



Audit and Procurement Committee

Time and Date

3.30 pm on Monday, 26th October, 2015

Place

Committee Rooms - Council House

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 3 - 10)
To agree the minutes of the meeting held on 3rd August 2015.
4. **Exclusion of Press and Public**
To consider whether to exclude the press and public for the item(s) of business for the reasons shown in the report.
5. **Work Programme 2015-16** (Pages 11 - 12)
Report of the Executive Director of Resources
6. **Annual Audit Letter 2014-15** (Pages 13 - 24)
Report of the External Auditor, Grant Thornton
7. **Internal Audit Plan 2015-16** (Pages 25 - 34)
Report of the Executive Director of Resources
8. **Half Year Internal Audit Progress Report 2015-16** (Pages 35 - 48)
Report of the Executive Director of Resources
9. **2014-15 Annual Freedom of Information/Data Protection Act Report**
(Pages 49 - 56)
Report of the Executive Director of Resources

10. **Complaints to the Local Government Ombudsman 2014-15** (Pages 57 - 68)
Report of the Executive Director of Resources
11. **European Funding** (Pages 69 - 70)
Report of the Executive Director of Resources
12. **Sub Regional Procurement Strategy 2015-2020** (Pages 71 - 88)
Report of the Executive Director of Resources
13. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

Private business

14. **Procurement Progress Report** (Pages 89 - 100)
Report of the Executive Director of Resources
15. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

Chris West, Executive Director, Resources, Council House Coventry

Friday, 16 October 2015

Note: The person to contact about the agenda and documents for this meeting is Lara Knight Tel: 024 7683 3237 Email: lara.knight@coventry.gov.uk

Membership: Councillors S Bains (Deputy Chair), J Blundell, L Harvard, T Sawdon, B Singh and T Skipper (Chair)

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting OR if you would like this information in another format or language please contact us.

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Public Document Pack Agenda Item 3

Coventry City Council

Minutes of the Meeting of the Audit and Procurement Committee held at 3.30 pm on Monday, 3 August 2015

Present:

Members: Councillor T Skipper (Chair)
Councillor S Bains
Councillor J Blundell
Councillor L Harvard

Employees (by Directorate):

P Baggott, Resources Directorate
C Booth, Resources Directorate
M Burn, Resources Directorate
P Jennings, Resources Directorate
L Knight, Resources Directorate
S Mangan, Resources Directorate
C West, Executive Director, Resources

Apologies: Councillor T Sawdon and B Singh

Public Business

9. Declarations of Interest

There were no disclosable pecuniary interests.

10. Minutes of Previous Meeting

The minute of the meeting held on 22nd June 2015 were agreed and signed as a true record.

Further to Minute 5 headed 'Unauthorised 2014/15 Statement of Accounts', the Committee noted that an update on pension liability was to be provided under Minute 14 below headed 'Audited 2014/15 Statement of Accounts'.

11. Exclusion of Press and Public

RESOLVED to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 relating to the private report in Minute 21 headed 'Procurement and Commissioning Progress Report', on the grounds that the report involves the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial and business affairs of a particular person (including the authority holding that information) and that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

12. **Work Programme 2015/16**

The Committee considered a report of the Executive Director of Resources, which set out the work programme for the Committee for the coming year.

RESOLVED that the work programme for 2015/16 be approved.

13. **The Audit Findings for Coventry City Council**

The Committee considered a report of the External Auditor, Grant Thornton, on the Audit Findings for the City Council for the year ending 31st March, 2015. John Gregory and Paul Harvey, Grant Thornton attended the meeting to present their report.

The report highlighted the significant findings from their audit of the Council's group and financial statements. The auditors were required to report whether, in their opinion, the group and financial statements presented a true and fair view of the financial position and expenditure and income for the year and whether they had been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. They were also required to reach a formal conclusion on whether the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Committee were informed that the audit was substantially complete. The main outstanding area was the final consideration of evidence in relation to improvements in Children's Services.

It was anticipated that an unqualified opinion would be provided in respect of the financial statements. Reference was made to the fact that the audit had progressed smoothly, with audit queries being responded to in a prompt and constructive manner. Draft accounts were of a good standard with an overall high level of compliance with disclosure requirements. Identified errors and omissions, which did not impact on the Council's overall financial position, had subsequently been corrected.

Apart from the outstanding issue relating to Children's Services, the auditors were satisfied with all other aspects of the Council's arrangements for securing value for money. There was a small overspend of £2.2m on the revenue budget due to rising cost pressures in adult social care and services for looked after children, however the Council had continued to make significant savings. Attention was drawn to control issues in relation to the raising of accruals and timely issuing of credit notes. It was clarified that this had arisen following the significant number of employees leaving the Resources Directorate.

A number of recommendations were set out in an action plan attached at an appendix to the report and these had been agreed by the Executive Director of Resources.

RESOLVED that the Audit and Procurement Committee note the audit findings, as presented by the Council's External Auditors.

14. **Audited 2014/15 Statement of Accounts**

Further to Minute 5/15, the Committee considered a report of the Executive Director of Resources, which sought approval of the audited 2014/15 Statement of Accounts and Annual Governance Statement, on behalf of the Council.

The Committee noted that the Council had delegated authority for approval of the Statement of Accounts, including the Annual Governance Statement to the Audit and Procurement Committee.

The report was considered alongside the External Auditor's Audit Findings report (Minute 13 above refers) which detailed the key changes to the draft Statement of Accounts considered by the Committee in June. The changes had been agreed between Grant Thornton and the Executive Director of Resources.

The Director of Resources provided an update on the current position of the pension fund which was a growing liability in light of the previous pension agreements. He indicated that discussions were taking place at national level about how to tackle the pension fund deficit. The Committee discussed potential liabilities for the fund such as School Academies.

RESOLVED that the Audit and Procurement Committee approve the 2014/15 Statement of Accounts and the Annual Governance Statement.

15. **Letter of Representation**

The Committee considered the Letter of Representation from the Executive Director of Resources to the External Auditors, Grant Thornton.

The representation letter was provided in connection with the audit of the group financial statements of Coventry City Council and its subsidiary undertakings, as detailed in Appendix 1 to the letter, for the year ended 31st March 2015 for the purpose of expressing an opinion as to whether the group and parent Council financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and applicable law.

The letter confirmed that, to the best of the Council's knowledge and belief, it had made such inquiries considered necessary for the purpose of appropriately informing itself in respect of Group Financial Statements, Information provided and the Annual Governance Statement.

RESOLVED that the Audit and Procurement Committee approve the Letter of Representation.

16. **City Council Investment Activity**

The Committee considered a briefing note from the Executive Director of Resources which detailed the latest information in respect of the Council's treasury management activity.

The Committee noted the sums of money that the Council currently had invested with various lenders and that the current lending list was maintained in line with advice provided by the Council's Treasury Management advisors (Arlingclose), which based its judgements on information from credit rating agencies.

RESOLVED that the Audit and Procurement Committee note the latest position in relation to the Council's treasury management activity.

17. **Review of the Effectiveness of the System of Internal Audit 2014-15**

The Committee considered a report of the Executive Director of Resources, which summarised the outcome of various activities and assessments for the period 2014/15, to assist the Committee in undertaking the review of the effectiveness of the Council's System of Internal Audit, on behalf of the Council.

The Account and Audit Regulations included a requirement for the Council to carry out an annual review of the effectiveness of its System of Internal Audit. Whilst not explicit in the guidance, the Audit and Procurement Committee was viewed as the appropriate Committee to undertake this review, given its role. In completing the review for 2014/15, the Council had considered the CIPFA guidance in determining the scope of the review. The review had therefore focussed on the following, details of which were contained in the report:

- The assessment of the Council's Internal Audit Service against the requirement of the Public Sector Internal Audit Standards (PSIAS)
- The results of the 2014/15 Internal Audit quality assurance review.
- An update on actions identified in last year's assessment of the Council's Audit Committee arrangement in comparison with good practice reflected in CIPFA guidance.

There were also a number of areas which had not been considered in the review and the report submitted provided an explanation of why these issues had been omitted.

The report also highlighted areas for development by the Council's Internal Audit Service and the Audit and Procurement Committee, which would be progressed and an update provided at a future meeting of the Committee.

The Committee took particular note of the its terms of reference, which had been based around the previous guidance from CIPFA. The revised CIPFA guidance included a suggested terms of reference, which was appended to the report, and reflected a significant change in focus in that the number of core activities of the Committee had increased from 18 to 30. However, this did not mean there were significant gaps in the Council's current arrangements, as the majority of the new activity was either covered at least in part in reports already considered by the Committee, reflected the Committee's current working practice or were exceptional type issues and, in the view of the Internal Audit and Risk Manager, would be considered if the issue arose. It was acknowledged that there was a need to formally update the terms of reference of the Audit and Procurement Committee to ensure that it reflected current practices and, in the process, deciding whether the Council adopts all of the suggestions made by CIPFA.

Reference was made to the self-assessment of core knowledge and skills framework undertaken by Committee Members. This had highlighted a need to increase knowledge across the majority of the ten core areas and it was suggested that an informal training session be set up.

RESOLVED that:

- 1. The Audit and Procurement Committee note the findings of the 2014-15 review.**
- 2. The areas for development highlighted be endorsed and a further update report be submitted to the meeting in December to ensure progress is being made.**
- 3. Arrangements be made for an informal training session for Members of the Committee to increase knowledge of the ten core areas that the Committee deals with.**

18. Annual Fraud Report 2014-15

The Committee considered a report of the Executive Director of Resources, which provided a summary of the Council's anti-fraud activity for the financial year 2014/15, focusing on corporate and benefit fraud work.

The Committee noted that the focus given to fraud in the public sector had increased over the last few years, primarily as a result of the publication by the National Fraud Authority of "Fighting Fraud Locally - The Local Government Fraud Strategy". Whilst the national strategy stated that the public sector was dealing with increasing levels of fraud, the experience of the Council was that, except for benefit fraud, levels of identified / reported fraud against the Council were at relatively low levels, in terms of both numbers and value.

The report indicated that, with regard to Corporate Fraud, the National Fraud Initiative exercise was now led by the Cabinet Office and took place every two years, matching electronic data within and between public bodies with the aim of detecting fraud and errors. The results from work undertaken during 2014/15 were released in February 2015 and identified approximately 13,500 matches for the Council to consider. The results from matches reviewed to date include:-

- Housing Benefit overpayments totalling £46,300, which were in the process of being recovered.
- 53 matches in relation to Rising 18's, where Council Tax discounts have been cancelled totalling approximately £13,250.
- Two cases where payments had continued to be made to care homes following the death of the resident, resulting in overpayments of £7,695 which had now been recovered.
- Two cases where the Council had continued to make pension payments to retired employees after they had died, resulting in overpayments of £1,564 which were being recovered.

The Committee noted that during the year there had been a total of 26 referrals and investigations through whistle blowers, managers or complaints. 7 of these led to full investigations and the report set out the reasons for referrals not resulting in full investigations and the types of allegations received.

In December 2013, the Council introduced a new finance system, Agresso, which incorporated a new Accounts Payable module. Whilst processes were put in place to manage the transition from the old to the new system, a risk was identified where the same invoice could be paid by both the old and new system. Comparison work was undertaken which identified that 116 invoices had been paid in both systems, to a value of £135,500. Of this, it was found that £110k had already been identified and repaid to the Council at the time of the review. The remaining £25.5k identified through the review had now also been repaid to the Council. Whilst the level of duplicate payments identified was significant, this was due to a one-off situation and did not reflect the normal control environment around invoice payments to suppliers.

The report also detailed the work of the Benefit Fraud Team up until their transfer to the DWP as, following the transfer, the Council ceased to receive allegations. Between April and December 2014, the Team administered 106 sanctions. The work of the team had contributed to the identification of overpayments, through both fraud and non-fraud, totalling approximately £773,000 which is being pursued for recovery.

RESOLVED that the Audit and Procurement Committee note the outcome of the Council's response to fraud activity during 2014/15.

19. **Audit and Procurement Committee Annual Report to Council 2014-15**

The Committee considered the Audit and Procurement Committee's Annual Report, which was to be submitted to the City Council at their meeting on 8th September 2015. The report provided an overview of the Committee's activity during 2014/15.

During the previous municipal year, the Committee met on eight occasions. The report detailed all the routine reports considered during this time which were based around the clearly defined expectations of the services and functions that report to the Committee concerning governance; financial management and accounting; external and internal audit; fraud and procurement.

The Committee also considered ad-hoc reports which focused on either a specific concerns or developments that impacted directly on the Committee. These included the 2013-14 Annual Freedom of Information/Data Protection Act Report; Regulation of Investigatory Powers Act 2000 Annual Report; Ombudsman Complaint Annual Report and Posts with Salary Packages in Excess of £100,000.

In 2015/16, the Committee's initial focus would be ensuring that action was taken in response to disclosures made in the Annual Governance Statement, ensuring that any issues raised by the external auditors in the audit of the Council accounts were addressed on a timely basis, and ensuring that Members of the Committee were appropriately supported through training and development.

RESOLVED that the Audit and Procurement Committee recommends that the Council considers the Annual Report 2014/15.

20. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no additional items of public business.

21. **Procurement and Commissioning Progress Report**

The Committee considered a report of the Executive Director of Resources which provided an update on the procurement and commissioning undertaken by the Council since the last report submitted to the meeting on 23rd March, 2015. Details of the latest positions in relation to individual matters were set out in an appendix attached to the report.

The Committee discussed the current format of the procurement and commissioning report and indicated that they wanted to continue to receive the same information at each scheduled meeting.

RESOLVED that:

- (1) The current position in relation to the Commissioning and Procurement Services be noted.**
- (2) Having considered the format in which information is provided, progress reports continue to be submitted to each meeting with the report format remaining the same.**

22. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no additional items of private business.

(Meeting closed at 4.20 pm)

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Audit and Procurement Committee

Work Programme 2015-16

3rd August 2015

Audit Findings Report 2014-15 (Grant Thornton)
Statement of Accounts 2014-15
Quarter One Revenue and Corporate Capital Monitoring Report 2015-16
Treasury Management Update
Review of the Effectiveness of the System of Internal Audit
Fraud Annual Report 2014-15
Audit Committee Annual Report 2014-15
Procurement Progress Report (Private)

26th October 2015

Annual Audit Letter 2014-15 (Grant Thornton)
Internal Audit Plan 2015-16
Half Year Internal Audit Progress Report 2015-16
Corporate Risk Register Update
FOI / DPA Annual Report 2014-15
RIPA (Regulation of Investigatory Powers Act) Annual Report 2014-15
Ombudsman Complaints Annual Report 2014-15
European Funding
Property Review / Disposal
Procurement Progress Report (Private)

14th December 2015

Quarter Two Revenue and Corporate Capital Monitoring Report 2015-16
Treasury Management Update
Internal Audit Recommendation Tracking Report
Half Yearly Fraud Update 2015-16
Procurement Progress Report (Private)

15th February 2016

Grant Certification Report (Grant Thornton)
Annual Audit Plan (Grant Thornton)
Quarter Three Revenue and Corporate Capital Monitoring Report 2015-16
Quarter Three Internal Audit Progress Report 2015-16
Contract Management Review
Procurement Progress Report (Private)

11th April 2016

Internal Audit Plan 2016-17
Procurement Progress Report (Private)

Dates to be confirmed

The Annual Audit Letter for Coventry City Council

Year ended 31 March 2015

2 October 2015

John Gregory
Director

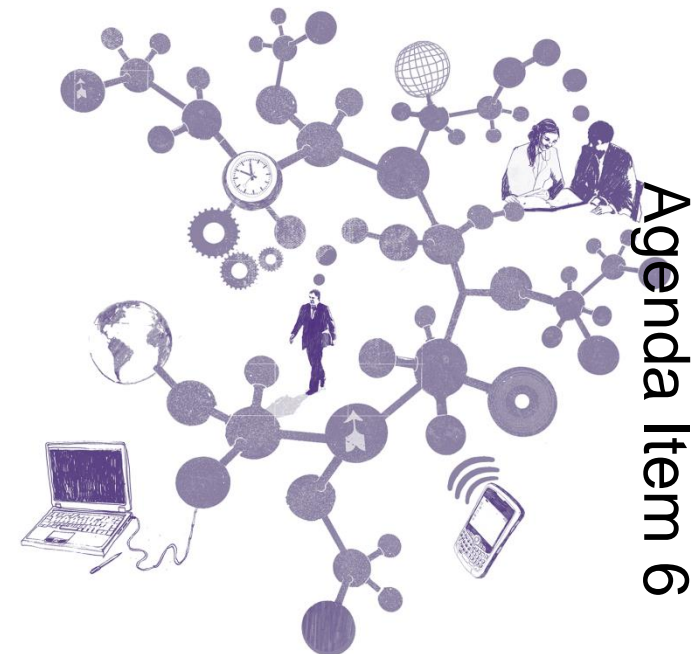
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1. Key messages

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Appendices

A Key issues and recommendations

B Summary of reports and audit fees

Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Coventry City Council ('the Council') for the year ended 31 March 2015.

