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### Audit and Procurement Committee

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**Time and Date**

3.00 pm on Monday, 21st January, 2019

**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 - 8)  
To agree the minutes of the meeting held on 12<sup>th</sup> November 2018.
4. **Outstanding Issues** (Pages 9 - 16)  
Report of the Deputy Chief Executive (Place)
5. **Work Programme 2018/19** (Pages 17 - 18)  
Report of the Deputy Chief Executive (Place)
6. **External Audit Plan Year Ending March 2019** (Pages 19 - 38)  
Report of the External Auditor, Grant Thornton
7. **2018/19 Second Quarter Financial Monitoring Report (to September 2018)**  
(Pages 39 - 62)  
Report of the Deputy Chief Executive (Place)
8. **Corporate Risk Register Update** (Pages 63 - 86)  
Report of the Deputy Chief Executive (Place)
9. **Half Yearly Fraud and Error Report 2018-19** (Pages 87 - 94)  
Report of the Deputy Chief Executive (Place)
10. **Complaints to the Local Government and Social Care Ombudsman 2017/18** (Pages 95 - 130)  
Report of the Deputy Chief Executive (People)

11. **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**

Nil

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

Friday, 11 January 2019

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 P Akhtar, S Bains (Deputy Chair), R Brown (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.

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**Coventry City Council**  
**Minutes of the Meeting of the Audit and Procurement Committee held at**  
**1.30 pm on Monday, 12 November 2018**

Present:

Members:                   Councillor R Brown (Chair)  
                                  Councillor P Akhtar  
                                  Councillor S Bains  
                                  Councillor T Sawdon  
                                  Councillor R Singh  
                                  Councillor H Sweet  
                                  Councillor K Taylor

Employees (by Directorate):

Place:                       V Castree, P Hammond, P Jennings, R Moon, M Rennie,  
                                  K Tyler, A Walster

Others in Attendance       M Stock, Grant Thornton (External Auditor)

## **Public Business**

### **33.     Declarations of Interest**

There were no disclosable pecuniary interests.

### **34.     Minutes of Previous Meeting**

The minutes of the meeting held on 10<sup>th</sup> September 2019 were agreed and signed as a true record.

### **35.     Exclusion of Press and Public**

**RESOLVED to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 relating to the private report in Minute 42 below headed ‘Procurement and Commissioning Progress Report’, on the grounds that the report involves the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial and business affairs of a particular person (including the authority holding that information) and that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

### **36.     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 meeting, along with the anticipated date for consideration of the matter. Appendix 2 provided details of items where information had been requested outside formal meetings, along with the date when this had been completed. The following items on Appendix 2 were to be updated. Item one was completed 9 October 2018. Item three was completed 10 August 2018.

An additional item was to be added on 'Fraud annual report 2017-18' following the Audit and Procurement meeting on 10 September 2018. This was to include the following:

The Committee requested that:

- (a) Welfare checks are undertaken in respect of any whistleblowers
- (b) Information is provided on the number of exemptions / discounts awarded by the Council in 2017/18
- (c) The next committee report in relation to fraud provides clearer details on "fraud" and "error" including distinguishing those actions taken to prevent fraud.

**RESOLVED that the Audit and Procurement Committee note the outstanding issues report and agrees that those issues that are complete can be discharged from the report.**

**37. Work Programme 2018/19**

The Committee considered a report of the Deputy Chief Executive (Place), which set out the work programme for the Committee for the coming year.

**RESOLVED that the Audit and Procurement Committee approve the work programme for 2018/19.**

**38. The 2017-18 Annual Audit Letter for Coventry City Council (Grant Thornton)**

The Committee considered a report of the external auditor, Grant Thornton, on the Audit Findings for the City Council for the year ending 31st March, 2018. Mark Stocks of Grant Thornton, attended the meeting to present the report.

The report highlighted the key issues affecting the results of the Council and the preparation of the group and financial statements for year ended 31st March 2018. It was reported that the external auditors had not found any cause for concern during their work. The 2016-17 report had focussed on the Council's ongoing financial stability and the external auditors were satisfied that work had been undertaken on financial planning during 2017-18.

The external auditor drew attention to Appendix B and the small fee variations listed. There were a result of a technical change in accounting standards.

Members of the Committee asked questions and received responses on the following areas:

- Listed debt - an explanation was given as to what listed debt was and how it can be traded on the Stock Exchange
- Clarification was sought that in the table on page 24 of the report pack, where risks had been identified and no action listed in the findings and conclusions column, that investigations into the risk had concluded appropriate risk responses were in place. The auditor clarified that they are a set of risks which apply to Local Authorities and it is a requirement of auditing standards that these are assessed. Coventry City Council had measures in place to manage these risks so no further action was required.
- If there were major issues with the Councils' finances, where would these become evident? The external auditor indicated they would be seen through the Annual Audit Letter. The external auditors have statutory powers should a Local Authority be failing to meet standards and these would be used if issues arose, and external auditors would work closely with the Leader, Cabinet Members and Management Team.
- Whether the Council had been affected by Carillion going bankrupt – there had been one academy school with a contract with them, but no direct City Council contracts were with Carillion.
- That the IT action plan in Appendix C will be reviewed for the 2018-19 Audit letter.

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

### 39. **Internal Audit Plan 2018-19 - Half Year Progress Report**

The Committee considered a report of the Deputy Chief Executive (Place), which provided them with an update on the internal audit activity from the period April to September 2018, against the Internal Audit Plan for 2018-19.

At the end of September 2018, the Service had completed 49% of the Audit Plan against a planned target of 49% and was on track to meet its key target by the end of 2018-19. The final report to deadline target of 80% was below target with 74% achieved during quarter 2.

Members asked questions and received answers on the following:

- Schools Audits and how these work in an environment where many schools are faced with reduced budgets and how issues identified within an audit are escalated. Audit work alongside the Schools Finance Team, and have a small schools audit programme based on identified risk.

- That there are still Elected Members who have not completed their GDPR training and the potential cost to the organisation of this should there be a data breach. The Chair of the Committee agreed to write to Elected Members and emphasise the importance of completing this training. It was agreed support should be offered to Members who may need assistance in accessing the training online.

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

- 1) **Noted the performance as at quarter two against the Internal Audit Plan for 2018-19.**
- 2) **Considered the summary findings of the key audit reviews (attached at Appendix Two).**
- 3) **The Chair of the Audit and Procurement Committee to write to Elected Members who have not yet completed the mandatory GDPR training, outlining the possible financial implications of failing to do so.**

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

The Committee considered a report outlining the Council's Treasury Management Investment Activity. The report detailed the Council's Lending List and outlined the most recent investments made by the Council.

Officers outlined that there has been a change of emphasis since the last report to now use Collective Investment Funds. These are funds operated by financial intuitions who pool money from several investors and use that money to invest in products that the Council would otherwise have been unable to invest in. This approach is potentially more volatile than previous investments, but by choosing products which will react differently to market events, any losses against an individual product will be offset by gains elsewhere.

This approach has been implemented in response to a steer to look at ways to generate income which do not impact on service delivery.

**RESOLVED that the Audit and Procurement Committee noted the report on City Council Treasury Management Investment Activity.**

41. **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.

42. **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. 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.**

**43. Finance and Governance Arrangements - Coombe Abbey**

The Committee received a presentation from the Director of Streetscene and Regulatory Services and the Director of Project Management and Property Services on the finance and governance arrangements for Coombe Abbey Hotel.

**RESOLVED that the finance and governance arrangements for Coombe Abbey Hotel be noted.**

**44. 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 3.10 pm)

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Audit and Procurement Committee

21<sup>st</sup> January 2019

**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 - Information Requested Outside 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 the Director Finance and Corporate 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)				

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

## 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 Commissioner's Office – Data Protection Audit November 2017 – Update on Progress</b>	19 <sup>th</sup> February 2018 (Minute 82/17)	October 2018	Adrian West		
2.	<b>Information Governance Half-Yearly Progress Report 2018/19</b>	16 <sup>th</sup> July 2018 (Min 20/18)	21 <sup>st</sup> January 2019	Adrian West / Sharon Lock		

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

## Appendix 2

## Information/Action Requested Outside 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.	Half Yearly Fraud Update 2017 – 2018	Minute 69/17 22 <sup>nd</sup> January 2018	A press release be prepared highlighting the work undertaken, particularly data matching through NFI, to identify attempts to commit fraud.	Karen Tyler / Nigel Hart	9 <sup>th</sup> October 2018
2.	Certification Work for Coventry City Council for Year Ended 31 <sup>st</sup> March 2017	Minute 79/17 19 <sup>th</sup> February 2018	The Committee requested information on how sampling for the certification work is undertaken.	Joan Barnett (External Auditor)	
3.	Internal Audit Annual Report 2017/2018	Minute 5/18 18 <sup>th</sup> June 2018 and Minute 13/18 16 <sup>th</sup> July 2018	The Committee requested that a timeline be prepared in respect of the Audit Team restructure.	Adrian West / Karen Tyler	10 <sup>th</sup> August 2018
4.	Internal Audit Plan 2018/2019	Minute 7/18 18 <sup>th</sup> June 2018 and Minute 13/18 16 <sup>th</sup> July 2018	The Committee requested that a timeline be prepared in respect of the telephony system and customer service review.	David Ashmore	
5.	Information Governance Annual Report 2017/2018	Minute 20/18 16 <sup>th</sup> July 2018	A letter from the Chair of the Committee relating to data protection training for Elected Members, be prepared and circulated to Members	Adrian West/ Sharon Lock	

			In addition to the completion of Data Protection Training, workshops be arranged for Elected Members to support them on the requirements of the GDPR		
6.	Procurement and Commissioning Progress Report – Future Reporting Arrangements	Minute 22/18 16 <sup>th</sup> July 2018	Further discussion be held with the Chair of the Committee to determine the most appropriate forum for the future consideration of the reports	Karen Tyler/Mick Burns	
7.	Fraud Annual Report 2017/18	Minute 29/18 10 <sup>th</sup> September 2018	The Committee requested that: <ul style="list-style-type: none"> <li>a. Welfare checks are undertaken in respect of any whistleblowers</li> <li>b. Information be provided on the number of exemptions / discounts awarded by the Council in 2017/18</li> <li>c. The next committee report in relation to fraud provides clearer details on 'fraud' and 'error' including distinguishing those actions taken to prevent fraud.</li> </ul>	Karen Tyler	

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## Audit and Procurement Committee

### Work Programme 2018-2019

#### 18<sup>th</sup> June 2018

Internal Audit Annual Report 2017-2018  
Annual Governance Statement 2017-2018  
Internal Audit Plan 2018-2019  
Fraud and Corruption Strategy  
Revenue and Capital Out-turn 2017-2018  
Draft Statement of Accounts 2017-2018

#### 16<sup>th</sup> July 2018

Audit Findings Report 2017-2018 (Grant Thornton)  
Statement of Accounts 2017-2018  
Audit Committee Annual Report 2017-2018  
Information Governance Annual Report 2017-2018  
Procurement Progress Report (Private)

#### 10<sup>th</sup> September 2018

Quarter One Revenue and Corporate Capital Monitoring Report 2018-2019  
Fraud Annual Report 2017-2018  
School Audit Recommendations  
Updated Procedural Guidance: Regulation of Investigatory Powers (RIPA) Covert Surveillance and Covert Human Intelligence Sources (RIPA Procedural Guidance)

#### 12<sup>th</sup> November 2018

Annual Audit Letter 2017-2018 (Grant Thornton)  
Half Year Internal Audit Progress Report 2018-2019  
Treasury Management Update  
Procurement Progress Report (Private)

#### 21<sup>st</sup> January 2019

Quarter Two Revenue and Corporate Capital Monitoring Report 2018-2019  
Corporate Risk Register Update  
Half Yearly Fraud Update 2018-2019  
Ombudsman Complaints Annual Report 2017-2018

## **25<sup>th</sup> February 2019**

Grant Certification Report (Grant Thornton)  
Quarter Three Revenue and Corporate Capital Monitoring Report 2018-2019  
Quarter Three Internal Audit Progress Report 2018-2019  
RIPA (Regulation of Investigatory Powers Act) Annual Report 2018-2019  
Whistleblowing Policy Annual Report 2017-2018  
ICO Update on Progress  
Information Governance Half-Yearly Progress Report 2018/2019  
Procurement Progress Report (Private)

## **25<sup>th</sup> March 2019**

Annual Audit Plan (Grant Thornton)  
Internal Audit Recommendation Tracking Report  
Internal Audit Plan 2019-2020  
Code of Corporate Governance (Adrian West)

## **Date to be agreed**

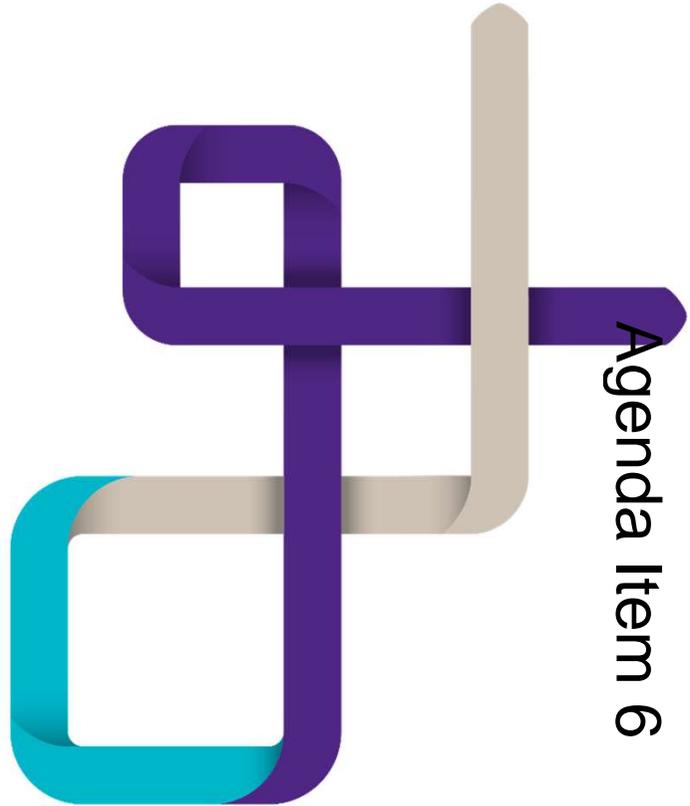
Outside Body - Governance and Financial Arrangements for Coventry City of Culture Trust  
Outside Body - Governance and Financial Arrangements for Culture Coventry  
Outside Body - Governance and Financial Arrangements for Coombe Abbey Park Limited

# External Audit Plan

*Year ending 31 March 2019*

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Coventry City Council  
December 2018





**Your key Grant Thornton team members are:**

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**Appendices**

A. Audit Approach	18
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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Introduction & headlines

## Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Coventry City Council ('the Council') for those charged with governance.

## Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Council. We draw your attention to both of these documents on the [PSAA website](#).

## Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the :

- Council and group's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit & Procurement Committee); and
- Value for Money arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Audit & Procurement Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based. We will be using our new audit methodology and tool, LEAP, for the 2018/19 audit. It will enable us to be more responsive to changes that may occur in your organisation.

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## Group Accounts

The Council is required to prepare group financial statements that consolidate the financial information of Coventry and Solihull Waste Disposal Company Limited; Coventry North Regeneration Limited; North Coventry Holdings Limited; and Coombe Abbey Park Limited.

## Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Valuation of property, plant and equipment
- Valuation of pension fund net liability
- Management override of controls

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

## Materiality

We have determined planning materiality to be £13.100m (PY £12.642m) for the group and £13.000m (PY £12.610m) for the Authority, which equates to approximately 1.86% of your prior year gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.650m (PY £0.632m).

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# Introduction & headlines (continued)

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## Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risks:

- Medium Term Financial Sustainability
- Achievement of planned Capital Programme

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## Audit logistics

We will undertake split interim visits, which will take place in January, February and March 2019. Our final visit will take place in June and July. Our key deliverables are this Audit Plan and our Audit Findings Report. Our audit approach is detailed in Appendix A.

Our fee for the audit will be £133,564 (PY: £173,460 for the Council, subject to the Council meeting our requirements set out on page 13).

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## Independence

We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements..

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# Key matters impacting our audit

## External Factors

### The wider economy and political uncertainty

Local Government funding continues to be stretched with increasing cost pressures and demand from residents. For Coventry City Council, financial management is strong, with a history of delivering the budget, including challenging financial savings. The budget is derived from annually from the Medium Term Financial Strategy (MTFS).

The Authority is currently forecasting a balanced budget to 2019/20. As with other local government bodies, the Council faces challenges in balancing its finances from 2020/21 onwards.

At a national level, the government continues its negotiation with the EU over Brexit, and future arrangements remain clouded in uncertainty. The Authority will need to ensure that it is prepared for all outcomes, including any impact on contracts, on service delivery and on its support for local people and businesses.

### Changes to the CIPFA 2018/19 Accounting Code

The most significant changes relate to the adoption of:

- IFRS 9 Financial Instruments which impacts on the classification and measurement of financial assets and introduces a new impairment model.
- IFRS 15 Revenue from Contracts with Customers which introduces a five step approach to revenue recognition.

The Authority is already in the process of looking at the adoption of these changes.

## Internal Factors

### Group boundary

The Council has several subsidiary companies: Coventry North Regeneration Limited; North Coventry Holdings Limited; and Coombe Abbey Park Limited. Additionally the Council operates a Joint Venture, Coventry and Solihull Waste Disposal Company Limited, with Solihull Metropolitan Borough Council .

2018/19 is the first full year of trading for the Coombe Abbey Hotel since the Council acquired 100% of the shares in Coombe Abbey Park Limited on 22nd December 2017.

A further joint venture with Friargate LLP is anticipated for 2018/19 to accelerate building projects in the Friargate area.

## Our response

- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will consider whether your financial position leads to material uncertainty about the going concern of the group and will review related disclosures in the financial statements.

- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2018/19 CIPFA Code.

- You will see changes in the terminology we use in our reports that will align more closely with the ISAs
- We will ensure that our resources and testing are best directed to address your risks in an effective way.

- For the purposes of our audit plan we have deemed Coventry and Solihull Waste Disposal Company Limited to be individually significant to the group financial statements, based on 2017/18 expenditure.
- We will maintain a watching brief and continue to liaise with the finance team to ensure that if further changes to the group boundary are identified that the consolidation is extended to include further entities as necessary.

# Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Individually Significant?	Audit Scope	Risks identified	Planned audit approach
<b>Coventry City Council</b>	Yes		<ul style="list-style-type: none"> <li>Refer to pages 7 - 9</li> </ul>	Full scope UK statutory audit performed by Grant Thornton UK LLP
<b>Coventry and Solihull Waste Disposal Company Limited</b>	Yes		<ul style="list-style-type: none"> <li>Valuation of Investment</li> </ul>	Review and testing of arrangements in place to produce group accounts
<b>Coventry North Regeneration Limited</b>	No		<ul style="list-style-type: none"> <li>None</li> </ul>	Analytical review performed by Grant Thornton UK LLP
<b>North Coventry Holdings Limited</b>	No		<ul style="list-style-type: none"> <li>None</li> </ul>	Analytical review performed by Grant Thornton UK LLP
<b>Coombe Abbey Park Limited</b>	TBC		<ul style="list-style-type: none"> <li>Valuation of Investment</li> </ul>	Review and testing of arrangements in place to produce group accounts

## Key changes within the group:

2018/19 is the first full year of trading for the Coombe Abbey Hotel since the Council acquired 100% of the shares in Coombe Abbey Park Limited on 10<sup>th</sup> October 2017.

A further joint venture with Friargate LLP is anticipated for 2018/19 to accelerate building projects in the Friargate area. The scope of the audit in this area is yet to be confirmed, and will be based on an evaluation of the significance to the group of the Council's interest in the component.

## Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to significant risks of material misstatement of the group financial statements
- Analytical procedures at group level

# Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
<b>ISA 240: presumed risk of fraud in revenue recognition</b>	<b>Group and Council</b>	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition</li> <li>• opportunities to manipulate revenue recognition are very limited</li> <li>• The culture and ethical frameworks of local authorities, including Coventry City Council, mean that all forms of fraud are seen as unacceptable</li> </ul> <p>Therefore we do not consider this to be a significant risk for Coventry City Council.</p> <p>In terms of this risk and how it relates to the Group we have also determined that the risk of fraud arising from revenue recognition in the Group can be rebutted because the revenue streams from the group components: are sourced from single lines of service provision and are made up of a large volume of non significant transactions which makes it more difficult to conceal significant fraudulent transactions.</p>	n/a response not required as risk rebutted.

# Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
<b>ISA 240: management override of controls</b>	<b>Group and Council</b>	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Council faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a risk requiring special audit consideration.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• evaluate the design effectiveness of management controls over journals</li> <li>• analyse the journals listing and determine the criteria for selecting high risk unusual journals</li> <li>• test unusual journals recorded during the year and after the draft accounts stage for appropriateness</li> <li>• gain an understanding of the accounting estimates and critical judgements made by management and consider their reasonableness with regard to corroborative evidence</li> <li>• evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul>
<b>Valuation of property, plant and equipment</b>	<b>Council</b>	<p>The Council revalues its land and buildings at least once every five years. Investment properties are revalued every year. Valuation of property, plant and equipment represents a significant estimate by management in the financial statements.</p> <p>We identified the valuation of land and buildings revaluations and investment property revaluations as a risk requiring special audit consideration..</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work</li> <li>• evaluate the competence, capabilities and objectivity of the valuation expert</li> <li>• write to the valuer, with follow up discussions as necessary, to confirm the basis on which the valuations were carried out</li> <li>• challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding</li> <li>• test, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register</li> <li>• evaluate the valuation of investment properties</li> <li>• evaluate the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.</li> </ul>

# Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
<b>Valuation of the pension fund net liability</b>	<b>Council</b>	<p>The Council's net pension fund liability represents a significant estimate in the financial statements.</p> <p>The net pension fund liability is considered a significant estimate due to the size of the liability involved (£542.2 million in the Council's balance sheet as at 31 March 2018) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the pension fund net liability as a risk requiring special audit consideration..</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• update our understanding of the processes and controls put in place by management to ensure that the Council's net pension fund liability is not materially misstated and evaluate the design of the associated controls;</li> <li>• evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;</li> <li>• assess the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation;</li> <li>• assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability;</li> <li>• test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;</li> <li>• undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and</li> <li>• obtain assurances from the auditor of the West Midlands Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.</li> </ul>

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in July 2019.

### Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and consistent with our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
  - Giving electors the opportunity to raise questions about your 2018/19 financial statements, consider and decide upon any objections received in relation to the 2018/19 financial statements;
  - issue of a report in the public interest or written recommendations to the Council under section 24 of the Act, copied to the Secretary of State.
  - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
  - Issuing an advisory notice under Section 29 of the Act.
- We certify completion of our audit.

### Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

### Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the group's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

# Materiality

## The concept of materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## Materiality for planning purposes

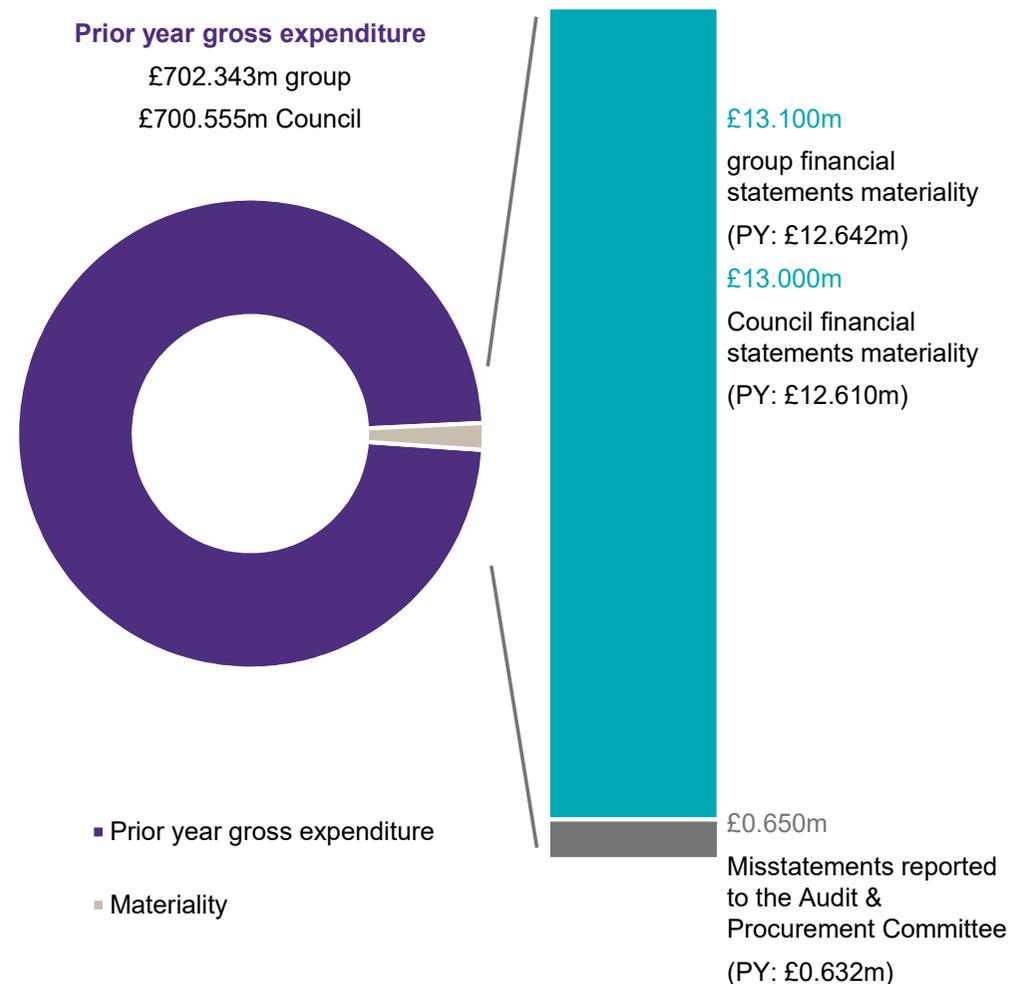
We have determined financial statement materiality based on a proportion of the gross expenditure of the group and Council for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £13.100m (PY £12.642m) for the group and £13.000m (PY £12.610m) for the Council, which equates to 1.86% of your prior year gross expenditure for the year. We design our procedures to detect errors in specific accounts at a lower level of precision which we have determined to be £100,000 for senior officer's remuneration, as we believe these disclosures are of specific interest to readers of the accounts.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

## Matters we will report to the Audit & Procurement Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit & Procurement Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the group and Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.650m (PY £0.632m).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit & Procurement Committee to assist it in fulfilling its governance responsibilities.



# Value for Money arrangements

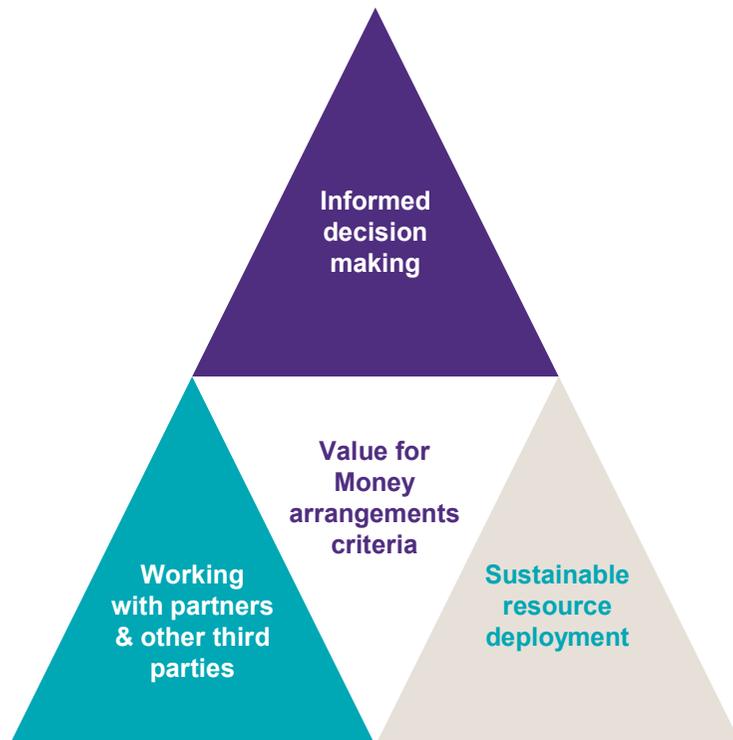
## Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work in November 2017. The guidance states that for Local Government bodies, auditors are required to give a conclusion on whether the Council has proper arrangements in place to secure value for money.

The guidance identifies one single criterion for auditors to evaluate:

*“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.”*

This is supported by three sub-criteria, as set out below:



## Significant VFM risks

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the Council to deliver value for money.



### Medium Term Financial Sustainability

The Council is currently forecasting a balanced budget to 2019/20 and has a good track record of managing its finances. Similar to other councils, the Council faces challenges in balancing its finances from 2020/21 onwards and acknowledges that the uncertainty with Local Government funding from 2020/21 onwards poses further difficulties in its work to deliver a balanced position.

In response to this risk we will assess whether the Council is:

- planning its finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions including how you are financing redevelopment programmes, your use of investment vehicles, and the action being taken to manage social care and temporary housing expenditure.



### Capital Programme

The Council has a significant capital programme. Its effective management and delivery will impact on the Council's plans for the city and the Council's finances. The 2018/19 capital outturn position is now estimated at £222m compared with the original programme reported to Cabinet in February 2018 of £262m. The actual capital payments made by the end of September were £34m.

In response to this risk we will assess whether the Council is:

- monitoring its performance against its capital programme and whether any delays or slippages will have an impact on the Council's capital strategy and objectives
- managing the financial and funding risks associated with its capital programme.

# Audit logistics, team & fees



## Mark Stocks, Engagement Lead

As your engagement lead, Mark will have the ultimate responsibility for the delivery of your audit service. He will lead our relationship with the Authority and take overall responsibility for delivering a high quality audit, which meets the highest professional standards while adding value.



## Avtar Sohal, Audit Manager

As the engagement manager, Avtar is responsible for overseeing the delivery of our service and managing the audit process. He will work with officers and our on-site team to ensure the smooth planning and delivery of the audit. He will oversee the on-site team and discuss any issues with you during the audit process as well as any questions you may have throughout the year.



## Zak Francis, Audit Incharge

Zak will lead the on-site audit team and is responsible for the performance of the audit fieldwork and day-to-day liaison with the finance team. He will ensure that your audit is delivered effectively, efficiently and supportively, keeping the finance team abreast of any issues arising as and when they occur.

## Audit fees

The planned audit fees are £133,564 (PY: £173,460) for the financial statements audit completed under the Code. In setting your fee, we have assumed that the scope of the audit, and the Council and its activities, do not significantly change.

Where additional audit work is required, additional fees will be discussed and agreed with management and require PSAA approval.

## Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we have detailed our expectations and requirements in the following section 'Early Close'. If the requirements detailed overleaf are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

### Meeting the 31 July audit timeframe

In the prior year, the statutory date for publication of audited local government accounts was brought forward to 31 July, across the whole sector. This was a significant challenge for local authorities and auditors alike. For authorities, the time available to prepare the accounts was curtailed, while, as auditors we had a shorter period to complete our work and faced an even more significant peak in our workload than previously.

We have carefully planned how we can make the best use of the resources available to us during the final accounts period. As well as increasing the overall level of resources available to deliver audits, we have focused on:

- bringing forward as much work as possible to interim audits
- starting work on final accounts audits as early as possible, by agreeing which authorities will have accounts prepared significantly before the end of May
- seeking further efficiencies in the way we carry out our audits
- working with you to agree detailed plans to make the audits run smoothly, including early agreement of audit dates, working paper and data requirements and early discussions on potentially contentious items.

We are satisfied that, if all these plans are implemented, we will be able to complete your audit and those of our other local government clients in sufficient time to meet the earlier deadline.

### Client responsibilities

Where individual clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. We will therefore conduct audits in line with the timetable set out in audit plans (as detailed on page 13). Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

### Our requirements

To minimise the risk of a delayed audit or additional audit fees being incurred, you need to ensure that you:

- produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the narrative report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

In return, we will ensure that:

- the audit runs smoothly with the minimum disruption to your staff
- you are kept informed of progress through the use of an issues tracker and weekly meetings during the audit
- we are available to discuss issues with you prior to and during your preparation of the financial statements.

# Independence & non-audit services

## Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 and PSAA's Terms of Appointment which set out supplementary guidance on ethical requirements for auditors of local public.

## Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The following other services were identified:

Service	£	Threats	Safeguards
<b>Audit related</b>			
Certification of Housing Benefits Subsidy claim	£16,000 (PY: £14,020)	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is expected to be low £16,000 (£14,020 prior year) in comparison to the total fee for the audit of £133,564 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.

# Independence & non-audit services

Service	£	Threats	Safeguards
<b>Non-audit related</b>			
CFO Insights	10,000	The fee is a recurring subscription and, therefore, there is a self-interest threat. The tool provides information that will help inform decision making by informed management. The scope of our service does not include making decisions on behalf of management or recommending a particular course of action.	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £10,000 in comparison to the total fee for the audit of £133,564 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of 2017/18 Teachers Pension Return	4,200	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £4,200 in comparison to the total fee for the audit of £133,564 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. All services have been approved by the Audit & Procurement Committee. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

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# Appendices

**A. Audit Approach**

# Audit approach

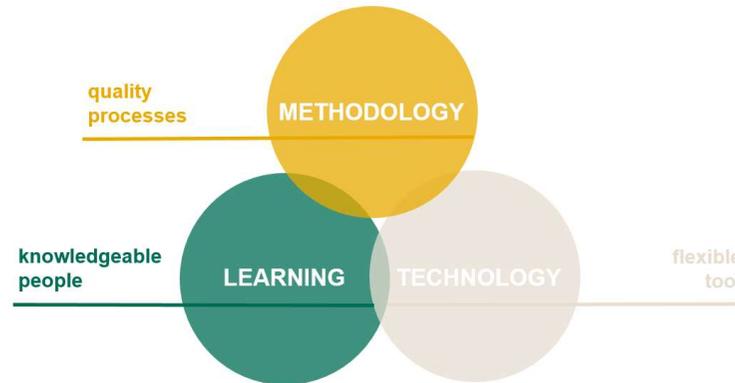
## Use of audit, data interrogation and analytics software

### LEAP



Audit software

- A globally developed ISA-aligned methodology and software tool that aims to re-engineer our audit approach to fundamentally improve quality and efficiency
- LEAP empowers our engagement teams to deliver even higher quality audits, enables our teams to perform cost effective audits which are scalable to any client, enhances the work experience for our people and develops further insights into our clients' businesses
- A cloud-based industry-leading audit tool developed in partnership with Microsoft



### IDEA



- We use one of the world's leading data interrogation software tools, called 'IDEA' which integrates the latest data analytics techniques into our audit approach
- We have used IDEA since its inception in the 1980's and we were part of the original development team. We still have heavy involvement in both its development and delivery which is further enforced through our chairmanship of the UK IDEA User Group
- In addition to IDEA, we also other tools like ACL and Microsoft SQL server
- Analysing large volumes of data very quickly and easily enables us to identify exceptions which potentially highlight business controls that are not operating effectively

### Appian



Business process management

- Clear timeline for account review:
  - disclosure dealing
  - analytical review
- Simple version control
- Allow content team to identify potential risk areas for auditors to focus on

### Inflo



Cloud based software which assists in the project management of the audit process



#### REQUEST & SHARE

- Communicate & transfer documents securely
- Extract data directly from client systems
- Work flow assignment & progress monitoring



#### ASSESS & SCOPE

- Compare balances & visualise trends
- Understand trends and perform more granular risk assessment



#### VERIFY & REVIEW

- Automate sampling requests
- Download automated work papers

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## Public report Cabinet Report

Cabinet  
Audit and Procurement Committee

27<sup>th</sup> November 2018  
21<sup>st</sup> January 2019

**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:**

2018/19 Second Quarter Financial Monitoring Report (to September 2018)

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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 the Council's treasury management activity as at the end of September 2018.

The headline revenue forecast for 2018/19 is an over spend of £0.5m. At the same point in 2017/18 there was a projected overspend of £3.1m.

This position continues to reflect overspends in several service areas that have been subject to recent budgetary pressure. Although the overall overspend position is relatively modest, the service and financial pressures in several areas continue to demand management attention. This is most pressing and significant in relation to challenges in housing & homelessness services. Notwithstanding a range of plans coming forward, it is now clear that these circumstances will be in place for some time and this is reflected in the financial proposals within the 2019/20 Pre-Budget Report also being considered by Cabinet on 27<sup>th</sup> November.

The Council's capital spending is projected to be £222m for the year, a net decrease of £40m on the programme planned at the start of the year. At quarter 1 Cabinet was alerted to the possibility of significant capital slippage later in the budgetary cycle and this risk is one that continues to be of relevance.

**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 £222.4m incorporating: £3.1m net reduction in spending relating to approved/technical changes and £23.9m net rescheduling of expenditure into 2019/20 (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 2018/19
- 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, 21<sup>st</sup> January 2019

**Will this report go to Council?**

No

**Report Title:**

2018/19 Second Quarter Financial Monitoring Report (to September 2018)

**1. Context (or Background)**

- 1.1 Cabinet approved the City Council's revenue budget of £234.8m on the 20th February 2018 and a Directorate Capital Programme of £262.5m. This is the second quarterly monitoring report for 2018/19 to the end of September 2018. 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 2018/19 revenue forecast is an overspend of £0.5m a decrease of £1.5m on the Quarter 1 position of £2.0m. The reported forecast at the same point in 2018/19 was an overspend of £3.1m. Capital spend is projected to be £222.3m, a decrease of £27m on the quarter 1 position.

**2. Options considered and recommended proposal**

- 2.1 **Revenue Forecast** - The forecast revenue overspend of £0.5m 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>
Public Health	0.1	(0.5)	(0.6)
People Directorate Management	1.4	1.5	0.1
Education & Inclusion	13.1	13.1	0.0
Children & Young People	73.9	74.9	1.0
Adult Social Care	75.7	75.7	0.0
Customer Services & Transformation	6.0	8.4	2.4
Place Directorate Management	1.6	1.6	0.0
City Centre & Major Projects	7.6	8.3	0.7
Transportation & Highways	4.1	4.0	(0.1)
Streetscene and Regulatory	26.6	28.3	1.7
Project Management & Property	(7.5)	(7.6)	(0.1)
Finance & Corporate Services	9.7	9.6	(0.1)
Contingency & Central Budgets	22.5	18.0	(4.5)
<b>Total Spend</b>	<b>234.8</b>	<b>235.3</b>	<b>0.5</b>

**2.2 Explanation of Major Revenue Variations**

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

The largest pressure relates to the estimated costs of supporting families and individuals in temporary and supported accommodation (£2.4m), this is as a result of a continued rise in homelessness cases, and cases where insufficient Housing Benefit subsidy can be claimed from the government; this is over and above the £2.7m additional budget approved for 2018/19. The operational management of homelessness services is reported under the Director for Transformation and Customer Services which means that this area reflects the financial pressures associated with the most volatile demand-led budgets, against which there are clearly pressures being recognised at a national level. Although the specific financial pressures are present in this service area, both its causes and the necessary solutions to it, manifest themselves in multiple different service areas across the Council. Detailed work is being undertaken, now informed in part by the feedback from the Council's recent Peer Review, to design a programme of remedial actions and activities, This activity includes the identification of metrics and performance management arrangements to properly measure the requirements and impacts of actions across this broader range of services on a corporate basis.

As reported at Quarter 1, continuing recruitment problems are creating budget pressure relating to agency staffing covering vacancies. The majority of agency is currently within Children's Services where in the region of 54 posts are currently covered. The forecast includes an estimate for an improvement in the balance between agency workers and employed staff later in the year. Pressures in a number of Place Directorate services relate to the employment of agency staff totalling c£1m. This is either as a result of the need to ensure service continuity whilst reviews take place, where there has been an inability to recruit, or in some cases to address high levels of workload. However, these costs are largely offset by salary budget underspends of £0.8m.

### **People Directorate**

In addition to the pressures described above, the People Directorate continues to face significant financial challenges in the 2018/19 financial year. Whilst the overall position of a forecast £2.9m overspend is an improvement on the quarter 1 position, the underspend of £5.6m on centralised salaries masks pressures of £8.5m on other areas.

The Looked After Children (LAC) population has risen significantly over the last year, with average LAC numbers at 644 in 2017/18 compared with 682 so far for 2018/19. This pressure had been anticipated and budget resource was added as part of the budget setting process for 2018/19 as well as a transformation programme target to deliver a lower unit cost within LAC placements. Whilst on track to deliver the necessary changes, there are continued pressures within supported accommodation placements for care leavers.

Alongside this, continuing pressures within SEN transport of £0.3m are balanced out by other underspends across the service. Finally, whilst Adult Social Care is showing a balanced position, there is increasing pressure surrounding packages of care alongside increasing demand in Deprivation of Liberty safeguards (DOLs) which are managed in year using iBCF protecting social care resources.

### **Place Directorate**

There are a number of material variations forecast for the Directorate in 2018/19. The most significant is a forecast £0.5m waste disposal pressure relating to a reduction in a recycling rebate from BIFFA together with higher than expected increases in disposal tonnages. Also, following the decision to continue with the Godiva Festival annually, the increasing size of the event and the increasing cost of staging it, there is a pressure on the events budget of £0.46m in 2018/19. Additionally, some service areas are not fully achieving budgeted income levels, Commercial Waste £0.25m, CCTV £0.1m, St Marys Guildhall

£0.1m, parking enforcement £0.2m and Coombe Country Park £0.16m, however these are offset by higher planning and bus lane enforcement income.

