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### Audit and Procurement Committee

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**Time and Date**

3.00 pm on Monday, 18th December 2017

**Place**

Diamond Room 2 - Council House

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**Public Business**

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 3 - 12)  
To agree the minutes of the meeting held on 13<sup>th</sup> November 2017
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. **Outstanding Issues** (Pages 13 - 18)  
Report of the Deputy Chief Executive (Place)
6. **Work Programme 2017/18** (Pages 19 - 20)  
Report of the Deputy Chief Executive (Place)
7. **2017/18 Second Quarter Financial Monitoring Report (to September 2017)**  
(Pages 21 - 40)  
Report of the Deputy Chief Executive (Place)
8. **Corporate Risk Register Update** (Pages 41 - 70)  
Report of the Deputy Chief Executive (Place)
9. **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**

10. **Procurement and Commissioning Progress Report** (Pages 71 - 78)

Report of the Deputy Chief Executive (People)

(Listing Officer: M Burn, Tel: 024 7683 3757)

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

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Martin Yardley, Deputy Chief Executive (Place), Council House, Coventry

Friday, 8 December 2017

Note: The person to contact about the agenda and documents for this meeting is Lara Knight / Michelle Salmon, Governance Services, Tel: 024 7683 3237 / 3065, Email: [lara.knight@coventry.gov.uk](mailto:lara.knight@coventry.gov.uk) / [michelle.salmon@coventry.gov.uk](mailto:michelle.salmon@coventry.gov.uk)

Membership: Councillors S Bains (Chair), R Brown, L Harvard (Deputy Chair), T Sawdon, R Singh, H Sweet and K Taylor

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.

**Lara Knight / Michelle Salmon**

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**Coventry City Council**  
**Minutes of the Meeting of the Audit and Procurement Committee held at 3.00 pm**  
**on Monday, 13 November 2017**

Present:

Members:                               Councillor S Bains (Chair)  
  Councillor R Brown  
  Councillor L Harvard (Deputy Chair)  
  Councillor T Sawdon  
  Councillor R Singh  
  Councillor H Sweet  
  Councillor K Taylor

Employees (by Directorate):

People                                    B Barrett, M Burn, J Gregg, N Hart

Place                                    P Hammond, B Hastie, P Jennings, M Salmon, K Tyler

Other Representatives:               S Turner – Grant Thornton

Apologies:                            There were no apologies

## **Public Business**

### **39.     Declarations of Interest**

There were no disclosable pecuniary interests.

### **40.     Minutes of Previous Meeting**

The minutes of the meeting held on 11<sup>th</sup> September 2017 were agreed and signed as a true record.

There were no matters arising.

### **41.     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 private reports referred to in Minute 50 below headed ‘Consideration for Approval of Severance Packages in Respect of 3 x Employees Exceeding £100,000’ and in Minute 51 below headed ‘Commissioning Progress Report’ on the grounds that the reports involve the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act, as they contain 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 cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

42. **Outstanding Issues**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place) that identified issues on which a further report / information had been requested or was outstanding so that Members were aware of them and could manage their progress.

Appendix 1 to the report provided details of an issue where a report back had been requested to a future meeting, along with the anticipated date for further consideration of the matter. Appendix 2 provided details of items where additional information had been requested outside of the formal meeting along with the date when this had been completed.

**RESOLVED that the Audit and Procurement Committee notes the outstanding issues report.**

43. **Work Programme 2017/18**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place), which set out the Work Programme of scheduled issues for consideration by the Committee for the year 2017/2018.

**RESOLVED that the Audit and Procurement Committee notes the Work Programme for 2017/18.**

44. **Annual Audit Letter for Coventry City Council 2016-2017**

The Audit and Procurement Committee considered the Annual Audit Letter from the Council's External Auditors, Grant Thornton, which set out the key findings from the work that they had carried out at the Council for the year ending 31st March 2017.

The letter provided a commentary on the results of the External Auditors work to the Council and its external stakeholders. It set out the scope of the audit, the audit of account and value for money consideration and highlighted issues that the Auditors wished to draw to the attention of the public. The Committee noted that, in preparing the letter, the External Auditor had followed the National Audi Office's Code of Audit Practice (the Code) and Auditor Guidance Note 07 - 'Auditor Reporting'.

Appendix A of the Letter set out the reports issues and the fees for carrying out the audit work. Fees were in line with the scale fee set by Public Sector Audit Appointments Limited. Fees for grant certification only covered housing benefit subsidy certification which fell under the remit of Public Sector Audit Appointments Limited, this work was not due to be completed until November 2017 therefore final fees could not be confirmed at this time.

The Committee were informed that the delay in meeting the deadline for the submission of the whole of government accounts pack was due to its late receipt by the Authority and technical errors in the central government supplied pack.

The Committee discussed the CIPFA Code of Practice that required local authorities to revalue its investment properties annually and were assured that officers and the External Auditor would agree an approach for the future revaluation of the Council's properties.

**RESOLVED that the Audit and procurement Committee approves the Annual Audit Letter 2016-2017.**

45. **City Council Treasury Management Investment Activity**

The Audit and Procurement Committee considered a briefing note of the Deputy Chief Executive (Place) that detailed the latest information in respect of the Council's treasury management activity. Appendices to the report detailed the Council's lending list along with the most recent list of investments held by the Council.

The current lending list was maintained in line with advice provided by the Council's Treasury Management advisors, Arlingclose, which based its judgement on information from credit rating agencies.

Since the last report in October 2016, the main change to the lending list was the reduction in the counterparty limits which were based on the expected cash levels for the coming year. As a result of paying three years pension contributions upfront, totalling £93.3m, it was anticipated that the Council's cash balances would be lower than previous years, therefore counterparty limits had been reduced from £10m to £8m.

Also, three unrated Building Societies and a Bank had been removed from the approved lending lists based on advice from Arlingclose, due to worsening credit metrics. The Council had never dealt with any of the institutions involved.

The counterparty limits had also been adjusted based on school current account balances. The Council took these into consideration when setting counterparty limits as in the event of a bank failure, these balances would be bailed-in as well as Council investments. School current account balances held with Lloyds Bank had increased, therefore, the Council's counterparty limits with Lloyds bank had reduced to £3.4m from £4.4m. The Council currently held an investment with Lloyds bank for £4.4m however, this was within the Treasury Management Strategy because, although it was exceeding the counterparty limit now, when the investment was made it was within the counterparty limit.

There are two instances where the Council's current investments exceeded the counterparty limit of £8m. The first of these was the 95 day notice account with Santander and the other was the investment in the CCLA property fund. While it was within the Council's Treasury Management Strategy to hold investments over the current counterparty limit as long as the counterparty limit wasn't breached at the time of investment, the decision had been made to disinvest £2m from the Santander notice account to bring the investment in line with current limits and the Council were currently serving the notice period before receiving the funds.

A decision was made by Council to adjust the Treasury Management Strategy to increase the maximum investment limit with property funds to £10m to take advantage of the relatively strong returns from the fund combined with the relatively high level security within this type of investment. Details were set out in the lending list in Appendix 1 to the report.

The total level of investment balances held by the Council stood at £110.4m as at 20<sup>th</sup> October 2017 compared with £178.9m as at 21<sup>st</sup> October 2016. The main reason for the reduction in investment balances over the past 12 months was due to the £93.3m upfront pension contribution payment made in April 2017.

Since the last report no short term borrowing had been undertaken, due to the high levels of investment balances held by the Council.

The counterparty limit with NatWest was only £3.5m due to them having a lower credit rating (BBB+) than other UK banks and some schools had their current accounts with NatWest. On 12/09/2017 the Council exceeded that limit with an end of day balance of £4.6m, which was due to uncertainty surrounding a potential receipt of £4.5m relating to the Whitley South scheme. All dealing needed to be done by 1pm before investment markets closed and so the decision was taken to proceed as if the receipt would not be received, to negate the risk of the Council having an overdrawn balance. However, at 4pm the Council did receive the £4.5m leading to the end of day balance of £4.6m. Counterparty limits were a notional limit set by the Council designed to reduce exposure to Council investments being bailed-in in the event of a bank failure. As such exceeding counterparty limits carried no penalties other than The Council had an increased exposure to investments being bailed-in if NatWest had defaulted overnight on 12/09/2017.

The Committee were assured that priority was given to the security of investments prior to consideration of returns. Officers indicated that they were satisfied that investments were appropriate and that reports were received periodically providing details of how the Council's investments had been used.

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

#### 46. **Internal Audit Plan 2017-2018 - Half Year Progress Report**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place) that provided an update on the internal audit activity for the period April to September 2017, against the Internal Audit Plan for 2017-2018.

The report was the first monitoring report for 2017-18, which was presented to enable the 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'.

The report indicated that the key target facing the Internal Audit Service was to complete 90% of its work plan by the 31<sup>st</sup> March 2018 and an analysis of progress against planned work for the period April to September 2017 was set out in detail in the report. At the end of September 2017, the Service had completed 46% of the Audit Plan against a planned target of 49% (which was based on delivering

100% of the plan) and was on track to meet its key target by the end of 2017-18. This also represented an improvement in performance from 2016-17.

In addition to the delivery of the Audit Plan, the Internal Audit Service had a number of other Key Performance Indicators (KPI's) which underpinned its delivery. A table in the report provided a summary of the performance for 2017-18 to date against the five KPIs, with comparative figures for the financial year 2016-17. There was one indicator (i.e. audit delivered within budget days) where the Service's current performance was below expectations. Targeted actions by Management to make improvements remained on-going as part of a continual focus to deliver greater efficiency in the Service. These included weekly progress meetings, improved use of technology to enable budget issues to be highlighted on a timely basis, and targeted work with individual team members to improve performance.

Appendix One of the report provided a list of the audits finalised between April and September 2017, along with the level of assurance provided. The audits that were currently in progress were:

- i) **Audits at Draft Report Stage** – Data Protection: Childrens' Services, Promoting Independent Living Service: Tenants Finances
- ii) **Audits On-going** – Organised Crime Checklist, Raising Invoices Locally, Post 16 Schools Funding, LCS / Controc, Payment Audit Follow Up, New HR / Payroll Processes

Details of a selection of key reviews completed in this period were provided in Appendix Two to the report. In all cases, the relevant Managers had agreed to address the issues raised in line with the timescales stated. The reviews would be followed up in due course and the outcomes reported to the Audit and Procurement Committee.

The Committee were informed that in respect of the Universal Credit system, officers were already taking action in planning for the benefit payment changes.

**RESOLVED that the Audit and Procurement notes:**

- 1) **The performance as at quarter two against the Internal Audit Plan for 2017-2018.**
- 2) **The summary findings of the key audit reviews set out in Appendix Two of the report.**

#### 47. **Accounts Payable Recovery Audit 2016-2017**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place) that provided an overview of the results of the Accounts Payable Recovery Audit 2016-2017 and sought approval to participate in future annual audit exercises with the supplier.

The Council made payments of over £300 million a year to suppliers and individuals through the Accounts Payable system within Agresso. Whilst robust controls were in place to ensure that transactions were complete and accurate, there was a residual risk that on occasion payments were made in error, or credit

amounts owing were not identified and recovered. As such, it was common practice across local authorities to undertake proactive audits to identify and recover such items. Previous exercises on this had been carried out and in 2016, the Council engaged a supplier (Caatalyst Ltd) to undertake the latest audit, in-conjunction with support from Accounts Payable / Internal Audit.

The audit covered accounts payable transactions processed on the Agresso system up to 31<sup>st</sup> December 2016. The total spend reviewed was approximately £2 billion which represented around 500,000 lines of transaction data. The scope of the audit covered: Vendor statements – to identify, verify and recover credit notes and similar credit balances on vendor accounts due to the Council; Duplicate payments – to identify, verify and recover any duplicate payments made by the Council; VAT audit – to identify, verify and recover any VAT not recovered by the Council.

In total, the audit identified and recovered a sum of £218k, which consisted of 167 recovery items, including three outstanding recoveries still being processed. A breakdown of the recoveries by type was set out in the report. This represented 0.01% of the total spend reviewed and was below the supplier's benchmark of 0.02% across other clients. The supplier felt that this result was due to strong internal controls being implemented at a management and accounts payable level and was an excellent achievement in the context of overall spend. The Accounts Payable system was subject to an annual internal audit review and was consistent with the suppliers.

