envisaged. Ongoing legacy budget corrections of £49m were required for 2023-24 with prior year adjustments of £161.6m identified. The seriousness of the Council's financial position resulted in the Corporate Director of Resources and S151 Officer deciding that the Council's budget was not financially sustainable and issuing a Section 114 report from 2023-24 onwards. The section 114 report was issued on 22nd November 2022 and reported to Cabinet on 30th November 2022. The Report concluded that the Council cannot solve its financial issues on its own and set out a range of requests of government for exceptional financial and other support. A package of measures was subsequently agreed with

central government that enabled the Council to set a balanced budget for 2023-24. These included:

- An increase in the 2023-24 Referendum Cap for council tax increases from 4.99% to 14.99% for Croydon.
- Central government making available exceptional financial support, in the form of permission for additional borrowing to fund revenue (a Capitalisation Direction) of £63m in 2023-24 (£58m on top of the £5m previously agreed by government in 2021 for 2023-24).
- A further Capitalisation Direction of £161.6m to cover the prior year legacy issues that were revealed through the Opening the Books programme.

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

42. Legacy issues still emerge. In January 2024 the Council had to request a further legacy Capitalisation Direction of £9.439m for 2019-20. This relates to an historic contractual issue for highway works and improvements. The use of Capitalisation Directions, which allow additional local authority borrowing, is the Government's only solution at this stage for Councils in financial distress. A key structural problem already facing Croydon is that the Council has a high level of debt. As at the end of 2021-22 OFLOG data confirmed that the cost of servicing Croydon's debt, at 16% of core spending power, is double that for the median English authority. As mitigation against the capitalisation directions the Council has put in place an asset disposal programme that has delivered over £200m of receipts over the 2022-23 to 2024/25 period. It will progress the remaining £68m of assets which are financially advantageous to sell over the next period. After allowing for the disposals programme the net cost of servicing Croydon's 2025-26 debt is still estimated at 16% of core spending power
43. The on-going impact of the legacy issues, and the unfunded Local Government cost pressures that have emerged nationally, regionally and locally relating to increases in demand and market prices, facing Croydon means that extraordinary government support is still necessary. Such support is budgeted at £136m for 2025-26 and modelled to increase to £203m by 2028-29. Dialogue has continued with government regarding the level and type of future government support. The Council's preferred option for future government support would include a £540m debt write off or an equivalent level of revenue grant support to be provided for the disproportionate level of General Fund debt (currently totalling £1.4bn). This would deliver estimated revenue budget savings of £38m p.a. to reduce the additional and avoidable pressure on Croydon's taxpayers. For 2025-26 the Government notified Croydon that there will be no change in how exceptional support is made available. The use of Capitalisation Directions increases the Council's debt burden and, therefore, are not a sustainable solution for the Council to meet its best value duty. As recognised by the IAP since November 2022, it will need to be resolved for the Council to come out of the current statutory intervention.

SoS Directions and Improvement & Assurance Panel.

44. Following the 'minded to letter' on 16th March 2023 and the Council's response on 31st March 2023, on 20th July 2023 the Secretary of State for Levelling Up, Housing and Communities ("the SoS") issued Directions to the Council on the actions to be taken to comply with its Best Value Duty. The Directions and its accompanying documents can be accessed at [Statutory intervention: London Borough of Croydon - GOV.UK](https://www.gov.uk/government/statutory-instructions/statutory-intervention-london-borough-of-croydon)

(www.gov.uk). The SoS Directions requires the Council to continue to lead its recovery and focus upon amongst other matters, continue to address the culture of poor financial management; improve the capacity and capability of the housing service; restore public trust and confidence by transforming the Council's activities, practices, and omissions to ensure that they are compatible with the best value duty; and secure that functions are exercised in conformity with the best value duty thereby delivering improvements in services and outcomes for the people of Croydon. The Directions were expected to remain in force until 20th July 2025.

45. The Council is subject to formal statutory intervention. The Council is still responsible for all decision making relating to its powers, functions and responsibilities and continues to lead on its recovery and improvements. The SoS has appointed an Improvement & Assurance Panel with the power of last resort to direct the Council to act if they deem it is failing to comply with the Best Value Duty. The Panel also provide external advice, expertise and challenge to the Council and assurance to the Secretary of State on the Council's progress via 6 monthly letters.
46. In October 2023, the IAP in collaboration with the Council published the Exit Strategy and Action Plan which sets out the actions required of the Council to evidence compliance with the best value duty and exit statutory intervention. The Strategy Action Plan is a significant part of the AGS Action Plan for 2023/24. The Strategy covers the following areas: governance; culture and leadership; financial stability; service performance; and capacity and capability to improve. The Strategy breaks progress milestones down into intervals set for March 2024, September 2024, and March 2025 and which coincide with the Panel's bi-annual progress reports by letter to the Secretary of State.
47. On 27th October 2023, the IAP reported to the SoS on the Council's progress with the Exit Strategy and concluded that the Council continues to improve, and the pace of improvement has moved up a gear. There are risks. The Council must set a balanced budget (for 2024/25), achieve a positive outcome in the anticipated Ofsted and Care Quality Commission inspection, work through the backlog of investment needs in Housing Services and deliver on its transformation plans. Under 'Governance' the letter states that

"The Council has continued to embed the sound governance arrangements that we identified had been emerging. The Executive Mayor has prioritised the critical requirement of returning to financial stability and this is reflected in his Business Plan.... Mechanisms that support good governance have continued to be developed or embedded as appropriate. Comprehensive and relevant Key Performance Indicators for delivery of the Mayor's Business Plan have been debated and introduced and these enable both effective monitoring and ensure accountability. An array of Internal Control Boards provide for the necessary management of performance and change."
48. On 24th January 2024, the SoS responded acknowledging the need for the Council to go further to identify transformation efficiencies and reduce costs to achieve financial sustainability.
49. On 25th April 2024, the IAP updated the SoS on the Council's progress on the areas of the Exit Strategy. The IAP concludes that the Council continues to make firm progress in its improvement journey. It has balanced its budget for the year just passed and has set a sound one for the current year. The Council has produced the framework of a

transformation plan (Future Croydon) which should be capable of taking the Council to its declared objective of being London's most cost-effective council. The Council is steadily improving service delivery across all areas, although objective testing of this is awaited in key services. The Exit Strategy is being advanced well, and the IAP are comfortable that it is either being met or, where there is a delay, there is a reason for this and that plans are in place to make up the ground. Under 'Governance' the letter states:

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

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

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

50. On 15th November 2024, the IAP updated the SoS on the Council's progress against the Exit Strategy Action Plan. The IAP advised that many of the actions have been met to time and to the necessary quality. An exception is the objective for financial sustainability and which is at risk. The Council's financial position has significantly deteriorated during 2024, in large part because of spending pressures with children placement, SEN transport, and placement of homeless families. These costs pressures are currently being experienced in the sector. The Council is likely to require a greater level of exceptional financial support in 2025/26 than in the current year. The ability of the Council to meet its asset disposal target this year is also at risk. The deteriorating financial position is commanding the fullest attention of members and managers. The IAP remain positive that the Council continues to make substantial progress in eliminating the failings that precipitated this intervention in 2021.
51. On 12th December 2024, the Minister of State responded to the IAP report acknowledging that *"overall, there have been significant developments in the Council's progress towards reform and recovery, particularly improved governance, leadership and service delivery. The Council remains one of the most financially distressed in the country with General Fund debt sits at £1.3 billion and relies exceptional financial support (EFS) through capitalisation directions to balance their budget. The Council have produced a Transformation Plan and a Medium-Term Financial Strategy (MTFS) to attempt to reduce their large deficit and debt to a more manageable level. The IAP is to provide a further progress update in April 2025"*.
52. On 20th February 2025, following a request by the Council for Exceptional Financial Support to set a balanced budget for 2025/26, the Minister of State approved an in-principle capitalisation direction of a total not exceeding £136m. This is subject to the Council providing assurance of its financial position and ongoing action to improve on its financial position. The Council is expected, with the agreement of the IAP, to develop and implement a resourcing plan, deliver its transformation plans at an

accelerated pace and with sustainable and long-term savings, develop and implement a Stabilisation Plan, and reviews its current asset disposal strategy, identifying new opportunities to expedite existing and further disposals where possible.

53. Since the Exit Strategy Action Plan was published, the Council has worked to deliver the actions. In April 2025, 169 of 177 actions (96%) have been delivered or remain on track for completion by the final milestone. Improvements during this period have resulted in strengthened governance, more effective financial management and disciplines, and improved service delivery. Despite this progress, the Council's financial position remains very challenging. There are 4 actions from the Exit Strategy that were outstanding at the end of the delivery period, under the stabilising the finances' objective and they are to: a) deliver a resilience review (the IAP agreed to change this); b) publish annual accounts (this work was overtaken by the national backstop agreement, although all accounts up to and including 2023/24 have now been published by the Council); c) deliver 2024/25 budget to outturn with no overspend (this did not happen) and d) maximise assets sales (Council have sold 68% of target but also achieved a 21% increase on book price).
54. The outstanding actions in the Exit Strategy (i.e., to place the "Council's finances on a sustainable footing") will now be incorporated into the Stabilisation Plan which is intended to bring forward and accelerate various service transformation programmes to manage demand and bring about significant savings and efficiencies. The actions in Stabilisation Plan will form part of this AGS Action Plan.
55. By letter dated 25th April 2025 (published on 12th June 2025), the IAP updated the SoS on the Council's progress under statutory intervention including the Exit Strategy Action Plan. The letter advised that *"the Council had made steady progress with the Exit Strategy Action Plan and in the areas of governance, culture and leadership, and service performance, with most actions either completed or on track. However, the key objective of placing the Council's finances on sustainable footing has not been achieved. The Council's transformation programme designed to address the growth pressures and enable savings is key to any sustainable long-term future for the Council. The Council's deteriorating financial position is such that it puts at risk the delivery of its transformation programme. With the adoption of a stabilisation plan in the medium term, the Council must take immediate and effective steps to stabilise its operating cost and plan for the longer-term resolution of its finances. The letter acknowledges the Council's Stabilisation Plan with forecast saving totalling £27.4m but there are substantial challenges and risk to achieve this. The Council should develop a plan to reduce discretionary spending, further review of the capital programme (where supported by prudential borrowing), develop shared services, additional asset sales, zero-based budget exercises, and service-based initiatives to improve efficiency and productivity"*.
56. The IAP letter concludes that *"a great deal of effort has been put into the Council becoming a properly functioning local authority and with a good deal of success. This reflects creditably on the Staff all of whom have had to work hard to make this happen. While not perfect, the Council stands comparison with authorities elsewhere in most respects. However, the Council continues to present an unbalanced financial position. The substantial projected overspend in 2024/25 together with an MTFs that increasingly relies on EFS, makes it inescapable that the Council will remain financially unsustainable for the foreseeable future. The Council's platform for change and improvement in its financial position is its Transformation Programme and Stabilisation Plan. The delivery will be hugely challenging. Working at pace and an appetite to take and manage risk are fundamental to the Council's future work. There will be challenges*

in deploying the capacity needed to deliver both the transformation required and reduce spending to a sustainable level while maintaining day-to-day service delivery. The Panel recommended that the SoS “consider continuing a form of statutory intervention beyond July 2025 and increasing the focus upon where challenges are most acute in order to provide the Council with sufficient support to deliver the Stabilisation Plan.”.

57. On 12th June 2025, following consideration of IAP letter of 25th April 2025 and the LGA CPC report of 8th January 2025, the SoS decided that she was “minded to” escalate statutory intervention to commissioner led intervention. The SoS propose to issue Directions to the Council to amongst other continue to develop and implement its Stabilisation and Transformation Plan and to appoint Commissioners to undertake Council functions relating to strategic decisions and strategic financial decisions, financial administration and strategic financial management, and appointment and dismissals of designated statutory officers. The SoS was satisfied that the scale of the Council’s financial difficulties and the failure to adequately respond, and the assurance required moving forward meant that “*a short and sharp reset, with fast action*”, is required on the Council’s recovery. Further, that the Council is not meeting its Best Value Duty requirements in the themes of Continuous Improvement, Leadership, and Use of Resources.
58. On 25th June 2025, the Council responded to the SoS “minded to” letter. That the Exit Strategy Action Plan was the “*proxies for success*” in determining whether the Council has met the BV duty and should exit intervention. The Council has met 96% of the actions in the Exit Strategy and for the remainder that are not or fully met, relating to Council’s budget outturn for 2024/25 and maximising asset sales, there a good reason why this is so, in the Exit Strategy delivery report. The Council has been on a trajectory of improvement in governance, culture, leadership; financial stability (except during 2024 and for good reason); service performance improvements; and capacity and capability. The IAP Progress letters and the LGA CPC Report attest to this. The deterioration in the Council’s financial position during 2024 is due to demand and budget pressures (children’s placements, homeless temporary accommodation, adult social care placements and SEND school transport) and was the same across most other London Boroughs. The Council has taken concrete action to address the deterioration in its financial position in the form of the Transformation Programme’s operational cost savings and the acceleration of those and other additional savings in the Stabilisation Plan. The perennial impact on the revenue budget caused by the debt cannot be resolved within the means available to the Council. This is acknowledged in the IAP letters and the Exit Strategy and was acknowledged by the IAP for resolution with Government since October 2023. To date, despite the Council’s longstanding request, the debt issue is yet to be resolved and impacts significantly on the Council and its residents. The Council request that the SoS conduct a rapid Best Value Review and independent financial assessment tailored to deliver an evidenced solution to the restoration of sustainability to the Council’s budget and in the most expeditious manner. This would assist in determining whether the appointment of commissioners and the removal of legal authority from the Council is warranted, balanced and fair in comparison to other decisions on intervention.
59. On 17th July 2025 the SoS confirmed that she was satisfied that the Council was failing in its best value duty and issued new Directions to the Council to work with SoS

appointed Commissioners to transform the Council. The Direction, amongst other matters, requires the Council to continue to develop and implement the stabilisation and transformation Plans and to address the culture of financial management and remains poor in key respects. The Direction also provide for certain functions of the Council to be exercised by the Commissioners. This includes a) all functions associated with the governance, scrutiny and transparency of strategic decision making and strategic financial decision making; b) the arrangement for the administration of the Council's financial affairs and all functions associated with strategic financial management; c) functions associated with the Council's operating model and redesign of services; d) appointment and dismissal of statutory officers; e) performance management framework for senior officers and f) functions to determine senior officers structure.

