

Appendix 1

ANNUAL GOVERNANCE STATEMENT 2017/18

Scope of responsibility

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

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

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

The purpose of the governance framework

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

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

The governance framework has been in place at Croydon Council for the year ended 31 March 2018 and up to the date of approval of the annual report and statement of accounts.

The governance framework

- “Croydon’s Community Strategy 2016-21” is the overarching strategy of the Local Strategic Partnership, including the Council, in support of delivery of the borough’s ambitious 30 year vision, “We are Croydon”. The Community Strategy is supported by the Council’s corporate plan and service plans for each department and team. These are reviewed and updated annually. In addition, the Council has its own Vision and Corporate Values statement developed after extensive consultation amongst staff to ensure there is effective management of change and transformation.
- The Council’s Constitution sets out how decisions are made and the procedures that are followed to evidence open and transparent policy and decision making that ensures compliance with established policies, procedures, laws and regulations. The Council’s policy and decision making is conducted through the Cabinet process, with the exception of non-executive matters and the Policy framework, which is set by full Council. These meetings are open to the public, except where personal or confidential matters are being discussed. In addition, the Chief Executive and senior officers make decisions under their relevant Scheme of Authorisations. The Council publishes a Forward Plan that details the key decisions to be made by the Leader Cabinet, Cabinet Committees or officers in relation to executive matters.
- The Council has a designated Director of Law & Monitoring Officer, who shall, after consulting with the Head of Paid Service and Chief Finance Officer, report to the Full Council, or the Leader in relation to an executive function, if they consider that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission would give rise to unlawful action. The Director of Law & Monitoring Officer also conducts investigations into matters referred by the Ethics Committee and delivers reports and recommendations in respect of those investigations to the Ethics Committee.
- The financial management of the Council is conducted in accordance with the Financial Regulations set out in the Constitution (4H). The Council has designated the Executive Director of Resources (& Section 151 Officer) as the Chief Financial Officer in accordance with Section 151 of the Local Government Act 1972. The Council has in place a three year financial strategy that is updated annually supporting the Council’s strategic objectives. The financial strategy ensures the economical, effective and efficient use of resources including a financial management process for reporting the Council’s financial standing.
- The Council’s financial management arrangements conform to the requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2010).
- The Council maintains an effective Internal Audit service that has operated, in accordance with the Public Sector Internal Audit Standards. The Council’s assurance arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit* (2010). As required by the Accounts and Audit (England) Regulations, the Executive Director of Resources (& Section 151 Officer) has reviewed the effectiveness of the Internal Audit service and reported this to the General Purposes & Audit Committee which has concluded that the Internal Audit service is satisfactory and fit for purpose. This undertaking is part of the core functions of the General Purposes & Audit

Committee, as set out in CIPFA's *Audit Committees: Practical Guidance for Local Authorities* and applied in the Council.

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

contracts and then robustly monitoring those contracts. Increasingly, Council services are delivered in partnership with other local public sector organisations. The most significant arrangements are grouped under the umbrella of the Local Strategic Partnership (LSP) which is led by a board made up of the Leader, relevant Cabinet Members, relevant Chief Executives or equivalent. Each of the themes within the LSP is overseen by its own board.

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

Review of effectiveness

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

This review process includes:

- The Director of Law & Monitoring Officer's annual review of the constitution to ensure its aims and principles are given full effect. This includes a review of the financial regulations by the Executive Director of Resources (& S151 Officer)