The results of the audit were reviewed to identify where control improvements could be made and a number of actions relating to: duplicate payments; vendor statements; credit notes; vendor statements: other credit balances; and VAT, were identified to be taken forward.

It was proposed that the Council undertook further "one off" annual exercises in the future. This would enable the impact on officers' time to be managed more effectively as the timing of the work could be agreed to allow resources to be targeted accordingly. This would also allow appropriate time to be in the actions outlined in the report. Whilst we would expect the level of recoveries to reduce over time as a result of these actions, sufficient time was required for this to be realised.

The Committee were informed that payment was made to the Council engaged debt recovery company on a no win no fee basis. The Committee were also assured that a legal agreement was in place to ensure that all data collected in respect of debt recovery was kept secure.

**RESOLVED that the Audit and Procurement Committee:**

- 1) Notes the outcome of the Accounts Payable Recovery Audit 2016-2017 and the improvement actions identified as a result of this work.**
- 2) Approves the option to undertake future annual proactive audit exercises with the supplier on accounts payable transactions.**



48. **Consideration for Approval of Severance Packages in Respect of 3 x Employee's exceeding £100,000**

The Audit and procurement Committee considered a report of the Deputy Chief Executive (People) that indicated that as part of the Children Services Transformation Programme three Council employees had requested that they be considered for Early Retirement/Voluntary Redundancy (ER/VR). As the severance package for each of the officers concerned would exceed £100,000, the determination of the packages was a matter for the Audit and Procurement Committee.

A corresponding private report detailing confidential aspects of the proposals was also submitted to the meeting for consideration (Minute 50 below refers).

Following Ofsted inspections in 2014 and 2017, Children's Services Workforce Redesign was one of nine projects that together formed the Children's Transformation Programme which supported the Services Improvement Plan. The revised structure would deliver organisational and process changes which would allow Childrens Services to sustain and improve the service experience and outcomes for children and young people by reshaping the way that support was delivered to those aged 0-19 years.

Children's Services Workforce Redesign pre-engagement took place from 13th April until 26th April 2017 and formal consultation with Trade Union colleagues and employees took place from 8th May until 3rd August 2017.

As a result of the redesign some employees opted for ER/VR as part of the Security of Employment Agreement, with three employees having an exit package in excess of £100,000. Part 21 of the Council's constitution required that any severance package for an employee of the Council of £100,000 or over, should be determined by the Audit and Procurement Committee.

When calculating the value of an exit package, a local authority should calculate and include the costs to the authority as well as payments/benefits to the employee. The pension strain costs had therefore been included in the redundancy cost for the total cost of severance. Pension strain was an additional one-off sum that an employer was required to pay to the Pension Fund in order to allow the early release of pension benefits without actuarial reduction. The Committee requested that officers explore options for informing members of the public and the media of this process, to avoid misunderstanding.

**RESOLVED that the Audit and Procurement Committee:-**

- 1) Approves the severance package in respect of employee 1.**
- 2) Approves the severance package in respect of employee 2.**
- 3) Approves the severance package in respect of employee 3.**

**4) Requests that the Cabinet Member for Strategic Finance and Resources considers undertaking a review of the Council's organisational change process and associated Security of Employment Agreement to consider alternate options that may be available to the council to avoid the loss of organisational memory, knowledge, skills and competencies and the cost to the public purse.**

**49. 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 other items of public business.

**50. Consideration for approval of severance packages in respect of 3 x Employee's exceeding £100,000**

Further to Minute 48 above, the Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place) that set out confidential aspects of proposals for the severance packages in respect of 3 x employees that exceeded £100,000.

**RESOLVED that, the Audit and Procurement Committee:-**

- 1) Approves the severance package in the sum now indicated in respect of employee 1.**
- 2) Approves the severance package in the sum now indicated in respect of employee 2.**
- 3) Approves the severance package in the sum now indicated in respect of employee 3.**
- 4) Requests that the Cabinet Member for Strategic Finance and Resources considers undertaking a review of the Council's organisational change process and associated Security of Employment Agreement (SOEA) to consider alternate options that may be available to the council to avoid the loss of organisational memory, knowledge, skills and competencies and the cost to the public purse.**

**51. Procurement and Commissioning Progress Report**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (People) that provided an update on the procurement and commissioning undertaken by the Council since the last report submitted to the meeting on 11<sup>th</sup> September 2017 (minute 32/17 referred). Details of the latest positions in relation to individual matters were set out in an Appendix to the report.

**RESOLVED that the Audit and Procurement Committee:**

- 1) Notes the current position in relation to the Commissioning and Procurement Services.**

**2) Agrees that there are no recommendations to be made to either the Cabinet Member for Strategic Finance and Resources, Cabinet or Council on any of the matters reported.**

**52. 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 other items of private business.

(Meeting closed at 4.45 pm)

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Audit and Procurement Committee

18<sup>th</sup> December 2017

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

**Director approving submission of the report:**

Deputy Chief Executive (Place)

**Ward(s) affected:**

N/A

**Title:**

Outstanding Issues

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**Is this a key decision?**

No

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**Executive summary:**

This report is to identify those issues on which further reports / information has been requested or are outstanding so that Members are aware of them and can monitor their progress.

**Recommendations:**

The Committee is recommended to:-

1. Consider the list of outstanding items as set out in the Appendices, and to ask the Deputy Chief Executive concerned to explain the current position on those items which should have been discharged.
2. Agree that those items identified as completed within the Appendices be confirmed as discharged and removed from the outstanding issues list.

**List of Appendices included:**

Appendix 1 - Further Report Requested to Future Meeting  
Appendix 2 - Additional Information Requested Outside of Meeting

**Other useful background papers:**

None

**Has it or will it be considered by scrutiny?**

N/A

**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:  
Outstanding Issues**

**1. Context (or background)**

- 1.1 In May 2004, the City Council adopted an Outstanding Minutes system, linked to the Forward Plan, to ensure that follow-up reports can be monitored and reported to Members.
- 1.2 At their meeting on 25<sup>th</sup> January 2017, the Audit and Procurement Committee requested that, in addition to further reports being incorporated into the Committee's Work Programme, that a report be submitted to each meeting detailing those additional reports requested to a future meeting along with details of additional information requested outside of the formal meeting.
- 1.3 Appendix 1 to the report outlines items where a report back has been requested to a future Committee meeting, along with the anticipated date for further consideration of the issue.
- 1.4 In addition, Appendix 2 sets out items where additional information was requested outside of the formal meeting along with the date when this was completed.
- 1.5 Where a request has been made to delay the consideration of the report back, the proposed revised date is identified, along with the reason for the request.

**2. Options considered and recommended proposal**

- 2.1 N/A

**3. Results of consultation undertaken**

- 3.1 N/A

**4. Timetable for implementing this decision**

- 4.1 N/A

**5. Comments from Executive Director of Resources**

- 5.1 Financial implications

N/A

- 5.2 Legal implications

N/A

**6. Other implications**

- 6.1 How will this contribute to achievement of the Council's Plan?**

N/A

- 6.2 How is risk being managed?**

This report will be considered and monitored at each meeting of the Cabinet

**6.3 What is the impact on the organisation?**

N/A

**6.4 Equalities / EIA**

N/A

**6.5 Implications for (or impact on) the environment**

N/A

**6.6 Implications for partner organisations?**

N/A

**Report author(s):**

**Name and job title:**

Lara Knight  
Governance Services Co-ordinator

**Directorate:**

Place

**Tel and email contact:**

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Tel: 024 7683 3237

Enquiries should be directed to the above person.

<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
<b>Names of approvers:</b> (officers and Members)				

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## Appendix 1

### Further Report Requested to Future Meeting

	<b>Subject</b>	<b>Minute Reference and Date Originally Considered</b>	<b>Date For Further Consideration</b>	<b>Responsible Officer</b>	<b>Proposed Amendment To Date For Consideration</b>	<b>Reason For Request To Delay Submission Of Report</b>
1.	<b>Information Management Strategy Update</b>  Report back of the outcome of the follow up audit by the Information Commissioner	36/16 24 <sup>th</sup> October 2016	February 2018	Helen Lynch / Joe Sansom		

\* identifies items where a report is on the agenda for your meeting.

## Appendix 2

## Additional Information Requested Outside of Meeting

	<b>Subject</b>	<b>Minute Reference and Date Originally Considered</b>	<b>Information Requested / Action Required</b>	<b>Responsible Officer</b>	<b>Date Completed</b>
1.	Internal Audit Annual Report 2016/17	Minute 6/17 26 <sup>th</sup> June 2017	That information be forwarded to the Committee in relation to the checks and balances undertaken regarding maintenance of vehicles and fuel consumption.	Karen Tyler	16 <sup>th</sup> October 2017
2.	Procurement and Commissioning Progress Report	Minute 12/17 26 <sup>th</sup> June 2017	The Committee requested information on timescales for the City's 50m swimming pool.	Mick Burn	
3.	Information Governance Annual Report 2016/17	Minute 23/17 24 <sup>th</sup> July 2017	The Committee requested that arrangements be made for annual mandatory training on Data Protection for all members.	Sharon Lock	

## **Audit and Procurement Committee**

### **Work Programme 2017-18**

#### **26<sup>th</sup> June 2017**

Revenue and Capital Out-turn 2016-17  
Draft Statement of Accounts 2016-17  
Annual Governance Statement 2016-17  
Internal Audit Annual Report 2016-17  
Internal Audit Plan 2017-18  
Procurement Progress Report (Private)

#### **24<sup>th</sup> July 2017**

Audit Findings Report 2016-17 (Grant Thornton)  
Statement of Accounts 2016-17  
Audit Committee Annual Report 2016-17  
Information Governance Annual Report 2016/17  
Procurement Progress Report (Private)

#### **11<sup>th</sup> September 2017**

Audit Findings Report 2016-17 (Grant Thornton)  
Statement of Accounts 2016-17  
Quarter One Revenue and Corporate Capital Monitoring Report 2017-18  
Fraud Annual Report 2016-17  
Procurement Progress Report (Private)

#### **13<sup>th</sup> November 2017**

Annual Audit Letter 2016-17 (Grant Thornton)  
Half Year Internal Audit Progress Report 2017-18  
Payment Audit  
Treasury Management Update  
Procurement Progress Report (Private)

#### **18<sup>th</sup> December 2017**

Quarter Two Revenue and Corporate Capital Monitoring Report 2017-18  
Corporate Risk Register Update  
Procurement Progress Report (Private)

## **22<sup>nd</sup> January 2018**

Half Yearly Fraud Update 2017-18  
Ombudsman Complaints Annual Report 2016-17  
RIPA (Regulation of Investigatory Powers Act) Annual Report 2016-17  
Whistleblowing Policy Annual Report 2016/17  
Contract Management Review

## **19<sup>th</sup> February 2018**

Grant Certification Report (Grant Thornton)  
Quarter Three Revenue and Corporate Capital Monitoring Report 2017-19  
Quarter Three Internal Audit Progress Report 2017-18  
Information Management Strategy Update including result of follow up audit by ICO  
Procurement Progress Report (Private)

## **26<sup>th</sup> March 2018**

Annual Audit Plan (Grant Thornton)  
Internal Audit Recommendation Tracking Report  
Internal Audit Plan 2018-19  
Procurement Progress Report (Private)  
Code of Corporate Governance (Adrian West)

## **Dates to be confirmed**



## Public report Cabinet Report

Cabinet  
Audit and Procurement Committee

28<sup>th</sup> November 2017  
18<sup>th</sup> December 2017

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance & Resources – Councillor J Mutton

**Director approving submission of the report:**

Deputy Chief Executive Place

**Ward(s) affected:**

City Wide

**Title:**

2017/18 Second Quarter Financial Monitoring Report (to September 2017)

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**Is this a key decision?**

No

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**Executive summary:**

The purpose of this report is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and of the Council's treasury management activity as at the end of September 2017.

The headline revenue forecast for 2017/18 is an overspend of £3.1m. This has improved since the Quarter 1 position when it stood at £4.6m whilst at the same point in 2016/17 there was a projected overspend of £7.1m. Notwithstanding the relative improvement since Quarter 1 and the equivalent position last year, the reasons for the overspend represent some concerning trends for the Council. At a time of continued tightening of local authority resources the current position still represents one that demands a strong focus on addressing the underlying issues.