Croydon arm's length companies

60. The Committee on Standards in Public Life report dated January 2019 made a best practice recommendation regarding separate bodies created by local authorities and how such bodies should be referenced in the Council's AGS together with the transparency expected from those bodies, namely that, *'Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place'*.
61. Croydon Council acknowledges that it has an 'arm's length' interest in the following organisations:
 - a) Croydon Council owns a 100% stake in the development company Brick By Brick Croydon Limited, which was established to deliver housing across a number of Council owned sites in the Borough. The Council took a decision in February 2021 to trade out 23 sites to completion and dispose of all of its remaining sites. All sites have now been developed and disposed by March 2025. The focus now is on resolving remaining liabilities and assets within the Company with the aim of solvently winding down the company by end of December 2025. The Council tested the option to dispose of the company during 2024/25 in line with the plan detailed in the February 2024 Cabinet paper and in the Exit Strategy, however no successful outcome was achieved and the solvent winddown presented the best financial outcome for the Council. It is now expected that the total loan write off will be c£65m compared to £100m that was projected c3 years ago and even better against the £70m that was projected back in February 2024. It is expected that the Council will either wind down BBB or sell the company by the end of 2025/2026..
 - b) The Council has a 99% membership of LBC Holdings LLP which itself holds 10% holdings of the other LLPs in the structure. An independent charity, Croydon Affordable Housing, holds a 90% membership in each of the LLPs (other than LBC Holdings LLP). The Council has entered 80year leases (with an option to break at 40 years) and 40year loan transactions (amongst other agreements) with Croydon Affordable Homes LLP ('CAH') and Croydon Affordable Tenures LLP ('CAT'). A review of the financial accounting position in respect of CAH and CAT was completed by PWC in February 2022 and was necessary as part of finalising the accounts for 2019/20 and 2020/21. Failure to correctly account for the monies exchanged with this company contributed significantly to the need for the further

capitalisation direction referenced above (~£70m). These account corrections have now been made. CAH and CAT LLP hold monthly Board meetings and the operations are now stable with continual improvements and efficiencies being generated to ensure long term sustainability of the operations.

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

- 62. The Croydon Companies' Supervision and Monitoring Panel, chaired by the Chief Finance Officer, ensure good governance of the Council's external entities. The Panel reports annually to the Executive Mayor and Cabinet, making recommendations as appropriate. The Executive Mayor and Cabinet were presented with a report in October 2024 with regards to the companies monitored by the Croydon Companies' Supervision and Monitoring Panel. These update reports will now be provided annually in line with the recommendations of the October 2024 report.

Housing Improvement

- 63. Following the national television coverage of chronically poor housing conditions at Regina Road in March 2021, the Housing Directorate self-referred to the Regulator for Social Housing who declared the Council was in breach of the Home and Tenant Involvement and Engagement standards and issued a regulatory notice. Since May 2021, the Council has been on a journey of improvement to its housing function.
- 64. In December 2022, a new Housing Transformation Programme was approved by the Mayor in Cabinet and endorsed by the independent Housing Improvement Board (HIB). There are a total of 67 projects across eight workstreams and progress updates are reported to Cabinet. In October and March 2025 (available here <https://democracy.croydon.gov.uk/documents/s64152/Housing%20Transformation%20Cabinet%20Paper%20March%202025.pdf>) progress update report was considered by the Mayor in Cabinet. The Programme continues to deliver against the milestones set out within the Voluntary Undertaking agreed with the Regulator for Social Housing and the overall Improvement programme agreed with the Housing Improvement Board.

65. In February 2025, the Council provided the Housing Regulator with a report setting out in detail the progress made in addressing the service issues and setting out the case for the lifting of the regulatory notice. This report was supported by independent reviews conducted by external agencies. PML conducted a review on current compliance with the RSH Safety and Quality Consumer Standard and Voluntary undertaking. HQN conducted a review on current compliance with the RSH Transparency, Involvement and Accountability Consumer Standard and Voluntary Undertaking. In April 2025, the Housing Regulator removed the regulatory notice.

Performance management

66. A Performance reporting framework created in April 2021 to ensure delivery of a robust suite of corporate performance reports remains in place. This ensures that the information the data is reporting is visible to everyone and open to challenge. Directorate and statutory performance reporting are a suite of measures from the Mayors Business Plan report 2022-26, operational performance reports and statutory measures. These reports are presented at monthly Directorate Management Team meetings to allow a process of review, check, and challenge by the Corporate Director with their Directors. Relevant data, based on the principle of exception reporting, from these reports are incorporated into the monthly performance report presented to the Corporate Management Team to allow check and challenge for areas which are underperforming. Corporate Directors / Directors are responsible for discussing the contents of departmental and statutory performance reports with the relevant Cabinet Member to ensure line of sight and accountability. This allows Members the opportunity for discussion and challenge of performance where required and to understand potential risks. Corporate Directors are responsible for the dissemination of these reports for discussion at Divisional Management Team meetings to ensure all managers and Heads of Service are sighted. Reports to the Chief Executive are also created using the data from the suite of reports as detailed above, with the focus being on one Directorate per report. This allows for informed one to one session between the Chief Executive and the relevant Corporate Director. The Chief Executive and the Corporate Director for CYPE also hold performance escalation meetings as part of the internal control system with the relevant KPI owners for underperforming indicators to review recovery action and challenge progress.
67. During the year, key performance indicators on the Mayors Business Plan 2022-26 were reported to Cabinet in May 2024, October 2024 and February 2024 (available here: [Corporate Performance and Finance Reporting | Croydon Council](#)). They are also all published on line. There are also regular budget monitoring reports to Cabinet on the Council's finances (last report available here [2024-25 Period 9uy Financial Performance Report.pdf](#)). These are all published online as soon as they are cleared for full transparency. There is not a delay to wait for the relevant cabinet meeting papers to be published.

Risk Management

68. The Council's risk management process is designed to identify, assess, and manage significant risks to the Council's objectives including risks associated with delivering the Mayor's Business Plan. The process includes a risk management framework and policy statement, corporate /directorate risk registers, risk champions, and appropriate staff training delivered to risk owners (Directors and above)

69. During the 2024/25 period, the Council has continued to embed an approach to risk management consistent with the 'Three Lines of Defence' model recognised by the Institute of Internal Auditors and HM Treasury 'Orange Book' standards, as good practice. The first 'line of defence' is implemented by the risk owners (the Council's directorates, Corporate Directors, Directors and Heads of Service as appropriate) to ensure an effective control environment, implement risk management policies in relation to their roles and responsibilities, and being fully aware of the risk factors to be considered in every decision and action. The second line of defence is the maintenance of a risk management framework and compliance functions, in supporting structured risk management implemented by risk owners. The third line of defence is implemented by both internal and external audit who take an independent view of the application of risk management, reviewing and evaluating the design and implementation of risk management and the effectiveness of the first and second lines of defence. In particular it should be noted that work was carried out by CMT during the year to identify a smaller subset of 'strategic risks' within the list of corporate risks which then received further peer challenge by CMT and consideration of what else could be addressed. The 'strategic risk' flag is dynamic and subject to periodic review by CMT.
70. All corporate/strategic risks are formally reviewed and signed off quarterly by the risk owner on the council's corporate risk management system 'JCAD'. In turn, all risks are reviewed quarterly by the Directorate Management Teams and assurance given/obtained by the Corporate Director. CMT and the Audit and Governance Committee then review all corporate/strategic risks. In addition, risk management 'deep dives' on individual risks are undertaken by the Audit and Governance Committee as well as the regular review of all corporate risks by CMT. The risk registers are published for full transparency apart from commercial and any Part B determined risks. On the 19th September 2024 and 3rd March 2025 the corporate risk register and risk deep dive reports were taken to the Audit & Governance Committee for review and assurance. The reports are available [here](#). [Agenda for Audit & Governance Committee on Thursday, 19th September, 2024, 6.30 pm | Croydon Council](#). [Agenda for Audit & Governance Committee on Monday, 3rd March, 2025, 6.30 pm | Croydon Council](#)

Procurement

71. The Strategic Contracts Board (SCB) is an Internal Control Board to ensure compliance with the Council's Contract and Tender Regulations (TCRs), overseeing the strategic direction of Procurement in the Council through activities such as monitoring the compliance of procurement projects, the use of waivers and by sponsoring the Procurement Transformation Project.
72. For individual procurements, there is a delegated gateway process in place where the Chair of SCB approves strategy, contract award, extension and variation papers before they are then approved by the authorised decision maker as set out in the TCRs.
73. Through the procurement pipeline, the Council has a strategic overview of the forthcoming procurements, (made up of contracts required for renewal and new procurements) and any extensions and variations to existing contracts. An Annual Procurement Plan was presented to the Executive Mayor in Cabinet for approval before the start of the financial year, however this has been superseded by the update to the Executive Mayor's Scheme of Delegation.

74. The Council also has in place a Contracts Register which is reviewed and updated regularly. The procurement ICT system is currently being reviewed as part of the Council's Oracle ERP Improvement Programme. System improvements over the past year have included: the implementation of more streamlined processes to register suppliers and process invoices; the introduction of e-signature functionality for contracts; improved control over actual spend versus contract value; improved reporting to analyse compliance; and the introduction of intuitive dashboard reporting across the council to improve visibility of contract status and planned procurements.
75. The Internal Audit Annual Report for 2024/25 includes '*issues with contract letting monitoring and management across the organisation*' as being one of the key issues arising from audit work during the year. These are being addressed through the Procurement Improvement Plan and progress made is identified in the AGS 2023/24 Action Plan attached as Appendix 1. The IAP Exit Strategy Action Plan also has actions to improve on the procurement function which were progressed through 2024/25 and are ongoing in 2025/26. Specific actions in 2024/25 included:
- A series of Deep Dives on key contracts, to identify areas for improvement within each contract and, alongside the respective contract managers, to develop and implement improvement plans.
 - Development of procurement and contract management skills through improved training.
 - The implementation of a social value policy and toolkit to enable improved identification and delivery of social value for the local community.
76. In 2025/26 a revised Contract Standing Orders (currently TCRs) will be introduced. These will align with the new procurement legislation, provide a balance of robust but proportionate internal governance and support compliant best practice for commissioning, procurement and contract management. Governance will have increased focus on the early stages of the procurement process where most value can be unlocked. In addition, the necessary skills will be developed across the Council through further training and the implementation of a suite of e-learning for strategic procurement and contract management, currently under development. The introduction of a contract management system will support improvements in the administration and performance management of our contracts. Through the commercial excellence project, opportunities will be identified to reduce cost across contracts, coupled with strengthened relationships with key suppliers to implement further innovation and greater efficiencies.

Complaints, Fraud and Whistleblowing

77. The Council's formal complaints policy sets out how complaints can be made by the public, what should be expected in terms of response and the residents' rights of escalation. Lessons learned from complaints are fed back to services regularly and included in the quarterly and annual reports that are presented to directorate management teams and CMT.
78. The Local Government and Social Care Ombudsman (LGSCO) issued 1 public report about the Council during 2024/25. The Council accepted the Ombudsman's Final Decision and recommendations, and actions to remedy the complaint are in progress. This related to an Adult Social Care and Health complaint and was reported

to the Council's Cabinet in June 2025. There were 7 Housing Ombudsman findings of Severe Maladministration in 2024-25. Each of these cases was subject to a learning review, with weekly meetings held to ensure actions were completed in good time, and all have been managed through to closure, with recommendations and actions completed.

79. The LGSCO annual report letter was received on 9th July 2025, and the HO letter is due in Summer 2025. These, along with the complaints annual report, will be discussed at CMT and presented to the Scrutiny and Overview Committees for review, challenge and lessons learned. In the annual letter, some concerns were raised regarding delays by the Council in implementing agreed actions in response to recommendations. This is the third year of the Ombudsman raising similar concerns and because of this, Officers are proposing a monthly dashboard, monthly performance meetings, with clear actions and owners to improve on the Council's position. A dedicated Ombudsman Officer works closely with the Directorates to support them in the timely completion and evidencing of the recommendations made in all Ombudsman cases. The Officer utilises the Complaint Management system to manage actions, keep track of deadlines, and provide reminders and escalations to management. Work is also being undertaken to promote a compliance-focused culture with face-to-face training, online training packages, regular communications bulletins to complaint handlers and regular performance reporting to management. Within all this work, the opportunity has been taken to emphasise the importance of accurate and detailed record keeping. Work has been carried out this year to improve the complaints Information system to ensure compliance with the new Housing Ombudsman code. Additional investment in staff and an action plan is in place within the Housing Directorate to improve complaints handling and is a key aspect of the housing improvement plan and transformation work
80. Audit & Governance Committee continues to oversee the Anti-fraud and Corruption Policy and Strategy and Anti Bribery and Anti Money Laundering policies. In addition, the committee receives regular reports in relation to the activities of the shared Croydon/Lambeth anti-fraud service, which was established in January 2023. The aim of the shared service has been to target pro-active anti-fraud initiatives in addition to reactive investigations. The activities of the service for 2024/25 was reported to the Committee on 30th April 2025 (Agenda for Audit & Governance Committee on Wednesday, 30th April, 2025, 6.30 pm | Croydon Council)
81. The Committee also oversees the Council's Whistleblowing Policy and Procedure which enables staff, partners, and contractors to raise concerns in the public interest about suspected serious wrongdoing and without fear of being identified. The Policy is supported by a whistleblowing hotline supported by a third sector partner. These were reported to the Committee on whistleblowing referrals received during 2024/25 and the outcomes (Agenda for Audit & Governance Committee on Wednesday, 30th April, 2025, 6.30 pm | Croydon Council).