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued on 23 March 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and Public Sector Audit Appointments Limited.

Financial statements audit (including audit opinion)

We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 3 August 2015 to the Audit and Procurement Committee. The key messages reported were:

- The Council has succeeded in its plans to bring forward the production of its draft financial statements, making them available for audit two weeks earlier than in the previous year. This enabled the audit to start earlier and, hence, helped to accelerate the reporting of our findings to the Audit and Procurement Committee
- The Council produced draft accounts to a good standard and with an overall high level of compliance with disclosure requirements. The most significant adjustment to the financial statements was in respect of the group balance sheet. Net assets and total reserves on the group balance sheet were overstated by £46.7m because the revaluation of the Council's investment in Coventry Solihull Waste Disposal Company in 2013/14 was not excluded from the group accounts. This error, which did not have any impact on the Council's overall financial position, was corrected.

The key recommendations arising from our financial statements audit are detailed in Appendix A.

We issued an unqualified opinion on the Council's 2014/15 financial statements on 4 September 2015, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.

Key messages continued

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Value for Money (VfM) conclusion

We issued an unqualified VfM conclusion for 2014/15 on 4 September 2015.

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.

An Ofsted inspection of children's services in March 2014 judged the services provided by the Council to be inadequate. Because of the severity of Ofsted's findings, we issued a qualified value for money conclusion in 2013/14. The Council have been working hard to address the issues raised by the Ofsted inspection. In particular, the Council has:

- established a Children's Services Improvement Board which focuses specifically on the work being undertaken within Children's Service to improve service provision
- ensured very strong leadership and commitment to addressing the issues
- put an improvement plan in place with strong arrangements for monitoring
- made significant additional resources available to Children's Services.

Officers from the Department of Education (DfE) have performed two reviews of children's services since the Ofsted inspection, in January and June 2015. The resulting Ministerial letters commented that:

- the introduction of the Multi-Agency Safeguarding Hub appears to have been successful in bringing contributions from different agencies together
- the Council is taking forward innovative practice, such as piloting a Family Drugs and Alcohol Court
- the Council's work on permanency planning has resulted in 79% of children being placed for adoption within 18 months of entering care.

Key messages continued

Value for Money (VfM) conclusion

However, the latest review has commented that:

- more work needs to be done to improve the consistency and quality of practice
- there is a significant issue in respect of involvement of all partners in child protection strategy discussions, though the review did note the determination of the Council, its partners and the Chair of the Local Safeguarding Children's Board to find an urgent solution.

It is clear that the Council has put strong arrangements in place to address the issues highlighted by Ofsted and that there is very strong commitment to driving these through. Whilst the Council, the Improvement Board and DfE all recognise that the Council is on a journey and that continuing work is needed, implementation of the improvement plan is starting to have a significant impact on performance. Therefore, we have not qualified the VfM conclusion in respect of this issue in 2014/15.

There was a small overspend of £2.2m on the Council's revenue budget in 2014/15, due largely to rising cost pressures in adult social care and services for looked after children. The Council continues to make significant savings, though it has not met its challenging savings targets in full for the last three years. The Council will need to deliver planned savings if it is to maintain its sound financial position.

The key recommendations arising from our value for money conclusion work are detailed in Appendix A.

Key messages continued

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Whole of Government Accounts	We reviewed the consolidation pack which the Council prepared to support the production of Whole of Government Accounts. We reported that the Council's pack was consistent with the audited financial statements.
Certification of housing benefit grant claim	Our certification work on the Council's housing benefit grant claim is currently underway. We expect to certify this claim by the Department of Work and Pension's deadline of 30 November
Audit fee	Our fee for 2014/15 was £252,210, excluding VAT, which was in line with our planned fee for the year and represented an increase of 1% from the previous year. Further detail is included within appendix B.

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2014/15 audit.

No.	Issue and recommendation	Priority	Management response/ responsible officer/ due date
1.	<p>Issue: Our testing on the financial statements found instances of accruals not being raised which should have been raised and an invoice being raised in error and the credit note to cancel it not being issued promptly. These errors were not evidence of a material error in the financial statements and no adjustments were needed to the financial statements in respect of them. It appears that the errors arose through:</p> <ul style="list-style-type: none"> • internal controls not operating effectively when officers left the Council's employment • lack of understanding of the Council's financial procedures by officers who replaced officers who had left the Council's employment • human error. <p>Recommendation: The Executive Director of Resources should:</p> <ul style="list-style-type: none"> • ensure that all officers responsible for raising accruals and credit notes understand what is required of them • arrange appropriate training for officers who have recently taken on financial responsibilities as part of their role. 	High	<p>Management response: The following actions will be incorporated into the 2015/16 accounts closedown procedures:</p> <ul style="list-style-type: none"> • the raising of accruals and credit notes will receive a higher profile within the final accounts communication material for the 2015/16 closedown • final accounts training will cover this aspect specifically • additional checks will be undertaken at year end to ensure greater accuracy in this area. <p>Responsible officer: Finance Manager, Corporate Finance Due date: March-April 2016</p>

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2014/15 audit.

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No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
2.	<p>Issue: The Council's earmarked reserves increased in 2014/14 but the General Fund reserve has fallen to just over £5m. A comparison of levels of usable reserves to other similar local authorities shows that the Council has below average earmarked and general fund reserves (as at 31/3/14).</p> <p>Recommendation: The Executive Director of Resources should:</p> <ul style="list-style-type: none"> • continue to assess the adequacy of the General Fund reserve in the light of the financial risks facing the Council over the medium and long term • review earmarked reserves to ascertain whether they are sufficient for the Council's needs. 	High	<p>Management response: The Local Government Act 2003 requires the Executive Director of Resources to give assurance on the adequacy of reserves of the Authority when it sets its budget each year. The adequacy of all reserves will continue to be monitored and reported at key points through the annual financial cycle process.</p> <p>Responsible officer: Executive Director of Resources Due date: On-going</p>

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2014/15 audit.

No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
3.	<p>Issue: The Council's overall financial position remains challenging, given the level of savings that it needs to find in order to set balanced budgets in future years. The Council will need to continue to deliver planned savings if it is to maintain its sound financial position. There was a small overspend of £2.2m on the Council's revenue budget in 2014/15, due largely to rising cost pressures in adult social care and services for looked after children.</p> <p>Recommendation: The Council needs to maintain its sound financial position by continuing to :</p> <ul style="list-style-type: none"> • keep tight financial control • keep the medium term financial plan up-to-date and plan for a range of potential scenarios • ensure that planned saving programmes are delivered • plan for how savings will be made in the medium term in respect of children's social care services. 		<p>Management response: On-going maintenance of tight financial control continues to be a key focus for the Council as demonstrated by its continued sound budgetary control performance and enforced by more timely budgetary control information through the Council's new financial information system.</p> <p>Rolling medium term financial planning forecasts reflecting a range of potential scenarios continue to be maintained and Members are being informed of these within the forthcoming Budget Setting process.</p> <p>Key savings programmes are being delivered within specific projects and are subject to specific monitoring by the Council's Strategic Management Board.</p> <p>The Council is continuing to focus on ensuring that Children's services are resourced to meet the immediate demands of the service across Coventry. Over the medium term, it will be necessary to ensure that social care and early intervention services are delivered in a way that strikes an appropriate balance between service need and the achievement of value for money, including managing the service at lower cost compared with 2015/16 levels.</p> <p>Responsible officer: Executive Director of Resources Due date: On-going</p>

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2014/15 audit.

No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
4.	<p>Issue: The annual outturn report to Cabinet does not compare actual savings delivered against those planned</p> <p>Recommendation: The annual outturn report to Cabinet should compare actual savings delivered against those that were planned. The reporting should be at the same level of detail as the Budget Report so that members can compare actual against budgeted performance</p>	High	<p>Management response: This monitoring will be incorporated within the 2015/16 Outturn Report.</p> <p>Responsible officer: Finance Manager, Corporate Finance</p> <p>Due date: May 2016</p>

Appendix B: Reports issued and fees

We confirm below the fees charged for the audit and non-audit services.

Fees for audit services

	Per Audit plan £	Actual fees £
Council audit	231,280	231,280
Housing benefit grant certification fee	20,930	20,930
Total audit fees	252,210	252,210

Reports issued

Report	Date issued
Audit Plan	23 March
Audit Findings Report	3 August
Annual Audit Letter	2 October

Fees for other services

Service	Fees £
Audit related services	
• Certification of teachers pension return for 2013/14	4,200
• Certification of teachers pension return for 2014/15	4,200
Non-audit related services	
• Tax advice on structuring for Coventry & Solihull Waste Disposal Company	12,796



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Coventry City Council

Public report

Report to

Audit and Procurement Committee

26th October 2015

Name of Cabinet Member:

Cabinet Member for Strategic Finance & Resources – Councillor Gannon

Director approving submission of the report:

Executive Director of Resources

Ward(s) affected:

City Wide

Title:

Internal Audit Plan 2015-16

Is this a key decision?

No

Executive summary:

The purpose of this report is to share the draft Internal Audit Plan for 2015-16 with the Audit and Procurement Committee to allow the Committee to express its views on the extent and nature of the planned coverage.

Recommendations:

Audit and Procurement Committee is recommended to consider the draft Internal Audit Plan for 2015-16 (Appendix One) and provide any comments on the content and scope of the proposed Plan.

List of Appendices included:

Appendix 1 Draft Internal Audit Plan 2015-16

Other useful background papers:

None

Has it or will it be considered by scrutiny?

No other scrutiny consideration other than the Audit and Procurement Committee

Has it, or will it be considered by any other council committee, advisory panel or other body?

No

Will this report go to Council?

No

Report title:

Draft Internal Audit Plan 2015-16

1. Context (or background)

1.1 The Audit and Procurement Committee, within its terms of reference, is required to:

'Consider the Head of Internal Audit's Annual Report and Opinion, and a summary of internal audit activities (actual and proposed) and the level of assurance given within the Annual Governance Statement incorporated in the Annual Accounts'.

1.2 In terms of proposed audit activities, the draft Internal Audit Plan attached at Appendix One documents the outcome of the audit planning process for 2015-16. This report provides the mechanism for allowing the Audit and Procurement Committee to discharge its responsibility as highlighted above, but also enables the Committee, as a key stakeholder of the Internal Audit Service, to comment on the content and scope of the proposed Internal Audit Plan.

1.3 The plan is normally presented to the Audit and Procurement Committee in April each year, but this has been delayed in 2015-16 whilst the Legal and Democratic Services Review was undertaken. Whilst the second stage of this review is due to start shortly, it is envisaged that any impact from this review will not occur until the later stages of the 2015-16 financial year or 2016-17.

2. Options considered and recommended proposal

2.1 **Background** – Internal Audit is an essential part of the Council's corporate governance arrangements. In considering the Public Sector Internal Audit Standards (PSIAS), Internal Audit is defined as:

"An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

In delivering against this expectation, we do have to acknowledge that resources available are limited and, therefore, need to undertake a planning exercise to ensure that resources are focused on those areas posing the greatest risk to the Council achieving its objectives. This report documents the planning process and identifies the outcome of this process, namely the draft Internal Audit Plan for 2015-16.

In developing the Audit Plan, we aim to achieve the following objectives:

- To provide a cost effective, targeted and value added Service to our customers. This requires the Service to achieve a balance between delivering standard audit reviews and supporting significant developments so that audit expectations can be reflected in how new systems / processes are set up.
- To provide the Service with a degree of flexibility to allow it to be able to respond to the changing needs of stakeholders during the year.
- Ensuring that the level and skills of audit resources available is appropriate to meet the audit needs of the Council.

- To allow the Chief Internal Auditor to provide the Council with an annual opinion on the effectiveness of the organisation's risk management, control and governance arrangements.

2.2 **Planning** – The planning process has three stages, namely:

- Determining any factors that limit the scope of audit work.
- Identifying the Audit Universe (i.e. a list of areas that may require auditing).
- Completing a risk assessment to establish priorities.

These points are expanded upon below:

2.2.1 **Scope of Audit Work** – The key factor limiting the scope of audit work undertaken is the level of audit resources available. For 2015-16, the resources available are 880 days for audit and corporate fraud work. This is a reduction of just under 400 days when compared with 2014-15 and is due to the fact that one post has been deleted through the early retirement / voluntary redundancy process and a further two posts are vacant pending the outcome of the current service review.

In considering the resources available for 2015-16, we do believe this is sufficient for the work required to report on key risks and controls in the year, and to prepare our annual opinion and report. This view reflects the following action taken:

- **Schools Audit** – Our approach to school audits has traditionally been based around every school being audited over a three year period. Based on the reducing number of maintained schools and an assessment of the outcomes of audits reviews in the last three years, we have concluded that the current level of audit resource allocated to this area can no longer be justified. As a result, the allocation for 2015-16 is based more around an assessment of risk as well as providing flexibility to respond to issues during the year. The impact of this is a reduction of 160 days compared to 2014-15.
- **Key Audit Priorities** – In the 2014-15 plan, 100 days were allocated to Paper Rationalisation to assist the Council in its aim of significantly rationalising both paper usage and storage requirements ahead of the move to the Council's new office in 2016. The level of need in 2014-15 meant the full 100 days were not used and whilst we will continue to support this work in 2015-16, we do not expect demand for this to be significant and plan to resource requests through our contingency days allocation. As this area has not been replaced with another significant priority, this will free up 100 days compared to 2014-15.
- **Financial Systems** – We continue to revise our focus around finance systems given the increasing automation of such systems and the effectiveness of controls in place within these systems. In comparison with 2014-15, resources allocated to this area have reduced by 85 days.

2.2.2 **Audit Universe** – Audit areas are identified through a variety of methods, including:

- Risks contained within the Council's corporate risk register.
- Ongoing discussions with senior officers over the last year to establish emerging issues facing the Council that warrant audit focus.

- Establishing the Council's key financial systems that potentially have a material impact on the financial accounts.
- Awareness of mandatory audit areas that are determined by funding bodies and / or codes of practice.
- A review of previous audits completed and issues identified since 2011-12.

2.2.3 Risk Assessment – After identifying the audit universe, where appropriate, a risk assessment is completed covering the following factors:

- Audit opinion provided in last review.
- Stability of system / procedures.
- Impact / importance of area to Council.
- The level of national / external focus given to the area.

Through this process, all potential auditable areas are assessed through a scoring mechanism, to prioritise areas to consider for inclusion in the Audit Plan.

2.3 **Draft Audit Plan 2015-16** - The results of the initial assessment of priorities are shown in Appendix One. Key points to note include:

2.3.1 Corporate Risks – A key requirement in developing the Audit Plan is to align resources to the Council's corporate risk register. Whilst there are currently 13 corporate risks, the Audit plan will consider only four of these areas in 2015-16. Reasons for why there will be no audit coverage in 2015-16 for the other nine risks are:

- Discussions with key officers highlighted that for three risks (Workforce Strategy, Care Act, Move to Friargate) it was viewed as too early to audit these areas this year. These areas will be included in the 2016-17 audit plan.
- Three risks where alternative assurance mechanisms exist (Finance, Ofsted Improvement Notice, and High Quality Education).
- Two risks (ACL / CCFC, Friargate Development) where there is no clear auditable area in our opinion.
- One risk (regeneration) which has been subject to regular audit coverage in the last two years. Reviews undertaken include the Coventry Investment Fund and the Coventry and Warwickshire Local Enterprise Partnerships.

2.3.2 Key / Audit Priorities – These areas are identified through various sources including:

- Where Internal Audit regard these as key priorities despite the fact that they are not identified either through the risk management process or via discussions with senior officers.
- Through discussions with senior officers and / or members.
- Identified nationally as a key development facing Councils.