This position continues to reflect areas for which overspends have been reported previously but it also incorporates the emergence of new budgetary issues. The main areas of financial pressures result from a shortfall in delivering savings targets set in previous budgets in some areas and some local externally driven demand pressures, in particular, in relation to looked after children and an increase in homelessness. Where relevant, these pressures have been incorporated within the 2018/19 Pre-Budget Report (Cabinet 28<sup>th</sup> November 2017) although the expectation is that some of these pressures may increase substantially in 2018/19 compared with the current year.

The Council's Capital spending is projected to be £119.9m for the year, a net decrease of £9.1m on the position reported at Quarter 1.

**Recommendations:**

Cabinet is recommended to:

1. Note the forecast revenue overspend at Quarter 2.
2. Approve the revised capital estimated outturn position for the year of £119.8m incorporating: £1m net increase in spending relating to approved/technical changes (Appendix 2) and £9.1m of expenditure rescheduled into 2018/19 (Appendix 4).

Audit and Procurement Committee is recommended to:

1. Consider whether there are any comments they wish to be passed to Cabinet

**List of Appendices included:**

Appendix 1	Revenue Position: Detailed Directorate breakdown of forecast outturn position
Appendix 2	Capital Programme: Analysis of Budget/Technical Changes
Appendix 3	Capital Programme: Estimated Outturn 2017/18
Appendix 4	Capital Programme: Analysis of Rescheduling
Appendix 5	Prudential Indicators

**Background Papers**

None

**Other useful documents:**

None

**Has it or will it be considered by scrutiny?**

No

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

Audit and Procurement Committee, 18<sup>th</sup> December 2017

**Will this report go to Council?**

No

**Report Title:**

2017/18 Second Quarter Financial Monitoring Report (to September 2017)

**1. Context (or Background)**

1.1 Cabinet approved the City Council's revenue budget of £232.5m on the 21st February 2017 and a Directorate Capital Programme of £123.2m. This is the second quarterly monitoring report for 2017/18 to the end of September 2017. The purpose is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and to report on the Council's treasury management activity.

1.2 The current 2017/18 revenue forecast is an overspend of £3.1m, a decrease of £1.5m on the Quarter 1 position of £4.6m. The reported forecast at the same point in 2016/17 was an overspend of £7.1m. Capital spend is projected to be £119.9m, a decrease of £9.1m on the Quarter 1 position.

**2. Options considered and recommended proposal**

2.1 **Revenue Forecast** - The forecast revenue overspend £3.1m is analysed by service area below.

**Table 1 - Forecast Variations**

<b>Service Area</b>	<b>Revised Net Budget £m</b>	<b>Forecast Spend £m</b>	<b>Forecast Variation £m</b>
<b>People Directorate</b>			
Public Health	0.5	0.1	(0.4)
Directorate Management	1.5	1.5	0.0
Education & Inclusion	12.4	12.5	0.1
Children & Young People	71.6	76.6	5.0
Adult Social Care	81.9	81.6	(0.3)
Customer Services & Transformation	2.8	4.6	1.8
<b>Total People Directorate</b>	<b>170.7</b>	<b>176.9</b>	<b>6.2</b>
<b>Place Directorate</b>			
Directorate Management	4.0	4.0	0.0
City Centre & Major Projects	7.2	7.3	0.1
Transportation & Highways	3.9	4.1	0.2
Streetscene and Regulatory	27.1	27.7	0.6
Project Management & Property	(7.5)	(7.9)	(0.4)
Finance & Corporate Services	6.9	8.0	1.1
<b>Total Place Directorate</b>	<b>41.6</b>	<b>43.2</b>	<b>1.6</b>
Contingency & Central Budgets	20.2	15.5	(4.7)
<b>Total Spend</b>	<b>232.5</b>	<b>235.6</b>	<b>3.1</b>

## 2.2 Individual Directorate Comments for Revenue Forecasts

A summary of the forecast year-end variances is provided below. Further details are shown in Appendix 1.

### **People**

The People Directorate continues to face significant financial challenges, and a large underspend on centralised salaries (£3.9m) masks a significant overspend across other areas (£10.1m).

The net position of a £6.2m overspend includes undelivered savings targets of £2.6m. This is largely as a result of delays in delivery within Children's Services and Customer Services & Transformation. Both divisions have plans against the targets however they will not be delivered within the required timescales.

The remainder of the problem is a result of budgetary control pressure, including a significant increase in the Looked After Children (LAC) population (average LAC numbers in 2016/17 were 587, whereas the discrete numbers at the end of September are in excess of 650) as well as continued pressures in supported accommodation provision for care leavers.

Children's Leadership Team are reviewing all children and young people in placements (both LAC and Supported) to identify how costs can be reduced within the financial year and as a result have managed to reduce numbers in residential provision. Further work is in train to interrogate the LAC trends, plans and budget forecast for a more detailed consideration to include the Deputy Chief Executive (People) and Director of Finance and Corporate Services.

### **Place**

The largest pressure within the Place Directorate's overall forecast deficit of £1.6m, relates to the unfunded cost of housing families in temporary accommodation, which due to the significant increase in homelessness, is causing a £1.5m overspend in 2017/18. Other significant pressures exist in the refuse service relating to the roll out of the redesigned service and also the need to maintain collections over the Christmas period.

A number of vacancies across the whole directorate are also being temporarily covered by agency staff as a result of reviews being carried out or difficulties in recruitment. In most cases the external cost is offset by underspends on salary budgets.

There are some other income pressures being experienced in relation to the Parks service, Corporate catering, Monitoring & Response Service and Parking enforcement, all of which are actively being managed by service managers with the view to resolving in the medium term.

### **Contingency & Central**

The variance on Corporate budgets has improved by £2.1m since Quarter 1. This reflects a revised estimate of expected grant income relating to Business Rates reliefs and an updated improved position relating to the impact of the Council's participation in the West Midlands Business Rates Pilot which have a combined impact of £1.3m. The remaining movement is on inflation contingencies which in total are expected to underspend by £2.5m, with further underspends in the Asset Management Revenue Account and the Apprenticeship Levy.



## 2.4 Capital Programme

Table 2 below updates the budget to take account of a £1.0m increase in the programme, and a reduction of £9.1m for expenditure which is now planned to be carried forward into future years. This gives a revised projected level of expenditure for 2017/18 of £119.9m. Appendix 3 provides an analysis by directorate of the movement since quarter 1.

The resources available listed below show how the Capital Programme will be funded in 2017/18. It shows 54% of the capital programme is funded by external grant. Overall the capital programme and associated resourcing reflects a forecast balanced position in 2017/18.

**Table 2 – Movement in the Capital Budget**

<b>CAPITAL BUDGET 2017-18 MOVEMENT</b>	<b>£m</b>
<b>Estimated Outturn Quarter One</b>	<b>128.0</b>
Approved / Technical Changes (see Appendix 2)	1.0
"Net" Rescheduling into future years (see Appendix 4)	(9.1)
<b>Revised Estimated Outturn 2017-18</b>	<b>119.9</b>

  

<b>RESOURCES AVAILABLE:</b>	<b>£m</b>
Prudential Borrowing (Specific & Gap Funding)	51.6
Grants and Contributions	64.3
Capital Receipts	0.5
Revenue Contributions	3.0
Leasing	0.5
<b>Total Resources Available</b>	<b>119.9</b>

On the 10<sup>th</sup> October 2017, the Council approved a report to acquire a further financial interest in Coombe Abbey Park Ltd. Upon completion the transaction will be incorporated into the Council's Capital Programme and reflected in subsequent monitoring reports.

Final decisions on the funding of the programme will be made at year-end, based on the final level of spend and the level of resources available. These decisions will pay due regard to the need to earmark resources to fund future spending commitments. In recent years the Council has delayed prudential borrowing as a means of funding capital spend but it is important to be aware that significant amounts of borrowing have been approved to fund the 2017/18 and future programmes and this will come on-stream over the next few years. The revenue funding costs of this have been built into the Council's forward financial plans.

## 2.5 Treasury Management Activity in 2017/18

### Interest Rates

The economic outlook for the UK remains uncertain with Brexit negotiations ongoing, however the most recent inflation data indicates that CPI inflation is currently at 3.0%. The Bank of England Committee who set the official interest indicated at the last meeting that an increase in interest rates was likely to be appropriate to return inflation to a lower level

and a subsequent meeting of the Committee has approved an interest rate increase to 0.5% applicable from November.

### **Long Term (Capital) Borrowing**

The net long term borrowing requirement for the 2017/18 capital programme is £43.8m, taking into account borrowing set out in Section 2.4 above (total £51.6m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£7.8). No long term borrowing has been undertaken for several years, in part due to the level of investment balances available to the authority. Any future need to borrow will be kept under review in the light of a number of factors, including the anticipated level of capital spend, interest rate forecasts and the level of investment balances.

During 2017/18 interest rates for local authority borrowing from the Public Works Loans Board (PWLB) have varied within the following ranges:

<b>PWLB Loan Duration (maturity loan)</b>	<b>Minimum 2017/18 to P6</b>	<b>Maximum 2017/18 to P6</b>	<b>As at the End of P6</b>
5 year	1.34%	1.82%	1.79%
50 year	2.45%	2.79%	2.75%

The PWLB now allows qualifying authorities, including the City Council, to borrow at 0.2% below the standard rates set out above. This “certainty rate” initiative provides a small reduction in the cost of future borrowing. In addition the Council has previously received approval to take advantage of a “project rate” as part of the Coventry and Warwickshire Local Enterprise Partnership (LEP), enabling it to access PWLB borrowing up to the end of 2017/18, at 0.4% below the standard rate for £31m of borrowing required for delivery of the Friargate Project. Given current interest rates and the level of investment balances held by the Council, it is likely that the Council will not use the “project rate” facility.

Regular monitoring continues to ensure identification of any opportunities to reschedule debt by early repayment of more expensive existing loans replaced with less expensive new loans. The premiums payable on early redemption usually outweigh any potential savings. However, the Council and its Treasury Management advisors are exploring one opportunity currently in relation to part of the Council’s debt portfolio which, if successful, may deliver a small revenue saving.

### **Short Term (Temporary) Borrowing and Investments**

In managing the day to day cash-flow of the authority, short term borrowing or investments are undertaken with financial institutions and other public bodies. The City Council currently holds no short term borrowing.

Short term investments were made at an average interest rate of 0.61%. This rate of return reflects low risk investments for short to medium durations with UK banks, Money Market Funds, Certificates of Deposits, other Local Authorities, Registered Providers and companies in the form of corporate bonds.

Although the level of investments varies from day to day with movements in the Council’s cash-flow, investments held by the City Council identified as a snap-shot at each of the reporting stages were:-

	<b>As at 30th September 2016</b>	<b>As at 30th June 2017</b>	<b>As at 30th September 2017</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Banks and Building Societies	54.4	23.4	24.4
Money Market Funds	18.6	26.9	9.9
Local Authorities	0.0	0.0	0.0
Corporate Bonds	34.9	10.4	11.4
Registered Providers	15.0	8.0	8.0
<b>Total</b>	<b>122.9</b>	<b>68.7</b>	<b>53.7</b>

### **External Investments**

In addition to the above investments, a mix of Collective Investment Schemes or “pooled funds” is used, where investment is in the form of sterling fund units and non-specific individual investments with financial institutions or organisations. These funds are generally AAA rated, are highly liquid as cash, can be withdrawn within two to four days, and short average duration. The Sterling investments include Certificates of Deposits, Commercial Paper, Corporate Bonds, Floating Rate Notes and Call Account Deposits. These pooled funds are designed to be held for longer durations, allowing any short term fluctuations in return to be smoothed out. In order to manage risk these investments are spread across a number of funds.

As at 30th September 2017 the pooled funds were valued at £39.9m, spread across the following funds: Payden & Rygel; Federated Prime Rate, CCLA, Standard Life Investments, Royal London Asset Management and Deutsche Bank.

### **Prudential Indicators and the Prudential Code**

Under the CIPFA Prudential Code for Capital Finance authorities are free to borrow, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against a number of Prudential Indicators relating to capital, treasury management and revenue issues. These indicators are designed to ensure that borrowing entered into for capital purposes was affordable, sustainable and prudent. The purpose of the indicators is to support decision making and financial management, rather than illustrate comparative performance.