### **Contingency and Central**

Underspends totalling £4.5m are anticipated relating to the Asset Management Revenue Account (£2.1m) and other corporate budgets including the Kickstart financial model, the sports contingency, the Council's WMCA contributions and surpluses expected from the Coventry and Warwickshire Business Rates Pool. An unbudgeted £1m of Adult Social Care Grant has been received although the Council will also have £0.8m less resource relating to the amount of 2018/19 compensation that it will receive for the Business Rates multiplier being capped.

## **2.3 Capital Programme**

The 2018/19 capital outturn position for quarter one reported a revised outturn position of £249.4m compared with the original programme reported to Cabinet in February 2018 of £262.5m. Table 2 below updates the budget at quarter 2 to take account of a £3.1m decrease in the programme from approved/technical changes and £23.9m it is now planned to be carried forward into future years. This gives a revised projected level of expenditure for 2018/19 of £222.4m. Appendix 3 provides an analysis by directorate of the movement since quarter one.

The Resources Available section of Table 2 explains how the Capital Programme will be funded in 2018/19. It shows 55% of the programme is funded by external grant monies, whilst 40% is funded from borrowing. The programme also includes funding from capital receipts of £6.1m. Overall the Capital Programme and associated resourcing reflects a forecast balanced position in 2018/19.

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

CAPITAL BUDGET 2018-19 MOVEMENT	Qtr 2 Reporting £m
Estimated Outturn Quarter 1	249.4
Approved / Technical Changes (see Appendix 2)	(3.1)
"Net" Rescheduling into future years (see Appendix 4)	(23.9)
<b>Revised Estimated Outturn 2018-19</b>	<b>222.4</b>

RESOURCES AVAILABLE:	Qtr 2 Reporting £m
Prudential Borrowing (Specific & Gap Funding)	88.3
Grants and Contributions	122.5
Capital Receipts	6.1
Revenue Contributions	5.0
Leasing	0.3
<b>Total Resources Available</b>	<b>222.4</b>

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. However, £31m of Prudential Borrowing was incorporated within the 2017/18 resourcing position and it is important to be aware that significant amounts of borrowing have been approved to

fund the 2018/19 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.

## 2.4 Treasury Management Activity in 2018/19

### Interest Rates

The current Bank of England Base Rate was increased by 0.25% to 0.75% in August. Central case interest rate forecasts indicate that there will be two further interest rates rises of 0.25% in 2019 with the first one potentially coming in March, meaning interest rates could be 1.25% by the end of 2019. However, the Monetary Policy Committee have shown a bias towards tighter monetary policy (lower interest rates) so there is no guarantee that this will happen. The current Brexit negotiations will have an impact on interest rates also.

### Long Term (Capital) Borrowing

The net long term borrowing requirement for the 2018/19 Capital Programme is £79.8m, taking into account borrowing set out in Section 2.4 above (total £88.3m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£8.5). Although the Council's recent Capital Programmes have incorporated prudential borrowing as part of the overall resourcing package, no long term borrowing has been undertaken for several years, due in part to the level of investment balances available to the authority. However, the anticipated future high level of capital spend combined with the new lower level of investment balances available mean that the Council will need to keep this under review over the next few years. The actual pattern of these factors and the level and expected movement in interest rates will dictate when the Council next seeks to borrow.

During 2018/19 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 2018/19 to P6</b>	<b>Maximum 2018/19 to P6</b>	<b>As at the End of P6</b>
5 year	1.87%	2.19%	2.13%
50 year	2.45%	2.84%	2.76%

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.

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.

### 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 £10m short term borrowing at an average interest rate of 1%.

Returns provided by the Council's short term investments yield an average interest rate of 0.69%. 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 2017</b>	<b>As at 30<sup>th</sup> June 2018</b>	<b>As at 30th September 2018</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Banks and Building Societies	24.4	22.3	13.0
Money Market Funds	9.9	8.0	12.0
Local Authorities	0.0	21.5	6.0
Corporate Bonds	11.4	4.0	5.0
Registered Providers	8.0	5.0	6.0
<b>Total</b>	<b>53.7</b>	<b>60.8</b>	<b>42.0</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, Call Account Deposits and Equities. 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 2018 the pooled funds were valued at £38.9m, spread across the following funds: Payden & Rygel, CCLA, Royal London Asset Management, Deutsche Bank, Schroders, Investec, Columbia Threadneedle and M&G Investments

### **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 2018 are included in Appendix 6. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2018/19. 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 -£73.2m (minus) compared to +£89.1m 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 £225.7m compared to £445.4m within the Treasury Management Strategy, reflecting that a significant proportion of the Councils investment balance is at a fixed interest rate.

## **2.5 Investment Framework**

Local authorities are increasingly looking to invest in commercial ventures in order to secure a financial return, including property schemes, share purchase and the provision on loans to external organisations and some decisions made by the Council recently have reflected these changes. Within this context, and in particular the risk associated with such investments, changes have been made to some aspects of the regulatory framework in which authorities invest, including: the Treasury Management Code; Prudential Code for Capital Finance and the statutory Guidance on Minimum Revenue Provision. However, the greatest change is through the revised government Statutory Guidance on Local Government Investments. In the main these changes relate to commercial investments outside the treasury area; in commercial property, shares and loans. The thrust of the changes is to extend to non-treasury investments, some of the arrangements that apply to treasury investments, such as the production of a formal strategy, setting investment parameters, monitoring and reporting on risk, and strengthening the processes in respect of commercial investments funded by borrowing. The precise details of how these requirements will be addressed is currently being assessed at both a national and local level, and will be reported on in due course, as part 2018/19 in year monitoring and also 2019/20 budget setting.

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

None.

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

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 overall terms, this report indicates that the Council is managing its difficult financial position relatively successfully. The £0.5m projected revenue overspend has reduced from quarter 1 and is lower than the same reporting period in 2017/18. There continues to be a good expectation of reaching a balanced position by year-end. However, this should not deflect from some pockets of less encouraging financial performance.

Previous reports have brought to the attention of Cabinet and Council, the significant additional costs within homelessness and supported accommodation and the need for the Council to better align its services in this area. The recent Peer Review has provided a range of conclusions and recommendations in this area which officers are currently considering alongside a range of actions that were already in process. The speed and success with which these are implemented will dictate how quickly and robustly the Council is able to re-establish a sustainable budgetary position going forward. The Council's revised draft Housing and Homelessness Strategy was considered by Cabinet on 30<sup>th</sup> October and

it is anticipated that Cabinet will be presented with further reports designed to tackle housing and homelessness related issues over the coming months. In the meantime, this has been reflected as an area of significant budget pressure in the 2019/20 Pre-Budget Report.

At this stage of the financial year the overall bottom line position is a manageable one, subject to appropriate attention being given to managing the issues referenced in this report. However, concerns over the financial resilience of local authorities across the country is further sharpening the focus on the need to address medium term financial issues. As senior management and members begin to work in earnest on plans for 2019/20 Budget Setting, the Council is conscious of the need to identify and initiate a range of actions and strategies in order to move towards a balanced medium term position. These include but are not restricted to:

- Achieving existing savings targets.
- Aligning activity to budget in services that are currently reporting an over-spend.
- Identifying savings proposals or additional income earning opportunities within forthcoming Budget proposals.
- Identifying other medium-term proposals for achieving savings which require a longer lead-in time and/or specific public consultation.
- Identifying wider transformational proposals which will seek to provide budget balancing opportunities for the period towards the end of the current three year horizon and beyond.

CIPFA (the Chartered Institute of Public Finance and Accountancy) has consulted on the introduction of a financial resilience index in recent months. The stated intention of the index is to provide an assessment of the relative financial health of councils. Although the results of index are not yet known, it is possible that the Council will appear to be comparatively less resilient than others on the basis of some measures such as reserve levels and its proportionate spend levels on social care and debt interest payments. If and when the index is available, the Council will want to provide a reasonable and evidence-based response. However, it is clear that continued strong performance in setting robust budgets and delivering strong performance against these budgets is one of the best measures of the Council's continued robust financial resilience

## **Capital**

Capital forecasts continue to project very high levels of spend for the year at £222m compared with the initial budgeted position of £263m. However, only £34m of actual payments have been made by the end of September, the same as the equivalent point in 2017/18 in which final spend for the year was just over £100m. This suggests that a massive acceleration is needed in order to achieve the level of expenditure projected currently for the 2018/19 Programme.

As reported at quarter 1, the key components of some individual schemes need to be completed in order for significant elements of the Capital Programme to be delivered. Unless progress is made on some of these areas in the near future, the collective positions outlined will make it very difficult to deliver the spend levels and project progress that is implied within the current forecast for 2018/19.

Members will be aware of the enormous challenge posed within the Council's plans, both within the Capital Programme but extending to other areas, not least the UK City of Culture. Steps have been taken to increase the level of project planning and officer monitoring in these areas but it will be essential that realistic assessments are made of what is deliverable at each stage. The financial position provides some indication that in-year delivery of a

sizeable part of the Capital Programme could be at risk and this report continues to alert Cabinet to the likelihood of significant capital slippage later in the budgetary cycle.

**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	0.1	(0.6)	0.0	(0.5)	(0.5)
People Directorate Management	1.4	1.5	0.1	0.0	0.1
Education and Inclusion	13.1	13.1	(0.1)	0.1	0.0
Children and Young People's Services	73.9	74.9	(4.6)	5.6	1.0
Adult Social Care	75.7	75.7	(0.7)	0.7	0.0
Customer Services & Transformation	6.0	8.4	(0.3)	2.7	2.4
<b>Total People Directorate</b>	<b>170.2</b>	<b>174.2</b>	<b>(5.6)</b>	<b>8.6</b>	<b>3.0</b>
Place Directorate Management	1.6	1.6	0.0	0.0	0.0
City Centre & Major Projects Development	7.6	8.2	0.0	0.6	0.6
Transportation & Highways	4.1	4.0	(0.2)	0.1	(0.1)
Streetscene & Regulatory Services	26.6	28.3	(0.3)	2.0	1.7
Project Management and Property Services	(7.5)	(7.6)	(0.1)	0.0	(0.1)
Finance & Corporate Services	9.7	9.6	(0.2)	0.1	(0.1)
<b>Total Place Directorate</b>	<b>42.1</b>	<b>44.1</b>	<b>(0.8)</b>	<b>2.8</b>	<b>2.0</b>
Contingency & Central Budgets	22.5	18.2	0.0	(4.3)	(4.3)
<b>Total Spend</b>	<b>234.8</b>	<b>235.5</b>	<b>(6.4)</b>	<b>7.1</b>	<b>0.7</b>
<b>Resourcing</b>	<b>(234.8)</b>	<b>(235.0)</b>	<b>0.0</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>Total</b>	<b>0.0</b>	<b>0.5</b>	<b>(6.4)</b>	<b>6.9</b>	<b>0.5</b>

Reporting Area	Explanation	£m
People Directorate	The Directorate underspend against its salary budgets and turnover target is mainly due to continuing high levels of vacancies in Childrens Social Care which accounts for the majority of the £5.6m underspend. This is partially offset by a non salary overspend as a result of agency staff in Childrens Social Care. It is expected that vacancy levels and agency costs will reduce in year, which will reduce the centralised salary underspend and the budgetholder overspend.	(5.6)
Place Directorate	A number of vacancies exist due to a combination of the inability to recruit to some posts and the holding of recruitment whilst reviews take place. Most reviews are now being implemented which will reduce this variation, and managers are working to recruit to the key posts where recruitment difficulties have been encountered	(0.8)
<b>Total Non-Controllable Variances</b>		<b>(6.4)</b>

People Directorate			
Service Area	Reporting Area	Explanation	£M
Public Health	Public Health Staffing & Overheads	The underspend relates to the early delivery of the future years grant saving	(0.1)
Public Health	CPH Disparities	Underspend linked to one off reduction in expected in year contract costs	(0.3)
Public Health	Other Variances Less that 100K		(0.1)
<b>Public Health</b>			<b>(0.5)</b>
Education and Inclusion	Education Improvement & Standards	This underspend relates to historic pension liabilities, and redundancy budget for maintained schools. We are not expecting any further commitments to be incurred against this area.	(0.2)
Education and Inclusion	Libraries, Advice, Health & Information Services	The position includes an overspend as a result of non-delivery of outstanding Connecting Communities Library Savings. Further work continues on identifying in year savings to mitigate this. This is offset by an underspend on Migration which will contribute towards the Council's net position, and temporarily offset any undelivered savings in 2018/19.	(0.4)
Education and Inclusion	SEND & Specialist Services	SEN Transport is forecasting a £0.3m overspend. This is based on current activity levels and the current cost of provision. Demand has re-based in September and the release of the e-auction contracts, the impact on the forecast is not yet calculated, and will be updated for qtr 3. Educational Psychologists is forecasting a £0.1m overspend. The EP service offers both a statutory and traded services. At this point as a consequence of recruitment challenges, the traded element has been re-prioritised towards the delivery of the Council's statutory responsibilities. The budget is in balance when the	0.4

		centralised salary budget is offset. The service has been successful in recruiting additional capacity from September, and this is included in the forecast.	
Education and Inclusion	Adult Education	To date it has only been possible to deliver £10k of a £200k financial savings target set as part of previous budget setting processes to ensure we maximise ESFA grant funding against internal training programmes.	0.2
Education and Inclusion	Education Entitlement	Governor Services are forecasting a £0.1m overspend due to loss of income from schools moving to other providers. This overspend has not increased as staffing has reduced and 5 new schools have come on board. However, there is a gap in terms of the loss of 12 schools. This is being monitored and other income streams such as training and audits are now being offered. Work is underway to see if this will have enough impact to bring in line by the end of the financial year.	0.1
<b>Education and Inclusion</b>			<b>0.1</b>
Children and Young People's Services	Children's Services Management Team	The service has delivered savings as a result of service changes (e.g. Youth Offending Service review). These contribute towards the delivery of the Children's Services Transformation programme, and offset against the overspend in other areas of the service.	(0.2)
Children and Young People's Services	Help & Protection	The overspend largely relates to the costs of Agency staff covering posts across the service. This is more than offset by underspends across salary budgets, and includes the trajectory of a reduction in agency posts from September to align with an additional intake of newly qualified social workers. There is also a small overspend forecast as a result of supporting families with no recourse to public funds.	2.8
Children and Young People's Services	LAC & Care Leavers	This overspend partly also relates to the costs of Agency staff as above. There is also an overspend predicted on supported accommodation of £1.2m which as a result of a higher number of former LAC in supported accommodation than budgeted for. Work is underway as part of Children's Transformation to reduce this, but this area is bearing some of the pressure of additional LAC numbers. Permanence allowance are forecasting a pressure of £0.1m. There is also a forecast pressure on the unaccompanied asylum seeker budget of £0.2m - this relates to costs of former LAC who continue to receive support, where there is not grant funding to cover costs. LAC Placements overall is forecasting a £0.5m overspend on the budgetholder forecast, but this offsets to a corresponding underspend on the centralised forecast, which means it is forecasting a balanced budget overall at quarter 2. This includes the Children's Transformation trajectory of increases in internal fostering and residential placements, alongside corresponding decreases in external fostering and residential placements.	2.9
Children and Young People's Services	Other Variances Less than 100K		0.1
<b>Children and Young People's Services</b>			<b>5.6</b>
Adult Social Care	Adult Social Care Director	Use of iBCF Protecting Social Care resources to manage Adult Social Care pressures	(1.0)

Adult Social Care	Older People Community Purchasing	Underlying budget pressures have increased this quarter in part due to increased residential and nursing placements. The underlying reasons for these increases are under investigation and trends are being monitored. In addition a contributing factor to increased cost pressure is associated with social care market costs. Management actions continue to ensure demand on social care is managed in the most cost effective way to reduce overall costs. Focused efforts to manage approved packages through the panel process continue. Utilising Promoting Independence approaches will further support management of financial pressures. A review of internal processes and procedures is being undertaken to support management maintain effective monitoring of costs and pressures.	0.2
Adult Social Care	All Age Disability and Mental Health Operational	There remains significant pressures in DOLs demand leading to additional assessment costs. The All Age Disability Team has also seen increasing demand and a high turnover of staff leading to increased Agency costs which is expected to reduce as substantive posts are appointed to.	0.5
Adult Social Care	All Age Disability and Mental Health Community Purchasing	Underlying budget pressures continue to rise in part due to the continued increases in demand for complex social care support for eligible service users. Overall control mechanisms are in place to ensure expenditure is robustly managed. Approval for packages are scrutinised at panel meetings with social workers required to explain their panel submission before approval is gained. Programmes in place to review some of the higher cost services and develop our approach to Promoting Independence which will further support the financial position. A review of internal processes and procedures is being undertaken to support management maintain effective monitoring of costs and pressures.	0.5
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	0.2
Adult Social Care	Older People Operational	Overall underspend with budget holder overspend pending recruitment to posts later in the year.	0.3
<b>Adult Social Care</b>			<b>0.7</b>
Customer Services & Transformation	Customer and Business Services	The majority of the overspend relates to the costs of temporary accommodation net of housing benefit subsidy for homeless families and individuals. £218k relates to Housing and Homelessness services linked to the introduction of the Homelessness Reduction Act. The costs relate to a combination of furniture storage costs and agency staffing.	2.6
Customer Services & Transformation	HR and Workforce Development Management	The majority of the budget holder overspend relates to a reduction in expected income from traded services	0.2
Customer Services & Transformation	ICT & Digital	The majority of the underspend relates to a combination of a £279k underspend on software and infrastructure costs, £107k underspend relating to restructure costs which are offset by a £218k overspend on telephony costs	(0.2)
<b>Customer Services &amp; Transformation</b>			<b>2.7</b>

<b>Total Budget Holder Variances - People</b>			<b>8.6</b>
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<b>Place Directorate</b>	<b>Place</b>		
<b>Service Area</b>	<b>Reporting Area</b>	<b>Explanation</b>	<b>£M</b>
City Centre & Major Projects Development	Sports, Culture, Destination & Bus Relationships	Godiva festival overspend of £460k and trading deficit for St. Mary's of £108k.	0.6
<b>City Centre &amp; Major Projects Development</b>			<b>0.6</b>
Transportation & Highways	Traffic	Additional enforcement income overall for the service offset by car park expenditure pressures, anticipated cost of agency cover within Urban Traffic Control, and the irrecoverable cost of road traffic accident damages to assets.	(0.1)
Transportation & Highways	Other Variances Less than 100K		0.2
<b>Transportation &amp; Highways</b>			<b>0.1</b>
Streetscene & Regulatory Services	Planning & Regulatory Services	Primarily fee income higher than expected on both Development Management and Planning Enforcement	(0.4)
Streetscene & Regulatory Services	Waste & Fleet Services	Waste disposal pressures account for the largest element of this overspend due to increased tonnages and gate fees, together with a reduction in the rebate from the MRF contract operator. In addition, pressures in commercial waste relating to under recovery of skip income, and cost pressures in domestic refuse relating to fuel usage and higher cost of covering sickness absence are contributing to the overall pressure.	1.3
Streetscene & Regulatory Services	Environmental Services	Under achievement of trading income within the CCTV service area is causing the largest element of this pressure, however agency and overtime staffing costs are also contributing	0.2
Streetscene & Regulatory Services	Streetpride & Parks	Primarily the use of agency staff covering vacancies which are currently being recruited to, and are funded by a salary underspend. However there is a £160k pressure on car parking income at Coombe and £90k on the Urban Forestry Maintenance Contract	0.9
<b>Streetscene &amp; Regulatory Services</b>			<b>2.0</b>
Project Management and Property Services	Facilities & Property Services	Income above target for project support on small building projects and compliance work.	(0.1)
Project Management and Property Services	Other Variances Less than 100K		<b>0.1</b>
<b>Project Management and Property Services</b>			<b>(0.0)</b>
Finance & Corporate Services	Revenues and Benefits	Primarily the use of temporary resource to cover vacancies and fluctuating workloads	0.1

Finance & Corporate Services	Financial Mgt	The majority of the underspend relates to the full year impact of a staffing restructure delivered in 2017/18. Further savings have been delivered following a review of non-staffing expenditure across the cost centre.	(0.2)
Finance & Corporate Services	Legal Services	Relates primarily to the cost of external barrister expenditure for advocacy work, together with the cost of agency cover for vacant posts & maternity cover	0.2
Finance & Corporate Services	Insurance	Income pressure due to the net effect of the loss of 10 school customers	0.1
Finance & Corporate Services	Other Variances Less than 100K		(0.1)
<b>Finance &amp; Corporate Services</b>			<b>0.1</b>
<b>Total Budget Holder Variances - Place</b>			<b>2.8</b>

<b>Contingency &amp; Central Budgets</b>			
<b>Service Area</b>	<b>Reporting Area</b>	<b>Explanation</b>	<b>£M</b>
<b>Contingency &amp; Central Budgets</b>	Contingency & Central Budgets	Underspends totalling £2.1m are anticipated relating to the Asset Management Revenue Account up from £1.1m at quarter 1. This includes £0.5m of investment return that has been received as one of the Council's pooled investments has matured, additional higher investment returns as a result of larger than previously estimated cash balances and lower capital financing costs than previously assumed. Other corporate budgets have underspent by £2.4m . This results from previously reported underspends from the Kickstart financial model, the sports contingency model, WMCA contributions and Adult Social Care Grant. The improved position includes new projected underspends on returns from the Coventry and Warwickshire Business Rates Pool.	(4.5)
<b>Total Budget Holder Variances -Contingency &amp; Central Budgets</b>			<b>(4.5)</b>

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

SCHEME	EXPLANATION	£m
<b>PEOPLE DIRECTORATE</b>		
<b>SUB TOTAL - People</b>		
<b>PLACE DIRECTORATE</b>		
Friargate	Technical Adjustment to capital budget, as this is a revenue loan and will be funded through Treasury Management	(5.0)
Integrated Transport Programme - Urban Traffic Management and Control (UTMC)	A £250k Transport for West Midlands bid has been approved from the Congestion and Road Safety Programme. This will be aimed at improving road safety and resilience on the Key Road Network. £250k from the Integrated Transport Programme will be the supporting match funding.	0.3
Vehicle & Plant Replacement	Approved at Cabinet on 17th July 2018 this is year one for the Commercial Waste Expansion Plan, creating a commercial waste services with Nuneaton and Bedworth Borough Council	1.0
Lenton Lane Cemetery - Phase 2	Approved at Cabinet on 2th August 2018 this is year one of the cashflow for the extension programme for Lenton Lane Cemetery	0.3
Loop Line (Loan)	Transformation of the former Coventry Freight Railway Loop loan to HCT	0.2
West Orchards Car Park	New Car park Lightning scheme, approved under delegated authority	0.1
Indoor Pitch Facility at Alan Higgs Centre (Loan)	Approved at Cabinet on 28th November 2017 this is the cashflow for the loan facility to CAWAT	(0.6)
ESIF Innovation	The total size of the capital grants pot has been reduced and the total size of the revenue grants pot increased to better reflect demand from SMEs. In terms of Capital spend profile, the amount claimed in 17/18 was lower than originally expected so some funds moved to 18/19, however, all capital grants need to be paid out by end of December whereby the scheme will be finished.	0.7
Miscellaneous		(0.1)
<b>SUB TOTAL - Place</b>		
<b>TOTAL APPROVED / TECHNICAL CHANGES</b>		<b>(3.1)</b>

## Appendix 3

### Capital Programme: Estimated Outturn 2018/19

The table below presents the revised estimated outturn for 2018/19.

