



Audit and Procurement Committee

Time and Date

2.30 pm on Monday, 22nd July 2024

Place

Diamond Rooms 1 and 2 - Council House, Coventry

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 24th June 2024
4. **Revenue and Capital Outturn 2023/2024** (Pages 11 - 54)
Report of the Director of Finance and Resources
5. **Audit and Procurement Committee Annual Report to Council 2023/24**
(Pages 55 - 62)
Report of the Chair of Audit and Procurement Committee
6. **Internal Audit Plan 2024/25** (Pages 63 - 72)
Report of the Director of Finance and Resources
7. **Annual Fraud and Error Report 2023/2024** (Pages 73 - 82)
Report of the Director of Finance and Resources
8. **Outstanding Issues** (Pages 83 - 88)
Report of the Director of Law and Governance
9. **Work Programme 2024/2025** (Pages 89 - 90)
Report of the Director of Law and Governance
10. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

Private business

Nil

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

Friday, 12 July 2024

Note: The person to contact about the agenda and documents for this meeting is Michelle Salmon, Governance Services, Email: michelle.salmon@coventry.gov.uk

Membership:

Councillors M Ali, J Blundell, A Hopkins, A Jobbar, R Lakha (Chair), P Male and B Singh (Deputy Chair)

By invitation:

Councillor R Brown – Cabinet Member for Strategic Finance and Resources

Public Access

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Michelle Salmon

Governance Services

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Coventry City Council
Minutes of the Meeting of the Audit and Procurement Committee held at 2.30 pm
on Monday, 24 June 2024

Present:

Members: Councillor R Lakha (Chair)
Councillor B Singh (Deputy Chair)
Councillor M Ali
Councillor J Blundell
Councillor A Hopkins
Councillor A Jobbar
Councillor P Male

Employees
(by Service Area):

Childrens Services and Education N MacDonald (Interim Director of Childrens Services and Education)

Finance and Resources K Tyler

Law and Governance J Newman (Director of Law and Governance), M Salmon

Regeneration and Economy A Williams (Director of Regeneration and Economy),
K Mawby

Public Business

1. Declarations of Interest

There were no disclosable pecuniary interests.

2. Minutes of Previous Meeting

The minutes of the meeting on 3rd June 2024 were agreed and signed as a true record. There were no matters arising.

3. Exclusion of Press and Public

RESOLVED that the Audit and Procurement Committee agrees to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 relating to the private reports in Minutes 10 and 11 below both headed 'Consideration of Approval of Severance Packages', on the grounds that the items involve the likely disclosure of information defined in Paragraphs 1, 2, 3 and 4 of Schedule 12A of the Act, as they contain information relating to individuals, the financial and business affairs of a particular person (including the authority holding that information) and information relating to labour relations matters and that, in all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. **Local Code of Corporate Governance 2024/25**

The Audit and Procurement Committee considered a report of the Director of Law and Governance, which would also be considered at the meeting of the Ethics Committee on 27th June 2024, that sought their consideration of the Local Code of Corporate Governance 2024/25 and confirmation of its satisfaction that the Code accurately represents the Council's governance arrangements.

The Local Code of Corporate Governance set out Coventry City Council's arrangements for meeting the seven principles of good governance as defined in the CIPFA/Solace Framework 'Delivering Good Governance in Local Government'. The Framework recommended that Local Authorities developed and maintained a Local Code of governance as it provided a structure to help individual authorities with their approach to governance.

The Council adopted a Local Code of Corporate Governance in 2017. The Code had recently been reviewed in the light of best practice and updated to reflect the current governance arrangements in place within the Council. An up to date and robust Local Code provided clarity over an authority's governance and supported the legal requirement to undertake an annual review of effectiveness of the Council's governance arrangements and produce an Annual Governance Statement.

The CIPFA / Solace Framework defined governance as "the arrangements put in place to ensure that the intended outcomes for stakeholders were defined and achieved." Coventry City Council had a range of measures in place to ensure that governance in the organisation was managed effectively and worked hard to ensure that those arrangements were robust and met best practice. This was achieved through a range of policies, plans, and procedures such as the Constitution (including codes of conduct for Members and employees), the One Coventry Plan, the Medium-Term Financial Strategy and policies on whistle blowing, tackling fraud and corruption, and managing risk.

The Local Code of Corporate Governance, attached as an Appendix to the report, was a refresh of the previous code with work undertaken with internal stakeholders to ensure it reflected the current position of the organisation and the Authority's One Coventry approach. The Local Code set out the Council's specific arrangements for putting the principles of good governance into practice. It drew on examples provided in the Framework but also reflected systems and processes which were specific to the Council.

The Committee noted the legal requirement to undertake an annual review that the governance arrangements set out in the Local Code were effective and/or complied with and to produce an Annual Governance Statement, with any identified areas for improvement included in the Annual Governance Statement action plan.

RESOLVED that the Audit and Procurement Committee confirms its satisfaction that the Code of Corporate Governance accurately represents the Council's governance arrangements.

5. **Internal Audit Annual Report 2023/2024**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources that summarised the Council's Internal Audit activity for the period April 2023 to March 2024 against the agreed Audit Plan for that year and the Public Sector Internal Audit Standards. It provided the Chief Internal Auditor's opinion on overall adequacy and effectiveness of the Council's risk management, internal control, and governance arrangements for the financial year 2023-24, as set out in section 2.4 of the report. Appendices to the report provided details of the audits completed in 2023-24 and a summary of findings from key audit reports.

The key target for the Internal Audit Service was to complete 90% of its agreed work plan by 31st March 2024. Whilst the plan was originally developed on the basis of an estimate of 480 available audit days, this was subsequently amended to 400 days following long term unplanned absence in the Service. The change was reported to the Audit and Procurement Committee in March 2024 (minute 56/23 referred) and the performance of the Service assessed against the revised audit plan of 400 days. The Service delivered 82% of the plan, which was slightly below target but not viewed that it materially impacted on the ability to provide an annual audit opinion. Of the nine audits which formed part of the 2023-24 audit plan, and which were not completed by the end of March 2024, two had now been finalised, one was at draft report stage and the remaining six were ongoing / had been rescheduled.

The Service had a number of other key performance indicators (KPIs) which underpinned its delivery and were aimed at ensuring that the audit process was completed on a timely basis. The report detailed the performance of Internal Audit for 2023-24 compared with 2022-23, indicating that there were three areas where performance was below expectations for which there were a number of reasons, for example the audit area was more complex than originally envisaged and had taken longer to complete than the original time estimated. Ongoing monitoring of internal audit work and identifying opportunities for improvement remained a key focus for management, in line with the Public Sector Internal Audit Standards which were based on the Global Internal Audit Standards. Following a review of the Global Standards by the Institute of Internal Auditors, a new set of standards would come into force in January 2025. The Internal Audit Service would be looking developing a revised set of performance indicators aligned to the new standards and work was currently ongoing to assess what measures would be required with further updates on this provided to the Audit and Procurement Committee.

The Public Sector Internal Audit Standards required that the Internal Audit Service developed and maintained a quality assurance and improvement programme that covered all aspects of internal audit activity, details of activities included in the Programme for 2023-24 were set out in the report together with details of the specific improvement actions which had been delivered against the improvement plan. In considering the results of the quality assurance and improvement programme, it had been concluded that the Internal Audit Service conformed with the Public Sector Internal Audit Standards, with no key areas of non-compliance.

Where improvements had been identified, it was not considered that this materially impacted on the overall scope or operation of the internal audit activity. The report detailed the current improvement plan for Internal Audit and indicated that progress against the actions would be included in the next annual report to the Audit and Procurement Committee.

An Appendix to the report provided details of the audit reviews that had been carried out in the financial year 2023-24 along with the level of assurance provided, with the definitions to support the level of assurance applied to audit reviews carried out by the Service, set out in the report.

A summary of the findings of key audits that had not already been reported to the Committee during municipal year 2023-24 were included in a further Appendix to the report. In all cases, relevant managers would address the issues raised in line with the timescale stated with the reviews followed up and the outcome reported to the Audit and Procurement Committee.

In the Chief Internal Auditor's view, sufficient assurance had been obtained to form a reasonable conclusion on the adequacy and effectiveness of Coventry City Council's risk management, internal control, and governance arrangements. This took account of the internal audit work performed during 2023-24 and other sources of assurance, specifically: the work of the Corporate Governance Steering Board of which the Chief Internal Auditor was a member; the Corporate Risk Register; and the findings of the Local Government Association's Corporate Peer Challenge, undertaken in January 2024.

It was the Chief Internal Auditor's opinion that reasonable assurance could be provided that there was generally an effective and adequate framework of governance, risk management and internal control in place designed to meet the Council's objectives. This meant that there was 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 were agreed to improve the governance, risk management and the internal control environment and assist the Council in achieving its objectives. A defined process existed within the Service to gain assurance that all actions agreed had been implemented on a timely basis. In giving this opinion, assurance could never be absolute and could not eliminate all risk and provide absolute assurance of effectiveness.

In undertaking the assessment of the Council's arrangements, the Chief Internal Auditor had reviewed whether, in her opinion, there were any areas that needed to be considered when the Council produced its Annual Governance Statement for 2023-24. Whilst any audit where 'limited' or 'no' assurance was provided required attention, an assessment was also made as to whether the review had a significant corporate impact and consequently needed 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. Issues that had been identified for consideration in preparation of the Annual Governance Statement for 2023-24 were detailed in the report.

The Committee requested that the half-year monitoring report, scheduled on the Work Programme to be submitted to the Committee in November 2024, included an update on progress against the Internal Audit Improvement Plan, and also that improvement action 7 be updated to include reference to the resourcing issue.

RESOLVED that Audit and Procurement Committee notes:

- 1) The performance of Internal Audit against the Audit Plan for 2023-24.**
- 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 to the report) that have not already been reported to Audit and Procurement Committee during municipal year 2023-24 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 risk management, internal control, and governance arrangements.**

6. Internal Audit External Quality Assessment

The Audit and Procurement Committee considered a report of the Director of Finance and Resources that provided the results of the External Quality Assessment of the Internal Audit Service and the updated Internal Audit Charter.

The Public Sector Internal Audit Standards required that a Quality Assurance and Improvement Programme (QAIP) must be developed and maintained. The Programme was designed to enable an evaluation of internal audit activity's conformance with the Standards and an evaluation of whether internal auditors applied the Code of Ethics. It also assessed the efficiency and effectiveness of internal audit activity and identified opportunities for improvement. The QAIP must include both internal and external assessments. External Assessments must be completed at least once every five years and an assessment for the Internal Audit Service at Coventry City Council had now been undertaken, with the final report issued in May 2024. The Standards required that the results of the assessment were discussed with the Audit and Procurement Committee.

There were two options available for conducting external assessments; a full external assessment; or a self-assessment with independent external validation. The preferred option to use a self-assessment approach was approved by the Audit and Procurement Committee at its meeting on 26th June 2023 (minute 6/23 referred) and consequently, a tri-party arrangement was entered into with Solihull MBC and Sandwell MBC with each Council acting as the assessor for another. The assessment for Coventry City Council was undertaken by the Head of Audit at Sandwell MBC who had over 30 years internal audit experience.

The independent external validation was based on the review a self-assessment checklist completed by the Internal Audit Service, along with interviews and a review of a number of key documents. The overall conclusion reached by the assessor was that “from the evidence reviewed as part of the independent validation of the self-assessment Coventry City Council’s Internal Audit Service conformed to the requirements of the Public Sector Internal Audit Standards and the requirements of the Local Government Application Note, with no key areas of non-compliance with the standards identified.”

Notwithstanding the overall conclusion of the assessment, a number of improvement actions to further build on conformance were identified, both by the Chief Internal Auditor in completing the self-assessment and by the assessor. These were detailed in the full report attached as an Appendix to the report. The assessor had recommended that these were included in an action plan, with completion monitored by the Audit and Procurement Committee. This action plan had been included in the Internal Audit Annual Report and was also detailed in the report. Progress in completing the action plan would be included in future reports to the Audit and Procurement Committee.

One of the improvement actions highlighted in the report, action plan reference 1, was to “Identify Internal Audit’s contribution to the review of effectiveness of the control environment within the Internal Audit Charter.” As such, the Charter had been updated to reflect this, Section 7 referred, and was included in a further Appendix to the report. The Public Sector Internal Audit Standards required that the Charter was approved by the Audit and Procurement Committee and this report provided an opportunity to do this.

RESOLVED that the Audit and Procurement Committee:

- 1) Notes the results of the External Quality Assessment, including the improvement action plan.**
- 2) Approves the updated Internal Audit Charter.**

7. Outstanding Issues

The Audit and Procurement Committee considered a report of the Director of Law and Governance that identified issues on which a further report/information had been requested or was outstanding so that the Committee were aware of them and could manage their progress.

Appendix 1 to the report provided details of an issue where a report had been requested to a meeting along with the anticipated date for consideration of the matter.

Appendix 2 of the report provided details of an item where information had been requested outside the formal meeting.

RESOLVED that the Audit and Procurement Committee notes the Outstanding Issues report.

8. **Work Programme 2024/2025**

The Audit and Procurement Committee considered a report of the Director of Law and Governance that detailed the Work Programme of scheduled issues to be considered by the Committee during the Municipal Year 2024/2025.

RESOLVED that the Audit and Procurement Committee notes the Work Programme for 2024/2025.

9. **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.

10. **Consideration of Approval of Severance Package**

The Audit and Procurement Committee considered a private report of the Director of Regeneration and Economy that sought approval of a severance package for an employee's retirement which had occurred due to changes in the Employment and Skills Service that has had to review the way in which the service operated in response to a significant reduction in grant funding and changes to the funding landscape for employment support.

Part 21 of the Council's constitution required that any severance package for an employee of the Council which exceeds £100,000 should be determined by the Audit and Procurement Committee. The calculation of the value of an exit package included the costs to the Authority, as well as payments / benefits to the employee.