Information Governance

82. The Information Management Internal Control Board (IMICB) leads the Council's strategic approach to governance of information management. Chaired by the Council's Caldicott Guardian (Adult Social Care Services) and membership includes Chief Information Officer and Senior Information Risk Owner (SIRO), the Children's Social Care Caldicott Guardian, Data Protection Officer (DPO), Information Manager, and key service leads. The Board's role is to support the Council to ensure compliance

with Data Protection, Freedom of Information (FOI) and Caldicott requirements and assist in making good Information Management (IM) part of the culture of the Council. The Board reports to CMT in respect of IM issues/incidents and has an overview of the Council's compliance with policies, procedure and guidance and commissions reviews of policies, procedure and guidance as appropriate

83. In 2024/25, following the Enforcement Action issued by the Information Commissioner Office (ICO), the Council has improved on its practices and secured compliance with ICO's letter relating to FOI and Subject Access Request (SAR). The progress made was demonstrated by the ICO removing their bi-monthly review meetings and the performance rising for FOI to 75% and SAR to 62% at the end of 2024/25. It is worth noting that the demand for SARs has risen substantially in 2024/25 (802) compared to 2023/24 (601) which has affected the performance for volume of SARs responded to on time, though this has not resulted in further regulatory action by the ICO. An Information Governance strategy and business proposal has been developed and agreed at Senior Management Team. From this an action plan will be developed to be delivered over 2 years (2025- 2027) to address the concerns with the wider information governance maturity of the Council. The strategy incorporates a restructure of the team, redesign of the function to ensure a sustainable operating model is embedded across the organisation focusing on a robust accountability directive for service areas and strengthens the escalation of issues and governance for the delivery of improvements. Delivery of the action plan will improve on reporting, accountability and ownership by Service Areas for information governance, compliance with information requests, policies and processes, training and awareness and records management.

Safeguarding

84. The Council's approach to safeguarding both in relation to vulnerable adults and children is led by the Corporate Directors for Adult Social Care and Health, and Children, Young People and Education respectively and is also subject to the relevant statutory inspections.
85. The Croydon Safeguarding Children Partnership (CSCP) is the multi-agency, statutory partnership responsible for ensuring that organisations within Croydon work together to safeguard and promote the welfare of children. This is achieved via audits, a comprehensive learning offer and case reviews (including where children die or are seriously harmed). The CSCP ensure the effectiveness of local safeguarding practice. It is an equal partnership between the three statutory partners (Local Authority, Health & Police) alongside Education and Independent Scrutiny, supported by an Adult Independent Scrutineer and a Young Scrutineer. The operating procedures for the CSCP were revised and agreed by the CSCP in December 24 following the publication of Working Together 2023. The CSCP business plan reflects the quality assurance and audit work it carries out, including the Section 11 Audits which enable the CSCP to be assured of the safeguarding arrangements for organisations working with children. Where the safeguarding arrangements are not sufficiently robust, those organisations are committed to action plans which are regularly reviewed. The CSCP Executive has quarterly updates to ensure line of sight.
86. The CSCP is currently producing an annual report for the year 2024-25, which is required to be published by September 2025 and will be presented at the same time as the Safeguarding Adult Partnership annual report, (to focus on cross cutting themes and the Mayors Priorities) at Corporate Management Team, Children and Young

People Scrutiny Sub-Committee and Cabinet. The Annual Report for 2023-24 is available here: [CSCP Annual Report 2023-24](#)

87. Croydon Safeguarding Adults Board (CSAB) is the multi-agency arrangements in place to ensure Croydon's adults are safeguarded. It is an equal partnership between the three statutory partners (Local Authority, Health & Police) with an Independent Chair. The CSAB ensures there is effective communications with Croydon residents, between professionals, agencies and different Boards and Partnerships. The CSAB continues to work closely with the Croydon Safeguarding Children Partnership in order to have oversight of cross cutting safeguarding agendas such as transition between children's and adults' services.
88. The CSAB presented the 2023/24 annual report at Cabinet in October 2024. The partnership approach is featured heavily within the report, which is a core role of the board, its sub-groups and their respective Chairs/Vice-Chairs, who continue to tirelessly to help build and strengthen those relationships to improve outcomes for vulnerable adults. This includes continue work to embrace and improve representation across all areas of the partnership. The work of Andrew Brown and the BME Forum who is Vice Chair of this board, is just one example of many to highlight. <https://democracy.croydon.gov.uk/documents/g4146/Public%20reports%20pack%2030th-Oct-2024%2018.30%20Cabinet.pdf?T=10> During 2023/24 the CSAB has been delivering against the key actions of the report; and this will be updated on in the 2023/24 version going to Cabinet in October 2024.

Learning and organisational development

89. There is a Member Training and Development Programme, that is overseen by the Member Learning & Development Panel. The Programme developed by the Member led panel identifies a range of training sessions to help elected Members perform their roles effectively. In 2024/25 training sessions have been delivered on 22 separate areas, including scrutiny training on questioning skills and the budget, Code of Conduct and Members Roles & Responsibilities, and a range of briefings on Council services and programmes.
90. Staff development needs are identified through the Council's Appraisal Scheme, one to one's, and training needs analysis. The Council's Learning and Organisational Development service delivers and/or commissions a suite of elective and mandatory courses including children, and adult social care specialisations in a variety of formats, such as e-learning through a centralised learning management system hosted by Learning Pool currently.
91. Further plans are in progress to improve new starters' induction experience adding to 2023/4 launch of the corporate virtual induction programme 'Welcome to Croydon' the contents of which cover three key thematic areas: (i) managers' induction checklist, to ensure effective compliance (ii) mandatory training for new staff on fundamental topics such as health and safety, information governance, and equality and diversity (iii) understanding the Council – to ensure effective orientation and understanding of the Council, its decision-making processes, governance, and compliance. A new experiential induction day will be provided monthly going forward for all new starters. A pilot session was held in June 2025, which was well received, and it is currently being evaluated for roll out. The in-person event is led by a member of the CMT, supported by the Chief People Officer and members of the HR&OD division. To

enhance the induction, the in-person induction experience will introduce new staff to key Council colleagues, improve their understanding of how the Council serves its residents, including a walking tour of the borough, and covering key public service requirements, including governance and the Nolan principles.

92. This will be mandatory for all new staff joining the Council, supplemented by directorate-specific elements

Working in partnership

93. A number of the Council's services are delivered in partnership with commercial organisations and, increasingly, with other local public sector organisations, and the voluntary, community and faith sector. In order that the Council can maintain effective partnerships with a number of these organisations, representatives of the Council, usually elected councillors, sit on the various committees and forums that are responsible for these.
94. The borough has themed partnerships (including the statutory Health and Wellbeing Board, Safer Croydon Partnership, Croydon Safeguarding Children Partnership and Croydon Safeguarding Adults Board) that bring together the Council and representatives of the emergency services, health, education, business, faith, voluntary and community sectors involved in decision making that affects the wellbeing of those who live, work, are schooled in and visit Croydon. The partnerships ensure a focus on local priorities.
95. These partnerships undertake a range of partnership activities and consultation exercises to enable all residents and customers to contribute to and shape the strategic themed plans such as the Joint Local Health and Wellbeing Strategy and the Safer Croydon Partnership Community Safety Strategy. In addition, the Council undertakes surveys with residents who provide the Council with reliable feedback on important issues that help improve services as part of establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability, and encouraging open consultation.
96. The Health and Care Act has led to the introduction of statutory arrangements for integrated care systems (ICSs) from April 2022. In Croydon, this has meant moving from Croydon Clinical Commissioning Group (CCG), to a South West London Integrated Care System (SWL ICS). In South West London there are six ICS Places: Croydon, Kingston, Merton, Richmond, Sutton and Wandsworth. The Croydon arrangements are delivered through the One Croydon Alliance and the Croydon Health and Care Board of which the Executive Mayor is Co-Chair. This system is currently being dismantled for 25/26.

Internal audit

97. The Council maintains an Internal Audit service delivered by Forvis Mazars LLP as part of 'The Apex Framework' providing local authorities including Croydon with internal audit resources in a tried and tested framework that operates in accordance with the Public Sector Internal Audit Standards (and the Global Internal Audit Standards subject to the Practice Note from 1 April 2025). The Council's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019). The Council's contract with Forvis

Mazars LLP is cliented by the Head of Internal Audit and the Corporate Director of Resources.

98. Internal audit is responsible for monitoring the quality and effectiveness of the Council's governance, risk management and controls. An internal audit plan is compiled annually for the work to be undertaken, which is submitted to the Audit and Governance Committee for review and approval. The plan is informed by the results of the previous year's audit and follow-up work by Internal Audit, the Council's risk registers and discussions with senior managers, directors and members of the Council's CMT. The Head of Internal Audit is a standing member of the CMT and can by right attend at any time and ask for items on the agenda. The post reports to the Corporate Director of Resources but also has access to the Chief Executive at any time.
99. The outcome of the internal audit risk-based work is reported to all relevant Corporate Directors and Directors and regularly to the Audit and Governance Committee. Implementation of recommendations is monitored, and progress regularly reported to the Audit and Governance Committee.
100. In addition to the quality assurance processes in place, the Internal Audit function is reviewed by the external auditors as part of their annual audit process and every five years by an external body to assess compliance with the Public Sector Internal Audit Standards (this was most recently conducted in November / December 2024, where the Internal Audit function was assessed to 'Generally Conform' with the UK Public Sector Internal Audit Standards).
101. The Annual Report of the Head of Internal Audit provides Substantial Assurance that the system of internal control that has been in place at the Council for the year ending 31st March 2025 accords with proper practice. This takes into account the results of the internal audit work performed during the year, where for the systems audit sub-category, 55% of internal audits were 'Full' or 'Substantial' assurance, 42% were 'Limited' and 3% were 'No' assurance. Also, the percentage of resolved issues at follow up for the years prior to 2023/24 have all exceeded the target implementation percentages. Although some individual audits for these years are still being followed up, and the percentage of resolved issues for follow ups in 2023/24 are nearing target. The follow ups for 2024/25 are also in progress.
102. The Annual Report of the Head of Internal Audit for 2024/25 identifies the following significant control weaknesses:
 - issues with contract letting, monitoring and management across the organisation;
 - issues with information governance and data quality;
 - issues in the areas of temporary accommodation, housing tenancy checks and repairs and maintenance;
 - majority of the schools audited were 'Limited' or 'No' Assurance; and
 - issues with IT security.
103. The Council has action plans to address these issues, and Internal Audit will continue to be involved in further audits of these areas. During 2024/25 CMT regularly reviewed the management actions arising from internal audits, helping ensure that historic and current actions were being implemented and improvements to systems and controls were made as appropriate.

104. The Annual Report also confirms that the corporate government framework complies with the CIPFA good governance requirement and that the risk management processes are considered effective. The affected service areas are taking action to address recommendations made. Historical backlogs in compliance with Internal Audit recommendations have mostly been addressed and with good progress made. The Head of Internal Audit opinion as to the adequacy and effectiveness of the Council's arrangement overall for systems for control, risk management and governance is that they are sound but with improvements required. Weaknesses identified during individual audits and investigations are not so significant, in aggregate, to the system of internal control.

External audit

105. In April 2023, Grant Thornton, issued an Interim External Auditor's Report for the financial years 2019-20, 2020-21 and 2021-22 pending completion of their final assessments. The Report findings on financial sustainability, governance and improving economy, efficiency and effectiveness are for 2019/20 adverse conclusion expected; 2020/21 significant weaknesses identified, and 2021/22 significant weaknesses identified. The Report makes recommendations to the Council which have all been accepted. They relate to the delivery of sufficient savings to return the Council to financial sustainability, increasing the profile of internal audit and the pace of delivery of internal audit recommendations, improving resident engagement and strengthening procurement governance. These were the subject of the action plan in the AGS 2022/23, and progress made is set out in Appendix 1.
106. In March 2024, Grant Thornton issued its interim External Auditor's Annual Report for 2022/23 which found that there is undoubtedly improvement in the Council's overall trajectory but there are significant weaknesses in the Council's financial sustainability (legacy debt burden, reliance on Capitalisation Directions and request for debt write off); governance (mapping of strategic risk to the achievement of corporate objectives and aligning Scrutiny work programme with high risk in Risk Register) and improving economy, efficiency and effectiveness (housing services and contract management). The Report's recommendations were accepted by the Council and has been progressed. See the AGS 23/24 Action Plan attached as Appendix 1.
107. In November 2024, Grant Thornton issued its interim Auditor's Annual Report for 2023-24 (Local Government Auditor's Annual Report 2023/24) which demonstrated in the "Value for Money assessment of the Council's arrangements" that Governance moved from Red to Amber rating, with Red ratings remaining for Financial Sustainability and Improving economy, efficiency and effectiveness (Housing Services).
108. The 2019-20 annual accounts were completed by the 13 December 2024 backstop date. The Council did not have fully audited accounts for 2020-21, 2021-22 and 2022-23 by the December 2024 backstop date. MHCLG were unable to provide capitalisation direction approval by the Minister of State to close off 2020-21 and 2021-22 by the backstop date. The 2022-23 accounts were approved by Audit & Governance Committee on 30 April 2025 and are now waiting on approval of the capitalisation directions by MHCLG. The 2023-24 draft accounts were published on 30 May 2025, not meeting the backstop date of 28 February 2025, and will go to Audit & Governance Committee on 29 July 2025 to be approved.