The indicators, together with the relevant figures as at 30<sup>th</sup> September 2017 are included in Appendix 6. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2017/18. Specific points to note on the ratios are:

- The Upper Limit on Variable Interest Rate Exposures (indicator 10) sets a maximum amount of net borrowing (borrowing less investments) that can be at variable interest rates. At 30<sup>th</sup> September the value is -£68.6m (minus) compared to +£80.0m within the Treasury Management Strategy, reflecting the fact that the Council has more variable rate investments than variable rate borrowings at the current time.
- The Upper Limit on Fixed Interest Rate Exposures (indicator 10) sets a maximum amount of net borrowing (borrowing less investments) that can be at fixed interest rates. At 30<sup>th</sup> September the value is £240.1m compared to £400.0m within the Treasury Management Strategy, reflecting that a significant proportion of the Council's investment balance is at a fixed interest rate.

## **Regulatory Update – MiFID II**

Currently, local authorities are treated by regulated financial services firm as professional clients who can “opt down” to be treated as retail clients if they wish. However, from 3<sup>rd</sup> January 2018 local authorities will be treated as retail clients who need to “opt up” in order to be treated as professional clients. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians but only where they are selling, arranging, advising or managing designated investments.

There are criteria that the authority must meet in order to opt up to professional status. Firstly, the authority must have an investment balance of least £10m and the person authorised to make investment decisions on behalf of the authority must have at least one year’s relevant professional experience. In addition, the firm must assess that the person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The main benefit of not opting up and being treated as a retail client is there is a duty on the firms to ensure that the investment is “suitable” for the client. However, local authorities would still not be protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and financial advice.

The Council meets the conditions to opt up to professional status and intends to do so as the costs of being a retail client are thought to outweigh the benefits.

### **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 financial monitoring report.

### **5. Comments from the Director of Finance and Corporate Services**

#### **5.1 Financial Implications**

##### **Revenue**

In line with Quarter 1 the Council continues to face some budgetary challenges from the non-achievement of planned budget savings and due to overspends in a range of housing related and children’s social care budgets. The children’s social care overspend has increased by £1.4m since Quarter 1 and there are strong indications from current trends that this cost pressure is likely to grow. The future implications of this are covered in more detail in the Pre-Budget and Medium Term Financial Strategy Reports being considered by Cabinet on 28<sup>th</sup> November.

Management focus and activity is continuing in order to achieve existing savings programmes although it is important for Cabinet to be aware that a small number of remaining undelivered savings will prove difficult to deliver. The extent to which these pressures are likely to have a future years impact are being considered as part of the work done in preparation for 2018/19 Budget setting.

At this stage of the financial year the overall bottom line position for 2017/18, whilst challenging, is not a cause for undue concern. Work will continue across areas that are reporting overspends currently to refine the likely outturn position and reduce where possible the level of budget imbalance. Tight budgetary control will be required across other budget areas and where possible within existing policy constraints, officers will seek to deliver budgetary underspends to help mitigate overspends elsewhere. Other options for managing any residual overspend will also be kept under review including any opportunities within corporate budgets to identify one-off areas of flexibility.

It is important to stress that some significant concern is emerging about the Council's future budgetary position as a result mainly of areas that represent intractable long-term demand led issues that require longer-term solutions. As part of the Council's medium term budget considerations, decisions will be required on the extent to which demand led pressures can be safely managed down or more cost efficient service solutions identified. In addition, where existing savings targets remain undelivered, it will be important for savings plans to be clearly set out including the implications and timescale of delivering (or not delivering) these plans.

### **Capital**

Several schemes are now reflecting the likelihood that expenditure will be rescheduled into 2018/19 including £5.3m for Growth Fund external schemes and £3.8m for the City Centre South scheme. The grant conditions surrounding the Growth Funded schemes allows the Council to fund capital expenditure on a cash-flow basis within 2017/18 and therefore reduce the amount of Prudential Borrowing that it is required to undertake in the year.

## **5.2 Legal implications**

None

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council's Plan?**

The Council monitors the quality and level of service provided to the citizens of Coventry and the key objectives of the Council Plan. As far as possible it will try to deliver better value for money and maintain services in line with its corporate priorities balanced against the need to manage with fewer resources.

### **6.2 How is risk being managed?**

The need to deliver a stable and balanced financial position in the short and medium term is a key corporate risk for the local authority and is reflected in the corporate risk register. Budgetary control and monitoring processes are paramount in managing this risk and this report is a key part of the process.

### **6.3 What is the impact on the organisation?**

In Quarter 2 there is a forecast overspend. The Council will continue to ensure that strict budget management continues to the year-end and will also need to manage overall financial resources to accommodate any overall year-end overspend. Any use of one-off resources to balance the final position means that these resources would not be available to use fund future spending priorities.

### **6.4 Equalities / EIA**

No impact.

### **6.5 Implications for (or impact on) the environment**

No impact

## 6.6 Implications for partner organisations?

No impact.

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## **Appendix 1 Revenue Position: Detailed Directorate Breakdown of Forecasted Outturn Position**

Appendix 1 details directorates forecasted variances.

Budget variations have been analysed between those that are subject to a centralised forecast and those that are managed at service level (termed “Budget Holder Forecasts” for the purposes of this report). The Centralised budget areas relate to salary costs – the Council applies strict control over recruitment such that managers are not able to recruit to vacant posts without first going through rigorous processes. In this sense managers have to work within the existing establishment structure and salary budgets are not controlled at this local level. The Centralised salaries and Overheads under-spend shown below is principally the effect of unfilled vacancies.

<b>Directorate</b>	<b>Revised Budget</b>	<b>Forecast Spend After Action/ Use of Reserves</b>	<b>Centralised Forecast Variance</b>	<b>Budget Holder Forecast Variance</b>	<b>Net Forecast Variation</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Public Health	0.5	0.1	(0.2)	(0.2)	(0.4)
People Directorate Management	1.5	1.5	0.0	0.0	0.0
Education and Inclusion	12.4	12.5	(0.3)	0.3	0.1
Children and Young People's Services	71.6	76.6	(3.1)	8.1	5.0
Adult Social Care	81.9	81.6	(0.8)	0.5	(0.3)
Customer Services & Transformation	2.8	4.6	0.4	1.4	1.8
<b>Total People Directorate</b>	<b>170.7</b>	<b>176.9</b>	<b>(4.0)</b>	<b>10.1</b>	<b>6.2</b>
Place Directorate Management	4.0	4.0	0.0	0.0	0.0
City Centre & Major Projects Development	7.2	7.3	0.1	0.0	0.1
Transportation & Highways	3.9	4.1	(0.5)	0.7	0.2
Streetscene & Regulatory Services	27.1	27.7	(0.4)	1.0	0.6
Project Management and Property Services	(7.5)	(7.9)	0.1	(0.5)	(0.4)
Finance & Corporate Services	6.9	8.0	(0.1)	1.2	1.1
<b>Total Place Directorate</b>	<b>41.6</b>	<b>43.2</b>	<b>(0.8)</b>	<b>2.4</b>	<b>1.6</b>
Resourcing	20.2	15.5	0.0	(4.7)	(4.7)
<b>Total</b>	<b>232.5</b>	<b>235.6</b>	<b>(4.9)</b>	<b>8.0</b>	<b>3.1</b>

Reporting Area	Explanation	£m
People Directorate	The Directorate's centralised salary underspend against its salary budgets and turnover target is partly as a result of high levels of vacancies in Childrens Social Care, which accounts for £3.1m of the underspend. This is partly offset by non-salary overspend as a result of agency staff in Childrens Social Care. Internally provided services in Adult Social Care contributes a further £0.5m towards the forecast underspend. As part of the Children's Services Redesign vacancy levels and agency expenditure will reduce.	(4.0)
Place Directorate	The vast majority of the variations for centralised forecasts relate to vacancies which have been held pending service review completion, or areas where there has been difficulty in recruiting to posts	(0.9)
<b>Total Non-Controllable Variances</b>		<b>(4.9)</b>

People Directorate			
Service Area	Reporting Area	Explanation	£M
Public Health	Public Health Staffing & Overheads	Savings relating to staffing vacancies and early delivery of savings.	(0.2)
Public Health	Other Variances Less than 100K		0.0
<b>Public Health</b>			<b>(0.2)</b>
Education and Inclusion	Inclusion & Participation	Overspend as a result of a part year delivery of the transport review, against a full year saving.	0.2
Education and Inclusion	School Enrichment Services	Performing Arts Service is forecasting an overspend of £87k mainly due to anticipated shortfalls in income. A service redesign will be implemented in September 2017 which will achieve efficiencies, increase flexibility for customers and assist the service in achieving a break even position. Governor Support is currently forecasting an over spend of £59k due to reduced levels of buyback from schools. A plan is in place to reduce this deficit and the service are currently attending a number of additional meetings as well as actively looking for alternative income streams.	0.2
Education and Inclusion	Adult Education	Target set in corporate plan to switch internal training with ESFA grant funding. To date it has not been possible to identify areas in the Council where this can take place.	0.1
Education and Inclusion	Libraries	Library Service variance due to current predicted overspend due to purchase of self service machines required as part of the Connecting Communities programme.	0.2
Education and Inclusion	Advice and Health Information Services	Resettlement generates corporate income which will be maximised where possible. Under Spend will be used to support spend in other Council services.	(0.4)



Education and Inclusion	Other Variances Less than 100K		0.0
<b>Education and Inclusion</b>			<b>0.3</b>
Children and Young People's Services	LAC & Care Leavers	The overspend is as a result of undelivered savings targets and budgetary control pressure. Approximately £1.8M is a forecast shortfall in delivery of savings reported to the Children's Transformation Board. This is in the area of Looked After Children Placements and is as a result of delays in the delivery of the internal residential provision changes, and slightly slower than forecast increases in internal foster carers and specialist foster carers. This is being closely monitored by the Children's Transformation Board. In addition there is a significant budgetary control pressure as a result of an increase in the number of LAC, which is impacting on the external fostering area of the placements budget. The average LAC numbers in 2016/17 were 587, whereas the discrete numbers at the end of September are in excess of 650. This largely accounts for the increase in forecast from quarter 1. Analysis has identified 2 reasons for this, firstly an increase in UASC (Unaccompanied Asylum Seeking Children) as a result of the national transfer scheme, and secondly changes in court practice which mean it is taking longer to secure permanency options for children and young people, thus inflating LAC numbers. We also have a continued pressure within supported accommodation as a result of high levels of activity. Children's Leadership Team are reviewing all children and young people in placements (both LAC and Supported) to identify how costs can be reduced within the financial year, and as a result have managed to reduce the number of LAC in the most expensive placements.	5.8
Children and Young People's Services	Help & Protection	Overspend relates to the costs of Agency staff covering posts across the service. This is more than offset by underspends across salary budgets. There is also a pressure as a result of grant fall out for the Family Drug and Alcohol Court. It is proposed that this will be resolved as part of the restructure out to consultation, and we are also exploring the possibility of a Social Impact Bond funding model from 2018/19.	1.8
Children and Young People's Services	Commissioning, QA and Performance	Following the Ofsted monitoring visit (and further backed up in the OFSTED Inspection) and significant concerns about the volume and quality of the work of CP chairs and IRO's, it was agreed that 4 additional posts were required on an interim basis. All 4 posts are currently recruited to on an agency basis, and the re-structure out to consultation proposes that these posts are recruited to on fixed term contracts for 12 months, and beyond that subject to review of workload, areas of responsibility and identified budget. We also currently have some other agency staff filling establishment posts, but will continue to recruit to permanent posts.	0.4
Children and Young People's Services	Other Variances Less than 100K		0.1