RESOLVED that the Audit and Procurement Committee approves the severance payment on early retirement as calculated.

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

Consideration of Approval of Severance Packages

The Audit and Procurement Committee considered a report of the Interim Director of Childrens Services and Education that sought approval of severance packages for employees' retirements which had occurred due to a review in the way in which the Family Group Conferencing Service operated in response to a reduction in grant funding.

Part 21 of the Council's constitution required that any severance package for an employee of the Council which exceeds £100,000 should be determined by the Audit and Procurement Committee. The calculation of the value of an exit package included the costs to the Authority, as well as payments / benefits to the employee.

With the agreement of the Chair, Councillor Lakha, the report had been circulated as urgent business, the reason for urgency being the need to consider the report prior to the next meeting of the Committee, due to the timescales involved.

RESOLVED that the Audit and Procurement Committee approves the severance payments on early retirement as calculated.

(Meeting closed at 3.45 pm)



Cabinet
Council
Audit and Procurement Committee

9th July 2024
9th July 2024
22nd July 2024

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources - Councillor R Brown

Director Approving Submission of the report:

Director of Finance and Resources (Section 151 Officer)

Ward(s) affected: All

Title:

Revenue and Capital Outturn 2023/24

Is this a key decision?

Yes - The report deals with financial matters in excess of £1.0m including specific new recommendations to allocate resources within the outturn position.

Executive Summary:

This report outlines the final revenue and capital outturn position for 2023/24 and reviews treasury management activity and 2023/24 Prudential Indicators reported under the Prudential Code for Capital Finance.

The overall financial position includes the following headline items:

- An overspend of **£1.8m**, balanced by a contribution from unearmarked reserves.
- Capital Programme expenditure of **£115.3m**
- A reduction in the level of available Council revenue reserves from £128m to **£118m**

Further detail within the overall position includes:

- An overspend of £4.9m in Adults' Social Care reflecting an increased number of high-cost complex cases.

- An overspend of £4.7m within Streetscene and Regulatory Services representing a reduction in income generation in several areas such as planning applications, car parking in parks and bereavement services as well as pressures within urban forestry due to remedial works on trees. A significant proportion of this pressure is within Waste & Fleet services relating to implementation of HSE recommendations, costs of increased tonnages and increased gate fees, and deficits on planned income in both Commercial Waste and Passenger Transport.
- An overspend of £2.8m within Childrens' Services reflecting high placement costs and staffing pressures in Help & Protection (Area Teams) due to high levels of cases which require additional workers and agency staff.
- An overspend of £2.5m on Housing & Homelessness due to an increase in people seeking support and being placed in temporary accommodation (TA), combined with an increase in TA fees.
- An underspend of £1.8m in Education & Skills due to management of vacancies within Customer Services, alongside other efficiencies and the utilisation of grant income and earmarked reserves.
- An overspend of £1.4m on Business, Investment & Culture represents underachievement of sponsorship income and reduced grant from ERDF as well as holding costs for the City Centre Cultural Gateway due to slipped project implementation timescales.
- An overspend of £1.4m on Transport & Highways relates to increased costs in highways maintenance to address highways defects, as well as continuing high costs of energy for street lighting.
- The service has experienced pressures in highways maintenance due to the cost of addressing highways defects and income pressures resulting from sickness and recruitment challenges. In addition, the continuing high cost of energy has resulted in pressures in street lighting. These pressures have been partially offset by a recovery in car park income.
- A net underspend of £12.4m within central budgets, includes higher dividend income from Council owned companies, interest income from loans, higher than budgeted investment income, and distribution of Business rates Levy Account Surplus.

The underlying revenue position has improved by £6.7m since Quarter 3 when an overspend of £8.5m was forecast. The majority of the improved position relates to increased one-off income within Contingency and Central budgets which are set out in the report.

The prudent management of the Councils financial position throughout the Covid crisis enabled the Council to retain some resources to manage any legacy issues. £1.8m of this has been used to balance the position at the end of 2023/24. Although the Covid crisis is no longer a significant threat to the Councils service delivery and financial position, the cost-of-living crisis and high levels of inflation have had tangible impacts on demand for both Childrens, Adults and Housing services. The complexity of need, support required and sufficiency of the external market to provide for this has directly impacted the Councils financial outturn reported up to 31st March 2024 and will be an ongoing financial challenge in 2024/25.

Recommendations:

Cabinet is recommended to approve:

- 1) The final balanced revenue outturn position after a contribution of £1.8m from reserves.
- 2) The resource switch of £5.9m of capital projects funded by revenue to capital receipts, to create the Financial Risk Contingency within Reserves, referenced in section 2.2.3 of the report.
- 3) The final capital expenditure and resourcing position (section 2.3 and Appendix 2 of the report), incorporating expenditure of £115.3m against a final budget of £137.1m; £21.7m expenditure rescheduled into 2024/25 and £0.1m underspend.
- 4) The outturn Prudential Indicators position in section 2.4.4 and Appendix 3 of the report.

Cabinet is requested to recommend that Council: -

- 5) Approves the reserve contribution of £1.8m for the purposes described in Section 5.1 of the report.
- 6) Approves the resource switch of £5.9m of capital projects funded by revenue to capital receipts, to create the Financial Risk Contingency within Reserves, referenced in section 2.2.3 of the report.

Council is recommended to:

- 1) Approve the reserve contribution of £1.8m for the purposes described in Section 5.1 of the report.
- 2) Approve the resource switch of £5.9m of capital projects funded by revenue to capital receipts, to create the Financial Risk Contingency within Reserves, referenced in section 2.2.3 of the report.

Audit and Procurement Committee is recommended to:

- 1) Consider the contents of the report and determine whether there are any issues which it wants to refer to the Cabinet Member for Strategic Finance and Resources.

List of Appendices included:

Appendix 1 - Detailed breakdown of Directorate Revenue Variations
Appendix 2 - Capital Programme Changes and Analysis of Rescheduling
Appendix 3 - Prudential Indicators

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

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

Yes - Audit and Procurement Committee 22nd July 2024

Will this report go to Council?

Yes – 9th July 2024

Report title: Revenue and Capital Outturn 2023/24

1. Context (or background)

- 1.1 This report sets out the Council's revenue and capital outturn position for 2023/24 and performance against its Prudential Indicators for the year. The City Council set a revenue budget for the year of £260.5m and has a revised Capital Programme of £137.1m.
- 1.2 The reported figures show the Council's financial position in relation to management accounts used to monitor performance through the year. The Audit and Procurement Committee will consider separately the Council's statutory Statement of Accounts.

2. Options considered and recommended proposal.

2.1 Revenue Outturn

- 2.1.1 Table 1 below summarises the outturn position for each division and the required contribution from reserves to achieve a balanced position for the Council.

Table 1 Summary Outturn Position

Quarter 3 Forecast Variance £m		Revised Budget £m	Final Outturn £m	Outturn Variance overspend/ (underspend) £m	Movement from Q3 worse/ (better) £m
5.7	Adult Services & Housing	114.6	122.0	7.4	1.7
1.2	Business, Investment & Culture	8.2	9.6	1.4	0.2
3.9	Children & Young People's Services	94.4	97.2	2.8	(1.1)
(4.1)	Contingency & Central Budgets	(36.0)	(48.4)	(12.4)	(8.3)
(1.3)	Education & Skills	21.1	19.3	(1.8)	(0.5)
0.9	Finance & Corporate Services	9.6	9.5	(0.1)	(1.0)
0.1	Human Resources	1.4	0.9	(0.5)	(0.6)
0.1	Legal & Governance Services	8.2	7.9	(0.3)	(0.4)
0.2	People Directorate Management	0.9	1.1	0.2	0.0
(0.1)	Project Management & Property Services	(8.4)	(8.5)	(0.1)	0.0
(1.3)	Public Health	2.6	1.7	(0.9)	0.4
2.2	Streetscene & Regulatory Services	33.3	38.0	4.7	2.5
1.0	Transport & Highways	10.6	12.0	1.4	0.4
8.5	SUBTOTAL	260.5	262.3	1.8	(6.7)
0	Contribution from reserves	-	-	(1.8)	(1.8)
8.5	TOTAL	260.5	262.3	0.0	(8.5)

2.1.2 Explanation of variations

The quarter 3 position reflected an overspend of £8.5m with the key variations between quarter 3 and Outturn occurring within Contingency and Central Budgets which improved by £8.3m and Streetscene & Regulatory Services worsening by £2.5m as well as Adults Services worsening by £1.7m. The reasons for these variations are included in the explanations of overall budgetary variations below.

2.1.3 Movement from quarter 3 forecast

An £8.3m favourable movement in **Corporate and Contingency** budgets includes an improved Asset Management Revenue Account position of £7.7m, mainly due to higher dividends declared in January 2024 from Coventry & Solihull Waste Disposal Company (£5.3m) and additional interest on investments due to a combination of higher than forecast cash balances and higher interest rates on lending (£0.9m). There were also additional government grant monies declared in the final quarter including windfall distribution of Business Rates Levy Account Surplus (£0.7m) and Green Plant & Machinery Business Rates exemption compensation grant (£0.3m).

A significant unfavourable movement of £2.5m during the final quarter was **Streetscene and Regulatory Services**. This was attributable to two major planning applications being deferred to 2024/25 (£0.6m) as well as costs being awarded against Coventry City Council in Public Inquiries (£0.4m). Income recovery in both Passenger Transport and Commercial Waste of £0.5m combined, was lower than expected. There were additional costs relating to capital expenditure in Fleet and Parks totalling £0.5m. Finally additional costs of £0.5m were received relating to Waste Collection service provided by Tom White Waste.

Another significant unfavourable movement since quarter 3 is within **Adult Services & Housing** which worsened by £1.7m. In Adults Services this was driven by a further increase in the number of packages of care, including some highly complex cases, as well as increase to the value of the provision for bad debt. Within housing this was driven by a return to an upward trend in the number of people seeking assistance and being placed in temporary accommodation, which had plateaued during the previous quarter.

There has been a £1.1m favourable movement in **Children's Services**, which is a result of reduced expenditure within placements for Children in Care.

A £1.0m favourable movement within **Finance & Corporate Services**, is due to a combination of the following; an opportunity to apply one-off grant resources (circa £0.3m) to offset core-funded expenditure, a technical review was undertaken to rebase the doubtful debt provision for housing benefit overpayment debt which resulted in the release of circa £0.4m of provision, and positive improvements in business rates related grants circa £0.2m.

Most other remaining services have improved or maintained their quarter 3 position.

2.1.4 Final Outturn Position

Contingency and Central (£12.4m Underspend)

The overall Corporate and Contingency underspend of £12.4m incorporates favourable variances of £10.4m in the Asset Management Revenue Account (AMRA) and £2m across all other contingency budgets. The AMRA variation includes higher than budgeted interest income from loans provided by the Council, higher than budgeted investment income from a combination of larger short-term investment balances and higher interest rates and lower than assumed interest debt costs. We also had higher dividends declared in January 2024 from Coventry & Solihull Waste Disposal Company (additional £5.3m above budgeted amount). Central budgets include the cost of the 2023/24 pay award which averaged c6% for the Council and represents a cost c£3m above the original budget, which is partially offset by other contingency budgets. Favourable variations include distribution of Business Rates Levy Account Surplus and Green Plant & Machinery Business Rates exemption compensation grant.

Council Services (£14.2m Overspend)

Adult Social Care & Housing (£7.4m overspend)

Within Adult Services & Housing the largest element of overspend relates to Adult Social Care (£4.9m) which is mainly due to an increase in the total number of packages of care, as well as increased activity across existing service users resulting in higher average costs. The increased activity reflects the complexity of the casework and the higher needs of those seeking our support with greater spend incurred in home care hours and supported living across adult services. Part of the overspend also relates to an increase in the level of bad debt provision the Council is required to make to guard against the risk that levels of unsecured debt may not be recoverable.

The other significant variance is an overspend on Housing & Homelessness (£2.5m) due to an increase above 40% in the number of people seeking assistance and being placed in temporary accommodation (TA). The increase in TA is a national issue with the highest number of households in TA in England being reported in December 2023. Alongside this there has been a 15% increase in temporary accommodation fees which was required to ensure TA continues to be available and mitigate the use of more expensive Bed and Breakfast accommodation.

Streetscene & Regulatory Services (£4.7m overspend)

Across the services we have seen a reduction in income generation partly due to the decline in planning applications; car parking income at parks, and the fall in death rates impacting our bereavement services income budgets (£2.2m combined). In addition, we have seen pressures within Urban Forestry due to tree surveys and remedial works (£0.3m).

The most significant pressure sits within our Waste and Fleet services. Commercial Waste business lost during Covid has never recovered and the service has now ceased to trade creating an income deficit of £0.4m and waste

collection services have been provided by a 3rd party whilst the service has been under review. There have been costs associated with the implementation of HSE recommendations to our fleet (£0.4m) and higher than inflationary increase to gate fees and increased tonnages has increased the costs of Waste Disposal (£0.6m). Finally, Passenger Transport had a shortfall on income (£0.5m) and a full review of charging arrangements will be completed during 2024/25.

Children and Young People (£2.8m overspend)

There is an overspend of £2.7m against placements for children in care. This is linked to increasing unit costs for placements due to a lack of sufficiency in the market to meet the needs of young people in care. This cost pressure has occurred despite there being a decrease in the number of children in our care. There is also a £1.1m pressure within staffing in Help & Protection (Area Teams) due to the high levels of cases which require additional workers and agency staff. Some of this pressure has been offset by one-off savings from additional grants and the use of earmarked reserves.

Business, Investment & Culture (£1.4m overspend)

The majority of this overspend relates to Culture Sports (£1.2m) which includes an overspend on the City Centre Cultural Gateway of £0.9m due to a slipped project implementation timeline, as well as an underachievement of sponsorship income by £0.2m and a trading loss against St Mary's Guildhall of £0.4m. This is offset by an underspend due to energy saving, the use of grants and profit sharing from the Wave.