<b>DIRECTORATE</b>	<b>ESTIMATED OUTTURN BUDGET SETTING £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 18- 19 £m</b>
PEOPLE	28.4	0.2	0.0	(11.3)	17.2
PLACE	220.6	(3.3)	0.0	(12.5)	204.8
<b>TOTAL</b>	<b>249.0</b>	<b>(3.1)</b>	<b>0.0</b>	<b>(23.9)</b>	<b>222.0</b>

**Capital Programme: Analysis of Rescheduling**

SCHEME	EXPLANATION	£m
<b>PEOPLE DIRECTORATE</b>		
Basic Need	The rescheduling of basic need funding is due to additional time being required to approve the one strategic plan and agree the strategy for expansion of secondary school places. Plans have now been agreed and work is underway, therefore the majority of this spend will be seen in 2019/20 financial year	-11.8
<b>SUB TOTAL - People Directorate</b>		<b>-11.8</b>
<b>PLACE DIRECTORATE</b>		
Coventry Station Masterplan	While the FB&C contractors are due on site in October 2018, there has been 3 month delay in contract award. In addition design delays for phase 2 have pushed the cashflow into 19/20.	-5.1
Salt Lane Car Park	The cash flow for Salt lane multi storey car park has been rescheduled to allow for the additional archaeological works to be undertaken. This has resulted in a change to the build programme meaning that the expected expenditure on the piles and steel has been delayed.	-1.0
Growth Deal - Business Innovation Fund (Duplex Fund)	Delays to the programme, to be raised and discussed at November CWLEP Programme Delivery Board. Project is in the final initiation stages.	-0.3
Growth Deal - A46 N-S Corridor (Stanks)	Delays to the programme, to be raised and discussed at November CWLEP Programme Delivery Board.	-1.5
Growth Deal - Warwick Arts Centre 20:20	The contract was awarded later than initially programmed, this has resulted in minimal spend in quarter 2, spend will materialise in Quarter 3.	0.6
Growth Deal - Rugby HE Construction & Techno Park	On hold pending the results of the 2018 Call and CWLEP Board on the 15th Oct 18.	-0.8
Housing Venture	A number of key Whitefriars personnel have left which has delayed development.	-0.2
Whitley Depot Redevelopment	Initial feasibility works are now being reworked and the project has slipped into 2019/20	-4.1

ICT	Due to the issues with Mitel the Council has had to procure Skype licenses out of this year's programme. Alongside this we have the opportunity, through our new mobile phone contract to introduce greater controls and asset management, this has required the procurement of new handsets as part of the contract which again has come out of this year's programme. with the pre-existing commitments and actuals we will need an acceleration of £500k this year	0.5
Miscellaneous		-0.2
<b>SUB TOTAL - Place Directorate</b>		<b>-12.1</b>
<b>TOTAL RESCHEDULING</b>		<b>-23.9</b>

**Prudential Indicators**

Indicator	per Treasury Management Strategy	As at 30th September 2018
<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).	13.83%	12.95%
<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 £551.9m	£344.3m 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.	£513.2m	£344.3m 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.	£493.2m	£344.3m 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.	£445.4m	£225.7m
<b>Upper Limit on Variable Rate Interest Rate Exposures (Indicator 10)</b> , as above highlighting interest rate exposure risk.	£89.1m	-£73.2m
<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% 0% 16% 6% 66%
<b>Investments Longer than 364 Days (Indicator 12)</b> , highlighting the risk that the authority faces from having investments tied up for this duration.	£18m	£0.0m

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## Public report

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Audit and Procurement Committee

21 January 2019

**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 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 011 – Friargate Business District
- CR 017 – City Centre South
- CR 018 – Coventry Station Masterplan`

- 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 010 – Kickstart – Move to Friargate

CR 015 – Historic Abuse

Risks added:

CR 018 – Coventry Station Masterplan

### **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:

David Johnston - Insurance Manager

#### Directorate:

Resources

#### Tel and email contact:

02476 833867 – [david.johnston@coventry.gov.uk](mailto:david.johnston@coventry.gov.uk)

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
<b>Contributors:</b>				
Lara Knight	Governance Services Officer	Place	08/1/19	08/1/19
<b>Names of approvers for submission: (officers and members)</b>				
Finance: Paul Jennings	Finance Manager	Place	06/12/18	18/12/18
Legal: Julie Newman	Monitoring Officer	Place	06/12/18	07/12/18
Director: Barry Hastie	Director of Finance and Corporate Services	Place	06/12/18	03/01/18
Members: Councillor J Mutton	Cabinet Member for Strategic Finance and Resources		04/01/19	07/01/19

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 Update	
<b>001 – Finance</b>	Deputy Chief Executive - Place		September 2018	
<p><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.</p>				
Planned Treatment	Timescale	Progress to Date	Risk Manager	Control Status
<p>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.</p> <p>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.</p>	February 2018 (Budget Report)	<p>Final Budget proposals were approved by Cabinet and Council in February 2018 which identified a balanced position for 2018/19 and 2019/20. The final (third) year of the medium term position shows a deficit position of £21m at this stage.</p> <p>2019/20 is the final year of the existing 4 year settlement which should ensure that Government resource levels remain relatively stable within this time period.</p> <p>The unbalanced position for 2020/21 and the substantial planned changes in the local government funding model which is due for that year provide for significant uncertainty and financial challenge over the medium term. The Director of Finance and Corporate Services will put plans in place in the early part of 2018/19 with SMB and CLT to identify the necessary actions to move the Council's medium term budget position towards a balance position.</p>	Director of Finance and Corporate Resources	Green
<p>A rigorous structure exists to oversee the budgetary control process from budget setting through to monitoring, oversight and scrutiny.</p> <p>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.</p>		<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</p>	Director of Finance and Corporate Resources	Green

Page 70		<p>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> <p>The 2017/18 Outturn position resulted in a revenue underspend and a strengthening of the Council's General Fund reserve.</p>		
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. Medium term budget plans take account of the likely profile of ongoing expenditure pressures in these areas.	Director of Finance and Corporate Resources	Green
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 were subject to public consultation over an 8 week period during which individual meetings were held with stakeholders with whom we have a statutory requirement to consult.</p> <p>In addition the consultation had a significant profile on the City Council's website and social media platforms to encourage public engagement.</p>	Director of Finance and Corporate Resources	Green
<b>Risk Ref</b>	<b>Risk Owner</b>		<b>Last Update</b>	
<b>002 – – Sky Blue Sports and Leisure Ltd and Ors and Coventry City Council and Ors</b>	Deputy Chief Executive - Place		September 2018	
<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.				
<b>Planned Treatment</b>	<b>Timescale</b>	<b>Progress to Date</b>	<b>Risk Manager</b>	<b>Control Status</b>
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.	Director of Finance and Corporate Resources	Green

		<p>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.</p> <p>The respective cases of both sides have been presented in Court and we are currently awaiting the decision.</p>		
<b>Risk Ref</b>	<b>Risk Owner</b>		<b>Last Update</b>	
<b>003 - ICT Infrastructure and Change</b>			September 2018	
<p><b>Risk Description:</b> 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>				
<b>Planned Treatment</b>	<b>Timescale</b>	<b>Progress to Date</b>	<b>Risk Manager</b>	<b>Control Status</b>
Embed and track actions within our approved Coventry Digital Strategy	On-going – 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	On-going	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 continuing ICT Service plan for 2018/19 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 was completed last financial year and is now continually reviewed as part of "business as usual" with monthly "checkpoint" meetings to review any concerns. Regular external audits are carried out to review the DR arrangements.	Director of Customer Services and Transformation	Amber

Page 72		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.		
To agree a programme of audit / peer review work to gain assurance around the efficacy of arrangements in place including our core network infrastructure and cyber arrangements.	On-going	<p>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 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>	Director of Customer Services and Transformation	Green
Robust contract and supplier management.	On-going	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.	Director of Customer Services and Transformation	Amber
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.	On-going	<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.</p> <p>This timescale has been reviewed and will now deliver the ICT Strategy refresh by end of 2018. This</p>	Director of Customer Services and Transformation	Green

		is to allow for it to align with the emerging One Council single transformation programme.		
To review our provision for a Unified Communications platform for the organisation including providing more resilience	May 2019	<p>Our contract for our existing unified communications solution (Mitel) expires in May 2019. Whilst there is an option to extend the contract we are keen to understand our options given the lessons learned from the deployment of the solution. Also highlighted is the importance of resilience for our telephony solution to provide continuation of service during any technical outages.</p> <p>During June 2018 SMB endorsed an approach to split our telephony platform in two, one solution for our main user base and one solution for our Customer Service Centre.</p> <p>Current activities include:</p> <ul style="list-style-type: none"> <li>• A migration to Skype for Business Online has begun for our main user base and will be complete by March 2019</li> </ul> <p>A procurement activity is underway (currently at requirements gathering stage) for our Customer Service Centre telephony. The target implementation completion for the Customer Service Centre solution is May 2019.</p>	Director of Customer Services and Transformation	Amber

Risk Ref	Risk Owner		Last Update	
005 – Workforce Strategy	Deputy Chief Executive - People		September 2018	
<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 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
Workforce Reform seeks to deliver a £5m saving from the overall pay bill, hence protecting investment in frontline services	In progress	We are seeking to, and have strengthened our governance resourcing and planning arrangements, in particular applying repeat scope, design and financial modelling to the various options available in order to deliver the savings. Subsequently scrutiny and oversight will remain with SMB and Elected Members although the scale and pace of change is challenging.	Director of Customer Services and Transformation	Red
<b>Risk Ref</b>	<b>Risk Owner</b>		<b>Last Update</b>	
<b>006 – Adult Social Care</b>	Deputy Chief Executive - People		September 2018	
<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				
<b>Planned Treatment</b>	<b>Timescale</b>	<b>Progress to Date</b>	<b>Risk Manager</b>	<b>Control Status</b>
To implement a series of savings and improvement programmes to support management within available resources	On-going	An Adult Social Care improvement programme is being implemented which will focus on a number of areas of activity in including improving our front door operations as well as areas of practice improvement to ensure asset based and promoting independence approaches are taken in all cases.  Other key elements of this work include maximising the impact of re-ablement and/or promoting independence approaches and using new technologies to support people where possible.	Director of Adult Services	Amber
Implementation of the Better Care Fund projects and use of 2017-19 Integration and Better Care Fund	On-going	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 although costs of care continue to increase.	Director of Adult Services	Amber

		<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 and has been approved by NHSE. 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>In July 2018 revised expectations were issued which require further improvement against DTOC. This further improvement will be challenging and risks exist of the target not being met.</p> <p>The improvement plan resulting from the CQC system wide review is in implementation with progress being made This continues to be overseen by the Coventry HWBB and DHSC.</p>		
To work with the social care market to ensure services are sustainable and any changes are managed with minimal impact on service users.	On-going	<p>Fee levels are being reviewed to reflect the impact of the National Living Wage rise for 2017/18 and changes to categorisation of sleep-ins as working time.</p> <p>The recent Supreme Court ruling on sleep-ins will require the approach taken in 2017/18 to be further reviewed. 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 and the outcome embedded which supports longer term sustainability of the market.</p> <p>A provider contingency plan is in place that is used in instances of provider failure – this has recently been reviewed and agreed by Cabinet Member</p>	Director of Adult Services	Green
Developing the Coventry and Warwickshire Sustainability and Transformation Plan (STP)	On-going	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	Director of Adult Services	Amber

		<p>Preventative and Proactive work stream to help ensure that the maximum benefit for the City Council can be achieved. The 'upscaling prevention' is a significant programme within this.</p> <p>There has been a recent series of recent workshop on how system development can progress in the context of the requirement for an Integrated Care System. Note that although this is primarily a health programme driven by the NHS local authorities remain key partners</p>		
<b>Risk Ref</b>	<b>Risk Owner</b>		<b>Last Update</b>	
<b>007 – Safeguarding / Protecting Vulnerable Adults, Children and Families</b>	Deputy Chief Executive - People		September 2018	
<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.				
<b>Planned Treatment</b>	<b>Timescale</b>	<b>Progress to Date</b>	<b>Risk Manager</b>	<b>Control Status</b>
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

<p>15 16 17 18</p> <p>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</p>	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-help services are effective and the provision of an improved response to need	Ongoing	Successfully established 8 early help hubs	Director of Children's Services	Green
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	<p>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.</p> <p>Improving safeguarding training uptake remains ongoing and a key element of the workforce sub-group responsibilities.</p> <p>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>	Director of Adult Services Director of Children's Services	Amber – not possible to be sure everyone has attended training

To ensure that the impact of any proposed changes in service delivery specifically consider the risk in relation to safeguarding.	On-going	Explicit consideration of safeguarding implications as part of any change process or proposal, e.g. changes to IT systems.  Explicit consideration of risk in relation to safeguarding to form part of decision making on change proposals brought forward by the People directorate	Deputy Chief Executive	Amber
<b>Risk Ref</b>	<b>Risk Owner</b>		<b>Last Update</b>	
<b>011 – Friargate Business District</b>	Deputy Chief Executive - Place		September 2018	
<b>Risk Description:</b> Failure to attract businesses to move to the Friargate Business District.				
<b>Planned Treatment</b>	<b>Timescale</b>	<b>Progress to Date</b>	<b>Risk Manager</b>	<b>Control Status</b>
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 currently occurring	Director – City Centre and Major Projects Development	Green
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.  (The negotiations with the combined Authority also address the planned treatment number 3 to risk 013 below)	The proposal would be confirmed by the end of the year but the build would be over the next 5 – 10 years	The Combined Authority has approved £51.2m grant funding for the purposes of accelerating delivery of the overall Friargate Masterplan. It is proposed at this time that the Council enters into a joint venture with the developer. Approval to proceed in setting up a joint venture was made by full council  Currently, negotiations are taking place with the developer.	Director – City Centre and Major Projects Development	Green

Page 88		Should this be successful it will create its own risks that will need to be recorded on the corporate risk register		
	<b>Risk Ref</b>	<b>Risk Owner</b>		<b>Last Update</b>
<b>09 – Creation of a Combined Authority for the West Midlands and agreement of a Devolution Deal</b>	Chief Executive		September 2018	
<b>Risk Description:</b> Alongside the considerable opportunities to fast-track economic growth and public sector reform that constituent membership of the West Midlands Combined Authority (WMCA) brings – sit financial, organisational, legal, reputational and political risks. A detailed risk register has been completed at a WMCA level which is reviewed by its Audit & Risk Committee and Overview & Scrutiny, 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				
<b>Planned Treatment</b>	<b>Timescale</b>	<b>Progress to Date</b>	<b>Risk Manager</b>	<b>Control Status</b>
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 in order to fund the £8 billion infrastructure/growth programme.	On-going	Annual constituent membership fees profiled into budget. Any further revenue contributions, including for funding of the WM Growth Company subject to separate business/investment case and political decision-making process within CCC.	Director of Finance and Corporate Resources	Amber
Create detailed delivery plans for phasing of £150million capital expenditure on Friargate & City Centre South.	On-going	Detailed business plans approved and first investment released from WMCA.	Director – City Centre and Major Projects Development	Green
Re-profiling of £60 million capital funding to accelerate public realm/highways schemes for UK City of Culture 2021readiness.	October 2018	Alternative business case and prioritisation of schemes completed.	Deputy Chief Executive - Place	Amber

Risk Ref	Risk Owner			Last Update	
014 – Information Governance	Chief Executive			September 2018	
<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 introduced some major changes regarding the use of personal data which impact on the Information Governance Team and service areas.</p>					
Planned Treatment	Timescale	Progress to Date		Risk Manager	Control Status
<ol style="list-style-type: none"> <li>1. Approved Information Management Strategy and associated programme of work.</li> <li>2. Effective plans in place to implement the recommendations from the ICO audit in November 2017.</li> <li>3. Implement a Council wide training programme</li> <li>4. Effective plans in place to meet requirements of GDPR</li> </ol>	On-going	<p>Information Management Strategy Group (IMSG) 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 outcomes of the ICO audit (February 2018) and Information Governance Annual Report (July 2018)</p> <p>Comprehensive Information Management and Data Protection Training Strategy developed for approval by IMSG April 2018.</p> <p>New mandatory training for network users launched March 2018 incorporating GDPR and information security with 99.5% compliance achieved by the introduction of GDPR.</p> <p>Significant amount of work undertaken in preparation for GDPR but further work required to achieve full compliance. GDPR action plan monitored by IMSG to identify and prioritise outstanding actions. Children’s Services, one of the Council’s identified high risk areas, has agreed to undertake a high level Record of Processing Activity now and build detailed work into planned service redesign later this year which carries some risk.</p>		Director of Finance and Corporate Resources (SIRO)	Amber

Restructure of Information Governance Team out to consultation to consolidate temporary and ongoing Police Disclosure work and maximise resources to support additional activity.