Peer Reviews

109. As part of its ongoing programme of continuous improvement, the Council voluntarily requests peer review of its services. During 2024, the Council hosted and LGA peer review of its Adult Social Care service and its Public Health Service.. In October 2024, the Council was the subject of the Local Government Association (LGA) Corporate Peer Review Challenge which comprise a comprehensive review of key finance, performance and governance information and speaking to a range of Council staff, members and external partners, with a view to providing robust, strategic, and credible challenge and support. The Review (published in January 2025) acknowledged the changes and scale of progress that the Council has made in the last four years including in its governance arrangement, the IAP Exit Strategy Action Plan, financial management and monitoring, and design and delivery of transformation. The structural debt remains a live issue and meaningful engagement is required with the Government to satisfactorily resolve this issue. The Review makes several recommendations which are now being progressed. The peer team will revisit the Council in 2025 and reports on progress will be made to Cabinet.

Conclusion

110. The Council's Local Code of Corporate Governance demonstrates how its constitution, policies, strategies, practices, internal controls and other governance arrangement meets the CIPFA good governance framework for local government. The Council has an effective decision-making and internal control framework designed to ensure the highest standards of good governance. The Council's governance structures at Member level (i.e., Full Council, Executive Mayor and Cabinet, Scrutiny and Overview, Ethics, Audit and Governance and other Committees), and at Officers level (i.e., Chief Executive, Corporate Management Team, Directorate Management Teams, Internal Control Boards, Transformation Boards, Statutory Officers Board, Internal Audit), and the accompanying governance documents are effective. They make certain the Council conducts its business in accordance with the law, constitution and its policies and procedures, and that public money is properly accounted for, as the Council works to achieve the best outcomes for residents within the resources it has. The Council is assured that the CIPFA good governance framework requirements are being met, and its corporate governance arrangement is fit for purpose. But there is always the need to continue to improve on the governance arrangement and services performance as this review rightly identifies.
111. This governance review is assured that the Council through its transformation programme and subset stabilisation plan is working to fix its finances and improve on its service performance and the provision of sustainable services to residents. The IAP's reports to the SoS and the LGA Corporate Review confirms this. But there are still significant challenges and risks ahead and that needs to be effectively managed. The Council's historic and longstanding debt burden and revenue impact is a perennial issue that the Council cannot resolve on its own and needs support from the Government. To date discussions on this have failed to conclude and need to be progressed Council to aid the Council's return to financial sustainability.
112. The Council's delivery of its budget savings, its transformation plan and the subset stabilisation plan must, in view of the commissioner led statutory intervention, be pursued with even more rigour. This must be underpinned by effective governance arrangements both in the strategic and operational context. The Council's corporate governance arrangement remains effective and adequate for this purpose. As with the

previous year, this review has identified comprehensive action plans to achieve these financial and service provision challenges and the best value duty. These are mostly contained in the Stabilisation Plan April 2025 (successor to the IAP Exit Strategy Action Plan 2023-25), the Future Croydon Transformation Plan 2024-29, the Council's Improvement Plan 2022-27, and actions in response to Internal Audit Annual Report. They will all form part of the 2024/25 AGS Action Plan which is attached as Appendix 2. The delivery of these actions will be monitored through the Finance & Risk Internal Control Board, Corporate Management Team and regular updates to the Audit and Governance Committee.

Signed by

Executive Mayor

Date

Signed by

Chief Executive

Date

Appendix 1 Annual Governance Statement 2024/25 Action Plan and Progress Update

<https://lbcccloudadrcroydongov.sharepoint.com/:w:/t/AnnualGovernanceStatementMOWorkingGroup/ERE6X94r2FhLscceHCtFG7YBurwkasc9YF6VQIoMR0C7RA?e=4yI4XZ>

Appendix 2 Annual Governance Statement 2024/25 Action Plan

No.	Governance Issue	Action	Accountable Officer	Responsible Officer	Due Date
1	Secretary of State Directions and London Borough of Croydon Statutory Intervention	To continue to develop and implement at pace Croydon Council Stabilisation Plan April 2025 <u>Appendix A - Croydon Stabilisation Plan 2025.pdf</u>	Chief Executive	Corporate Directors Directors	31 st March 2026.
		To continue to deliver on the ' <u>Future Croydon</u> ', our <u>Transformation Plan for 2024–2029</u> .	Chief Executive	Corporate Directors Directors	31 st March 2026
		To continue to deliver on the <u>Council Improvement Plan 2022-27</u>	Chief Executive	Corporate Directors Directors	31 st March 2026
2	Internal Audit Reports and Internal Controls Recommendations	All Directorates to action all outstanding internal audits agreed actions from the current and previous years.	Corporate Directors	All Directors	31 st March 2026
3	Strengthen Corporate Governance Framework	To continue to review and update the Constitution to take account of any statutory development.	Corporate Directors & Monitoring Officer	Corporate Directors & Stephen Lawrence-Orumwense, Director of Legal Services	31 st March 2026
4	Information management	To continue to provide assurance that the Council is operating in accordance with best practice and relevant legislation to include Publication Schemes, Open Data, Data Storage Security, Subject Access Request and Freedom of Information. Also, to ensure that the Council has in place and embed all policies and practices fundamental to information management.	Assistant Chief Executive	Paul Golland Interim Chief Digital Officer & Director of Resident Access	31 st March 2026
5	Council Policies and Procedures	To continue to develop and implement programmes for raising awareness amongst staff of key Council's policies and procedures for example on financial controls, contract management, project management	Assistant Chief Executive Resources	Dean Shoesmith Chief People Officer, Human Resources	31 st March 2026

		tools, mandatory training etc including policies and procedures covering the management and delivery of Capital Projects			
6	Complaints	To continue to improve arrangements for the management of customer complaints including ensuring that agreed LGO recommendations are implemented within the agreed timescales	Assistant Chief Executive	Lisa Wheatley Head of Resident Contact	31 st March 2026
7	Contract Management	<p>To implement a contract management system including a centralised contract repository, to support management and improved storage/access to contracts.</p> <p>To undertake an exercise with contract managers to gather and centralise existing contract documentation.</p> <p>To continue to develop contract management skills across the council through ongoing training.</p> <p>To continue to monitor the implementation of the improvement plans in place with key contracts.</p> <p>To continue to benchmark contract management performance against other councils and address identified areas for improvement.</p>	Corporate Director of Resources and S151	Scott Funnell / Ian Lilley	31 st March 2026
8	Cyber Security	To provide suitable investment and support for the Cyber Security Improvements necessary for ensuring Croydon Council is protected against cyber incidents and responds effectively to the Audit actions raised both internally, and through Central Government Departments, NHS, ICO and other agencies.	Assistant Chief Executive	David Wood	31 st March 2026

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Local Code of Corporate Governance

Reviewed in April 2025

Introduction

1. The Council is committed to upholding the highest possible standards of good governance. The Council's Code of Corporate Governance is based on the CIPFA Delivering Good Governance in Local Government Framework 2016. The Framework sets out the core principles and sub-principles of good governance that should underpin local authorities' governance arrangements. The Council has developed and maintained this Code of Corporate Governance which demonstrates how the Council's governance arrangements work towards meeting the Framework principles of good governance. These standards are designed to ensure that we conduct our business in accordance with the law and that public money is properly accounted for, as we work to achieve the best outcomes for our residents.

What do we mean by Governance?

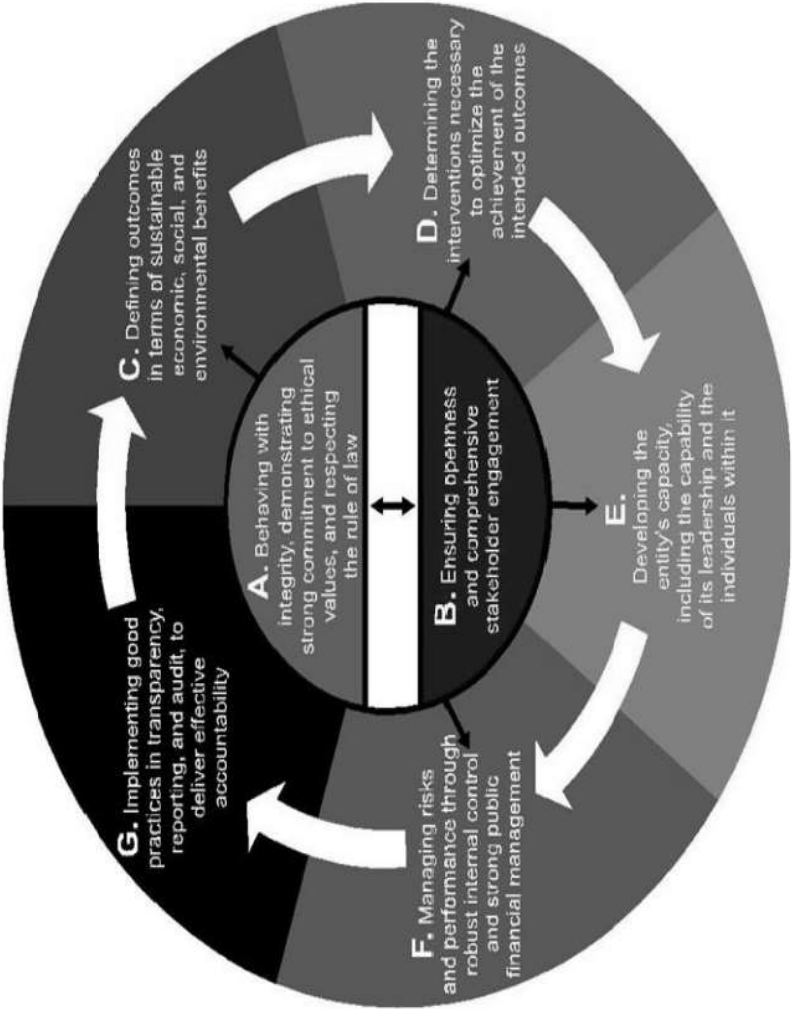
2. Governance refers to the ways in which an organisation is governed and to what purpose. It encapsulates policies, procedures, the way in which decisions are made and how decision-makers are held to account¹.
 3. “Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people in a timely inclusive, open, honest, and accountable manner. In the case of local authorities, it comprises of the systems and processes for the direction and control through which they account to, engage with and lead their communities.”² Croydon Council has chosen to define Governance as “Doing the Right Thing”.
 4. ‘The International Framework: Good Governance in the Public Sector’ defines ‘governance’ as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
 5. Effective governance in the public sector encourages improved decision making and efficient use of resources. Effective governance is characterised by robust scrutiny, which provides important pressures for improving public sector performance and tackling corruption. Effective governance can improve management which leads to better service delivery and ultimately, better outcomes.
- Principles of Good Governance**
6. There are seven principles of good governance as set out in the Framework which are:-
 - A) Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law;
 - B) Ensuring openness and comprehensive stakeholder engagement;
 - C) Defining outcomes in terms of sustainable economic, social, and environmental benefits;
 - D) Determining the interventions necessary to optimise the achievement of the intended outcomes;
 - E) Developing the capacity of the entity, including the capability of its leadership and the individuals within it;
 - F) Managing risks and performance through robust internal control and strong public financial management; and
 - G) Implementing good practices in transparency, reporting and audit to deliver effective accountability.
 7. The diagram below, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the ‘International Framework’), illustrates these principles of good governance in the public sector and how they relate to each other. The

¹ Addressing cultural and governance failings in local authorities: lessons from recent interventions - GOV.UK (www.gov.uk)

² ‘CIPFA/SOLACE, Delivering Good Governance in Local Government – 2007’

International Framework notes that: “Principles A and B permeate implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.”

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



8. The table below identifies the Council’s governance arrangements that includes rules, policies, procedures, protocols, practices, and values and how they align with and meet the seven principles of good governance.