Economic Development Service (EDS) make up the remaining £0.2m overspend which are attributed to achieving corporate priorities on the City Centre Visioning and Master Plan, the legal and procurement costs for the Strategic Energy Partnership and reduced grant income as the service transitions from ERDF to UKSPF.

Transport and Highways (£1.4m overspend)

The service has experienced pressures in highways maintenance due to the cost of addressing highways defects and income pressures resulting from sickness and recruitment challenges. In addition the continuing high cost of energy has resulted in pressures in street lighting. These pressures have been partially offset by a recovery in car park income.

Education & Skills (£1.8m underspend)

The largest element of this underspend relates to Customer Services (£1.2m). This is made up of a combination of the planned management of a significant number of vacancies to facilitate structural change and support improved long term service delivery via Coventry Connects, the utilisation of grant resources fund related posts and the release of some reserve funding.

The £0.3m underspend in Education Entitlement is a result of reduced expenditure on school bus passes, efficiencies in the interpreter service following a cost review, and efficiencies in the Virtual School due to staff vacancies and additional grant income.

There is a further underspend of £0.3m in Education Improvement & Standards which is due to the utilisation of grant income to fund activities where appropriate, and underspend against historic pension liabilities.

2.2 Reserves

2.2.1 The Council's revenue reserve balance at the end of 2023/24 is £118m compared with £128m at the end of 2022/23. Resources set aside to support the Refugee Resettlement Programme, IT Replacement Programme and Business Rates Income Reserve have increased as well as a provision for Financial Risks. These increases have been more than offset by use of resources to balance the year-end position (Covid funding) and drawdown of the Better Care Fund (delivered jointly with the health sector), Homes for Ukraine, PFI Reserve movement and to deliver corporate projects such as the Highways Investment Programme.

2.2.2 Balances generated from capital receipts and capital grants to fund future capital projects have reduced from £34m to £26m and reserve balances belonging to or earmarked to support schools have increased from £33m to £38m. The total reserve movement in 2023/24 is summarised in the table below.

Table 3 Summary of Reserve Movements in 2023/24

	1st Apr 2023 £000	(Increase)/ Decrease £000	31st Mar 2024 £000
<u>Council Revenue Reserves</u>			
Adult Social Care	(31,248)	11,612	(19,636)
General Fund Balance	(10,277)	0	(10,277)
Financial Risk Contingency	(5,856)	(2,623)	(8,479)
Early Retirement and Voluntary Redundancy	(7,242)	0	(7,242)
Private Finance Initiatives	(8,109)	1,379	(6,730)
Management of Capital	(6,324)	521	(5,803)
Reset and Recovery	(5,467)	0	(5,467)
Business Rates Income Reserve	(3,433)	(1,592)	(5,025)
Innovation and Development Fund	(5,068)	804	(4,264)
Public Health	(3,749)	(277)	(4,026)
Corporate Priorities (2020/21 Outturn Underspend)	(2,995)	0	(2,995)
Covid 19 Government Funding	(4,260)	1,756	(2,504)
Commercial Developments	(2,682)	209	(2,473)
Air Quality Early Measures	(3,920)	1,546	(2,374)
Refugee Resettlement Programme	(619)	(1,722)	(2,341)
Friargate Lifecycle	(1,594)	0	(1,594)
IT Replacement Programme	(510)	(1,016)	(1,526)
Homes for Ukraine	(2,530)	1,256	(1,274)

Adult Education Income	(1,091)	(100)	(1,191)
Housing Enforcement	(590)	(577)	(1,167)
City of Culture & Commonwealth Games Readiness Legacy	(1,401)	277	(1,124)
Corporate Property Management	(819)	(200)	(1,019)
Insurance Fund	(1,064)	142	(922)
Other Directorate	(14,076)	114	(13,962)
Other Corporate	(3,460)	(1,189)	(4,649)
Total Council Revenue Reserves	(128,384)	10,320	(118,064)
<u>Council Capital Reserves</u>			
Useable Capital Receipts Reserve	(28,623)	6,890	(21,733)
Capital Grant Unapplied Account	(5,745)	1,550	(4,195)
Total Council Capital Reserves	(34,368)	8,440	(25,928)
<u>School Reserves</u>			
Schools (specific to individual schools)	(22,956)	(583)	(23,539)
Schools (related to expenditure retained centrally)	(10,237)	(4,053)	(14,290)
Total Schools Reserves	(33,193)	(4,636)	(37,829)
Total Reserves	(195,945)	14,125	(181,820)

2.2.3A retrospective adjustment to apply capital receipts to fund capital projects has reduced the opening balance on the Usable Capital Receipts Reserve by £5.9m and created a revenue reserve to support future Financial Risks. This does not affect the Total Reserves opening balance of £196m.

2.2.4 Adult Social Care resources represent the largest area of balances. These are overwhelmingly funded through ring-fenced grant and health sector resources for the delivery of jointly managed pooled budget arrangements with Health. In addition to these, the revenue reserve balances include £12m set aside as Funding for the Future approved previously, £7m is set aside as part of the Council's three long-term Private Finance Initiative models and another £7m is set aside to fund costs arising from early retirement and redundancy decisions.

2.2.5 In line with recent practice, analysis of these balances will be undertaken as part of a wider exercise examining the Council's financial position in 2024/25 and going forward.

2.3 Capital Outturn

2.3.1 The capital outturn position for 2023/24 is shown in summary below and in greater detail in Appendix 2:

Table 4: Capital Outturn Summary

Final Budget £m	Final Spend £m	Net Rescheduling Now Reported £m	Underspend £m	Total Variance £m
137.1	115.3	(21.7)	(0.1)	(21.8)

The quarter 3 monitoring report to Cabinet on 13th February 2024 approved a revised capital budget of £127.6m for 2023/24. Since then, there has been a net programme increase of c£9.5m giving a final budget for the year of £137.1m. Since February, a total of £21.7m net rescheduled spending has arisen within the capital programme. A scheme-by-scheme analysis is included in Appendix 2, a summary of key schemes is in the table below.

Table 5: Summary of Rescheduling

Project	(Rescheduling) /Accelerated Spend £m	Explanations
City Centre South	(5.8)	Transfer of Council land into the scheme and some demolition costs will now begin in 2024/25. This is due to delays to scheme development caused by changes in national government policy in relation to dual stair cores and fire safety measures for relevant residential schemes. The developer has had to revise the plans to accommodate this, which has led to a delay in the completion of legal agreements and scheme commencement.
Friargate	(4.6)	The Practical Completion of the building and handover to the Council is significantly behind schedule due to delays to the commissioning of utilities and resultant impact on building systems. The Council has taken Partial Possession of a number of floors to enable occupation by Octopus Energy Group, further fit out works by them and fit out works by Segro. Practical Completion and final payment anticipated in the first quarter of 2024/25.
Coventry Vey Light Rail	(0.9)	There has been a reduction in staffing resources due to consultants leaving the projects, delays to the start of City Centre Traffic Management plan works and delay to the procurement of slabs for the City Centre Development route.
Transportation S106 Programme	(1.4)	There have been a number of S106 funded schemes that have been forward funded or developed pending the S106 funding being legally signed, and income received, for example, Keresley Link Road, Shultern Lane/Lynchgate Cycle Scheme, Coundon Park and Coundon

		Wedge Drive schemes. This has resulted in designs/programmed works slipping into 2024/25.
Earlsdon and Lower Coundon Liveable Neighbourhood	(0.8)	Additional rounds of consultation and engagement led to delayed construction start date. Earlsdon LN construction started on 28/05/2024.
Public Realm 6 including Palmer Lane Deculverting	(2.5)	Public Realm 6 has faced delays to construction start dates due to additional engagement with stakeholders and the need for legal agreements. Construction works have begun on City Centre Security (HVM) and Retail Quarter works are due to commence on site in quarter 1 2024/25. On Palmer Lane increasing contractor costs led to Officers re-procuring the works with a new provider. Subsequently, the start date was delayed until February 2024. Works have commenced and the project will be completed by quarter 3 2024/25.
Routes to Stations - Paths for Everyone - Lynchgate	(2.4)	The project had a delay to design sign off from Sustrans which extended the works programme and then required us to let a new contract for the works. We are currently on target to complete the scheme and sign off by the end of July 2024.
Other	(3.3)	Smaller schemes combined
TOTAL	(21.7)	

2.3.2 The 2023/24 programme continued to maintain a significant investment in the city's transport and public infrastructure, including schemes demonstrating an increasing engagement with environmental initiatives and a range of other projects showing the Council's desire to make Coventry an attractive place to live, work and do business:

- £32.2m has been spent on transport and highways infrastructure across a range of both major and minor schemes. These included further research and development investment in Very Light Rail, the overbridge installation on the A45 Eastern Green to unlock development land and schemes to improve and maintain the city's highways via the City Region Sustainable Transport Settlement (CRSTS) for Highways Maintenance and our Local Network Improvement Plan.
- A further £4.1m has been spent on City Centre South, this has predominantly been on the acquisition of land and promoting the CPO Process.
- Further programme spend of £5m has been made in 2023/24 on the completion of Friargate Building 2 and the completion of the hotel within Friargate Business District. The new hotel facilities are now open.

- £9.5m spend on completion of Air quality and Binley Cycleway works have occurred. There remains one section of the Binley cycleway to complete, which will get underway in 2024-25.
- There have been works totalling £18.3m across the school's property estate as part of the One Coventry Strategic Plan. There is an increasing focus now on providing additional capacity in secondary schools across the city to meet the growing numbers amongst the secondary in-take.
- £11.1m of grant funding for the investment in Climate Change related project has been invested in 23/24 covering activities around green homes, homes upgrade grant and social housing decarbonisation project, the investment continues into 2024/25.
- There has been £8.5m passported to Registered Housing Providers in the city to tackle disrepair issues specifically with regards to damp and mould along with spending to acquire good quality, and better value for money Temporary Accommodation (TA) for families owed a homelessness duty.
- City Centre Cultural Gateway £1.2m scheme development spend, with spend profile increasing in 2024-25 as the scheme moves into the build phase.
- A range of smaller scale but not insignificant schemes have advanced including the purchase of more homes to provide homelessness provision, improved facilities at Lenton's Lane Cemetery and continued investment in Disabled Facilities Grants.

2.3.3 The funding in respect of this capital expenditure of £115.3m is summarised in Table 7 below. Approximately 81% of the programme has been resourced from capital grants.

Table 7: Capital Funding

	Funding the Programme £m	Available Resources £m	Resources Carried Forward £m
Prudential Borrowing	12.2	12.2	0
Grants and Other Contributions	93.9	123.7	(29.8)
Revenue Contributions	0.3	0.3	0
Capital Receipts	8.7	30.4	(21.7)
Management of Capital Reserve	0.2	6.0	(5.8)
Private Finance Initiative (PFI)	0	0	0
Total Resourcing	115.3	172.6	(57.3)

2.4 Treasury Management Activity

2.4.1 The key policy to combat inflation is still to raise interest rates. At the beginning of the year the Bank of England interest rate was 4.25% and by the end of the year it was 5.25%. The current market forecasts predict the 5.25% is the peak and that rates will be cut later in 2024. The UK is not alone in this situation as inflation and rising interest rates is at the forefront of most of the world's economies.

Long Term (Capital) Borrowing

The Public Works Loan Board (PWLB) is the main source of loan finance for funding local authority capital investment. In August 2021 HM Treasury significantly revised guidance for the PWLB lending facility with more details and twelve examples of permitted and prohibited use of PWLB loans. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Under the Treasury Management Strategy 2021/22 approved by Cabinet on 23 February 2021 it was agreed the Council will not buy investment assets primarily for yield.

Interest rates for local authority borrowing from the Public Works Loan Board (PWLB) for 2023/24 have varied within the following ranges:

Table 8: PWLB Interest Rates

PWLB Loan Duration (standard rates)	Minimum in 2023/24	Maximum in 2023/2024	Average in 2023/24
5-year	4.30	6.06	5.15
20-year	4.78	6.15	5.52
50-year	4.47	5.94	5.28

It has been more cost effective in the short-term to either use internal resources (cash balances) or to use short-term borrowing. By doing so, the Council has reduced net borrowing costs (despite foregone investment income) and reduced overall treasury risk.

2.4.2 At outturn, the Capital Financing Requirement (CFR), which indicates the Council's underlying need to borrow for capital purposes, has reduced by £8.3m from £513.0m at 1st April 2023 to £504.7m at 1st April 2024: -

Table 9: 2023/24 Capital Financing Requirement (CFR)

	£m
Capital Financing Requirement at 1 st April 2023	513.0
Borrowing required to finance 2023/24 Capital Programme	11.8
PFI & Finance Leases liabilities	(3.1)

Provision to Repay Debt (Minimum Revenue Provision)	(14.9)
Provision to Repay Debt (Capital Receipts Set Aside)	0.0
Repayment of Transferred Debt	(2.1)
Reduction of Provision and other restatements	0.0
Capital Financing Requirement at 1 st April 2024	504.7

Within 2023/24, the movements in long-term borrowing and other liabilities were (stated at nominal value, excluding soft loan adjustments): -

Table 10: Long Term Liabilities (debt outstanding)

Source of Borrowing	Balance at 31st March 2023 £m	Repaid in Year £m	Raised in Year £m	Balance at 31st March 2024 £m
PWLB	185.0	(4.3)	0	180.7
LOBO's	38.0	0	0	38.0
Stock Issue	12.0	0	0	12.0
West Midlands Combined Authority	18.0	0	0	18.0
Other	0.4	0	0	0.4
Subtotal ~ long term borrowing	253.4	(4.3)	0	249.1
Other Local Authority Debt	6.6	(2.0)	0	4.6
PFI & Finance Leasing Liabilities	56.9	(3.1)	0	53.8
Total	316.9	(9.4)	0.0	307.5

This long-term borrowing is repayable over the following periods: -

Table 11: Long-Term Borrowing Maturity Profile (excluding PFI & transferred debt)

Period	Long Term Borrowing £m
Under 12 Months	10.4
1 – 2 years	42.3
2 – 5 years	8.0
5 – 10 years	43.7
Over 10 years	144.7
Total	249.1

In line with CIPFA Treasury Management Code requirements, Lenders Option, Borrowers Option Loans (LOBOs) with banks are included in the maturity profile based on the earliest date on which the lender can require repayment. The Council has £38m of such loans, £10m of which the lender can effectively require to be paid at annual intervals, and £28m at 5 yearly intervals.