- The Scrutiny and Strategic Overview Committee's ability to "call in" the Council's key decisions prior to implementation to consider the appropriateness of the decision.
- The General Purposes & Audit Committee's responsibility for discharging the functions of an audit committee, including reviewing the risk management process, the performance of Internal Audit and agreeing the external audit plan.
- Internal audit is responsible for monitoring the quality and effectiveness of internal controls. Using the Council's risk registers and an audit needs assessment, a plan of internal audit work is developed. The outcome of the internal audit risk-based work is reported to all relevant Executive Directors and Directors and regularly to the General Purposes & Audit Committee. Implementation of recommendations is monitored and progress reported. The work of the Internal Audit function is reviewed regularly by the external auditors who place reliance on the work completed. The Executive Director of Resources (& Section 151 Officer) has reviewed the effectiveness of the Internal Audit service and reported this to the General Purposes & Audit Committee which has concluded that the Internal Audit service is satisfactory and fit for purpose.
- The assurance provided by Members and the assurance of senior managers through the Council's Executive Leadership Team in developing departmental and corporate risk registers and agreeing annual departmental assurance statements.
- The opinion of the external auditors in their reports and annual letter.
- Other review agencies, through their inspection arrangements, such as the Care Quality Commission and Ofsted.

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

Table 1

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

Key Risks	Action	Responsible Officer	Responsible Cabinet Member
<p>1. Demand/budget gap is not bridged without the need for additional cuts to services as the Council faces continued significant reductions in its grant funding, during the period 2017 to 2020. These reductions are imposed whilst the Council experiences a continuous rising demand for services provision and growth in population. The results of the Children's Services OFSTED inspection (June / July 2017) places greater risk on Council budgets due to the need for greater investment in this service. Quarter 3 (2017/18) year end forecast overspend is £5.861m. If this is not reduced it will need to be funded from the Council's reserves which are currently very low (second lowest in the London area) resulting in reduced funding in future years.</p>	<p>The 2017/18 budget resulted in a £5.032m overspend, mainly as a result of increased demand within Children's services. The 2018/19 budget, including a number of growth items to manage these increased costs alongside a council wide 2 year savings programme. This was presented to Cabinet and Full Council in February 2018 and was endorsed by both of these bodies.</p> <p>This budget ensures that there is a plan that the budget can be managed over the medium term.</p> <p>The Council is continuing to manage and monitor budgets closely, growth has been allocated to the appropriate areas and high risk areas are being monitored on a monthly basis and being reported to Cabinet on a quarterly basis.</p> <p>There are a number of themes that make up the savings plans, which were detailed in the Efficiency Programme approved by Cabinet in October 2016, and include improved commissioning and contract management, making better use of our assets, managing demand and early intervention and prevention as well as greater integration with health.</p> <p>The delivery of the 2 year £32m savings programme is the key action to ensure this risk is mitigated.</p> <p>Alongside this, the Council is also revising its operating model</p>	<p>Executive Director of Resources & Section 151 Officer</p>	<p>Cabinet Member for Finance & Resources</p>

	to ensure services are delivered in the right way to the right residents. This work and change to service delivery will also help manage budgets and resources.		
2. The OFSTED inspection of 'Services for children in need of help and protection, children looked after and care leavers' judged the Council's Children's Services as 'inadequate'. Following publication of the inspection report, the Council fails to action the recommendations raised or to address the findings resulting in children and young people at risk of harm, central government intervention, more frequent unannounced inspections and the removal of direct control by the Council for its Children's Services function within the borough.	Since the publication of the Ofsted Report in September 2017 an improvement plan has been drawn up which is being overseen by an improvement Board with an independent chair. The children's commissioner appointed by the DFE has reported to the Minister recommended that Children's Services remain under the control of the Local Authority subject to our entering into a partnership arrangement with Camden Council for support and guidance. Monitoring visits are being undertaken by Ofsted on a quarterly basis. The most recent report from March indicates some areas of progress.	Executive Director / DCS Children's, Families & Education	Cabinet Member for Children, Young People & Learning Cabinet Member for Families, Health & Social Care
3. Consistency in the high numbers of unaccompanied asylum seekers (minors) where there is a statutory obligation to provide care/housing and a reduction in Home Office funding for them. There are additional implications in respect of the increases in relation to trafficked	Volumes of unaccompanied asylum seeking children (UASC) have reduced since the peak of 2015/2016 but remain steady with over 300 remaining in the care of Croydon Council. The national transfer scheme has slowed down resulting in many new arrivals remaining in our care. The combination of these factors continues to cause significant financial detriment to the Council.	Executive Director / DCS Children's, Families & Education	Cabinet Member for Children, Young People & Learning

