



Audit and Procurement Committee

Time and Date

3.00 pm on Monday, 30th November 2020

Place

This meeting will be held remotely. The meeting can be viewed live by pasting this link into your browser: <https://youtu.be/6Ochz8nRnHQ>

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 3 - 10)
To agree the minutes of the meeting held on 19th October 2020
4. **Exclusion of Press and Public**
To consider whether to exclude the press and public for the private item of business for the reasons shown in the report.
5. **Outstanding Issues** (Pages 11 - 16)
Report of the Director of Law and Governance
6. **Work Programme 2020/21** (Pages 17 - 18)
Report of the Director of Law and Governance
7. **2020/21 Second Quarter Financial Monitoring Report (to September 2020)**
(Pages 19 - 46)
Report of the Director of Finance
8. **Internal Audit Plan 2020-2021** (Pages 47 - 54)
Report of the Director of Finance
9. **Audit and Procurement Committee Annual Report to Council 2019-2020**
(Pages 55 - 60)
Report of the Chair of Audit and Procurement Committee

10. **Complaints to the Local Government and Social Care Ombudsman 2019-20** (Pages 61 - 96)

Report of the Deputy Chief Executive

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

12. **Procurement and Commissioning Progress Report** (Pages 97 - 120)

Report of the Director of Housing and Transformation

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

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

Julie Newman, Director of Law and Governance, Council House, Coventry

Friday, 20 November 2020

Note: The person to contact about the agenda and documents for this meeting is Lara Knight / Michelle Salmon, Governance Services, Tel: 024 7697 2642 / 2643, Email: lara.knight@coventry.gov.uk / michelle.salmon@coventry.gov.uk

Membership:

Councillors M Ali, J Blundell, R Lakha (Chair), T Sawdon, B Singh (Deputy Chair) and R Singh

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 3.00 pm
on Monday, 19 October 2020

Present:

Members: Councillor R Lakha (Chair)
Councillor M Ali
Councillor J Blundell
Councillor T Sawdon
Councillor B Singh
Councillor R Singh

Other Members Present: Councillor R Ali
Councillor R Brown, Cabinet Member for Strategic Finance
and Resources

Employees (by Directorate):

D Blackburn, Streetscene and Regulatory Services
S Elliot, Law and Governance
B Hastie, Director of Finance and Corporate Resources
P Jennings, Finance and Corporate Resources
K Tyler, Finance and Corporate Resources
C Sinclair, Law and Governance

In attendance: M Stocks (Grant Thornton)

Public Business

1. Declarations of Interest

There were no declarations of interest.

2. Minutes

The minutes of the meeting held on 16 March 2020 were agreed as a true record.

3. 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 two private reports in Minutes 12 and 13 below headed 'Consideration of Approval of Severance Package (1) and (2)', on the grounds that the reports involve the likely disclosure of information defined in Paragraphs 1, 2 and 3 of Schedule 12A of the Act, as they contained 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.

4. **Outstanding Issues**

The Committee considered a report of the Director of Law and Governance which 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 issues where a report back had been requested to a meeting, along with the anticipated date for consideration of the matter. Appendix 2 to the report provided details of items where information had been requested outside formal meetings, along with the date when this had been completed.

RESOLVED that the Outstanding Issues report be noted.

5. **Work Programme 2020/2021**

The Committee considered a report of the Director of Law and Governance, which set out the Work Programme of scheduled issues to be considered by the Committee during the 2020/21 municipal year.

RESOLVED that the Work Programme for 2020/21 be noted.

6. **Internal Audit Annual Report 2019-2020**

The Committee considered a report of the Director of Finance and Corporate Services, which summarised the Council's Internal Audit activity for the period April 2019 to March 2020 against the agreed Audit Plan for 2019/20 and the Public Sector Internal Audit Standards. The report also provided the Committee with the Chief Internal Auditor's opinion on the overall adequacy and effectiveness of the Council's internal control environment for the 2019/20 financial year.

The key target for the Internal Audit and Risk Service was to complete 90% of its agreed work plan by the 31st March 2020. During 2019-20, the audit plan was subject to revision due to unplanned absence in the Team / implementation of the restructure, which the Audit and Procurement Committee were previously advised of. As a result, the performance of the Service has been assessed against the revised audit plan of 440 days. As illustrated by the chart overleaf, the service delivered 89% of this plan.

Whilst it was recognised that the performance was slightly below target, this was solely due to the impact of Covid-19 in March 2020 which led to delays in finalising two draft audit reports by the 31st March 2020 (both reports had since been agreed.) In respect of the other remaining four audits which formed part of the 2019-20 audit plan and which were not completed by the end of March 2020, two had now been finalised and two have been postponed due the pandemic (and would be rescheduled as appropriate.)

In addition to the delivery of the Plan, the Service had a number of other key performance indicators (KPIs) which underpinned its delivery. These KPIs were aimed at ensuring that the audit process was completed on a timely basis.

In the Chief Internal Auditor's view, sufficient assurance work had been carried out to allow her to form a reasonable conclusion on the adequacy and effectiveness of Coventry City Council's internal control environment. Whilst there had been some impact on the total number of individual audits carried out in 2019-20 as a result of the revised audit plan of 440 days (in comparison to 480 days in 2018-19), sufficient assurance work across the areas which are key to forming the annual audit opinion (i.e. audits of key financial systems, reviews linked to the management of corporate risks and follow up reviews) had been carried out.

It is the Chief Internal Auditor's opinion that moderate assurance can be provided that there is generally a sound system of internal control in place designed to meet the Council's objectives. This means that there is generally an appropriate level of control for managing the majority of the significant inherent risks to the Council's objectives to a reasonable level. Through Internal Audit work, actions are agreed to improve the control environment and assist the Council in achieving its objectives. A defined process exists within the Service to gain assurance that all actions agreed had been implemented on a timely basis.

In giving this opinion, assurance can never be absolute as the system of internal control is designed to manage risk to a reasonable level. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness.

In undertaking the assessment of the Council's internal control environment, the Chief Internal Auditor has identified a number of areas that, in her opinion, needed to be considered when the Council produces its Annual Governance Statement for 2019-20.

From a general point of view, whilst any audit where '*limited*' or '*no*' assurance was provided required attention, an assessment is also made as to whether the review has a significant corporate impact and consequently needs to be considered in the producing the Annual Governance Statement, or whether the review was limited to specific working practices in service areas which did not have a wider bearing on the Council's control environment. The following key issues were highlighted: Health and Safety Audit Programme and IT disaster recovery.

Arising from discussion at the meeting, the Committee asked for further information on the progress of recommendations made in respect of the audit of IT Disaster Recovery. It was confirmed that when the formal follow-up review of this audit was undertaken, the findings would be reported back to the Committee.

RESOLVED that the Committee note:

- 1. The performance of Internal Audit against the Audit Plan for 2019-20.**
- 2. The results of the Quality Assurance and Improvement Programme and the Chief Internal Auditor's statement on conformance with the Public Sector Internal Audit Standards.**
- 3. The summary findings of key audit reviews (attached at appendix two) that have not already been reported to Audit and Procurement**

Committee during municipal year 2019-20 and which are relevant to the opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment.

4. The opinion of the Chief Internal Auditor on the overall adequacy and effectiveness of Coventry City Council's internal control environment.

7. Annual Governance Statement 2019-2020

The Committee considered a report of the Director of Finance and Corporate Services, which sought approval of the Annual Governance Statement, which forms part of the Statement of Accounts for 2019-20.

Coventry City Council was responsible for ensuring that its business was conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this responsibility, the City Council was responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To demonstrate such arrangements, the City Council had adopted a Code of Corporate Governance, which was consistent with the principles reflected in the CIPFA/SOLACE framework and guidance 'Delivering Good Governance in Local Government' (2016).

The Annual Governance Statement ('AGS') explained how Coventry City Council had complied with the Code and in doing so, reflected the requirements of the Accounts and Audit Regulations 2015, which required all relevant bodies to prepare an Annual Governance Statement. The AGS also detailed key governance/control issues that the Council faced in the coming year.

As a result of the pandemic, the statutory date for the production of the draft Statement of Accounts and AGS for 2019-20 was delayed until the 31st August 2020. However, the Council had endeavoured to maintain business as usual in relation to this activity and worked in advance of this deadline. Notwithstanding this, the impact of the pandemic clearly created challenges in the Council's approach to producing the AGS at this time, both in undertaking the review of effectiveness and the ability to meaningfully identify the key governance issues for 2020-21. Consequently, an interim version was initially published in May 2020, with a clear intention that it would be updated further, in order for gaps in process to be addressed. It was also important that the Statement was current at the time of final publication, so this approach has allowed the Council to keep the Statement up to date in the intervening period, where there had clearly been much uncertainty and emerging actions/issues which need to be considered. The Statement presented to the Audit and Procurement Committee as part of this report was the final version of the AGS for 2019-20.

RESOLVED that the Committee approve the Annual Governance Statement (attached at Appendix One of the report), which accompanied the 2019-20 Statement of Accounts.

8. Revenue and Capital Outturn 2019/2020

Further to Minute 24 of the Council, the Committee considered a report of the Director of Finance that outlined the final revenue and capital outturn position for 2019/2020 and reviewed treasury management activity and 2019/2020 Prudential Indicators reported under the Prudential Code for Capital Finance.

The overall financial position included the following headline items:

- A balanced revenue position after a recommended £5.5m is set aside in reserves for the Council's reset and recovery following the Covid-19 outbreak.
- Capital Programme expenditure of £216m which represents the largest programme in the modern era.
- An increase in the level of Council revenue reserves from £82m to £90m including the Covid funding and the net underspend contribution.

Further detail included:

- A revenue overspend of £3.4m relating to housing and homelessness as a result of demand for temporary accommodation and the associated costs not recoverable from Housing Benefit.
- A revenue overspend of £2.5m across services for children and young people driven principally by the number and cost of children's placements.
- A net underspend across the rest of the Council and in particular a £12m position within central budgets resulting overwhelmingly from one-off circumstances.
- Identified expenditure and income loss related to the Covid-19 situation in March 2020 of £2.85m funded by Government emergency funding provided for this purpose.
- Receipt of overall Covid-19 funding of £10.4m of which £7.55m is proposed be set aside to deal with Covid costs in 2020/21.

The underlying revenue position had improved by £3.6m since Quarter 3 when an underspend of £1.9 was forecast. In particular, the overall underspend and the improved position related to improvements within Contingency and Central budgets which were set out in the report. In overall terms the favourable outturn position shown must be put in the context of the Covid-19 crisis. The human and public health impacts of this have been widely reported and some of these could be expected to continue for the foreseeable future. Councils had been assessing the estimated additional costs and lost income that had already been incurred or were expected and this task was essential to inform the Government's pledge to ensure that such costs were fully funded.

Given the huge uncertainties, it was difficult to provide robust estimates of the forward looking financial impact on the Council although even with optimistic forecasts of the lifting of restrictions, the overall cost could exceed £30m. Notwithstanding early Government commitments, there had been subsequent indications that councils may be expected to 'share the burden' of these costs. On this basis it was important that the Council continued to maintain a strong financial position to protect itself from what could be a very challenging financial environment which would certainly be felt well beyond financial year 2020/21. The recommended proposals put forward through the Director of Finance, the Council's Section 151 officer, were reflected in the report recommendations and

explained in section 5.1 of the report. Appendices to the report provided a detailed breakdown of Directorate Revenue Variations, Capital Programme Changes, Analysis of Rescheduling and Prudential Indicators.

RESOLVED that the content of the report be noted.

9. 2020/21 First Quarter Financial Monitoring Report (to June 2020)

The Committee considered a report of the Director of Finance which set out the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of June 2020. The headline revenue forecast for 2020/21 was for net expenditure to be £28.2m over budget before the application of COVID-19 emergency funding for local government. After the use of this grant, the net over-spend was **£6.7m**. The Government had indicated that further funding would be available to compensate councils for the loss of income as a result of Covid which would improve this overall position. At the same point in 2019/20 there was a projected underspend of £0.6m.

Excluding the effects of Covid there were overspends in excess of £1m in each of Children's and Young People, Streetscene and Regulatory, and Highways and Transportation.

Early forecasts indicated that the Council's capital spending was projected to be £271.8m and included major scheme expenditure which ranged from investment in to the A46 Link Road, Coventry Station Masterplan, Whitley South infrastructure, Public Realm, Secondary Schools expansion and the National Battery Plant. This level of expenditure, if achieved, would exceed that reported in 2019/20

RESOLVED that the content of the report be noted.

10. Annual Compliance Report - Regulatory & Investigatory Powers Act (RIPA) 2019

The Committee considered a report of the Director of Streetscene and Regulatory Services which reported on the Council's use of the Regulation of Investigatory Powers Act 2000 (RIPA), which governed the acquisition and disclosure of communications data and the use of covert surveillance by local authorities.

The report indicated that the Council used powers under RIPA to support its core functions for the purpose of prevention and detection of crime where an offence may be punishable by a custodial sentence of 6 months or more or were related to the underage sale of alcohol and tobacco. There were three processes available to local authorities under RIPA: the acquisition and disclosure of communications data; directed surveillance; and covert human intelligence sources ("CHIS").

The Act set out the procedures that the Council must follow if it wished to use directed surveillance techniques or acquire communications data in order to support core function activities (e.g. typically those undertaken by Trading Standards and Environmental Health). The information obtained as a result of such operations can later be relied upon in court proceedings providing RIPA was complied with.

The Home Office Code for Covert Surveillance and Property Interference recommended that elected members, whilst not involved in making decisions or specific authorisations for the local authority to use its powers under Part II of the Act, should review the Council's use of the legislation and provide approval to its policies. The Council adopted this approach for oversight of the authority's use of Parts I and II of the Act.

RESOLVED that the Committee note the Council's use and compliance with RIPA.

11. **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.

12. **Consideration of Approval of Severance Package (1)**

The Audit and Procurement Committee considered a report of the Director of Streetscene and Regulatory Services which sought approval of a severance package for an employee.

Part 2I of the Council's constitution requires that any severance package for an employee of the Council of £100,000 or over should be determined by the Audit and Procurement Committee. When calculating the value of an exit package, the authority should calculate and include the costs to the authority as well as payments/benefits to the employee.

RESOLVED that the Committee approve the severance payment as calculated.

13. **Consideration of Approval of Severance Package (2)**

The Audit and Procurement Committee considered a report of the Director of Streetscene and Regulatory Services which sought approval of a severance package for an employee.

Part 2I of the Council's constitution requires that any severance package for an employee of the Council of £100,000 or over should be determined by the Audit and Procurement Committee. When calculating the value of an exit package, the authority should calculate and include the costs to the authority as well as payments/benefits to the employee.

RESOLVED that the Committee approve the severance payment as calculated.

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

Further to Minute 23 of the City Council in respect of changes to the Committee's Terms of Reference regarding limits on exit packages, the Committee agreed that they would wish to retain an oversight of this issue and resolved to receive an annual update on this matter.

RESOLVED the Committee receive an annual report on severance packages.

(Meeting closed at 4.20 pm)

Audit and Procurement Committee

30th November 2020

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor R Brown

Director approving submission of the report:

Director of Law and Governance

Ward(s) affected:

N/A

Title:

Outstanding Issues

Is this a key decision?

No

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 to the report, and to ask the Director 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 to the report, 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?