Short-Term Borrowing and Investments

2.4.3 The Treasury Management Team acts daily to manage the City Council's day-to-day cash-flow, by borrowing or investing for short periods. By holding short term investments, such as money in call accounts, authorities help ensure that they have an adequate source of liquid funds. During the year, the Council held short-term investments, as set out in Table 12. The average short-term investment rate in 2023/24 was 5.46%.

Table 12: In House Investments at 31st March 2024

	At 30th June 2023 £m	At 30th Sept 2023 £m	At 31st Dec 2023 £m	At 31st Mar 2024 £m
Banks and Building Societies	0.0	0.0	0.0	0.0
Local Authorities	41.0	33.0	11.0	10.0
Money Market Funds	36.96	28.08	34.33	15.0
Corporate Bonds	0.0	0.0	0.0	0.0
HM Treasury	0.0	16.8	0.0	0.0
Total	77.96	61.08	45.33	25.0

Pooled Investments

In addition to the above in-house investments, a mix of Collective Investment Schemes or “pooled funds” are used, where investment is in the form of sterling fund units and not specific individual investments with financial institutions or organisations. These funds are highly liquid, as cash can be withdrawn within two to four days, and short average duration of the intrinsic investments. These investments include Certificates of Deposits, Commercial Paper, Corporate Bonds, Floating Rate Notes, Call Account Deposits, Property and Equities. However, they are designed to be held for longer durations allowing any short-term fluctuations in return due to volatility to be smoothed out.

In order to manage credit risk these investments are spread across a number of funds as highlighted in the table below:

Table 13: External, Pooled Investments as at 31st March 2024

	Date Invested	Cost £m	Value £m	Annualised Return from Investment %
CCLA LAMIT Property Fund	Nov 2013	12.0	11.63	5.02%
M&G Optimal Income Fund	Aug 2018	1.5	1.41	5.37%
M&G Strategic Corporate Bond Fund	Aug 2018	3.0	2.71	4.85%
M&G UK Income Distribution Fund	Aug 2018	3.0	2.65	5.60%
Ninety One (Investec) Diversified Income Fund	Aug 2018	4.5	3.98	4.62%
Schroder Income Maximiser	Aug 2018	4.5	3.61	7.06%
Threadneedle Strategic Bond Fund	Aug 2018	1.5	1.44	4.34%
Total		30.0	27.16	5.25%

Credit risk remains central to local authority investment management and the Council's risk is managed in line with the Treasury Management Strategy, approved by Cabinet as part of the budget setting report at the meeting of 20 February 2024. Central to this is the assessment of credit quality based on a number of factors including credit ratings, credit default swaps (insurance cost) and sovereign support mechanisms. Limits are set to manage exposure to individual institutions or groups. Credit ratings are obtained and monitored by the Council's treasury advisors, Arlingclose.

Pooled funds provided an income return of £1.3m over the year although as at 31st March 2024 the accumulated deficit on their capital value was £2.84m (£2.62m deficit at the end of 2022/23). All seven funds show a deficit in capital value which is reflective of the current property and financial markets. There remains an expectation that the full value will be recovered over the medium term - the period over which this type of investment should always be managed. Current accounting rules allow any 'losses' to be held on the Council's balance sheet and not counted as a revenue loss. These investments will continue to be monitored closely.

Summary Prudential Indicators

2.4.4 The Local Government Act 2003 and associated CIPFA Prudential and Treasury Management Codes set the framework for the local government capital finance system. Authorities are able to borrow whatever sums they see fit to support their capital programmes, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against a number of prudential and treasury 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 explanatory notes and the relevant figures are included in **Appendix 3**. This highlights that the Council's activities are within the amounts set as Performance Indicators for 2023/24. 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 31st March 2024 the value is -£79.5m (minus) compared to +£96.2m within the Treasury Management Strategy, reflecting the fact that the Council has more significantly 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 31st March 2023 the value is £299.2m compared to £480.9m within the Treasury Management Strategy, reflecting that a significant proportion of the Council's investment balance is at a fixed interest rate.

Commercial Investment Strategy

2.4.5 The Council's Commercial Investment strategy is designed to ensure there are strong risk management arrangements and that the level of commercial investments held in the form of shares, commercial property, and loans to external organisations, is proportionate to the size of the Council. In doing this the strategy includes specific limits for the total cumulative investment through loans and shares.

In order to manage risk, the Council has limits for investing in shares and service loans, with total limit of £146m in 2023/24.

As at the end of 2023/24, the council had cumulatively invested £105.1m in shares and service loans with this rising to £128.6m when commitments to make potential payments of £23.5m are taken into account.

	As at 31 st March 2024				
	Limit	Actual	Committed	Total	Variation
	£m	£m	£m	£m	£m
Shares	55.0	52.1	0.0	52.1	(2.9)
Loans	91.0	53.0	23.5	76.5	(14.5)
	146.0	105.1	23.5	128.6	(17.4)

The total of £128.6m is within the limit of £146m set for the 2023/24.

The Council's investment in commercial assets is proportionate:

- with commercial income totalling approximately £27.2m in 2023/24 (£22.8m in 2022/23) equivalent to c10.5% of the Council's budgeted net service expenditure of £260.5 in 2023/24.
- With commercial assets valued at £564m (28.9% of the Council's total asset base of c£1,950m). This is not the amount invested by the Council, for example through past capital programmes, as it includes revaluations over time. In addition, many assets classified by the Council as commercial have significant service dimensions, including economic development aspects, thereby contributing more broadly to the provision of services.
- with a Capital Financing Requirement of £505.1m representing the Council's underlying need to borrow, at 25.9% of the Council's total asset base.

3. Results of consultation undertaken

None.

4. Timetable for implementing this decision.

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

5. Comments from the Director of Finance and Resources (Section 151 Officer) and the Director of Law and Governance

5.1 Financial implications

The final revenue outturn picture for 2023/24 is balanced only after a year-end contribution of £1.8m from unearmarked reserve balances. The need to draw down from reserves to balance the budget in-year reflects a serious position for the Council although this has improved from the £8.5m revenue overspend forecast at Quarter 3.

External factors, in particular inflationary pressures, continue to contribute largely to the position presented. There are other intractable on-going issues including those relating to children's and adults social care, and housing and homelessness which are common to many councils across the country whilst the Council also managed local time-limited pressures in the year.

Budget Setting for 2023/24 made provision for inflation, however the costs of many services have continued to rise above inflation levels predicted and therefore exceeded the budgetary provision. The pay costs budgeted reflected an average 4% rise in costs however the agreed local government pay award for 2023/24 averaged c6% for the Council which represented c£3m above the budgeted amount. Whilst falling slightly, energy prices continue at higher than historic levels and affect the costs to manage the Council's property estate and costs within the city's street lighting energy bills.

Despite further increases to Children's Services' budgets for 2023/24, and a reduction in the number of children in our care there has continued to be a financial pressure in this area. This is due to sufficiency issues in the external placement market driving costs up disproportionately against already high inflation. There was also a pressure against staffing in Help & Protection (Area Teams) due to high levels of cases, compounded by continued social worker recruitment and retention challenges.

A wide range of service challenges are reported in Appendix 1 which, together with the issues reported above, reflect the difficult financial picture despite the flexibility identified with corporate and central budgets.

Although the Council continues to face a challenging financial position, the overall level of overspend has reduced somewhat since the early quarter forecast and this is a result of in-year management actions including vacancy control and removal of discretionary budget. In addition to this the Council has taken proactive steps previously to maintain a strong balance sheet position, including robust reserve balances, which have enabled it to manage the adverse budget variations encountered. It will be vital for the Council to continue to ensure that it maintains a prudent approach going forward.

The underlying position for future years continues to be very challenging and the Council needs to continue to identify ways to manage its medium-term financial position which will come under continued pressure without further support from Government for the wider Local Government sector. The Council's strong financial planning approach has taken account of the risk of volatility across a range of budgets such as those in Children's Services, Adult Services, and inflationary pressures. In 2023/24, the level of demand and the increase in costs for this area have continued to exceed the Council's budgetary provision. Further funding has been provided by the Council as part of its 2024/25 budget although it remains to be seen whether this will be sufficient, especially given the economic and social realities currently being experienced across the country.

In setting the Council's budget and corporate objectives for 2024/25 in the context of its financial position, resources were allocated to meet corporate priorities, and savings have been identified. The magnitude of the savings identified creates an inherent risk if savings are not delivered in line with the committed profile. The full programme of savings will be closely monitored by the Council's Leadership Team throughout the financial year and any shortfall in delivery will need to be made up by other areas in the programme. Operational management arrangements and monitoring reports will address this issue specifically.

Several areas within corporate budgets including dividends, investment interest, superannuation and the Coventry and Warwickshire Business Rates Pool yield can be subject to volatility and were budgeted for on a prudent basis in 2023/24. The outturn position on these items was favourable against the range of reasonable expected outcomes and this has enabled the Council to partly absorb overspent budgets elsewhere within the bottom line and minimise the overall

overspend. Several of these favourable financial outturns have occurred in areas that have been subject to affirmative Council decisions in recent years such as dividends and investment income.

The local government sector has witnessed risks materialise in the form of some high-profile financial failures often linked to ambitious local plans with scope to deliver financial returns. The Council is itself involved in a range of commercial ventures, company structures and external loan financing arrangements and is committed to ensuring that it maintains a high degree of self-awareness of its position. High standards of due diligence, good governance and monitoring arrangements and the maintenance of a broad mix of activities to guard against a concentration of risk are all vital factors to protect the Council's financial position. The Council continues to be bold with its aspirations for the city and maintains a measured appetite for risk to achieve this. It is important for the Council to maintain contingency balances to protect against the risk of financial failure in one or more key areas.

With the exception of the Council's General Fund balance all reserves have been set aside to deliver specific projects or risks. Given the size of the Council's ambitions defined by its Capital Programme, its transformation programme and its financial involvements that extend beyond traditional local authority service provision it is entirely appropriate for the Council to support this in the form of balances to pump prime such areas and provide some financial risk mitigation. Nevertheless, the Council has a 'mid-table' position in the CIPFA Resilience Index in relation to the level of its reserve balances. This has enabled the Council to place itself in a strong financial position as well as providing the best basis for the Council to improve services for residents and invest in the city and its communities.

The level of expenditure across a broad number and type of capital schemes has once again demonstrated the Council's appetite to embark on ambitious and innovative projects and its success in attracting grant funding to do this. Although the overall programme value has continued to dip below the very high levels experienced previously, it is nevertheless still high in a historical context and has been 81% funded from external grant. The programme's coverage of projects includes the city centre south, enhancing transport infrastructure, improving the profile of the city, and providing support to local economic development, a range of projects dealing with the issues of Air Quality and helping to deliver the Council's climate change agenda.

Although the Council has undertaken some borrowing in-year this has been undertaken on a short-term basis at this stage, taking advantage of interest rates available from other local authorities. In other areas the Council continues to undertake prudent treasury activity and pursue commercial activity that is ambitious but proportionate to the size of its asset base and overall budget.

5.2 Legal implications

5.2.1 Section 151 of the Local Government Act 1972 requires the Council to make such arrangements for the proper administration of their financial affairs.

5.2.2 The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council.

5.2.3 The Council must ensure sufficient flexibility to avoid going into deficit at any point during the financial year.

5.2.4 Section 25 of the Local Government Act 2003 requires the Council's Chief Financial Officer to report on the robustness of the estimates made and the adequacy of the proposed financial reserves. This is included throughout the report.

6. Other implications

6.1 How will this contribute to achievement of the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

This report provides an account of the overall financial performance of the Council compared with its original Budget. The Council also monitors the quality and level of service provided to the citizens of Coventry and the key objectives of the One Coventry Plan.

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 to managing this risk and this report is a key part of the process.

6.3 What is the impact on the organisation?

The revenue and capital outturn position reported here demonstrates that the Council continues to undertake sound overall financial management. This will continue to be important in the light of the current budgetary risks and the continued uncertainty with regard to the level of funding available to local government.

6.4 Equalities / EIA

No specific impact.

6.5 Implications for (or impact on) Climate Change and the Environment

None.

6.6 Implications for partner organisations?

None.

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

Appendix 1 - Revenue Variations

Appendix 1 details directorate forecast variances.

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

	Revised Budget	Actual Spend	Centralised Variance	Budget Holder Variance	Total Over/ (Under) Spend
	£m	£m	£m	£m	£m
Adult Services & Housing	114.6	122.0	(2.3)	9.7	7.4
Business, Investment & Culture	8.2	9.6	(0.1)	1.5	1.4
Children & Young People’s Services	94.4	97.2	(2.4)	5.2	2.8
Contingency & Central Budgets	(36.0)	(48.4)	0.0	(12.4)	(12.4)
Education & Skills	21.1	19.3	(1.0)	(0.8)	(1.8)
Finance & Corporate Services	9.6	9.5	(0.3)	0.2	(0.1)
Human Resources	1.4	0.9	0.0	(0.5)	(0.5)
Legal & Governance Services	8.2	7.9	(0.6)	0.3	(0.3)
People Directorate Management	0.9	1.1	(0.1)	0.3	0.2
Project Management & Property Services	(8.4)	(8.5)	(0.4)	0.3	(0.1)
Public Health	2.6	1.7	(0.5)	(0.4)	(0.9)
Streetscene & Regulatory Services	33.3	38.0	(1.1)	5.8	4.7
Transport & Highways	10.6	12.0	(0.3)	1.7	1.4
TOTAL	260.5	262.3	(9.1)	10.9	1.8

n.b. The figures in this table may be subject to small rounding differences to the main report and the rest of the appendix.