2.3.3 Contingency / Directorate Risks – 150 days to respond flexibly to matters arising have been allocated in the Audit Plan for 2015-16. It is anticipated that these days will be used on the following activities:

- Responding to directorate concerns during the year.
- Supporting the Council in responding to emerging developments that occur in year.
- Actively participating as a member of Council groups when required.

3. Results of consultation undertaken

3.1 Our experience over the last few years is that there has been limited value in undertaking a formal consultation exercise as areas identified are sometimes no longer a priority by the time the plan is approved or the review is ready to commence. We have had initial discussions with key officers to inform the development of this Audit Plan, but see consultation as an on-going process throughout the year. Any significant changes in the Audit Plan will be reported to the Audit and Procurements Committee within regular monitoring reports.

4. Timetable for implementing this decision

4.1 The Internal Audit Plan is an annual plan and is based on a completion date of the 31st March 2016. Progress is monitored by the Audit and Procurement Committee. In addition to the planned quarterly progress reports, the Internal Audit Service is required to produce an annual report. This report is due in June / July 2016 and will include the opinion of the Chief Internal Auditor on the adequacy of the Council's control environment, highlighting issues relevant to the preparation of the Annual Governance Statement.

5. Comments from the Executive Director of Resources

5.1 Financial Implications

There are no specific financial implications associated with this report. Internal audit work has clear and direct effects, through the recommendations made, to help improve value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

5.2 Legal implications

There are no legal implications associated with this report.

6. Other implications

6.1 How will this contribute to achievement of the council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

Internal Auditing is defined in the Public Sector Internal Audit Standards as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes". As such the work of Internal Audit is

directly linked to the Council's key objectives / priorities with specific focus agreed on an annual basis, and reflected in the annual Internal Audit Plan.

6.2 How is risk being managed?

In terms of risk management, there are two focuses:

- Internal Audit and Risk Service perspective - The main risks facing the Service are that the planned programme of audits is not completed, and that the quality of audit reviews fails to meet customer expectations. Both these risks are managed through defined processes (i.e. planning and quality assurance) within the Service, with the outcomes included in reports to the Audit and Procurement Committee.
- Wider Council perspective - The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit and Procurement Committee. Where progress has not been made, further action is agreed and overseen by the Audit and Procurement Committee to ensure action is taken.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

None

6.5 Implications for (or impact on) the environment

No impact

6.6 Implications for partner organisations?

None

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Stephen Mangan

Name and job title:

Chief Internal Auditor

Directorate:

Resources

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Enquiries should be directed to the above person.

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Names of approvers: (officers and members)				
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Legal: Helen Lynch	Legal Services Manager (Place and Regulatory)	Resources	07/10/2015	15/10/15

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Appendix One – Internal Audit Plan 2015-16

KEY DRIVER	RISK LEVEL	AUDIT AREA	PLANNED DAYS
Corporate Risk			
	High	ICT Infrastructure and Change*	40
	High	Customer Journey	15
	High	Adult Social Care	30
	High	Safeguarding	20
Key / Audit Priorities			
	Medium	Procurement / Commissioning	40
	Medium	Health and Safety	15
	Medium	Sickness Absence	20
	Medium	Better Care Fund	15
	Medium	Trouble Families Programme	15
	Medium	Business Continuity	15
	Medium	New HR / Payroll System (Support and Advice)	10
Financial Systems			
	High	Accounts Payable	10
	High	Accounts Receivable	15
	High	Council Tax	10
	High	Payroll	15
	Medium	Business Rates	10
	Medium	Housing Benefits	15
	Medium	Income Manager	15
	Medium	Discretionary Payment Schemes	15
	Medium	Capital	15
	Medium	Payment Audit*	10
Regularity			
		Grants	35
		Corporate Governance	20
		Information Governance	15
		Risk Management	20
Other			
		Contingency / Directorate Risks	150
		Schools	50
		Follow up	40
		2014-15 B/Fwd	40
		Fraud	120
		Audit Management	25
		Total Days Available	880

*Audits undertaken by third party

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Coventry City Council

Public report

Report to

Audit and Procurement Committee

26th October 2015

Name of Cabinet Member:

Cabinet Member for Strategic Finance & Resources – Councillor Gannon

Director approving submission of the report:

Executive Director of Resources

Ward(s) affected:

City Wide

Title:

Internal Audit Plan 2015-16 – Half Year Progress Report

Is this a key decision?

No

Executive summary:

The purpose of this report is to provide the Audit and Procurement Committee with an update on the internal audit activity for the period April to September 2015, against the Internal Audit Plan for 2015-16.

Recommendations:

Audit and Procurement Committee is recommended to:

1. Note the performance as at quarter two against the Internal Audit Plan for 2015-16.
2. Consider the summary findings of the key audit reviews (attached at Appendix Two).

List of Appendices included:

Appendix One - Audit Reviews Completed between April and September 2015

Appendix Two - Summary Findings from Key Audit Reports

Other useful background papers:

None

Has it or will it be considered by scrutiny?

No other scrutiny consideration other than the Audit and Procurement Committee

Has it, or will it be considered by any other council committee, advisory panel or other body?

No

Will this report go to Council?

No

Report title:

Internal Audit Plan 2015-16 – Half Year Progress Report

1. Context (or background)

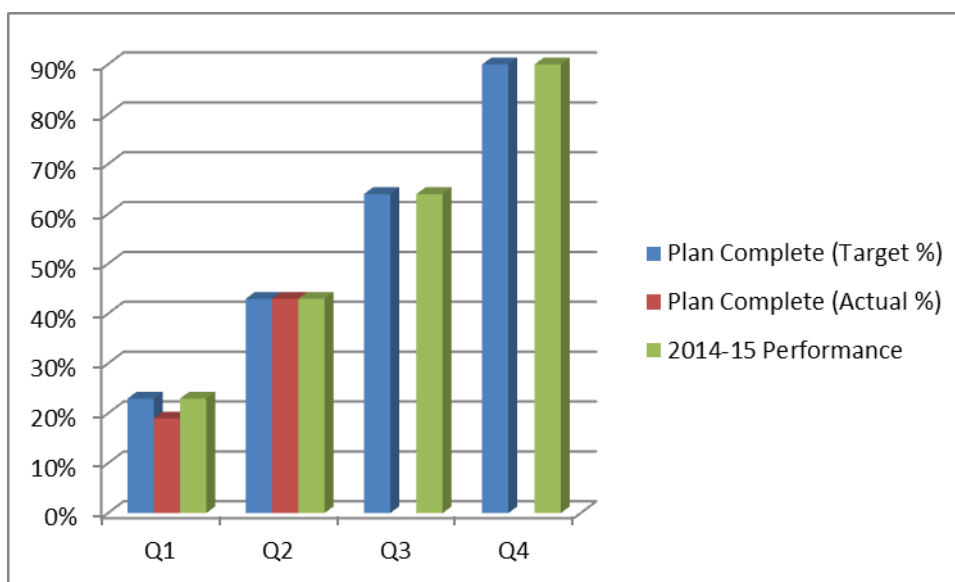
1.1 This report is the first monitoring report for 2015-16, which is presented in order for the Audit and Procurement Committee to discharge its responsibility 'to consider summaries of specific internal audit reports as requested' and 'to consider reports dealing with the management and performance of internal audit'.

2. Options considered and recommended proposal

2.1 Delivering the Audit Plan

The key target facing the Internal Audit Service is to complete 90% of its work plan by the 31st March 2016. The chart below provides analysis of progress against planned work for the period April to September 2015.

Chart One: Progress against delivery of Internal Audit Plan 2015-16



As at the end of September 2015, the Service is on track to meet its key target in that it has achieved its planned performance of 43% by the end of quarter two. Despite the performance to date, the Service still faces a significant challenge of completing 90% of the plan by the end of March 2015 given that delays in individual audits could have a major impact given the reduction in the size of the audit plan for 2015-16.

2.2 Other Key Performance Indicators (KPIs)

The table overleaf shows a summary of the performance of Internal Audit for 2015-16 to date against five KPIs, with comparative figures for the financial year 2014-15. There are two indicators (i.e. draft report to deadline and audit delivered within budget days) where the Service current performance is below expectations and management are taking targeted actions to make improvements as part of a continual focus to deliver greater efficiency in the Service.

Table One: Internal Audit Key Performance Indicators 2015-16

Performance Measure	Target	Performance Q2 2015-16	Performance 2014-15
Planned Days Delivered (Pro rota against agreed plan)	100%	50%	100%
Productive Time of Team (% of work time spent on audit work)	90%	90%	89%
Draft Report to Deadline (Draft issued in line with date agreed)	80%	71%	79%
Final Report to Deadline (Final issued within 4 weeks of draft)	80%	86%	88%
Audit Delivered within Budget Days	80%	76%	74%

2.3 Audits Completed to Date

Attached at Appendix One is a list of the audits finalised between April and September 2015, along with the level of assurance provided.

The following audits are currently in progress:

- **Audits at Draft Report Stage** – ICT Change, ICT Major Incident Review, Disable Facilities Grants (capital), Stanton Bridge Primary School
- **Audits On-going** – Sickness Absence, Section 256, Section 17 Follow up, Social Care Quality Assurance, Electronic Call Monitoring, Trouble Families Programme and Pathways to Care (capital).

Details of a selection of key reviews completed in this period are provided at Appendix Two. In all cases, the relevant managers have agreed to address the issues raised in line with the timescale stated. These reviews will be followed up in due course and the outcomes reported to the Audit and Procurement Committee.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision

4.1 There is no implementation timetable as this is a monitoring report.

5. Comments from the Executive Director of Resources

5.1 Financial Implications

There are no specific financial implications associated with this report. Internal audit work has clear and direct effects, through the recommendations made, to help improve value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

5.2 Legal implications

There are no legal implications associated with this report.

6. Other implications

6.1 How will this contribute to achievement of the council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

Internal Auditing is defined in the Public Sector Internal Audit Standards as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes". As such the work of Internal Audit is directly linked to the Council's key objectives / priorities with specific focus agreed on an annual basis, and reflected in the annual Internal Audit Plan.

6.2 How is risk being managed?

In terms of risk management, there are two focuses:

- Internal Audit and Risk Service perspective - The main risks facing the Service are that the planned programme of audits is not completed, and that the quality of audit reviews fails to meet customer expectations. Both these risks are managed through defined processes (i.e. planning and quality assurance) within the Service, with the outcomes included in reports to the Audit and Procurement Committee.
- Wider Council perspective - The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit and Procurement Committee. Where progress has not been made, further action is agreed and overseen by the Audit and Procurement Committee to ensure action is taken.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

None

6.5 Implications for (or impact on) the environment

No impact

6.6 Implications for partner organisations?

None

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Appendix One – Audit Reviews Completed between April and September 2015

Audit Area	Audit Title	Assurance
2014-15 B/Fwd	ICT Care Director Application Review	Moderate
	ICT Agresso Application Review	Moderate
	Property Contract Review	N/A Fact Finding
	Council Tax	Moderate
	Infrastructure Assets	Moderate
Corporate Risk Council / Audit Priorities	Performing Arts Services	Limited
	Adult Social Care – FACE	Moderate
Financial Systems	Procurement Health Check	Moderate
	CNR	Significant
Regularity	Income Manager	Moderate
	Discretionary Payments	Significant
	Grants: Super Connected Coventry	Validation
	Grants: Disable Facilities	Validation
	Returns – Teachers Pension Scheme	Validation
Contingency	Annual Governance Statement*	Annual Exercise
	Review of System of Internal Audit*	Annual Exercise
Schools	Declaration of Interests	Annual Exercise
	Purchasing Cards	Significant
	Expenses	Moderate
	Job Shop	Fact Finding
	Schools Finance Manual Review	Support and Advice
Follow Up	HR Complaint	Fact Finding
	Castlewood	Fact Finding
	Longford Park	Moderate
	Christ the King	Significant
	Whoberly Hall	Significant
	Mount Nod	Significant
Follow Up	Southfields	Significant
	Care Director Expenditure	Moderate
	Stoke Heath	Significant
Follow Up	Procurement (Payables) – Statutory Services	Moderate

** Key findings of review already considered by the Audit and Procurement Committee in June / August 2015*

Appendix Two – Summary Findings from Key Audit Reports Completed between April and September 2014

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p>Performing Arts Service</p> <p>November 2015</p> <p>Joint PAS Heads of Service in liaison with Finance</p>	<p>Overall Objective: To ensure that the Performing Arts Service has effective systems in place to ensure that all income due is identified and invoiced on a timely basis.</p> <p>Opinion: Limited Assurance Summary / Actions Identified:</p> <p>The review has concluded that current financial arrangements need urgent attention. Issues that underpin our view are:</p> <ul style="list-style-type: none"> • Key aspects of the current Service Level Agreement (SLA) give no proper consideration to the financial requirements of the Service. This is reflected in the fact that [a] invoicing arrangements do not treat income collection as a priority as billing is generally in arrears, and [b] no approach is documented as to the Service's action in the event that customers do not pay their bills on time. • There is no clear understanding of what income [and in particular SLA income] is likely to be generated by the Service each year. This primarily reflects the fact that the SLA is based around the academic year, whilst the budget covers a financial year. As a result, SLA income is not known in advance of the financial year commencing. • Administrative arrangements in support of invoicing activity are not working effectively as a result of [a] the activity not being carried out in line with timescales agreed, [b] resources being used on tasks that do not add value, and [c] no reconciliation is undertaken to ensure all invoices are raised accurately. <p>Areas for improvement identified include:</p> <ul style="list-style-type: none"> • To align the period covered under an SLA with the financial year that the Service operates in and review the process for agreeing and finalising SLAs so that budgets can reflect expected income. • To review the current SLA to ensure that it focuses on the key financial priorities of the Service. • To review financial administration arrangements to ensure that – (a) tasks undertaken that add no value are stopped immediately, (b) to explore the possibility that SLA charges could be automated in Agresso through the periodic billing process, and (c) to ensure reconciliation is undertaken on a timely basis to gain assurance that all invoices are raised and agreed to charges from the Ensemble system. • To put in place a procedure to deal with the operational aspects of dealing with disputes and bad debts.

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p>FACE</p> <p>December 2015</p> <p>Assistant Director People (Adult Social Care Operations)</p>	<p>Overall Objective: To ensure that the implementation of the FACE resource allocation system has delivered an effective decision support tool which underpins the support planning process within Adult Social Care.</p> <p>Opinion: Moderate Assurance Summary / Actions Identified:</p> <p>The review identified the following areas of good practice:</p> <ul style="list-style-type: none"> • Well controlled implementation of the system with appropriate governance through the Resource Allocation System Working Group and input from key areas such as Commissioning / Finance and which was supported by comprehensive training for all users (including the production of guidance material). • Evidence that the system / support planning process continues to be developed and is being used to drive forward a sound performance management structure across the service. <p>The level of assurance reflects the fact that notwithstanding teething problems which all new systems inevitably have, we do believe this tool will provide an effective mechanism to enable the Council to better control the costs of social care through the use of financial information as the basis of support planning. However, we do have concerns that, whilst the system has only been operational for a relatively short time, testing has highlighted a significant level of recording errors by officers which undermines the usefulness of the tool and could lead to incorrect assumptions being made by management regarding how well costs are being controlled. Key areas for improvement that have been identified include:</p> <ul style="list-style-type: none"> • Gaining assurance that indicative budgets and personal budgets are accurately recorded within support plans, which is supported, in the short term, by a formal system of checks. • To review the procedures around tolerance levels to ensure that they are consistently complied with. • Developing a mechanism to provide an audit trail to evidence the basis on which approval has been given to exceed the indicative budget produced by the system. <p>The review also highlighted a further two issues which, in our opinion, are critical to the on-going effectiveness of the system, but given the timing of the review, processes have yet to be fully developed and as such it is not appropriate to make recommendations. These are – (a) arrangements to ensure the model is kept up to date have yet to be fully put into practice, especially in regards to the input required from Commissioning, and (b) whilst some initial management information has been produced, there is scope to provide more meaningful data in terms of e.g., highlighting variances between the indicative budget and the personal budget. Additionally, the review highlighted the use of management information has yet to become fully embedded.</p>

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p>Procurement Health Check</p> <p>March 2016</p> <p>Head of Procurement and Commissioning</p>	<p>Overall Objective: To ensure the Council has robust systems in place to ensure that the Council's Rules for Contract are complied with.</p> <p>Opinion: Moderate Assurance Summary / Actions Identified:</p> <p>The review identified the following areas of good practice:</p> <ul style="list-style-type: none"> • Established governance procedures through the Procurement Panels and Procurement Board, supported by the use of standardised documentation ensure a consistent approach is taken, enabling informed decisions to be made. • The controls within the in-tend e-procurement system provide a robust framework to oversee the administration of tender exercises. Key features include access controls and comprehensive audit trails. • The checks completed by the procurement team of all requisitions raised within Agresso above £10,000 provides assurance that spend non-compliant with the Council's Rules for Contracts is identified and further action / information be required. <p>Whilst the review has highlighted robust arrangements in place supporting procurement activity, the level of assurance reflects the fact that there is a significant amount of purchasing administered through feeder systems, which are not subject to the same level of scrutiny / oversight by the Procurement Team.</p> <p>Areas for improvement that have been identified include:</p> <ul style="list-style-type: none"> • To look at options to gain assurance that spend through feeder systems is compliant with the Council's Rules for Contract. • To consider widening current arrangements for monitoring of purchasing beyond the workflow checks through the utilisation of regular reports from Agresso.