<b>Children and Young People's Services</b>			<b>8.1</b>
Adult Social Care	Internally Provided Services	The overspends on other pay, overtime and variable allowances are offset by underspends on centralised salary costs due to a number of vacancies.	0.3
Adult Social Care	All Age Disability and Mental Health Operational	Underlying budget pressures continue to rise in part due to increasing demand for complex social care support for eligible service users. Working age adults tend to receive expensive packages of care for a longer period of time. This increases the cumulative cost of services as younger people tend to receive services longer once they enter the care system. Control mechanisms are in place to ensure expenditure is robustly managed. Approval for packages are rigorously scrutinised at panel meetings with social workers required to present their panel submission before approval is gained	0.3
Adult Social Care	Older People Community Purchasing	Budget pressures continue due to market pressures that are leading to increased prices the local authority are paying for services. On-going monitoring of price increases are underway and reported through the managers. Approval for packages are rigorously scrutinised at panel meetings with social workers required to present their panel submission before approval is gained.	0.3
Adult Social Care	Adult Social Care Director	Underspends achieved due to early delivery of Adult Social Care savings targets.	(0.2)
Adult Social Care	Other Variances Less than 100K		(0.2)
<b>Adult Social Care</b>			<b>0.5</b>
Customer Services & Transformation	Customer and Business Services	Unmet element of £1.8m Business Services savings target (£623K) and ongoing pressure relating to homelessness service mainly comprising B&B rental cost not covered by Housing Benefit and agency cost in Housing Options team (£311K). This is partially offset by additional income forecast in Post and Fastprint	0.8
Customer Services & Transformation	HR and Workforce Development Management	Unmet element of savings target linked to resources needed for Workforce Strategy programme (£103k). Additional Resource requirements for Workforce Programme (£90k) as well as agency costs to cover vacant posts	0.2
Customer Services & Transformation	ICT Operations	There is an ongoing pressure with Mobile Phone contracts as the demand for flexible ways of working increases (£227K). This is partially offset by the data and voice budget underspending where older technology has been decommissioned and is no longer needed (£116K).	0.1
Customer Services & Transformation	Other Variances Less than 100K		0.3
<b>Customer Services &amp; Transformation</b>			<b>1.4</b>
<b>Total Non-Controllable Variances - People</b>			<b>10.1</b>

<b>Place Directorate</b>	<b>Place</b>		
<b>Service Area</b>	<b>Reporting Area</b>	<b>Explanation</b>	<b>£M</b>
Transportation & Highways	Traffic	Parking services (£174k): income pressures within parking enforcement due to reduced recovery rates and fewer number of PCNs issued, offset by an increase in bus lane enforcement income. There are also expenditure and income pressures within car parks. Network Management (£153k): primarily within urban traffic control due to anticipated expenditure on agency cover, pressures due to unrecoverable road traffic accident damages to assets and the unfunded energy & maintenance cost of growth in the asset estate	0.3
Transportation & Highways	Highways	Primarily agency cover for vacant posts and unfunded surface water management planning checks, patially offset by capital contributions.	0.3
Transportation & Highways	Other Variances Less than 100K		0.1
<b>Transportation &amp; Highways</b>			<b>0.7</b>
Streetscene & Regulatory Services	Waste & Fleet Services	Fleet services are not as yet fully achieving their vehicle refinancing targets due to high inflation on vehicle acquisition. There are also some additional costs within refuse relating to the purchase of bins, caddies & liners for the redesigned service, plus some additional costs expected to maintain collections over the christmas and new year period. These are partly offset by reductions in the cost of waste disposal and some underspends on PTS.	0.6
Streetscene & Regulatory Services	Streetpride & Parks	Variation as a result of reduced Coombe Abbey car parking income together with temporary agency staff costs required to cover vacancies in the service being held pending the outcome of a review	0.5
Streetscene & Regulatory Services	Planning and Regulatory Services	Variation due to an overachievement of income in Building Control.	(0.1)
Streetscene & Regulatory Services	Other Variances Less than 100K		0.0
<b>Streetscene &amp; Regulatory Services</b>			<b>1.0</b>
Project Management and Property Services	Development Services	Core funded surveyors costs being recovered from sales disposal proceeds.	(0.2)
Project Management and Property Services	PAM Management & Support	£200k underspend against anticipated reduced cost of Lamb St dilapidation costs.	(0.2)

Project Management and Property Services	Other Variances Less than 100K		(0.1)
<b>Project Management and Property Services</b>			<b>(0.5)</b>
Finance & Corporate Services	Revenues and Benefits	There is a net pressure within the Housing Benefit (HB) Subsidy account. The largest pressure (circa £2.1m) is due to the element of HB paid out for bed & breakfast (B&B) accommodation for homeless people which cannot be reclaimed from DWP as HB Subsidy. In addition there is a pressure (circa £1.0m) due to the element of HB paid out for mainly clients in supported accommodation which can only be partially reclaimed from DWP as HB Subsidy. The above two pressures are offset by the surplus recovery of HB overpayments (circa £1.6m)	1.3
Finance & Corporate Services	Legal Services - People	Variation primarily due to the cost of external barrister expenditure which the service is hoping to bring down external costs by greater use of internal resources for court work.  In addition there are pressures within Coroners due to increased pathology and venue fees (£60k), offset by increased income from the Registrar's service (£60k).	0.1
Finance & Corporate Services	Financial Mgt	Accelerated achievement of headcount savings target plus 30k savings have been made on non-staff budgets	(0.3)
Finance & Corporate Services	Other Variances Less than 100K		0.1
<b>Finance &amp; Corporate Services</b>			<b>1.2</b>
<b>Total Non-Controllable Variances - Place</b>			<b>2.4</b>

<b>CONTINGENCY AND CENTRAL</b>		
<b>Reporting Area</b>	<b>EXPLANATION</b>	<b>£m</b>
Corporate Finance	This favourable variance reflects less than anticipated expenditure across inflation contingencies (£2.5m), the Asset Management Revenue Account (AMRA) (£0.3m) and the Apprenticeship Levy. It also incorporates a combination of higher than expected grant income relating to Business Rates reliefs and benefit from the Council's participation in the West Midlands Business Rates Pilot (£1.3m).	(4.7)
<b>Forecast Overspend/(Underspend)</b>		<b>(4.7)</b>

**Capital Programme: Analysis of Budget/Technical Changes**

<b>SCHEME</b>	<b>EXPLANATION</b>	<b>£ m</b>
<b>PLACE DIRECTORATE</b>		
Friargate	As approved at Cabinet on 24th January 2017, early Project Management fees for Friargate WMCA £50m Business Case development costs	0.5
Highways Maintenance & Investment	The purchase of Welfare Units which will initially be funded from the Capital Reserve, to be re-paid back from Place Revenue over the next 5 years.	0.2
Bus Lanes	It has been agreed to extend the trial phase of the suspension of phase 1 of the bus lane review to a full 12 months. Alongside this it has also been agreed that the next phase of bus lane suspensions and the permanent removal of some of the Foleshill Rd bus lanes will commence. The total cost of the next phases of work is £465k of which £160k is to be provided from the existing urban traffic control integrated transport capital pot for 2017/18 and the balance of £305k is to be provided from capital receipts in 2017/18.	0.3
<b>SUB TOTAL - Place Directorate</b>		<b>1.0</b>
<b>TOTAL APPROVED / TECHNICAL CHANGES</b>		<b>1.0</b>

## Appendix 3

### Capital Programme: Estimated Outturn 2017/18

The table below presents the revised estimated outturn for 2017/18.

<b>DIRECTORATE</b>	<b>ESTIMATED OUTTURN QTR 1 £m</b>	<b>APPROVED / TECHNICAL CHANGES £m</b>	<b>OVER / UNDER SPEND NOW REPORTED £m</b>	<b>RESCHEDULED EXPENDITURE NOW REPORTED £m</b>	<b>REVISED ESTIMATED OUTTURN 17- 18 £m</b>
PEOPLE	23.1	0.0	0.0	0.0	23.1
PLACE	104.9	1.0	0.0	(9.2)	96.8
<b>TOTAL</b>	<b>128.0</b>	<b>1.0</b>	<b>0.0</b>	<b>(9.1)</b>	<b>119.9</b>

**Capital Programme: Analysis of Rescheduling**

SCHEME	EXPLANATION	£m
<b>PLACE DIRECTORATE</b>		
City Centre South	The £11m forecast capital spend was an estimate taken from the Full Business Case grant application at the point of which it was submitted to the WMCA i.e. November 2016. This was a pro rata figure assuming that land assembly would commence in the second part of 2017/18. In reality, third party land and buildings will be purchased as opportunities arise. The £7m figure is based on more accurate information.	-3.8
GD11 - Coton Arches	Slippage on scheme as a result of delays issuing the works tender whilst WCC worked with utility companies to mitigate costly service diversions. Now issued. Slippage agreed by Programme Delivery Board on the 21st September.	-0.3
GD14 - A46 N-S Corridor (Stanks)	Slippage as a result of the delay issuing works tenders. Delays to the programme are caused by the difficulty obtaining a Section 6 agreement from Highways England to carry out works and revising the land dedication agreement with Opus 40 and Taylor Wimpey. Slippage due to be spent in 2018/19. Waiting for agreement from Programme Delivery Board.	-2.8
GD18 (ULS00) - Unlocking Sites	This was unallocated spend that will be allocated and spent in future years.	-0.7
GD18 (ULS01) - Regeneration of Priory Square, Dudley	This project has had its funding withdrawn (at the Sep 21st Programme Delivery Board and confirmed at CWLEP Board 9th Oct. As no scheme forthcoming )	-0.2
GD18 (ULS02) - Bridge to Living	This scheme is no longer able to progress due to the owners of the retail block pulling out of the scheme	-0.4
GD18 (ULS09) - Getting West Nuneaton Moving: Bermuda Connection	Awaiting confirmation of match funding status – this project has reported slippage, status confirmed by 31/10/17	-1.0
<b>SUB TOTAL - Place Directorate</b>		<b>-9.1</b>
<b>TOTAL RESCHEDULING</b>		<b>-9.1</b>

## Appendix 5

### Prudential Indicators

Indicator	per Treasury Management Strategy	As at 30th Sept 2017
<b>Ratio of Financing Costs to Net Revenue Stream (Indicator 1)</b> , illustrating the affordability of costs such as interest charges to the overall City Council bottom line resource (the amount to be met from government grant and local taxpayers).	13.53%	13.49%
<b>Gross Borrowing should not, except in the short term, exceed the estimated Capital Financing Requirement (CFR) at the end of 3 years (Indicator 3)</b> , illustrating that, over the medium term, net borrowing (borrowing less investments) will only be for capital purposes. The CFR is defined as the Council's underlying need to borrow, after taking account of other resources available to fund the capital programme.	Year 3 estimate / limit of £474.2m	£362.2m Gross borrowing within the limit.
<b>Authorised Limit for External Debt (Indicator 6)</b> , representing the "outer" boundary of the local authority's borrowing. Borrowing at the level of the authorised limit might be affordable in the short term, but would not be in the longer term. It is the forecast maximum borrowing need with some headroom for unexpected movements. This is a statutory limit.	£470.4m	£362.2m is less than the authorised limit.
<b>Operational Boundary for External Debt (Indicator 7)</b> , representing an "early" warning system that the Authorised Limit is being approached. It is not in itself a limit, and actual borrowing could vary around this boundary for short times during the year. It should act as an indicator to ensure the authorised limit is not breached.	£430.4m	£362.2m is less than the operational boundary.
<b>Upper Limit on Fixed Rate Interest Rate Exposures (Indicator 10)</b> , highlighting interest rate exposure risk. The purpose of this indicator is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the Council's overall financial position.	£400.0m	£240.1m
<b>Upper Limit on Variable Rate Interest Rate Exposures (Indicator 10)</b> , as above highlighting interest rate exposure risk.	£80.0m	-£68.6m
<b>Maturity Structure Limits (Indicator 11)</b> , highlighting the risk arising from the requirement to refinance debt as loans mature: < 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years +	0% to 40% 0% to 20% 0% to 30% 0% to 30% 40% to 100%	12% 4% 13% 8% 63%
<b>Investments Longer than 364 Days (Indicator 12)</b> , highlighting the risk that the authority faces from having investments tied up for this duration.	£24m	£9.8m





## Public report

Audit and Procurement Committee

18 December 2017

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

**Director Approving Submission of the report:**

Deputy Chief Executive (Place)

**Ward(s) affected:**

City Wide

**Title:**

Corporate Risk Register

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**Is this a key decision?**

No – Although the Corporate Risk Register covers the whole of the City, the impact will not significantly affect communities

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**Executive Summary:**

In accordance with the Council's Risk Management Strategy this report sets out the current Corporate Risk Register to provide the Audit and Procurement Committee with an overview of the Council's corporate risk profile and the controls in place to address these risks.