Centralised Variance Explanation	£m
These are underspends against a combination of salary budgets and turnover savings target. They result from vacancies across Council services. Turnover has remained consistent across the Council, however areas such as Adults & Childrens Services remain high, due to the national and regional Social Worker retention issues. Some of these vacancies will be covered by agency and overtime to ensure services can be maintained. These costs are included within the service positions described below.	(9.1)
Total Centralised Variance	(9.1)

Budget Holder Variance

Service Area	Reporting Area	Explanation	£m
Adult Social Care	Strategic Commissioning (Adults)	Underspend relates to New Homes for Old PFI due to additional client fee income and the continuation of lower transport costs to day opportunities.	(0.8)
Adult Social Care	Housing and Homelessness	The number of people seeking assistance with housing issues and subsequently the number being placed in Temporary Accommodation (TA) continued to increase during Q4 2023/24. During Q3 the upward trend slowed and the number of households in TA plateaued however during Q4 the increases returned. As the number in TA increases the use of more expensive nightly rate or B&B accommodation increases which has obvious implications on the budget. A number of mitigations for 2024/25 are being progressed including purchasing additional TA, working with a Registered provider to provide us with an additional 50 flats for TA and new contracts with private providers. The increase in TA is a national issue with the highest number of households in TA in England being reported in December 2023.	2.6
Adult Social Care	Adult Social Care Director	Overspend relates to an increase in bad debt provision of £1.5m and additional spend on joint health initiatives to improve provision across Health and Social Care of £0.2m partly off-set by additional grant.	1.3
Adult Social Care	Internally Provided Services	Overspends relating to agency costs and other staff costs to cover vacancies are only partly offset by centralised underspends due to staff vacancies.	0.2
Adult Social Care	Adult Social Care Business	The over-spend comprises the home support monitoring system contractual price increase. This contract has now been terminated.	0.1

	& Financial Management		
Adult Social Care	Partnerships and Social Care Operational	The overspend relates mainly to additional agency staff costs due to a large number of vacancies. This overspend is offset by centralised underspends due to those staff vacancies.	0.5
Adult Social Care	Localities and Social Care Operational	The overspend relates mainly to additional agency staff costs due to a large number of vacancies. This overspend is more than offset by centralised underspends due to those staff vacancies.	0.4
Adult Social Care	Community Purchasing Mental Health	The community purchasing budget is managed as a whole - please refer to the explanation against 'Community Purchasing Other'.	(0.4)
Adult Social Care	Community Purchasing Other	The budget for purchasing packages of care for adults and older people in adults social care continues to see significant pressures. The service has seen an increase in the total number of packages of care, as well as increased activity across existing service users resulting in higher average costs to the budget. The increased activity reflects the complexity of the casework and the higher needs of those seeking our support with greater spend incurred in home care hours and supported living across adult services.	5.0
Adult Social Care	Mental Health Operational	There remains significant pressures in Deprivation of Liberty Assessment demand leading to additional assessment costs (£0.3m) in particular doctors' assessment costs. Additional agency staff costs have also added to the overspend but have been partly offset by underspends on centralised salaries due to vacancies.	0.6
Adult Social Care	Other Variances Less than 100K		0.2
Adult Social Care			9.7
Business Investment & Culture	Sports, Culture, Destination & Bus Relationships	Sponsorship income underachieved £163k, £445k St Mary's loss, City Centre Cultural Gateway net overspend £904k due to a slipped project timeline, (£755k) Culture and events underspend due to mixed factors including energy saving, grant/resources switch, profit sharing from the Wave etc.	0.8

Business Investment & Culture	Employment, Skills & Adult Education	Overall the service outturns with a net underspend of £42k, however this includes an overspend of £563k for costs associated with programme delivery. This is offset by savings within the staffing budgets of £605k.	0.6
Business Investment & Culture	Economic Development service (EDS)	This budget now includes two unfunded corporate priorities 1) City Centre Visioning and Master Plan c.£52k and 2) SEP c.£60k for legal and procurement costs in 1st half of 23/24.	0.3
Business Investment & Culture	Other Variances Less than 100K		(0.2)
Business Investment & Culture			1.5
Children and Young People's Services	Children's Services Management Team	£0.5m of this relates to retention payments, which have been budgeted and forecast centrally throughout the year; however due to payroll processes, they were paid against individual team cost centres. Therefore, the expenditure is reflected across the whole of Children's Services, whereas the budget is held centrally, showing an apparent underspend at year-end. The remainder of the underspend relates to contributions to overheads from grant income.	(0.7)
Children and Young People's Services	Commissioning, QA and Performance	The overall underspend is due to unbudgeted income as a result of a successful bid to the Department for Education.	(0.2)
Children and Young People's Services	Help & Protection	<p>"There is a £2.7M budget holder overspend in the Area Teams, offset by a £1.6M underspend against centralised salaries. This overall £1.1M overspend is linked to staff costs, with high levels of cases requiring additional workers and agency staff.</p> <p>There is a £0.7M budget holder overspend in Section 17, spend is attributable to high costs when commissioning services from private providers to support children with complex needs to remain safely at home. There has also been growth with specialist assessments which is met from S17 budget as part of front-loading assessments within Public Law Outline.</p> <p>There are short term one off savings which are currently offsetting the budget pressures through additional grants and the use of earmarked reserves."</p>	2.9

<p>Children and Young People's Services</p>	<p>LAC & Care Leavers</p>	<p>"There is a £2.7M overspend on children in care placements. The overspend relates to external residential and is linked to increasing unit costs for placements due to a lack of sufficiency in the market to meet the needs of young people in care. This is despite a decrease in the number of looked after children and placement mix being in line with targets.</p> <p>There is a further budgetary pressure of £0.5M within the Children's Disability Service. This overspend relates to increased costs for short breaks & direct payments, DFG shortfalls and intensive support for some children to enable them to remain living at home, as an alternative to living in residential care. We are currently in the process of retendering our short breaks contracts to ensure 'best value' and reduce high-cost support spend.</p> <p>There is a budget pressure of £0.2M due to staffing challenges within the LAC Permanency Service and the need for agency staff to ensure that care proceedings continue to be progressed. This situation has now improved, and no agency workers remain. There is an overspend of £0.3M in the Internal Fostering Service due to a high number of staff taking maternity leave and agency cover being required.</p> <p>There is an overspend of £0.3M on Adoption Central England (ACE) that relates to an increase in interagency fees and pay increases. Work is being undertaken to address this and clarify the budgetary needs of ACE moving forwards.</p> <p>These pressures are offset in part by underspends across the service."</p>	<p>3.2</p>
<p>Children and Young People's Services</p>			<p>5.2</p>

Contingency & Central Budgets	Corporate Finance	The overall Corporate and Contingency underspend of £12.4m incorporates favourable variances of £10.4m in the Asset Management Revenue Account (AMRA) and £2m across all other contingency budgets. The AMRA variation includes higher than budgeted interest income from loans provided by the Council, higher than budgeted investment income from a combination of larger short-term investment balances and higher interest rates and lower than assumed interest debt costs. We also had higher dividends declared in January 2024 from Coventry & Solihull Waste Disposal Company (additional £5.3m above budgeted amount). Central budgets include the cost of the 2023/24 pay award which averaged c6% for the Council and represents a cost c£3m above the original budget, which is partially offset by other contingency budgets. Favourable variations include distribution of Business Rates Levy Account Surplus and Green Plant & Machinery Business Rates exemption compensation grant.	(12.4)
Contingency & Central Budgets			(12.4)
Education and Skills	Customer and Business Services	Customer Services has a budget holder underspend of £284K which has resulted from careful management throughout the year. Where possible the service has applied constraints and identified alternative funding from time limited grants and the release of reserves.	(0.3)
Education and Skills	Education Entitlement	A proportion of the underspend is as a result of reduced expenditure on school bus passes. The number of pupils eligible for bus passes is based on statutory criteria and policy and has not reduced, but we are now only charged where passes are used. There is also an underspend against the interpreter service as a result of cost review and increased efficiencies.	(0.2)
Education and Skills	Education Improvement & Standards	A proportion of the underspend is linked to utilisation of grant monies to fund activities where appropriate - Dedicated Schools Grant, Early Years Extended Entitlement Capacity building and Migration grants. There have also been staffing vacancies within the Governor Support Service. There is also an underspend against historic pension liabilities and Early Years training, both these budgets have been reduced in 24/25 as part of the medium term financial strategy.	(0.3)

Education and Skills			(0.8)
Finance & Corporate Services	Revenues and Benefits	<p>There is a net Housing Benefit subsidy pressure of £0.3m caused by an increase in the volume and price of supported accommodation, for which the Council only receives partial subsidy payments if the provider is not a registered social landlord.</p> <p>Pressures elsewhere are primarily attributable to the cost of temporary staffing as a result of increased levels of work being received, cover for a higher than normal level of staff absence and increased underlying work levels in council tax. These were largely offset by the one-off application of grant.</p>	0.3
Finance & Corporate Services	Financial Mgt	One off reduction in costs in relation to the commercial team	(0.1)
Finance & Corporate Services			0.2
Human Resources	Employment Services	This mainly relates to a reduction in income from external organisations.	0.1
Human Resources	ICT & Digital	The Budget Holder variance comprises some mainly one-off underspends (contribution of £700K from laptop & mobile phone refresh programme; underspends on EA licence consumption charges, MFD costs and out of Hours allowances) partially offset by the on-going shortfall of schools' income £339K. A further review of spending needs is being conducted to support delivery of MTFS targets for 2024/25 and on-going.	(0.7)
Human Resources	HR - People & Culture	The People and Culture service has a £138K overspend. This mainly relates to pressures within the Resourcing Team including an un-met savings target, agency covering sickness and increased costs for subscriptions. In addition there have been growing pressures on training and development budgets.	0.1
Human Resources			(0.5)
Legal & Governance Services	Legal Services	Recruitment of staff (particularly lawyers) into vacant positions remains a challenging situation within the service despite numerous attempts made to advertise vacancies. As a consequence, there is a significant amount of expenditure (circa £700k) on agency staff. The service is also managing additional workload in the children's social care and educational (SEND tribunal) sectors which has made it difficult to end locum contracts.	0.5

Legal & Governance Services	Coroner & Register Office	Improved income performance as result of diversifying ceremony options and a general recovery in the economy.	(0.2)
Legal & Governance Services	Procurement	Improved income performance from early payment scheme, rebates and recharges.	(0.2)
Legal & Governance Services	Democratic Services	Additional resource required to manage subject access requests whilst a permanent solution is investigated to manage and process the significant number of complex and large cases.	0.1
Legal & Governance Services	Other Variances Less than 100K		0.1
Legal & Governance Services			0.3
People Directorate Management	Other Variances Less than 100K		0.3
People Directorate Management			0.3
Project Management and Property Services	PMPS Management & Support	Delayed delivery of income target on strategic property rents.	0.2
Project Management and Property Services	Other Variances Less than 100K		0.1
Project Management and Property Services			0.3
Public Health	Public Health Staffing & Overheads	A budget holder underspend of £300K as a result of the release of funding previously held in reserve and utilisation of some additional grant to support relevant public health costs.	(0.3)
Public Health	Other Variances Less than 100K		(0.1)
Public Health			(0.4)
Streetscene & Regulatory Services	Planning Services	There has been an overall reduction in planning applications since COVID (reflecting the national trend) and subsequently some major applications have been deferred which has resulted in an underachievement of income c£708k. In addition, costs of £354k were awarded against CCC in (two) recent Public Inquires.	1.2
Streetscene & Regulatory Services	Streetpride & Parks	The net variation across Streetpride and Parks is £1.73m overspend which is due to a number of factors including: a) shortfalls in income/car parks c£334k b) a reduction in Bereavement Services income due to the fall in the death rate c£238k	1.7

		<p>c) set up costs and non-achievement of (historic) savings target - Coventry Funeral Services c£ 259k</p> <p>d) pressures in Urban Forestry due to Tree Surveys/Remedial Works and inflationary pressures c£284k</p> <p>e) a net overspend of £262k on Streetpride as a result of using Agency/Overtime to cover vacancies while the new structure was implemented. (This has been offset by savings in salary costs)</p> <p>f) traveller incursions c£62k.</p> <p>g) repairs at Coombe Country Park and adjustments to prior years capital financing c£243k.</p>	
Streetscene & Regulatory Services	Waste & Fleet Services	<p>Commercial Waste has been under review since losing customers during COVID and the drivers dispute that followed and the decision has recently been taken to cease trading. Deficit for 23/24 was c£410k. A decision was made for a 3rd party to deliver the Waste Collection service alongside CCC staff at an additional net cost of c£570k. There are also pressures in this area relating to Fleet (spot hires and avoidable damage) due to HSE recommendations c£434k.</p> <p>Waste Disposal has overspent due to higher than expected gate fee increases (WEP) and increases in tonnages (household) c£612k.</p> <p>PTS are reporting an overspend that is due to a combination of a) more hours required to complete the revised routes c£102k b) increased costs of covering sickness with agency staff c£137k, increased fleet related costs c£80k (av damage & spot hires), use of external escorts c£22k and over forecasting internal income c£183k.</p>	2.5
Streetscene & Regulatory Services	Environmental Services	<p>There have been a number of pressures in this area including some kennel safety improvements c£15 and costs associated with re-homing pets (in particular XL Bullies) c£20k. As well as providing cover for vacancies c£30k, dealing with bigger animals requires more resource in the Kennels which is having an impact on the fee earning capacity of some officers which has resulted in an under recovery of income c£40k.</p>	0.1