Risk Ref	Risk Owner	Last Update		
<b>016 Failure to comply with Health and Safety legislation</b>	Chief Executive	September 2018		
<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
<p>Corporate Health and Safety Policy and Strategy with roles and responsibilities clearly defined</p> <p>Health and safety consultation and communication with employees</p> <p>Health and safety audit, monitoring and inspection programmes</p> <p>Health and safety action plans identifying areas for improvement</p>	On-going	<p>Approved H&amp;S Policy statement setting out roles, responsibilities - version July 2017 – 2019.</p> <p>Formal health and safety consultation arrangements through H&amp;S Strategy Group, Joint Safety Forum and operational H&amp;S meetings.</p> <p>Informal health and safety communication through management and team meetings</p> <p>Managers H&amp;S Annual Self Audit</p> <p>Monitoring and inspection at service level by managers</p> <p>Independent audit, inspection and monitoring p by H&amp;S staff to ensure compliance and high performance</p>	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		
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
<b>Risk Ref</b>	<b>Risk Owner</b>		<b>Last Update</b>	
<b>017 – City Centre South</b>	Deputy Chief Executive - Place		September 2018	
<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				
<b>Planned Treatment</b>	<b>Timescale</b>	<b>Progress to Date</b>	<b>Risk Manager</b>	<b>Control Status</b>
<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	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	Amber

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		Opportunities for making appropriate early acquisitions are considered when they arise e.g. Aviva		
<p><b>Project fails to secure an Anchor Tenant of sufficient standing. Consequent failure to attract suitable retail and leisure adjacencies.</b></p> <p>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 the social and economic benefits of the project will not be delivered in full.</p>	Current through to completion of the scheme	<p>There are several suitable Anchor Stores of the quality needed that would make the project successful. The appropriate parties will be engaged and convinced of the opportunity available.</p> <p>The quality of the adjacencies will flow naturally from the standing of the Anchor Store.</p> <p>Anchor store discussions are ongoing, however various options are also being explored that either substitute the traditional department store for an alternative anchor proposition or exclude the anchor</p>	Director – City Centre and Major Projects Development	Amber
<b>Risk Ref</b>		<b>Risk Owner</b>		<b>Last Update</b>
<b>018 – Coventry Station Masterplan</b>		Deputy Chief Executive - Place		September 2018
<p><b>Objective;</b> Coventry Station Masterplan consists of 3 major phases to improve the Station and frequency of rail travel from Coventry to Nuneaton. The work streams are as follows:</p> <p>Phase 1. A high quality glazed footbridge connecting all four platforms at the station</p> <p>Phase 2. A new bay platform at Coventry Station, with associated track and signalling works.</p> <p>Phase 3. A second station building, 633 space multi-storey car park and new bus interchange complemented by highway improvements to Warwick Rd and the creation of a new western link road to unlock the western extent of the Friargate development.</p>				
<b>Planned Treatment</b>	<b>Timescale</b>	<b>Progress to Date</b>	<b>Risk Manager</b>	<b>Control Status</b>
<p>Delay to programme delivery: All phases</p> <p>Delay to phase 1 Footbridge and Canopies programme could compromise the start date for phase 2 which requires access to the site by September 2019, which would then compromise the ability to deliver phase 3 by the end of 2020.</p>	Current through to completion of the scheme	<p>All programmes are monitored closely at bi-monthly Operational Boards, bi-monthly Strategic Boards (held on alternate months) and bi-weekly Project Monitoring Group meetings.</p> <p>Enabling works for phase 2 have been built into phase 1 to reduce the risk of delayed phase 2 start.</p>	Director – Transport & Highways	Amber

<p>Disruption to rail passengers during construction, due to reduced car parking and platform lengths</p>	<p>Current through to completion of the scheme</p>	<p>Work has started to create a temporary car park adjacent to Westminster Road to replace rail car parking that will be lost during construction.</p> <p>The project team and contractor are working closely with the station franchise operator Virgin Trains to look at phasing and how any platform restrictions are communicated to passengers to ensure rail services remain unaffected and passengers continue to use the station throughout construction.</p>	<p>Director – Transport &amp; Highways</p>	<p>Amber</p>
<p>Proposed summer delivery timescales clash with train driver availability resulting in additional costs or a delayed programme</p>	<p>Current through to completion of the scheme</p>	<p>We continue to work with West Midlands Trains to ensure works are properly aligned with their planning and training routine.</p>	<p>Director – Transport &amp; Highways</p>	<p>Amber</p>

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Coventry City Council

## Public report

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### Report to

Audit and Procurement Committee

21<sup>st</sup> January 2019

### Name of Cabinet Member:

Cabinet Member for Policy and Leadership - Councillor G Duggins

### Director approving submission of the report:

Deputy Chief Executive (Place)

### Ward(s) affected:

City Wide

### Title:

Half Yearly Fraud and Error Report 2018-19

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### Is this a key decision?

No

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### Executive summary:

The purpose of this report is to provide the Audit and Procurement Committee with a summary of the Council's anti-fraud and error activity during the financial year 2018-19 to date.

### Recommendation:

The Audit and Procurement Committee is recommended to note and consider the anti- fraud and error activity undertaken during the first half of the financial year 2018-19.

### List of Appendices included:

None

### Background papers:

None

### Other useful documents:

None

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

No other scrutiny consideration other than the Audit and Procurement Committee.

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

No

**Will this report go to Council?**

No

**Report title:**

Half Yearly Fraud and Error Report 2018-19.

**1. Context (or background)**

- 1.1 Fraud in the public sector has a national focus through the publication of "Fighting Fraud and Corruption Locally – The Local Government Counter Fraud and Corruption Strategy". Whilst the national strategy states that the level of fraud in the public sector is significant, the current trends in fraud activity includes areas which Coventry City Council does not have responsibility for, for example, social housing, and the levels of identified / reported fraud against the Council are at relatively low levels, in terms of both numbers and value.
- 1.2 This report documents the Council's response to fraud and error during the first half of the financial year 2018-19, and is presented to the Audit and Procurement Committee in order to discharge its responsibility, as reflected in its terms of reference *'to monitor Council policies on whistle blowing and the fraud and corruption strategy'*.

**2 Options considered and recommended proposal**

- 2.1 The Internal Audit Service is responsible for leading on the Council's response to the risk of fraud and error. The work of the team has focused on four main areas during 2018-19, namely:

- Council Tax
- National Fraud Initiative
- Referrals and Investigations considered through the Council's Fraud and Corruption Strategy
- Proactive work

A summary of the key activity that has taken place during 2018-19 to date is detailed below.

**2.2 Council Tax – Work undertaken in this area has focused on the following:**

- Reviewing Council Tax Exemptions / Discounts – A rolling programme of reviews is undertaken on an annual basis to provide an appropriate response to the inherent risk of fraud / error in this area, as the Council is largely reliant on the customer to report any changes in circumstances which would affect their entitlement to an exemption / discount. Work to date in 2018-19 has resulted in:
  - 90 exemptions have been removed from customers' accounts. These exemptions were removed on the basis that the customer failed to report a change in circumstances.
  - Revised bills have been issued amounting to approximately £104k.
  - £58k of this money has been paid to the Council to date. The outstanding balances are being recovered through agreed payment instalment arrangements or are subject to the Council's standard recovery arrangements in relation to Council Tax.

Given that on an individual basis, the amounts involved were not sizeable, these cases have been treated as an error (as oppose to fraud). The Council's approach to this reflects the need to use resources in the most cost effective way. However, further investigation / action would be considered in the event that any individual case was considered to be significant (i.e. in excess of £10k).

- Council Tax Referrals – The Council receives referrals from both internal and external sources linked to concerns around the payment of council tax support or council tax discounts / exemptions. Table one below indicates the number of referrals received by source during the first half of the financial year 2018-19.

**Table One – Council Tax Fraud Referrals Received April to September 2018**

Source	Referrals 2018-19 to date
C/F from 17/18	4
Housing Benefits	10
Council Tax	2
Members of the public	0
Other	6
<b>Total</b>	<b>22</b>

Whilst the vast majority of cases are passed to the Department of Work and Pensions to investigate under agreed arrangements (i.e where housing benefit is also in payment), we have validated ten concerns to date in 2018-19. Whilst the majority of these cases are linked to the payment of council tax / council tax support, three cases relate to the payment of housing benefit, where in light of the circumstances, it was more appropriate for the Council to take action directly, rather than pass the matter to the Department of Work and Pensions. In total, the ten cases have resulted in revised bills / overpayments of around £23k being issued, of which £17k has been paid to date.

- 2.3 National Fraud Initiative (NFI) – The NFI exercise is led by the Cabinet Office. The exercise takes place every two years and matches electronic data within and between public bodies, with the aim of detecting fraud and error. Our work in 2018-19 has been focused on collating and submitting the datasets for the next exercise. This was completed in early October 2018, with 12 datasets submitted. We expect the matches to be released for investigation in February 2018.
- 2.4 Referrals and Investigations – From time to time, the Internal Audit Team receive referrals or are asked to assist with investigations relating to employee misconduct and other fraud against the Council involving external individuals. Table three below indicates the number of referrals by source in 2018-19, along with figures for the previous three financial years.

**Table Two - Fraud Referrals Received between 2015-16 and 2018-19**

Source	Referrals 2015-16	Referrals 2016-17	Referrals 2017-18	Referrals 2018-19 to date
Whistle blower	5	5	2	0
Manager	14	15	23	14
Complaint / External	2	1	5	1
<b>Total</b>	<b>21</b>	<b>21</b>	<b>30</b>	<b>15</b>

We need to be clear that we have no mechanism for determining the number of referrals the Council should receive on an annual basis and it is very difficult to anticipate or identify the reasons behind fluctuations in numbers. Whilst the number of referrals received through the Council's Whistleblowing policy has reduced over time, a campaign to encourage employees to raise issues (both through Whistleblowing and other mechanisms) is due to be publicised in the near future. It is also worth noting that this information only reflects referrals made in respect of concerns relating to fraud and corruption and does not include other matters raised under the Whistleblowing policy.

2.4.1 Of the 15 referrals received, five have led to full investigations. The reasons for referrals not resulting in a full investigation include (a) our initial assessment / fact finding does not find any evidence to support the allegations (b) appropriate action has already been taken, and (c) the nature of the event means it is impractical to pursue further.

2.4.2 In addition to the five investigations highlighted in 2.4.1 above, a further five investigations were carried forward from 2017-18. All of the ten investigations related to fraud / theft.

Six out of the ten investigations are still on-going, whilst of the remaining four:

- In one case, the officer involved received a final written warning.
- In one case, the officer left their post during the disciplinary process.
- In one case linked to a Council supplier, this is now being dealt with as a contract management issue.
- In one case linked to council tax, action was taken to correct the council tax liability on four accounts. (This case related to a wider fraud involving two high street banks where the individuals fraudulently applied to become liable for council tax in order to obtain proof of identity / address).

2.4.3 Proactive work – The Council's response to fraud also considers an element of proactive work to ensure that all key fraud risks are considered. In 2018-19, this work has included:

- Review and update of the Council's Fraud and Corruption Strategy, which was considered by the Audit and Procurement Committee in June 2018 and approved by the Cabinet Member for Policy and Leadership in July 2018.
- A fraud awareness e-learning tool has been made available to staff. This both highlights some of the common types of fraud in local government and provides details of how concerns can be reported. Face to face sessions are also planned in February 2019 with staff from Adult Social Care in relation to direct payment fraud.
- The Council was part of a group of West-Midlands authorities who took part in a pilot data matching project run by the Cabinet Office to detect fraud and error in Business Rates. This involved review of around 470 matches. As well as assisting the Cabinet Office to shape the future direction of this activity as part of the main National Fraud Initiative, the project resulted in revised bills being issued in 9 cases, totalling around £21k. Given the value of the individual cases, these have been classed as an error.

2.5 Actions taken to prevent fraud / error - As part of the work carried out by Internal Audit which is linked to fraud and error, consideration is given as to whether control improvements can be made to prevent further incidents from occurring in the future. During the period April to September 2018, this has included the following:

- The annual review form for Disabled Persons Relief in respect of Council tax has been amended to ask for confirmation that the individual is still resident in the property.
- Awareness has been raised with staff within Council Tax regarding fraudulent attempts to obtain liability for council tax and the need to remain alert for this moving forward.

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

3.1 None

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

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

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

5.1 Financial Implications

All fraud has a detrimental financial impact on the Council. In cases where fraud / error is identified, recovery action is taken to minimise the impact that such instances cause. This also includes action, where appropriate, to make improvements to the financial administration arrangements within the Council as a result of frauds identified.

5.2 Legal implications

The Council has a duty under section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs. To effectively discharge this duty, these arrangements include Council policies and procedures which protect the public purse through managing the risk of fraud and error.

All cases are conducted in line with the Data Protection Act 2018 and if appropriate are referred to the Police for investigation.

### **6. Other implications**

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

The scope and content of this report is not directly linked to the achievement of key Council objectives, although it is acknowledged that fraud / error can have a detrimental financial impact on the Council.

**6.2 How is risk being managed?**

The risk of fraud is being managed in a number of ways including:

- Through the Internal Audit Service's work on fraud which is monitored by the Audit and Procurement Committee.
- Through agreed management action taken in response to fraud investigations and / or proactive reviews.

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

Human Resources Implications

Allegations of fraud made against employees are dealt with through the Council's formal disciplinary procedure. The Internal Audit Service are fully involved in the collation of evidence and undertake, or contribute to, the disciplinary investigation supported by a Human Resources representative. Matters of fraud can be referred to the police concurrent with, or consecutively to, a Council disciplinary investigation.

### **6.4 Equalities / EIA**

Section 149 of the Equality Act 2010 imposes a legal duty on the Council to have due regard to three specified matters in the exercise of their functions:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The "protected characteristics" covered by section 149 are race, gender, disability, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment. The duty to have due regard to the need to eliminate discrimination also covers marriage and civil partnership.

The Council acting in its role as Prosecutor must be fair, independent and objective. Views about the ethnic or national origin, gender, disability, age, religion or belief, political views, sexual orientation, or gender identity of the suspect, victim or any witness must not influence the Council's decisions.

### **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

#### **Tel and email contact:**

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<b>Contributors:</b>				
Lara Knight	Governance Services Co-ordinator	Place	20/12/18	20/12/2018
Paul Jennings	Finance Manager Corporate Finance	Place	20/12/18	20/12/2018
<b>Names of approvers: (officers and members)</b>				
Barry Hastie	Director of Finance and Corporate Services	Place	20/12/18	8/1/2019
Adrian West	Members & Elections Team Manager	Place	20/12/18	9/1/2019
Councillor G Duggins	Cabinet Member for Policy and Leadership		10/1/2019	10/1/2019

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Coventry City Council

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Ethics Committee  
Cabinet Member for Policy and Leadership  
Audit and Procurement Committee

6 November 2018  
8 November 2018  
21<sup>st</sup> January 2019

**Name of Cabinet Member:**

Cabinet Member for Policy and Leadership – Councillor Duggins

**Director approving submission of the report:**

Deputy Chief Executive (People)

**Ward(s) affected:**

All

**Title:**

Complaints to the Local Government and Social Care Ombudsman 2017/18

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**Is this a key decision?**

No

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**Executive summary:**

The Local Government and Social Care Ombudsman (LGSCO) is the final stage for complaints about councils, all adult social care providers (including care homes and home care agencies) and some other organisations providing local public services. It is a free service that investigate complaints in a fair and independent way; and provides a means of redress to individuals for injustice caused by unfair treatment or service failure.

Coventry City Council's complaints policy sets out how individual members of the public can complain to the Council, as well as how the Council handle compliments, comments and complaints. The Council informs individuals of their rights to contact the LGSCO if they are not happy with the Council's decision after they have exhausted the Council's own complaints process.

Every year, the LGSCO issues an annual letter to the Leader and Chief Executive of every Council, summarising the number and trends of complaints dealt with in each Council that year. The latest letter, issued July 2018, covers complaints to Coventry City Council between April 2017 and March 2018 (2017/18).

This report sets out the number, trends and outcomes of complaints to the LGSCO relating to Coventry City Council in 2017/18. In particular, it focuses on upheld complaints, service areas with a high number of complaints, learning from complaints, and how we compare to previous years and other local authorities.

**Recommendations:**

The Ethics Committee is recommend to:

1. Comment on the findings.
2. Consider the Council's performance in relation to complaints to the LGSCO, in particular, complaints that were upheld.
3. Note the Council complaints process and guidance.

The Cabinet Member is recommended to:

1. Consider the Council's performance in relation to complaints to the LGSCO.
2. Note the Council complaints process and guidance.
3. Request the Audit and Procurement Committee to review and be assured that the Council takes appropriate action in response to complaints investigated and where the Council is found to be at fault.

The Audit and Procurement Committee is recommended to:

1. Consider the Council's performance in relation to complaints to the LGSCO.
2. Note the Council complaints process and guidance.
3. Review and be assured that the Council takes appropriate actions in response to complaints investigated and where the Council is found to be at fault.

**List of appendices included:**

Appendix I: Local Government and Social Care Ombudsman Annual Review letter 2018

Appendix II: Coventry City Council Complaints Handling Guidance

Appendix III: Local Government and Social Care Ombudsman Investigation Decisions in 2017/18 for Coventry City Council

**Background papers:**

None

**Other useful documents**

Local Government and Social Care Ombudsman Annual Review of Local Government Complaints 2017-18 <https://www.lgo.org.uk/information-centre/news/2018/jul/a-tool-for-change-ombudsman-issues-annual-review-of-council-complaints>

**Has it been or will it be considered by Scrutiny?**

No

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

Yes – Ethics Committee on 6 November 2018 and Audit and Procurement Committee on 12 November 2018

**Will this report go to Council?**

No

**Report title:  
Complaints to the Local Government and Social Care Ombudsman 2017/18**

**1 Context (or background)**

- 1.1 The Local Government and Social Care Ombudsman (LGSCO) is the final stage for complaints about councils, all adult social care providers (including care homes and home care agencies) and some other organisations providing local public services. It is a free service that investigate complaints in a fair and independent way; and provides a means of redress to individuals for injustice caused by unfair treatment or service failure.
- 1.2 Coventry City Council’s complaints policy published on the Council’s website at [www.coventry.gov.uk/complaints/](http://www.coventry.gov.uk/complaints/), sets out how individual members of the public can complain to the Council, as well as how the Council handle compliments, comments and complaints. The Council informs individuals of their rights to contact the LGSCO if they are not happy with the Council’s decision after they have exhausted the Council’s own complaints process.
- 1.3 Every year, the LGSCO issues an annual letter to the Leader and Chief Executive of every Council, summarising the number and trends of complaints dealt with in each Council that year. The latest letter, issued July 2018, covers complaints to Coventry City Council between April 2017 and March 2018 (2017/18). The letter can be found in Appendix I.
- 1.4 This report sets out the number, trends and outcomes of complaints to the LGSCO relating to Coventry City Council in 2017/18. In particular, this report focuses on upheld complaints, service areas with a high number of complaints, learning from complaints, and how we compare to previous years and other local authorities.
- 1.5 The Council has a robust policy for handling complaints. The current guidance is set out in Appendix II. In addition to this annual report, the Council also produces formal reports on complaints about adult social care and children’s social care, to Cabinet Member Adult Services and Cabinet Member Children and Young People respectively.

**2 Options considered and recommended proposal**

- 2.1 Across all councils, the LGSCO received 17,452 complaints and enquiries in 2017/18, up from 16,863 the previous year (up 3.4%). The areas receiving the greatest number of complaints and enquiries were education and children’s services (3,260), adult social care (2,602), and planning and development (2,268).
- 2.2 For Coventry City Council, the LGSCO received 136 complaints and enquiries in 2017/18, up from 105 the previous year (up 29.5%). This is set out in Figure 1, below.

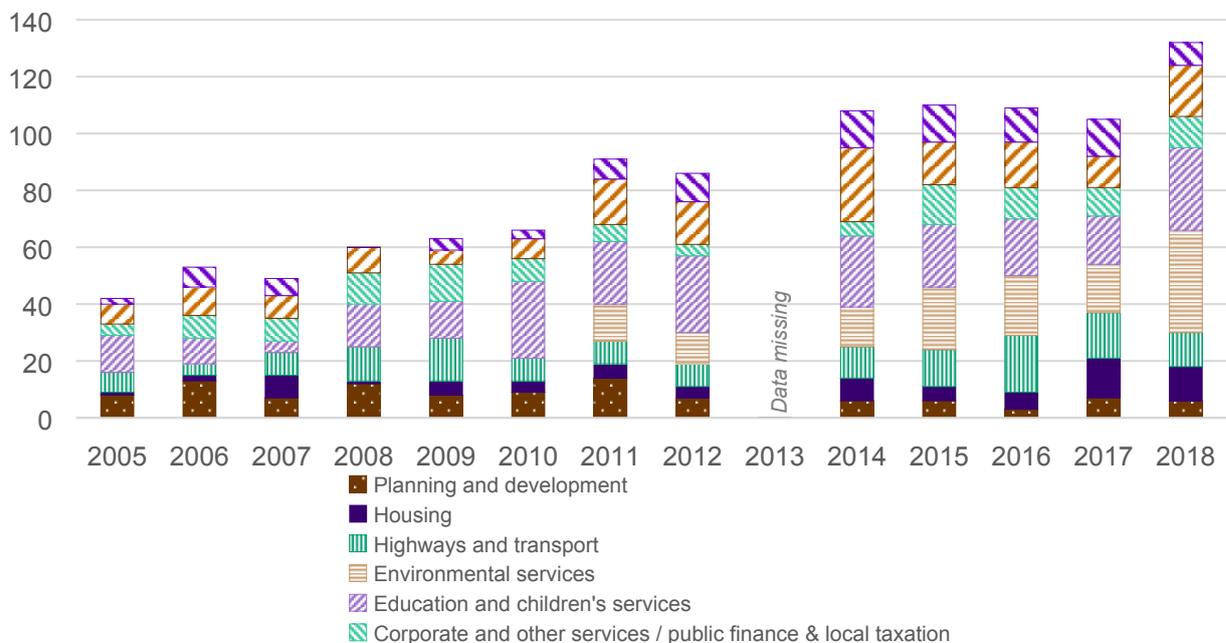
**Figure 1: Complaints and enquiries received by category**

Category (as defined by the LGSCO)	Complaints in 2017/18	Trend
Adult care services	8	↓
Benefits and tax	18	↑
Corporate & other services	11	↑

Category (as defined by the LGSCO)	Complaints in 2017/18	Trend
Education & children's services	29	↑
Environment services	36	↑
Highways & transport	12	↓
Housing	12	↓
Planning & development	6	↓
Other	4	↑
<b>Total</b>	<b>136</b>	↑

2.3 Figure 2 sets out how the number of complaints and enquiries received by the LGSCO has changed over time. At 136 complaints, the 2017/18 figure represents the highest number of complaints and enquiries received relating to Coventry City Council since the first annual report was published in 2005.