No

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 25th January 2017, the Audit and Procurement Committee requested that, in addition to further reports being incorporated into the Committee's Work Programme, a report be submitted to each meeting detailing those additional reports requested to a future meeting along with details of additional information requested outside 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 to the report sets out items where additional information was requested outside 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:

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Governance Services Co-ordinator

Service:

Law and Governance

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Contributor/approver name	Title	Service	Date doc sent out	Date response received or approved
Contributors:				
-				
Names of approvers: (Officers and Members)				
-				

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Appendix 1

Further Reports Requested to Future Meetings

	Subject	Minute Reference and Date Originally Considered	Date for Further Consideration	Responsible Officer	Proposed Amendment to Date for Consideration	Reason for Request to Delay Submission of Report
1.	Corporate Risk Register Update The Committee's suggestion that consideration be given to Risk 020 relating to Brexit being rated as red and a report be prepared for Committee in due course.	Minute 54/19 27 January 2020	To be confirmed	Paul Jennings		
2	Further information requested on the progress of recommendations made in respect of the audit of IT Disaster Recovery.	Minute 6/20 19 October 2020	When the formal follow review of the audit is undertaken, the findings be reported to Committee	Karen Tyler		
3	In-light of changes to rules regarding limits on exit packages, it is requested that the Committee receive an annual update report on severance packages.	Minute 14/20 19 October 2020	Report to Committee on an annual basis	Barry Hastie		

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

Appendix 2

Information/Action Requested Outside Meeting

	Subject	Minute Reference and Date Originally Considered	Information Requested / Action Required	Responsible Officer	Date Completed
1.	Procurement and Commissioning Progress Report – Future Reporting Arrangements	Minute 22/18 16 th July 2018 and Minute 45/19 11 th November 2019	Discussion be held with the Chair of the Committee to determine the most appropriate format and submission of future reports. To include clarity of the role of the Committee in considering the reports.	Karen Tyler/ Mick Burns	Ongoing
2.	Corporate Risk Register Update	Minute 54/19 27 th January 2020	1) Members be provided with a copy of the current risk matrix rationale. 2) A position statement be circulated setting out the current situation in relation to the Council and Brexit preparations.	Roger Martin Paul Jennings	12 th February 2020

Work Programme 2020-21

19th October 2020

Internal Audit Annual Report 2019-20
Annual Governance Statement 2019-20
Revenue and Capital Out-turn 2019-20
Quarter One Revenue and Capital Monitoring Report 2020-21
RIPA (Regulation of Investigatory Powers Act) Annual Report 2020
Consideration of Approval of Severance Package (private)
Consideration of Approval of Severance Package (private)

30th November 2020

Audited Statement of Accounts 2019-20
Audit Findings Report 2019-20 (Grant Thornton)
Internal Audit Plan 2020-21
Quarter Two Revenue and Capital Monitoring Report 2020-21
Audit and Procurement Committee Annual Report 2019-20
Complaints to the Local Government and Social Care Ombudsman 2019/20
Six monthly Procurement Progress Report 2020-21 (private)

25th January 2021

Third Quarter Internal Audit Progress Report 2020-21
Treasury Management update
Annual Audit Letter 2019-20 (Grant Thornton)
Annual Fraud and Error Report 2019-20 (including Whistleblowing)
External Audit Plan Year Ending March 2021 (Grant Thornton)
Half yearly Fraud and Error Update 2020-21

15th March 2021

Corporate Risk Register Update
Quarter Three Revenue and Capital Monitoring Report 2020-21
Information Governance Annual Report 2020
Informing the Audit Risk Assessment for Coventry City Council Group 2020-21 (Grant Thornton)
Code of Corporate Governance

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Audit and Procurement Committee
Cabinet

30th November 2020
1st December 2020

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources - Councillor R Brown

Director Approving Submission of the report:

Director of Finance

Ward(s) affected:

City wide

Title:

2020/21 Second Quarter Financial Monitoring Report (to September 2020)

Is this a key decision?

No

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 2020. The headline revenue forecast for 2020/21 is for net expenditure to be **£36.3m** (£28.2m at Quarter 1) over budget before the application of COVID-19 emergency funding for local government. After the use of this grant, the net over-spend is **£3.5m** (£6.7m at Quarter 1). At the same point in 2019/20 there was a projected balanced budget position.

The position includes a very significant increase in forecast costs within Children's Services. The overall forecast overspend in this area has risen by £5.3m over the quarter and now stands at £8.6m. An estimated £5.8m of this cost reflects higher looked after children numbers that have emerged following, and largely as a result of, conditions caused by the Covid pandemic. This level of activity represents a clear medium-term financial risk to the Council, and it is imperative that all appropriate interventions are identified to enable a sustainable financial position to be reached.

In other services and excluding the effects of Covid there are overspends in excess of £1m in each of Streetscene and Regulatory Services and Highways and Transportation.

The Council's capital spending is projected to be £249.0m and includes major scheme expenditure which ranges from investment in to the A46 Link Road, Coventry Station Masterplan, Whitley South infrastructure, Public Realm, Secondary Schools expansion and the National Battery Plant. The impact of Covid has been relatively modest in terms of delays to progressing capital schemes and the Council is on track to exceed the high levels of programme spend achieved in 2019/20.

No recommendations were made by Audit and Procurement Committee in relation to the Quarter 1 report.

Recommendations:

The Audit and Procurement Committee is requested to:

- 1) Consider the proposals in the report and forward any recommendations to the Cabinet.

The Cabinet is requested to:

- 1) Consider the recommendations from Audit and Procurement Committee.
- 2) Approve the Council's revenue monitoring position incorporating the application of Covid emergency funding.
- 3) Endorse the approach to utilise Government grant allocations to support the Council's response to Covid as set out in section 5 of the report.
- 4) Approve the revised forecast estimated outturn position for the year of £249.0m incorporating: £4.4m net increase in spending relating to approved/technical changes, £27.3m net rescheduling of expenditure from 2021/22 and £0.1m overspend.

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 2020/21
Appendix 4	Capital Programme: Analysis of Rescheduling
Appendix 5	Prudential Indicators

Background papers:

None

Other useful documents

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?

Audit and Procurement Committee - 30th November 2020

Will this report go to Council?

No

Report title:

2020/21 Second Quarter Financial Monitoring Report (to September 2020)

1. Context (or background)

- 1.1 Cabinet approved the City Council's revenue budget of £238.8m on the 25th February 2020 and a Directorate Capital Programme of £232.7m. This is the second quarterly monitoring report for 2020/21 to the end of September 2020. 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 2020/21 revenue forecast is for expenditure to be £3.5m above budget. This is after applying £32.8m of emergency received or due from Government for the purpose of managing the estimated cost of COVID-19 to the Council. The reported forecast at the same point in 2019/20 was a balanced budget position. Capital spend is projected to be £249.0m, an increase of £16m on the approved Capital Programme for the year.

2. Options considered and recommended proposal

- 2.1 This is a budget monitoring report and as such there are no options.

Revenue Position - The revenue forecast position is analysed by service area below. The position shown for each service area assumes that all Covid costs are met. However, the current position is that there is a shortfall of £0.4m within 2020/21 and this has been included as pressure at a whole-Council level towards the bottom of the table.

Table 1 - Forecast Variations

Service Area	Revised Net Budget £m	Forecast Spend £m	Total Over/(Under) Spend £m	Less Covid Impact £m	Forecast Variation £m
Adult Social Care	79.0	83.4	4.4	(4.4)	0.0
Business Investment & Culture	5.4	6.5	1.1	(0.5)	0.6
Children & Young People's Services	73.0	81.6	8.6	(5.8)	2.8
Contingency & Central Budgets	11.4	10.2	(1.2)	(1.9)	(3.1)
Education and Inclusion	14.4	14.4	0.0	0.1	0.1
Finance	3.2	4.5	1.3	(0.6)	0.7
Housing Transformation	14.6	16.8	2.2	(4.1)	(1.9)
Human Resources	1.3	1.5	0.2	(0.1)	0.1
Legal and Governance Services	3.8	4.8	1.0	(0.4)	0.6
Directorate Management	1.5	1.5	0.0	0.0	0.0
Project Management & Property	(4.6)	2.2	6.8	(6.5)	0.3
Public Health	0.6	0.7	0.1	0.0	0.1
Streetscene and Regulatory	29.7	35.9	6.2	(4.9)	1.3

Transportation & Highways	4.9	10.5	5.6	(4.2)	1.4
Sub-Total	238.4	274.7	36.3	(33.2)	3.1
Covid Grant Shortfall				0.4*	0.4*
Total	238.4	274.7	36.3	(32.8)	3.5

*The expected shortfall of Council Tax and Business Rates income in 2020/21, the latest estimate of which is £6m, is not included here but will become a pressure in 2021/22 in line with accounting convention.

2.2 An explanation of the major forecast variances is provided below. Further details are provided in Appendix 1.

Directorate - Covid-Related

Most of the variations reported at quarter 1 are as a direct result of the COVID-19 impacts across the City Council which total c£33m. It must be stressed that the differentiation between Covid and non-Covid costs in some areas can only be estimated. These stood at £26m at Quarter 1.

The largest movement since Quarter 1 is in the forecast cost of Children and Young People's Services, the Covid related costs of which have risen by £4.3m to £5.8m. The overwhelming cause of this increase is the total number of placements and the average unit cost of placements.

A significant proportion of Covid impacts relate to income which has not been achievable under lockdown or which may not be achievable in subsequent months whilst recovery takes place. The largest of these expected pressures relates to c£6m potential rent losses and associated pressures in respect of the Council's commercial property portfolio and £3.7m in respect of significantly reduced car parking, bus gate and parking enforcement activity. Other lower but still significant Covid related income shortfalls are expected in other service areas including land charges, court costs, planning, commercial waste, parks, the Outdoor Education Service and other school traded services totalling c£3.4m.

Covid has also resulted in expenditure pressures across a range of other services. The largest of these is forecast in Adult Social Care at £4.3m as a result of supporting providers with the additional costs of PPE, staffing and other related costs as well as the emergency provision of food to those shielding and in need. Others include the impact on the cost of housing rough sleepers during lockdown and expected activity increase in housing of £1.7m; purchase of emergency mortuary equipment at £1.2m; PPE and social distancing/safe working costs of c£3m; and additional domestic waste costs of £0.6m.

Directorate - Non-Covid

The Quarter 2 position also includes a number of variations which are separate from those attributable to Covid.

This overall non-Covid overspend in Children and Young People's Services has increased from £1.8m to £2.8m. Significant spend pressures include the additional costs of looked after children placements as a result of delays in the delivery of Children's placement transformation, higher unit cost of placements partly attributable to the youth violence in the city, an increase in support packages for disabled children and the use of allowances to promote permanence outcomes for children.

Transportation and Highways is reporting a £1.4m non-Covid overspend. Underlying pressure exists in relation to car parking and bus gate enforcement where pre-Covid activity levels were already lower than budgeted income levels by some £1.2m. Streetscene and Regulatory Services reflects a £1.3m overspend. This incorporates a £0.9m pressure in

waste disposal caused by higher gate fees and tonnages, additional £0.25m cost of replacement bins and fleet repairs within Domestic Waste and the expected cost of maintaining Christmas refuse collections (£0.15m). These are partly offset by a £.6m underspend in Fleet Services which has reduced vehicle purchase costs and some additional income. Individual pressures across other services include a £0.35m annual cost of managing and securing the Fairfax Street site whilst an alternative use is sought following its closure.

Continuing increased demand and cost within Mental Health and Learning Disability services are applying further pressure to the Adult Social Care position, with this being managed within year from a mixture of grants and reserve movements.

Contingency and Central Budgets

An £1.9m estimated under-achievement of dividends resulting from the impact of Covid has been assumed at this stage. Other than this, central budgets are forecast to underspend by £3.1m including £2.2m on the Asset Management Revenue Account (AMRA) and £0.9m within other central budgets. The AMRA underspend is largely the result of lower than budgeted capital financing costs. Within central budgets there is an expected underspend on the Council's superannuation budgets and an assumed over-achievement of Business Rates Pool income this year although prudent assumptions have been included for both factors at this stage.

Covid-Related Grants

The Government has announced a range of grant funding allocations to manage the financial impact of COVID-19 and deliver services to mitigate or address the effects of the pandemic.

Table 2: Covid Funding Allocations (does not include further grant announcements on 2 November)

	£000
Emergency Funding 1st Allocation	10,407
Emergency Funding 2nd Allocation	10,377
Emergency Funding 3rd Allocation	3,606
Emergency Funding 4th Allocation	8,800
Adult Social Care Infection Control Fund	5,586
Hardship Fund	3,732
Sales, Fees and Charges Income Loss*	2,483
Test and Trace Support Grant	2,041
Contain Outbreak Management Fund**	1,008
Emergency Assistance Grant for Food & Essential Supplies	479
Re-Opening High Streets Safely Fund	334
Compliance and Enforcement (Surge) Grant	222
Covid Rough Sleeper Contingency Fund	17
Total	49,092

*The Sales, Fees and Charges Income Loss figure is the amount claimed and is subject to confirmation by Government. 2 subsequent claims will be made over the course of this financial year.

**The Contain Outbreak Management Fund is a planning estimate of the available total. This will be subject to a grant claim.

*The

This includes £33.2m in four allocations of overall emergency funding plus a claim of £2.5m for sales, fees and charges income loss, the combined total of which will be used to manage the overall Council bottom line. The remaining grants are intended to address specific priority areas, the large majority of which will be utilised to deliver the purposes highlighted by grant determinations, subject to local requirements. Most of the funding has already been received and the current list of grants is shown below.

2.3 Capital

The 2020/21 capital outturn forecast at quarter two is a revised outturn position of £249.0m compared with the original programme reported to Cabinet in February 2019 of £232.7m. Table 3 below updates the budget at quarter 2 to take account of a £4.4m increase in the programme from approved/technical changes, £27.3m of net rescheduling now planned to be carried forward into future years, and a £0.1m overspend.

The resources available section of Table 3 explains how the Capital Programme will be funded in 2020/21. It shows 77% of the programme is funded by external grant monies, whilst 17% is funded from borrowing. The programme also includes funding from capital receipts of £11.6m.

Table 3 – Movement in the Capital Budget

CAPITAL BUDGET 2020-21 MOVEMENT	Qtr 2 Reporting £m
Estimated Outturn Quarter 1	271.8
Approved / Technical Changes (see Appendix 2)	4.4
“Net” Overspend (See Appendix 3)	0.1
“Net” Rescheduling into future years (See Appendix 4)	(27.3)
Revised Estimated Outturn 2019-20	249.0

RESOURCES AVAILABLE:	Qtr 2 Reporting £m
Prudential Borrowing (Specific & Gap Funding)	41.9
Grants and Contributions	190.8
Capital Receipts	11.6
Revenue Contributions and Capital Reserve	4.7
Total Resources Available	249.0

2.4 Treasury Management

Interest Rates

The current Bank of England Base Rate has been at 0.10% since March 2020. The medium-term outlook is increasingly weak. Whilst the strict initial lockdown measures put in place to protect against COVID-19 were eased initially, the second wave of infections has prompted more restrictive measures on a regional and national basis which means it is likely to be some time before demand returns to previous levels. As a result, current forecasts predict the base rate will remain at 0.10% for the medium term, however, further cuts to zero or perhaps even negative territory cannot be completely ruled out.

Long Term (Capital) Borrowing

The net long term borrowing requirement for the 2020/21 Capital Programme is £31.1m, taking into account borrowing set out in Section 2.4 above (total £41.9m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£10.8m). 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 2020/21 interest rates for local authority borrowing from the Public Works Loans Board (PWLB) have varied within the following ranges:

PWLB Loan Duration (maturity loan)	Minimum 2020/21 to Q2	Maximum 2020/21 to Q2	As at the End of Q2
5 year	1.87%	2.19%	1.94%
50 year	2.33%	2.85%	2.60%

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. As at 30/09/2020 The City Council held £90m of short-term borrowing from other public bodies at an average interest rate of 0.95%.

Returns provided by the Council's short-term investments yield an average interest rate of 0.45%. 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: -

	As at 30th September 2019	As at 30th June 2020	As at 30th September 2020
	£m	£m	£m
Banks and Building Societies	5.0	0.0	0.0
Money Market Funds	0.4	37.0	67.8
Local Authorities	0.0	0.0	5.0
Corporate Bonds	9.0	0.0	0.0
Registered Providers	10.0	10.0	10.0
Total	24.4	47.0	82.8

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 2020 the pooled funds were valued at £30m, spread across the following funds: CCLA, 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 30th September 2020 are included in Appendix 5. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2020/21. Specific points to note on the ratios are:

- The Upper Limit on Variable Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at variable interest rates. At 30th September the value is -£97.4m (minus) compared to +£87.9m 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 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at fixed interest rates. At 30th September the value is £319.5m compared to £439.5m within the Treasury Management Strategy, reflecting that a significant proportion of the Council's investment balance is at a fixed interest rate.

3. Results of consultation undertaken

3.1 None.

4. Timetable for implementing this decision

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

5. Comments from the Director of Finance and the Director of Law and Governance

5.1 Financial implications

Revenue

The impact of COVID-19 continues to be dramatic across the whole economy and all elements of the public sector. Although the Government has provided an unprecedented

level of support to local government the extended and deep effects of current conditions mean that councils remain vulnerable to a shortfall between Government funding and the costs that they have incurred or the income that they have lost.