Streetscene & Regulatory Services	SSGS Management & Support	This overspend relates to professional fees relating primarily to the recent Inquest c£226k, along with staff exit costs c£34k.	0.3
Streetscene & Regulatory Services			5.8
Transportation & Highways	Parking	Car park income has steadily grown as the city centre economy improves, albeit it has not returned to pre-COVID levels. This growth was offset by income pressures in Parking Enforcement due to the impact of staff vacancies and sickness.	(0.2)
Transportation & Highways	Highways	There is a pressure largely due to costs incurred to address highways defects (£0.4m), an overhead recovery pressure due to sickness and recruitment challenges (£0.2m), together with the delayed achievement of some MTFS savings targets (£0.3m).	0.9
Transportation & Highways	Traffic	The contract price for Street Lighting energy has risen during the highest period of usage (winter). In addition, contractual payments made to the PFI company have also been affected as they are partly based on energy rates.	0.8
Transportation & Highways	TH Management & Support	The variance is largely due to interim management arrangements	0.2
Transportation & Highways	Transport Policy	The variance is primarily due to the use of agency staff for vacant establishment roles.	0.2
Transportation & Highways	Other Variances Less than 100K		(0.2)
Transportation & Highways			1.7
Total Budget Holder Outturn Variances			10.9

Appendix 2 - Capital Programme Change and Analysis of Rescheduling

SCHEME	APPROVED CHANGE S £m	(RESCHEDULING) / ACCELERATED SPEND £m	EXPLANATION
Coventry South Package - A46 Link Road		(0.5)	Feasibility study and modelling work for the A46 Link Road is currently paused pending progression of the South Warwickshire Local Plan review through the issues and options phase – this will identify any potential land use changes that will need to be taken into account when identifying modelling scenarios and Link Road options.
Coventry Very Light Rail		(0.9)	There has been a reduction in staffing resources due to consultants leaving the projects, delays to the start of City Centre Traffic Management plan works and delay to the procurement of slabs for the City Centre Development route.
City Centre South		(5.8)	Transfer of Council land into the scheme and some demolition costs will now begin in 2024/25. This is due to delays to scheme development caused by changes in national government policy in relation to dual stair cores and fire safety measures for relevant residential schemes. The developer has had to revise the plans to accommodate this, which has led to a delay in the completion of legal agreements and scheme commencement.
Friargate		(4.6)	The Practical Completion of the building and handover to the Council is significantly behind schedule due to delays to the commissioning of utilities and resultant impact on building systems. The Council has taken Partial Possession of a number of floors to enable occupation by Octopus Energy Group, further fit out works by them and fit out works by Segro. Practical Completion and final payment anticipated in the first quarter of 2024/25.

Highways Investment		0.6	Additional delivery of schemes not within the capital programme has led to accelerated funding from 2024-25. Additional schemes delivered include £0.4m highway improvements to Forfield Road, Burnham Road and Grangemouth Road. This is along with carriageway works of £0.2m to Leamington Road, A45, Gibbet Hill Road and Radford Road.
Transportation S106 schemes		(1.4)	There have been a number of S106 funded schemes that have been forward funded or developed pending the S106 funding being legally signed, and income received, for example, Keresley Link Road, Shultern Lane/Lynchgate Cycle Scheme, Coundon Park and Coundon Wedge Drive schemes. This has resulted in designs/programmed works slipping into 2024/25.
Earlsdon and Lower Coundon Liveable Neighbourhood		(0.8)	Additional rounds of consultation and engagement led to delayed construction start date. Earlsdon LN construction starts on 28/05/2024.
Foleshill Transport Plan		(0.3)	Delay to construction start date following consultation feedback and petition. Officers are working through feedback ahead of further consultation events in Autumn / Winter 2024.
Electric Fleet First Project		(0.3)	The scheme has now been fully delivered. Discussions are taking place with the grant body as to whether the remaining grant is repaid or can be re-directed to other fleet requirements.
Clean Bus Technology Fund		(0.6)	Reschedule of remaining funding into next year to determine remaining demand for clean bus technology.
Routes to Stations - Paths for Everyone - Lynchgate	0.7	(2.4)	The project had a delay to design sign off from Sustrans which extended the works programme and then required us to let a new contract for the works. We are currently on target to complete the scheme and sign off by the end of July 2024.

Public Realm Phase 6		(1.0)	Delay to construction start dates due to additional engagement with stakeholders and the need for legal agreements. Construction works have begun on City Centre Security (HVM) and Retail Quarter works are due to commence on site in Q1 2024/25.
Palmer Lane De-culvertering		(1.5)	Increasing contractor costs led to Officers re-procuring the works with a new provider. Subsequently, the start date was delayed until February 2024. Works have commenced and the project will be completed by Q3 2024/25.
Basic Needs - Education		1.0	Due to the ongoing pressure on places within schools as a result of in-year applications, we have been required to add bulge classes on to schools by expanding provision. Several schools have required additional classrooms in order to increase their pupil intake.
Condition - Education		0.5	Additional unforeseen projects outside of the planned programme were required in order to keep schools open, these included emergency boiler works, roofing and drainage works.
Housing Venture		(0.4)	Problems with obtaining Planning Permission have stopped the majority of the projects being carried out this year.
Battery Plant and Equipment		(0.4)	Remaining capital funding project funding rescheduled into new financial year to allow recovery of any further CCC costs related to the project.
Children with disabilities new build home		(0.3)	Due to the appointed contractor starting 4 weeks later than planned due to redesign to the foundations and the reduce land purchase cost.
Disabled Facilities Grants		1.6	we have seen increased activity related to lifts and hoists. As well as Citizen invoices that have come through in Q4 which has accounted for the increase in spend.
Coombe Loan		(0.3)	Coombe sent a drawdown request for the £260k in July 2023 to fund some capital works. However, following a review of the business case and the company's cash

			position they decided not to go ahead with the drawdown. It is up to Coombe whether they make any further drawdowns prior to the final repayment date in November 2028. They have drawn down £1.56m to date against a total facility of £1.95m.
Homes Upgrade Grant (Phase 2)		(0.7)	Spend in year 1 of the scheme has been lower than expected due to difficulties in finding eligible households and off gas properties. A number of eligible properties that were expected to be completed in 23/24 were also delayed and will instead be completed early in 24/25. A marketing and communications plan has been put in place for year 2 to ensure the maximum amount of grant is spent by scheme end.
Provision of Temporary Accommodation		(0.3)	We anticipated that there would be one more property purchased in 2023/24 however this has rolled over into 2024/25.
Social Housing Decarbonisation Fund (SHDF) Phase 2		0.3	Spend from year 2 of the SHDF Wave 2 scheme was paid in year 1 of the scheme due to programme being further ahead than anticipated therefore some budget was accelerated from 24/25 financial year. This will not affect overall project spend at programme end.
New Union Street Car Park Demo		(0.4)	The work was initially programmed to commence before Christmas. However, by the time the tenders were received, evaluated and the internal planning, road closures etc. were all agreed, the start was delayed until the end of February which reduced the actual costs incurred during 23/24.
Social Housing Decency Fund	2.1	(0.9)	"Report titled 'Social Housing Decency Funding' taken to Cabinet Member for Housing and Communities on 12th March 2024 with approval of the acceptance of the grant of £2.1m from the West Midlands Combined Authority. The Council is the accountable body for allocating the funds to Registered Housing Providers in the city to tackle disrepair issues specifically with regards to damp and mould.

			The funding, through the WMCA was originally supposed to be spent by the 31st March 2024 however this was then extended until the 30th June. This allowed Citizen to ensure that they maximised the impact of the spend rather than rushing to spend the grant. The remaining £0.9m will be spent by the 30th June 2024.
Highways Investment - Citizen Housing	0.4		Technical adjustment of increasing the in-year programme to match expenditure which is resourced by Citizen right to buy contributions.
Eastern Green - A45 Overbridge	0.6		The awarded £15.6m from Homes England for the delivery of the A45 Overbridge at Eastern Green has now been fully drawn down and passported over to the developer. As Coventry City Council are the accountable body for the delivery of the scheme, there is a legal agreement that the process moving forward will entail the developer re-imbursing CCC all invoiced amounts prior to CCC paying these funds over to the contractor. This ensures no financial risk to CCC.
Air Quality	1.2		Technical adjustment of budget that was incorrectly classified as revenue, but in fact is capital spend.
Duplex Fund	0.8		The loan is for the Coventry Warwickshire Re-investment Trust run by Duplex project which offers a combination of loan and grant to businesses within Coventry for capital expenditure.
Families Phase 2 – Local Authority Housing Fund Phase 2	2.5		The exercise of emergency powers to accept £2.5m from the Department for Levelling Up, Housing and Communities (DLUHC). The funding supports local authorities to acquire good quality, and better value for money Temporary Accommodation (TA) for families owed a homelessness duty.
Interest Capitalisation	0.3		This is in respect to the accounting policy referring to the prudential borrowing costs associated with the New Collection Centre scheme. Borrowing costs, in the form of interest expenses, are capitalised where the asset in question is a qualifying asset and

			takes a substantial period of time to bring into operation. Borrowing costs will only be capitalised on schemes for which expenditure is incurred over a period or more than 12 months, until the asset is operationally complete, and where a material level of capital expenditure is resourced by borrowing.
Schemes less than £250k reporting threshold	0.9	(1.9)	Schemes below £250k threshold
TOTAL CHANGES	9.5	(21.7)	

Appendix 3

<u>Summary Prudential Indicators</u>	Per Treasury Management Strategy 23/24 £000's	Actual 23/24 £000's
Cabinet Report Appx 6a		
Other Sources		
1 Ratio of financing costs to net revenue stream:		
(a) General Fund financing costs	39,017	40,194
(b) General Fund net revenue stream	260,455	260,455
General Fund Percentage	14.98%	15.43%
2 Gross Debt & Forecast Capital Financing Requirement		
Gross debt including PFI liabilities	307,082	299,506
Capital Financing Requirement (forecast end of 24/25)	514,796	505,125
Gross Debt to Net Debt:		
Gross debt including PFI liabilities	307,082	299,506
less investments	-50,000	-79,837
less transferred debt reimbursed by others	-6,666	-4,652
Net Debt	250,416	215,018
3 Capital Expenditure (Note this excludes leasing)		
General Fund	159,186	94,825
4 Capital Financing Requirement (CFR)		
Capital Financing Requirement	514,796	505,125
Capital Financing Requirement excluding transferred debt	508,130	500,473
5 Authorised limit for external debt		
Authorised limit for borrowing	480,919	480,919
+ authorised limit for other long term liabilities	53,877	53,877
= authorised limit for debt	534,796	534,796
6 Operational boundary for external debt		
Operational boundary for borrowing	460,919	460,919
+ Operational boundary for other long-term liabilities	53,877	53,877
= Operational boundary for external debt	514,796	514,796

7 Actual external debt

actual borrowing at 31 March 2024
+ PFI & Finance Leasing liabilities at 31 March 2024
+ transferred debt liabilities at 31 March 2024
= actual gross external debt at 31 March 2024

240,975
53,880
4,652
299,506

8 Interest rate exposures

Upper Limit for Fixed Rate Exposures

480,919	299,157
---------	---------

Variable Rate

Upper Limit for Variable Rate Exposures

96,184	-79,488
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9 Maturity structure of borrowing - limits

under 12 months
12 months to within 24 months
24 months to within 5 years
5 years to within 10 years
10 years & above

Upper Limit

50%	11%
20%	12%
30%	7%
30%	24%
100%	46%

10 Investments longer than 364 days: upper limit

30,000	0
--------	---

Prudential Indicators

The CIPFA Code imposes on the Council clear governance procedures for setting and revising of prudential indicators and describes the matters to which a Council will 'have regard' when doing so. This is designed to deliver accountability in taking capital financing, borrowing and treasury management decisions.

The Prudential Indicators required by the CIPFA Code are designed to support and record local decision making and not as comparative performance indicators.

There are eleven indicators shown on the previous page, and these are outlined below:

Revenue Related Prudential Indicators

Ratio of Financing Costs to Net Revenue Stream (indicator 1):

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs, excluding investment income.

Capital and Treasury Management Related Prudential Indicators

Gross Debt and Capital Financing Requirement (Indicator 2):

The Council needs to be certain that gross external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional capital financing requirement for the next three financial years. The CFR is defined as the Council's underlying need to borrow for capital purpose, i.e. it is borrowing requirement. The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.

Capital Expenditure (Indicator 3):

This indicator is an estimation of the Council's future capital expenditure levels, and these underpin the calculation of the other prudential indicators. Estimates of capital expenditure are a significant source of risk and uncertainty, and it is important that these estimates are continually monitored and the impact on other prudential indicators (particularly those relating to affordability) are assessed regularly.

Capital Financing Requirement (Indicator 4):

As outlined in Indicator 2 above, the CFR represents the Council's underlying need to borrow for capital purposes.

Authorised Limit for External Debt (Indicator 5):

This statutory limit sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council. Borrowing at this level could be afforded in the short term but is not sustainable. The Authorised limit has been set on the

estimated debt with sufficient headroom over and above this to allow for unexpected cash movements.

Operational Boundary for External Debt (Indicator 6):

This indicator refers to the means by which the Council manages its external debt to ensure it remains within the statutory Authorised Limit. It differs from the authorised limit as it is based on the most likely scenario in terms of capital spend and financing during the year. It is not a limit and actual borrowing could vary around this boundary for short times during the year.

Actual External Debt (Indicator 7):

This indicator identifies the actual debt at the end of the previous financial year as recognised with the Statement of Accounts.

Adoption of the CIPFA Treasury Management Code (indicator 8):

This indicator is acknowledgement that the Council has adopted the CIPFA's *Treasury Management in the Public Services: Code of Practice*.

Interest Rate Exposures for Borrowing (Indicator 9):

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

The Upper Limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could impact negatively on the overall financial position.

Maturity Structure of Borrowing – Limits (Indicator 10):

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, thereby managing the effects of refinancing risks.

The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Investments Longer than 364 days: Upper Limit (Indicator 11):

This indicator sets an upper limit for the level of investment that may be fixed for a period greater than 364 days. This limit is set to contain exposure to credit and liquidity risk.