LOCAL CODE OF CORPORATE GOVERNANCE	
THE COUNCIL'S GOVERNANCE ARRANGEMENTS THAT DEMONSTRATE GOOD GOVERNANCE	
Principle & sub-principle	Council's governance arrangements that include rules, policies, procedures, protocols, practices and values
A. Behaving with integrity	A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
	<ul style="list-style-type: none"> The Constitution sets out a clear statement of the respective roles and responsibilities of members and key officers individually and collectively whilst defining the organisation's approach putting this into practice. This includes the roles of the Ethics Committee and the Monitoring Officer, who are responsible for promoting and developing high standards of conduct Council wide. The Whistle-blowing Policy and associated training supports all members and officers (including temporary staff and contractors) to report concerns about malpractice on a confidential basis to the Council. Members are required to register interests and gifts/ hospitality: the register of members' interests and gifts/ hospitality is published on the council's website and members are required to declare their interests at meetings. Officers are required to submit declarations of interests and a register is published on the council's website on a quarterly basis of gifts and hospitality offered to officers. The Members Code of Conduct and Officer Code of Conduct and Protocol on Staff-Member Relations detail required standards of behaviour that all members and officers are required to comply with and how they are expected to work together. The Council has a zero-tolerance policy towards bribery and has introduced an Anti-Bribery Policy to ensure compliance with the Bribery Act. The Council has adopted an Anti-Fraud and Corruption Policy to help ensure a robust approach to investigating and combating fraud and corruption. The Member Development Programme includes training for Members on their roles and responsibilities in relation to integrity and conduct. Croydon Council has an agreed set of 5 Corporate Values which all officers and members are expected to adhere to. Croydon has also adopted the Seven Principles of Public Life (the Nolan Principles). Croydon Council has an Equality Policy Statement detailing our commitment to equality and our expectations of all colleagues, members, and relevant third parties. The Equality Strategy 2023 to 2027 sets out the actions the Council will take to tackle and address inequality. The Equality and
Behaving with integrity	
Demonstrating strong commitment to ethical values	

	Inclusion Programme Manager provides expert advice and guidance in relation to the Council's Public Sector Equality Duty and other requirements of equalities legislation
	<ul style="list-style-type: none"> The Members Code of Conduct and Officer Code of Conduct detail required standards of behaviour that all members and officers are required to comply with.
Respecting the Rule of Law	<ul style="list-style-type: none"> The Council's Monitoring Officer is responsible for advising on the correctness and propriety of the Council's decisions and the Director of Legal Services provides advice to ensure that council decision-making follows relevant regulations and legal processes.
	<ul style="list-style-type: none"> The Council's decision making is informed by legal and financial advice to ensure compliance with the rule of law.
	<ul style="list-style-type: none"> Croydon Council's Scheme of Financial Delegation lays out the responsibility and accountability of officers for financial matters. The Council also delegates non-financial decisions through a series of schemes of delegation and management.
	<ul style="list-style-type: none"> The Council's Constitution includes a set of Financial Regulations and Tenders and Contracts Regulations to help ensure that the authority operates within a prudent financial framework. Overall, the Constitution ensures that the Council adheres to the rule of law in the conduct of its business.
	<ul style="list-style-type: none"> The statutory roles of the Head of Paid Services, Section 151 Officer and Monitoring Officer are clearly defined within the Constitution.
	<ul style="list-style-type: none"> Croydon has a Chief Financial and Section 151 Officer (CFO), whose core responsibilities include those set out in the CIPFA's Statement on the Role of the CFO in Local Government. The CFO reports directly to the Chief Executive and is a member of the Corporate Management Team (CMT).
	<ul style="list-style-type: none"> The CFO is responsible for ensuring that budget calculations are robust, reserves adequate and in accordance with CIPFA guidance. The CFO also has a line of professional accountability for finance officers within the Council and is responsible for ensuring that appropriate management accounting systems, functions and controls are in place and kept under regular review
	<ul style="list-style-type: none"> The Council's Health and Safety Policy sets out aims, roles and responsibilities and performance standards. Each department details individual responsibilities and arrangements for implementing the policy.
	B. Ensuring openness and comprehensive stakeholder engagement.
	<ul style="list-style-type: none"> Reports and decisions of the Cabinet, Council and its committees are published online. Executive decisions are subject to the call-in process by Scrutiny and Overview Committee and backbench

Openness	councillors to enable them to raise any concerns they may have. Council, Cabinet and Committee meetings are webcast, and an archive of meetings is available for reference.
	<ul style="list-style-type: none"> • Freedom of Information and Environmental Information Regulations processes allow the submission of Freedom of Information requests.
	<ul style="list-style-type: none"> • The Council publishes a Forward Plan of key decisions which are due to be made in the month ahead.
	<ul style="list-style-type: none"> • The Constitution sets out the Council's governance and decision-making arrangements and is published online.
	<ul style="list-style-type: none"> • Croydon Council actively publicises its purpose, vision, objectives and intended outcomes in the Mayor's Business Plan 2022-26
	<ul style="list-style-type: none"> • The Annual Accounts Report provides the financial backdrop to the past achievements of the Council, future plans and forward strategy. As part of this document, the Council publishes its accounts to communicate the authority's activities, achievements, its financial position, and performance
	<ul style="list-style-type: none"> • The Medium-Term Financial Strategy (MTFS) sets out the Council's financial objectives, assumptions and plans over the medium term.
	<ul style="list-style-type: none"> • The Council's Scrutiny and Overview Committee and Audit and Governance Committee produces an annual report on its work.
	<ul style="list-style-type: none"> • The Scrutiny and Overview Committee and its sub-committees conduct regular reviews and holds the Executive Mayor to account. The Audit and Governance Committee with an independent Chair focuses on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
	<ul style="list-style-type: none"> • The Croydon Observatory provides access to demographic and other information about Croydon". It is an information sharing, mapping, and reporting website. Information and data on this website can be used by local government, community and voluntary sector organisations, partnership members, businesses, students, and the public.
	<ul style="list-style-type: none"> • Croydon Council's Equalities Strategy 2023 – 2027 and Equalities Policy Statement sets out the Council's commitment to equality and its aims and objectives. An Equalities Impact Analysis is also completed to inform service design and decision-making whenever a new policy, procedure, project, strategy, function, or savings proposal is considered or a change is proposed, which will impact on people with one or more characteristics as defined by the Equality Act 2010

Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> • Croydon's Local Strategic Partnership supports partners to coordinate priorities and actions across the borough. • The Health and Wellbeing Board, One Croydon Partnership and Safer Croydon Partnership support strategic partnership working in health/ wellbeing and community safety services. • The Croydon Safeguarding Children Partnership coordinates the arrangement for promoting and safeguarding the welfare of children in the borough. • The Croydon Safeguarding Adult Board is responsible for coordinating the arrangement for the safeguarding adults with care and support needs in the borough.
	<ul style="list-style-type: none"> • Croydon Council undertakes a Budget Consultation exercise each year which gives residents and businesses the opportunity to shape the annual budget. • The Council undertakes residents' surveys to engage with and get the views of residents and service users. • The Council works to ensure all corporate communications are readily available to those that require them. The Council's website is designed and written to exceed legal accessibility standards and to facilitate assistive technologies and tools in order to provide information in ways to suit our diverse customer base. • The Council's 'Get involved' platform hosts all of the Council's consultation and engagement activities and prompts services to ensure that consultees are informed about the outcomes of consultation exercises. The Communications and Engagement team ensure that consultations posted on the platform are appropriately designed and publicised • Croydon provides an interpreting and translation service when required. • The Council has a Corporate Complaints Procedure and annual reports to Scrutiny demonstrate improvements made in response to complaints received. The Council also learns from feedback from the Local Government and Social Care Ombudsman and the Housing Ombudsman.
	C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
	<ul style="list-style-type: none"> • The Mayor's Business Plan 2022 – 2026 sets out the strategic direction, outcomes and supporting priorities aimed at delivering a sound and sustainable local government services. • Future Croydon Transformation Plan 2024-2029 sets out how the Council will change as an organisation up until 2029 to make things better for everyone in Croydon

Defining Outcomes.	<ul style="list-style-type: none"> The Council Improvement Plan 2022-27 includes improvement projects across services including children's, adults, planning, and housing that are critical to strengthening the foundations for future transformation. The Improvement and Assurance Panel Exit Strategy Objectives and the proposed new Council Stabilisation Plan provide a framework against which to drive further improvement and resolving the Council's outstanding challenges. The Council publishes annually its Medium-Term Financial Strategy that includes the financial framework for the next 4 years in the context of its priorities. The Council maintains a capital programme setting out the Council's longer term investment requirements linked to policy priorities. The Council has an Equalities Strategy and Equality Policy Statement which sets out the Council's commitment to equality, its aims and objectives. An Equalities Impact Analysis is also completed to inform service design and decision-making whenever a new policy, procedure, project, strategy, function or savings proposal is considered or a change is proposed, which will impact on people with one or more characteristics as defined by the Equality Act 2010
	<ul style="list-style-type: none"> Reports brought to Cabinet, Council and its committees for decision are required to identify any implications arising from the proposal including social, economic, and environmental.
	<ul style="list-style-type: none"> The Social Value Policy 2019-23 sets out how social value is embedded in the commissioning process and includes measures to be used in contract specifications. The Contract and Tender Regulations include a requirement that a minimum of 10% of quality evaluation criteria assessments must be allocated for social value.
	<ul style="list-style-type: none"> The Council's Local Plan sets out the spatial vision for the borough and, supplemented by planning policies, gives the framework for the Council's work with stakeholders to shape the built environment to deliver economic, social and environmental outcomes identified within the Council's plans.
	<ul style="list-style-type: none"> The Council has a Performance Management Framework which sets key targets and produces performance monitoring reports for Cabinet and Scrutiny in relation to the Mayor's Business Plan 2022-26. This is published online and includes performance quality measures, use of resources and value for money.
	D. Determining the interventions necessary to optimise the achievements of the intended outcomes.
Sustainable economic, social and environmental benefit	<ul style="list-style-type: none"> The Mayor's Business Plan (MBP) Delivery Plan sets out the progress on the priorities.
	<ul style="list-style-type: none"> The Improvement and Assurance Panel Exit Strategy Objectives and the proposed Council Stabilisation Plan include an Action Plan and progress update is regularly reported.

	<ul style="list-style-type: none"> • All reports brought to Cabinet, Council and its committees include consideration of delivery of the Council's outcomes and priorities and options, risk, legal, financial, equality and other implications • There is monthly budget monitoring report to ensure the Council is effectively managing resource allocation. • The Council recognises Unison, GMB and Unite for the purposes of representing the workforce and facilitating delivery of its priorities. The Council's formal consultation arrangements are set out in the Staff Consultation and Trade Union facility arrangements. • The Council's performance management framework sets key targets to evidence delivery of the objectives within the five outcomes detailed in the Mayors Business Plan. Performance reports are supplied to DMT's and CMT monthly and report to Cabinet quarterly. It sets standards for performance management within directorates and teams. Under performance is reviewed at CMT. • The Transformation CMT monitors delivery of key transformation programmes and projects, including savings targets within the approved budget and MTFS to enable action to be taken against non-delivery where required. • Croydon has prepared contingency arrangements including a disaster recovery plan, business continuity plan and arrangements for delivering services during emergency situations such as adverse weather conditions.
Planning interventions	<ul style="list-style-type: none"> • Council, Cabinet, and committees receive regular reports on performance monitoring to demonstrate the level to which intended outcomes are being achieved and any interventions planned to address non-performance • The Council's risk management processes and procedures are designed to help ensure that risks to delivery of intended outcomes are appropriately mitigated • Internal audit monitors and reports on the quality and effectiveness of the Council's governance, risk management and controls and Audit and Governance Committee provides independent assurance of the risk management framework and associated controls, informed by the reports of external audit.
Optimising achievement of intended outcomes	<p>E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.</p> <ul style="list-style-type: none"> • The People and Cultural Transformation Strategy sets out the Council's actions to attract, recruit and retain talent, improving equality, diversity and inclusion and developing leaders and managers. https://www.croydon.gov.uk/sites/default/files/2023-02/people-and-cultural-transformation-strategy.pdf

Developing the entity's capacity	<ul style="list-style-type: none"> The Workforce Strategy also includes arrangements to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council. Approximately 45% of full-time members of the workforce are from the local community
	<ul style="list-style-type: none"> The Council's Appraisal scheme is used to set stretching objectives for officers that are linked to team, departmental and corporate objectives as set out in the Mayor's Business Plan, the Improvement & Assurance Panel Exit Strategy, and the Future Croydon Transformation Plan 2024-2029. The Appraisal process is also used to assess the skills and competencies needed by officers to enable them to fulfil their roles fully
	<ul style="list-style-type: none"> It is mandatory for all new starters to complete the Council Induction Programme (Inspire) which has been tailored to meet individual needs: this is supported by a manager's dashboard and checklist to ensure all required induction elements are addressed
	<ul style="list-style-type: none"> Croydon Council has a Member Development Programme which includes arrangements for member induction and supports members to take control of their own learning and development. Mandatory training is provided for members of regulatory committees.
	<ul style="list-style-type: none"> Both Members and officers can access the Croydon Learning Pool which provides access to e-learning and other development resources
Developing the capability of the Council's leadership and other individuals	<ul style="list-style-type: none"> Croydon Council has a Member Development Programme which includes arrangements for Member induction and supports Members to take control of their own learning and development and to develop their capabilities.
	<ul style="list-style-type: none"> A Learning and Development Board supervises the expenditure of centralised training budgets to ensure that resources are targeted towards statutory responsibilities and delivery of the Croydon Renewal Plan.
	<ul style="list-style-type: none"> Staff networks for Racial Equality, Disability, LGBT+ allies, Mental health and wellbeing, Women and Working carers are sponsored by members of the leadership team and others, providing network members with personal and career support.
	F. Managing risks and performance through robust internal control and strong public financial management.
	<ul style="list-style-type: none"> The Audit and Governance Committee seeks assurance on arrangements for the internal control and risk management environment within the organisation and makes recommendations. It receives reports relating to whistleblowing, anti-fraud and corruption and oversees the work of internal and external audit.
	<ul style="list-style-type: none"> The Overview and Scrutiny Committee reviews the proposed decisions and decisions of the Executive and makes appropriate recommendations.