From the Council's perspective it has provided appropriate support to local citizens, service users, businesses ratepayers and suppliers. This has included passing on specific ring-fenced funding to Business Ratepayers and recipients of Council Tax support but has also involved a wide range of other measures in relation to controlling Covid-19 and managing the social, environmental and economic impacts. Table 2 shows the funding streams that have been made available to provide for these measures. The Council's approach has been to utilise this funding in a way which maximises its effectiveness, working with local delivery partners and using bespoke solutions which target resources where they are most needed. The grant allocations provided by Government will be used either:

- to put in place programmes or specific measures specified by Government within its grant determinations or;
- to manage pressures from the additional expenditure incurred and income lost as a result of COVID-19 and/or to balance the overall bottom line as appropriate.

A separate recommendation has been included within this report to endorse this approach.

In terms of the financial pressures that have been identified to date the Council is in a relatively strong position compared to that reported by some councils. On current estimates it is moving towards achieving a relatively secure financial position for 2020/21. The table below shows the current position indicating an unfunded Covid pressure of £0.4m.

	£m
Confirmed Covid Emergency Funding	(33.2)
Sales, Fees and Charges Income Loss	2.5)
Amount Committed for 2019/20 Outturn Pressures	2.9
Remaining to Fund 2020/21 Pressures	(32.8)
2020/21 Pressures	33.2
Unfunded Balance	0.4

In addition, local government will be able to claim further grant to recompense it for part of its income pressures later in the year whilst further grant allocations (aligned with new responsibilities) were announced at the beginning on November, the detail of which is still being worked through.

This picture needs to be balanced by the degree of risk and uncertainty that remains. A second spike of cases has emerged through the early Autumn and further local and national restrictions have followed. These will inevitably lead to the need to incur additional expenditure both to ensure continued direct support, monitoring and compliance activity and through other indirect consequences of the pandemic (most notably in the rise of looked after children numbers). In addition, income losses such as from Council owned car parks which were previously expected might be less severe in the latter part of the year can now be expected to continue at higher levels for most if not all of the remainder of the year. This revised expected combination of events threatens a heightened level of risk in the Council's financial planning even over the very short term, meaning that financial forecasting to the end of the year will continue to be challenging.

Putting aside the impacts of Covid, the Council's overall financial position includes an overspend of £3.5m at quarter 2. Although trends in previous years provide an expectation for this position to improve as the year progresses, the interaction with Covid makes it more difficult to have confidence that same will happen for 2020/21 outturn. The position includes some issues that will be difficult to remedy, such as across Children's services, car parking, enforcement and waste management and it will be important for the Council to undertake strong budget management across all areas to enable it to move the budgetary position towards balance. In response, the Director of Finance intends to undertake measures to control expenditure and capture one-off savings in a range of non-essential budget types, in particular those that have seen lower levels of activity as a result of current conditions such as conferences and travel.

Cabinet is reminded that at 2019/20 outturn it earmarked £5.5m for Covid Reset and Recovery and this remains a currently uncommitted resource that could be applied to help manage the overall budgetary position if necessary. In overall terms the financial position outlined, although not without risk, provides sufficient evidence to enable the Director of Finance to provide a clear statement that it will not be necessary to issue a Section 114 notice (which would restrict the Council's ability to make any discretionary spending decisions).

At this early stage it is important to flag that next financial year is also at a heightened position of risk. The Budget Report approved in February 2020 included an indicative gap for 2021/22 of £19m. The combination of uncertainty facing local government finance beyond the current year and the continued (and potentially permanent) impacts of Covid mean that many of the fundamental elements of the financial plan are fluid at present. One example of this is the Council Tax and Business Rates 'Collection Fund'. In accounting and financial planning terms, the impact of Covid on collection of these tax-revenues within the current year will not be felt until 2021/22. An initial planning estimate of this impact is £6m although this is likely to be revised as part of the Budget process. The other elements of the Budget that could similarly be subject to significant change means that the Council will enter its most difficult to plan budget setting process for some years.

Capital

The Council's capital programme plans continued to be progressed despite the lockdown conditions in place during the first quarter. Although there was an impact on some areas of the programme (in particular some city centre public realm works) most schemes worked at or approaching full capacity. The same is expected to apply during the latter part of the year despite the more recent introduction of new restrictions. The programme continues to reflect major schemes that are being delivered over several years such as the UK Battery Industrialisation Centre, Whitley South Infrastructure, Public Realm and the Coventry Station Masterplan, all of which now have a very visible physical presence in the city. Other areas of the programme which have been in an earlier planning stage such as the City of Culture Capital Programme and the second Friargate building should see significant project progress during 2020/21. The current forecast programme, if achieved, will surpass the very large programme achieved in 2019/20.

The largest areas of rescheduling in the second quarter involve some of the strategic projects which will help to change the face of the city. The Education 'One Strategic Plan' will see significant slippage in the Basic Need programme, impacted by Sport England objections against planning permission and some Covid related issues. The Housing Infrastructure programme has also seen issues from the COVID-19 pandemic as contractors have found it difficult to seek prices from subcontractors, extending tender processes. Covid related issues have also contributed to delays to the start on site dates for the hotel and Two Friargate.

5.2 Legal implications

None

6. Other implications

6.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

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. The impact of Covid has represented a heightened level of financial risk over this period. The Council has sought to take a proportionate approach to supporting key sectors, partners and vulnerable groups ensuring that a fundamental safety net is provided but doing so in a financially sustainable way, ensuring that the Council can maintain legacy support within the broad financial envelope indicated by Government emergency funding announcements.

6.3 What is the impact on the organisation?

It remains important for the Council to ensure that strict budget management continues to the year-end. The Council continues to monitor any systemic changes to the financial position represented by Covid and these will be reflected in the forthcoming Budget process.

6.4 Equalities / EIA

No impact.

6.5 Implications for (or impact on) the environment

No impact at this stage although climate change and the environmental impact of the Council's decisions are likely to feature more strongly in the future.

6.6 Implications for partner organisations?

No impact.

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This report is published on the council's website: www.coventry.gov.uk/councilmeetings

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

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.

	Revised Budget	Forecast Spend	Centralised Forecast Variance	Budget Holder Forecast Variance	Total Forecast Variance	Less Covid Impact	Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m
Adult Social Care	79.1	83.4	(0.2)	4.6	4.4	4.4	0.0
Business Investment & Culture	5.5	6.5	0.1	0.9	1.0	0.5	0.6
Children & Young People's Services	73.0	81.6	(2.3)	10.9	8.6	5.8	2.8
Contingency & Central Budgets	11.4	10.2	0.0	(1.2)	(1.2)	1.9	(3.1)
Education and Inclusion	14.4	14.4	(0.4)	0.5	0.0	(0.1)	0.1
Finance & Corporate Services	3.2	4.5	(0.1)	1.3	1.3	0.5	0.7
Housing & Transformation	14.6	16.8	0.1	2.1	2.2	4.1	(1.9)
Human Resources	1.3	1.5	0.1	0.1	0.2	0.1	0.1
Legal & Governance Services	3.8	4.8	(0.0)	1.0	1.0	0.4	0.6
People Directorate Management	1.5	1.5	0.0	0.0	0.0	0.0	0.0
Project Management & Property Services	(4.6)	2.2	0.1	6.7	6.8	6.5	0.3
Public Health	0.6	0.8	0.1	0.0	0.1	0.0	0.1
Streetscene & Regulatory Services	29.7	35.9	(0.6)	6.8	6.1	4.9	1.3
Transportation & Highways	4.9	10.5	0.0	5.6	5.6	4.2	1.4
	238.3	274.6	(3.1)	39.4	36.3	33.2	3.1
						(0.4)	0.4
Total	238.3	274.6	(3.1)	39.4	36.3	32.8	3.5

Budget Holder Forecasts

Service Area	Reporting Area	Explanation	£m
Education and Skills	SEND & Specialist Services	The Qtr. 2 forecast for SEN Home to School Transport is projecting a £1.2m under spend for 2020/21. The forecast includes reduced spending during the Spring / Summer term due to Covid-19. As a consequence of social distancing some additional costs have been incurred from September 2020, however a government grant has been received which will offset this during the Autumn term. A percentage has been built into the forecast to account for an increase in special school places from September 2020. SEND Support Services are forecasting an over spend of £0.1m which is fully offset by a centralised under spend.	(1.1)
Education and Skills	Education Entitlement	Plas Doly Moch is forecasting an overspend of £620k as a result of Covid-19. The centre is currently closed and is therefore not able to generate income via fees & charges. Government support has been accessed where possible and all expenditure has been reviewed to reduce spending. Avenues are currently being explored in relation to other forms of income generation. The Education Welfare service is forecasting an overspend of £50k. This is due to a reduction in income from Fixed Penalty Notices relating to non-attendance as a result of Covid-19. The budget for the Woodlands site is reporting an overspend of £40k because of reduced income from leisure activities due to Covid-19. Other traded services within Education Entitlement are forecasting overspends as a result of an expected reduction in school and / or parental income due to Covid-19. Work is ongoing to explore options to mitigate this, including the submission of a claim to the government's compensation scheme for lost sales, fees & charges.	0.8
Education and Skills	Employment & Adult Education	To date it has not been possible to deliver the outstanding £189k financial savings target set as part of previous budget setting processes to ensure we maximise ESFA grant funding against internal training programmes. Due to the impact of Covid-19 and the resulting switch to virtual learning Adult Education are forecasting a £160k reduction in income generated via fees and charges. The Employment Service are forecasting an overspend of £297k but this is fully offset by a corresponding under spend against centralised salaries.	0.6
Education and Inclusion	Other Variances Less than 100K		0.1
Education and Inclusion			0.5
Children and Young People's Services	Commissioning, QA and Performance	The budget holder variance in Quality Assurance primarily relates to 3 particular areas, the growth of 3 positions within the Professional Support Service where the relevant funding is pending transfer; 2 related to the growth of the internal fostering service	0.3

		and 1 in relation to grant funding being received by the throughcare service. An income target related to training through safeguarding in education where it has been necessary to reduce the forecast income as a result of COVID-19, the shortfall and subsequent impact has been added to the COVID spend tracker. An overspend relating to an increase in agency costs across the service. The Quality Assurance service continues to recruit to and fill permanent vacancies to offset this overspend.	
Children and Young People's Services	Help & Protection	"Help and Protection overspend relates in the main to agency staff who are covering vacant posts and those on maternity leave. Recruitment continues to be a priority for children's services. The increase also relates to 12 Social Worker posts within the Academy which are considered supernumery for the first 6 months before they move to a vacant post. This has been funded from agency budgets as it will support Children's Services in reducing agency staff. However, the immediate increase in demand has prevented agency staff numbers from reducing creating additional financial pressure."	1.7
Children and Young People's Services	LAC & Care Leavers	Q2 has seen a significant shift due to the impact of Covid-19. There has been an increase in the overspend in the Placements budget to £6.8m. This is due to a 9% increase in the number of looked after children, an increase in external placement unit costs and the need to protect children from the hidden harm they were exposed to during the Covid lockdown period. Remands to custody as a consequence of youth violence are at the highest ever and there is a shortfall of £700k in the grant to offset this. Discharges from care have slowed as throughput by the courts has decreased. Other pressures include the need to use agency staff, the increase in support packages for disabled children and the use of allowances to promote permanence outcomes for children.	8.8
Children and Young People's Services	Other Variances Less than 100K		0.1
Children and Young People's Services			10.9
Adult Social Care	Strategic Commissioning (Adults)	£0.2m underspend relates to Carers budgets. Work is underway to enhance the support offer to carers for the next 12 months. £0.3m underspend relates to transport following the suspension of day opportunities earlier in the year as result of COVID-19. £0.1m overspend relates to the PFI contract where forecast fees and charges have reduced due to increased voids.	(0.4)
Adult Social Care	All Age Disability and Mental Health Operational	There remains significant pressures in Deprivation of Liberty Assessment demand leading to additional assessment costs. The all Age Disability Team has also seen increasing demand alongside staff turnover. Ensuring statutory need is met has been essential and has resulted in additional agency cost.	0.3

Adult Social Care	Enablement & Therapy Services	The £0.1 m overspend relates to grant funded posts not yet recruited to and is offset by the centralised variance underspend.	0.1
Adult Social Care	All Age Disability and Mental Health Community Purchasing	Residential and nursing provision has remained stable within Learning Disability services and tracking against forecast. Within Mental Health services the forecast had been slightly higher than actual outturn which has led to a slight decrease in cost. However, with CHC assessments recommencing both learning disability and mental health provision will be monitored. Further variations have been achieved through child to adult transition costs being reduced by operational teams and a number of high cost packages being reduced through the review process.	4.3
Adult Social Care	Adult Social Care Director	There are 2 significant variations which make up the budget holder variance. A £4.2m overspend due to specific COVID-19 related spend which will be resourced alongside other corporate covid related expenditure as well as a £3.0m underspend representing the use of iBCF and other resources to manage the underlying Adult Social Care financial position. Whilst ibcf grant has been provided to assist with managing the position, it is unlikely to be sufficient to manage the longer-term cost impact of the pandemic. The contributory factors that make up the overspend are reflected in the explanations below	1.2
Adult Social Care	Older People Community Purchasing	There has been a steady increase in the number of residential placements over the quarter, this is from a lower than usual position due to a high number of ends in Q1. Although forecasting had accounted for increases, post the first wave of the Covid outbreak, the numbers are marginally higher than expected resulting in the slight swing. The residential and nursing numbers are being monitored monthly and forecasts adjusted taking into account demand profiles. Where possible we continue to support people in their own homes or in Housing with Care.	(1.0)
Adult Social Care			4.6
Housing Services & Transformation	Customer and Business Services	The Budget Holder forecast overspend relates to the following: a net loss of income for Post & Fastprint £45K as a result of lockdown; £41K agency cover needed re delayed recruitment during a staffing review (£10K of this was due to delays resulting from Covid) and £14K agency cover for vacancies; £15K cost for the Contact Centre relating to the wider impact of home-working (home-working equipment costs, additional security for re-opening and staffing costs for additional community support provided have now been offset by cost reductions).	0.1
Housing Services & Transformation	Housing and Homelessness	The service has worked on a number of initiatives to provide cheaper and more suitable temporary accommodation and to reduce the unit costs (e.g. caradoc, acquisitions, market negotiations) whilst also preventing more homelessness, thus creating a sustained reduction of households in temporary accommodation. The number of households living in TA has decreased significantly over the last 6 months from a high of 760 to 569 on the 28th September. This work combined with the additional budget resource	(0.8)

		has resulted in a forecast of a Budget Holder underspend of £0.8m in 20/21. The underspend is despite incurring £1.7m of COVID-related expenditure. Had it not been for these costs, the Budget Holder underspend would have been £2.4m. However, there is a risk of increased demand which could impact on the forecast if restrictions on evictions are removed.	
Housing Services & Transformation	Procurement	The Budget Holder forecast overspend mainly relates to the following: cross-Council PPE of £2m - all relating to Covid 19 and under-achievement on both streams of rebate income of £84K - £70K of which is Covid related.	2.0
Housing Services & Transformation	ICT & Digital	The current forecast position is largely a result of the following factors: some COVID-19 related pressures (circa £230k) , a general increase in demand for ICT kit and services and price increase (circa £210k) and a worsening income position from traded services (circa £200k). Management action is being taken to look to address these pressures although it is recognised that the COVID-19 situation has accelerated an already growing demand for ICT kit and services such as laptops, mobile phone and user accounts. The increase in unit price for equipment such as laptops is due to the global demand and some supply chain issues. Work is being done to re-baseline the organisations core requirement for ICT kit aligning closely with organisational design activity as a result of COVID-19. Unfortunately, the worsening position on income from traded services may be impacted further by the COVID-19 situation. This hasn't been reflected in the Quarter 2 position as site visits have restarted and it is hoped that SLA requirements can be managed unless there are further blanket school closures.	0.7
Housing Services & Transformation	Other Variances Less than 100K		1.0
Housing Services & Transformation			2.1
Legal & Governance Services	Legal Services	COVID-19 lockdown has had a negative impact on income streams within the Register Office and the Records & Land Charges services with income reductions estimated at c£300k. In addition, there are cost pressures within the Coroners service circa £100k. Other variations reflect a £200k cost of agency staff to cover vacancies within the Legal Services team, a £220k cost of external legal fees for care proceedings, and an underlying pressure of £100k in the Coroner's Service as a result of increased costs and volumes. It is too early to assess the impact of lockdown on the cost and volume of legal care proceedings, so no pressure is being reported. However, this needs to be closely monitored.	1.0
Legal & Governance Services			1.0