All these prudential limits need to be approved by full Council but can be revised during the financial year. Should it prove necessary to amend these limits, a further report will be brought to Cabinet, requesting the approval of full Council for the changes required.

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Audit and Procurement Committee Annual Report to Council 2023-24

To be considered at the City Council meeting
on the 3rd September 2024

Audit and Procurement Committee Annual Report 2023-24

Introduction by Chair of Audit and Procurement Committee

I am pleased to present this report which outlines the Committee's work over the municipal year 2023-24.

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. The Committee has provided oversight of key matters such as the Annual Governance Statement, Internal Audit activity and progress towards meeting the regulatory deadlines for the publication of the Council's accounts. Alongside this, the Committee has considered additional information which provides assurance over the governance arrangements for procurement activity.

I am looking forward to building on the good work done in 2023-24 and ensuring that the Committee continues to make a positive contribution to the overall governance arrangements within the Council. In terms of priorities for 2024-25 these include ensuring that:

- The Council's risk management, governance, internal control and financial management arrangements continue to operate effectively, especially in light of the financial pressures caused by inflation, increasing service demands and difficult conditions within social care markets.
- Matters relating to the publication of the Council's Statements of Accounts are resolved as soon as practicable, with an objective that outstanding years accounts are published in line with the expectations of the Governments consultation once the outcome of that is known.

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 2023-24, the Council's Audit and Procurement Committee met on six occasions. Meetings were held in June, July, October and December 2023, as well as in January and March 2024.

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 2023-24 are expanded upon below.

1.1 **Governance** – The Committee received the following reports linked to the Council's governance arrangements:

- The Council's Local Code of Governance was considered by the Committee in June 2023. The Local Code sets out the Council's specific arrangements for putting the principles of good governance into practice. It draws on examples provided in the "Delivering Good Governance in Local Government Framework" published by CIPFA / Solace but also reflect systems and processes which are specific to the Council. The Committee satisfied itself that the Local Code accurately represents the Council's governance arrangements and noted the legal requirement to produce an Annual Governance Statement.
- As part of the Annual Accounts process for 2022-23, the Chief Internal Auditor co-ordinated the development of the Council's Annual Governance Statement. The draft Statement was considered by the Committee in January 2024. The Statement provides assurance that the Council's governance arrangements have been fit for purpose during the year, based on an assessment using a range of sources. As well as highlighting a number of ongoing governance issues that remain a focus for the Council, the Statement also acknowledged the following new governance issues identified from the work undertaken to produce the Statement; raising awareness around requirements to declare gifts and hospitality, implementing the ethical leadership action plan, managing the risk of un-regulated provision in Children's Services, developing an assurance framework for the Council's group of companies, introducing arrangements for publishing decisions delegated to officers, strengthening arrangements to ensure compliance with the Transparency Code, and implementing the action plan linked to the Statement of Accounts.

1.2 **Financial Management and Accounting** – In October 2023, the Committee received the final statement of accounts for 2019-2020, alongside the External Auditor's Audit Findings report. As a result of the

audit findings a number of changes were made to the draft accounts, including an increase in net assets, changes to the group accounts and changes relating to land and property valuations. The Committee sought assurances in relation to the delay in approving the accounts and also re-approved the Annual Governance Statement for 2019-20 which set out an action plan to complete subsequent year's accounts as soon as practicable. The Committee has continued to receive updates on this during the year. Additionally, the following reports were received in year:

- The revenue and capital outturn position for 2022-23 was considered in July 2023. 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 2022-23 were considered in October 2023, December 2023 and March 2024.
- A treasury management activity update was considered in December 2023. 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** - External audit activity undertaken to enable the Council's Statement of Accounts for 2019-20 and subsequent years to be finalised has also impacted on the normal timetable of reports that the Committee receives from the external auditors. However, the following reports were received from the Council's external auditors, Grant Thornton in 2023-24:

- External Auditor's Annual Report 2021-22 - This report was considered in January 2024. Its purpose was to provide assurance that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Whilst the report concluded that there were no significant weaknesses in arrangements to secure financial stability at the Council and improving economy, efficiency and effectiveness, a key recommendation was made in relation to addressing the weaknesses identified in the preparation of the financial statements.
- Interim External Auditor's Annual Report 2022-23. This report was considered in March 2024. The report concluded that at this stage, there were no significant weaknesses in arrangements to secure financial stability and improving economy and effectiveness, although as the accounts preparation and audit cycle remained delayed at the time of writing, the key recommendation relating to the preparation of the financial statements was repeated. The report also noted the Council were taking active steps to mitigate cost pressures.

1.4 **Internal Audit** – In June 2023, the Audit and Procurement Committee received the Internal Audit Annual Report. This report had two main purposes:

- To summarise the Council's Internal Audit activity for the period April 2022 to March 2023, against the agreed Internal Audit Plan for the same period. This highlighted the Internal Audit Service had delivered 89% of the agreed work plan by 31st March 2023, against a target of 90%.
- To provide the Committee with the Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's risk management, internal control and governance arrangements. Based on the work of Internal Audit in 2022-23, the Chief Internal Auditor concluded that 'moderate' assurance could be provided that there was generally an effective and adequate framework of governance, risk management and internal control in place to help the organisation meet its objectives.

Other Internal Audit reports considered during the year include:

- Internal Audit Plan for 2023-24 – 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 the scope and coverage outlined in the plan.
- Progress reports on Internal Audit work – Monitoring reports were received in December 2023 and March 2024. These reports provided updates on the performance of the Service, along with a summary of the key findings from a sample of 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.
- Internal Audit External Quality Assessment – This report set out the planned approach for the External Quality Assessment of the Internal Audit Service. The Public Sector Internal Audit Standards require that a Quality Assurance and Improvement Programme is maintained. This includes the requirement for an external assessment to be undertaken every five years to evaluate the internal audit activity's conformance with the Standards and Code of Ethics. The Committee approved the approach outlined with Sandwell MBC acting as the assessor for the Council.
- Recommendation Tracking Report – In March 2024, a report on action taken by service areas 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 and Error-** The following fraud reports were considered in 2023-24:

- Annual Fraud and Error Report - This report was considered by the Committee in July 2023 and summarised the Council's response to anti-fraud and error activity for the financial year 2022-23. This included:

- Work undertaken in managing the risk of fraud and error in business support grants which were administered by local authorities on behalf of the government in response to Covid-19. This included pre- and post-payment assurance checks and assisting in the administration of the debt recovery process.
 - A summary of the work undertaken in relation to the National Fraud Initiative, a data matching exercise led by the Cabinet Office. Work in 2022-23 focused on collating and submitting the datasets for the next exercise.
 - A summary of the work undertaken in relation to corporate fraud investigations, including one significant fraud which was concluded during 2022-23.
- Half Yearly Fraud and Error Update - A report was received in December 2023 which provided an up-date on anti-fraud and error activity in 2023-24. This included work to follow up matches from the National Fraud Initiative which highlighted that an estimated £117k of forward savings had been made as a result of action taken.

1.6 **Procurement** – Reports relating to procurement were received in October 2023 and March 2024. This area is considered under the private part of the agenda and are progress reports summarising procurement activity considered by the Procurement Board and Panels in the relevant period, as well as providing details of savings made. The reports also provided assurance around the effectiveness of governance arrangements for Procurement Board and Panels and details of exceptions to Contract Procedure Rules which had been granted. The Committee in considering these reports noted the content of reports and sought assurance around specific activity highlighted.

1.7 **Other** - The Audit and Procurement Committee also supports the Council in considering other areas linked to risk management, internal control and governance and in 2023-24, this included the following:

- Whistleblowing Annual Report 2022-23 – 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, in one case the matter was dealt with under the Council’s disciplinary process. In three cases, management action was taken to make improvements and in the other two cases, the disclosure did not satisfy the grounds for whistleblowing.
- Complaints to the Local Government and Social Care Ombudsman 2022-23 - This report provided information regarding the number and outcome of Local Government and Social Care Ombudsman complaints received and investigated during 2022-23 along with outlining the actions taken by the Council where a complaint was upheld by the Ombudsman. Of the 73 complaints, 20 were investigated and 17 were upheld. The Ombudsman issued one formal report of maladministration and injustice, in regards to which the Committee received assurance that the Council had taken appropriate action in response.

- Corporate Risk Register– This report set out the current Corporate Risk Register with an overview of the changes since the last Register was considered and details of the controls in place to address identified risks. The Committee noted the Risk Register having satisfied themselves that risks are being identified and managed, whilst also agreeing with the External Auditor’s recommendation that the Committee review the Corporate Risk Register on a six-monthly basis moving forward.
- Information Governance Annual Report 2022-23 – This report considered the Council’s performance in relation to handling requests for information, managing data protection security incidents and completing data protection training, as well as highlighting the outcome of internal reviews carried out by the Council and complaints considered by the Information Commissioners Office. The Council completed 86% of FOI requests on time and 77% of Subject Access Requests. Twelve Information Commissioners Office complaints were received during the year, which were appropriately dealt with. No security incidents were reported to the Information Commissioners Office during the year.
- Coventry Municipal Holdings Group Accounts – This report set out the accounts for Coventry Municipal Holdings limited for the year ending 31st March 2022 and where available to the year ending 31st March 2023 and also confirmed that each of the trading entities adhered to the requirements under the Group Governance Agreement.

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Coventry City Council

Public report

Report to

Audit and Procurement Committee

22nd July 2024

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

City Wide

Title:

Internal Audit Plan 2024-25

Is this a key decision?

No

Executive summary:

The purpose of this report is to share the draft Internal Audit Plan for 2024-25 with the Audit and Procurement Committee to allow the Committee to express its views on the extent and nature of the planned coverage.

Recommendation:

Audit and Procurement Committee is recommended to consider and approve the draft Internal Audit Plan for 2024-25, attached as Appendix One to the report.

List of Appendices included:

Appendix 1 - Draft Internal Audit Plan 2024-25

Background papers:

None

Has it or will it be considered by scrutiny?

No other scrutiny consideration other than the Audit and Procurement Committee

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

No

Will this report go to Council?

No

Report title:

Draft Internal Audit Plan 2024-25

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 2024-25. This report provides the mechanism for allowing the Audit and Procurement Committee to discharge its responsibility as highlighted above, but also enables the Committee to support delivery of the Internal Audit Charter by approving the 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 2024-25.

In developing the Audit Plan, the Service aims 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, internal control and governance arrangements.

2.2 **Draft Audit Plan 2024-25** – 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. For 2024-25, it has been assessed that the resources available are 650 days for audit and corporate fraud work. This is an increase of approximately 250 days when compared with 2023-24 and reflects that as the two trainee posts have now completed their level four Internal Audit Apprenticeship and successfully obtained a professional Internal Audit qualification, they have been included within the assessment of resources. As previously reported to the Audit and Procurement Committee, the structure of the Internal Audit Service is currently being reviewed and in the event that there is a significant change in the available audit days over the course of the year, flexibility will be retained in how these resources are utilised. Updates on the resource position and any resulting change to the audit plan will be provided in future reports to the Committee.
- In focusing the available resources to develop a plan which meets the needs of the Council and adds value, the following approach has been taken:
 - An initial risk assessment has been undertaken, which considers the Council's corporate risk register and any priorities identified from consultation with Directors, and other senior managers, alongside other priorities linked to areas of risk which have been highlighted by the Chief Internal Auditor. 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.
 - Where appropriate to do so, the audits of key financial systems are undertaken on a bi-annual basis (e.g. where there is a history of the system being well controlled).
 - Given that the number of local authority maintained schools has reduced over recent times, a cyclical programme of school audits has been re-introduced, with the strategy that all schools are now audited every five years.
 - A flexible and responsive approach to issues highlighted by senior officers with dialogue to ensure resources are directed in accordance with their priorities.

- A flexible approach to corporate fraud investigations, offering expert advice and support rather than undertaking the Investigating Officer role.
- Where appropriate, planned days for individual audits have taken account of the individual auditor's level of experience and supervision required.
- Areas of planned work include:
 - Corporate Risks – the focus of audit coverage in 2024-25 in regards to the corporate risk register is aligned to those areas where it is clear Internal Audit can make a contribution to the management of these risks, including emerging issues linked to these activities. This includes reviews of near miss reporting, homelessness, equal pay working practices, public health funding outcomes and assurance over the governance of the Council's group of companies.
 - ICT – The programme of IT audit work is established through an IT audit needs assessment which identifies areas of focus. In 2024-25, the areas which have been agreed are, artificial intelligence governance and IT disaster recovery.
 - Council / Audit priorities – this incorporates audit work linked to specific priorities which have a corporate impact such as equality impact assessments, payment kiosks, and emergency planning / business continuity.
 - Regularity – this includes work to meet the assurance requirements of grant funding received by the Council, and co-ordination of the Annual Governance Statement and declarations of interest exercise. In respect of grant funding the required audit work represents less than 10% of the overall audit plan and consequently does not significantly impact on the Service's ability to undertake its core assurance related work.
 - Directorate risks – this audit area includes those issues highlighted through dialogue with Directors which could affect the achievement of operational objectives. In 2024-25 identified areas include management of plant and equipment, property disposals, energy billing, building control, and the Health Visitors contract.

As a result, it is believed that the draft Audit Plan for 2024-25 is sufficient for the work required to report on governance, the management of risks and internal 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 31st March 2025. 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 2025 and will include the opinion of the Chief Internal Auditor on the adequacy of the Council's risk management, internal control and governance arrangements, highlighting issues relevant to the preparation of the Annual Governance Statement.