<p>children and missing children as well as the implications of placing children we do not know in placements outside of the borough. There are also challenges being faced in the successful implementation of the National Transfer Scheme and Immigration Act.</p>			
<p>4. Social Care market supply disruption. **Situation has deteriorated so risk is still very high. Market failure is more common, increased by 82% nationally**</p>	<p>The care market in Croydon is still very volatile with a number of recent providers serving notice on their contracts. This is reflecting the national picture. Our primary concern is continuity of care for our residents. Commissioning colleagues and operational staff work closely together to work with residents and their families on securing alternative provision. The Council are taking a more proactive approach to minimise market failure and commissioning work with the sector through provider forums to stabilise the market. This has included negotiations on inflationary uplifts, discussions re pressures such as sleep in's and support re quality and CQC concerns. A new Market Position Statement (MPS) is also underway to replace the 2015 MPS and will be ready later this year. The work in the Alliance with the over 65s and new models of care is also supporting the increase in demand and our prevention work to reduce the number of people needing ongoing care for example through our LIFE (Living Independently for Everyone) service which offers a greater level of support to those coming out of hospital and need reablement. We are also starting a piece of work to analyse the true cost of care and intend to use this for future budgeting of the adult social care.</p>	<p>Executive Director / DASS Wellbeing Adults. Director Health, &</p>	<p>Cabinet Member for Families, Health & Social Care</p>

<p>5. Risk of exploitation of young people in the Borough particularly in relation to peer on peer activities and children missing from home and care.</p>	<p>A dedicated missing team has been set up as part of our improvement programme which is driving better compliance in the completion of return home interviews. Intelligence arising from these interviews is being coordinated with Police colleagues to provide a clearer oversight of risk patterns across the borough.</p>	<p>Executive Director / DCS Children's, Families & Education</p>	<p>Cabinet Member for Children, Young People & Learning Cabinet Member for Families, Health & Social Care</p>
<p>6. Internal audit work during the year identified a number of issues arising from non-compliance with the Councils Contracts and Tenders Regulations and on-going contract management.</p>	<p>This risk has been identified through audits undertaken on contracts across the Council. The main issues identified include contract management and compliance with the tender and contract regulations. We have already begun a drive towards effective contract management across the Council. In October 2017, we launched the Contract Management Framework across the Council. This included offering the Contract Management community some key tools, templates and guidance to enable effective contract management across all spend. We are now:</p> <ul style="list-style-type: none"> • consistently collecting and reporting on Tier 1 contracts; • building the commercial capabilities of the contract management community; • identifying opportunities for synergies across divisions; • considering how technology can support improved contract/spend management across the Council. <p>We are also updating the Tender and Contract regulations to provide clarity and address some of the issues identified. This will be followed by roadshows across the Council to build awareness about the Tender and Contract Regulations, the rules within them and the importance of compliance. This will be embedded in the Council Contract and Commissioning Board.</p>	<p>Executive Director of Resources (& Section 151 Officer)</p>	<p>Cabinet Member for Finance & Treasury</p>

<p>7. Internal audit work during the year identified a number of issues relating to budgeting and financial management within the People's department.</p>	<p>Croydon has a robust and well established budgeting and financial management process. Financial management follows a risk based financial monitoring approach. Service areas considered high risk are monitored on a monthly basis, with all other areas monitored quarterly. Finances are reviewed monthly at a departmental level at Senior Management Team meetings, then at Departmental Leadership Team and then scrutinised by lead Councilor's at monthly Governance Board before being presented to cabinet on a quarterly basis. Governance Board also reviews the delivery of savings, sustainability plans, performance and managing demand projects. To strengthen budgeting and financial management in 2017/18, finance training and budget setting drop –in sessions were provided to services with a view to deliver more widely across the People Department in the new financial year.</p>	<p>Executive Director / DCS Children's, Families & Education</p> <p>Executive Director for Health, Wellbeing and Adults</p>	<p>Cabinet Member for Children, Young People & Learning</p> <p>Cabinet Member for Families, Health & Social Care</p>
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Table 2 Issues raised in 2016/17 Statement and progress to date