Business Investment and Culture	Sports, Culture, Destination & Bus Relationships	Pressures from COVID £300k (The Wave profit share loss (£241k) and CVlife operation shield support (£61k)), £198k of financial support to Coventry Sports Trust and a £258k St. Mary's trading deficit.	0.7
Business Investment and Culture	CCD Management & Support	COVID £100k (sponsorship) commercialisation project target not achieved, remaining variance due to turnover target shortfall.	0.1
Business Investment and Culture	Other Variances Less than 100K		0.1
Business Investment and Culture			0.9
Finance & Corporate Services	Revenue & Benefits	COVID-19 impact has resulted in an estimated 50% reduction in court cost income of around £500k due to the suspension of liability order applications, and an increase in off-site processing required to cope with extra demand of £40k Other variations are largely due to a pressure in Housing Benefit subsidy circa £800k. - There has been an increase in the unit cost of supported exempt accommodation for which the Council only receives partial subsidy payments if the provider is not a social registered landlord. - At the same time, the Council has reduced opportunity to recover overpayments due to customers transferring to Universal Credit and the effects of COVID.	1.4
Finance & Corporate Services	Other Variances Less than 100K		(0.1)
Finance & Corporate Services			1.3
Transportation & Highways	Traffic	The majority of pressures are largely due to a significant reduction in parking and enforcement income during the COVID-19 lockdown period. There is an assumed phased improvement in activity over the coming months but it is unlikely that this will return to pre-COVID levels. Other variations reflect a combination of the delayed implementation of a new fee structure for residents' parking permits, an underlying pressure in bus gate enforcement as a result of a downturn in the number of PCNs being issued, and the temporary closure of a bus gate for railway station works"	5.0
Transportation & Highways	Highways	This is primarily the impact of DLO being stood down in April, May and early June due to Covid 19 as during this time the service was unable to recover its direct costs and overheads totalling £500k. This is expected to be offset slightly during the remainder of the year from fees earned on external works	0.4
Transportation & Highways	TH Management & Support	Temporary management arrangements	0.1

Transportation & Highways			5.6
Streetscene & Regulatory Services	Streetpride & Parks	The pressures in this area are predominantly due to COVID. Income is significantly reduced including parking at Coombe c£32k, cancellation of events & activities of £234k, shop income £75k, memorialisation £43k. Some cost pressures have also resulted from COVID causing additional fleet costs of £72k and Cleaning/Staffing costs £102k. There are also some non COVID related pressures including the delayed implementation of the War Memorial Park parking scheme of £120k, Traveller Incursions c£50k; Street pride Fleet Costs pressures c£128k, plus a number of smaller variations.	1.4
Streetscene & Regulatory Services	Planning & Regulatory Services	The pressures in this area are COVID related income losses estimated at c£440k, together with unbudgeted one-off staffing costs of c£200k for Agency, Consultancy & Market Related Supplements	0.7
Streetscene & Regulatory Services	Waste & Fleet Services	The main pressures are COVID related including loss of income for Commercial Waste £487k , PTS £1,181k , Fleet £133k and Taxi Licensing £110k . There are COVID related costs in Domestic Waste of £595k. Commercial Waste are optimistic that there will be some growth in the second half of the year achieving a net surplus of (£188k), and Fleet are predicting an underspend of (£609k). (A combination of reduced capital financing costs and some additional income.) In addition, there are costs associated with Christmas Collections £150k, Equipment& Tools/Misc £253k (Domestic Waste) and some pay award costs £62k (PTS). Waste Disposal costs are predicted to be £906k overspent. This is a result of a combination of increased gate fees, increased tonnages and some additional costs relating to SMBC reducing their tonnages to landfill.	3.0
Streetscene & Regulatory Services	SSGS Management & Support	This £1.2m pressure relates to the cost of providing regional mortuary facilities for the covid pandemic	1.2
Streetscene & Regulatory Services	Environmental Services	There is a COVID related pressure of £100k due to loss of Pest Control income and staffing costs of £157k, which offsets u/spends on centralised salaries, non-achievement of income £33k and some misc variations c£22k	0.3
Streetscene & Regulatory Services	Other Variances Less than 100K		0.1
Streetscene & Regulatory Services			6.8
Project Management and Property Services	Commercial Property and Development	This entirely reflects the potential COVID pressure for rental loss for which a mitigation strategy is underway	5.8
Project Management and Property Services	Facilities & Property Services	This reflects COVID pressures relating to making property safe to occupy of £450k, and the unbudgeted holding costs for the vacant Fairfax street building of £350k.	0.7
Project Management and Property Services	PMPS Management & Support	Salary savings of £164k are offsetting acquisition savings target not yet achieved due to uncertainty in the property market caused by COVID.	0.2

Project Management and Property Services	Other Variances Less than 100K		(0.1)
Project Management and Property Services			6.7
Ringfenced Funding	SEND & Specialist Services	DSG: This is predominately attributable to a significant increase in demand for external specialist placements for: primary and secondary SEMH (local provision is exhausted); specialist provision for LAC resident in other LAs; new and extended FE placements from Sept 2020 and unit costs increases throughout the system.	1.5
Ringfenced Funding	Schools	DSG - £1.9m High Needs Unallocated Resource, £0.3m Growth Fund & £0.1m Early Years Provision	(2.3)
Ringfenced Funding	Education Entitlement	DSG: The budget for the Early Years team is forecasting an under spend of £221k. This is due to vacancies within the team and a delay in the implementation of a proposed restructure. The New Arrivals fund is forecasting an under spend of £75k due to a reduction in the number of pupils being admitted to schools due to Covid-19. Coventry ELC is forecasting an under spend of £97k, however it should be noted that £51k of their 2020/21 budget is a one-off contribution from reserves. There are other small under spends across a number of different budgets within Education Entitlement.	(0.5)
Ringfenced Funding	Education Improvement & Standards	DSG: This overspend is a planned use of Dedicated Schools Grant reserve linked to the Coventry Education Improvement Strategy commissioning pot.	0.1
Ringfenced Funding	Financial Strategy	Technical adjustment to remove total of ringfenced variances from corporate position	1.0
Ringfenced Funding	Employment & Adult Education	Adult Education: The service is forecasting an overspend of £200k which will be funded using their earmarked reserves. A prudent approach has been taken due to a level of uncertainty regarding some of their less material funding streams.	0.2
Ringfenced Funding			0.0
Corporate & Contingency		Estimated lower dividends of £1.9m resulting from the impact of Covid; Asset Management Revenue Account (£2.2m) due to lower than budgeted capital financing costs; central budgets underspend (£0.9m) on superannuation budgets and over-achievement of Business Rates Pool income.	(1.2)
Contingency & Central			(1.2)

Total Non-Controllable Variances - Contingency & Central Budgets			39.4
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Appendix 2

Approved / Technical Changes

SCHEME	EXPLANATION	£m
Highways Investment	Assumed Housing Infrastructure Funding at budget setting that will now not prevail.	(0.2)
CF - Swanswell Viaduct Phase 2	Local Highways Maintenance Challenge £5m award from the Department of Transport for Ring Road - Swanswell Viaduct Refurbishment, Phase 2 (Cabinet Report 25th August and Council 8th September).	1.0
Active Travel	£0.3m awarded from Department of Transport for Emergency Active Travel. This is to implement pop-up and temporary interventions to create an environment that is safe for both walking and cycling in your area. Active travel allows people to get around whilst maintaining social distance and will have an essential role to play in helping us avoid overcrowding on public transport systems as we begin to open up parts of our economy.	0.4
Getting Building Fund	The Government has announced Getting Building Fund for infrastructure projects which support stimulating the country's economic recovery. The Council has been awarded £8.1m from the Ministry for Housing Communities and Local Government and £12m from the West Midlands Combined Authority for the delivery of a number of schemes under the Getting Building Fund programme.	2.0
Friargate	Cabinet 25th August approved the additional £750,000 working capital requirement due to be paid to the JV in 2021	0.8
Coventry Station Mastepan – Nuckle 1.2	The Council will be commissioning Network Rail to undertake a revised GRIP 3 Options Selection Report to identify a more cost effective solution to delivery the NUCKLE Phase 1 Package 2 project, which includes a new bay platform at Coventry Station to support increased rail services between Coventry and Nuneaton. This is a 6 month piece of work due to commence from November 2020.	0.4
War Memorial Car Parking Machines	Cabinet on 25th February approved the car parking charges at War Memorial Park	0.1
TOTAL APPROVED / TECHNICAL CHANGES		4.4

Appendix 3

DIRECTORATE	BASE BUDGET plus 19/20 RESCHEDULING £m	APPROVED / TECHNICAL CHANGES £m	OVER / UNDER SPEND NOW REPORTED £m	RESCHEDULED EXPENDITURE NOW REPORTED £m	REVISED ESTIMATED OUTTURN 20-21 £m
PEOPLE	29.2	1.1	0.1	(13.2)	17.2
PLACE	222.6	13.8	0.1	(4.7)	231.3
TOTAL	251.8	14.9	0.2	(17.9)	249.0

Rescheduling and Accelerated Spend

SCHEME	EXPLANATION	£m
Basic Need	One of our major projects is behind schedule due to Sport England objections against planning permission. In addition, at the outset of the Covid-19 pandemic the Education Team set aside a covid contingency which was expected to be used in this period, however, it is not anticipated that the financial impact of Covid on Education Capital Projects will be felt until next financial year. Strategic discussions with schools have meant utilising additional existing capacity within existing buildings as part of a phased opening of new places, which has deferred some of the spend	(12.1)
SEND	Multiple projects across different areas have meant that some works have been delayed, Covid restrictions have limited the number of contractors on site at specific schools. Work will be completed next financial year.	(1.0)
Condition	Additional funding provided by the DfE which was not known prior, has now been scheduled to be spent in the condition programme of works	0.4
The Avenue Bowls	Due to the delay in the procurement of the Contractor and contracts delay in general, The project has slipped by at least a further 2 months since the previous forecast was provided and therefore a slippage of at least £700k - £800k on the figures below. A true position probably won't be known for another month or so yet until the Contractor is on board and therefore this slippage is only likely to increase further.	(0.8)
Growing Places	In July 2020 the CWLEP Board agreed to repurpose £2m of funding allocated to the Duplex Fund (due to be awarded from 21/22 onwards) into the Coronavirus Business Interruption loan scheme, administered by CWRT, to support businesses across Coventry and Warwickshire during the pandemic. As the repayment of the loans is received by CWRT the funds will then be recycled back into the Duplex project.	3.1

Housing Infrastructure	The current works for Eastern Green have been delayed due to the Covid 19 pandemic as a number of the contractors were unable to seek prices from sub-contractors and other external elements of the project and thus they could not validate the tender price submission. The tender period had to be extended to cover this, in addition a number of queries had been raised through the tender process that required a total of three tender clarification exercises to be undertaken. All of the final costs have now been submitted and an award of contract is due to be issued imminently. Currently based on the revised programme submitted in May 2020 we are 3 months behind on the project timeline which Homes England are aware of.	(4.7)
Lenton's Lane Cemetery Phase 2	An unsuccessful tendering exercise whereby no appointment was made has led to a review of the project scope and design. In addition, procurement advice is that the project must be re-tendered. The resulting programme slippage means that the contractor expenditure will now be incurred in financial year 2021/22.	(1.8)
Friargate	The changes in the capital expenditure profile are due to delays to the start on site dates for the hotel and Two Friargate as a result of COVID related impacts	(8.5)
Whitley Depot	Reprofiling of annual spend due to programme amendments and adoption of appointed contractors cash flow predictions.	(0.2)
City of Culture	Delay in the appointment of St Marys contractor is slipping the project. The Project Team are working with them to see of ways we can accelerate the project, but until this work is complete this represents the current financial projections	(1.4)
City Centre South	CPO works not progressing as quickly as originally anticipated and final retention for the Cov Point Demolition slipped to September 21, 12 months post completion	(0.2)
TOTAL RESCHEDULING		(27.2)

Prudential Indicators

Indicator	per Treasury Management Strategy	As at 30th September 2020
Ratio of Financing Costs to Net Revenue Stream (Indicator 1) , 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).	14.16%	14.22%
Gross Borrowing should not, except in the short term, exceed the estimated Capital Financing Requirement (CFR) at the end of 3 years (Indicator 2) , 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 £531.4m	£411.8m Gross borrowing within the limit.
Authorised Limit for External Debt (Indicator 5) , 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.	£502.3m	£411.8m is less than the authorised limit.
Operational Boundary for External Debt (Indicator 6) , 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.	£482.3m	£411.8m is less than the operational boundary.
Upper Limit on Fixed Rate Interest Rate Exposures (Indicator 9) , 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.	£439.5m	£319.5m
Upper Limit on Variable Rate Interest Rate Exposures (Indicator 9) , as above highlighting interest rate exposure risk.	£87.9m	-£97.4m

<p>Maturity Structure Limits (Indicator 10), highlighting the risk arising from the requirement to refinance debt as loans mature:</p> <p>< 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years +</p>	<p>0% to 50% 0% to 20% 0% to 30% 0% to 30% 40% to 100%</p>	<p>30% 3% 11% 4% 52%</p>
<p>Investments Longer than 364 Days (Indicator 11), highlighting the risk that the authority faces from having investments tied up for this duration.</p>	<p>£30m</p>	<p>£0.0m</p>

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Coventry City Council

Public report

Report to

Audit and Procurement Committee

30th November 2020

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Director of Finance

Ward(s) affected:

City Wide

Title:

Internal Audit Plan 2020-21

Is this a key decision?

No

Executive summary:

The purpose of this report is to share the draft Internal Audit Plan for 2020-21 with the Audit and Procurement Committee to allow the Committee to express its views on the extent and nature of the planned coverage.

Recommendations:

Audit and Procurement Committee is recommended to consider the draft Internal Audit Plan for 2020-21 (Appendix One) and provide any comments on the content and scope of the proposed Plan.

List of Appendices included:

Appendix 1: Draft Internal Audit Plan 2020-21

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:

Draft Internal Audit Plan 2020-21

1. Context (or background)

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

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

1.2 In terms of proposed audit activities, the draft Internal Audit Plan attached at Appendix One documents the outcome of the audit planning process for 2020-21. This report provides the mechanism for allowing the Audit and Procurement Committee to discharge its responsibility as highlighted above, but also enables the Committee, as a key stakeholder of the Internal Audit Service, to comment on the content and scope of the proposed Internal Audit Plan.

2. Options considered and recommended proposal

2.1 **Background** – Internal Audit is an essential part of the Council's corporate governance arrangements. In considering the Public Sector Internal Standards (PSIAS) which became applicable to local authorities in April 2013 (and updated March 2017), Internal Audit is defined as:

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

The priorities of internal audit activity are determined through the development of an annual risk-based Internal Audit Plan. This report documents the planning process and identifies the outcome of this process, namely the draft Internal Audit Plan for 2020-21.

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

- To provide a cost effective, targeted and value-added service to our customers. This requires the Service to achieve a balance between delivering standard audit reviews and responding to new / emerging risks faced by the Council, both at the operational and corporate level.
- To provide a quality Internal Audit Service in line with the Public Sector Internal Audit Standards, to assist the Council in achieving its aims and objectives.
- To provide the Service with a degree of flexibility to allow it to be able to respond to the changing needs of stakeholders during the year and provide relevant assurance.
- Ensuring that the level and skills of audit resources available is appropriate to meet the audit needs of the Council.
- To allow the Chief Internal Auditor to provide the Council with an annual opinion on the effectiveness of the organisation's risk management, control and governance arrangements.