**Recommendations:**

The Audit and Procurement Committee are requested to:-

1. Note the current Corporate Risk Register, indicating that they have satisfied themselves that Corporate Risks are being identified and managed.
2. Identify any areas where they require additional information (if any).

**List of Appendices included:**

Appendix One – Corporate Risk Register

**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

**Report title:** Corporate Risk Register

**1. Context (or background)**

- 1.1 Local Government is currently operating within an environment of substantial budget cuts and major policy changes with significant impact on service delivery and organisational structures. The pace and scale of change requires the Council to constantly assess its risk profile and implement suitable controls to manage those risks.
- 1.2 There is a requirement within the Council's Risk Management Policy and Strategy that the Audit and Procurement Committee receive and consider reports on the Corporate Risk Register in order to discharge their responsibilities in respect of risk management:

*Audit and Procurement Committee – 'to monitor the effective development and operation of risk management within the Council'.*

- 1.3 This report provides an update on the Corporate Risk Register in compliance with the Risk Management Strategy.

**2. Options considered and recommended proposal**

- 2.1 It should be noted that this report covers only those risks that are viewed as the most critical for the Council and are considered at the corporate level. Risk management activity continues at other levels throughout the Council dealing with risks of a lower rating.
- 2.2 The Corporate Risks listed in Appendix 1 can be considered as falling into two separate categories:

*Operational/ Business as Usual* – those risks that could affect the underlying and fundamental operations and structure of the Council

- CR 001 – Finance:
- CR 006 – Adult Social Care
- CR 007 – Safeguarding/Protecting Vulnerable Adults, Children and Families
- CR 013 – Creation of a Combined Authority for the West Midlands and agreement of a Devolution Deal
- CR 014 – Information Governance
- CR 015 – Historic Abuse
- CR 016 – Failure to comply with Health and Safety Legislation

*Specific/Project* – those risks that could affect specific projects or the major change initiatives to how we operate

- CR 002 – Sky Blue Sports and Leisure
- CR 003 – ICT Infrastructure and Change
- CR 005 – Workforce Strategy
- CR 010 – Kickstart – Move to Friargate
- CR 011 – Friargate Business District
- CR 017 - City Centre South

- 2.3 The Corporate Risks and the control measures in place to address them are more fully described in Appendix 1. Audit and Procurement Committee are asked to review the content of the register and satisfy themselves that the process is operating effectively within the Council as required under the Risk Management Strategy.

2.4 There are some changes to the Risk Register from the previous report to Members.

Risks removed:

CR 008 – Ofsted Improvement Notice

CR 009 – Coventry fails to provide a high quality education for its children

CR 012 – Provision of SEN Transport

Risks added:

CR 016 – Failure to comply with Health and Safety Legislation

CR 017 – City Centre South

### **3. Results of consultation undertaken**

None

### **4. Timetable for implementing this decision**

There is no implementation timetable, this is a monitoring report.

### **5. Comments from Director of Finance and Corporate Resources**

#### **5.1 Financial implications**

There are no specific financial implications associated with this report although management of the risks included is essential from a financial and operational perspective. This will enable the Council to minimise any detrimental financial outcomes arising from the risk areas and help to ensure that resources are directed towards the Council's key priorities.

#### **5.2 Legal implications**

The maintenance and review of the Corporate Risk Register ensures that the Council meets its statutory obligation under the Accounts and Audit Regulations 2015 to have appropriate measures in place to ensure that risk is appropriately managed

### **6. Other implications**

#### **6.1 How will this contribute to the Council Plan ([www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/))**

Effective risk management arrangements are an integral component of strategic decision making, service planning and delivery, increasing the likelihood of achieving Corporate aims and objectives.

#### **6.2 How is risk being managed?**

The Council has a policy and framework to support risk management arrangements across the organisation as part of its overarching Governance processes. This report forms part of that practice.

#### **6.3 What is the impact on the organisation?**

Effective Risk Management arrangements lead to improved decision making and operational practices across all areas of the organisation.

**6.4 Equalities / EIA**

None

**6.5 Implications for (or impact on) the environment**

No impact

**6.6 Implications for partner organisations?**

None

**Report author(s):**

**Name and job title:**

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**Directorate:**

Place

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<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Michelle Salmon	Governance Services Officer	Place	27/11/17	27/11/17
<b>Names of approvers for submission: (Officers and Members)</b>				
Paul Jennings	Finance Manager	Place	27/11/17	27/11/17
Julie Newman	Acting Monitoring Officer	Place	27/11/17	28/11/17
Barry Hastie	Director of Finance and Corporate Services	Place	27/11/17	28/11/17
Councillor J Mutton	Cabinet Member for Strategic Finance and Resources	-	30/11/17	01/12/17

This report is published on the council's website: [www.coventry.gov.uk/councilmeetings](http://www.coventry.gov.uk/councilmeetings)

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## Coventry City Council – Corporate Risk Register

Risk Ref	Risk Owner		Last Updated	
<b>001 – Finance</b>	Deputy Chief Executive - Place		October 2017	
<b>Risk Description:</b> Financial and other pressures on the requirement to deliver our statutory duties and other services results in an inability to achieve a balanced budget in the short and medium term.				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
Robust arrangements are in place to oversee the Council's annual budget setting process. The financial planning process includes an early assessment of likely resource pressures and there is a defined consultation period to support the budget setting process. The budget is updated as new information is known and in response to any relevant internal and external factors. This analysis is also used to inform actions required to balance the budget. The outcome of the process in terms of an agreed budget is then approved by Full Council in February each year.	February 2018 (Budget Report)	<p>Consultation will begin on budget proposals for 2018/19 at the end of November. Final proposals will be considered by Cabinet and Council in February 2018 which will identify a balanced position for 2018/19. It is not clear at this stage whether it will be possible to identify a three year balanced position.</p> <p>The 2016/17 Local Government Finance Settlement provided for Local Authorities to accept a 4 year settlement which should ensure that future resource levels do not change significantly within this time period.</p>	Director of Finance and Corporate Resources	Green
A rigorous structure exists to oversee the budgetary control process from budget setting through to monitoring, oversight and scrutiny. This includes input and oversight by Directorate Management Teams, Strategic Management Board, Cabinet and Audit Committee. These arrangements along with specific project / programme boards also oversee the delivery of agreed savings.	On-going	<p>A robust budgetary control time-line is being adhered to driven by formal reporting deadlines. This includes specific steps which require sign off within Directorate management teams. Early reporting and the availability of live budgetary control forecasting are possible through use of the Agresso financial system.</p> <p>Officer based monitoring arrangements are established to ensure that both corporate and service specific savings targets have appropriate structures to deliver their required financial targets. The budget is managed on a whole Council basis. The Director of Finance and Corporate Services will seek to balance any areas of budgetary overspend with underspends in other areas.</p>	Director of Finance and Corporate Resources	Green
Issues should be identified at an early stage allowing time for corrective action to be undertaken to address the financial concern identified. These are formally reported through the regular Revenue and Capital Monitoring Reports during the year.	On-going	The main areas of concern are in social care and housing. A number of improvement projects and plans are in place to reduce budgetary pressures within areas of social care and work has begun to address the wider issues of housing and homelessness in the city.	Director of Finance and Corporate Resources	Green

Page 7 of 8		Medium term budget plans take account of the likely profile of ongoing expenditure pressures in these areas.		
	To ensure there is an effective consultation process around proposals outlined in the Pre-Budget Report.	On-going	<p>The proposals in the 2018/19 Pre-Budget Report will be subject to public consultation over an 8 week period during which individual meetings will be held with stakeholders with whom we have a statutory requirement to consult.</p> <p>In addition the consultation will have a significant profile on the City Council's website and social media platforms to encourage as wide an engagement as possible.</p>	Director of Finance and Corporate Resources

Risk Ref		Risk Owner		Last Updated	
002 – – Sky Blue Sports and Leisure Ltd and Ors and Coventry City Council and Ors		Deputy Chief Executive - Place		October 2017	
<b>Risk Description:</b> An adverse outcome in respect of legal action by the owners of the football club results in a significant financial and reputational impact to the Council.					
Planned Treatment:	Timescale	Progress to date:		Risk Manager	Control Status
Appropriate arrangements are put in place to defend the legal action being taken against the Council by the owners of the football club.	On-going	The application for permission to seek a Judicial Review of the Council's decision to extend the lease over the RICOH arena from around 40 years to 250 years. The Council has appointed a legal specialist in state aid and administrative law to represent the Council in court and significant officer time has been invested in support of the legal process.		Director of Finance and Corporate Resources	Green



Risk Ref	Risk Owner			Last Updated
<b>003 - ICT Infrastructure and Change</b>				October 2017
<p>Risk Description: The major programme of on-going developments and implementation of an ICT and Digital strategy is not implemented successfully and causes the following risks to the Council: (1) additional financial pressures (2) significant disruption to the day to day running of the Council both in the implementation phase as a result of continuing to operate with ageing systems in the meantime and an on-going basis, (3) does not underpin the Council's transformation programme and associated new ways of working. (4) infrastructure and systems are not resilient to enable business continuity and data security as the Council becomes more heavily reliant on ICT. (5) Moving to a Digital approach to delivering services offers greater opportunity for Cyber-attacks.</p>				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
Embed and track actions within our approved Coventry Digital Strategy	Ongoing – annual review	Strategy approved. Digital Change Board established. Member Champion in place.	Director of Customer Services and Transformation	Green
To review our provision for ICT Cyber security and the methods employed to protect our networks from Cyber-attack. To ensure that any attacks against the Council's ICT network can be defended and impact minimised	Sept 2017	A security audit of our current Cloud presence has been completed and there are proactive and ongoing programmes of activity around cyber resilience within ICT and the Audit Committee have also maintained oversight of this area. Cyber Resilience is also a fundamental part of the new ICT Service plan for 2017 and work will be accelerated on this following the NHS/International attack in May 2017.	Director of Customer Services and Transformation	Amber
To continue to review disaster recovery arrangements both within ICT and with Directorates to ensure that the impact of any disruption can be managed and any disruption minimised. To feed into the wider review of Business Continuity arrangements following the outage in May 2017.	On-going	Regular updates are provided to Audit committee on DR provision. Work is in progress to test the DR provision for each key line of business system. A full review of ICT recovery plans is underway and will be complete by end of March 2018. Regular external audits are carried out to review the DR arrangements. Further work is planned with the CSW resilience team to ensure that the ICT protocols and inputs to the Council's wider Business Continuity arrangements are robust, understood and operating effectively.	Director of Customer Services and Transformation	Amber
To agree a programme of audit / peer review work to gain assurance around the efficacy of arrangements in place including our core network infrastructure	On-going	An independent health check review of the Council's core network infrastructure has been scoped and commissioned following the network outage on 23 <sup>rd</sup> May 2017. Immediate	Director of Customer Services and Transformation	Green