Managing risk	<ul style="list-style-type: none"> The Council's Risk Management process is designed to identify, assess, and manage significant risks to the Council's objectives. The process includes corporate, departmental (via JCAD system) and project risk registers (via Verto system) and appropriate training delivered to risk owners. The Corporate Management Team reviews the corporate risk register monthly and Audit and Governance Committee reviews the risks on the corporate register every second meeting.- The Council's Resilience Team and Corporate Resilience Board are focused on emergency planning, business continuity preparedness and response capability in line with the Civil Contingencies Act and associated guidance. The Council also chairs the statutory multi-agency Borough Resilience Forum.
	<ul style="list-style-type: none"> The Council's performance management system sets key targets and reports on performance monitoring to Cabinet. It sets standards for performance management within directorates and teams.
	<ul style="list-style-type: none"> Compliance with the Members Code of Conduct is monitored under the direction of the Council's Ethics Committee. The Council's Appraisal process enables the consistent setting and monitoring of performance against individual targets.
Robust internal control	<ul style="list-style-type: none"> The Statutory Officer Group provides a forum for the Council's statutory officers to share concerns and risks related to potential serious issues affecting the Council's governance or financial performance and their statutory roles
	<ul style="list-style-type: none"> Audit and Governance Committee is responsible for providing independent assurance of the Council's control environment.
	<ul style="list-style-type: none"> The Scrutiny and Overview Committee is responsible for holding the Executive to account.
	<ul style="list-style-type: none"> Internal Audit routinely assesses the adequacy of the Council's governance, risk management and controls. This assessment is fed back to Services and Divisions and responded to as required.
	<ul style="list-style-type: none"> Internal Control Boards (ICB) – The ICBs operate alongside the respective departmental structures providing governance over cross departmental matters. The minutes all go to CMT. Each ICB has terms of reference and includes membership from each directorate management team and other officers and is allocated corporate strategies to own on behalf of the Council. The ICBs can also act where appropriate as a 'Programme Board' in the overall Project & Programme Management Framework for cross-departmental pieces of work, with highlight reports, exception reports, plans and logs being reported to these meetings.

	<ul style="list-style-type: none"> • The Council's Whistle-blowing Procedure allows officers to anonymously raise concerns about malpractice • The Council's Governance arrangements give the Chief Financial Officer and the Head of Internal Audit direct access to the General Purposes and Audit Committee and External Audit
	<ul style="list-style-type: none"> • Croydon's Council has an internal Information Management Team (IMT) whose practices are overseen by Croydon's Chief Information Officer and Senior Information Risk Owner (SIRO). This team manages and maintains appropriate Policies, Guidance, security measures etc. • An Information Management Internal Control Board (IMICB), includes the Chief Information Officer and SIRO, oversees the management of risks associated with information and data management and delivery of plans for training and improvement. The Board also oversees the development of information security and information management policies, reporting to the Corporate Management Team.
Managing data	<ul style="list-style-type: none"> • As part of Croydon's new starter induction there is a mandatory Information Management training course, and officers are required to complete a refresher on an annual basis. • When introducing new processes or amending a current procedure a Privacy Impact Assessment must be completed, which has IMT's oversight. Reports to Cabinet, Council and its committees are required to identify whether the proposal has any implications for processing personal data and/or any data protection implications. • Croydon's Information Management ICB meets Bi-Monthly to review and discuss any appropriate concerns • The Council uses industry leading technologies to protect its data, with security solutions modelled on ISO/IEC27001, the international standard for information security management. • The Officer Code of Conduct states that failing to observe data protection requirements may amount to a disciplinary offence, which will be dealt with under the Council's disciplinary procedure • Croydon has a Chief Financial and Section 151 Officer (CFO), whose core responsibilities include those set out in the CIPFA's Statement on the Role of the CFO in Local Government. • The Spend Control Panel oversees all expenditure decisions. • The Strategic Contracts and Commissioning Board provides strategic direction for all procurement and commissioning activities across the Council and the Procurement Board oversees daily activity.

Strong public financial management	<ul style="list-style-type: none"> The Financial Regulations and Financial Procedures give a clear transparent framework for managing the Council's financial affairs, and Contract and Tender Rules ensure compliance with procurement legislation The Cabinet receives monthly budget monitoring reports. Scrutiny and Overview Committee scrutinises budget proposals in terms of their deliverability and impact on the Council's objectives. The Committee also routinely receives budget monitoring reports. All proposals considered by Cabinet, the Council and its committees include a statement of financial implications, cleared by the Chief Finance Officer. Audit and Governance Committee is responsible for considering the Council's arrangements for financial management and to recommend any actions accordingly. It receives regular reports such as internal audit plans and risk management arrangements and it approves the Council's Statement of Accounts and Treasury Policy.
	G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.
	<ul style="list-style-type: none"> The Council's Constitution publishes how its affairs will be conducted and how residents can get involved. It includes rules on access to information. The Council webcasts its public meetings The Members' and Officers' Codes of Conduct, supported by Declaration of Interest Guidance provide arrangements for members and officers to declare any potential or actual conflicts of interests. The Annual Governance Statement provides an annual report on the Council's arrangements for financial and internal control as well as managing risk and identifies areas for improvement and associated actions. This is published on the Council's website. The Council publishes all payments over £500 and procurement card transactions monthly, and the remuneration details of the Corporate Management Team and directors in the annual Statement of Accounts and on its website. The Council publishes a Forward Plan of key decisions which are due to be made in the month ahead and its scrutiny workplan. The Council's Pay Policy and gender pay gap are published on its website Cabinet and Scrutiny and Overview Committee receive regular reports on budget, performance, and risk.
	Implementing good practice in transparency

Implement good practices in reporting	<ul style="list-style-type: none"> Annual reports from the independent chairs of adults and children's safeguarding boards are considered by Cabinet.
Assurances and effective accountability	<ul style="list-style-type: none"> The Officer Code of Conduct and the Members Code of Conduct define the standards of conduct and personal behaviour expected of members and officers.
	<ul style="list-style-type: none"> The HR Handbook includes all HR-related policies and procedures, including appraisal, probation, discipline, capability, and absence management
	<ul style="list-style-type: none"> The organisation can be seen to be encouraging openness and honesty within the Whistle-blowing Procedure, this allows officers to anonymously raise concerns about malpractice. This is supported by a programme of Guardians who provide staff with a safe space to share concerns about behaviour or culture at the Council.
	<ul style="list-style-type: none"> Internal Audit provides independent assurances to management on the effectiveness of the Council's internal control, governance, and risk arrangements. The Head of Internal Audit attends departmental leadership team meetings regularly to report on the latest internal audit reports and any outstanding actions from previous audits

9. The Council will annually review its Code of Corporate Governance to help ensure that it matches our evolving corporate strategies, policies, and procedures. Where practice is found to have fallen short, our Annual Governance Statement will identify this, and the action being taken to put it right. The Audit and Governance Committee is responsible for overseeing compliance with the standards and policies set out in this Code and the implementation of improvement plans related to good governance.

Governance Framework

Reviewed April 2025

1. Introduction

‘Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.’

‘It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.’

‘Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk. All authorities should aim to meet the standards of the best and governance arrangements should not only be sound but also be seen to be sound.’

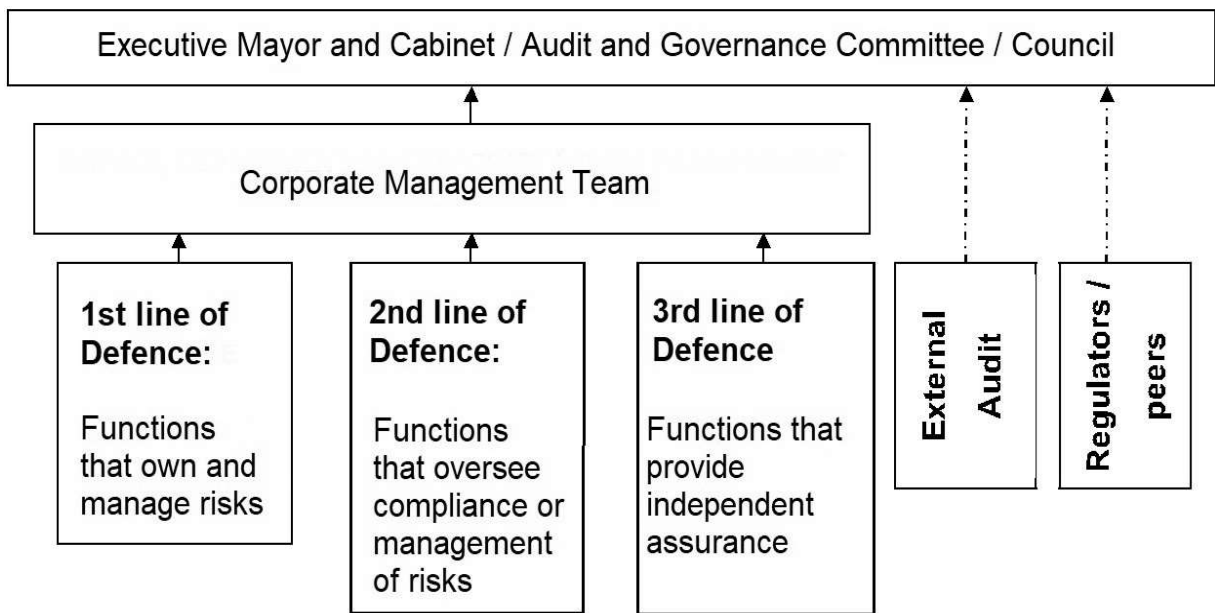
(CIPFA / Solace ‘Delivering Good Governance in Local Government Framework’ 2007)

- 1.1 Croydon Council has chosen to define Governance as “Doing the Right Thing”.
- 1.2 The Accounts and Audit Regulations 2015 requires the Council to have in place a sound system of internal control that (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that its financial and operational management are effective; and (c) includes effective arrangements for the management of risk¹.
- 1.3 The Council’s Governance Framework sets out the rules, processes, procedures, culture, and values by which the Council is directed and controlled and through which it is accountable to, engages with and, where appropriate, leads the community. It includes the decision making arrangements, structures and bodies and supporting documents by which the Council is governed and the adopted three lines of defence model for the management of risk and exercising control.
- 1.4 Annually the Council considers the effectiveness of its internal controls (i.e., governance arrangements) in its ‘Annual Governance Statement’ and action plan, informed by directors’ statements of assurance, which is considered by the Audit and Governance Committee and signed by both the Executive Mayor and the Chief Executive Officer.

2. Three Lines of Defence

- 2.1 The Council has based its internal control systems on the three lines of defence model. This model, endorsed by the Institute of Directors and the Institute of Internal Auditors, provides a comprehensive framework for considering the overall arrangements for managing risk and exercising control within an organisation.
- 2.2 Different parts and levels of the Council play different roles and the interplay between these determines how effective the Council is in dealing with risk and exercising control. Under this model each officer has a responsibility to **‘do the right thing’**, which cumulatively, with the actions of other officers, provides a strong governance framework.

¹ Regulation 3



- 2.3 The **first line of defence** consists of all operational managers (and their staff). The Officer Code of Conduct explains that, *'Everyone who works at Croydon Council has a responsibility to our residents and those who use our services. That is why it is so important we ensure that we are "doing the right thing" and adhering to the high standards of governance at the Council. We are accountable to the people who use our services and live within the borough, and so it is vital that we conduct our business with honesty, transparency and accountability.'*
- 2.4 **'Doing the right thing'** means that officers have a responsibility to:

Know and understand the rules

Officers should be familiar with the relevant Council policies and procedures (which are summarised in section 3 of this document) so that they can follow these **as well as** understanding the Council's structure / hierarchy (summarised in section 2) so that they can understand how functions and powers have been delegated and how concerns and issues should be escalated. This is especially important as we have moved to a different governance model with an Executive Mayor and things that officers were familiar with in the past may now have changed.

Comply with the rules

Officers need to comply with the Council's policies and procedures at all times. This means taking time to implement the required procedures and to properly scrutinise documents rather than taking short cuts or making assumptions about what to do.



Escalate any wrongdoing

Officers have a duty to escalate if they become aware of any wrongdoing or poor practice/s. This may simply be to their line management, or to the Head of Internal Audit, the Head of Insurance, Risk and Anti-Fraud, or a Guardian or by using the whistle-blowing route. Please note there is a duty on all of us to act.

- 2.5 The **second line of defence**. Reporting to senior management, the second line of defence comprises risk management and other compliance and internal control functions to help build and/or oversee/monitor the first line of defence controls. These help set direction, define policy and procedures and provide corporate assurance and include: Finance, Performance Management, Statutory Compliance e.g. equalities, Information and Cyber Security, Information Management, Quality Assurance, Safeguarding Assurance, Health & Safety, Corporate Resilience, Risk Management etc. Each function will also have its own oversight and reporting.
- 2.6 The **third line of defence** is to provide independent assurance over risks. This consists internally of Internal Audit and externally of bodies such as External Audit, Ofsted, HMRC, CQC, etc. Internal Audit provides assurance on the effectiveness of governance, risk management and internal controls, including the first- and second-line controls. Internal Audit is independent of management with direct reporting lines to the Corporate Director of Resources (S151 Officer), the Chief Executive, the Corporate Management Team and the Audit and Governance Committee. It will regularly report to Audit and Governance Committee on the extent to which officers are implementing agreed actions arising from its work.

3. Governance Structure

- 3.1 While this document is mainly aimed at officers, there is also a need for officers to understand the member level structure (and vice versa) and for officers to ensure that decisions are made appropriately in both officer and member spheres. Therefore both member and officer-level structures are detailed. (Please also refer to Appendix 1, which is a high-level diagram of the Council.)
- 3.2 It is also important to understand the distinction between ‘**executive decisions**’ and ‘**non-executive decisions**’. In addition to asking ‘is this a member decision or an officer decision?’ the question that also needs to be asked is whether ‘it is an executive or non-executive decision?’.
- 3.3 The law says that if a matter is a function of the executive, then only the Executive Mayor can take the decision, unless the Executive Mayor has delegated the decision to cabinet acting collectively, an individual cabinet member or an officer or another executive body such as a joint committee. If, however it is not a function of the executive then, only the Full Council can either decide it itself, or delegate it to Council non-executive committees, or an officer to make those decisions.
- 3.4 Officers will therefore be able to exercise non-executive powers delegated by Full Council (or by council committee) or executive powers delegated by the Executive Mayor, where set out in the Constitution or a scheme of delegation.
- 3.5 It should also be stressed that, while officers may consult with members through day-to-day briefings or meetings, elected members cannot make formal decisions outside of the formal Council/Cabinet/Committee meetings or published Mayoral/Cabinet Member Decisions. Furthermore, where a decision is a ‘key decision’, this must be published 28 days in advance of the decision being made.
- 3.6 A ‘key decision’ is defined by the Council’s Constitution is one that is likely to:
- (i) *‘result in the Council incurring expenditure, or making savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council’s budget for the service or function to which the decision relates; or*
 - (ii) *significant in terms of its effects on communities living or working in an area comprising two or more Wards in the Borough.’*

This is very important to understand and remember.