**Figure 2: Complaints and enquiries received over time**



2.4 The increase seen can be explained by a significant increase in complaints about environmental services and education and children's services. Complaints and enquiries in the environmental services category more than doubled, from 17 to 36. Meanwhile, complaints about education and children's services increased from 17 to 29 complaints.

2.5 However, it is not possible to comment on the Council's overall performance based solely upon the number of complaints or enquiries to the LGSCO. On one hand, a high number of complaints may indicate that a council has been effective at signposting people to the LGSCO through their complaints handling process. On the other hand, a high number of complaints may also highlight that a council needs to do more to resolve issues through its own complaints process.

2.6 When dealing with an enquiry, the LGSCO can choose to investigate cases where it sees merit in doing so. Following an investigation, the LGSCO can decide if a

complaint is: **upheld** – where a council has been at fault and this fault may or may not have caused an injustice to the complainant; or where a council has accepted it needs to remedy the complaint before the Council makes a finding on fault; or **not upheld** – where, following investigation, the LGSCO decides that a council has not acted with fault.

2.7 Of the **136** complaints and enquiries about Coventry received by the LGSCO in 2017/18, **129** decisions were made:

- **8** incomplete/invalid;
- **2** advice given;
- **66** referred back for local resolution;
- **27** closed after initial enquiries; and
- **26** complaints investigated, of which **20** were upheld and **6** were not upheld.

2.8 The number of complaints investigated (26 complaints) similar to previous years (25 in 2016/17, and 22 in 2015/16). However, the LGSCO upheld a far greater proportion of complaints they investigated than in previous years: 77% of complaints were upheld (20 out of 26) in 2017/18, compared to 60% (15 out of 25) in 2016/17, and 50% (11 out of 22) in 2015/16. At 77%, this is the highest percentage of complaints upheld for Coventry since 2005; and compares to a statistical neighbour and regional average of 62% and a national average of 57%. The tables below, sets out how Coventry compares to its Chartered Institute of Public Finance and Accountancy (CIPFA) statistical neighbours (Figure 3) and with the West Midlands Combined Authority (WMCA) constituent authorities (Figure 4).

**Figure 3: Complaints investigated: comparison with CIPFA statistical neighbours 2017/18**

On average, 62% of complaints were upheld among Coventry and its 14 statistical neighbours. The authority with the highest percentage of complaints upheld in 2017/18 is Rochdale (80%) and lowest is Swindon (43%). Coventry has the second highest upheld rate (77%).

Local Authority	Not Upheld	Upheld	% Upheld	Total
Bolton	6	8	57%	14
Bradford	11	19	63%	30
<b>Coventry</b>	6	20	77%	26
Derby	5	6	55%	11
Dudley	4	6	60%	10
Kirklees	12	13	52%	25
Medway	8	11	58%	19
Peterborough	6	8	57%	14
Rochdale	2	8	80%	10
Sandwell	7	11	61%	18
Sheffield	11	22	67%	33
Stockton on Tees	2	5	71%	7
Swindon	4	3	43%	7
Walsall	3	6	67%	9
Wolverhampton	5	4	44%	9

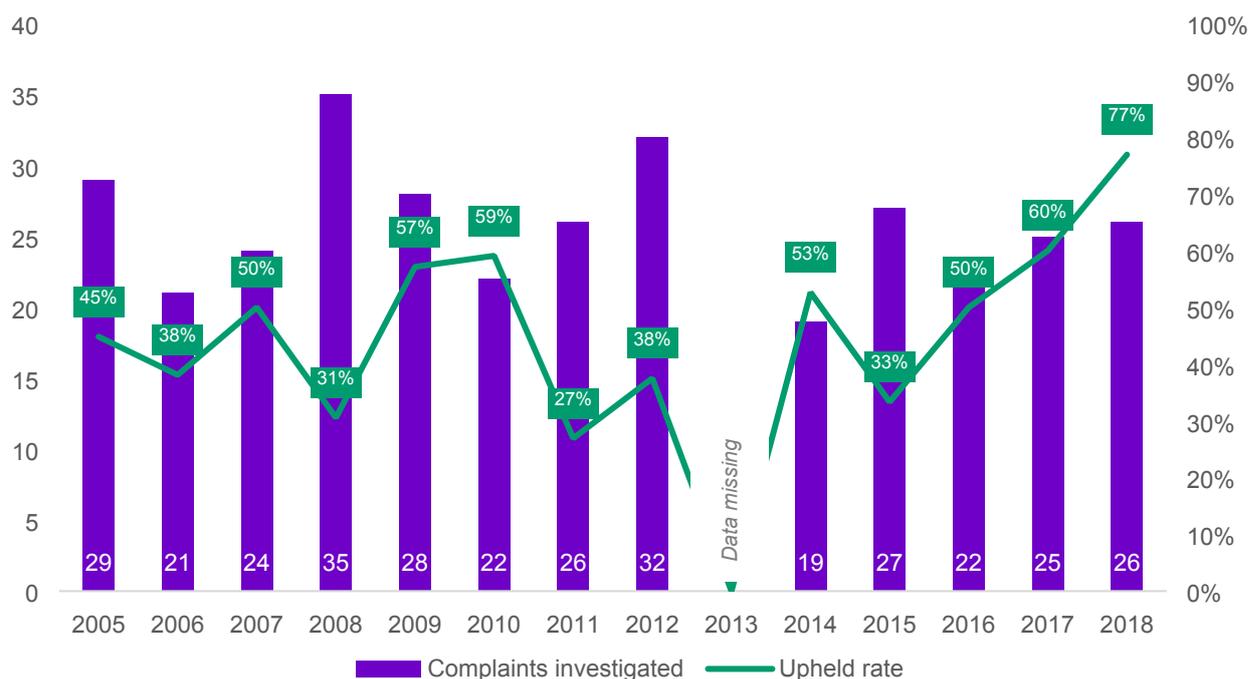
**Figure 4: Complaints investigated: comparison with WMCA constituent authorities 2017/18**

There were 151 complaints across the WMCA area, of which 93 were upheld and 58 were not upheld. That means, on average, 62% of complaints were upheld among the seven constituent authorities of the WMCA. The authority with the highest percentage of complaints upheld in 2017/18 is Coventry (77%) and lowest is Solihull (43%).

Local Authority	Not Upheld	Upheld	% Upheld	Total
Birmingham	29	43	60%	101
<b>Coventry</b>	6	20	<b>77%</b>	26
Dudley	4	6	60%	10
Sandwell	7	11	61%	18
Solihull	4	3	43%	7
Walsall	3	6	67%	9
Wolverhampton	5	4	44%	9

2.9 Figure 5 sets out how the number of complaints investigated and the percentage of complaints upheld by the LGSCO has changed over time.

**Figure 5: Complaints investigated and percentage upheld over time**



2.10 Of the 20 upheld complaints for Coventry, eighteen complaints were remedied by the LGSCO and two complaints were satisfactorily remedied by Coventry City Council before LGSCO involvement. Nine complaints resulted in some form of financial redress or reimbursement.

2.11 Following a decision, the LGSCO will typically issue a statement setting out its findings and its decision. If the LGSCO decides there was fault or maladministration causing an injustice to the complainant, it will typically recommend that a council take some action to address it. Wherever possible the LGSCO publishes decision statements on its web pages although this would not happen where the content of

the report could identify the individual complainant. In some cases, where the LGSCO upholds a complaint, the LGSCO may choose to issue a formal report of maladministration.

2.12 The Ombudsman did not issue formal reports of maladministration for any of the complaints upheld during 2017/18.

2.13 The following table, Figure 6, sets out details about the complaints that the LGSCO investigated in by our service area.

**Figure 6: Complaints investigated by service area in 2017/18 compared to 2016/17**

Service area	2017/18				2016/17			
	Upheld	Not upheld	% upheld	Response time (days)	Upheld	Not upheld	% upheld	Response time (days)
Adult social care	1		100%	19	7	1	88%	21
Bereavement services	1		100%					
Children's services	3		100%	26	3		100%	19
Benefits						1	0%	
Commercial property	1		100%	14				
Council tax	1		100%	5	1		100%	
Education services	1		100%	23				
Environmental services						1	0%	19
Highways services						1	0%	20
Household waste collections	11	2	85%	23				
Housing services	1	2	33%	22		1	0%	
Legal						1	0%	
Noise					1		100%	18
Planning		1	0%			1	0%	21
Planning – flood management		1	0%	42				
Parking					1	3	25%	20
Open spaces					2		100%	31
<b>Total</b>	<b>20</b>	<b>6</b>	<b>77%</b>	<b>19</b>	<b>15</b>	<b>10</b>	<b>60%</b>	<b>21</b>

2.14 This year saw a significant increase in the number of complaints relating to household waste collections: 13 of 26 complaints investigated – half of all complaints investigated – relating to such collections. While 13 complaints is miniscule compared to the number of transactions dealt with by the service, remedying the complaint does require a disproportionate amount of organisational time to resolve and rectify. In addition, 85% of such complaints (11 out of 13) were upheld.

- 2.15 There is also an equality issue here; three of the 11 upheld complaints relates to assisted collections, where the Council offers an assisted service where none of the people in a household are able to move the bins to the collection point (due to poor health, mobility issues or disability).
- 2.16 The LGSCO typically expects councils to respond to investigation enquiries within 20 working days. In 2017/18, on average, the Council took 19 working days to respond to enquiries on investigations; compared to 21 working days in 2016/17.
- 2.17 Following the investigations, the LGSCO recommended some changes to the Council's processes and procedures. A summary of the recommendations is set out in the learning from complaints table (Figure 7). Further details about the outcomes of each of the complaints investigated and the actions taken are set out in Appendix III.

**Figure 7: Learning from complaints**

Area	Summary of actions taken
Adult social care	A training session was held on the Coroners Court proceedings. It was attended by managers and legal services colleagues and was led by Counsel who acts as Coroner.
Children's services	Teams have been reminded it is good practice when signposting customers/complainants to possible support organisations to include contact details to the relevant organisations.
Education services	When the service next updates its guidance on school transport, the service will be consulting with parents via the Special Educational Needs and Disabilities Information Advice and Support Service (SENDIASS) and the One Voice Parent Group.
Housing services	<p>The service has reviewed its processes and will make partner organisations, such as housing associations, aware of any complaint received from the LGSCO within three working days. The service will also assign a designated officer to liaise and co-ordinate responses with partners.</p> <p>When the Homefinder policy is next reviewed/revised, the service will ensure that all partners, such as housing associations, abide by the agreed policy.</p>
Waste services	Waste services was redesigned last September, with services moving to alternate weekly collections of domestic and recycling (paper, card, plastics & glass, and combined food and garden waste) services. The roll-out of the service affected approximately 125,000 households, and followed a difficult summer where vacancies were held in advance of the service change to avoid compulsory redundancy, limiting resources. During the transitional period there was an increase in the number of complaints received in relation to waste services, which created

Area	Summary of actions taken
	<p>delays in response times, and in some circumstances the quality of the response given.</p> <p>In response to the increase in complaints received a review was undertaken to look at how complaints were being received, reviewed, investigated and responded to. This included looking at cross working between internal teams, communication around service provisions, monitoring where repeat complaints were being received, complaint allocation, and response quality.</p> <p>The waste team have developed a more proactive route to handling complaints, including the direct allocation of complaints to the appropriate officer responsible for investigating and responding. Previously there was an additional layer of handling which created delays and a lack of ownership. In addition, where a repeat problem occurs, a monitoring processes with appropriate officer level sign off has been established to better understand the nature of the problem and prevent further escalation. This includes the confirmation of collection details (including reason where a collection has been unsuccessful [e.g. bin not presented]), time, and supervisor sign-off.</p> <p>Within the operational team the annual winter training held in January focused on aspects of crew behaviour and duties that featured prominently in complaints received during 2017.</p> <p>Improvements to the way in which complaints are handled has contributed to a reduction in the number of complaints received by the service area. No new LGSCO complaints have been received since early July.</p> <p>In 2017/18, the service has also failed to complete some remedies agreed with the LGSCO. The service is recommended to ensure that they can complete any agreed actions within the timescales detailed in the draft decision before agreeing them, and set up systems and procedures that ensure the agreed actions are recorded as detailed; and evidence confirming that the action has been completed is forwarded to the LGSCO Link Officer by the agreed deadlines.</p>

2.18 As reported last year, there was a case in 2016/17 relating to a case where the amount was subject to a dispute between Coventry City Council and Warwickshire County Council. Following discussions, the matter was referred to the Secretary of State for a determination. Whilst initially supporting Coventry's position, following a request from Warwickshire to review this judgement, the Secretary of State determined that Coventry was responsible for funding support. Coventry had initially complied with the Ombudsman's recommendation to provide funding pending a resolution to the dispute, by settling outstanding care home fees (the amount paid was £25,342.94) and, following the Secretary of State's determination, cancelled action to recover payments from Warwickshire. This matter is therefore concluded.

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

3.1 None identified or undertaken.

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

4.1 The LGSCO Link Officer function is located as part of the Council's Insight Team. All communication between the local authority and the LGSCO, such as complaints, enquiries, investigations and remedies, all go via the Link Officer.

4.2 The Council's own guidance and process for dealing with LGSCO complaints is set out in Appendix II. Following the 2017 annual letter, this guidance was updated to ensure that investigations, particularly upheld complaints, are properly communicated to elected members. As a result:

- complaints to the LGSCO will continue to be formally reported to the Cabinet Member for Policy and Leadership and the Audit and Procurement Committee every year (this report) – and in addition, this report is also being considered by the Ethics Committee;
- complaints about adult social care and children's social care, including cases investigated by the LGSCO, will also continue to be reported through an annual report to the Cabinet Member Adult Services and Cabinet Member Children and Young People respectively;
- where an investigation has wider implications for Council policy or exposes a more significant finding of maladministration, the Monitoring Officer will consider whether the implications of that investigation should be individually reported to relevant members; and
- should the Council decide not to comply with the LGSCO's final recommendation following an upheld investigation with a finding of maladministration, or should the LGSCO issue a formal report (instead of a statement), the Monitoring Officer will report this to members under section 5(2) of the Local Government and Housing Act 1989.

4.3 In 2017/18, the LGSCO is now monitoring the Council's compliance with its complaint remedies.

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

#### **5.1 Financial implications**

There are no direct financial implications associated with this report. Financial remedies resulting from any complaints are typically paid out of service budgets. In 2017/18 there were nine complaints which resulted in some form of financial remedy or reimbursement. This is detailed in Appendix III. These were paid out of budgets from the relevant service areas. The amount paid out in 2017/18 is £6,992.73, of which £3,625.00 were financial remedies and £3,367.73 were reimbursements.

#### **5.2 Legal implications**

The statutory functions of the LGSCO are defined in the Local Government Act 1974. These are: to investigate complaints against councils and some other authorities; to investigate complaints about adult social care providers from people who arrange or fund their own adult social care; and to provide advice and guidance on good administrative practice. The main activity under Part III of the 1974 Act is the investigation of complaints, which it states is limited to complaints

from members of the public alleging they have suffered injustice as a result of maladministration and/or service failure.

The LGSCO's jurisdiction under Part III covers all local councils, police and crime bodies; school admission appeal panels and a range of other bodies providing local services; and under Part IIIA, the LGSCO also investigate complaints from people who allege they have suffered injustice as a result of action by adult social care providers.

There is a duty under section 5(2) of the Local Government and Housing Act 1989 for the Council's Monitoring Officer to prepare a formal report to the Council where it appears that the authority, or any part of it, has acted or is likely to act in such a manner as to constitute maladministration or service failure, and where the LGSCO has conducted an investigation in relation to the matter.

## **6 Other implications**

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

The Council Plan ([www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/)) sets out the Council's vision and priorities for the city. The Council aspires for Coventry to be globally connected, by promoting the growth of a sustainable Coventry economy, and locally committed, by improving the quality of life for Coventry people; and doing so in a way that delivers priorities with fewer resources. Effective management and resolution of complaints, as well as learning from complaints, help ensure that Council services meet the needs of local residents and communities, and helps build a foundation of trust in order for the Council to have new conversations with residents, communities and partners to enable people to do more for themselves as active and empowered citizens.

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

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

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

The co-ordination and management of complaints to the LGSCO often involves considerable time of officers of all levels of seniority. It involves collecting a significant amount of data, preparing and writing formal responses, and chasing to meet timescales set out; and where appropriate, external input from partner organisations and commissioned services.

Therefore, it is ideal for complaints to the Council to be resolved informally at first point of contact, or resolved through the Council's own internal complaints procedures, adult social care complaints procedures, or children's social care complaints procedures, as appropriate. This would improve satisfaction for local residents and communities, as well as save Council time and resources. The Council also publishes guidance on complaints handling.

### **6.4 Equalities and equality and consultation analyses (ECA)**

Members of the public are encouraged to speak up and tell the Council if they have

anything to say about Council services; if the Council does not get it right for them; or if they think the Council has done something well. This is set out in the Council's complaint policy ([www.coventry.gov.uk/complaints/](http://www.coventry.gov.uk/complaints/)).

To ensure that everyone is able to provide feedback, the Council accepts comments, compliments and complaints via face-to-face contact, telephone calls, letters, emails, or via an online form on the Council's website; and proportionate equalities monitoring data is also collected. Members of the public are informed that they can ask somebody else to act on their behalf, for instance, a friend or relative or Citizens Advice.

Where necessary and appropriate, translation and interpretation services, correspondence in large print, audiotape, or braille, or the services of an advocate (for instance, Barnardo's) is also available. Should a complainant remain dissatisfied following the conclusion of the Council's complaints process, they are able to refer their complaint to the LGSCO. The Council's complaint policy and individual response letters detailing the findings of the Council's own complaints investigations makes it clear how members of the public can do so.

This year, a number of upheld complaints include an equality dimension, for instance, three related to assisted household waste collections provided to people experiencing poor health, mobility issues or disability. In this context, meeting the public sector equality duty would mean having due regard to the need to advance equality of opportunity between people who share a protected characteristic and those who do not; in practical terms this would require the Council to remove or minimise disadvantages suffered by people due to their protected characteristics and taking steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people. Therefore, ensuring improvements are made to delivery of services for customers with protected characteristics is essential to ensure that the Council meets its statutory obligations in relation to equalities.

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

None

**6.6 Implications for partner organisations?**

Investigations by the LGSCO may involve not only services directly provided by Coventry City Council, but also commissioned or outsourced services. In such cases, the Council liaises with partner organisations and third-party contractors to comment or provide information as part of an investigation.

**Report author(s):****Name and job title:**

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Enquiries should be directed to the above person.

10/01/2019 15:08:59

Contributor/ approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
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Ilius Ahmed	Complaints Officer	People	13/08/2018	28/08/2018
David Ashmore	Director of Customer Services & Transformation	People	23/08/2018	28/08/2018
Liz Deakin	Insight Manager (Intelligence)	People	23/08/2018	28/08/2018
Pete Fahy	Director of Adults	People	23/08/2018	28/08/2018
John Gregg	Director of Children	People	23/08/2018	28/08/2018
Nigel Hart	Head of Communications	People	23/08/2018	28/08/2018
Barrie Hastie	Director of Finance and Corporate Resources	Place	23/08/2018	28/08/2018
Jaspal Mann	Equality and Diversity Officer	People	29/08/2018	30/08/2018
Kirston Nelson	Director of Education	People	23/08/2018	28/08/2018
Wendy Ohandjanian	Equality and Diversity Officer	People	29/08/2018	30/08/2018
Jane Simpson	Business Support Manager	Place	23/08/2018	28/08/2018
Andrew Walster	Director of Streetscene & Regulatory Services	Place	23/08/2018	28/08/2018
Martin Yardley	Deputy Chief Executive (Place)	Place	23/08/2018	28/08/2018
Suzanne Bennett	Governance Services Co- ordinator	Place	13/08/2018	28/08/2018
<b>Approvers:</b>				
Finance: Ewan Dewar	Finance Manager (People)	Place	23/08/2018	28/08/2018
Legal: Carol Bradford	Legal Services Manager / Monitoring Officer	Place	23/08/2018	28/08/2018
Liz Gaulton	Director of Public Health and Wellbeing	People	23/08/2018	23/08/2018
Gail Quinton	Deputy Chief Executive (People)	People	23/08/2018	28/08/2018
Members: Councillor Duggins	Cabinet Member for Policy and Leadership		29/08/2018	30/08/2018

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18 July 2018

*By email*

Martin Reeves  
Chief Executive  
Coventry City Council

Dear Martin Reeves,

### **Annual Review letter 2018**

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman (LGSCO) about your authority for the year ended 31 March 2018. The enclosed tables present the number of complaints and enquiries received about your authority and the decisions we made during the period. I hope this information will prove helpful in assessing your authority's performance in handling complaints.