<p>and cyber arrangements.</p> <p>Page 50</p>		<p>remedial actions have been taken and a full network redesign programme has been agreed with SMB. This will take 18 – 24 months to complete..</p> <p>A plan of ICT audits has been agreed for 2017 - 2020, and this is underway. Regular meetings are held with Internal Audit to ensure the plan meets the ongoing needs.</p>		
<p>Robust contract and supplier management.</p>	<p>On-going</p>	<p>Significant work in year to improve our approach to supplier management including regular supplier meetings and working with procurement. Going forward we need to explore our approach to supporting ICT with more dedicated procurement resource and expertise, including opportunities across the WMCA area to enable us to more closely monitor this area of significant spend proactively, particularly with pressures on ICT spend post Brexit and as we rely more on digital tools. Recent conversations have held with the Crown Commercial Service to also input to our approach on this.</p>	<p>Director of Customer Services and Transformation</p>	<p>Amber</p>
<p>Develop and periodically review Corporate and Directorate ICT strategies, roadmaps and technology catalogues to ensure technology is kept up to date and maintains a sufficient level of capacity to support increased, or change, of use.</p>	<p>On-going</p>	<p>Corporate roadmap has been refined; this will be reflected in directorate strategies and continually reviewed moving forward. Individual ICT projects are subject to change management and appropriate project management arrangements. Following recent changes in ICT, there is a plan to complete a refresh of the ICT strategy by end of December 2017. Work is underway on the strategy review but the timescale may need to be reviewed to accommodate the start date of a new Director of Customer Services &amp; Transformation towards the end of 2017</p>	<p>Director of Customer Services and Transformation</p>	<p>Green</p>
<p>Dedicated support and approach to the Council's kickstart programme – with the democratic centre and Friargate moves the next key milestones</p>	<p>Summer 2017</p>	<p>There are strong and close links between ICT and the Kickstart programme at both a strategic and operational level. We have established temporary teams within ICT for the deployment of kit and have staff</p>	<p>Director of Customer Services and Transformation</p>	

		dedicated to working on the technical elements of both Friargate and any residual issues with the Democratic Centre.		
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Risk Ref	Risk Owner	Last Updated		
005- Workforce Strategy	Deputy Chief Executive - People	October 2017		
<p><b>Risk Description:</b> The organisation fails to develop its workforce to reflect the way it needs to operate in the future. The workforce strategy programme is not implemented successfully and causes the following risks to the Council;</p> <p>(1) additional financial pressures (failure to achieve savings targets);</p> <p>(2) significant disruption to the day to day running of the Council as we fail to meet standards of public sector governance and transparency and/or legislative compliance; and</p> <p>(3) Does not underpin the Council's transformation programme, including a more agile, digitally capable and committed to Coventry people workforce.</p>				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
Create a robust stakeholder management and communication mechanisms to ensure 'buy in' and support the fundamental changes needed	On-going	We have completed a stakeholder analysis and put in place a diversity of communication methods to ensure timely and effective consultation with all stakeholders. This will be captured in a written plan and monitored for effectiveness.	Director of Customer Services and Transformation	Amber
<p>Workforce Development</p> <ul style="list-style-type: none"> <li>- <b>Planning</b>; resource planning our workforce needs for now and in the future.</li> <li>- <b>Supporting</b>; refreshing our employee engagement and ensure our employment practices are fit for purpose.</li> <li>- <b>Enabling</b>: ensure our workforce has access to the tools to work smart and efficiently (technology/location/workstyle)</li> <li>- <b>Transforming</b>: put in place an effective leadership &amp; management development programme and a pay and reward framework that is effective and fit for purpose.</li> </ul>	Near completion	<p>Ensure robust programme management arrangements, including governance, risk management and effective monitoring arrangements are in place</p> <p>A governance structure has been agreed with SMB acting as the workforce strategy Programme Board, a programme board is in place for the workforce strategy programme and teams are being established to deliver the 4 key areas:</p> <p>A programme manager has been appointed and further resourcing is being put in place.</p> <p>Some written plans and structures are in place whilst others are in development, to be completed by end of October. Implementation/delivery work has commenced with oversight by programme/project team led by Head of HR/OD.</p>	Director of Customer Services and Transformation	Amber

Continue to create positive employee relations to assist effective engagement and partnership working across all areas of our workforce during significant periods of organisational change	In progress	We are working positively and in partnership with our Trade Union colleagues, employees and managers to discuss and explore how we achieve the aspiration set out in the council plan and associated workforce strategy. This includes the development of a robust communications strategy.	Director of Customer Services and Transformation	Amber

Risk Ref	Risk Owner	Last Updated		
006 – Adult Social Care	Deputy Chief Executive - People	October 2017		
<b>Risk Description</b> The organisation is unable to deliver its statutory requirements in respect of the provision of social care within the resources available resulting in significant risks to vulnerable residents, reputational damage and overspends				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
To implement a series of savings and improvement programmes to support management within available resources	On-going	<p>An Adult Social Care change programme is being implemented which will focus on a number of areas around delivery of savings (through reviews of Internally Provided Services and the voluntary and third sector) as well as areas of practice improvement to ensure a promoting independence approach is taken in all cases.</p> <p>Other key elements of this work include improving the management of transitions as a major cost driver and implementing community Promoting Independence to ensure that people are not taken into long term service provision where this could be prevented.</p> <p>A series of process and flow projects are also underway including increasing the use of digital technology to enable self-assessment and standardising front door functions across adult social care</p>	Director of Adult Services	Amber
Implementation of the Better Care Fund projects and use of 2017-19 Integration and Better Care Fund	On-going	<p>Implementation of projects identified in the 2015/16 submission have been progressed and show a number of positive outcomes in respect of reducing residential and nursing placements and the costs of long term care.</p> <p>The revised 2017-19 Improved Better Care Fund including the additional money for Adult Social Care announced in the spring budget has been agreed with CRCCG and Cabinet. Elements of this additional funding will be used to support Adult Social Care financial sustainability although it should be noted that the additional money is for three years only.</p> <p>The forthcoming CQC system wide review may identify where resource could be better deployed to improve performance and the BCF plan submitted on 11 September 2017 will be subject to an assurance process by NHSE which may also require amendments to local plans to be considered.</p>	Director of Adult Services	Amber

<p>To work with the social care market to ensure services are sustainable and any changes are managed with minimal impact on service users.</p>	<p>On-going</p>	<p>Fee levels are being reviewed to reflect the impact of the National Living Wage rise for 2017/18. Individual providers have been engaged to understand and risk assess issues that exist that may threaten sustainability. A tender for home support has been completed which supports longer term sustainability of the market with work to further stabilise the care home market also being progressed in 2017/18.</p> <p>A provider contingency plan is in place that is used in instances of provider failure.</p>	<p>Director of Adult Services</p>	<p>Green</p>
<p>Developing the Coventry and Warwickshire Sustainability and Transformation Plan (STP)</p>	<p>On-going</p>	<p>The STP is the major NHS led change programme aimed at delivering financially sustainable and quality services across health and social care. The City Council is a key partner in the progression and delivery of work under this plan and is leading on the Preventative and Proactive workstream to help ensure that the maximum benefit for the City Council can be achieved. Through working with Public Health it is also intended that long term preventative measures can be progressed</p>	<p>Director of Adult Services</p>	<p>Amber</p>

Risk Ref	Risk Owner			Last Updated
007 – Safeguarding / Protecting Vulnerable Adults, Children and Families	Deputy Chief Executive - People			June 2017
<b>Risk Description:</b> A child, young person or vulnerable adult experiences abuse or neglect leading to significant harm or death and the Council and its statutory partners or commissioned services are deemed to have failed to safeguard or protect.				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
Implement learning and action plans from Serious Case Reviews and Safeguarding Adults Reviews similar reviews concerning both adults and children.	On-going	On-going work in this area to progress learning from SCRs and SARs For every review undertaken and each sub group of the Boards have a work plan to include assurance of the recommendations from SCRs and SARs as they are completed.	Director of Adult Services Director of Children's Services	Amber – processes still developing
Re-invigoration of quality assurance framework around social work cases in all teams within children's services	On-going	Quality Assurance activity in place ensuring strong compliance and a firm baseline for review. Robust performance information developed. New audit tools developed with increased level of audit activity. Children's and adult's peer reviews and inspections included a sample audit of cases to inform learning. Other quality activity is underway through the Practice Improvement Forum and workforce development. Managers now focus on the quality of practice	Director of Children's Services	Green
Introduction of use of Care Director for the recording of Safeguarding adults processes and progress to facilitate better monitoring of cases and capacity to performance monitor	Ongoing	Care Director is now being used to record safeguarding activity. Performance monitoring will be established as a result of this.	Director of Adult Services	Amber – processes still developing
Ensure Early-hep services are effective and the provision of an improved response to need	Ongoing	Successfully established 8 early help hubs	Director of Children's Services	Amber
Deliver an improving Children's Services	Ongoing	Identification and early assessment of those children who need immediate protection. Identification of risks and actions taken to protect them are appropriate and effective. Assessment and planning strengthened by use of a risk-management model to support child-focused practice.	Director of Children's Services	Amber
Awareness raising for all Council employees of signs and indicators of risk to children, young people and vulnerable adults.	On-going	Safeguarding training is part of mandatory training. Information through training to all staff advising of what to do if concerned about a child or adult at risk of harm or abuse. All staff have been reminded directly by e mail from the Executive Director, People of the importance of updating their training.	Director of Adult Services Director of Children's Services	Amber – not possible to be sure everyone has

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		<p>Remains Ongoing - Posters disseminated to reinforce the responsibilities of staff to protect children and young people at risk of abuse.</p> <p>Safeguarding Boards annual conferences and events to raise awareness across all agencies and promote prevention and protection of children, young people and vulnerable adults.</p> <p>CSAB has workforce development as a key priority for 2017/18 and is producing a workforce development plan to address this issue in a more systematic way.</p>		attended training
To ensure that the impact of any proposed changes in service delivery specifically consider the risk in relation to safeguarding.	On-going	<p>Explicit consideration of safeguarding implications as part of any change process or proposal, e.g. changes to IT systems.</p> <p>Explicit consideration of risk in relation to safeguarding to form part of decision making on change proposals brought forward by the People directorate</p>	Deputy Chief Executive	Green

Risk Ref	Risk Owner		Last Updated	
010 – Kickstart - Move to Friargate	Deputy Chief Executive - Place		October 2017	
<b>Risk Description:</b> The Council's move to new offices is not delivered either on time or within budget.				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
To put in place effective governance structure to oversee the infrastructure developments (e.g. build of new of new office environments, bridge deck, accommodation, decommissioning) as part of the Kickstart Programme.	Completed	<p>A governance structure has been put in place to oversee the Kickstart Programme. This includes:</p> <ul style="list-style-type: none"> <li>• A Programme Board – Strategic Management Board</li> <li>• Progress Board</li> <li>• Programme Team plus designated leads around key objectives (e.g. finance, property, legal ICT)</li> </ul> <p>The Accommodation &amp; FM project, accountable for the delivery of our new offices at Friargate has its own Board and project team that includes Kickstart's overall Programme Manager</p>	Kickstart Programme Manager	Green
A robust plan is in place to help ensure all the inter-related projects are delivered on time to ensure the Council moves to new offices at Friargate.	On-going	<p>Regular team and board meetings, centrally coordinated, to ensure awareness across the entire programme. PC took place on 8.9.17 and plan in place for all moves into FG to be completed by 21.11.17.</p> <p>Heatline &amp; 2<sup>nd</sup> fibre</p> <p>Periodic engagement with key stakeholder groups, both internal and external, to streamline decision making process and avoid disputes.</p> <p>Main risks currently concern the installation of Heatline to serve the wider Friargate development. A contract between Friargate LLP &amp; Engie is required and the Kickstart team with senior representatives from across the Place Directorate are helping to facilitate and drive negotiations forward.</p> <p>Also, given the increased construction activity around the train station (forecourt; masterplan; access etc.) the risk of interface clashes is increased and so site-wide</p>	<p>Kickstart Programme Manager</p> <p>Director – City Centre and Major Projects Development</p> <p>Director – Transportation &amp; Highways</p>	Amber

		coordination is key. Currently being managed through a Place Directorate Board, dedicated to the more prominent developments in the City of which this matter is one		
Effective project management arrangements (including risk management) are in place to oversee the delivery of the key built environment projects within the Kickstart Programme.	On-going	Programme and project risk registers periodically updated and shared with board and SMB.,  Weekly sessions with project manager cohort help ensure programme-wide awareness of dependencies and key dates etc.	Kickstart Programme Manager	Green
Routine monitoring reports to be produced and considered by the Programme Board on a timely basis	On-going	Continuing as originally planned. Reports, both on informal and formal basis are circulated to entire team to maximise awareness of programme progress.  Decision-making is via respective project boards; programme board and SMB – depending on impact of decision.	Kickstart Programme Manager	Green
Effective management of the disposal of existing property estate up to and including the move to Friargate	On-going	Regular involvement with property teams across the Place directorate to ensure the buildings we will no longer need are marketed in adequate time to minimise the overlap of void properties.  As teams begin to migrate to the city centre our suburban estate will shrink accordingly – and Commercial Property Management are working closely with the Kickstart team to build a forward plan.  Progress so far: Civic Centre estate now sold to Coventry University. Christchurch & Spire House empty and demolition underway to enable the construction of the new sports and leisure centre. .Elm Bank and Eburne now sold. Customer Centre opened and bridge link to Council House removed.	Kickstart Programme Manager	Green
Appointment of Four Engagement Leads to liaise directly with all teams moving into FG (and any other related moves i.e within BGH, CH etc).	Complete	The four Engagement Leads have been appointed to manage all issues arising from the teams as a result of moving into FG. Each operational team has a team action plan covering all aspects of the move from how teams locate within the new offices to how we manage and access data and files using Office365. This has	Director of Customer Services and Transformation	