2.2 **Draft Audit Plan 2020-21** – The results of the initial assessment of priorities are shown in Appendix One. Key points to note include:

- The draft plan is based on an allocation of priorities against the current level of audit resources available. The resource requirements have been assessed taking into account the requirement to produce an annual audit opinion and the Council's overall assurance framework, along with changes in staffing and recruitment to vacant posts which have occurred in the year to date. For 2020-21, the resources available are 550 days for audit and corporate fraud work, compared to 440 days in 2019-20.
- Whilst there is an established methodology in place to determine the focus of audit resources, the Covid-19 pandemic has had a significant impact on both (a) the audit planning process and (b) determining audit priorities for 2020/20201. In summary:
 - Consultation on the audit plan for the forthcoming year would normally commence in March / April 2020. Clearly, from a practical perspective, this was not achievable at this time given the Council's need to focus on its initial response to the pandemic.
 - Equally, from the perspective of Internal Audit, given the level of uncertainty arising from Covid-19, it was clearly difficult to undertake a formal risk assessment and identify meaningful priorities at this time.
 - As a result, a more flexible approach to audit planning has been adopted for 2020/2021. This has allowed the Service to respond more appropriately to the needs of the Council at this time whilst still making some provision for "business as usual" audit work.
- Whilst the Service has continued to respond flexibly during the year, it is now in a position to be clearer about the focus of audit priorities to both respond to new areas identified as a result of covid-19 and ensure that sufficient work is undertaken to inform the annual audit opinion. Where appropriate, an assessed risk level has been included in appendix one. Where the risk has been assessed as medium rather than high, this generally reflects the findings of previous audit reviews in the respective area / an initial assessment of the control environment.
- A significant amount of resource has been allocated to covid-19 related assurance work. This has been assessed as a key risk area for 2020-21, given (a) the significant level of funding which has been allocated to local authorities to support the government's response to the pandemic and the assurance requirements linked to this and (b) the new systems and processes which local authorities have had to set up in order to administer this funding in effectively very short timescales. This work covers a number of activities, including:
 - Advising on controls required to support the payment of funding to businesses and individuals to minimise the risk of fraud and error. These schemes have included business rates funding, discretionary funding, test and trace support payments, infection control fund and most recently, the new schemes linked to national and local restrictions.
 - Leading on the assurance requirements linked to the business rates and discretionary schemes, including undertaking risk assessments, developing assurance plans, undertaking assurance checks and reporting on outcomes to central government on a monthly basis.

- Where assurance checks identify potential fraud or error in grant payments, coordinating investigations and ensuring appropriate action is taken (e.g. reclaiming funds.)
 - Membership of the supplier relief panel which was set up to consider requests for financial support from Council suppliers in accordance with the Government's guidance on this area and developing the process to ensure appropriate governance of this activity.
 - Specific audit reviews to provide assurance on the Council's response to the pandemic, including, PPE, targeted review of expenditure, and controls around the distribution of additional funds.
- Given the resource required to support the Council's response to Covid-19, the Service have focused wider consultation with senior managers on those areas which underpin corporate risks rather than service specific risks. In addition, the routine programme of school audit work will not be undertaken this year. Given the limited number of school audits carried out each year this is not viewed as having a significant impact and the Service will look to address this in 2021-22 with a wider programme of work.
 - Other areas of planned work include:
 - ICT - A new IT audit needs assessment has been conducted this year to identify areas of focus for the programme of IT audit work for the next three years (subject to annual review.) For 2020-21 particular focus has been given to areas where risks have increased due to covid-19, including remote working and cyber security.
 - Council / Audit Priorities – This incorporates audit work linked to specific Council priorities around governance which have a corporate impact such as bribery and corruption and data quality of performance indicators linked to the Council Plan and reviews of new systems implemented during the year, i.e. Tribepad recruitment system and Repairs and Maintenance.
 - Financial systems – Audit reviews of all of the Council's key financial systems are included in the Audit plan as standard. However, in all cases, the budget days allocated to this work have been increased this year to allow for an assessment of the impact of covid-19 on the control environment within these systems and working practices.
 - Corporate Governance – The work related to corporate governance is also under the heading Regularity because it includes mandatory audit requirements such as the co-ordination of the Annual Governance Statement and Declarations of Interest exercise.

As a result, it is believed that the draft Audit Plan for 2020-21 is sufficient for the work required to report on governance, the management of risks and controls in the year and to prepare our annual opinion and report.

3. Results of consultation undertaken

- 3.1 There is an on-going process of consultation with Senior Officers across the Council to inform development of the Audit Plan and areas of specific focus throughout the year.

4. Timetable for implementing this decision

- 4.1 The Internal Audit Plan is an annual plan and is based on a completion date of the 31st March 2021. Progress is monitored by the Audit and Procurement Committee. In addition to the planned quarterly progress reports, the Internal Audit Service is required to produce an annual report. This report is due in June / July 2021 and will include the opinion of the Chief Internal Auditor on the adequacy of the Council's control environment, highlighting issues relevant to the preparation of the Annual Governance Statement.

5. Comments from the Director of Finance and the Director of Law and Governance

5.1 Financial Implications

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

5.2 Legal implications

The effective planning of audit activity across the organisation ensures that the Council meets its statutory obligations in respect of maintaining an internal audit function and represents good governance.

6. Other implications

6.1 How will this contribute to achievement of the council's Plan?

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

6.2 How is risk being managed?

In terms of risk management, there are two focuses:

- Internal Audit perspective - The main risks facing the Service are that the planned programme of audits is not completed, and that the quality of audit reviews fails to meet customer expectations. Both these risks are managed through defined processes (i.e. planning and quality assurance) within the Service, with the outcomes included in reports to the Audit and Procurement Committee. Delays in the delivery of individual audits could occur at the request of the customer, which could impact on the delivery of the plan. The risk is managed through on-going communication with customers to agree timing and identify issues at an early stage to allow for remedial action to be taken.
- Wider Council perspective - The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit and Procurement Committee. Where

progress has not been made, further action is agreed and overseen by the Audit and Procurement Committee to ensure action is taken.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

None

6.5 Implications for (or impact on) climate change and the environment

No impact

6.6 Implications for partner organisations?

None

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Contributor/approver name	Title	Service	Date doc sent out	Date response received or approved
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Paul Jennings	Finance Manager Corporate Finance	Finance	12/11/20	16/11/20
Names of approvers: (officers and members)				
Barry Hastie	Director of Finance	-	12/11/20	17/11/20
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	12/11/20	19/11/20

This report is published on the council's website: www.coventry.gov.uk/meetings

Appendix One – Internal Audit Plan 2020-21

KEY DRIVER	RISK LEVEL	AUDIT AREA	PLANNED DAYS
Corporate Risk			
	High	ICT (Infrastructure and Change)*	30
	High	Safeguarding	15
	High	Information governance	10
	High	Homelessness / temporary accommodation	20
	High	Workforce strategy (People Plan)	22
	High	Covid 19 assurance	99
Council / Audit Priorities			
	Medium	Payment Audit*	5
	Medium	Bribery and Corruption	10
	Medium	Tribepad recruitment system	13
	Medium	Council Plan performance reporting	10
	Medium	Repairs and maintenance system	15
Financial Systems			
	High	Care Director	25
	High	Business Rates	15
	Medium	Accounts Payable	15
	Medium	Accounts Receivable	15
	Medium	Council Tax	15
	Medium	Payroll	13
	Medium	Housing Benefits	15
Regularity			
		Grants	73
		Corporate Governance	21
		Risk Management	10
Other			
		Contingency / Directorate Risks	10
		Fraud	40
		Follow up	22
		2019/20 B/Fwd	12
		Total Days Available	550
		* undertaken by third parties	

**Audits partly undertaken by third party*



Audit and Procurement Committee Annual Report to Council 2019-20

To be considered at the City Council meeting
on the 8th December 2020

Audit and Procurement Committee Annual Report 2019-20

Introduction by Chair of Audit and Procurement Committee

In May 2019 I was appointed as the Chair of the Audit and Procurement Committee and I am pleased to present this report which outlines the Committee's work over the municipal year 2019-20.

The Audit and Procurement Committee is a key component of the Council's governance framework, supporting good governance and strong public financial management. Over the last year, the Committee has continued to discharge its key responsibility effectively, namely providing independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the Council's financial reporting and governance processes. At the same time, the Committee has been able to consider matters relating to procurement activity, which in 2019-20 has included taking steps to review the Committee's role in respect of this important function.

The covid-19 pandemic and the way the Council has stepped up to provide support to the citizens and businesses of Coventry in these challenging times only underlines the importance of having an effective governance framework and sound financial management in place. I am looking forward to building on the good work done in 2019-20 and ensuring that the Committee continues to make a positive contribution to the overall governance arrangements within the Council. In terms of priorities for 2020-21 these include ensuring that:

- The Council's risk management, internal control and financial management arrangements continue to operate effectively as the Council deals with the on-going impact of Covid-19.
- New arrangements linked to the role of the Committee in providing oversight over procurement activity are implemented.
- The Committee considers the outcomes of the Redmond Review into the effectiveness of external audit and transparency of financial reporting in local authorities.

I hope that this Annual Report helps to demonstrate to Coventry residents and the Council's other stakeholders the vital role that is carried out by the Audit and Procurement Committee and the contribution that it makes to the Council's overall governance arrangements.



**Councillor Ram P. Lakha OBE
Chair, Audit and Procurement
Committee**

1 Activity of the Council's Audit and Procurement Committee

During 2019-20, the Council's Audit and Procurement Committee met on six occasions. Meetings were held in June, July, September and November 2019 as well as in January and March 2020.

The Committee receives a range of:

- Routine reports based on the clearly defined expectations of services / functions that report to the Audit and Procurement Committee, e.g. internal / external audit and financial management.
- Ad-hoc reports which focus on either a specific concern or developments that impact directly on the Committee.

The details of the reports considered in 2019-20 are expanded upon below.

1.1 **Governance** - As part of the Annual Accounts process for 2018-19, the Chief Internal Auditor co-ordinated the development of the Council's Annual Governance Statement. The draft Statement was considered by the Committee in June 2019 and then in September 2019, when the audited Statement of Accounts were approved by the Audit and Procurement Committee. The statement highlighted the following significant governance issues which required the Council's focus in 2019-20; securing sustainable improvement in Children's Services, delivery of the Council's vision and corporate objectives in line with the Medium Term Financial Strategy, continuing to raise educational standards, management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation, and governance over both relationships with partners and outside bodies and the programme of capital projects. The statement also highlighted the need to continue delivery of a number of key strategies, namely the Information Management Strategy, the Workforce Strategy, and the ICT Strategy, alongside implementation of a corporate data access standard. An update on the progress made against the actions planned in 2019-20 to address these issues was considered by the Committee in January 2020.

1.2 **Financial Management and Accounting** - The unaudited Statement of Accounts was considered by the Committee in June 2019 and then in September 2019, when the audited Statement of Accounts were approved by the Audit and Procurement Committee. Additionally, the following reports were received in year:

- The revenue and capital outturn position for 2018-19 was considered in July 2019. The report showed the Council's financial position in relation to management accounts used to monitor performance through the year.
- Quarterly monitoring reports of the Council's performance against its revenue and capital budgets during 2019-20 were considered in September 2019, January 2020 and March 2020.
- A treasury management activity update was considered in November 2019. The report highlighted investment activity carried out by the Council and provided assurance that the Council was managing investments in accordance with its Investment Strategy.

1.3 **External Audit** - The following reports were received from the Council's external auditors, Grant Thornton in 2019-20:

- The Audit Findings for Coventry City Council - This report was considered in July 2019 and September 2019, along with the Letter of Representation and Audit Opinion. Its purpose was to highlight the key findings arising from the audit of the Council's financial statements for the year ending 31 March 2019. The report conclusions were that:
 - An unqualified audit opinion would be provided on the Council's financial statements.
 - The Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

The report did identify issues which the external auditors thought required focus by the Council in the next year including an annual reconciliation between the Estates Team property database and the Council's Asset Register, an annual valuation of all investment properties, a review of all investment methodologies to ensure that they are compliant with the Royal Institute of Chartered Surveyors guidance and for assets not valued in year, considering whether the value needs to be altered for movements in market prices and building costs.

- 2019-20 Audit Plan - This was considered in January 2020 and set out the planned scope and timing of the work that Grant Thornton would undertake in respect of the audit of the Council's financial statements for the year ended 31 March 2020. It also documented the expected outputs that the Committee would receive from the external auditors and includes an assurance statement that Grant Thornton are independent and are able to express an objective opinion on the financial statements.
- Informing the audit risk assessment - This was considered in March 2020 and contributes towards the effective two-way communication between the external auditors and the Audit and Procurement Committee. The report highlighted key areas of the risk assessment which underpins the external auditors work on the financial statements and the management responses to this, which the Audit and Procurement Committee confirmed was consistent with their understanding of management processes.
- Public Sector Audit Appointments publication on Audit Market – the external auditor's letter to the Council S151 Officer which summarised the local audit position in relation to the three financial years spanning 2018-21 was considered in March 2020. The letter also outlined the implications on the fees for the audit of the 2020/21 accounts arising from new developments including revised auditing and accounting standards as well as a new Code of Audit Practice.

1.4 **Internal Audit** – In June 2019, the Audit and Procurement Committee received the following reports:

- Internal Audit Annual Report - This report had two main purposes:
 - To summarise the Council's Internal Audit activity for the period April 2018 to March 2019, against the agreed Internal Audit Plan for the same period.

This highlighted that the Internal Audit Service had met its' target to deliver 90% of the agreed work plan by the 31st March 2019.

- To provide the Committee with the Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment. Based on the work of Internal Audit in 2018-19, the Chief Internal Auditor concluded that 'moderate' assurance could be provided that there was generally a sound system of internal control in place to help the organisation meet its objectives.
- Internal Audit Plan for 2019-20 – This report considered the outcome of the Internal Audit planning process and provided the Committee as a key stakeholder of the Internal Audit Service, the opportunity to comment on scope and coverage outlined in the plan.

Other Internal Audit reports considered during the year include:

- Progress reports on Internal Audit work - Monitoring reports were received in November 2019 and March 2020. These reports provided updates on the performance of the Service, along with a summary of the key audits from a sample of high-profile audit reviews carried out in the relevant periods. In considering these reports, the Committee agreed with the focus of improvements identified and the timescales agreed for implementation.
- Recommendation Tracking Report - In March 2020, a report on action taken by Council officers in implementing agreed audit recommendations was presented. This highlighted the levels of compliance with the implementation of agreed actions and the approach undertaken by Internal Audit to follow up recommendations.

1.5 **Fraud** - The following fraud reports were considered in 2019-20:

- Annual Fraud Report - This report was considered by the Committee in September 2019 and summarised the Council's response to anti-fraud and error activity for the financial year 2018-19. This included:
 - A rolling programme of reviews linked to Council Tax exemptions / discounts. It was highlighted that 129 exemptions / discounts had been removed from customers' accounts in 2018-19, which resulted in revised bills being issued amounting to around £142k.
 - A summary of the work undertaken in relation to other corporate fraud work including investigations and proactive exercises.
- Half Yearly Fraud and Error Update - A report was received in January 2020, which provided an up-date on anti-fraud and error activity in 2019-20.

1.6 **Procurement** – Reports relating to procurement were received in July and November 2019. This area is considered under the private part of the agenda and is a progress report summarising procurement activity considered by the Procurement Board and Panels in the relevant period, as well as providing an update on progress made in delivering agreed procurement saving targets. The Committee in considering these reports noted the content of reports and sought assurance around specific activity highlighted.

- 1.7 **Salaries** – Within its terms of reference, the Committee is responsible for determining any salary or severance package for an employee of the Council (except the Chief Executive) of £100k or over. The Committee received reports in July, September and November 2019 and January and February 2020 linked to the discharge of this function.
- 1.8 **Other** - The Audit and Procurement Committee also supports the Council in considering other areas linked to risk management, internal control and governance and in 2019-20, this included the following:
- Whistleblowing Annual Report 2018-19 – This report provided a summary of the concerns raised under the Council’s Whistleblowing Policy during the year and the Council’s response to the issues. Of the six whistleblowing disclosures received, one was referred to the Council’s disciplinary investigation procedure and in two cases management action was taken to make improvements.
 - Complaints to the Local Government and Social Care Ombudsman 2018-19 - This report provided information regarding the number and outcome of Local Government and Social Care Ombudsman complaints received and investigated during 2018-19, along with outlining the actions taken by the Council where a complaint was upheld by the Ombudsman. Of the 100 complaints, only 18 were pursued and 10 upheld. The Ombudsman did not issue formal reports of maladministration for any of the complaints upheld.
 - Corporate Risk Register update – This report set out the current Corporate Risk Register with an overview of the Council’s corporate risk profile and the controls in place to address these risks. The Committee noted the Risk Register having satisfied themselves that corporate risks are being identified and managed, whilst asking for further consideration around the corporate risk relating to Brexit.
 - Code of Corporate Governance – This report provided a summary of the work carried out during the year to monitor and improve the Council’s governance arrangements as part of its Code of Corporate Governance including review and update of the Member Code of Conduct, launch of “I have a concern” webpage, introduction of a new Equality, Diversity and Inclusion Policy and a review of the contract procedure rules.
 - Regulation of Investigatory Powers Act 2000 Annual Compliance Report – This report focused on providing oversight of the Council’s compliance with this Act. Two directed surveillance applications were granted during the year. There were no reported instances of the Council having misused its powers under the Act.