Key Risks	Action	Progress	Responsible Cabinet Member & Responsible Officer
<p>1. The Council faces significant reductions in its grant funding, during the period 2016 to 2020. At the same time, the Council has a rising demand for services and growth in population. The risk is that the demand/budget gap is not bridged without the Council having to introduce cuts to services.</p>	<p>The 2016/17 budget was delivered with a small underspend across the council. The 3 year savings programme that went to Cabinet and Full Council in February 2017 and which was endorsed by both of these bodies, ensures that there is a plan that the budget can be managed over the medium term.</p> <p>The Council is continuing to manage and monitor budgets closely. High risk areas are being monitored on a monthly basis and being reported to Cabinet on a quarterly basis.</p> <p>There are a number of themes that make up the savings plans, which were detailed in the Efficiency Programme approved by Cabinet in October 2016.</p> <p>The Managing Demand Programme is also looking at ways to manage costs by changing behaviours of both residents and staff.</p>	<p>Progress has been made to manage the 2017/18 budget, resulting in a year-end overspend of £5.032m, a reduction from the Quarter 3 forecast overspend. Work is underway to ensure the savings are delivered in 2018/19 and that any overspends are reported and managed, as detailed in Table 1 of this Appendix.</p> <p>The development of the Council's new operating model will also help ensure budgets are managed and services delivered efficiently and effectively.</p>	<p>Executive Director of Resources (& Section 151 Officer)</p> <p>Cabinet Member for Finance & Treasury</p>

	The delivery of the 3 year £37m savings programme is the key action to ensure this risk is mitigated.		
2. Care market management providers cannot meet the Council's demands at the costs available and budgeted for. The demand for residential and nursing placements and homecare (domiciliary care) for Older People (OP) outstrips supplier capacity and capability to offer / deliver. Croydon commissions the highest number of Learning Disability placements across London and has the second largest care home market in London. Our capacity to effectively manage this market is limited compared to its size and the pressure placed upon the health economy by the size of this market is often greater than the markets ability to supply and therefore	<p>Two market management strategies for domiciliary care and residential and nursing care are in development. Detailed plans for market management will come from these.</p> <p>A 3 year inflation strategy for Adult Social Care is in place with provider engagement and processes for looking at market pricing issues.</p> <p>The Improved Better Care funding released for social care will contribute to support the stabilisation of the care market.</p> <p>A market facilitation plan is in place for learning disabilities to support providers to transform their business models to support new ways of working that will support our ability to keep the market as stable as possible with a move to more personalised commissioning and purchasing of services.</p> <p>Strategic partnerships in older people and learning disabilities are being</p>	<p>The Alliance Care Home business case is in draft for sign off in June. Following this commissioning strategies for a dynamic purchasing system will be developed for both Care Homes and domiciliary care.</p> <p>Inflation strategy is in place and has been used to stabilise the market.</p> <p>Of the £5.5m IBCF allocated to Croydon in 2017/8, £592,176 was used to support the stabilisation of the Social Care provider market.</p> <p>Provider alliance established and meeting monthly to develop new ways of working. Emphasis on developing more supported living options.</p> <p>Market Position Statement being finalised setting out the intended areas for growth with the provider market. Working with residential care providers to explore deregistration options and converting to supported living.</p>	<p>Executive Director of People</p> <p>Cabinet Member for Families, Health & Social Care</p>