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 10</p>		<p>included the creation of a 'model office' in the CH which teams have been encouraged to access and use. 300 tonnes of paper recycled as part of the FAB scheme.</p>		
<p>Training staff to use Office365 (one drive, sharepoint) for information storage, use of Mitel (soft phones), use of smart phones, digital skills training, and follow you printing. Expansion of the Change Agent programme to include Digital Change Agents to support smarter working within Friargate.</p>	<p>October 17</p>	<p>Sharepoint team sites have been set up for every service within the council, however further work needs to be done to establish sharepoint team sites for every team within a service. All staff have a onedrive for personal storage. Mitel training has been rolled out to all relevant staff across the organisation. Further work needs to be done to fully embrace its functionality. 'Follow you printing' has been piloted reducing printing and copying. Office365 Training has been given to all digital change agents. There are now 60+ digital change agents with at least one change agent in each service area locating into FG. The focus in the last update for the next 6 months was to make office365 the default document storage and collaboration platform for all staff and embed the learning required to maximise the return from the use of these platforms.</p> <p>Office 365 training in the form of the digital fortnight has taken place and been very successful with further sessions being offered. H drives will become read only in October and eventually switched off, moving people towards using onedrive (as part of office 365). Worksmart as a concept has been launched and the principles approved by CLT for development and adoption across the organisation to embrace new ways of working and maximise an even greater return from the IT platforms.</p>	<p>Director of Customer Services and Transformation</p>	<p>Amber</p>

Risk Ref	Risk Owner		Last Updated	
011 – Friargate Business District	Deputy Chief Executive - Place		October 2017	
<b>Risk Description:</b> Failure to attract businesses to move to the Friargate Business District.				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
GVA have been appointed by Friargate LLP to act in securing tenants for the other buildings	Current through to completion of the scheme	GVA are engaging with potential tenants although a more comprehensive marketing programme has not yet materialised..	Director – City Centre and Major Projects Development	Amber
The collaboration agreement allows for a Project board meeting to update the council not less than every 3 months	Current through to completion of the scheme	Friargate currently have regular monthly marketing meetings and the Council attends those. In addition to this there are regular Project Board meetings.	Director – City Centre and Major Projects Development	Green
The council will where it can and it is appropriate, jointly promote the scheme and introduce potential tenants and occupiers to Friargate LLP	Current through to completion of the scheme	This is occurring currently	Director – City Centre and Major Projects Development	Green
<p>The Council are proposing to bring forward a scheme to provide a series of buildings for Friargate to attract occupiers and initiates a programme of concentrated marketing.</p> <p>(The negotiations with the combined Authority also address the planned treatment number 3 to risk 013 below)</p>	The proposal would be confirmed by the end of the year but the build would be over the next 5 – 10 years	<p>Currently negotiations are being carried out with both the developers and the Combined Authority.</p> <p>It is proposed at this time that the Council enters into a joint venture with the developer</p> <p>Progress on negotiations is being regularly reported to Political Cabinet</p> <p>Should this be successful it will create its own risks that will need to be recorded on the corporate risk register</p>	Director – City Centre and Major Projects Development	Green

Risk Ref	Risk Owner	Last Updated		
<b>013 – Creation of a Combined Authority for the West Midlands and agreement of a Devolution Deal</b>	Chief Executive	November 2017		
<b>Risk Description:</b> Alongside the considerable opportunities to fast-track economic growth and public sector reform that the formation of the Combined Authority brings – sit financial, organisational, legal, reputational and political risks. A risk register has been completed at a WMCA level but it is essential that the risks are understood by Coventry – as a City Council and as a City and mitigation plans put in place. Given the magnitude of this change a detailed analysis will need to be carried out as the Combined Authority develops and a comprehensive specific risk assessment produced.				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
<p>The overall financial implications on CCC's budget and medium term financial strategy of local contributions to Treasury's additional £36.5 million annual revenue contribution.</p> <p>Create detailed delivery plans for phasing of £150million capital expenditure on Friargate &amp; City Centre South.</p> <p>Agree human resourcing plan of key CCC officers to both support &amp; shape the creation of the WMCA and ensure delivery of the devolution deal.</p>	On-going	<p>Detailed business plans approved and first investment released from WMCA</p> <p>A capacity and capability review has been agreed by the Political Cabinet</p>	<p>Director of Finance and Corporate Resources</p> <p>Director – City Centre and Major Projects Development</p> <p>Chief Executive</p>	Amber

Risk Ref	Risk Owner		Last Updated	
014 – Information Governance	Chief Executive		October 2017	
<p><b>Risk Description:</b> The Council manages a significant amount of personal data and information in the delivery of services using a range of systems and media. With data held in a vast array of places and in varying formats it becomes susceptible to loss, misuse, inadvertent release and breach of privacy. These risks are increased by the growing use of electronic transfer and management of information (including the use of the Government Public Sharing Network). The Council is exposed to financial penalties, sanctions and reputational damage. The Council also recognises the risks of not sharing information appropriately and maximising the opportunities of more digital working to develop services and deliver more effective outcomes. The introduction of the General Data Protection Regulations (GDPR) in May 2018 will introduce some major changes regarding the use of personal data</p>				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
<p>1. Approved Information Management Strategy and associated programme of work.</p> <p>2. Effective plans in place to implement the recommendations from the last ICO audit.</p> <p>3. Effective plans in place for the next ICO audit in November 2017.</p> <p>4. Implement a Council wide training programme</p> <p>6. Effective plans in place to meet requirements of GDPR</p>	On-going	<p>* Information Management Strategy Group has Corporate oversight for progress on the Information Management Strategy implementation and action plans relating to ICO audit and GDPR readiness.</p> <p>Audit and Procurement Committee taking effective oversight of information management, including receipt of comprehensive update on progress with the recommendations from the ICO visit (February 2017) and Information Governance Annual Report 2016/17 (July 2017)</p> <p>* Comprehensive training programme: IG Handbook, 'Don't Gamble with Data' module – compliance being monitored by CLT</p> <p>* Information Governance function part of the regular compulsory mandatory training with annual Data Protection</p>	Director of Finance and Corporate Resources (SIRO)	Amber

		<p>Training</p> <ul style="list-style-type: none"><li>* Information Asset Register and list of Asset owners compiled.</li></ul> <p>Training for Information Asset Owners and Managers scheduled for 30 October and 6 November.</p> <ul style="list-style-type: none"><li>* Recruitment of a 'Records Manager Review of IG related policies, new Data Handling Policy Approved Spot check annual programme being devised.</li><li>* Compliance with PSN requirements.</li></ul>		



Risk Ref	Risk Owner			Last Updated
015 Historic Abuse Investigations	Chief Executive			October 2017
<p><b>Risk Description:</b></p> <p>There is a risk that any ongoing police investigations and their requirements for support from the Council into historic child abuse will impact on the Council in respect of its operations and its reputation</p>				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
<p>The Council has convened a Strategic Overview Group comprising the Chief Executive, Executive Directors and officers to oversee the Council's response and effect any necessary action.</p> <p>Regular meetings of the Services involved to ensure any actions required are escalated for decision.</p>	On-going	Resources allocated to ensure that the Council meets its obligations including the formation of dedicated teams.	Chief Executive	Green

Risk Ref	Risk Owner	Last Updated		
016 Failure to comply with Health and Safety legislation	Chief Executive	October 2017		
<b>Risk Description:</b> Failure to comply with Health and Safety legislation/practice leading to a) intervention, prosecution by the HSE and other agencies b) injury to employees and other parties c) increase in sickness absence d) liability claims e) damage to reputation f) corporate manslaughter g) reduction in performance and standards				
Planned Treatment:	Timescale	Progress to date:	Risk Manager	Control Status
Corporate Health and Safety Policy and Strategy with roles and responsibilities clearly defined  Health and safety consultation and communication with employees  Health and safety audit, monitoring and inspection programmes  Health and safety action plans identifying areas for improvement	On-going	Approved H&S Policy statement setting out roles, responsibilities - version July 2017 – 2019.  Formal health and safety consultation arrangements through H&S Strategy Group, Joint Safety Forum and operational H&S meetings.  Informal health and safety communication through management and team meetings  Managers H&S Annual Self Audit Monitoring and inspection at service level by managers Independent audit, inspection and monitoring p by H&S staff to ensure compliance and high performance  Corporate H&S Action Plan – version July 2017 – 2019 Directorate/service action plans developed from audits, monitoring and inspection of the workplace.	Chief Executive	Amber

Health and safety training, toolkits and information dissemination		Risk Assessment toolkit and guidance on key h&s issues available for managers and employees. Mandatory Health and Safety Training Programme Toolbox talks and awareness campaigns on high profile issues. Health and safety newsletter		Green
Process and system for recording and monitoring incidents and accidents		SHEASSURE incident reporting system in place. Investigations carried out as required. Procedures for reporting work related injuries, diseases and dangerous occurrences		Green
Professional H&S and Occupational Health service		Team of Occupational Health and H&S staff providing specialist advice and support to the organisation Health surveillance in line with legislative requirements		Green
Arrangements for statutory/legislative inspections and assessments		Contracts/procedures in place to comply with legal assessments/inspections		Green

Risk Ref	Risk Owner		Last Updated	
017 – City Centre South	Deputy Chief Executive - Place		October 2017	
<b>Objective;</b> the redevelopment of the City Centre South area to provide high quality retail and leisure facilities and the consequent social and economic regeneration of the whole City Centre				
Risk Description	Timescale	Treatment and Progress	Risk Manager	Control Status
<b>Time delay in the site assembly period.</b>  The risk refers to the time period associated with CCC assembling the site – the previously obtained planning permission is no longer current and needs reapplication, there may be a need for CPO to obtain the necessary properties. It is important that there is timely acquisition of land and property to enable the scheme to proceed as planned so the expected outputs are delivered. The majority of the site is owned by the Council but a smaller number of acquisitions are required either voluntarily or by CPO	Current through to completion of the scheme	Planning permission will again be sought as required. In pursuing property acquisition or CPO the Council will use reasonable endeavours to secure these by negotiation and as far as possible these will be conditional agreements whereby the costs are not incurred until the land is actually needed	Director – City Centre and Major Projects Development	
<b>Project fails to secure an Anchor Tenant of sufficient standing. Consequent failure to attract suitable retail and leisure adjacencies.</b>  The failure to acquire an ‘aspirational’ anchor store will have a direct impact on the development and ‘prestige’ of the area. This increases the likelihood that that the social and economic benefits of the project will not be delivered in full.	Current through to completion of the scheme	.There are several suitable Anchor Stores of the quality needed that would make the project successful. The appropriate parties will engaged and convinced of the opportunity available.  The quality of the adjacencies will flow naturally from the standing of the Anchor Store.	Director – City Centre and Major Projects Development	

<p><b>The desired and necessary mix of Property type and Occupation is not achieved</b></p> <p>There is a risk of the failure by the Developer to obtain from interested parties, of the required status, a commitment to the scheme as proposed.</p> <p>This would impact on the ability of the Developer to demonstrate to the financial markets that it had the right tenant base at the right income levels to obtain the necessary development funding.</p>	<p>Current through to completion of the scheme</p>	<p>The developer has tested the retailer and leisure operator demand and is confident that the necessary agreements can be signed to deliver the plans outlined in their proposals.</p> <p>This is also primarily contingent on achieving an Anchor Store of sufficient status.</p>	<p>Director – City Centre and Major Projects Development</p>	
<p><b>Availability of WMCA Funding</b></p> <p>Support funding from the WMCA has been agreed However, is sufficient progress with the Project is not achieved its availability may be reviewed.</p>	<p>Current through to completion of the scheme</p>	<p>The programme will be tightly monitored and managed by the Project team to ensure sufficient progress and highlight any emerging issues.</p>	<p>Director – City Centre and Major Projects Development</p>	

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