Coventry City Council

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

26 November 2020
30 November 2020
3 December 2020

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Deputy Chief Executive

Ward(s) affected:

All

Title:

Complaints to the Local Government and Social Care Ombudsman 2019/20

Is this a key decision?

No

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 2020, covers complaints to Coventry City Council between April 2019 and March 2020 (2019/20). Mid-March 2020 saw an abrupt pause to the Ombudsman's casework in response to the exceptional operational challenges local authorities and care providers faced because of the Covid-19 pandemic. The Ombudsman resumed some casework at the end of May and started taking new complaints again at the end of June 2020.

This report sets out the number, trends and outcomes of complaints to the LGSCO relating to Coventry City Council in 2019/20. In particular, it focuses on upheld complaints, service areas with a high number of complaints, compliance with Ombudsman's recommendations, learning from complaints, and how we compare to previous years and other local authorities.

Recommendations:

The Cabinet Member for Policy and Leadership 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.

The Ethics Committee is recommended 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

List of appendices included:

Appendix 1: Local Government and Social Care Ombudsman Annual Review letter 2020

Appendix 2: Coventry City Council Complaints Handling Guidance

Appendix 3: Local Government and Social Care Ombudsman Investigation Decisions in 2019/20 for Coventry City Council

Background papers:

None

Other useful documents

Local Government and Social Care Ombudsman Annual Review of Local Government Complaints 2019-20 <https://www.lgo.org.uk/assets/attach/5858/LG-Review-FINAL.pdf>

Has it been or will it be considered by Scrutiny?

No

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

Yes – Ethics Committee on 3 December 2020 and Audit and Procurement Committee on 30 November 2020

Will this report go to Council?

No

Report title:

Complaints to the Local Government and Social Care Ombudsman 2019/20

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.covntry.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 2020, covers complaints to Coventry City Council between April 2019 and March 2020 (2019/20). 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 2019/20. 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 2. 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

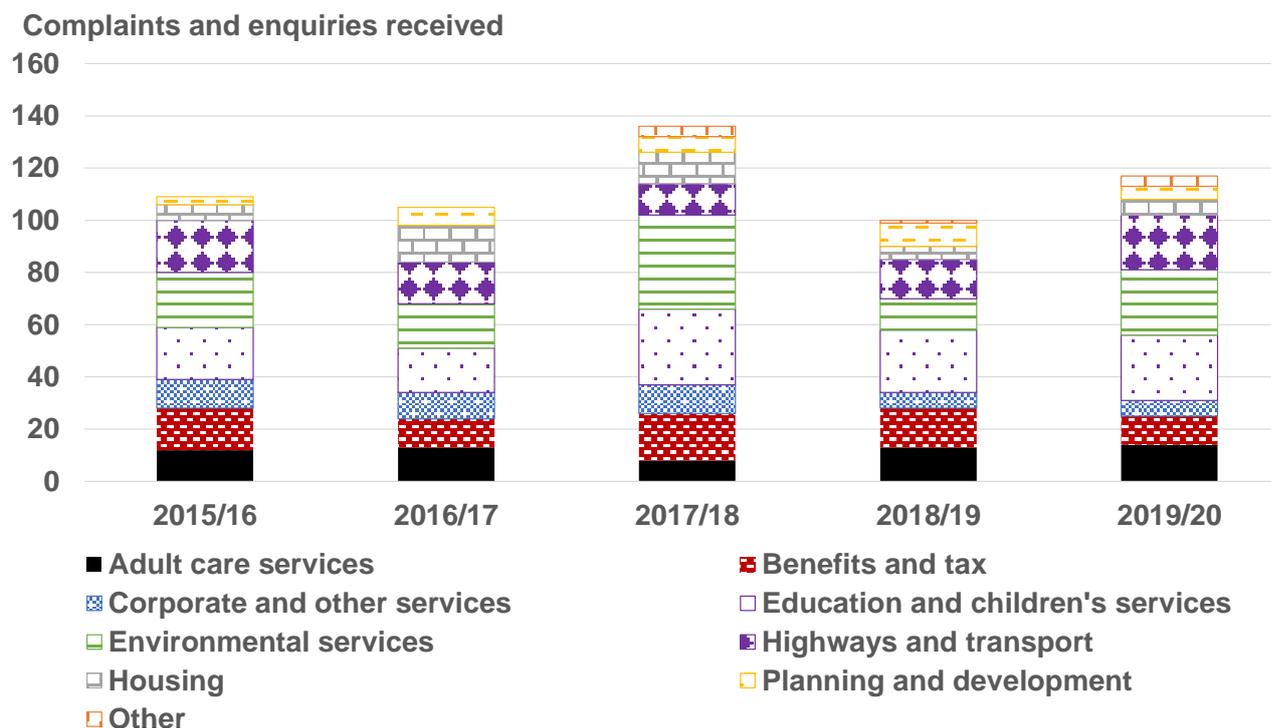
- 2.1 Across all councils, the LGSCO received 17,019 complaints and enquiries in 2019/20, up slightly from 16,899 the previous year (up 0.7%). The areas receiving the greatest number of detailed investigations was adult social care (986), education and children's services (910), and planning and development (735).
- 2.2 For Coventry City Council, the LGSCO received 117 complaints and enquiries in 2019/20, up from 100 the previous year (up 17%). This is set out in Figure 1.

Figure 1: Complaints and enquiries received by category

Category (as defined by the LGSCO)	Complaints in 2019/20	Trend
Adult care services	14	↑
Benefits and tax	11	↓
Corporate & other services	6	=
Education & children’s services	25	↑
Environment services	25	↑
Highways & transport	21	↑
Housing	6	↑
Planning & development	5	↓
Other	4	↑
Total	117	↑

2.3 Figure 2 sets out how the number of complaints and enquiries received by the LGSCO in last 5 years.

Figure 2: Complaints and enquiries received in last 5 years



2.4 In 2019/20 there was a significant increase in complaints and enquiries about environmental services and highways and transport. There was a reduction in both benefits and tax and planning and development and complaints and enquiries about adult social care increased only slightly from 13 to 14. The categories with the highest number of complaints and enquiries was education and children’s services with 25 (up 1 from 2018/198) and environmental services also with 25 (up 13 from 2018/19).

- 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 In 2019/20 the LGSCO made **116** decision up from 100 the previous year:
- **12** incomplete/invalid;
 - **1** advice given;
 - **39** referred back for local resolution;
 - **42** closed after initial enquiries; and
 - **22** complaints investigated, of which **11** were upheld and **11** were not upheld.
- 2.8 The number of complaints investigated (22 complaints) up from previous year (18 in 2018/19, and 26 in 2017/18). The LGSCO upheld a smaller proportion of complaints they investigated than in previous years: 50% of complaints were upheld (11 out of 22) in 2019/20, compared to 56% (10 out of 18) in 2018/19, and 77% (20 out of 26) in 2017/18. This compares to the Chartered Institute of Public Finance and Accountancy (CIPFA) statistical neighbours upheld rate of 59% and West Midland Combined Authority (WMCA) upheld rate of 73% and a national upheld rate of 59% for 2019/20. The tables below, sets out how Coventry compares to its 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 2019/20

Overall, 59% of complaints were upheld among Coventry and its 15 statistical neighbours. The authority with the highest percentage of complaints upheld in 2019/20 is Sheffield (89%) and lowest is Bolton (43%). Coventry has the fifth lowest upheld rate (50%).

Local Authority	Not Upheld	Upheld	% Upheld	Total
Bolton	4	3	43%	7
Peterborough	5	4	44%	9
Rochdale	8	7	47%	15
Tameside	8	7	47%	15
Coventry	11	11	50%	22
Plymouth	11	12	52%	23

Local Authority	Not Upheld	Upheld	% Upheld	Total
Kirklees	11	12	52%	23
Derby	6	7	54%	13
Luton	11	13	54%	24
Oldham	6	7	54%	13
Medway	8	11	58%	19
Bradford	14	21	60%	35
Bristol	13	20	61%	33
Leicester	14	22	61%	36
Salford	5	12	71%	17
Sheffield	4	34	89%	38

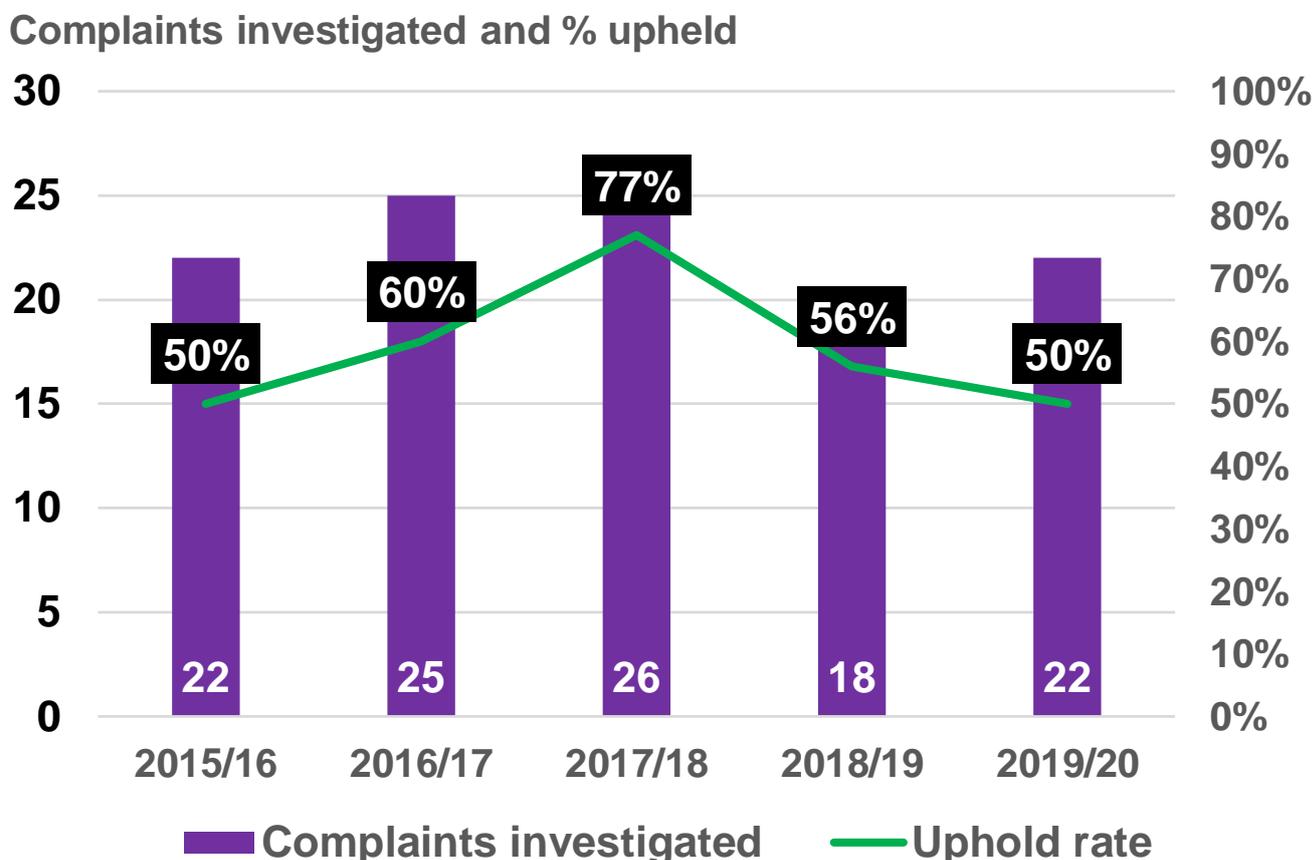
Figure 4: Complaints investigated: comparison with WMCA constituent authorities 2018/19

There were 248 complaints across the WMCA area, of which 180 were upheld and 68 were not upheld. That means, 73% of complaints were upheld among the seven constituent authorities of the WMCA. The authority with the highest percentage of complaints upheld in 2019/20 is Sandwell (86%) and lowest is Coventry (50%).

Local Authority	Not Upheld	Upheld	% Upheld	Total
Coventry	11	11	50%	22
Solihull	4	5	56%	9
Wolverhampton	5	7	58%	12
Dudley	6	11	65%	17
Walsall	6	12	67%	18
Birmingham	34	119	78%	153
Sandwell	2	15	86%	17

2.9 Figure 5 sets out how the number of complaints investigated and the percentage of complaints upheld by the LGSCO for the last 5 years.

Figure 5: Complaints investigated and percentage upheld over the last 5 years



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2.10 Of the 11 upheld complaints for Coventry, 9 complaints were remedied by the LGSCO and 2 were satisfactorily remedied by Coventry City Council before LGSCO involvement. (18%). This compares to an average of 11% in similar authorities. 5 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 2019/20.

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 2019/20 compared to 2018/19

Service area	2019/20				2018/19			
	Upheld	Not upheld	% upheld	Response time (days)	Upheld	Not upheld	% upheld	Response time (days)
Abandoned vehicles					1		100%	5
Adult social care	2	3	40%	20	1	1	50%	18
Building Control	1		100%	18				
Children's services		2	0%	20	1		100%	19
Council tax		1	0%	23		1	0%	13
Education services	2	1	67%	28	1	3	25%	19
Greenspace	1		100%	35				
Highways	1	1	50%	19				
Household waste collections	3	1	75%		4		100%	21
Housing enforcement		1	0%	17				
Housing services	1		100%	26	1		100%	21
Legal						1	0%	
Library services						1	0%	19
Planning		1	0%		1	1	50%	19
Total	11	11	50%	23	10	8	56%	18

2.14 This year saw an increase in the number of details investigations completed 22 compared to 18 in 2018/19. There was an increase in complaints relating to Adult social care, in 2019/20 there was 5 decisions compared to 2 in 2018/19. In 2019/20 all 3 Education Services complaints were regarding School Transport compared to just one detailed complaint upheld on School Transport within the Education Service complaints for 2018/19. There were, again, four detailed investigations on Household Waste Collections and none were regarding assisted collections.

2.15 The LGSCO typically expects councils to respond to investigation enquiries within 20 working days. In 2018/19, on average, the Council took 23 working days to respond to enquiries on investigations; compared to 18 working days in 2018/19. We did requested extensions on most of detailed investigations where we could not achieve the deadline. The LGSCO has now temporary increased the deadline to 30 days following it's opening again to all investigations and new complaints on 29 June 2020.

2.16 Satisfactory remedy provided by an authority these are complaints where the Ombudsman has decided that, while the authority did get things wrong, the authority had offered a satisfactory way to resolve it before the complaint was referred to the Ombudsman. Coventry had 18% of upheld cases where the Ombudsman found the Council had provided a satisfactory remedy before the complaint reached them (2 satisfactory remedy decisions). This compares to 0% in 2018/19 and an average of 11% in similar authorities in 2019/20.

Figure 7: Satisfactory remedy provided before the complaint reached the Ombudsman comparison with other WMCA constituent authorities

180 complaints were upheld in WMCA area and on 9 complaints the Ombudsman considered that the authority provided a satisfactory remedy before the complaint reached them (5%).

Local Authority	Upheld cases where the authority had provided a satisfactory remedy before the complaint reached the Ombudsman		Total Number of complaints upheld
	%	Number	
Coventry	18%	2	11
Wolverhampton	14%	1	7
Dudley	9%	1	11
Birmingham	4%	5	119
Sandwell	0%	0	15
Solihull	0%	0	5
Walsall	0%	0	12

2.17 The LGSCO Annual Review Letter includes a statistic- compliance with Ombudsman's recommendations. The [interactive data map of council performance](#) shows performance data for all councils in England. In 2019/20 the Ombudsman was satisfied we successfully implemented all of their recommendations 100%. This was based on 5 compliance outcomes. 2 school transport, 1 adult social care, 1 building control and 1 greenspace complaint. We were late in completing the 1 school transport remedy.

Figure 8: Compliance with Ombudsman recommendations

Local Authority	Complaints where compliance with the recommended remedy recorded	
	Number	% where remedy successfully implemented
Birmingham	114	100%
Coventry	5	100%
Dudley	7	100%
Sandwell	19	100%
Solihull	5	100%
Walsall	8	100%
Wolverhampton	5	100%

2.18 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 9). Further details about the outcomes of each of the complaints investigated this year and the actions taken are set out in Appendix 3.