<p>becomes unsustainable.</p>	<p>sought to ensure sufficient capacity as well as looking at in-house provision and re sophisticated pricing models.</p> <p>The Transfer of Adult Social Care programme, the Outcome Based Commissioning for Over 65s (an alliance of the Council, the CCG, Croydon Health Services, SLAM Age UK Croydon and Croydon GPs) and demand management initiatives will all contribute to that market management.</p>	<p>Currently we have strategic partnerships with two domiciliary care providers who are responsible for all hospital discharge reablement including discharge to assess split geographically. The north of the borough was the first and has proved a success.</p> <p>The One Croydon Alliance agreement is now enacted for a further 9 years. The first year has provided good evidence that the new models of care have significantly contributed to managing demand. Further work on Care Homes will bear fruit 2018/19.</p>	
<p>3. The integration of Health & Social Care could fail to progress leading to significant problems including failure to provide joined up services for the over 65's, silo working and the prospect of cost shunting between agencies.</p>	<p>The Alliance Agreement for Outcomes Based Commissioning (OBC) is now live. This agreement will:</p> <ul style="list-style-type: none"> • Deliver and expand on the new models of care for the over 65's, in particular Living Independently for Everyone (LIFE) & Integrated Community Networks (ICN's) through the 'Out of Hospital' Plan; • Support integration of social care services with health services, notably Croydon Health Services (hospital and community provider) and ensure 	<p>The extension for the One Croydon Alliance agreement was signed in March 18. The main updates are</p> <ul style="list-style-type: none"> • The existing out of hospital business case covering the LIFE and ICN projects has had a return on investment review, which has indicated some successes but also some areas for improvement. These interventions will be made as the projects transition to BAU • Phase 2 business cases for further transformation of Care homes, planned care, falls, frailty, end of life and mental health will be signed off 	<p>Executive Director of People</p> <p>Cabinet Member for Families, Health & Social Care</p> <p>Cabinet Member for Finance and Treasury</p>

	<p>appropriate funding sources; and</p> <ul style="list-style-type: none"> • Deliver the transition plan leading to a decision to extend the Alliance in December 2017, including: <ul style="list-style-type: none"> ○ Developing the 10 year financial model; and ○ Agreeing risk and benefit share. 	<p>in summer with work starting immediately on implementation</p> <ul style="list-style-type: none"> • Under the extension it was also agreed by all partners that the Alliance will be Croydon's vehicle for transforming health and care for all residents. However extension of scope will be done on a case by case basis with each case going through relevant partner organisation's internal governance <p>To that end work has begun on scoping Phase 3 business case.</p>	
<p>4. A lack of supply of temporary accommodation and affordable accommodation increases the Council's need to use emergency accommodation results in increased costs, budget pressures, pressures on gateway services, reputational damage and the potential for legislative action.</p>	<p>The following activities are being undertaken to address the lack of supply in respect of temporary accommodation:</p> <ul style="list-style-type: none"> • Re-negotiation of the leases to Concord House, Sycamore House and Windsor House; • An increase the Council's strategy of purchasing properties in order to expand the portfolio of affordable accommodation (paper to go to Cabinet); • Review of the landlord incentive payment for the Private Rental Sector offer to remain competitive; • Regular reporting on status to the Gateway & Housing 	<p>In May 2017 the Cabinet approved revised lease agreements:</p> <ul style="list-style-type: none"> • Concord and Sycamore Houses – 40-year finance leases • Windsor House – 21-year Full Repairing and Insuring (FRI) operating lease <p>This has secured on-going supply of 338 units of temporary accommodation at an improved cost.</p> <p>In July 2017, the Cabinet agreed to a number of recommendations to increase housing supply to help to relieve the temporary and emergency housing situation in Croydon. This included the rolling investment of £100m for the acquisition of up to 250 properties at market rates. We</p>	<p>Executive Director of People</p> <p>Cabinet Member for Homes, Regeneration & Planning</p>