Audit Review / Actions Due / Responsible Officer(s)	Key Findings								
<p>Stoke Heath Primary School Follow Up Review</p> <p>N/A</p> <p>Headteacher</p>	<p>Overall Objective: To provide assurance that agreed actions have been implemented to ensure that there are now effective systems in place to manage the risks associated with the income and expenditure processes at the school.</p> <p>Opinion: Significant Assurance Summary / Actions Identified:</p> <p>When the original follow up review took place in the summer of 2014, only three of the nine actions had been implemented. Revised implementation dates were agreed for the outstanding actions and these have been the subject of another follow up review in May 2015. A summary of the progress made is shown below.</p> <table border="1" data-bbox="651 639 1854 775"> <thead> <tr> <th>Number of Actions</th> <th>Implemented</th> <th>No Progress</th> <th>On-going</th> </tr> </thead> <tbody> <tr> <td>6</td> <td>5</td> <td>1</td> <td>-</td> </tr> </tbody> </table> <p>Actions implemented since the last review include:</p> <ul style="list-style-type: none"> Income received from the Willows Club is reconciled to the amounts recorded on the cash collection sheets. Further, invoiced and non-invoiced income is banked separately, with two members of staff involved with the checking of income prior to banking. A separation of duties across the income process has been established, with regular independent review of the school's income records having been introduced. The debtors policy has been amended to reflect practice and approved by governors, with confirmation gained that debts are now being chased in accordance with the new policy. The raising and approving of credit notes are now undertaken by different officers, with the paper copy signed by the Head teacher. It should be noted that no write offs had been processed since our last review. Testing confirmed that there was a clear and consistent approach for the authorisation of purchase orders and invoices by a senior officer on SIMS. <p>The only action outstanding is the requirement to commit expenditure incurred through the school's purchasing cards on SIMS [by raising an unauthorised purchase order] prior to the monthly statements being received. We have agreed that this issue will be followed up as part of the next planned audit at the school.</p>	Number of Actions	Implemented	No Progress	On-going	6	5	1	-
Number of Actions	Implemented	No Progress	On-going						
6	5	1	-						

Audit Review / Actions Due / Responsible Officer(s)	Key Findings								
<p>Care Director Expenditure Follow Up Review</p> <p>December 2015</p> <p>Head of Business Systems</p>	<p>Overall Objective: To provide assurance that agreed actions have been implemented to ensure that the Council now has effective systems in place to administer payments made through CareDirector in respect of adult social care.</p> <p>Opinion: Moderate Assurance Summary / Actions Identified:</p> <p>A total of eight high / medium risk actions were originally identified and agreed in the March 2015 audit report. A summary of progress made against the agreed actions is shown below:</p> <table border="1" data-bbox="651 608 1856 743"> <thead> <tr> <th>Number of Actions</th> <th>Implemented</th> <th>No Progress</th> <th>On-going</th> </tr> </thead> <tbody> <tr> <td>8</td> <td>4</td> <td>1</td> <td>3</td> </tr> </tbody> </table> <p>Of those implemented, this includes all three high risk actions. Actions implemented include:</p> <ul style="list-style-type: none"> • Ensuring that there is appropriate oversight over variances and manual adjustments input to the system. • Prioritising recovery action in respect of overpayments highlighted in the last review resulting in recovery of £93k to date. A further £114k has been invoiced and is being pursued through corporate debt recovery. • Restricting the use of CHAPs payments through appropriate management challenge and introduction of two payment runs per week to expedite urgent payments. • Ensuring that payments put on hold in Agresso are dealt with on a timely basis. <p>One action has not been implemented, which relates to the process for dealing with supplier accounts with credit balances. For the remaining three agreed actions, progress has been made, although in our view, the actions taken to date have not yet fully addressed the audit concerns, including:</p> <ul style="list-style-type: none"> • User access levels have been reviewed although there are still 18 employees (at management level) who can set up a client and set up / authorise a service provision record up to an agreed value. This will be addressed through a planned system upgrade which will allow for security roles to be re-defined to create further separation of duties. • Some developments have either yet to be rolled out or, in our opinion, it is too early to assess the effectiveness of the arrangements in place. These are – (a) obtaining quarterly assurance from out of city providers regarding 	Number of Actions	Implemented	No Progress	On-going	8	4	1	3
Number of Actions	Implemented	No Progress	On-going						
8	4	1	3						

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
	<p>the continuation of service provision to clients, and (b) dashboard reports in place to enable pre-payment checks to be undertaken efficiently and on a consistent basis.</p> <p>The level of assurance reflects the fact that whilst significant progress has been made in a short time scale to address the concerns raised in the previous audit review, there are still some remaining issues to progress particularly in relation to effectively dealing with credit balances and the continuous development of systematic approaches to pre-payment checks.</p>

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Audit & Procurement Committee

26 October 2015

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor Mrs Lucas

Director Approving Submission of the report:

Executive Director Resources

Ward(s) affected:

None

Title: 2014/15 Annual Freedom of Information/Data Protection Act Report

Is this a key decision?

No

Executive Summary:

Under the Freedom of Information Act 2000 (FOIA) the Council is required to provide the public with a means for requesting information held by the Authority, subject to any exemptions that may apply.

Section 39 of FOIA requires the Council to process requests for environmental information under the Environmental Information Regulations (2004) (EIR). The EIR process, whilst similar to FOIA, promotes 'proactive dissemination' of information and provides fewer grounds for the Council to withhold information. Both FOIA and EIR permit personal data, as defined by the Data Protection Act 1998 (DPA), to be withheld where the applicant is not the subject of the data.

The Data Protection Act 1998 (DPA) requires the authority to process personal data in accordance with the principles of the Act, which includes providing a means for an individual to request access to information that the Council processes about them, subject to any exemptions that may apply.

The Information Commissioner's Office (ICO) oversees compliance with FOIA, EIR and DPA, promotes good practice, rules on complaints and takes appropriate action when the law is broken.

This report provides an overview of the number of requests for information received under the FOIA, EIR and DPA; the volume completed within the legislative timescales; the number and outcome of internal reviews; and the number and outcome of complaints made to the ICO about Coventry City Council during 2014/15.

Recommendations:

The Audit & Procurement Committee are requested to consider and note:

- (1) Note the Council's performance for responding to access to information requests report, the; number and outcome of internal reviews and the number and outcome of complaints made to the ICO; and
- (2) Recommend that following the appointment of the Senior Information Governance Officer, a further update report on the performance for responding to requests for information is taken to the Audit and Procurement Committee and Cabinet Member (Policy & Performance)

List of Appendices included:

None.

Other useful background papers:

None.

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

1. Context or Background

1.1 Requests for Information under FOIA/EIR

- 1.1.1 The Council is obliged to respond to information requests under FOIA/EIR within 20 calendar days provided that the requests are in writing, an address for responding to has been provided and it contains sufficient information for the Council to be able to confirm or deny whether the information is held, subject to any exemptions.
- 1.1.2 The Code of Practice, issued by the Secretary of State for Constitutional Affairs under S45 of FOIA, requires public authorities to have a procedure in place to deal with complaints in regard to how their requests have been handled. This process is handled by the Information Governance Team as an FOI/EIR review.
- 1.1.3 After a review has been completed an applicant has a right to complain to the ICO for an independent ruling on the outcome of the review. The ICO will issue a Decision Notice outlining whether the complaint has been: upheld, partially upheld, or not upheld and inform both parties of their decision and, where applicable, the actions the authority has to undertake.
- 1.1.4 Similarly, DPA provides individuals with a means for requesting personal data that the Council is processing about them. Requests have to be responded to if the applicant has provided sufficient information to: identify and confirm who they are and payment of the statutory £10 fee, if applicable. DPA requests have to be completed within 40 calendar days.
- 1.1.5 Like FOIA/EIR, the Council informs requesters of the Council's internal review process, however people may complain directly to the ICO if they feel their rights have not been upheld. Having made relevant enquiries or investigations, the ICO then issues their decisions to both parties. Such decisions may also be published to their website.
- 1.1.6 This report relates to the Council's handling of requests for information under FOIA, EIR and DPA; the number and outcome of internal reviews; and the number and outcome of complaints made to the ICO about Coventry City Council during 2014/15.

1.2 2014/15 FOIA/EIR Requests

- 1.2.1 As paragraph 1.1.1 above refers, the Council is required to respond to all valid FOI/EIR requests within 20 working days. The ICO monitors and publishes information about those authorities who respond to 85% (or less) of requests within 20 working days. During 2014/15 the Council received 1307 requests (1237 FOIA and 70 EIR), of which 1029 (79%) were completed within 20 working days.
- 1.2.2 The Council does not record the reasons why requests exceeded the statutory timescales. This can be due to reasons in delays in identifying whether information is held/and or internal deliberations around the application of any valid exemptions.
- 1.2.3 The percentage of requests responded to within the statutory time limits has fallen this year (90% last year) Over the last year, staff turnover within the Information Governance Team and across the Council as well as changes to the way in which Requests are handled has impacted on the performance rate. The team has also been restructured and there are 2 vacant posts, which are in the process of being recruited to.

The recent programme of ER/VR has had an impact as well in that the people who routinely dealt with requests for information are no longer employed by the Council.

- 1.2.4 The Council is introducing new arrangements for dealing with FOI/EIR Requests. They are all now managed within the SharePoint system, which was introduced in May 2015. The Council continues to use Designated Information Governance Lead Officers (DIGLOs) within Service Areas as a point of contact for obtaining the information and providing responses to the request. However, going forward the intention is that all requests will be handled entirely within the Information Governance Team who will contact relevant officers to provide information required.
- 1.2.5 It is anticipated that as the SharePoint solution beds down and the new IGT structure is implemented, the response rate will improve. The team collate statistics on a quarterly basis. It will be the responsibility of the new Senior Information Governance Officer (when recruited) to monitor performance and ensure that any issues are identified and addressed so that the 85% target will be met.

1.3 2014/15 FOIA/EIR Internal Reviews

- 1.3.1 The Council received 20 requests for FOIA/EIR internal reviews. The following table provides a summary of the reasons for the internal reviews and the outcomes by volume.

Freedom of Information Reviews		
No.	Reasons for the Review	Outcome
1	Withheld information was not personal data	Complaint not upheld - no further information provided
3	Information not supplied as requested	Complaints not upheld - no further information provided
6	Information was not provided although held	4 Complaints upheld – additional information provided 2 Complaints partially upheld – additional information provided
4	Questions not answered	Complaints not upheld – no further information provided
3	Questions not answered and exemptions applied incorrectly	Complaints not upheld – no further information provided
1	Requester failed to clarify and respond to emails	Complaint not upheld – no further information provided
1	Exceeded timescales	Complaint upheld – information provided along with apology
1	Query on accuracy of information	Complaint not upheld – no further information provided

Environmental Information Regulations		
No.	Reasons for the Review	Outcome
0		

1.4 2014/15 ICO Complaints re FOIA/EIR

1.4.1 The Council did not receive any ICO complaints during the course of the year.

1.5 2014/15 DPA Requests

1.5.1 The Council received 224 DPA subject access requests during the year, of which 154 (69%) were completed within 40 calendar days. The Council does not record the reasons why requests exceeded the statutory timescale. However it is typically due to requests around social care matters which are both complex and involve substantial amounts of information, which needs to be considered and often redacted prior to any disclosure to protect the sensitive personal data of third parties.

1.6 2014/15 DPA Internal Reviews

1.6.1 The Council received 15 requests for DPA internal reviews. The following table provides a summary of the reasons for the internal reviews and the outcomes by volume.

Data Protection Act		
No.	Reasons for the Review	Outcome
6	Information incorrectly withheld	3 Complaints not upheld – no further information provided 2 Complaints upheld – further information provided 1 Complaint partially upheld – further information provided
5	Information disclosed unlawfully	4 Complaints not upheld – no further action 1 Complaint upheld
3	Inaccurate information held	Complaints not upheld – no further action
1	Handling of subject access request	Complaint upheld

1.7 2014/15 ICO Complaints re DPA

1.7.1 The Council received 8 ICO complaints during the course of the year. A summary of the complaints, the ICO’s decisions and outcomes are as follows:

4 DPA Complaints: The Council had unlawfully disclosed sensitive personal data.

ICO Decision: Complaints not upheld and no further action was required.

DPA Complaint: Concerns regarding the way the Council handles personal information.

ICO Decision: Not upheld and no further action was required.

DPA Complaint: Concerns that Council failed to provide a full response.

ICO Decision: Complaint not upheld. Search for specific information to be undertaken and released within specified timescale. No further action was required.

DPA Complaint: Concerns that Council had access to personal sensitive data but had not received a formal response.

ICO Decision: Complaint not upheld and no further action was required.

DPA Complaint: Complaint that Council is holding inaccurate data.

ICO Decision: Complaint not upheld and no further action was required.

2. Options considered and recommended proposal

- 2.1 It is important that the Council continues to monitor and report on its performance in relation to access to information requests, reviews and ICO complaints. This, together with the oversight of elected Members helps to promote high standards of information governance and continuous improvement. It is therefore proposed that the Officers continue to prepare an annual report goes to the Council's Audit & Procurement Committee and Cabinet Member (Policy & Leadership) to provide assurance that the Council is complying with its responsibilities under FOIA and DPA.

3. Results of consultation undertaken

- 3.1 None

4. Timetable for implementing this decision

- 4.1 None

5. Comments from Executive Director, Resources

- 5.1 Financial implications

There are no financial implications in relation to the recommendations in this report.

- 5.2 Legal implications

There are no specific legal implications arising out of the recommendations. However, the Council's performance is subject to external scrutiny by the ICO. The monitoring and reporting on the outcomes of ICO complaints represents good practice and promotes good governance and service improvement.

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The monitoring and reporting of the Council's performance for responding and handling access to information requests under FOIA and DPA together with all ICO complaints will promote high standards of information governance and contribute to the openness and transparency of the Council's decision making and commitment to continuous service improvement and equality.

6.2 How is risk being managed?

The reporting and monitoring on the Council's performance and outcomes of ICO complaints will help reduce the risk of the ICO upholding complaints and taking enforcement action against the Council.

6.3 What is the impact on the organisation?

As set out in 6.1

6.4 Equalities / EIA

As set out in 6.1

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

Report author(s):

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Assistant Director:	Resources	Resources		
Director: Chris West	Director Resources	Resources	14/10/15	15/10/15

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Public report Cabinet Member Report

Cabinet Member for Policy and Leadership
Audit and Procurement Committee

8 October 2015
26 October 2015

Name of Cabinet Member:

Cabinet Member for Policy and Leadership - Councillor Ann Lucas OBE

Director Approving Submission of the report:

Director of Public Health

Ward(s) affected:

Nil

Title:

Complaints to the Local Government Ombudsman 2014/15

Is this a key decision?

No

Executive Summary:

The Local Government Ombudsman (LGO) provides an independent means of redress to individuals for injustice caused by unfair treatment or service failure by a local authority. As part of the Council's complaints process complainants are informed of their rights to contact the LGO if they are not happy with the Council's decision.

In June 2015 the Ombudsman issued her Annual Letter to the Chief Executive to summarise complaints dealt with during the year. A report "Review of Local authority complaints" was also published on the LGO web pages, this has helped to compare Coventry's performance with national trends.