Elected Members

- 3.7 From 9 May 2022 the Council has operated the ‘Elected Mayor’ model. Under this model the directly Elected Mayor provides political direction and leadership to the Council. The Elected Mayor has responsibility for all executive functions of the Council. However, this excludes the policies contained within the Budget and Policy Framework, (which are proposed by the elected mayor but must still be approved by Full Council) and non-executive and regulatory functions such as development management, audit, and licensing. The Elected Mayor is required to appoint a Cabinet: the extent to which functions and decision-making is delegated to them or elsewhere is detailed as agreed by the Mayor in the Mayor’s Scheme of Delegation.
- 3.8 A Statutory Scrutiny and Overview committee and an Ethics committee must also be in place.
- 3.9 Each of the above are described in more detail below:
- **Full Council:** All 70 Councillors plus the Executive Mayor are entitled to attend and take part in meetings of the Full Council. The Council year begins in May and an Annual Meeting makes appointments to Committees, Sub-Committees, Working

Parties and Outside Bodies for that Municipal Year (Note: Executive appointments are made by the Elected Mayor).

Ordinary Full Council meetings are held on six other occasions during the Council year. One of the Ordinary Meetings is to set the Council Tax. Extraordinary and Special Meetings of the Full Council may also be convened.

Only the Full Council meeting may set the Budget for the Authority or approve the policies, plans and strategies that are specified in the Council's Budget and Policy Framework detailed in article 4 of the Constitution.

Further meetings of Full Council may be held if necessary.

- **Elected Mayor:** The political leader of the Council, who has overall responsibility for Council's policy and the delivery of services.
- **Cabinet:** The Cabinet is appointed by the Elected Mayor and will consist of at least 2, but no more than 9 councillors (including the statutory Deputy Mayor) plus the Mayor. The portfolio of each Cabinet member will be set by the Elected Mayor.
- **Scrutiny and Overview Committee:** The Scrutiny and Overview function is part of the Council's governance as required by the law for an executive model. The Council has one overarching Scrutiny and Overview Committee encompassing all scrutiny functions required by statute. Seats are allocated according to the rules of proportionality, which provide for the allocation of seats on committees so that they reflect the overall political composition of the Council.

The Scrutiny and Overview Committee ensures the efficient and effective conduct of its responsibilities through the work of a number of Sub-Committees, and 'task and finish' groups.

The Scrutiny and Overview Committee and its Sub-Committees hold the executive to account, monitor the performance of Council services and investigate matters affecting the wellbeing of the borough. In addition, the Scrutiny and Overview function has a statutory duty to scrutinise health services, community safety issues and education matters.

Any Councillor, except a Cabinet Member, is eligible to be appointed to the Scrutiny and Overview Committee or any of its Sub-Committees. The Scrutiny and Overview Committee reports at least annually to the Council. During the year the Committee and its Sub-Committees may make recommendations to the Elected Mayor and Cabinet and direct to the Council.

- **Ethics Committee:** All members on becoming a member are required to follow the Members' Code of Conduct to ensure high standards in the way they undertake their duties. The promotion of high standards of Member conduct is the responsibility of the Ethics Committee.
- **The Audit and Governance Committee:** This committee together with its independent chair is responsible for discharging the functions of an audit committee, including reviewing the risk management process, the performance of Internal Audit and agreeing the external audit plan.
- **Other Committees:** The Full Council has made arrangements to delegate various powers and duties that are not executive functions to a number of Committees, Sub-Committees and the Chief Executive for the efficient conduct of business. These Delegations are set out in 'Responsibility for Functions' contained in Part 3 of the Constitution. As with the Scrutiny and Overview Committee, seats on the non-

executive committees are allocated between the political groups in proportion to their respective numbers of Members.

- **Independent members:** Non-elected individuals (i.e. not Councillors) may be appointed to a Council Committee or Panel. These appointments are mainly to help ensure greater independence but also may bring specific expertise. These members; however, may not have an executive role.

Officers

- 3.10 The Chief Executive is the most senior officer in the Council and has delegated to them all the powers of the Council other than those reserved to the Council or to a Non-Executive Committee or Sub-Committee or allocated to the Elected Mayor by statute or by the Constitution.
- 3.11 The Chief Executive and the Corporate Directors may exercise any functions of the Council or the Executive which have been delegated to any other officer and may delegate decisions or functions to one or more officers in any of the Council's directorates, except when prohibited to do so by the Constitution or law.
- 3.12 The current Council structure, approved by full Council on 5 July 2021, provides for a corporate management team, with 7 members as its core membership, and 6 directorates.
- 3.13 The law also requires the Council to appoint certain statutory chief officers that are responsible for the governance of the Council and have specific statutory powers. Similarly, the Council must name the 'proper officers' to undertake specific statutory functions.
- 3.14 Each of the above are described in more detail below:

- **Chief Executive:** The most senior officer in the Council is the Chief Executive Officer (or Head of Paid Service). Certain matters not reserved to the Council, Elected Mayor, Cabinet or a Cabinet Committee (acting either individually or collectively) are decided by the Chief Executive acting under delegated powers, and the Chief Executive is responsible for deciding how executive decisions are implemented.
- **Corporate Management Team (CMT):** This is the Council's senior management team, consisting of the Chief Executive, the Assistant Chief Executive and the five Corporate Directors. All the papers of CMT are circulated to all directors and corporate directors, Assistant Chief Executive and the Chief Executive. Reporting into CMT are the respective Directorate Management Teams, Improvement Boards, Programme Delivery Boards and the Internal Control Boards.
- **Directorate Management Teams (DMTs):** These are the management teams within each of the Council's 6 directorates, each headed up by either a Corporate Director or the Assistant Chief Executive and consisting of Directors and, where they report directly to the Corporate Director or the Assistant Chief Executive, Heads of Service. These directorates are the:
 - Adult Social Care and Health Directorate
 - Assistant Chief Executive's Directorate
 - Children, Young People and Education Directorate
 - Housing Directorate
 - Resources Directorate
 - Sustainable Communities, Regeneration & Economic Recovery Directorate

Each directorate has its own underlying departmental management structure reporting to the DMT. The DMT's can act as project and programme boards for certain directorate programmes. The DMT's must also consider on a regular basis; health and

safety, risk management, finance (operating and capital expenditure), performance management of services and diversity and equalities either in the DMT meetings themselves or as directorate sub groups of the DMT.

- **Internal Control Boards (ICB)** – The ICBs operate alongside the respective departmental structures providing governance over cross departmental matters. The minutes all go to CMT. They include the:
 - Capital Board
 - Health & Safety Board
 - Finance, Risk & Assurance
 - Information Management & Transparency
 - Corporate Resilience
 - Strategic Contracts Board

Each ICB has terms of reference and includes membership from each directorate management team and other officers and is allocated corporate strategies to own on behalf of the Council. ICB's need to be mindful of the relevant work occurring in directorates and not duplicate.

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

- **Improvement Boards:** Improvement Boards are chaired by individuals external to the Council and provide challenge and oversight on improvement work. The following Improvement Boards are either in place or are planned to be in place:
 - Children's Transformation and Improvement Oversight Group
 - Housing Improvement Board
 - Adult Social Care and Health Improvement Board

The minutes of all these Improvement Boards are sent to the next CMT.

- **Programme Delivery Boards now called Sponsoring Bodies:** Programmes of major projects which affect more than one directorate may be delivered via the relevant Internal Control Board or these may be set up in their own right and staffed with officers from across the Council. The minutes of the Boards are sent to CMT.
- **CMT Transformation:** This is the governance board for the Council's transformation plan contained in the Future Croydon Transformation Plan. It has three sub-groups namely: Workforce a newly created Board to support the delivery of the Council's flagship service transformation plans. The Board is equivalent to an ICB and reports to CMT.
- **Statutory Chief Officers:** The statutory chief officers are the:
 - Head of Paid Service (Local Government and Housing Act 1989, s 4)
 - Monitoring Officer (Local Government and Housing Act 1989, s 5)
 - S151 (or Chief Finance) Officer (Local Government Act 1972, s 151)

- Director of Children's Services (Children Act 2004, s 18)
- Director of Public Health (National Health Service Act 2006, s 73A(1)); and
- Director of Adult Social Services (Local Authority Social Services Act 1970, s 6(A1))

These are officers that the Council must have in place, some of which may be combined and some of which cannot, but they all have additional personal responsibilities.

In particular, the Head of Paid Service, S151 officer and the Monitoring Officer have statutory mechanisms for bringing concerns to the attention of the Council, and for requiring the Council to consider their decisions and actions publicly. Each of these officers has special employment protection to enable them to highlight their concerns.

There are a number of other statutory officer roles that a local authority must have in place, (such as, but not limited to, a Scrutiny Officer, a Caldicott Guardian, a Head of Internal Audit and a Data Protection Officer) but these are not chief officer posts in their own right.

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

- **Head of Paid Service (Chief Executive)** – who is responsible for the overall resources and functioning of the Council.
- **Monitoring Officer** – who is responsible for lawful behaviour
- **S151 Officer (Chief Finance Officer)** – who is responsible for finance and spending

The Statutory Officers' Board is a regular (quarterly) forum by which the above three statutory officers, with other statutory officers in attendance, share concerns and risks related to potential serious issues affecting the Council's governance or financial performance and the statutory roles they hold. This is to help ensure that the maintenance and improvement of governance is a live discussion within the Council at all times and that it is prepared when the Council is faced with new challenges, priorities and workstreams. Matters arising from these meetings feed into the Finance, Risk and Assurance Internal Control Board or others where relevant. The minutes go to CMT.

- **Proper Officer:** There are certain functions prescribed by statute, where the Council must name the 'proper officer' assigned to undertake each of these functions individually. These functions can only be discharged by that Officer and in the way prescribed by the statutory provision concerned. In practice the 'proper officer' for a number of these functions is either the Chief Executive, the Corporate Director of Resources or the Director of Finance, although other officers are also named as 'proper officers'.

Outside bodies

- 3.15 There are a number of organisations which are independent from the Council but have an impact on its service areas. In order that the Council can maintain effective partnerships with a number of these organisations, representatives of the Council, usually elected councillors, sit on the various committees and forums that are responsible for these.

Governance Documents

3.16 The Council's main systems, rules, processes, and procedures for officers are set out in several documents, which are described in the subsequent paragraphs. It is the responsibility of each Officer to **read, understand and comply** with the processes and requirements detailed in these documents and maintain their knowledge through completing the mandatory and refresh training as required.:

- **The Officer Code of Conduct:** All staff, through their contracts of employment, are bound to the Council's Officer Code of Conduct. The Code details what the Council expects from each member of staff in terms of how they carry out their work, behave, respect, and treat their colleagues and members of the public. The Code also binds staff to the Council's Financial Regulations and Procedures, the Tenders and Contracts Regulations and other documents in the HR Handbook.
- **The HR Handbook** – This is all the Council's HR policies and procedures, including the Officer Code of Conduct.
- **The Council Constitution:** The constitution is a written legal document that guides the Council on its decision-making processes. The framework is set by legislation. It contains important information on procedures and processes from dealing with petitions to rules of conduct for officers and members.

The constitution is split into chapters, with the introduction setting out how the Council operates, how decisions are made, and the procedures followed to ensure these are efficient, open, and accountable to local people. Some of these procedures are required by law while others are a matter for the Council to choose.

Included within the Constitution are the:

- Responsibility for Functions – this is the delegation of responsibilities and functions to the Committees and Sub Committees.
- Financial Regulations - These regulations provide the framework for managing the Council's financial affairs and apply to all members and officers, including interims and consultants. The regulations are supported by a set of mandatory Financial Policies and Procedures which provide more detailed direction on the arrangements to be complied with.
- The Tender and Contract Regulations – These regulations provide the framework for procuring and managing contracts so that these contracts are cost effective and meet the priorities of the Council's Corporate Plan.
- Protocol on staff-councillor relations – this sets out the respective roles of officers and councillors.
- **Mayor's Scheme of Delegation** – Sets out the details of the responsibilities and functions allocated by the Mayor to the Cabinet as a whole or to individual Cabinet Members.
- **Schemes of Management** - In accordance with the Council's Constitution (Section 3 - Responsibility for Functions Part 3 – Scheme of Delegations of Authority to Officers) all matters which have not been reserved to Council or a Committee are delegated to Officers. Each Corporate Director must develop and maintain their own internal scheme of management.

- **Scheme of Financial Delegation** – The Council's Financial Regulations require that the Chief Financial Officer must approve the Council's Scheme of Financial Delegation which sets out the financial authorisation limits for Officers.
- **Whistle-Blowing Policy** - This policy and procedure is intended to ensure that a suspicion of wrongdoing can be raised without fear of reprisals and provide information about how the Council will respond. These concerns may be raised by a Council member of staff, agency staff and self-employed staff carrying out Council work, and the staff of Council contractors carrying out Council work.