5. Comments from the Director of Finance and Resources 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 One Coventry Plan?**
<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-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

Report author:

Name and job title:

Karen Tyler
Chief Internal Auditor

Service area:

Finance and Resources

Tel and email contact

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Email: Karen.tyler@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Service area	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Law and Governance	3/7/2024	3/7/2024
Tina Pinks	Finance Manager Corporate Finance	Finance and Resources	3/7/2024	9/7/2024
Names of approvers: (officers and members)				
Barry Hastie	Director of Finance and Resources	-	3/7/2024	10/7/2024
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	3/7/2024	8/7/2024
Councillor R Lakha	Chair of Audit and Procurement Committee	-	3/7/2024	4/7/2024

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

Appendix One – Internal Audit Plan 2024-25

KEY DRIVER	RISK LEVEL	AUDIT AREA	PLANNED DAYS
Corporate Risk			
	High	ICT and Digital*	25
	Medium	CWRT loan book health check	6
	High	Governance over group of companies	15
	High	Near miss reporting	15
	High	Homelessness	20
	High	Equal pay working practices	10
	High	Public health funding outcomes	15
Council / Audit Priorities			
	Medium	Payment Audit*	3
	Medium	Equality Impact Assessments	15
	Medium	Payment Kiosks	15
	Medium	Business support grants	10
	Medium	Emergency planning / Business Continuity*	5
Financial Systems			
	High	Care Director	20
	High	Business Rates	15
	Medium	Council tax	15
	Medium	Corporate Income	15
	Medium	Housing Benefits / Council tax support	15
Regularity			
		Grants	57
		Corporate Governance	15
		Risk Management	7
		Schools	63
Other			
		Contingency / Directorate Risks	154
		Fraud	30
		Follow up	45
		2023/24 B/Fwd	45
		Total Days Available	650

* Undertaken by third parties

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Coventry City Council

Public report

Report to

Audit and Procurement Committee

22nd July 2024

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

City Wide

Title:

Annual Fraud and Error Report 2023/24

Is this a key decision?

No – this is a monitoring report.

Executive summary:

The purpose of this report is to provide the Audit and Procurement Committee with a summary of the Council's anti-fraud and error activity undertaken by the Internal Audit Service for the financial year 2023-24.

Recommendation:

The Audit and Procurement Committee is recommended to note and consider the anti-fraud and error activity undertaken in the financial year 2023/24.

List of Appendices included:

None

Background papers:

None

Other useful documents:

Half Yearly Fraud and Error report 2023-24

[Agenda for Audit and Procurement Committee on Monday, 11th December, 2023, 2.30 pm - Coventry City Council](#)

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:

Annual Fraud and Error Report 2023-24

1. Context (or background)

- 1.1 Fraud in the public sector has a national focus through the publication of "Fighting Fraud and Corruption Locally - The Local Government Counter Fraud and Corruption Strategy". Whilst the national strategy states that the level of fraud in the public sector is significant, the levels of identified / reported fraud against the Council remain at relatively low levels, both in terms of numbers and value.
- 1.2 This report documents the Council's response to fraud and error during 2023-24 and is presented to the Audit and Procurement Committee in order to discharge its responsibility, as reflected in its terms of reference 'to monitor Council policies on whistle blowing and the fraud and corruption strategy'.

2. Options considered and recommended proposal

- 2.1 The Internal Audit Service is responsible for leading on the Council's response to the risk of fraud and error. The work of the team has focused on four main areas during 2023-24, namely:

- Business Support Grants
- National Fraud Initiative
- Referrals and investigations considered through the Council's Fraud and Corruption Strategy
- Fraud awareness

A summary of the key activity that has taken place during 2023-24 is detailed below.

- 2.2 Business Support Grants – Work to assist in the administration of the debt recovery process of grants paid fraudulently or in error has continued during 2023-24. This has included:

- Ongoing meetings with colleagues from the Revenues Service to monitor the status of debts which are still undergoing recovery action, including monitoring of on-going payment plans to ensure they are still being adhered to. There are currently six cases which are still undergoing recovery, with the total amount currently outstanding amounting to approximately £38k.
- Where a decision is reached that recovery options have been exhausted, administration of the process to refer the debt to the Department for Business and Trade (DBT.) Grants in relation to six businesses amounting to £48k have been referred to DBT during the year. In one case, the Department have accepted assignment of the debt (£25k), whilst in the other cases, the Council is awaiting a decision.

- Assisting in the process to return recovered grant funding to DBT. In 23-24, £63k was returned to DBT.

2.3 **National Fraud Initiative (NFI)** – The NFI exercise is led by the Cabinet Office. The main exercise takes place every two years and matches electronic data within and between public bodies, with the aim of detecting fraud and error. The follow up of matches can also provide assurance that the Council’s own arrangements for preventing and detecting fraud / error are effective. The results of the last exercise were released in March 2023. As from April 2023, the Revenues and Benefits Service have become responsible for matches relating to Housing Benefit / Council Tax Support, whilst the Internal Audit Service are responsible for other match types. (The Internal Audit Service have continued to support Revenues and Benefits during this transitional period.)

2.3.1 Given the number of matches released, a risk-based approach is used in following up the matches. To date, around 2000 matches have been processed. Table one below provides a breakdown of those areas where overpayments / forward savings have been identified to date (where overpayments are identified, these are subject to standard recovery arrangements.) The estimate of forward savings is calculated by the Cabinet Office. It helps to demonstrate the financial advantage of anti-fraud work and underlines the importance of taking appropriate action.

Table One – Breakdown of National Fraud Initiative results April to March 2024

Match Type	Purpose of Match	Number of errors / discrepancies	Overpayments	Cabinet Office Estimate of Forward savings
Pensions to DWP deceased data	To identify instances where an occupational pensioner has died but the pension is still being paid.	8	£1,418	£13,722
Blue badges to DWP deceased data	To identify cases where a blue badge holder has died but the local authority has not been notified.	160	-	£104,000
VAT overpaid	To identify instances where VAT has been overpaid to a supplier	1	£2,285	

Duplicate invoices by invoice number and amount	To identify duplicate payments for the same goods and services	1	£4,700	
Waiting list to housing tenants	To identify inaccurate / fraudulent applications for social housing.	3	-	£12,849
Waiting list to waiting list	To identify inaccurate / fraudulent applications for social housing.	6	-	£25,698
Waiting list to DWP deceased	To identify instances where a waiting list applicant has died but the local authority has not been notified.	3	-	£12,849
Total		182	£8,403	£169,118

2.4 Referrals and Investigations – From time to time, the Internal Audit Team receive referrals or are asked to assist with investigations relating to employee misconduct and other fraud against the Council involving external individuals. Table two below indicates the number of referrals by source in 2023-24, along with figures for the previous three financial years.

Table Two - Fraud Reports Received between 2020-21 and 2023-24

Source	Reports 2020-21	Reports 2021-22	Reports 2022-23	Reports 2023-24
Whistleblower	4	1	1	4
Manager	14	20	10	18
External	6	2	2	1
Total	24	23	13	23

It is important to note that there is no mechanism for determining the number of reports the Council should receive on an annual basis and it is very difficult to anticipate or identify the reasons behind fluctuations in numbers. It is worth noting that this information only reflects referrals made in respect of concerns relating to fraud and corruption and does not include other matters raised under the Whistleblowing Policy.

2.4.1 Of the 24 referrals received in 2023-24, eight have led to full investigations. The reasons for referrals not resulting in a full investigation include (a) our initial assessment / fact finding does not find any evidence to support the allegations, (b) appropriate action has already been taken, e.g. the fraud has been prevented, and (c) the nature of the event means it is impractical to pursue further.

In addition to the eight investigations highlighted in 2.4.1 above, three investigations were carried forward from 2022-23. All eleven investigations related to fraud / theft or other activities linked to obtaining a financial benefit. Three out of the total eleven investigations are still on-going, whilst of the remaining eight:

- In one case relating to an agency member of staff, their engagement was terminated.
- In two cases, standards were re-set / informal management action was taken.
- In four cases, the concern was not substantiated, although other appropriate actions were identified and implemented.
- In one case involving the provision of false information to support a claim for homelessness assistance, the Council withdrew the application for assistance and rescinded its duty to provide temporary accommodation.

2.5 Fraud Awareness - In 2023-24, the Internal Audit Service attended five training sessions with employees from Adult Social Care to raise awareness of the types of fraud that can occur within the social care environment, and particularly within direct payments. The Service have also updated the Council's intranet pages in respect of fraud and corruption and attended an event hosted by a local charity who support immigrants to explain the consequences of benefit fraud.

2.6 Significant frauds - Within the International Auditing Standards, there are clear expectations around the level of oversight that the Audit and Procurement Committee should have in relation to the risk of fraud within the Council. This includes an expectation that appropriate detail is provided around significant fraud. We have applied the following principles when defining significant fraud:

- A financial impact in excess of £10,000.
- Frauds of under £10,000 can be included if the Chief Internal Auditor considers this justified by the nature of the fraud.
- In terms of establishing when a fraud has occurred, this is normally defined as occurring when the disciplinary process has been concluded, although in cases not involving employees, this will be linked to other management action, such as criminal prosecution.

In the period April 2023 to March 2024, no significant frauds have been concluded.

2.7 The local government transparency code requires local authorities to publish information in relation to fraud on an annual basis. This information is detailed in table three below.

Table Three – Counter Fraud Transparency Data

Requirement	Response
Number of occasions powers under the Prevention of Social Housing Fraud Regulations 2014 (or similar) have been used	0 – the Council does not own its own housing stock.
Total number of employees undertaking investigations and prosecutions of fraud	2 (estimated FTE 0.25)
Total number of professionally accredited counter fraud specialists	1 member of the Internal Audit Service holds the CIPFA Certificate in Investigatory Practice
Total amount spent by the authority on the investigation and prosecution of fraud	£1,650 (direct costs only, does not include salary costs)
Total number of fraud cases investigated	8 (note this only includes corporate fraud investigations, not investigations linked to the NFI or business grants)

3. Results of consultation undertaken

None

4. Timetable for implementing this decision

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

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

5.1 Financial Implications

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

5.2 Legal implications

The Council has a duty under S151 of the Local Government Act to make arrangements for the proper administration of their financial affairs. To effectively discharge this duty, these arrangements include Council policies and procedures which protect the public purse through managing the risk of fraud and error.

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

6. Other implications

6.1 How will this contribute to achievement of the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>)

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

6.2 How is risk being managed?

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

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

6.3 What is the impact on the organisation?

Human Resources Implications

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

6.4 Equalities / EIA

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

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

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

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

6.5 Implications for (or impact on) Climate Change and the environment

No impact

6.6 Implications for partner organisations?

None

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Contributor/approver name	Title	Service area	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Law and Governance	3/7/2024	3/7/2024
Tina Pinks	Finance Manager Corporate Finance	Finance and Resources	3/7/2024	9/7/2024
Names of approvers: (officers and members)				
Barry Hastie	Director of Finance and Resources	-	3/7/2024	10/7/2024
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	3/7/2024	8/7/2024
Councillor R Lakha	Chair of Audit and Procurement Committee	-	3/7/2024	4/7/2024

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Audit and Procurement Committee

22nd July 2024

Name of Cabinet Member:

N/A

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 Audit and Procurement 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 Corporate 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

N/A

3. Results of consultation undertaken

N/A

4. Timetable for implementing this decision

N/A

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

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 One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

N/A

6.2 How is risk being managed?

This report will be considered and monitored at each meeting of the Audit and Procurement Committee.

6.3 What is the impact on the organisation?

N/A

6.4 Equalities / EIA

N/A

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

N/A

6.6 Implications for partner organisations?

N/A

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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	Audit and Procurement Committee 18 th March 2024 - Minute 54/23	A further report be submitted to the Committee in September 2024	Roger Martin	-	Report added to Work Programme 2024/25

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

Appendix 2

Information/Action Requested Outside Meeting

No.	Subject/Report	Minute Reference and Date Originally Considered	Information Requested / Action Required	Responsible Officer	Date Completed
1.	Procurement and Commissioning Progress Report	Audit and Procurement Committee 18th March 2024 - Minute 59/23	Members requested further information on the procurement of mobile phone contracts and the amount from the budget being spent on spot contracts	Rob Amor	

Audit and Procurement Committee

Work Programme 2024/25

3rd June 2024 – Additional Meeting

Consideration of Approval of Severance Packages (Private)

24th June 2024

Local Code of Corporate Governance
Internal Audit Annual Report 2023/2024
Internal Audit External Quality Assessment
Consideration of Approval of Severance Packages - 2 reports (Private)

22nd July 2024

Revenue and Capital Outturn 2023/2024
Audit and Procurement Committee Annual Report to Council 2023/2024
Internal Audit Plan 2024/2025
Annual Fraud and Error Report 2023/2024

30th September 2024

First Quarter Revenue and Capital Monitoring Report (to June 2024)
Annual Compliance Report - Regulatory & Investigatory Powers Act (RIPA) 2000
Whistleblowing Annual Report 2023/2024
Annual Governance Statement 2023/2024
Corporate Risk Report
Six Monthly Procurement Progress Report (Private)

25th November 2024

Treasury Management Update 2024-25 – Half Year Progress Report
Half Year Internal Audit Report 2024/2025
Half Year Fraud and Error Report 2024/2025
Quarter Two Revenue and Capital Monitoring Report 2024/2025 (to September 2024)

3rd February 2024

Interim Value for Money Audit Findings Report (Grant Thornton)
Information Governance Annual Report 2023
Complaints to the Local Government and Social Care Ombudsman 2023/2024
Coventry Municipal Holdings Group Accounts 31st March 2023 and 31st March 2024

17th March 2025

Corporate Risk Report
Internal Audit Recommendation Tracking Report
Quarter Three Revenue and Capital Monitoring Report 2024/2025 (to December 2024)
Quarter Three Internal Audit Progress Report 2024/2025
Six Monthly Procurement Progress Report (Private)

Future Items – Date to be Confirmed

Data Analytics, Including Use of Artificial Intelligence
External Audit Plan Year Ending March 2022 (Grant Thornton)
External Audit Plan Year Ending March 2023 (Grant Thornton)
External Auditor's Annual Report 2022/2023 (Grant Thornton)
External Auditor's Annual Report 2023/2024 (Grant Thornton)
Audited 2021/22 Statement of Accounts and Audit Findings Report (Grant Thornton)
Audited 2022/23 Statement of Accounts and Audit Findings Report (Grant Thornton)