This report sets out in more detail the complaints about Coventry received by the Ombudsman during 2014/15 and the corresponding outcomes. This is also compared to the Council's performance during 2013/14.

Recommendations:

The Cabinet Member is recommended to:

- (1) Consider the Council's performance in relation to complaints to the LGO.
- (2) Request the Audit and Procurement Committee to:
 - Review and be assured that the Council takes appropriate action in response to complaints investigated and where the Council is found to be at fault.

The Audit and Procurement Committee is recommended to:

- (1) Consider the Council's performance in relation to complaints to the LGO.
- (2) Review and be assured that the Council takes appropriate actions in response to complaints investigated and where the Council is found to be at fault.

List of Appendices included:

Appendix A: Summary of complaints investigated by the LGO – upheld/not upheld

Other useful background papers:

Local Government Ombudsman – Review of local government complaints 2014/15

<http://www.lgo.org.uk/publications/annual-reviews/>

Report to Cabinet Member Policy Leadership and Governance 5 September: Complaints to the Local Government Ombudsman 2013/14

<http://democraticservices.coventry.gov.uk/documents/s19283/Complaints%20to%20the%20Local%20Government%20Ombudsman%20201314.pdf>

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes

Audit and Procurement Committee

Will this report go to Council?

No

Report title: Complaints to the Local Government Ombudsman 2014/15

1. Context (or background)

- 1.1 The Local Government Ombudsman (LGO) offers an independent, impartial and free service to any member of the public dissatisfied with the way that a Council has dealt with their complaint. The Council advises complainants that they have the option to contact the Ombudsman once the Council’s own complaints process has been exhausted.
- 1.2 This report provides elected members with information about the number and outcome of LGO complaints received and investigated about the Council during 2014/15. It also provides more detail on those complaints which were investigated by the Ombudsman during 2014/15 including the actions taken by the Council where a complaint was upheld by the Ombudsman.

2. Options considered and recommended proposal

- 2.1 Each year the Ombudsman writes to the Chief Executive through the Annual Review Letter, this was received in June 2015. The letter includes summary statistics for 2014/15 and shows that the Ombudsman recorded 110 complaints and enquiries relating to Coventry City Council. This was very close to the figure of 108 recorded for the previous year 2013/14. There is always a slight difference between this figure and the numbers recorded by the Council as some enquiries to the LGO will result in advice being given without the need for contact between the Ombudsman and local authority.

Adult care services	Benefits & tax	Corporate & other services	Education & children’s services	Environmental services & public protection & regulation	Highways & transport	Housing	Planning & development	Total
13	15	14	22	22	13	5	6	110

Table 1: Summary statistics complaints and enquiries received by the Ombudsman about the Council: Ombudsman Annual Letter to the Chief Executive June 2015

- 2.2 It is not possible to comment on the Council’s performance based purely upon the number of enquiries that the Ombudsman receives about the Council. On one hand it could be argued that a high number of complaints would indicate that an authority has been effective at signposting people to the LGO through their complaints handling process. On the other a high number of complaints could also highlight that an authority needs to do more to resolve issues through its own complaints process.
- 2.3 In the Local Government Ombudsman Review of Local Government Complaints 2014 – 15 the Ombudsman reported:-
 “The headlines for this year’s data show that:
 - We experienced a 10% increase in social care complaints
 - We upheld 46% of all complaints where we carried out a detailed investigation
 - We received a 11% decrease in complaints about benefits and tax
 - As a proportion of our total work, education and children’s services remains our most complained about areas
 - Despite these changes, the overall number of local authority complaints and enquiries we received remained largely static to the previous year.”
- 2.4 LGO decision classifications are defined as follows:
Upheld: These are complaints where we (the LGO) have decided that an authority has been at fault in how it acted and that this fault may or may not have caused an injustice to the complainant, or where an authority has accepted that it needs to remedy the complaint before we make a finding on fault. If we have decided there was fault and it caused an

injustice to the complainant, usually we will have recommended the authority take some action to address it.

Not upheld: Where we have investigated a complaint and decided that a council has not acted with fault, we classify these complaints as not upheld.

- 2.5 There were 107 decisions made for Coventry in 2014/15 and the LGO investigated 27 complaints, this was more than 19 of the previous year. The number of upheld cases in 2014/15 9 (33% of the total investigated) compares favourably with 10 (53%) for the previous year. The Ombudsman did not issue formal reports of maladministration for any of the complaints upheld during 2014/15. This compares to one for the previous year.
- 2.6 Wherever possible the LGO publishes decision statements on its web pages although this would not happen where the content of the report could identify the individual complainant.
- 2.7 The 27 complaints investigated by the LGO in 2014/15 related to the following service areas. The table below also shows how this compares with the previous year 2013/14.

Service Area	2014/15			2013/14		
	Upheld	Not upheld	Time to respond (days)	Upheld	Not upheld	Time to respond (days)
Waste Services	4	2	17			
Education Services	1	4	12	1	1	18
Adult Social Care	1	3	22	3	2	16
Council Tax	2	1	18			
Highways Services		2	22		1	23
Children's social services	1		24	4	1	24
Business Services		1	n/a			
Communities and Health		1	19			
Environmental – Dog Fouling		1	n/a			
Housing services		1	26		1	19
Planning		1	16		1	19
Taxi Licensing		1	20			
Benefits				2	1	12
Bereavement Services					1	20
Total	9	18	18	10	9	19

Table 2: Cases investigated by the Local Government Ombudsman 2014/15.

- 2.8 The biggest increase in 2014/15 has been for Waste Services where the Ombudsman investigated six complaints and upheld four of them. The overall increase in number of waste related complaints was in part due to the service area making improvements to its own complaints process, by making sure that every stage 2 response letter included Local Government Ombudsman contact details if the complainant is not satisfied with the response. The service area has also taken steps to improve the quality of the stage 1 and stage 2 investigations so that wherever possible complaints can be resolved at this earlier stage. The number of complaints received, responded to and subsequently forwarded to the Ombudsman are still a very small number in the context of the 200,000 transactions the service area completes each week. All 4 of the cases upheld by the Ombudsman were in connection with missed collections in which a resolution was agreed between the service area and the resident.
- 2.9 Other increases were in Council Tax where 2 cases were upheld out of the three investigated although this year there were no benefits related complaints. Also in Education Services where 5 were investigated and one upheld. The number of cases related to adult social care and children's social care both reduced with one upheld for each as compared to 3 for adults and 4 for children's the previous year.

- 2.10 More detail on the outcome of the complaints investigated including for those upheld, the action taken by the Council and any compensation paid is attached in a separate table (Appendix A). The Council has taken a range of actions to respond to the fault identified. Most often this has involved issuing guidance and training for staff so that they are clear on processes and to avoid the same problem recurring. Members of the Audit and Procurement Committee are asked to review the actions taken and to comment on whether they are satisfied with the action taken and the learning from the process.
- 2.11 The average number of working days that the Council took to make an initial response to the first stage of an Ombudsman enquiry (18 days) is within the standard set by the LGO of 20 days. However there were exceptions to this most notably in Adult Social Care, Children's Social Services, Highways Services and Housing Services.
- 2.12 As an indication of Coventry's performance in relation to other local authorities the table below shows a comparison with the (CIPFA) nearest neighbours group. The table includes the number of investigations and the percentage upheld. The 27 complaints investigated for Coventry in 2014/15 was higher than the average for the group of 23. There were 9 complaints upheld which was consistent with the average, this was 33% of the complaints investigated as compared with the average of 40%.

Nearest Neighbour Comparison 2014-15				
Local Authority	Upheld	Not Upheld	% Upheld	Total
Kirklees	4	23	15%	27
Nottingham	6	20	23%	26
Bradford	10	32	24%	42
Newcastle upon Tyne	4	11	27%	15
Walsall	5	13	28%	18
Dudley	3	7	30%	10
Coventry	9	18	33%	27
Oldham	5	9	36%	14
Sheffield	19	22	46%	41
Wolverhampton	8	9	47%	17
Bolton	6	6	50%	12
Derby	10	9	53%	19
Medway	19	14	58%	33
Rochdale	9	6	60%	15
Sandwell	19	7	73%	26
Average	9	14	40%	23

Table 3: Complaints investigated by the LGO comparison with nearest neighbours
Source: Extracted from data annex 2014/15 LGO

- 2.13 The management and reporting of Ombudsman cases and liaison with the Local Government Office is currently managed through the Council's Insight Team. These arrangements may be revised in the future in light of any recommendations arising from a wider review of the Council's complaints management arrangements which is being led through the Customer Journey programme.

3 Results of consultation undertaken

- 3.1 There is no consultation identified in relation to LGO complaints.

4. Timetable for implementing this decision

- 4.1 The number and outcome of LGO cases will be formally reported to Cabinet Member Policy and Leadership and Audit Committee on an annual basis. There will also be a separate report to the Cabinet Member at any time in the year should the Ombudsman issue a formal report about an upheld finding of maladministration.

5. Comments from Executive Director, Resources

5.1 Financial implications

In 2014/15 the Council paid a total of £2,625 in local settlements and this related to four complaints. The money was found from existing Directorate service budgets.

5.2 Legal implications

The Local Government Act 1974 defines the main statutory functions for the Ombudsmen:

- to investigate complaints against councils and some other authorities
- to investigate complaints about adult social care providers from people who arrange or fund their adult social care (Health Act 2009)
- to provide advice and guidance on good administrative practice

The main activity under Part III of the 1974 Act is the investigation of complaints, which the Act states is limited to complaints from members of the public alleging they have suffered injustice as a result of maladministration and/or service failure. Under Part IIIA the Ombudsman investigates complaints from people who allege they have suffered injustice as a result of action by adult social care providers.

Whilst there is no legal obligation to do so, the monitoring and reporting on the outcomes of the LGO complaints represents good practice and promotes good governance and service improvement.

6. Other implications

6.1 How will this contribute to achievement of the Council's key priorities?

Putting local people first and their needs at the heart of the customer journey is a priority for the Council. As part of the Customer Journey programme there will be wider consideration of the Council's complaints management process to see whether further improvements can be made and this will also include ombudsman complaints.

6.2 How is risk being managed?

It is important that the Council takes action and learns from the outcome of complaints. Appendix A describes the actions that the Council has taken for example providing training, instruction and guidance to staff and improving communications between services to help to manage risk of the likelihood of the same fault happening again.

6.3 What is the impact on the organisation?

The co-ordination and management of Ombudsman complaints often involves considerable time of officers including where appropriate legal advice. The effective co-ordination and management of the Council's own complaints process is important in helping to manage this resource and this will be reviewed as part of the Customer Journey programme.

6.4 Equalities / EIA

All members of the public are able to refer complaints to the LGO if they are dissatisfied with Council services. This is made clear through the Councils complaint process and in individual letters detailing the findings of the Councils own complaints investigations.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

Although Ombudsman complaints primarily concern services provided by Coventry City Council they may from time to time also involve partners and third party contractors. In these cases there is provision for them to comment or provide information as part of an Ombudsman investigation.

Report author(s):

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Chief Executive's

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Members: Councillor Ann Lucas	Cabinet Member Policy and Leadership		11.9.15	21.9.15

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Appendix A - Decisions in 2014/15 (detailed investigations carried out)

Directorate/Division	Decisions Upheld (9)	Monetary Settlement
People		
Adult Social Care	<ul style="list-style-type: none"> • There was a delay in carrying out a review of Mr B’s care needs. The Council did not take steps to address Mr B’s social isolation after his scheduled activities stopped. This caused him distress. - The Council agreed to apologise, make a payment and review its administration and case recording to make sure that relevant staff are reminded when a case requires an annual review. 	£500
Children’s Social Services	<ul style="list-style-type: none"> • Mr & Mrs X complained that the Council failed to follow correct procedures when removing two foster children from their care. - The Ombudsman considered there were faults in the Council’s process but could not say the outcome would have been different. The Council accepted the foster carers should have been consulted and offered the opportunity to have their complaint considered at Stage 2 of the complaints process. The Council agreed to apologise for these errors, send redacted notes of the social workers’ discussions about the merits of ending the placement and to pay Mr and Mrs X £300 for their avoidable distress and £250 for their time and trouble in pursuing their complaint. 	£300 £250
Education Services	<ul style="list-style-type: none"> • The complainants alleged that the Council failed to provide suitable education for their son since September 2012. - The Ombudsman considered there had been some avoidable delays causing an injustice to the complainants and to their son. The Council has agreed to apologise for the faults identified by the Ombudsman, pay £1000 for Child A’s lost opportunity to start earlier at School C. This was to be paid to Mr and Mrs X to use in the way they considered best to make up for the lost education, pay £250 to Mr and Mrs X for their avoidable distress, time and trouble in pursuing their complaints and £250 to Child A for the delay in starting the home tuition. Again this was paid to Mr and Mrs X so they could decide how this should be used to Child A’s educational benefit. 	£1,000 £250 £250
Place		

Directorate/Division	Decisions Upheld (9)	Monetary Settlement
Waste Services	<ul style="list-style-type: none"> • Mrs B's complaint that the Council had repeatedly failed to collect her green waste bin. - Council agreed to take action to monitor Mrs B's collections. The Council gave crews a direct instruction to report individually on any issue with the green waste collections in Mrs B's street. The Council also added Mrs B's property to a monitoring list to prevent a recurrence of the same issues. 	
	<ul style="list-style-type: none"> • Ms C, complained the Council missed collecting her household refuse or was late in doing so several times between June and October 2014. Ms C said because of the Council's fault her bins are mouldy and she has spent unnecessary time and trouble in reporting missed or late collections. - The Council apologised and agreed to replace her wheelie bins. The Ombudsman then completed her investigation. 	
	<ul style="list-style-type: none"> • Ms H complained the Council repeatedly failed to empty the communal refuse bins for the block of flats in which she lives and also that when the collection is missed the Council does not immediately send out another bin crew to remedy matters. - The Council apologised and took steps to improve matters. 	
	<ul style="list-style-type: none"> • Ms X complained the Council had failed to collect her waste and refused to deal with her complaints about the health hazards the missed bin collections were causing. - The Council met with Ms X and agreed a settlement of her complaints. The Council apologised and replaced the wheelie bins. 	
Resources		
Council Tax	<ul style="list-style-type: none"> • There was fault by the Council regarding Mr T's council tax. - The Council has agreed to pay Mr T £75 for its error and delay. • Mr X said the Council pursued him for Council Tax debt at the wrong address. - The Council accepted it used the wrong address for recovery action and waived charges (£358.50) Mr X incurred as a result of court and bailiff action. The Ombudsman completed her investigation as there was fault causing injustice and the Council had taken action to remedy this. 	£75
Total		£2,625

Directorate/Division	Decisions Not Upheld (18)
People	
Adult Social Care	<ul style="list-style-type: none"> The Council agreed it is responsible for complainant's social care needs which fall under Section 117 of the Mental Health Act 1983. The Council corresponded with the other council where Mrs B lived to resolve issues around her care plan so the investigation was discontinued. The Ombudsman found that the Council was entitled to appoint an Independent Mental Capacity Advocate for Mr J's mother, as it had taken measures to protect her within the context of a safeguarding investigation. Mr X complained the Council did not fully investigate a missing photo frame or contact the family when Mr Y injured his hand. The Ombudsman stopped investigating this complaint as the injustice caused to Mr X by the alleged fault is not so significant that the Ombudsman would investigate further. Staff alerted the Safeguarding team and the Care Quality Commission to the injury to Mr Y's hand. Mr Y received medical advice immediately and no treatment was required. Staff apologised to Mr X because they did not let him know about the injury.
Communities and Health	<ul style="list-style-type: none"> The Ombudsman did not find fault by the Council regarding the support it gave Mr A to complete walk leader training.
Education/Legal – School Admissions	<ul style="list-style-type: none"> There was no fault in how a school admission appeal panel considered Ms X's appeal for a place for her daughter at a school The Council was not at fault in the way it applied its admissions criteria to Mrs Y's application for a school place for her son, or in the way the Appeals Panel considered her appeal. The Ombudsman found no fault on Mr C's complaint that the admissions appeal panel failed to properly consider his appeal against the Council's decision to refuse his daughter a place in Year 2 at his preferred school. The records show the panel properly considered his appeal. (2 separate appeals investigated)
Housing	<ul style="list-style-type: none"> The Ombudsman found there was no fault in the way the Council considered Ms X's housing application and decided on the priority band.
Place	
Highways	<ul style="list-style-type: none"> Complaint regarding a pavement crossing. Ombudsman found no evidence of fault requiring a remedy. The Ombudsman did not uphold Miss C's complaint about a dropped kerb crossing as she did not consider any fault by the Council had caused Miss C an injustice.
Planning	<ul style="list-style-type: none"> Planning complaint the Ombudsman found no evidence of fault by the Council.
Taxi Licensing	<ul style="list-style-type: none"> Ombudsman completed her investigation into this taxi licensing complaint as she found no evidence of fault by the Council causing the complainant an injustice.