3.17 There are a number of other policies and procedures in place within the Council, including some that are directorate based and/or service specific. These include the following, which are key to the governance framework:

- **Audit Charter** – This sets out the purpose, authority, and responsibility of the Council's Internal Audit function, in accordance with the mandatory UK Public Sector Internal Audit Standards. This document provides that the Internal Audit function has unrestricted access to all Council records and information, both manual and computerised, cash, stores and other Council property or assets it considers necessary to fulfil its responsibilities.
- **Risk Management Strategy** – This outlines the Council's strategy to identify corporate and operational risks, assess these risks for likelihood and impact, identify mitigating controls and allocate responsibility for the mitigating controls. This should be read with the Council's 'Practical Guide to Risk Management.'
- **Project and Programme Management Framework** - This document sets out the framework within which all Croydon Council projects are laid out in a business case, appraised, funded and managed. In order to ensure effective oversight and management of projects and programmes across the Council, compliance with this framework is mandatory.

3.18 The 'Governance - the Right Thing' section of the intranet contains a number of the key and other guidance documents. It is important that you look at these and familiarise yourself with each.

4. Mandatory Training

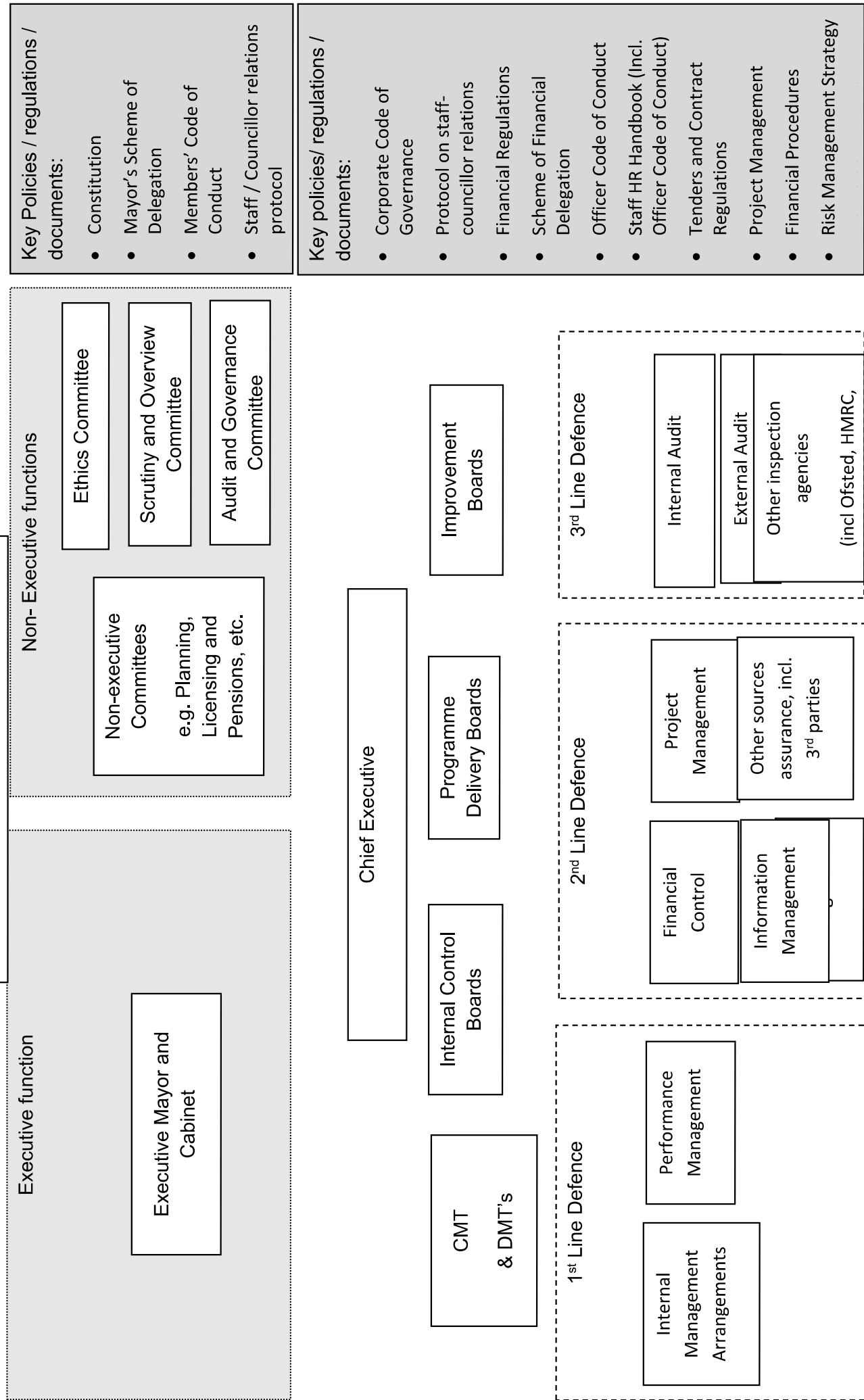
- 4.1 The Council identifies **mandatory training** which is determined as essential for the safe and efficient delivery of services. This type of training is designed to reduce organisational, financial, reputational or health and safety risks. This training may be required by law or where a statutory body has instructed the council to provide training on the basis of specific legislation. Additionally, this training will comply with local or national policies, government guidelines or as directed by the Corporate Management Team.

Induction Training

- 4.2 Effective induction is crucial to a new employee's successful assimilation into their role, the organisation and probationary assessment. All new employees to the Council are required to complete an induction process beginning on the first day of the employment which will include completion of mandatory training accessed via the Council's learning management system Croydon Learning.
- 4.3 It is the responsibility of line managers to ensure that all new employees fully complete the induction process during the probationary period including all mandatory training.
- 4.4 It is the responsibility of managers to ensure that temporary workers complete a temporary workers induction and local induction within the first five days of their engagement, including all mandatory training.

On-going Training

- 4.5 All staff including temporary and agency workers are responsible for ensuring they are competent for their role and have a full understanding of the regulations and requirements related to their duties and responsibilities to enable them to carry out their role.
- 4.6 It is a priority that all employees ensure that training in the mandatory programme and role-specific mandatory training is completed within the expected timescales regardless of an individual's role and should be treated as a high priority in the annual appraisal and development planning cycle.
- 4.7 Managers should ensure that all staff within their services complete mandatory training, as well as ensuring that they have all appropriate training and support to understand and complete their roles.



Corporate Director's Assurance Statement 2024/25

The Accounts and Audit Regulations require the Council to publish an Annual Governance Statement (AGS). The AGS is prepared annually, signed by the Leader and the Chief Executive and approved on behalf of Full Council by the Audit and Governance Committee

In summary the AGS is a statement of assurance to the effect that:

- The Council has followed the principles of Corporate Governance, outlined in the CIPFA / SOLACE publication "Delivering Good Governance in Local Government" and confirmed in the Council's own Local Code of Corporate Governance
- the Council has an effective Internal Control Framework (ICF) in place
- the ICF has been reviewed in the preceding year. (It must be reviewed annually)
- that any weaknesses that have been identified in the ICF are being dealt with through an appropriate action plan.

Each Corporate Director is responsible for delivering the relevant objectives set out in the corporate plan. Corporate Directors, with their Directors and Heads of Service are responsible for identifying and managing the risks that may affect delivery of corporate and service objectives they are responsible for. This work includes monitoring the effectiveness of controls put in place to mitigate the risks and carrying out remedial action where controls are weak or not in place.

Each Director is required to assist the preparation of the AGS for the Council by providing an assurance statement for the internal control framework within their division, to inform a collated Corporate Director's statement for the directorate in the form below. Taken together the assurance statements from the Corporate Directors will form a key part of the evidence that supports the signing of the AGS by the Leader and Chief Executive.

The required format for the Statement of Assurance is attached.

Directors/ Corporate Directors should read and **annotate** the Statements before signing the document. Please indicate in the blank column on the right of the table below brief information on any areas where the answer is 'No'.

The signed document should then be e-mailed to MonitoringOfficer@croydon.gov.uk **along with an action plan with timescales to address any identified weakness.**

	Statement	Yes/ No	If No, detail area of weakness identified	
1	Local Code of Corporate Governance <ul style="list-style-type: none"> The principles of Corporate Governance outlined in the Council's Corporate Code of Governance have been consistently applied in the delivery of services by this division/ directorate. I ensure that my division/ directorate scheme of delegation is kept up to date and published/ disseminated as appropriate. 			
2	Risk Management <ul style="list-style-type: none"> I have identified all key risks that may affect the delivery of the division/ directorate's services. My Division/ Directorate Management Team has reviewed the risk register each quarter. I have also identified risks that are considered to be significant (Red) or categorised as 'extreme' (Impact Classification) and that do not at present have effective controls to mitigate the level of risk. I have put in place action plans to provide effective controls going forward where resources allow. I have through 121s and my Division/ Directorate Management Team, ensured continuous review of the progress of risk action plans and implemented contingency arrangements where necessary. 			
3	Budget management <ul style="list-style-type: none"> The division/ directorate receives regular reports on the status of key financial indicators against planned outcomes. The division/ directorate's budget is reviewed on at least a quarterly basis at Division/ Directorate Management Team level including action plans to mitigate overspend. 			
4	Financial Control <ul style="list-style-type: none"> I confirm that all my budget holders are aware of, have read and complied with the Council's Financial Regulations and the Tenders and Contracts Regulations that are available as part of the Council's Constitution on the Intranet. 			

	Statement	Yes/ No	If No, detail area of weakness identified
5	<p>Internal Controls</p> <ul style="list-style-type: none"> The Division/ Directorate actively ensures that operational staff are diligent, taking responsibility for their actions and line management scrutinises, challenges and holds staff to account. I have identified controls that are designed to mitigate the key risks identified in 2 above. I have assigned responsibility for the effective operation of each control to a nominated officer. I have, through the 121 process, obtained assurance from each nominated officer that the controls have been tested and are operating effectively. I monitor completion of management action plans arising from internal audit reports and take action to implementation to agreed timescales. 		
6	<p>Counter Fraud Arrangements</p> <ul style="list-style-type: none"> Staff in the department have access to and are aware of their responsibilities under the Council's Anti-Fraud & Corruption Strategy and actions to take in the event of detected or suspected fraud and corruption. The risk of fraud & corruption is specifically considered when reviewing risk registers. There have been no proven cases of fraud or irregularities that may impact on the ability of the department to achieve the service objectives. Staff in the department have access to and are aware of the Whistleblowing Policy. Staff are made aware of the need to make appropriate and timely disclosures of gifts, hospitality and declarations of interests. I have reviewed the Gifts and Hospitality Register on a quarterly basis. 		
7	<p>Major Projects</p> <p>The Council's Project Management Methodology has been applied for all projects and programmes. In line with this methodology, Division/ Directorate Management Team have reviewed and challenged any new project proposals, appropriate risk registers and action plans are in place and are regularly reviewed for all relevant projects and programmes and appropriate lessons learned exercises are completed on completion of each project.</p>		
8	<p>Performance Management</p> <ul style="list-style-type: none"> There are relevant, sufficient and appropriate performance indicators operating for all services delivered by the department to appraise performance and where appropriate aligned to the Council's objectives, priorities and statutory 		

	Statement	Yes/ No	If No, detail area of weakness identified
	<p>obligations.</p> <ul style="list-style-type: none"> • There are regular reports to Division/ Directorate Management Team at least quarterly, on the status of key performance indicators and other relevant performance measures against planned outcomes and there is a process in place to address and report on significant poor performance. • Effective processes operate for data quality of source data used for performance management and checks are made on its robustness. • Division/ Directorate Management Team actively monitors complaints, including the timeliness of complaint responses being reviewed in accordance with the Council's Complaints Policy, and these have not revealed any key issues that may affect the system of internal control. 		
9	<p>HR Management</p> <ul style="list-style-type: none"> • Staff within the department are aware, understand and comply with the HR Handbook, including the Staff Code of Conduct, Equal Opportunities, mandatory training and declarations of interest. • There is effective monitoring and reporting of staff appraisals within the timescales prescribed. • Effective arrangements operate to ensure compliance with appropriate statutory requirements including Health & Safety and Working Time Regulations. • Staff job descriptions and person specifications are reviewed on a regular basis and updated as appropriate to ensure that they remain current and relevant. • Levels of sickness absence are monitored and action taken in line with appropriate Council policies. • Staff absence is appropriately authorised and recorded through appropriate Council systems. 		
10	<p>Information Governance</p> <ul style="list-style-type: none"> • Staff have attended the annual mandatory training on the Council's IT security policies and procedures including Email, Internet use and Social Media. • All potential breaches/incidents in information security and data protection have been reported and actions taken to implement any improvements arising. • Data held by service areas is accurate, up to date and relevant for the purpose being held under the Data Protection Act 2018. Appropriate consents are obtained and privacy notices deployed. Documents are managed in line with corporate policies. • Appropriate data sharing protocols operate within the department including mechanisms for the secure transfer of data with all other organisations. 		

	Statement	Yes/ No	If No, detail area of weakness identified	
11	External audits and inspections <ul style="list-style-type: none"> • I monitor completion of management action plans arising from external audit and other inspections bodies and take action to ensure implementation to agreed timescales. • There are no other governance and financial management issues arising from external inspections, audits and assurance processes which are not listed in sections 1-10 above. 			
12	Overall Assurance from Director/ Corporate Director Based on the information available to me, in my opinion the internal control framework of this department has been soundly based during 2021/22. All significant risks to delivery objectives have been identified and controls are in place to mitigate those risks. The exceptions to this are listed in the attached action plan which also outlines progress towards implementing outstanding controls. I also confirm my intention to ensure that a sound internal control framework is in operation throughout 2022/23. Signed by Director/ Corporate Director..... Date.....			

Statement of assurance – action plan forDivision/ Directorate

Control theme (eg Management)	Risk	Action	Lead officer	Timescale for completion