### **Complaint statistics**

In providing these statistics, I would stress that the volume of complaints does not, in itself, indicate the quality of the council's performance. High volumes of complaints can be a sign of an open, learning organisation, as well as sometimes being an early warning of wider problems. Low complaint volumes can be a worrying sign that an organisation is not alive to user feedback, rather than always being an indicator that all is well. So, I would encourage you to use these figures as the start of a conversation, rather than an absolute measure of corporate health. One of the most significant statistics attached is the number of upheld complaints. This shows how frequently we find fault with the council when we investigate. Equally importantly, we also give a figure for the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. Both figures provide important insights.

I want to emphasise the statistics in this letter reflect the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, some of whom may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website, alongside an annual review of local government complaints. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

### **Future development of annual review letters**

Last year, we highlighted our plans to move away from a simplistic focus on complaint volumes and instead turn focus onto the lessons that can be learned and the wider improvements we can achieve through our recommendations to improve services for the many. We have produced a new corporate strategy for 2018-21 which commits us to more comprehensively publish information about the outcomes of our investigations and the occasions our recommendations result in improvements to local services.

We will be providing this broader range of data for the first time in next year's letters, as well as creating an interactive map of local authority performance on our website. We believe this will lead to improved transparency of our work, as well as providing increased recognition to the improvements councils have agreed to make following our interventions. We will therefore be seeking views from councils on the future format of our annual letters early next year.

### **Supporting local scrutiny**

One of the purposes of our annual letters to councils is to help ensure learning from complaints informs scrutiny at the local level. Sharing the learning from our investigations and supporting the democratic scrutiny of public services continues to be one of our key priorities. We have created a dedicated section of our website which contains a host of information to help scrutiny committees and councillors to hold their authority to account – complaints data, decision statements, public interest reports, focus reports and scrutiny questions. This can be found at [www.lgo.org.uk/scrutiny](http://www.lgo.org.uk/scrutiny) I would be grateful if you could encourage your elected members and scrutiny committees to make use of these resources.

### **Learning from complaints to improve services**

We share the issues we see in our investigations to help councils learn from the issues others have experienced and avoid making the same mistakes. We do this through the reports and other resources we publish. Over the last year, we have seen examples of councils adopting a positive attitude towards complaints and working constructively with us to remedy injustices and take on board the learning from our cases. In one great example, a county council has seized the opportunity to entirely redesign how its occupational therapists work with all of its districts, to improve partnership working and increase transparency for the public. This originated from a single complaint. This is the sort of culture we all benefit from – one that takes the learning from complaints and uses it to improve services.

### **Complaint handling training**

We have a well-established and successful training programme supporting local authorities and independent care providers to help improve local complaint handling. In 2017-18 we delivered 58 courses, training more than 800 people. We also set up a network of council link officers to promote and share best practice in complaint handling, and hosted a series of seminars for that group. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

Yours sincerely,



Michael King  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England

**Local Authority Report:** Coventry City Council  
**For the Period Ending:** 31/03/2018

For further information on how to interpret our statistics, please visit our website:  
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

## Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
8	18	11	29	36	12	12	6	4	136

## Decisions made

Decisions made				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
8	2	66	27	6	20	77%	129

### Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.

The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

### Complaints Remedied

by LGO	Satisfactorily by Authority before LGO Involvement
18	2

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# Complaints handling guidance

Coventry City Council

Insight Team  
September 2018

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## Introduction

### About this guide

This document is the Council's internal complaints handling guidance, and is to be read in conjunction with the complaints policy.

### Making things right

Coventry City Council is committed to putting local people and their needs at the heart of what it does. As employees of the Council, we work to ensure that people have a positive and trouble-free experience with us in all transactions and interactions. However, sometimes things go wrong. When things go wrong, we encourage people to speak up, so that we can make things right.

Effective management and resolution of complaints, as well as learning from complaints, help ensure that Council services meet the needs of local residents and communities, and helps build a foundation of trust in order for the Council to have new conversations with residents, communities and partners to enable people to do more for themselves as active and empowered citizens. A key principle of this is continuous improvement, and this includes reviewing the Council's complaints processes and systems to ensure consistency and improve the way the Council serve the people of Coventry.

### The complaints policy

Coventry City Council's complaints policy sets out how individual members of the public can complain to the Council, as well as how the Council handle compliments, comments and complaints. Where possible, complaints should be resolved informally. If this is not possible, they can formally complain to the Council.

The complaints policy can be found at: [www.coventry.gov.uk/complaints/](http://www.coventry.gov.uk/complaints/). The policy defines complaints as “*any expression of dissatisfaction about the standard of service, actions, or lack of action by the Council or its employees, which the customer feels should have been provided*”.

Depending on the subject and nature of the complaint, a different pathway is followed:

- complaints about **children's social care** including care homes and other providers commissioned by the Council follow the statutory process for representations made by or on behalf of children using social care services provided by / commissioned by the Council arising from the Children Act 1989;
- complaints about **adult social care** including care homes and other providers commissioned by the Council follow the statutory process for representations made by or on behalf of an adult using social care services provided by / commissioned by the Council arising from the Local Authority Social Services and National Health Services Complaints Regulations 2009;
- **all other complaints** relating to Council services are dealt with by the corporate complaints policy.

Note that complaints about non-Council services, for instance, schools, hospitals; complaints by employees; or complaints about elected members (councillors) are outside the scope of the complaints policy.

The Council strives to act in accordance with best practice, for instance:

- the National Complaints Managers' Group (May 2016) [Good Practice guidance for handling complaints concerning adults and children social care services](#);
- Local Government and Social Care Ombudsman (LGSCO):
  - [guidance on good complaint handling](#) (for instance, running a complaints system; managing unreasonable complaint behaviours and remedies); and
  - [single complaints statement](#) guidance for councils and care providers on best practice in receiving and dealing with comments, complaints and feedback about their services.

### The Local Government and Social Care Ombudsman

The LGSCO is the final stage for complaints about councils, all adult social care providers (including care homes and home care agencies) and some other organisations providing local public services. It is a free service that investigate complaints in a fair and independent way; and provides a means of redress to individuals for injustice caused by unfair treatment or service failure.

If a complainant has exhausted all of the Council's own complaints process, and remain dissatisfied with the Council's decision and/or its handling of the complaint, they have the right to take the complaint to the Local

Government and Social Care Ombudsman (LGSCO). When a complaint has exhausted the Council's complaints procedure, they are informed of this right – and provided detail with how to contact the LGSCO.

## Find out more

### Info hub

Further guidance, reports and information available on the Complaints, Comments and Compliments Information Hub (**3Cs Info Hub** in short) on the intranet at <https://coventrycc.sharepoint.com/sites/3CsInfoHub/>.

### Key contacts

#### People Directorate Complaints Officer

- Adult social care complaints: [AdultSocialCareCustomerRelations@coventry.gov.uk](mailto:AdultSocialCareCustomerRelations@coventry.gov.uk)
- Children's social care complaints: [CLYPCustomerRelations@coventry.gov.uk](mailto:CLYPCustomerRelations@coventry.gov.uk)

#### Local Government and Social Care Ombudsman (LGSCO) Link Officer

- LGSCO Link Officer: [Ombudsman@coventry.gov.uk](mailto:Ombudsman@coventry.gov.uk)

## Guidance

The following table sets out key characteristics of the Council's complaints processes:

Type	Corporate	Adult social care	Children's social care	LGSCO
<b>Stages</b>	Informal resolution Stage 1: service investigation Stage 2: service investigation review	Informal resolution Stage 1: local resolution	Informal resolution Stage 1: local resolution Stage 2: investigation Stage 3: review panel	Enquiry and assessment Investigation Decision and remedy
<b>Timescales</b> (in working days)	Acknowledgement: 3 days Stage 1: 10 days Stage 2: 20 days	Acknowledgement: 3 days Stage 1: 20 days	Acknowledgement: 3 days Stage 1: 10 (to 20 <sup>1</sup> ) days Stage 2: 25 (to 65 <sup>1</sup> ) days Stage 3: 30 days	Enquiry: 1-3 days Investigation: 20 days Draft decision: 5-10 days Remedy: as set out in the final decision statement
<b>Services</b>	All other services <sup>2</sup>	Adult social care	Children's social care	All
<b>Recording</b>	On the corporate customer relationship management system, <a href="#">Dash</a> .	On the corporate system, <a href="#">Dash</a> plus the <a href="#">social care complaints database</a> .	On the corporate system, <a href="#">Dash</a> plus the <a href="#">social care complaints database</a> .	On the <a href="#">Tracker</a> on the Local Government and Social Care Ombudsman management portal.
<b>Reporting</b>	Quarterly summary trends and indicators on the <a href="#">3Cs Info Hub</a> <sup>3</sup> .	Weekly progress reports provided on the <a href="#">3Cs Info Hub</a> and regular progress meetings held with relevant managers. Quarterly trend and context provided to relevant management team and indicators on People Leadership Team dashboard. Annual report to the relevant Cabinet Member.		Upheld complaints referred to the Monitoring Officer for follow-up action. Quarterly trends and context on the <a href="#">3Cs Info Hub</a> . Annual report to relevant committees and relevant Cabinet Member.

### Escalation of complaints

If the complainant is not satisfied with the outcome of the investigation, and they consider that one or more of the following apply: relevant information was not taken into account in investigating the complaint; procedures have

<sup>1</sup> This is the maximum extension for complex cases as defined by the statutory guidance.

<sup>2</sup> All other services, e.g.: adult education; benefits and tax; children's transport; corporate, finance and legal; education and libraries (except schools or education admissions appeals); environmental services (including household waste collections, noise complaints); housing services; planning; parking, etc.

<sup>3</sup> Indicators currently provided on the People Leadership Team dashboard. This is accessible via the 3Cs Info Hub and the Performance Hub (coming soon).

not been properly applied in handling the complaint; there has been an incorrect interpretation of Council policy, they can ask for the complaint to be reviewed via a service investigation review. The review will either be conducted by a senior manager of the service or, a senior officer or manager outside the line management of the service depending on the circumstances. The complainant will be expected to explain, in writing or verbally, the grounds for seeking a review.

With children's social care complaints, in line with the Department for Education statutory guidance for local authority children's services on representations and complaints procedures, a complaint may be escalated to a Stage 2 investigation or Stage 3 review panel if a complainant wishes for it to do so. When this happens, a senior officer will always work with the complainant to see if the complaint can be resolved without escalation first.

### Escalation to the Local Government and Social Care Ombudsman

If a complainant is unhappy about the way the Council has dealt with their complaint, they can contact the LGSCO. The LGSCO would normally expect a complaint to be made within twelve months of when the complainant first knew of the problem that they are complaining about, and normally require all complainants to go through all stages of the Council's own procedure before considering the complaint. However, in certain circumstances the LGSCO has the discretion to waive this requirement. Note that a complainant can approach the LGSCO at any stage of the complaints process.

### Remedies, compensation and financial redress

The key principle for any financial remedies paid is that a remedy should, as far as possible, put the complainant back in the position they would have been in but for the fault identified. Any financial redress should be agreed with the relevant director, in line with LGSCO guidance set out at <http://www.lgo.org.uk/information-centre/reports/advice-and-guidance/guidance-notes>.

Where a complaint has gone to the LGSCO, the local authority has the option of suggesting a remedy to resolve the complaint – or to accept the LGSCO's recommendation.

### Learning from complaints

Learning from complaints help ensure that Council services meet the needs of local residents and communities. That is why it is important for services to treat complaints as an opportunity to learn lessons from previous experiences, to drive forward improvements, for example, improvements to training or to inform changes to procedures. The Council regularly publishes reports on complaints, including lessons learned, to ensure that complaints are properly communicated to elected members.

### Privacy and information governance

**Please remember that complaints, investigations and information about it are private and confidential and must not be disclosed to third parties.**

Our summary privacy notice states:

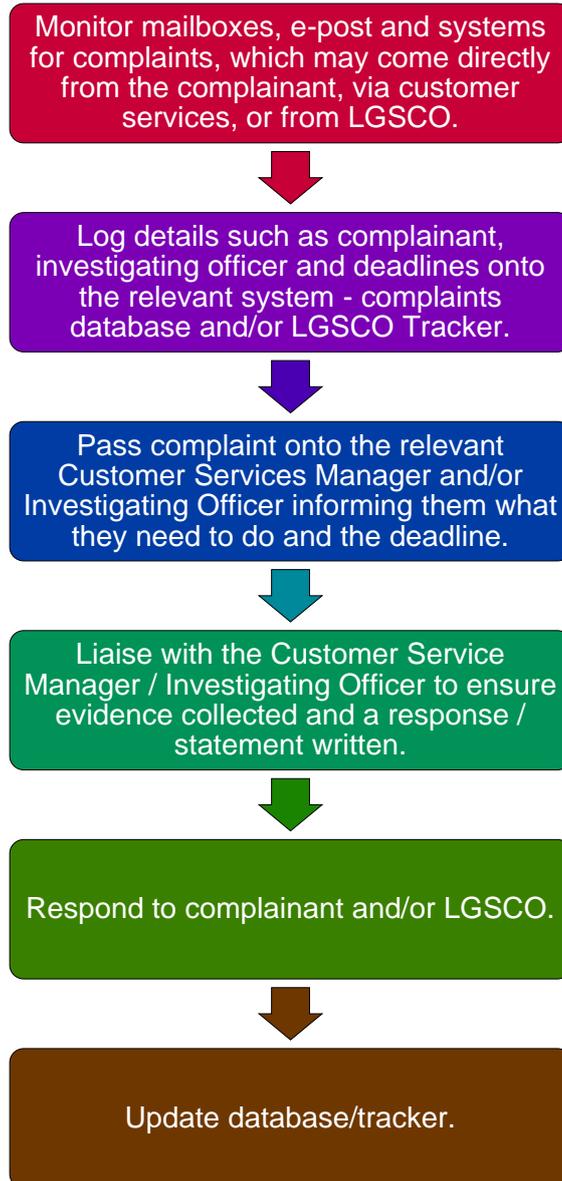
*We will use the information you provide to handle your complaint in line with the Council's complaints policy available at [www.coventry.gov.uk/complaints/](http://www.coventry.gov.uk/complaints/). We may share this information with other organisations which may include independent external investigators, children's advocacy services and the Local Government and Social Care Ombudsman. We will only share your information if this is part of solving your complaint. More information on how we handle personal information and your rights under the data protection legislation can be found in the full Privacy Notice: [www.coventry.gov.uk/privacynotice/](http://www.coventry.gov.uk/privacynotice/).*

You can help ensure that we protect people's information by ensuring that you follow the Council's information governance and data protection policies. In particular, please:

- **ensure that any correspondence containing personal or confidential data is sent in a password protected zip archive with the password provided in a separately email;** and
- **double-check** people's names, contact details, email addresses, mailing addresses and telephone numbers!

## Role of the complaints function

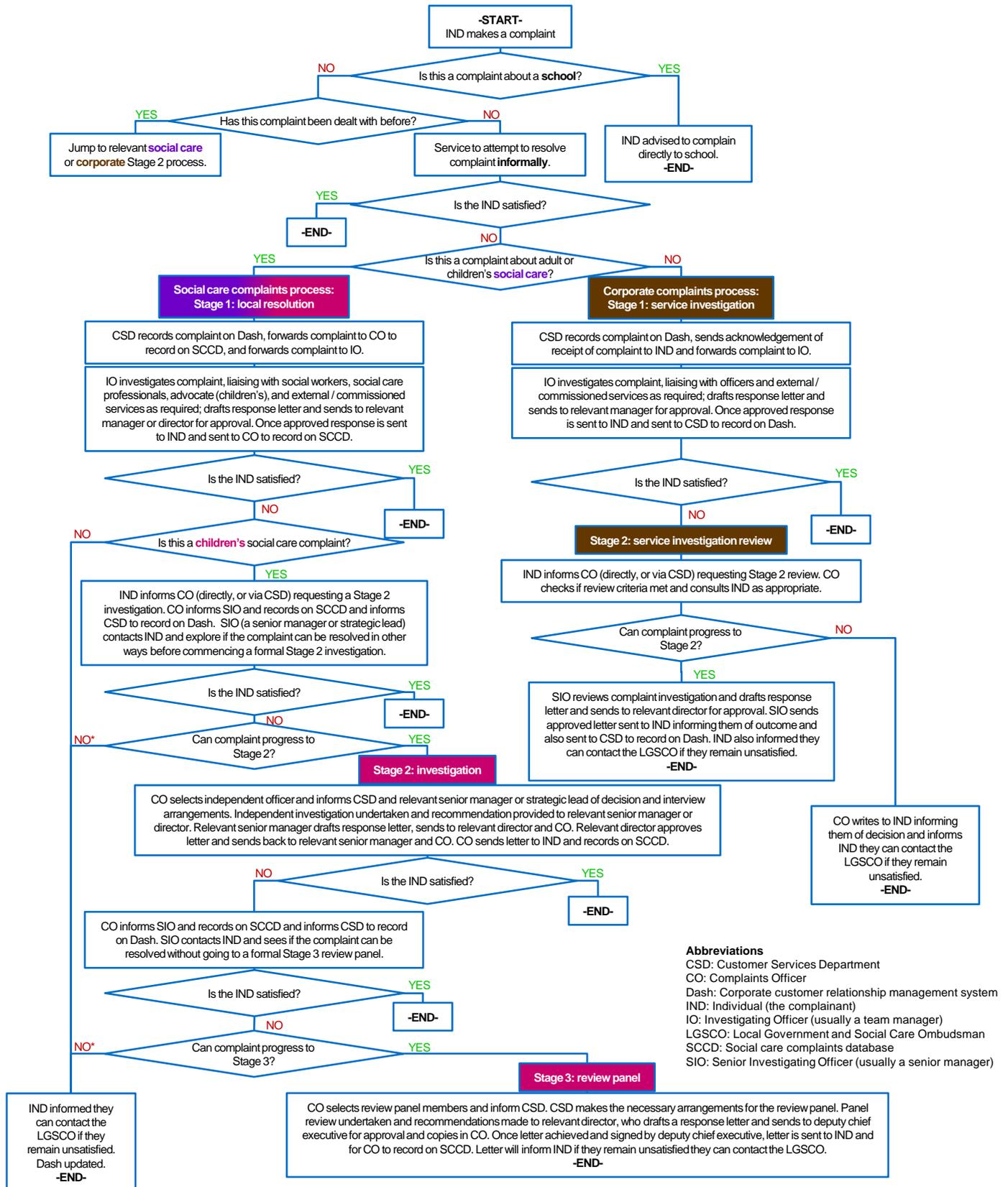
The following outline sets out what the Council's complaints function in the Insight Team do in relation to the day-to-day handling of complaints:



In addition, the function also:

- manages the 3Cs Info Hub, a one stop shop on the intranet;
- regularly meet with managers across social care and advocacy services to provide progress updates and discuss cases;
- appoints independent investigators and facilitate service investigations and reviews, in conjunction with children's services and commissioning;
- provides regular reports and statistics on complaint numbers, timescales and key messages to senior management; and
- produce annual reports.