Directorate/Division	Decisions Not Upheld (18)
Waste Services	<ul style="list-style-type: none"> Complaint repeated failure to empty bins - the Council put in place appropriate measures to ensure that it emptied the complainant's bins each week in accordance with its assisted collections procedure. The Ombudsman's continued involvement would not add to the remedy the Council had provided. Complaint frequently missed collections of garden refuse - The Council put in place appropriate measures to ensure that it emptied the complainant's garden refuse bin every two weeks. The Ombudsman's continued involvement would not add to the remedy it has provided.
Environmental Services	<ul style="list-style-type: none"> Mr A complained about fixed penalty charge of £50 issued by the Council, the Warden's attitude and that the Council told him to pay penalty charge and then appeal against it or make a complaint. He said he should not pay as Warden could not show him the dog foul. The Ombudsman did not continue her investigation because the injustice to Mr A was not significant. She considered a loss of less than £100 to not significant enough to justify the cost of her involvement, rudeness and poor attitude by a council officer may be annoying but they do not amount to significant injustice either. The Ombudsman could not investigate a complaint about poor advice. The advice was not in writing and Mr A could not identify which officer gave the advice.
Resources	
Council Tax	<ul style="list-style-type: none"> Council tax arrears the Ombudsman found there was some fault by the bailiff in charging for a failed direct debit fee but this was removed and did not cause an injustice to complainant.
Business Services	<ul style="list-style-type: none"> Ms X alleged the Council failed to respond properly to her concerns that personal information had been extracted from Council records. The Ombudsman was satisfied that the Council responded to Ms X's concerns and it had resolved the complaint.



Coventry City Council

Briefing Note

To **Audit and Procurement Committee**

Date **26th October 2015**

Subject **European Funding**

1 Background and Purpose of the Note

This note provides an update on the Council's European Funding, including how much the Council has received and how it is managed.

2 European Funding Allocated

2.1 Since 2010 the Council has received £45.2m of European funding covering both capital and revenue schemes, and will continue to finalise the European Programme until December 2015 when the programme ends.

2.2 Table 1 shows the projects that the City Council has developed and invested into, covering: investments in historic projects £0.5m; investment in Job creation and business grants £8.8m; and one-off major schemes £35.8m. Table 2 presents the new potential allocation from the European Structural and Investment Fund (ESIF). The City Council has been provisionally allocated £15.9m from 2015 to 2019.

3 Governance

3.1 There is a rigorous process in the application/bid stage for European Funding required from the Department for Communities and Local Government (DCLG), which administers the grant on behalf of Central Government.

3.2 The Resources and New Projects Team within the Place Directorate co-ordinate the European funding regimes on behalf of the City Council. In addition a dedicated Project Manager and Team are appointed to manage each individual project delivery.

3.3 Depending on the complexity of each project and complexity with other funding partners, Project Boards and Teams are set up to manage each strand of the programme and ensure the effective control and distribution of funds. Examples include the analysis of Private Sector Accounts in particular where grants are issues towards the creation of new business and job creation and the delivery of major schemes. These Boards include a selection of designated officers from within the local authority including support from Procurement, Legal and Finance and external specialists.

3.4 Cabinet and Cabinet Member approval is therefore sort in advance of bidding application and project delivery in order to seek approval in line with the Council's delegated financial limits. Further reports are provided by the Project Lead and through quarterly budgetary control reporting.

4. Funding and Claiming

4.1 European Funding is issued to the City Council based on the bidding round, but is not generally issued on a 100% basis. Match funding (contributions from another source) is often required to fully match and fund the total costs of the project. This split can depend on the number of outcomes/outputs delivered by each project and can be provided by a number of sources either funded locally from City Council funds, other grants or from Private Sector contributions, or mixture of all. It becomes a complex management of grant conditions and project delivery.

4.2 Each month or quarter, grant claims are submitted to the Department for Communities and Local Government (DCLG) for review. DCLG then select 10% audit checks from each claim, for which the City Council is required to provide evidence. Upon successful completion of the 10% check, the claim is paid to the City Council. All claims have to be evidenced from the ledger for actual payment (defrayal) with supporting invoices and bank statements. In addition DCLG carry out periodic audits, which are more in-depth review of claims and procurement processes. At the end of each Programme a final audit is conducted to validate all outputs and sign-off projects.

	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	Total Revenue £000s	Total Capital £000s	Grand Total £000s
Projects									
C&W Enterprise & Business Growth Package	0	91	677	1,520	1,515	1,644	1,552	3,895	5,447
Small Business Loans	0	0	0	0	336	182		518	518
Economy & Jobs various projects	289	386	840	943	407	0	2,864	0	2,864
Job Creation and Business Support Grant	289	477	1,517	2,463	2,258	1,826	4,416	4,413	8,829
Nuckle	0	0	355	365	415	2,390	0	3,524	3,524
Far Gosford Street	159	708	263	362	2,093	2,172	291	5,467	5,758
Public Realm	0	2,636	734	741	1,660	7,485	0	13,256	13,256
International Transport Museum	0	0	0	100	1,555	1,446	22	3,078	3,100
Friargate Bridgedeck	0	0	0	592	5,574	4,069	0	10,234	10,234
Major Capital Schemes	159	3,344	1,352	2,160	11,297	17,562	313	35,559	35,872
Nursery Milk	0	0	16	0	0	0	16	0	16
14-16 Alternative Curriculum	0	0	250	0	0	0	250	0	250
Herbert Art Gallery	173	0	0	0	0	0	0	173	173
New Deal	0	67	0	0	0	0	67	0	67
Historic Grants	173	67	266	0	0	0	333	173	506
Grand Total	621	3,888	3,135	4,623	13,555	19,388	5,062	40,145	45,207

ERDF/ESF Funding (ESIF) Allocation									
Projects not yet approved 2015 grant will be retrospective									
	2015 £000s	2016 £000s	2017 £000s	2018 £000s	2019 £000s	Total Revenue £000s	Total Capital £000s	Grand Total £000s	
SME Growth		1,300	1,604	1,600	0	3,003	1,500	4,503	
Low Carbon		1,337	2,184	2,184	0	1,820	3,885	5,705	
Research & Innovation			585	588	589	962	800	1,762	
Yout Employment Initiative (ESF)	411	1,234	1,234	719	0	3,598	0	3,598	
Technical Assistance (ERDF)	13	54	55	56	0	178	0	178	
Technical Assistance (ESF)	13	55	56	57	0	181	0	181	
Grand Total	437	3,980	5,718	5,204	589	9,742	6,185	15,927	



Public report Cabinet Member Report

Audit and Procurement Committee
Finance and Corporate Services Scrutiny Board (1)
Cabinet Member for Strategic Resources and Finance

26 October 2015
11 November 2015
07 December 2015

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor Gannon

Director Approving Submission of the report:

Executive Director, Resources

Ward(s) affected:

All

Title:

Sub Regional Procurement Strategy 2015 - 2020

Is this a key decision?

No

Executive Summary:

Through the shared procurement service, Coventry CC, Solihull MBC and Warwickshire CC agreed the first Sub-Regional Procurement Strategy in June 2010 which ran for 5 years expiring in June 2015. This report details the proposals for the revised Sub Regional Procurement Strategy 2015 - 2020.

In July 2014, the LGA published the National Procurement Strategy (NPS) giving local authorities a structure for the outcomes that need to be achieved to deliver procurement good practice, based around the following four themes, Making Savings, Supporting Local Economies, Demonstrating Leadership and Modernisation.

The revised Sub Regional Strategy 2015 – 2020 has been based around the NPS themes and priorities for local government. Across the three upper tier authorities within the Coventry, Solihull, Warwickshire (CSW) sub-region, the Councils spend approximately £883m each year on bought in goods, services and works. Spending this money well through effective procurement is fundamental to achieving organisational success for the three authorities and supporting prosperity across the sub-region.

Recommendations:

The Audit and Procurement Committee are requested to:

- 1) Consider the proposals in the report and forward any recommendations to the Finance and Corporate Services Scrutiny Board (1) or the Cabinet Member for Strategic Finance and Resources.

The Finance and Corporate Services Scrutiny Board (1) are requested to:

- 1) Consider the proposals in the report and any comments from the Audit and Procurement Committee and forward any recommendations to the Cabinet Member for Strategic Finance and Resources.

The Cabinet Member for Strategic Finance and Resources is requested to:

- 1) Consider the recommendations from the Audit and Procurement Committee and/or Finance and Corporate Services Scrutiny Board (1).
- 2) Approve the Sub Regional Procurement Strategy 2015 – 2020.

List of Appendices included:

Appendix 1	Procurement reports
Appendix 2	Sub Regional Procurement Strategy 2015 – 2020
Appendix 3	Making Savings theme
Appendix 4	Supporting Local Economies theme
Appendix 5	Demonstrating Leadership theme
Appendix 6	Modernising theme

Background papers:

None

Other useful documents

Current Procurement Strategy 2010 – 2015

http://www.coventry.gov.uk/downloads/file/2879/procurement_strategy

[National Procurement Strategy 2013](#)

Has it been or will it be considered by Scrutiny?

Yes - Finance and Corporate Service Scrutiny Board, 11th November 2015

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes - Audit and Procurement Committee, 26th October 2015

Will this report go to Council?

No

Report title: Sub Regional Procurement Strategy 2015 - 2020

1. Context (or background)

- 1.1 Through the shared procurement service, Coventry CC, Solihull MBC and Warwickshire CC agreed the first Sub-Regional Procurement Strategy in June 2010 which ran for 5 years expiring in June 2015. This report details the proposals for the revised Sub Regional Procurement Strategy 2015 - 2020.
- 1.2 In June 2014 the revised Constitution was adopted and a list of procurement activity since then has been included as Appendix 1.
- 1.3 In July 2014, the LGA published the National Procurement Strategy (NPS) giving local authorities a structure for the outcomes that need to be achieved to deliver procurement good practice, based around the following four themes, Making Savings, Supporting Local Economies, Demonstrating Leadership and Modernisation.

2. Options considered and recommended proposal

- 2.1 For the shared procurement service to work effectively with contracts being let by one authority on behalf of the two other authorities, it is important that there are shared goals and desired outcomes. If there were no agreed direction on strategy, contracts could be let that were commercially sound without delivering the Council's priorities. The proposal is therefore that a sub-regional procurement strategy will clarify expectations and required outcomes leading to the delivery of Council priorities.
- 2.2 The shared procurement service management team reviewed the procurement vision contained in the existing strategy in the light of the current and future national context and pressures that need to be addressed by local government procurement professionals. These thoughts were presented to a sub-regional away day for procurement staff from the upper tier authorities. Views expressed by procurement professionals and the stakeholders they deal with, during the away day were used to finalise the future vision for the revised strategy and a draft was presented to the Shared Service Directors meeting in July 2015. The final draft was approved after the Directors made some recommendations. The draft is included as Appendix 2 to this report. Each authority will take the recommended Sub Regional Procurement Strategy through their organisational governance structures for approval in the autumn.
- 2.3 The revised strategy is structured as an A3 report giving the context in which procurement is delivered, the governance structure, legislative framework and future vision for the service. Appended to the A3 report are four mind maps (Appendices 3 to 6) one for each of the NPS themes. The maps start with the theme at the centre, expanding out through the NPS priorities and outcomes and then the sub regional responses (the outside boxes) which have been Red, Amber or Green (RAG) rated to show relevant importance for the sub region, with red being the most important to have in place, amber less of a priority although still important and green being activities that would further enhance the service although not an immediate priority.
- 2.4 A revised Sub Regional Procurement Strategy seeks to clarify the strategic direction for procurement across the sub region whilst allowing for more localised delivery plans within each of the three authorities to meet specific need.

- 2.5 It was agreed that it was a sensible approach to base the revised sub regional Procurement Strategy on the NPS themes and priorities to demonstrate that the shared procurement service is working to national best practice.
- 2.6 The NPS themes fit well with the Council's priorities and therefore delivery of the Sub Regional Procurement Strategy will help to deliver those priorities. Effective procurement can contribute to a wide range of socio-economic benefits including a successful local economy, a thriving voluntary sector, community empowerment, equality, consideration for the environment and value for money.

3. Results of consultation undertaken

- 3.1 As stated previously the Sub Regional Procurement Strategy is based on the themes of the NPS. There was wide consultation on the NPS itself including central government, local government heads of procurement nationally, external consultants and the local government association. For our local vision and challenges, consultation was held with sub regional procurement staff, local authority stakeholders, Heads of Service and Directors with responsibility for Procurement. Views were sought through face to face meetings, a sub-regional away day for procurement staff and circulating draft documents for comment. Comments received were considered and where appropriate incorporated into the final strategy and appendices used as the basis for this report.

4. Timetable for implementing this decision

- 4.1 If approved, the Sub Regional Procurement Strategy will take immediate effect running through until December 2020.
- 4.2 Progress against this strategy will be monitored by Audit and Procurement Committee and the Cabinet Member for Strategic Resources and Finance once a year as a minimum.

5. Comments from Executive Director, Resources

- 5.1 Financial implications
Following the recommended Sub Regional Procurement Strategy should help deliver value for money in all Council purchases, in line with the Council's core aims.
- 5.2 Legal implications
Following the recommended Sub Regional Procurement Strategy will help to ensure that procurement activity is carried out within the appropriate legislative framework.

6. Other implications

6.1 How will this contribute to the Council's priorities? www.coventry.gov.uk/councilplan

Delivery against the four themes of the Sub Regional Procurement Strategy i.e. Making Savings, Supporting Local Economies, Demonstrating Leadership and Modernisation will contribute to all of the Council's core aims. Spending our money well through effective procurement is fundamental to achieving organisational success and supporting prosperity across the city.

6.2 How is risk being managed?

Following the Sub Regional Procurement Strategy will help to mitigate procurement risk

6.3 What is the impact on the organisation?

The Sub Regional Procurement Strategy impacts on the whole organisation whenever money is spent. Following the principles set out in the strategy will help achieve value for money whilst supporting the local economy where possible.

6.4 Equalities / EIA

Procurement processes that will be used to deliver against the Sub Regional Procurement strategy have been designed to fulfil the Public Sector Equality Duty. Working with commissioning colleagues, consultation will be undertaken on changes to service specifications as required.

6.5 Implications for (or impact on) the environment

Economic, environmental and social value issues have been considered under the Supporting Local Economy theme of the Sub Regional Procurement Strategy

6.6 Implications for partner organisations?

The Sub Regional Procurement Strategy has been developed with Solihull MBC and Warwickshire CC. It has been written at a high enough level for other authorities to be able to adopt, supported by local delivery plans which will take local policy direction and need into consideration.