2.19 Figure 9: Learning from complaints

Service Area	Summary of actions taken
Adult Social Care	<p>The team ensured:</p> <ul style="list-style-type: none"> -A care home issued guidance to its staff about the importance of completing 'MUST' assessments and seeking appropriate and timely medical intervention for service users at risk of malnutrition. -All agreed actions allocated at a Multi-agency Safeguarding Meeting need to have completion time scales applied to them. -Referrals to professional bodies need to be confirmed in writing with the appropriate reference number logged as part of the safeguarding process.
Children's Services	<p>Held recording workshops to raise awareness of the importance of recording, including the how, why, who, when and what.</p> <p>They were a reminder around expectations of recording and record keeping. They are also holding monthly Practice Improvement Forums (PIFs), one for managers and one for practitioners.</p>
Customer Services	Revised procedure where an officer is named in a complaint.
Greenspace	<p>Team members were reminded to</p> <ul style="list-style-type: none"> -ensure contacts are responded to promptly and where this is not possible, or the level of contact becomes too much that they set realistic levels of contact. -ensure actions it agrees to take are taken and, if there is any delay likely, it will warn and explain this to the individual, and give considered time estimates for completion of the action.
Housing and Homelessness	The area now has visiting officers in place who regularly go out and inspect properties and check on those who are in temporary accommodation.

Service Area	Summary of actions taken
School Transport	<ul style="list-style-type: none"> -Reviewed its post-19 Policy Statement to ensure the content is in line with the requirements of the statutory government guidance. -Implemented a fair and transparent appeals process for post-19 transport assistance applications as recommended in statutory guidance.

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 2. 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.

5 Comments from the Director of Finance and the Director of Law and Governance

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 2019/20 there were five complaints which resulted in some form of financial remedy or reimbursement. This is detailed in Appendix 3. These were paid out of budgets from the relevant service areas. The amount paid out in 2019/20 was £3,649.18.

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 the Council Plan (www.coventry.gov.uk/councilplan/)?

The Council Plan 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 3 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/EIA

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/).

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 again, a number of upheld complaints include an equality dimension, for instance, two Adult Social Care complaints relating to Care Homes and two school transport complaints involving the Post 19 Transport policy. 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) climate change and the environment

There was one complaint upheld where the Ombudsman found fault by the Council as it failed to ensure land it allowed a contractor to use during road improvements was not promptly returned to its previous condition through landscaping on completion.

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.

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Contact:

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Enquiries should be directed to the above person

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Pete Fahy	Director of Adult Services	Adult Services	24/09/2020	12/10/2020
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Names of approvers for submission: (officers and members)				
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Martin Reeves	Chief Executive		15/10/2020	19/10/2020
Councillor G Duggins	Cabinet Member for Policy and Leadership		15/10/2020	22/10/2020

This report is published on the Council's website: www.coventry.gov.uk/councilmeetings/

22 July 2020

By email

Mr Reeves
Chief Executive
Coventry City Council

Dear Mr Reeves

Annual Review letter 2020

I write to you with our annual summary of statistics on the decisions made by the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2020. Given the exceptional pressures under which local authorities have been working over recent months, I thought carefully about whether it was still appropriate to send you this annual update. However, now, more than ever, I believe that it is essential that the public experience of local services is at the heart of our thinking. So, I hope that this feedback, which provides unique insight into the lived experience of your Council's services, will be useful as you continue to deal with the current situation and plan for the future.

Complaint statistics

This year, we continue to place our focus on the outcomes of complaints and what can be learned from them. We want to provide you with the most insightful information we can and have made several changes over recent years to improve the data we capture and report. We focus our statistics on these three key areas:

Complaints upheld - We uphold complaints when we find some form of fault in an authority's actions, including where the authority accepted fault before we investigated. A focus on how often things go wrong, rather than simple volumes of complaints provides a clearer indicator of performance.

Compliance with recommendations - We recommend ways for authorities to put things right when faults have caused injustice. Our recommendations try to put people back in the position they were before the fault and we monitor authorities to ensure they comply with our recommendations. Failure to comply with our recommendations is rare. An authority with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedies provided by the authority - We want to encourage the early resolution of complaints and to credit authorities that have a positive and open approach to

resolving complaints. We recognise cases where an authority has taken steps to put things right before the complaint came to us. The authority upheld the complaint and we agreed with how it offered to put things right.

Finally, we compare the three key annual statistics for your authority with similar types of authorities to work out an average level of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

This data will be uploaded to our interactive map, [Your council's performance](#), along with a copy of this letter on 29 July 2020, and our Review of Local Government Complaints. For further information on how to interpret our statistics, please visit our [website](#).

Resources to help you get it right

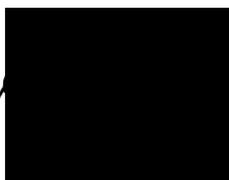
There are a range of resources available that can support you to place the learning from complaints, about your authority and others, at the heart of your system of corporate governance. [Your council's performance](#) launched last year and puts our data and information about councils in one place. Again, the emphasis is on learning, not numbers. You can find the decisions we have made, public reports we have issued, and the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

I would encourage you to share the tool with colleagues and elected members; the information can provide valuable insights into service areas, early warning signs of problems and is a key source of information for governance, audit, risk and scrutiny functions.

Earlier this year, we held our link officer seminars in London, Bristol, Leeds and Birmingham. Attended by 178 delegates from 143 local authorities, we focused on maximising the impact of complaints, making sure the right person is involved with complaints at the right time, and how to overcome common challenges.

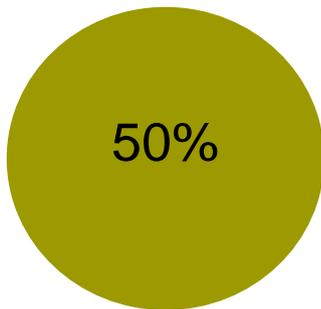
We have a well-established and successful training programme supporting local authorities and independent care providers to help improve local complaint handling. During the year, we delivered 118 courses, training more than 1,400 people. This is 47 more courses than we delivered last year and included more training to adult social care providers than ever before. To find out more visit www.lgo.org.uk/training.

Yours sincerely,



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

Complaints upheld



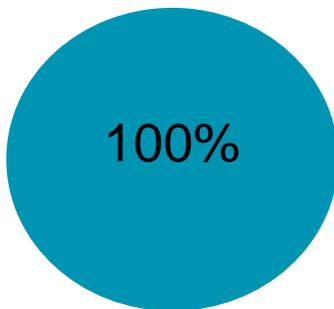
50% of complaints we investigated were upheld.

This compares to an average of **67%** in similar authorities.

11
upheld decisions

Statistics are based on a total of 22 detailed investigations for the period between 1 April 2019 to 31 March 2020

Compliance with Ombudsman recommendations



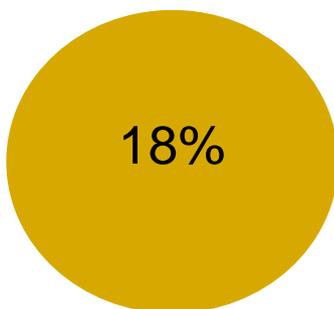
In **100%** of cases we were satisfied the authority had successfully implemented our recommendations.

This compares to an average of **100%** in similar authorities.

Statistics are based on a total of 5 compliance outcomes for the period between 1 April 2019 to 31 March 2020

- Failure to comply with our recommendations is rare. An authority with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedies provided by the authority



In **18%** of upheld cases we found the authority had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **11%** in similar authorities.

2
satisfactory remedy decisions

Statistics are based on a total of 22 detailed investigations for the period between 1 April 2019 to 31 March 2020

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Complaints handling guidance

Guidance for managers and officers dealing with comments, compliments and complaints



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Introduction

About this guide

This document is an internal document that provides guidance for managers and officers dealing with comments, compliments and complaints. It is to be read in conjunction with the complaints policy at www.coventry.gov.uk/complaints/. In line with the Council's values to be open, honest and transparent, this guide is made available to members of the public too.

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/. 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. This includes:

- the National Complaints Managers' Group (May 2016) [Good Practice guidance for handling complaints concerning adults and children social care services](#);
- guidance from the 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 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.

Roles and responsibilities

Customer services

Complaints by members of the public should typically be made through customer services:

Web: https://www.coventry.gov.uk/form_speakup
Email: customer.services@coventry.gov.uk
Telephone: 08085 834 333

Members of the public may also choose to seek help and advice from elected members (councillors) or from agencies (such as Citizens Advice, or the Ombudsman) for help and support in making their complaint. These complaints should also be passed to customer services to ensure it is recorded and tracked on Dash.

Investigating officers

Complaints should be dealt with by the individual service area in line with the complaints policy. The officer leading the complaint response is known as the investigating officer.

Complaints co-ordination

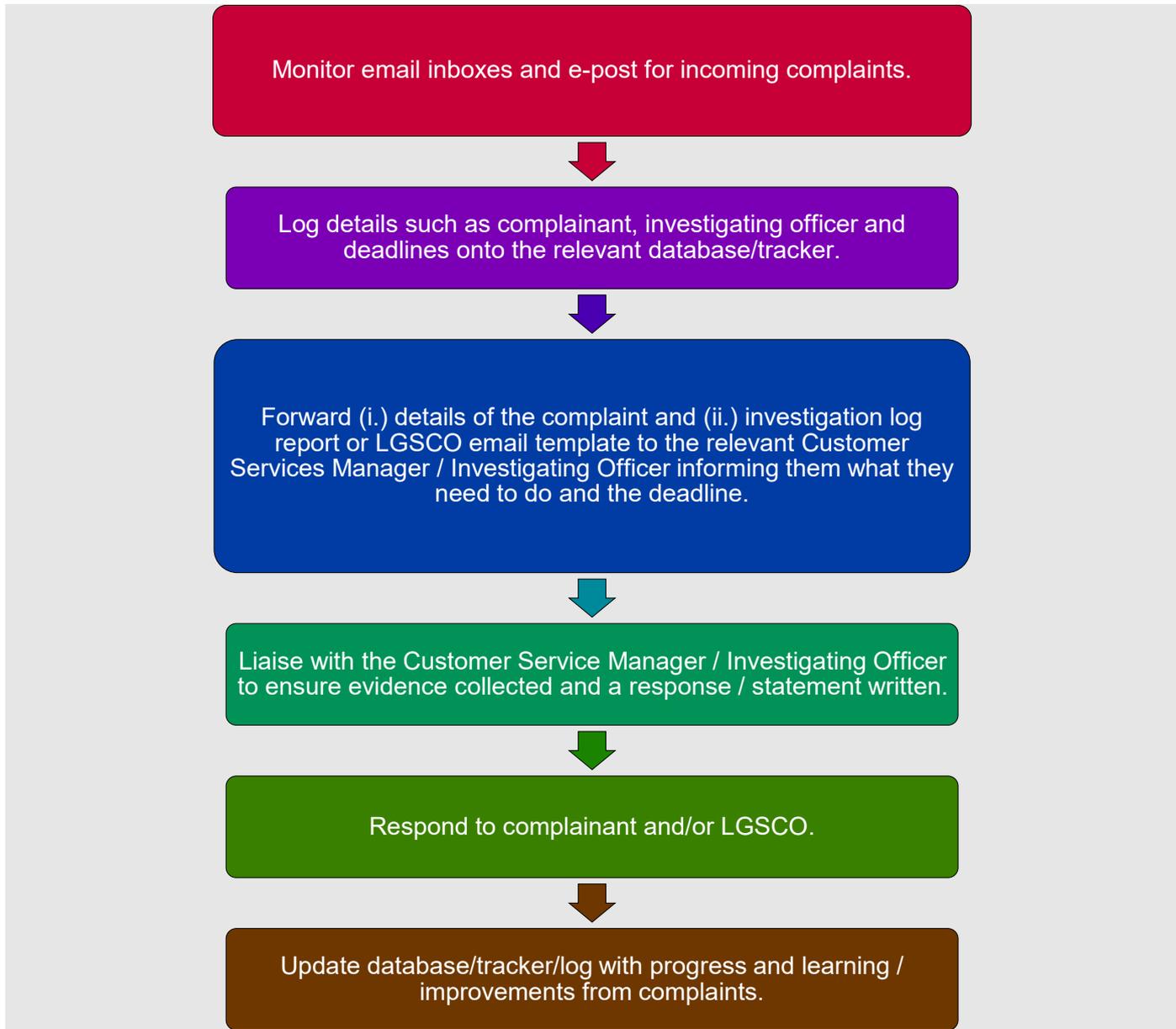
The Insight Team provides a co-ordination function for social care, corporate and complaints escalated to Ombudsman. The complaints co-ordination function also:

- manages the 3Cs Info Hub, a one-stop shop on the intranet;
- holds regular meetings with managers 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.

Complaints co-ordination role

Process flowchart

The following flowchart sets out how the complaints co-ordination process handles complaints and representations from members of the public:



Getting help

The complaints information hub

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

Getting help

If an investigating officer needs help in responding to a complaint, please speak to your line manager at first instance. If you need further help, please contact:

Statutory social care complaints

- Adult social care complaints: AdultSocialCareCustomerRelations@coventry.gov.uk
- Children's social care complaints: CLYPCustomerRelations@coventry.gov.uk

Corporate complaints

- Corporate complaints: Customer.Services@coventry.gov.uk

Ombudsman Link Officer

- Coventry City Council's Ombudsman Link Officer: Ombudsman@coventry.gov.uk

Complaint processes, stages and escalation

The key stages of the Council's complaints processes are as follows:

Type	Corporate	Adult social care	Children's social care	LGSCO
Stages	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
Timescales (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 ¹) days Stage 2: 25 (to 65 ¹) 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
Services	All other services ²	Adult social care	Children's social care	All
Recording	On the corporate customer relationship management system, Dash .	On the corporate system, Dash plus the social care complaints database .	On the corporate system, Dash plus the social care complaints database .	On the Tracker on the Local Government and Social Care Ombudsman management portal.
Reporting	Quarterly summary trends and indicators on the 3Cs Info Hub ³ .	Weekly progress reports provided on the 3Cs Info Hub and regular progress meetings held with relevant managers. Quarterly trend and context provided to relevant management team and via dashboards. Annual report to the relevant Cabinet Member.		Upheld complaints referred to the Monitoring Officer for follow-up action. Quarterly trends and context on the 3Cs Info Hub . 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 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.

¹ This is the maximum extension for complex cases as defined by the statutory guidance.

² 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.

³ Indicators currently provided on the corporate dashboard accessible via the 3Cs Info Hub and the Performance Hub.

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 <https://www.lgo.org.uk/information-centre/reports/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: the complaints investigation log report

It is important for services to treat complaints as an opportunity to learn lessons from previous experiences. By learning from complaints, services can become more responsive to the needs of residents. Upon completion of a complaint investigation, investigating officers are asked to complete a complaints investigation log report. This will provide additional learning from the complaints received, 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.

Equality monitoring

It is important to ensure any equality dimensions identified through complaints are addressed and rectified. Operationally, it is important that equality data such as the protected characteristics such as ethnicity, sex and disability status is collected as part of handling complaints; and issues are raised to the strategic equality, diversity and inclusion project board. This will enable the Council to identify if its complaints policy is operating as intended, eliminate discrimination and advance equality of opportunity in line with the public sector equality duty.

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.