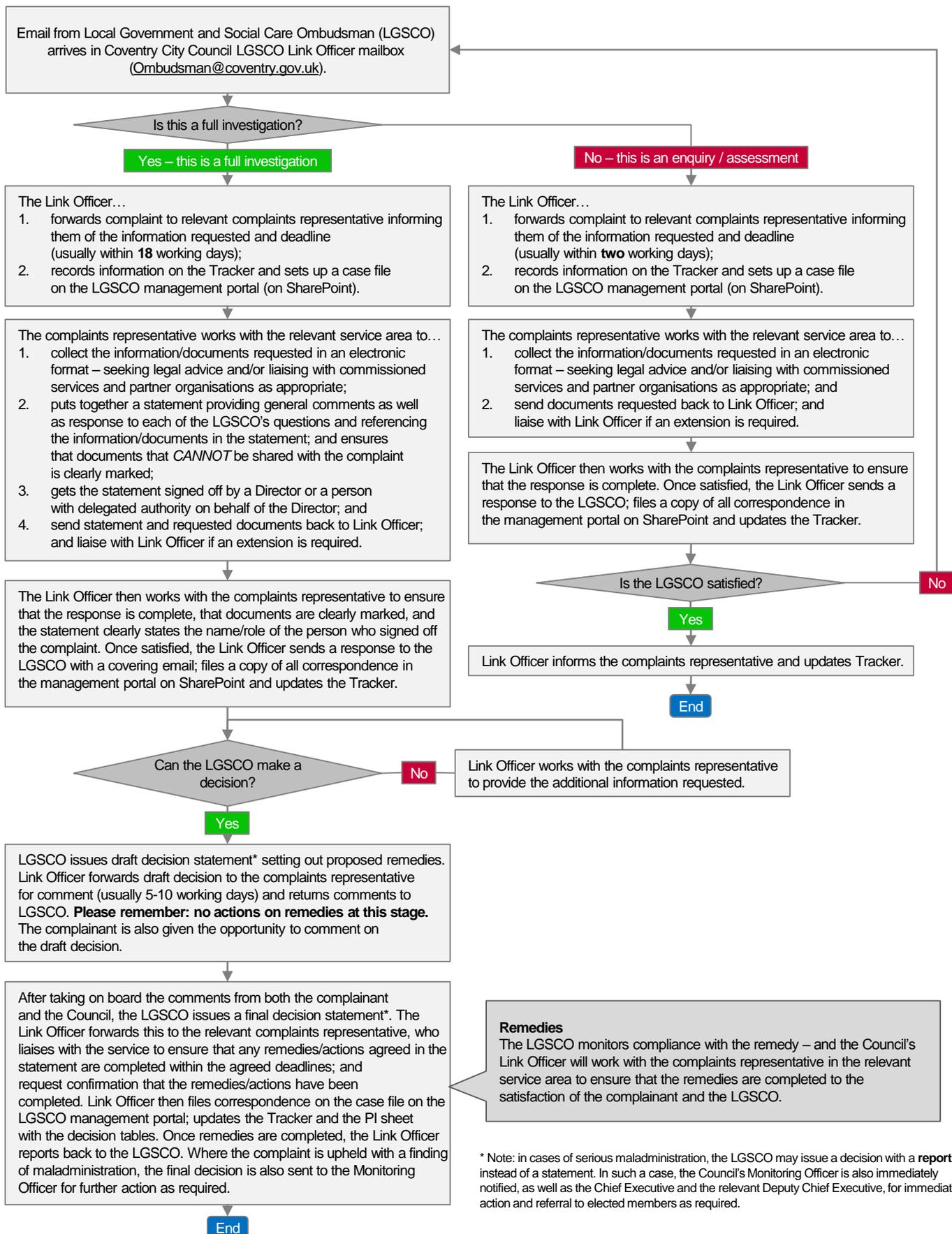
# People Directorate and social care complaints process flowchart



## Local Government and Social Care Ombudsman process complaints guidance

Stage	Notes
Enquiry / assessment	The request will have a short deadline of between <b>1 to 3 working days</b> . At this stage, the LGSCO will ask the Council for a copy of its formal complaint responses; and confirmation that the complaint has fully completed the Council's complaints process. The request will not include any new actions and should be returned to the Link Officer by the date specified.
Premature	If a complaint has not completed the Council's own complaints process, the LGSCO will return the complaint as a "premature" complaint for consideration under the Council's complaints process. It is important to remind complainant of their right to complain again to the LGSCO when they exhaust the Council's complaints process. Following completion of the complaints process (whether it is resolved or not), a copy of the final response should be sent to the Link Officer.
Investigation	The Link Officer will send a covering email requesting a written response to the LGSCO's questions. This needs to be returned by a set deadline, usually within <b>18 working days</b> , so that the deadline (within 20 working days) can be met. The response must be provided as a <b>statement</b> , providing general comments as well as responses to each of the questions. It must also include the name and role of the author, and be <b>signed off by the Director</b> or a nominated person. Any supporting evidence must be provided as electronic attachments and referenced in the statement. Any information that cannot be shared with the complainant should be clearly marked and packaged separately. It may be necessary to seek legal advice and/or liaise with commissioned services and partner organisations as appropriate. The Link Officer needs confirmation that this has been done (in the form of an email trail). If the LGSCO investigator has asked us to consider whether we are prepared to remedy any injustice that may have been caused – we should comment on this as this is an opportunity for us to resolve the issue.
Draft decision	Following the investigation, the LGSCO will typically issue a draft decision <b>statement</b> . This will state whether the complaint was <b>upheld</b> or not, and detail the investigator's findings and explains the decision made. At this stage, the Council is asked whether it agrees with the decision and remedy. This is an opportunity to comment on the decision, and suggest any changes or corrections. At this stage, remedial actions must <b>not</b> be taken yet – remedies should only be completed after the final decision. We are usually requested to respond within <b>5-10 working days</b> . <i>Note: the investigator may choose to issue a decision as a <b>report</b> (under Section 30(1) of the Local Government Act 1974) in which case the Council's Monitoring Officer is notified.</i>
Final decision	The final decision letter and statement should be circulated, as appropriate, to everyone who was involved in the investigation and everyone who needs to know of the investigation outcomes. Action on remedies should now be completed. In cases where the LGSCO makes a finding of <b>maladministration</b> , the final decision letter and statement is also forwarded by the Link Officer to the Monitoring Officer. The Monitoring Officer will decide if any further action is required.
Remedy	The LGSCO aims to remedy personal injustice when its investigations reveal there has been fault. Remedies are not intended to be punitive and are not just about money: the remedies also look into the root causes and recommend improvements to systems when they haven't worked properly, so that others do not suffer the same problems in future. The LGSCO monitors compliance with the remedy – and the Link Officer will work with the complaints representative in the relevant service area to ensure that the remedies are completed to the satisfaction of the complainant and the LGSCO. Confirmation and evidence that all actions required, as per the final decision letter and statement. This can be as soon as within <b>5-10 working days</b> ; or longer for more complex issues.

# Local Government and Social Care Ombudsman process flowchart



**Remedies**  
The LGSCO monitors compliance with the remedy – and the Council's Link Officer will work with the complaints representative in the relevant service area to ensure that the remedies are completed to the satisfaction of the complainant and the LGSCO.

\* Note: in cases of serious maladministration, the LGSCO may issue a decision with a **report** instead of a statement. In such a case, the Council's Monitoring Officer is also immediately notified, as well as the Chief Executive and the relevant Deputy Chief Executive, for immediate action and referral to elected members as required.

## Version control

### Document Location

Published location: <https://smarturl.it/cov-complaints-guide>

SharePoint: [https://coventrycc.sharepoint.com/teams/ChiefExec/PublicHealth/Insight/Documents/Complaints handling guidance 2018.docx](https://coventrycc.sharepoint.com/teams/ChiefExec/PublicHealth/Insight/Documents/Complaints%20handling%20guidance%202018.docx)

### Reviewing arrangements

This guidance is reviewed annually with the annual complaints report.

### Revision History

Revision date	Summary of Changes
13/09/2018	3.1 Integrated guidance, combining previously separate complaints handling guidance for the Local Government and Social Care Ombudsman and People Directorate and social care into one document.



### Appendix III – Decisions in 2017/18 (detailed investigations carried out)

Directorate/division	Decisions upheld (20)	Monetary settlement
<b>People (6 upheld complaints)</b>		
<b>Adult social care</b>  1 complaint upheld	<ul style="list-style-type: none"> <li>• There was some confusion by officers over the need to get a formal report from the Coroner on his investigation into Mrs A's death. This prolonged the Council's safeguarding investigation unnecessarily</li> <li>- The Ombudsman recommended that the Council apologise and ensure the relevant officers receive training in the role of the Coroner. (Remedy completed -apology sent and the training has been completed)</li> </ul>	
<b>Children's services</b>  3 complaints upheld	<ul style="list-style-type: none"> <li>• Miss B made several complaints about the Council's Children's Services and its involvement with her children.</li> <li>- The Ombudsman found the Council was not at fault in the actions it took during its social work involvement with Miss B's children. There was also no fault in the actions taken during the stage 2 investigation into Miss B's complaint. However, there was fault in how long it took the Council to complete the statutory complaints procedure. The Council agreed to apologise to Miss B for the delay and pay her £100 to remedy injustice. (Remedy completed -apology sent and £100 paid)</li> </ul>	£100
	<ul style="list-style-type: none"> <li>• Ms C complained she was not given support by Council which resulted in her children being removed from her care. She also complained that she was harassed by the Council following a court case that confirmed that the children should be returned home and the referral form sent when she moved into a new council area was flawed.</li> <li>- The Ombudsman only investigated what happened after the court case and found fault Ms C should not have been asked to account for the bruising and a file note should also note that a reference to threatening with bleach is not based on clear evidence so should not have been included. The Council agreed to apologise, amend the file notes and write to the other council explain this error and ask it to amend the records accordingly. (All actions in remedy have been completed)</li> </ul>	
	<ul style="list-style-type: none"> <li>• The complainant made several complaints regarding the Council's response to his concerns regarding his daughter.</li> <li>- The Ombudsman found there were delays with the complaint process at Stage 2. However, the Ombudsman found no other fault in the Council's response to his complaint. (Remedy completed – apology sent and complaint team and staff were reminded)</li> </ul>	

Directorate/division	Decisions upheld (20)	Monetary settlement
<b>People (6 upheld complaints)</b>		
	about the need to respond fully to requests for information about possible support sources. Good practice would have been to send an email with contact details and links to the various support organisations)	
<b>Education</b>  1 complaint upheld	<ul style="list-style-type: none"> <li>• Mr and Mrs D complained about the Council's decision to refuse transport to and from school for their daughter. They were also unhappy with how the Council had handled their complaint. They said it did not respond to emails and phone calls and there were delays in it sending the final Education, Health and Care Plan (EHCP).</li> <li>- The Ombudsman found there was fault with how the Council had dealt with Mr and Mrs D's daughter's EHCP and school transport application. The Council accepted there were delays and apologised, offered compensation (which was declined) and agreed to involve the complainants in the designing of an online guide about school transport. (Remedy completed -apology sent and Mr &amp; Mrs D invited to be involved in designing online guide about school transport).</li> </ul>	
<b>Housing</b>  1 complaint upheld	<ul style="list-style-type: none"> <li>• The complainant Mr E complained a Housing Company acting on behalf of the Council unfairly withdrew one offer of housing and skipped his successful bid for other properties.</li> <li>- The Ombudsman found the Council's housing partner failed to follow the allocation policy and tell the complainant it had skipped successful bids from him. The complaint and his family missed out on suitable housing for eighteen months. Agreed action was an apology to Mr E and his family, to make him a direct offer of suitable accommodation, pay £2,250 for the unnecessary time he and his family had spent in unsuitable accommodation since 2016. This was 18 months at £125 a month; and if the Council fails to make Mr E an offer of suitable accommodation within a month it should pay him £125 for every additional month until it makes a suitable offer, pay Mr E £250 for his time and trouble and the delay in responding to him, ensure all the partners abide by the Coventry Homefinder policy and tell the Ombudsman how it will achieve this, confirm in the future that the Council will make partners aware of an Ombudsman complaint when the partner has provided the service on behalf of the Council and tell the Ombudsman how the Council will improve communications with its partners when dealing with and responding to complaints. (All remedy completed and payments made; Homefinder policy to be reviewed.)</li> </ul>	£2,625 £250
<b>People total</b>		<b>£2,975</b>

Directorate/division	Decisions upheld (20)	Monetary settlement
<b>Place (14 upheld complaints)</b>		
<b>Bereavement services</b>  1 complaint upheld with no further action	<ul style="list-style-type: none"> <li>• Ms F complained the Council failed to carry out the family's wishes in relation to a cremation; she complained the remedy offered by the Council placed an unacceptable financial burden on the family.</li> <li>- The Ombudsman did not complete a full investigate into this complaint because the Council offered a fair and proportionate response. (Council had apologised and offered a range of memorials as a goodwill gesture – complainant chose a memorial tree with a plaque and Ombudsman agreed it was a fair remedy that Ms F would not have to pay for the first lease but she would need to renew the lease after 20 years or move the plaque to another location)</li> </ul>	
<b>Commercial property</b>  1 complaint upheld	<ul style="list-style-type: none"> <li>• Mr G complained the Council acted unfairly and unreasonably in the closing stage of a negotiation on a renewed lease of a commercial property owned by the Council.</li> <li>- The Ombudsman found there was evidence of lack of clarity and ambiguity in the Council's handling of the sub-lease. This caused Mr G avoidable frustration and distress. Recommend actions to apologise in writing for lack of clarity and poor communications regarding sub-lease and make an acknowledgement payment for frustration and distress that is to write off Mr G's rent arrears for the period 25 November 2016 to 6 January 2017. (Remedy completed apology sent £3,367.73 of rent arrears was written off)</li> </ul>	£3,367 <sup>73</sup>
<b>Council tax</b>  1 complaint upheld	<ul style="list-style-type: none"> <li>• Mrs F complained the Council failed to provide appropriate information to her about council tax liability for a property she and her husband were left by a relative. The Council then presented a large bill for council tax in October 2016 backdated to 2014 which she complained was unreasonable.</li> <li>- The Ombudsman found there was fault in the way the council dealt with council tax billing and recommended the Council should pay £250 to recognise the time, trouble and inconvenience the complainant was put to because of the Council's mistake.</li> <li>- (Remedy completed £250 paid)</li> </ul>	£250

Directorate/division	Decisions upheld (20)	Monetary settlement
<b>Place (14 upheld complaints)</b>		
<b>Waste services</b>  11 complaints upheld (including 3 assisted collections)	<ul style="list-style-type: none"> <li>• Mr G complained the Council failed to properly collect his refuse from December 2016 to March 2017</li> <li>- The Ombudsman found the Council had not identified any reason for the failed collections and was concerned that collections were missed nearly every week. The Council's monitoring also appeared to have failed to prevent the problem continuing. Mr G had to report further missed collections and he has had to take his own refuse to the waste collection site. The Ombudsman recommended and the Council agreed to pay Mr G £50 and monitor his collection for 6 weeks. (Remedy- Monitoring completed and payment made)</li> <li>• Ms H complained the Council had failed to collect her refuse properly for 6 months. When she reported it the Council often failed to collect until the next collection day.</li> <li>- The Ombudsman found fault by the Council because it had not collected Ms H's refuse regularly. The Council agreed to monitor her collection for 6 weeks. (Remedy-Monitoring completed)</li> <li>• The Ombudsman found the Council was at fault when it failed to collect the refuse from Mr I's home address and the Stage 2 response to the complaint was inadequate.</li> <li>- The Council agreed to write an apology, give an update about reinstating the double yellow lines close to the complainant's home and monitor the collection for the next 6 months to ensure weekly collections are taking place. (Remedy- apology sent, yellow lines have been reinstated and collections monitored for 6 months)</li> <li>• Mrs J received assisted collections in November she complained to the Ombudsman as the Council had failed to collect her refuse properly.</li> <li>- While investigating the issues the complainant reported early December that there was no improvement. Late January the complainant reported that there had been no problems since Christmas 2017. The Ombudsman completed his investigation as the earlier faults had been resolved. (No Remedy – after the final decision we did miss Mrs J collection again)</li> <li>• Ms K complained the Council failed to complete her assisted waste collection for over a month. She was assured the service would be monitored but still further collections were missed.</li> <li>- The Ombudsman found fault and completed his investigation when the Council agreed to pay Ms K £50 in recognition of the inconvenience caused to her by the missed collections. The Council also agreed to monitor Ms K's assisted collections for</li> </ul>	<p style="text-align: center;">£50</p> <p style="text-align: right;">£50</p>

Directorate/division	Decisions upheld (20)	Monetary settlement
<b>Place (14 upheld complaints)</b>		
	<p>6 weeks and send evidence of this monitoring to the investigator. (Remedy – payment made and monitoring completed)</p> <ul style="list-style-type: none"> <li>• Mr L complained the Council failed to collect his refuse and did not deal properly with his complaint about the matter.</li> <li>- The Ombudsman found the Council at fault on both points. The Council agreed with the Ombudsman’s recommendations to take steps to improve the refuse collection and its complaint handling and to pay Mr L £100. (Remedy – established a record of all missed collections in Mr L’s road, found issue with parked cars as near station, adapted rounds to ensure collections are undertaken as early as possible during the working day, reviewed complaint handling and made the payment to complainant).</li> <li>• Mr M complained the Council repeatedly failed to collect his garden waste, which continued throughout the Ombudsman’s investigation.</li> <li>- The Ombudsman found there had been repeated fault. The Council compounded the fault by still failing to provide a reliable service, even after claiming to have acted to rectify the problem. (Remedy – the Council agreed 5 actions but failed to complete part of one off the actions. The Council apologised, made the agreed payment of £100 to recognise the injustice, put a system in place to ensure Mr M’s garden waste is collected and reviewed what went wrong in this case to see if there were any broader lessons to be learnt. The Council failed to provide photographic evidence that the next five collections were completed – it only provided photographic evidence for the first 2 collections. A supervisor had to be present at the collection – for us to provide photographic evidence. This was not considered when we agreed the remedy)</li> <li>• Mr N complained about persistent missed bin collections.</li> <li>- The Ombudsman found there was some fault by the Council when it missed bin collections and it failed to keep appropriate records. (Remedy – apologised for the inconvenience and frustration caused by the missed bin collections, monitored next 3 months collections in Mr N’s road and set up new process for monitoring missed collections.</li> <li>• Miss O complained the Council repeatedly failed to collect her waste.</li> <li>- The Ombudsman found the Council was at fault for failing to collect the refuse as arranged about seven times. He closed investigation as the problem seemed to be resolved and considered steps the Council had taken and its apology to Miss O for</li> </ul>	<p>£100</p> <p>£100</p>

Directorate/division	Decisions upheld (20)	Monetary settlement
<b>Place (14 upheld complaints)</b>		
	<p>the inconvenience had remedied matters adequately. (No Remedy – action already taken)</p> <ul style="list-style-type: none"> <li>• Mr P complained the Council regularly failed to collect his household waste from his new build property</li> <li>- The Ombudsman found the Council had incomplete records of its bin collection service and should have arranged organised ‘pull locations’ sooner in response to the complainants concerns. (Remedy – apology sent and the record keeping system reviewed for missed collections). Complainant has reported that his collections are still being missed – we have reminded complainant where to present his bin and have monitored his collections.</li> <li>• Mrs Q complained on behalf of her father Mr R about missed assisted bin collections over an extended period.</li> <li>- The Ombudsman found the issues Mr R was experiencing pre-dated the waste collection system changes in September and continued after the changes. The missed collections were being reported but not logged. (Remedy – Apologised to Mrs Q and Mr R, paid Mr R £100 to reflect distress and time and trouble the faults had caused him, a supervisor monitored the next 5 collections of waste and Mrs Q was given the contact details of a senior office in case she experiences further problems with collections.</li> </ul>	£100
<b>Place total</b>		<b>£4,017.73</b>

Directorate/division	Decisions not upheld (6)
<b>People – not upheld (2 complaint)</b>	
<b>Housing</b>  2 complaints not upheld	<ul style="list-style-type: none"> <li>No fault was found in the way the Council considered Ms S &amp; Mr T’s application for housing priority based on health difficulties.</li> <li>No evidence of fault was found in the way the Council handled Ms U’s request for priority need for housing on medical grounds. However the Ombudsman recommended that the Council’s housing panel consider Ms U’s circumstances to see if any exception should be made to allow her to bid for accommodation more suitable for her needs. The Council agreed to do so.</li> </ul>
<b>Place – not upheld (4 complaints)</b>	
<b>Planning - flood management</b>  1 complaint not upheld	<ul style="list-style-type: none"> <li>No evidence of fault by the Council was found in how it considered the issue of flooding in the area near the complainant’s home. The Ombudsman did find that the Council had not recently updated local residents on the progress and recommended that the Council write to residents advising them of what works have been carried out and a timescale for the future actions it had outlined in the response to the Ombudsman enquiries. (The Council agreed with this recommendation and issued an update to the relevant residents)</li> </ul>
<b>Planning</b>  1 complaint not upheld	<ul style="list-style-type: none"> <li>The Ombudsman found there was no fault in the way the Council considered the retrospective application by the complainants neighbour for a conservatory as a non-material amendment.</li> </ul>
<b>Waste services</b>  2 complaints not upheld	<ul style="list-style-type: none"> <li>The Ombudsman found the Council was not at fault in missing collecting Mr V’s refuse on a number of occasions as this was caused by parked vehicles blocking access to Mr V’s road. The Ombudsman completed his investigation as the Council took action to deal with the problem of vehicles blocking access and intends to install double yellow line, which is the outcome Mr V was seeking.</li> <li>Mr W complained the Council was failing to collect his refuse- during the investigation the complaint asked the Ombudsman not to pursue his complaint as the refuse collection service had improved and because he intends to move house. The Ombudsman discontinued his investigation.</li> </ul>

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