Report author:

Name and job title:

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Directorate:

Resources

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Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Co-ordinator	Resources	29/9/15	1/10/15
Other members				
Names of approvers for submission: (officers and members)				
Finance: Rachel Sugars	Finance Manager	Resources	17.09.15	29.09.15
Legal: Helen Lynch	Place and Regulatory Team Manager, Legal Services	Resources	17.09.15	30.09.15
Director: Chris West	Executive Director Resources	Resources	26.08.15	14.09.15
Members: Damian Gannon	Cabinet Member Strategic Finance and Resources		26.08.15	14.09.15

This report is published on the council's website:

www.coventry.gov.uk/councilmeetings

PROC2s Reporting Process - June 2014 onwards

Description	Contract Value	Annual Value	People Panel Date	Place Panel Date	Resources Panel Date	Procurement Board Date	Audit & Proc. Committee Date	Cabinet Date	Comments
Adult Social Care Citizen Portal	£63,000					16-Dec-14	16-Feb-15		
Banking Services 4	£900,000	£180,000				01-Jul-15	07-Jul-15	03-Aug-15	
Bulky Waste Collection Service	£140,000	£35,000		28-Aug-14				01-Sep-14	
Castle Wood 2 Classroom Expansion 1	£450,000	£450,000		16-Jul-14				01-Aug-14	
CCTV for Drainage	£1,000,000			21-Jul-15			11-Aug-15	26-Oct-15	
City Centre Sports and Public Leisure Facility Development	£33,600,000	£1,500,000		Board Only			09-Sep-14	05-Aug-14	
Cleaning and Janitorial Supplies 1	£240,000	£60,000			21-Oct-14			01-Nov-14	
Clinical Waste Collection & Disposal 2	£700,000	£175,000		28-Apr-15				22-Jun-15	
Coombe Park Hotel - Replacement Parking Solution	£174,000	£130,000		27-Jan-15				01-Mar-15	
Corporate Appointment Booking Solution 1	£900,000	£50,000			18-Nov-14			01-Feb-15	
Coventry Christmas Lights	£180,000	£60,000		23-Jun-15				22-Jun-15	
Coventry Station Access Works - Tunnel	£2,000,000	£200,000		24-Feb-15		17-Mar-15	22-Jun-15	03-Mar-15	
Coventry Station Masterplan - Common Safety Method Regulations (CSM) and Railways Interoperability Regulations (RIR) Provision	£150,000	£150,000		23-Jun-15				22-Jun-15	
Coventry Station Masterplan - Footbridge & Canopies GRIP 4	£400,000	£400,000		23-Jun-15		07-Jul-15	22-Jun-15		
Coventry Station Masterplan - NUCLE 1.2 GRIP 4	£1,560,000	£1,560,000		23-Jun-15		07-Jul-15	22-Jun-15	03-Mar-15	
Coventry Station Masterplan - Project Management 1	£220,000			18-Jun-14				01-Jul-14	
Coventry Station Masterplan - Rocket Public House Demolition	£100,000	£100,000		24-Mar-15				22-Jun-15	
Eburne Neighbourhood Offices Annexe Demolition	£120,000	£120,000		23-Jun-15				22-Jun-15	
Ending FGM in Coventry 1	£150,000	£75,000	16-Dec-14					01-Feb-15	
Energy - Gas and Electricity	£20,000,000	£7,290,000			25-Feb-15	17-Mar-15	22-Jun-15	See comment	Report not taken during purdah. Due to long lead in time for the contract this will be included in the Procurement annual performance report
Enforcement Agencies	£120,000	£30,000			18-Nov-14	17-Mar-15	01-Feb-15		
E-Post Solutions	£196,000	£196,000			28-Jan-15			01-Feb-15	
Fleet Replacement Vehicle Programme for 2015 - 2016	£630,000	£630,000		21-Jul-15		11-Aug-15	26-Oct-15		
Foleshill Leisure Centre - Demolition - Contractor Appointment 1	£200,000	£200,000		18-Jun-14				01-Jul-14	
Fostering Advice & Mediation Service 1	£39,000	£13,000	15-Jul-14					01-Aug-14	
Framework Agreement for the Supply of Materials and Associated Services	£570,000	£570,000		19-Nov-14					
Framework for the Supply, Planting and Associated Works for Tree Pits and Planters	£130,000	£32,000		24-Mar-15				22-Jun-15	
Ground Asset Disposals 1	£142,000	£142,000		28-Aug-14				01-Sep-14	
Health & Wellbeing Service 1	£640,000	£320,000	15-Jul-14					01-Aug-14	
Highways Maintenance Contract - HMC 2016	£30,000,000	£3,000,000		24-Mar-15		07-Apr-15	22-Jun-15	See comment	Report not taken to Cabinet during purdah. Report will be taken once the tender outcome is known
Highways Material Supplies	£18,000,000	£3,250,000		18-Aug-15		08-Sep-15	26-Oct-15	06-Oct-15	
HIV testing, HIV and TB Support, Sex Worker Support	£407,829	£202,846	24-Sep-15					26-Oct-15	
HIV, Tuberculosis & Hepatitis Community Engagement Programme	£125,000	£50,000	21-May-15					22-Jun-15	
Hollyfast Primary School Annexe Building Demolition	£100,000	£100,000		23-Jun-15				22-Jun-15	
Hosted Data Services	£121,000	£48,000			20-May-15			22-Jun-15	
Insurance Services 2	£2,940,000	£980,000			01-Jul-15	07-Jul-15	22-Jun-15		
Internet Service Provision (Janet)	£287,000	£80,000			01-May-15			22-Jun-15	
Interpretation and Translation Services	£220,000	£110,000	26-Mar-15					22-Jun-15	
Keeping Coventry Warm 2	£300,000	£100,000	15-Jul-14					01-Aug-14	
Kickstart Supply & Installation of AV Equipment & Associated Hardware 1	£600,000	£100,000			16-Dec-14			01-Feb-15	
Kickstart: Proposed Contact Centre & Customer Service Centre - Contractor 1	£2,623,000	£1,000,000		17-Sep-14		14-Oct-14	01-Nov-14	04-Nov-14	
Maintenance & Repair of Passenger/Goods Lifts to Include Service Lifts and Public Access Lifts 3	£600,000	£150,000		19-Nov-14				01-Feb-15	
Maintenance of Synthetic Sports Pitches and Children's Playground Surfaces	£64,000	£16,000		22-Oct-14				01-Nov-14	
Making Every Contact Count	£180,000	£60,000	24-Sep-15					26-Oct-15	
Market Way and Arcade Rooftop Car Park Surface Repairs - Contractor Appointment	£75,000	£75,000		22-Sep-15				26-Oct-15	
Materials Recycling Facility (MRF)	£845,800				Board Only	07-Apr-15	22-Jun-15		
Minor Highways Structures	£1,600,000	£400,000		28-Apr-15		12-May-15	22-Jun-15		
Miscellaneous Items - One-Stop-Shop	£240,000	£60,000			16-Dec-14			01-Feb-15	
Mobile Telephony	£380,000	£190,000			15-Jul-14			01-Aug-14	
Multi-Disciplinary Consultancy	£3,200,000	£800,000			15-Jul-14	09-Sep-14	01-Oct-14		
Parkgate Primary School and Foxford Secondary School Partial Roofing Replacement	£244,000	£244,000		22-Sep-15				26-Oct-15	
Planning Instruction - Elms Field Farm	£70,000	£70,000		23-Jun-15				22-Jun-15	
Post Adoption Support Fund (Adoption Support Fund)	£100,000	£50,000	02-Jul-15					22-Jun-15	
Provision of Support & Counselling for Women & Girls who have Experienced Sexual Violence & Abuse-CRASAC 3	£404,000	£202,000	21-Oct-14					01-Nov-14	
Public Realm Phase 3a Programme or Works	£11,100,000	£11,110,000		Board Only		07-Apr-15	22-Jun-15	03-Mar-15	
Re:Fit Framework - Energy Performance Contract for Coventry Public Sector Buildings	£1,000,000	£1,000,000		28-Aug-14		09-Sep-14	01-Oct-14	04-Nov-14	
Section 106 Play and Park Improvements	£237,150	£237,150		19-Nov-14		09-Dec-14	01-Feb-15		
Server Maintenance 3	£150,000	£25,000			18-Nov-14			01-Feb-15	
Signage		£100,000		22-Oct-14				01-Nov-14	
Supervised Child Contact 5	£762,000	£381,000	21-May-15			09-Jun-15	22-Jun-15		
Supply of Skips	£150,000	£75,000		18-Aug-15				26-Oct-15	
Supply, Planting, Maintenance and Watering of Seasonal Bedding, Containers and Floral Features	£300,000	£40,000		22-Sep-15				26-Oct-15	
Targeted Services to Support Young People 16-19 (up to 25 SEND) to Participate in Education or Training	£1,600,000	£800,000	20-Aug-15			08-Sep-15	26-Oct-15		
Telecare Service 2	£1,659,000	£475,000	17-Jun-14			08-Jul-14	01-Aug-14		
The Supply of Meat and Meat Products 2	£574,000	£144,000		17-Sep-14				01-Oct-14	
Urban Forestry (previously Arboricultural Services)	£1,300,000	£265,000		22-Sep-15		13-Oct-15	14-Dec-15		
West Midlands Framework Agreement for the Provision of Independent Residential Care Services 1	£16,000,000	£4,000,000	15-Jul-14			12-Aug-14	01-Sep-14	See comment	Need to tighten processes to ensure that reports are still taken when other authorities are tendering on our behalf
Workplaces on the Move	£150,000	£150,000	26-Mar-15				22-Jun-15		

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1. Introduction

Across the three upper tier authorities within the Coventry, Solihull, Warwickshire (CSW) sub-region, the Councils spend approximately £883m each year on bought in goods, services and works. Spending this money well through effective procurement is fundamental to achieving organisational success for the three authorities and supporting prosperity across the sub-region. The Councils have formally recognised by the signing of a Memorandum of Understanding on 02/03/2012 that working together on procurement can contribute to a wide range of socio-economic benefits including a successful local economy, a thriving voluntary sector, community empowerment, equality, consideration for the environment and value for money.

2. Scope of the Strategy

This is an over-arching strategy that seeks to clarify the strategic direction for procurement across the sub region whilst allowing for more localised delivery plans within each of the three authorities to meet specific need.

Procurement is an essential element of cost effective and efficient services. It impacts on Members, the Chief Executive, the Corporate Leadership Team, staff, the public, suppliers and partners.

A clear, comprehensive and effective procurement strategy is crucial to ensuring that good value services are provided whilst driving change and continuous improvement.

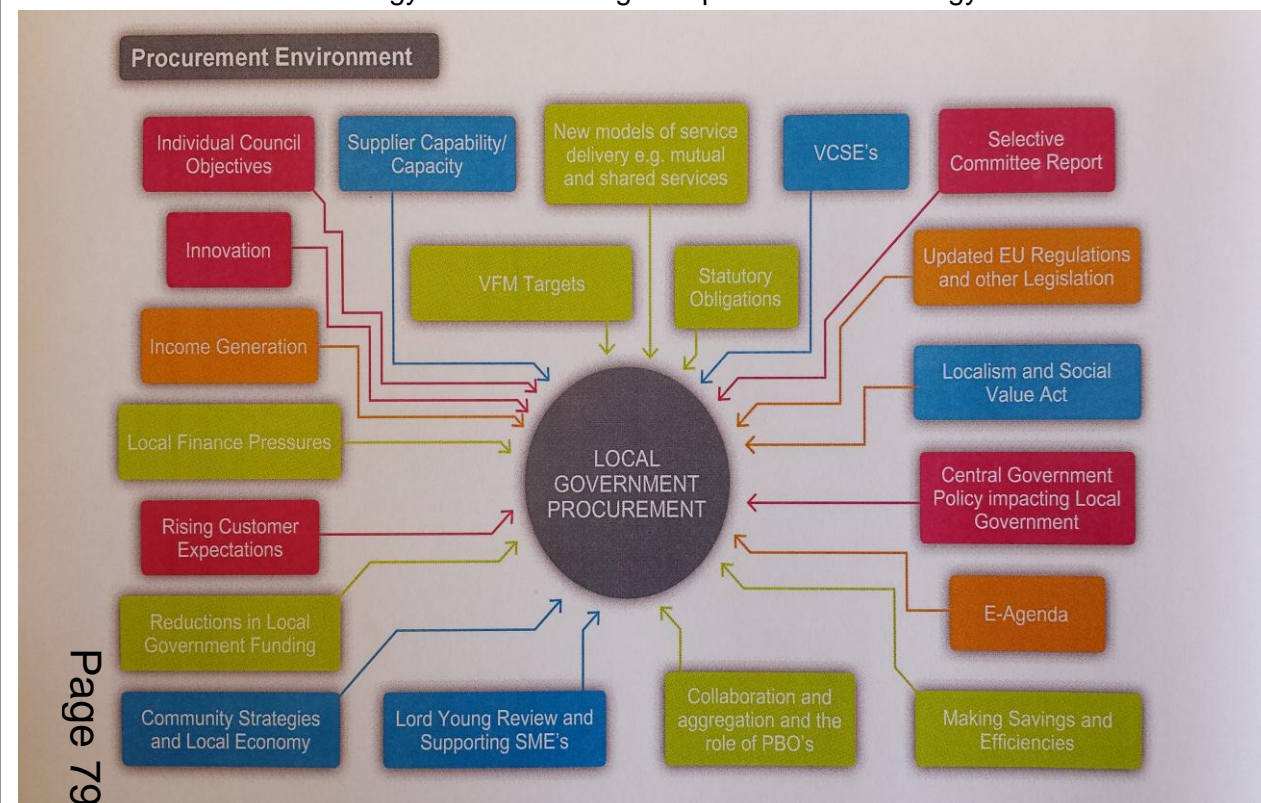
For the purpose of this strategy the procurement process has been defined as:

“The whole process of acquisition from third parties which covers goods, services and works. The process spans the whole life cycle from initial concept and definition of business need to commercial contract management and the effective management of markets, through to the end of the useful life of an asset or end of services contract. It involves options appraisals and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances”

3. National Context

In July 2014 the Local Government Association launched a National Procurement Strategy (NPS) for Local Government after a period of consultation with Chief Executives, Heads of Procurement and central government.

It describes the procurement policy landscape in 2014 which is represented by the diagram below. This illustrates the major policy related developments which form the context for the National Procurement Strategy and the sub regional procurement strategy.



To facilitate the delivery of effective procurement in the above policy context, the NPS 2014 has been structured around 4 key themes.

4. National Procurement Strategy themes

1 Making Savings

NPS Priorities: Category management, partnering and collaboration, contract and supplier management, performance and transparency, risk and fraud management, demand management

2 Supporting Local Economies

NPS Priorities: Improving access for SME's and VCSE's, Economic, environmental and social value

3 Demonstrating Leadership

NPS Priorities: Single cohesive voice, commitment from the top, procurement training, commissioning

4 Modernisation

NPS Priorities: Commercialisation and income generation, supplier innovation, EU Directives, using technology

5. The Legislative Framework within which we procure

All of the above needs to be delivered within a legislative framework which is significant and complicated. The Public Contract Regulations 2015 (PCRs) enact the 2014 EU Directive (2014/24/EU) into UK law and lay out in detail how public procurement must be undertaken across all of the member states within the European Union.

Examples of other law impacting procurement are: Public Services (Social Value) Act 2012, Competition Act 1998, Localism Act 2011 Freedom of information Act 2000, Equality Act 2010.

6. Procurement Structure within the Sub Region

The Shared Procurement Strategy and Joint Savings Plan, to which CCC, SMBC and WCC have signed up to since 2010 has generated savings from a number of collaborative exercises e.g. food, highways, agency staff and fostering. The sub-regional focus for procurement has been reconfirmed by Chief Executives and Leaders of each authority in 2015. This will support the further development of intelligent strategic procurement across the sub region leading to the delivery of savings and efficiencies in line with national austerity measures whilst using procurement power wisely to deliver the required economic growth in our local communities.

The operating model for the shared procurement service is that each authority retains its own procurement team with identified category leads in particular authorities. This means that where contracts are shared, one category manager lets the contract on behalf of all participating authorities.

7. Governance

The shared procurement service is governed by the Shared Service Directors group: Executive Director Resources, Coventry, Director for Resources, Solihull and Strategic Director for Resources, Warwickshire, which meets quarterly. The Procurement Management Team, with representatives from all upper tier authorities and a Districts' representative meets monthly and monitors performance against a set of agreed key performance indicators.