	<p>Transformation Board;</p> <ul style="list-style-type: none"> • Revision of the housing allocation scheme; • Launch of Choice Based Lettings; and • Recruitment of additional staff particularly Lettings Negotiators. <p>Expansion of the Gateway and related services, in order to further reduce the demand for such.</p>	<p>have completed purchase of 60 properties to date.</p> <p>Last year we invested a further £15 million into:</p> <ul style="list-style-type: none"> • Real Lettings Property Fund, gaining access to 47 two bed homes, with rent levels set at local housing allowance. <p>A major challenge in reducing the level of homelessness is the ongoing lack of affordable long term accommodation in the private sector and the Council is working hard to address this. The Initiatives Team have been given additional resources to employ specialist staff to increase the supply of local PRS accommodation, through advertising, offering a range of services to manage properties or offer competitive incentives to landlords for access to affordable accommodation for homeless families.</p> <p>We have recruited five additional officers into the Housing Supply Team during the financial year 2017/18 which supported the team's work to generating additional units being made available to people in Emergency Accommodation (EA) /Temporary Accommodation (TA) resulting in reduced time for families spent in EA and contributing to improving their health and</p>	
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		<p>well-being.</p> <p>We have reviewed our incentives to make them more competitive with other London boroughs which has seen an increase in supply in the private rented sector.</p> <p>We have completed the review of our Allocations Scheme and introduced 'Croydon Choice' - the Council's choice based lettings scheme – which was launched on the 22 May 2017. Croydon Choice has transformed the lettings process, enabling housing register applicants to bid on properties that they are interested in, putting them at the heart of the process.</p> <p>Alongside this, work has been done with housing associations partners to strengthen joint working, through the development of a new nominations agreement and a formal cost sharing arrangement in which HAs will contribute to the ongoing costs of operating Croydon Choice.</p> <ul style="list-style-type: none"> • Around 300 homes have been let, attracting a total of 58,451 bids from registered applicants. • 239 TA household moves into social housing. • Reduction in number of Council stock being used as TA and converted to Perm from 1300 in 2015 to below 	
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		<p>500.</p> <ul style="list-style-type: none"> We have been successful in bringing 105 empty properties back into use in 2017/18 that have been used to move families out of bed and breakfast accommodation. This is an increase on the previous year achievement of 87 properties. We will be expanding the team in 2018/19. 	
<p>5. During the course of internal audit work during the year, a number of significant issues were identified arising from non-compliance with the Councils Contracts and Tenders Regulations.</p>	<p>The main issues identified related to low value spend (under £100k) and operational contract management. During 2017/18 the Council is looking to develop a new approach to low value spend and the buying process called "Easy buy". This will seek to maximise local spend, making buying simpler with greater clarity around governance and take an approach which will help mitigate the issues raised.</p> <p>The Council's focus in 2016/17 has been on strategic contract management of the tier 1(highest value/ risk) service type contracts. Most of the issues raised relate to tier 2 (medium to high value) contracts or construction type projects.</p>	<p>Significant progress has been made to develop and implement a consistent and comprehensive contract management approach across the Council. In October 2017, we launched the Contract Management Framework across the Council. This included offering the Contract Management community some key tools, templates and guidance to enable effective contract management across all spend. We are now:</p> <ul style="list-style-type: none"> consistently collecting and reporting on Tier 1 contracts; building the commercial capabilities of the contract management community; identifying opportunities for synergies across divisions; considering how technology can support improved contract/spend management across the Council. 	<p>Executive Director of Resources (& Section 151 Officer)</p> <p>Cabinet Member for Finance & Treasury</p>

	<p>The new operational contract management toolkit will provide a consistent way of doing things as well as tools and support to ensure governance compliance.</p>	<p>Low value (under £100k) purchases are made across the Council. To understand our low value purchasing behaviour, we have commissioned Spend Networks to undertake some spend analysis. The purpose of this work is to:</p> <ul style="list-style-type: none"> • understand the spending patterns of divisions within the organisation. • identify areas where purchases are made in a non-compliant way and addressing these with the Divisions. • addressing opportunities within our P2P process to ensure compliance. <p>We are also updating the Council's Tender and Contract Regulations to ensure there is a clearer framework around low value purchasing.</p>	
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We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. The Cabinet will also be identifying new ways of addressing the above matters. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

on behalf of
 Signed..... 
 Jo Negrini

Signed..... 
 Tony Newman

Chief Executive

Date 23/07/18

Leader of the Council

Date 23/07/18

Executive Director of
Resources