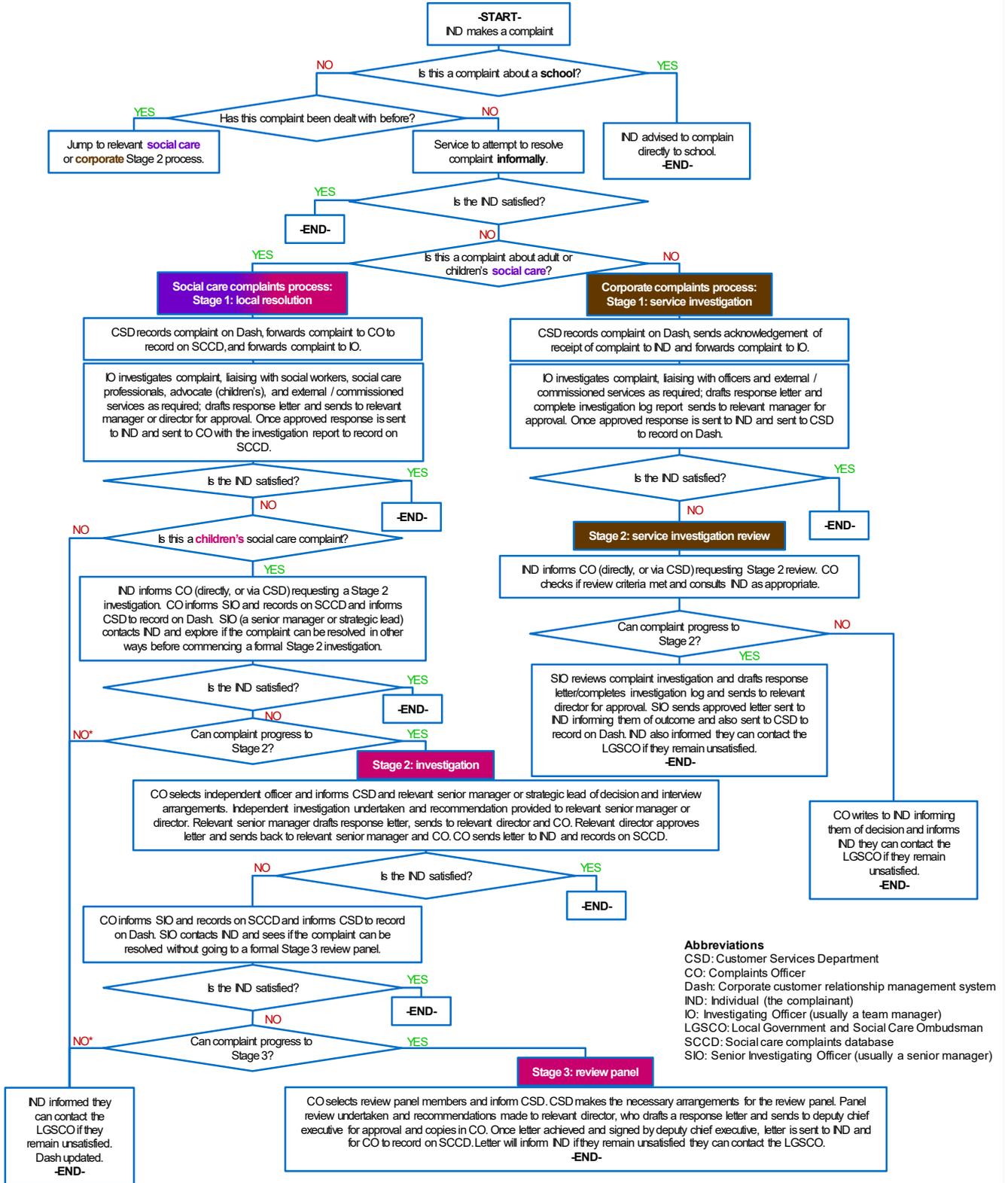
Our summary privacy notice states:

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/. 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/.

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!

Social care and corporate complaints process flowchart



* on rare occasions a complaint may not progress to the next stage, (e.g. out of timescale)

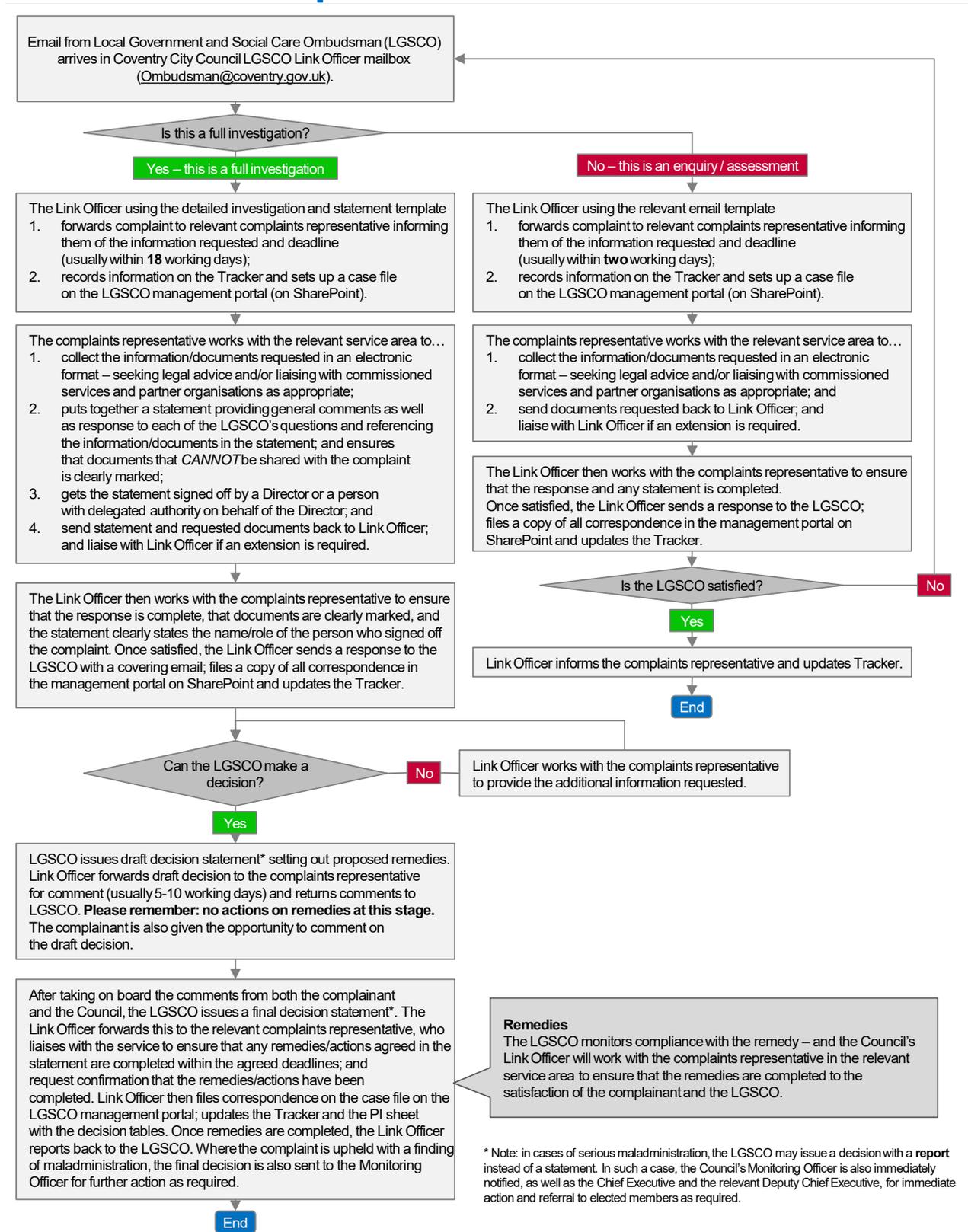
- Abbreviations**
- CSD: Customer Services Department
 - CO: Complaints Officer
 - Dash: Corporate customer relationship management system
 - IND: Individual (the complainant)
 - IO: Investigating Officer (usually a team manager)
 - LGSCO: Local Government and Social Care Ombudsman
 - SCCD: Social care complaints database
 - SIO: Senior Investigating Officer (usually a senior manager)

Local Government and Social Care

Ombudsman process complaints guidance

Stage	Notes
Enquiry / assessment	The request will have a short deadline of between 1 to 3 working days . 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 Intake team will ask the complainant to contact the Council. Alternatively the LGSCO will return the complaint as a "premature" complaint for consideration under the Council's complaint process. The Link Officer will send the relevant department the information using the premature email template. 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 using the Ombudsman detailed investigation template which includes the statement document requesting a written response to the LGSCO's questions. This needs to be returned by a set deadline, usually within 18 working days , so that the deadline (within 20 working days) can be met. The response must be provided as a statement , 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 signed off by the Director 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 statement . This will state whether the complaint was upheld 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 not be taken yet – remedies should only be completed after the final decision. We are usually requested to respond within 5-10 working days . <i>Note: the investigator may choose to issue a decision as a report (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 maladministration , 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 5-10 working days ; or longer for more complex issues.

Local Government and Social Care Ombudsman process flowchart



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 2020.docx](https://coventrycc.sharepoint.com/teams/ChiefExec/PublicHealth/Insight/Documents/Complaints%20handling%20guidance%202020.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.
04/09/2019	4.0 Updated with new section on roles and responsibilities, updated with the new complaints investigation log and statement template.
20/09/2019	4.1 Added section on equality monitoring.
14/09/2020	5.0 Updated to clarify changes in Ombudsman handling procedure regarding premature complaints and reflect organisational changes.



Insight Team
Coventry City Council

Service Area	Decisions Upheld (11)	Monetary Settlement
	<ul style="list-style-type: none"> - The Council agreed to a) Send Mrs E a written apology for its failure to respond promptly, or at all, to her contact and for the failure to send the work plan promptly after the meeting in May 2019; b) Pay her £100 for the injustice the failures caused her; c) Act to ensure contacts are responded to promptly and where this is not possible, or the level of contact becomes too much and a drain on resources, the Council will set out reasonable and realistic levels of contact for that individual on that topic; and d) Ensure actions it agrees to take are taken and, if there is any delay likely, it will warn and explain this to the individual, and give considered time estimates for completion of the action. 	
School Transport 2 complaints upheld	<ul style="list-style-type: none"> • Mr & Mrs F complained on behalf of her adult son, Mr G, that the Council wrongly refused to help with the cost of transport to the specialist college named in Mr G's Education Health and Care Plan (EHCP) - The Ombudsman found the Council's decision making was flawed because it assumed that Mrs F and other family members were available to transport Mr G to college. The Council agreed to: apologise to Mr and Mrs F for the faults identified, pay £200 for the avoidable time and trouble caused by the handling of the case; retake its decision and repay transport costs as well as an additional £500 for the distress caused. • Mr & Mrs H complained on behalf of their adult son, Mr I, that the Council wrongly refused their application for post-19 transport assistance. Mr & Mrs H also complained the Council also failed to complete Mr I's final EHCP. - The Ombudsman found fault and the Council agreed to a) apologise to Mr I for failing to issue the final EHCP; b) issue an amended draft EHCP; c) re-take its decision to provide transport assistance for Mr I; and d) apologise to Mr and Mrs H for the avoidable time and trouble they have experienced pursuing this complaint and pay them £150 in recognition of this and reimburse Mr and Mrs H for the costs they incurred as a result of transporting Mr I to and from college since September 2018. The Council ahead of the Ombudsman's final decision amended its Post 19 home to college travel assistance statement. 	£1,654.18 £795
3 Complaints Upheld: Maladministration, No injustice		
Highways 1 complaint upheld	<ul style="list-style-type: none"> • Mr J complained about the time taken by the Council to consider his application to register a right of way and says it misled the Planning Inspectorate when he appealed about it. He was also unhappy it allocated his complaint to one of the officers he was complaining about. 	

Service Area	Decisions Upheld (11)	Monetary Settlement
	<ul style="list-style-type: none"> - The Ombudsman found there was no fault in the Council's handling of Mr J's application to register a right of way or in its contact with the Planning Inspectorate. There was fault in how it allocated his complaint inappropriately to an officer he had complaint about, but this did not cause Mr J a significant injustice. Customer Service have now improved the process to ensure the same fault does not happen again. 	
Housing 1 complaint upheld	<ul style="list-style-type: none"> • Mr K complained that the Council failed to provide adequate assistance to him when he said he was homeless and did not assist him when he found private rented accommodation. Mr K also complained the Council placed him in unsuitable emergency accommodation. - The Ombudsman found the Council took sufficient action to assist Mr K in relieving his homelessness however was at fault as it placed Mr K in a room which had not been cleaned when it provided emergency accommodation. But this did not cause significant injustice to Mr K and there was no evidence to show the emergency accommodation overall was unsuitable. The Council now have visiting officers in place who now regularly go out and inspect properties and check on those who are in temporary accommodation. 	
Waste Services 1 complaint upheld	<ul style="list-style-type: none"> • Mr L complained there have been repeated failures by the Council to collect his household waste and recycling. He said the problems started when the collection day changed. He said the Council did not respond properly to his complaint. - The Ombudsman found there was fault in the Council's consideration of Mr L's complaint, but no further action was necessary. There had not been significant, repeated problems with collections since the Council responded to Mr L's complaint. The Stage 2 response had not responded to all the questions Mr L raised. The Council does not have to respond to every query someone raises but if it is not going to do so it should explain why it considers it does not have to. 	
2 Complaints Upheld: not investigated – injustice remedied during complaint processes		
Waste Services 2 complaints upheld	<ul style="list-style-type: none"> • Mrs M complained her household waste has not been collected on three occasions. Each time, she had to report the missed collection to the Council, and it had been unable to explain why the problem kept happening. 	

Service Area	Decisions Upheld (11)	Monetary Settlement
Waste Services	<ul style="list-style-type: none"> - The Ombudsman considered the Council's apology, along with the proposed monitoring of the collections, was a reasonable way to address the level of injustice caused from the complaint. The Ombudsman did not investigate Mrs M's complaint. This was because the Council had already proposed action which was a reasonable way to address the matter. • Mr N complained that the refuse crew urinate on the road near his home. - The Ombudsman did not start an investigation because the Council had provided a fair response. The Council had responded to each report from Mr N by taking direct action in relation to the members of staff. It has spoken to crew members as a group and individually. It has stated that the behaviour is unacceptable and reminded the crews of this on a daily basis and by repeating the message via the intercom while crews were out on the job. The Council had visited the site and given the crews information about the location of toilets. 	
Total		££3,649.18

Service Area	Decisions Not Upheld (11)
Adult Social Care 3 Complaints	<ul style="list-style-type: none"> • The Ombudsmen found no fault with how Coventry City Council assessed Mr O's care and support needs. • Mrs P complained about the Council's decision to move her sister-in-law, Ms Q, to another care home just before she died. Mrs P complained the Council did not involve Ms Q's family in the decision. The Ombudsman found no fault in the Council's actions because Ms Q had to be moved urgently as her health rapidly deteriorated and she required registered nursing care. The Council would have made the same decision if it had involved Ms Q's family because it was in her best interests as the care home she was in could no longer meet her needs. • Ms R complained that the Council refused to complete the adaptations she has needed since March 2016. The Ombudsman found no fault in the Council's actions.
Children's Services 2 Complaints	<ul style="list-style-type: none"> • Miss S complained the Council failed to take any action after a social worker held her wrists. She said the case records did not reflect what happened and the Council's complaint process failed to consider her views. The Ombudsman found the Council was not at fault. • Mr T and Mrs U complained the Council failed to provide support to them as Special Guardians. The Council carried out an independent investigation into their complaints and agreed to the recommendations made. The Ombudsman found no evidence of fault in the way the Council dealt with the independent investigation.
Council Tax 1 Complaint	<ul style="list-style-type: none"> • The Ombudsman found there was no evidence of fault in how enforcement agents, working on behalf of the Council, made the decision to enter Mr V's property to attempt to recover a debt owed by a member of his family.
Highways 1 Complaint	<ul style="list-style-type: none"> • Mr W complained the Council delayed agreeing highway works associated with his housing development. The Ombudsman found although it took longer than both parties would have liked to reach a section 278 agreement, there is no evidence this is due to fault by the Council. There was some uncertainty in the process, but this actually reduced the time taken to reach an agreement so did not cause Mr W a significant injustice.
Housing Enforcement 1 Complaint	<ul style="list-style-type: none"> • Ms X complained about the Council's lack of enforcement action about disrepair and vermin at her private rented property. Ms X said the Council's lack of action meant she was faced with eviction and had to pay for repairs herself. The Ombudsman found no fault in the way the Council investigated the issues Ms X had reported.
Planning 1 Complaint	<ul style="list-style-type: none"> • Mr Y complained about the Council's decision to approve a development near his home. Mr Y said the Council caused him to become seriously ill and he would like the building to be demolished. The Ombudsman cannot quash planning permissions or determine liability for an injury to health:

Service Area	Decisions Not Upheld (11)
	<p>only the courts can provide these remedies. The Ombudsman did not investigate further because it was unlikely to find fault or reach a different or a meaningful outcome for Mr Y.</p>
School Transport 1 Complaint	<ul style="list-style-type: none"> • Mrs Z complained the Council delayed in issuing an amendment to her child's Education Health and Care Plan. The Ombudsman has found no evidence of fault in the way the Council considered these matters. The Ombudsman could not investigate Mrs Z's complaints about the school named in the Plan or her concerns about advice given over responsibility for school transport for her child. Mrs Z had appealed to a tribunal about these matters. The law prevents the Ombudsman from investigating in such circumstances.
Waste Services 1 Complaint	<ul style="list-style-type: none"> • Mr AB complained that he paid £60 for the Council's bulky collection service and it failed to collect his items. Mr AB said this resulted in him losing money. The Ombudsman found the Council was not at fault

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