8. Our Vision is: Working together to enhance lives within communities

The challenges ahead are to:

- understand future demand for service provision through engagement
- understand markets and identify procurement excellence that will enhance lives
- work with partners to enhance lives
- place social and economic regeneration and the environment at the heart of procurement
- shape markets to be able to procure from a diverse and competitive mixed economy of suppliers including minority businesses, voluntary and community sector groups , small businesses and social enterprises
- support Members' leadership to embed procurement excellence into the culture of the Council
- innovate through the identification of appropriate service delivery options
- drive down procurement costs
- minimise exposure to risk
- make procurement a key management activity, delivering projects through multifunctional teams
- Equip staff with the right skills and training to deliver excellence
- use procurement processes and in particular e-procurement to support organisational and behavioural change
- be customer focussed using internal consultation and involvement to support service outcomes and improve performance
- comply with legislation relating to procurement activity, e.g. Public Contract Regulations, Freedom of Information Act
- Work sub regionally in line with the Memorandum of Understanding
- Work with regional and national Public Bodies to benefit from economies of scale and shared expertise

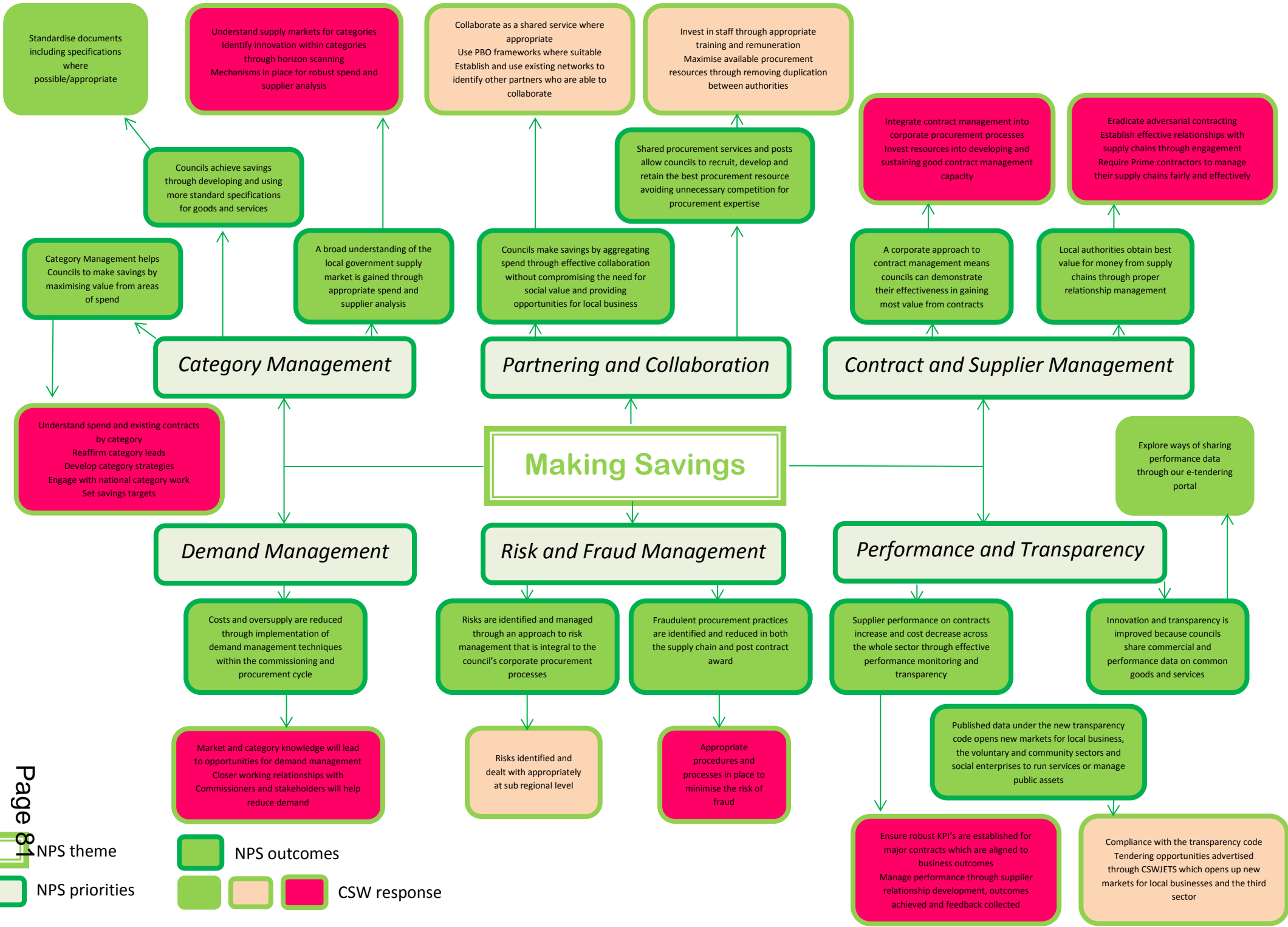
This vision is in line with the strategic direction of each participating authority and therefore will help deliver Council strategy, policies and plans.

9. NPS outcomes and CSW delivery

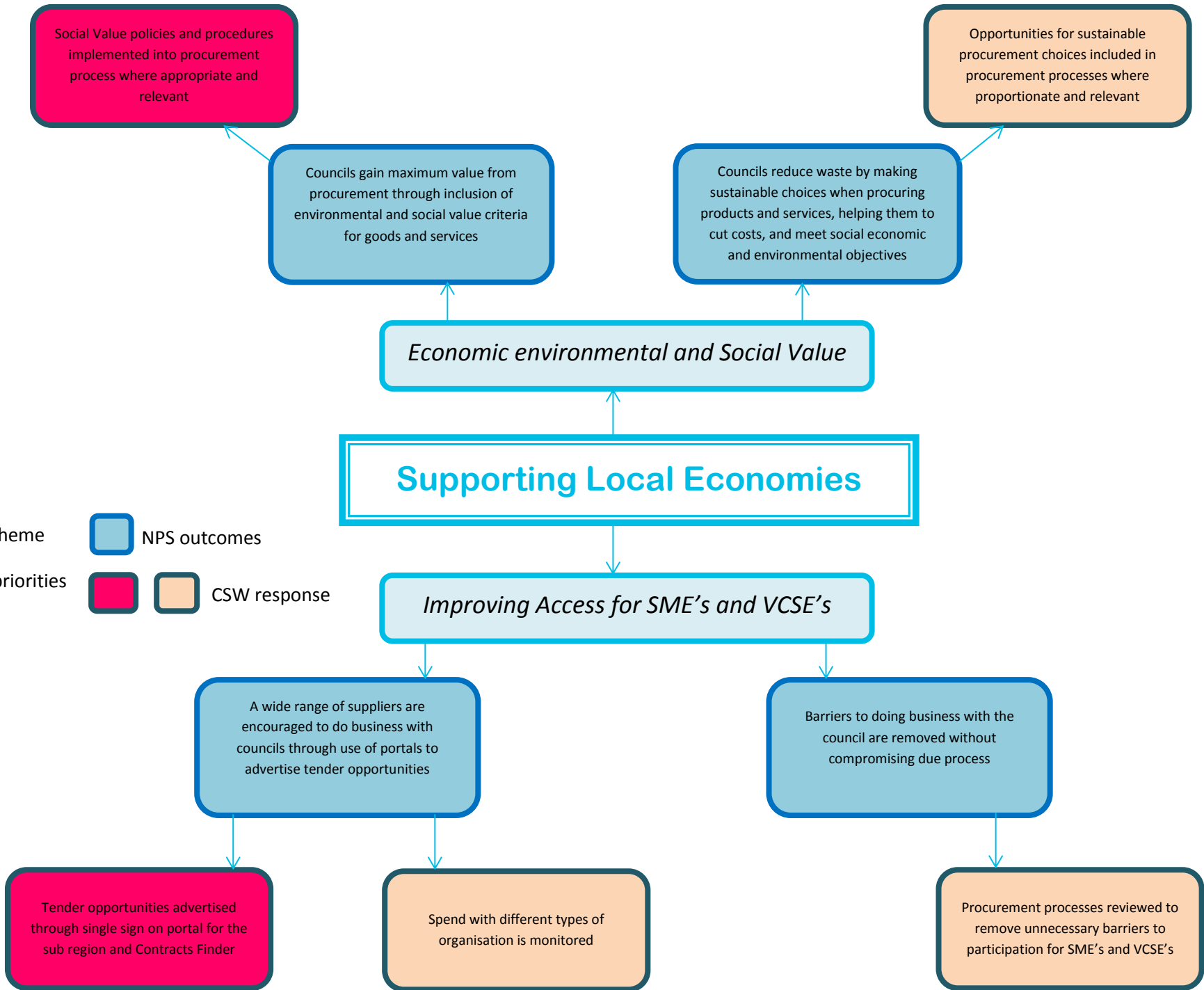
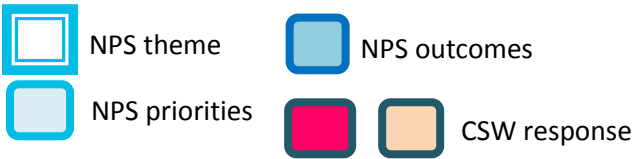
The most effective way to meet the procurement requirements in the national and local contexts is to base the Sub Regional Procurement Strategy on the key themes of the National Procurement Strategy. This will demonstrate effective procurement delivery in line with the national strategic direction whilst meeting local ambition and needs.

The attached charts show CSW's response to the NPS themes, priorities and outcomes. Individual authorities may choose to implement some or all of the CSW responses depending on local priorities. CSW responses have been RAG rated to indicate importance with red, amber, green representing high, medium and low importance.

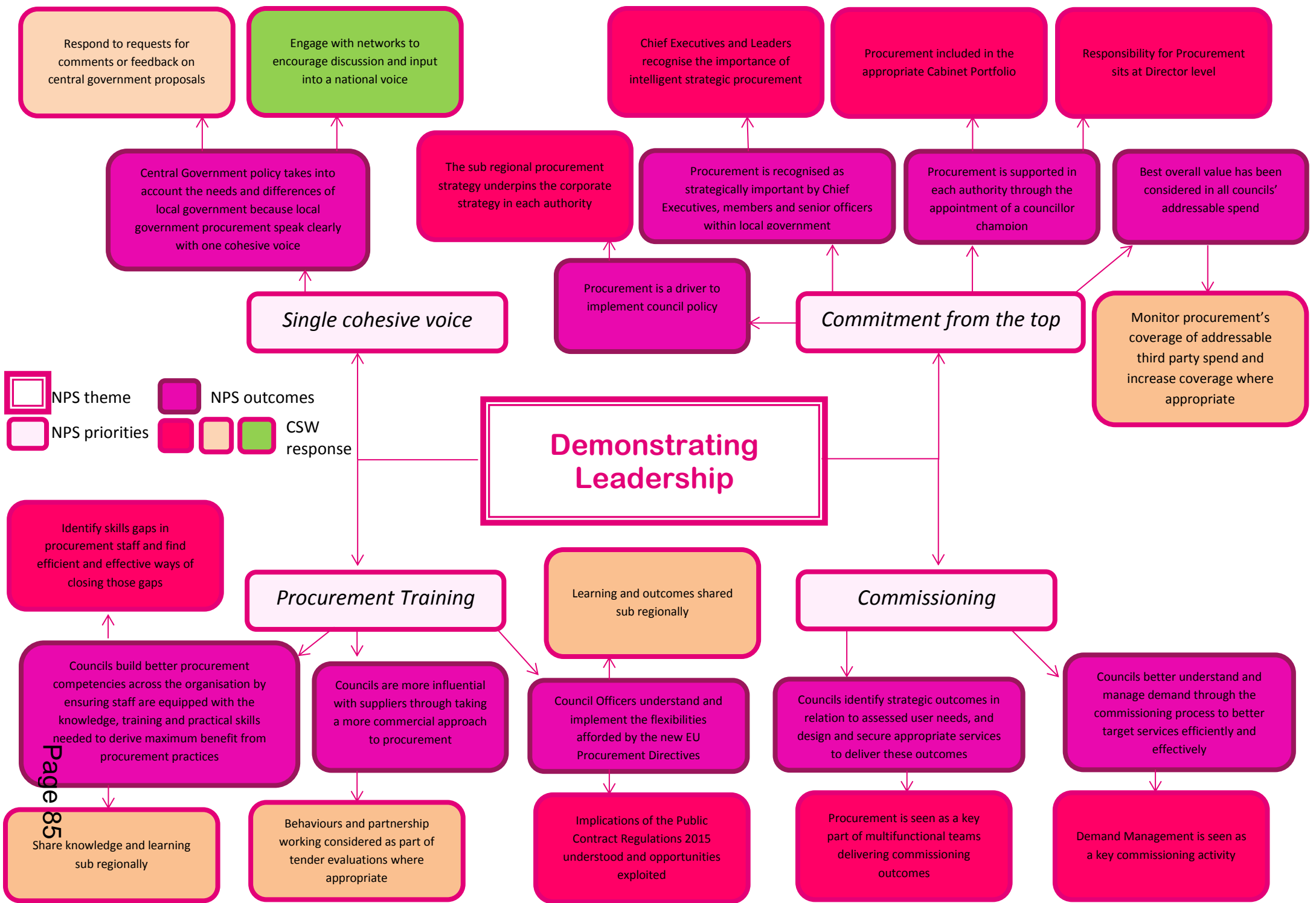
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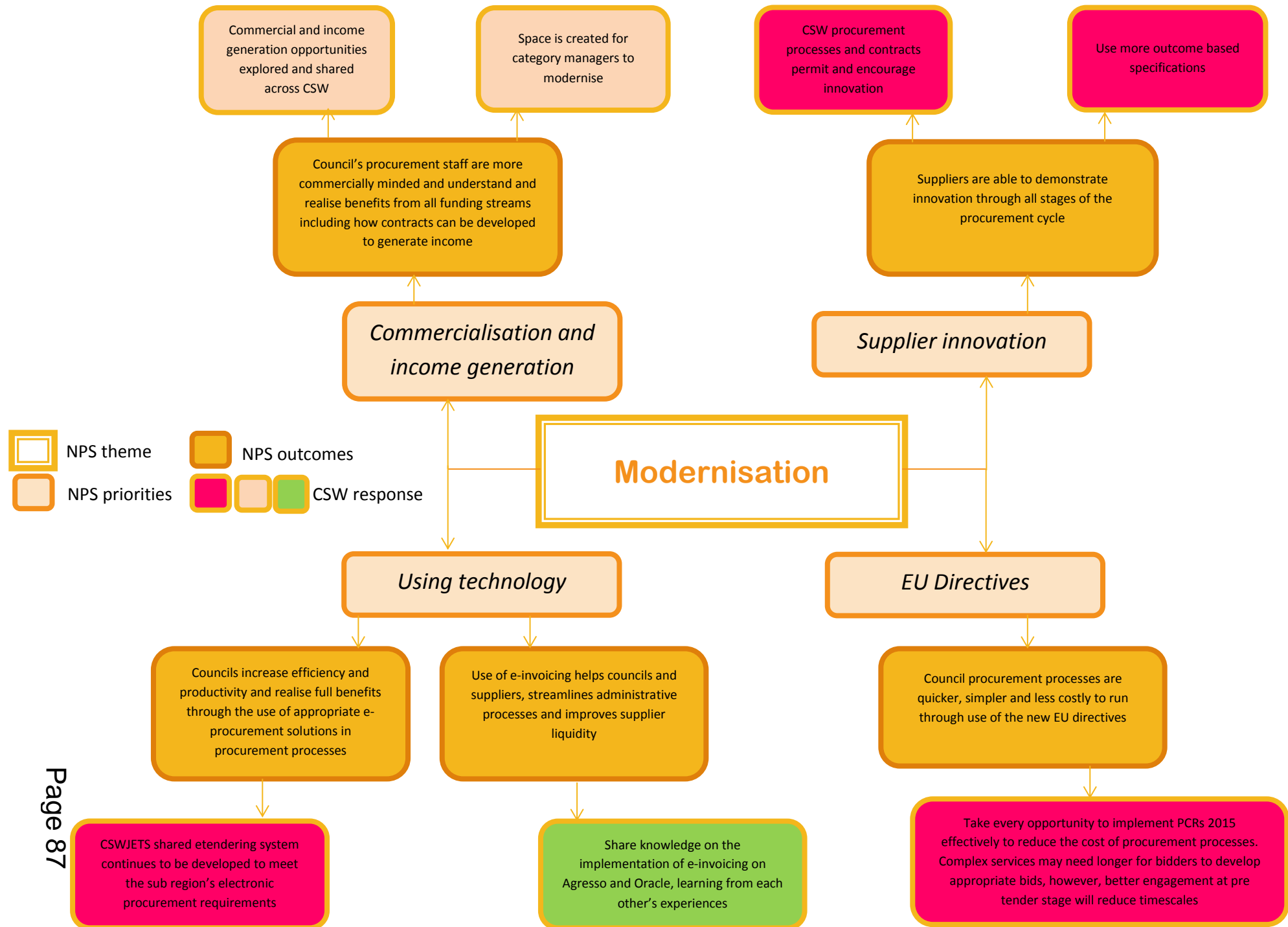
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