

**Coventry City Council**  
**Minutes of the Meeting of the Audit and Procurement Committee held at**  
**2.30 pm on Monday, 30 September 2024**

Present:

Members:                   Councillor R Lakha (Chair)  
                                  Councillor M Ali  
                                  Councillor J Blundell  
                                  Councillor R Brown  
                                  Councillor A Hopkins  
                                  Councillor A Jobbar

Employees (by Directorate):

Finance and Resources    B Hastie (Director of Finance and Resources), R Amor,  
                                  P Helm, R Martin, T Pinks, K Tyler  
Law and Governance       R Aremu, L Knight

Apologies:                 Councillors P Male and B Singh

## **Public Business**

### **21.     Declarations of Interest**

There were no disclosable pecuniary interests.

### **22.     Minutes of Previous Meeting**

The minutes of the meeting held on 22<sup>nd</sup> July 2024 were agreed and signed as a true record.

Further to Minute 14/24, the Chair advised the Panel that, following the request for the names of the two major planning sites referred to during consideration of the Revenue and Capital Outturn 2023/24 report, an email had been circulated to all members setting out this information.

Additionally, although not linked to the minutes of the previous meeting, the Chair also took the opportunity to highlight a number of further issues, as detailed below:

- The construction company ISG had gone into administration. If this is likely to impact upon the Council, a report would be submitted to the appropriate body in due course.
- A link to the published Statement of Accounts that had been outstanding had been circulated to Committee Members.
- An email had been received from the External Auditors, Grant Thornton, indicating that the current accounts had not yet been finalised and that investigations were being made in respect of some best value matters.

23. **Exclusion of Press and Public**

**RESOLVED** that the Audit and Procurement Committee agrees to exclude the press and public under Sections 100(A)(4) of the Local Government Act 1972 relating to the private report in Minute 31 below headed 'Procurement and Commissioning Progress Report' on the grounds that the report involves the likely disclosure of information as defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial affairs of a particular person (including the authority holding that information) and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

24. **2024-25 First Quarter Financial Monitoring Report (to June 2024)**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer), which set out the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of June 2024.

The report had previously been considered by the Cabinet at its meeting on 27<sup>th</sup> August 2024 (their minute 18 refers).

The net revenue forecast position after management action is for spend in 2024/25 of £7.1m over budget. Whilst not a wholly comparable position, at the same point in 2023/24, there was also a projected overspend of £12.1m.

The report indicated that the Council continues to face budget pressures within both Adults and Children's social care, Housing, and City Services. Other overspends are also being reported in Property Services and Business Investment and Culture. These financial pressures are being caused by a combination of legacy inflation impacts, continued service demand, complexity, market conditions, and income shortfalls due to the economic climate.

The Council's position above includes a significant number of one-off actions that have been applied to reduce the overspend. Recognising that the underlying position is significantly higher, further urgent action is being assessed to address the pressure to prevent the 2025/26 position increasing to unmanageable levels.

The Council's capital spending is projected to be £193.3m and includes major schemes progressing across the city. The size of the programme and the nature of the projects within it continue to be fundamental to the Council's role within the city. Although prevailing inflation rates look to be stabilizing, legacy inflationary pressures continue to affect capital projects. The assumption is that stand-alone projects that are already in-progress will be delivered as planned but that future projects that have not yet started will need to be re-evaluated to determine their deliverability within previously defined financial budgets.

The materiality of the emerging financial pressures, both revenue and capital, has renewed the imperative to maintain strict financial discipline and re-evaluate the Council's medium-term financial position. This will be a priority across all services as the Council develops its future budget plans in the coming months.

The revenue budgets and forecast positions analysed by service area were detailed in the report, together with details of movement in the capital budget. The report also outlined the Treasury Management position and the Commercial Investment Strategy.

With regard to the implementation of the charges for garden waste, the Committee sought clarification on what market research had been done to establish the income figure set out in the budget. It was indicated that the figure had been based upon what other local authorities had experienced when implementing charging. The report identified that the take up for garden waste collection had gone well and predictions were looking positive.

In respect of the Cultural Gateway, clarification was sought as to whether Coventry's financial commitment was a part of the overall costs as this was a partnership. It was confirmed that, including Coventry, there are 5 partners. However, Coventry is the owner of the building, which was one of the risks identified at the outset. It was further confirmed that the occupiers will be paying rent to the Council.

It was noted that there were a number of marked variances to the set budget and the Committee highlighted that there was now showing a deficit of £100k against St Mary's Guildhall, and sought to establish whether this related to the capital works that have taken place or ongoing costs. The Committee were advised that the deficit related to the running costs.

Additionally, the Committee requested details of how the Godiva Festival is funded and were advised that in terms of the Council's budgets, a sum of money was set aside to subsidise the Festival, but that the income for the event would also contribute to the funding.

**RESOLVED that the Audit and Procurement Committee note the content of the report and confirm that it has no recommendations for the Cabinet.**

## 25. **Whistleblowing Annual Report 2023-2024**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources which provided a summary of the concerns raised under the Council's Whistleblowing Policy during 2023-24 along with the Council's response to the issues, including any organisational learning to prevent similar reoccurrences.

The report indicated that Whistleblowing is the making of a protected disclosure as found in Part IVA of the Employment Rights Act 1996 (and as amended by the Public Interest Disclosure Act 1998) and is reflected in the Council's Whistleblowing Policy 2017. This qualifies employees (including agency workers) for legal protection against detriment or unfair dismissal if they make a disclosure in the public interest. To qualify, the disclosure must also fall within one of the following grounds:

- A criminal offence
- Breach of any legal obligation

- Miscarriages of justice
- Danger to health and safety
- Damage to the environment
- The deliberate concealing of information about any of the above

The Council's Whistleblowing Policy makes it clear that all concerns raised about actual or potential misconduct or wrongdoing in the Council are taken seriously. For matters relating to fraud and corruption, these are considered by the Chief Internal Auditor. All other concerns which fall under one of the grounds listed above are considered by the Council's Monitoring Officer.

The report provided a summary of the concerns raised under the Council's Whistleblowing Policy during 2023-24 and the Council's response to the issues and was 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 whistleblowing and the fraud and corruption strategy".

In order to protect the confidentiality of whistleblowers and other parties involved, no information is included in this report that could lead to the identification of a whistleblower or the subject of the whistleblowing or compromise the confidentiality of an on-going investigation.

During 2023-24, the Council received eleven whistleblowing disclosures. Of these, three were made by a third party and as such, the legal protection afforded to employees who raise concerns does not extend to these individuals. However, the Council considers that any disclosure made by members of the public should be treated in the same way as disclosures made by employees and consequently have made every reasonable effort to protect all individuals under the whistleblowing process.

Action had also been taken during the year review the Council's "I have a concern" intranet page and promote it across the Council.

A summary of the disclosures made by type and service area was provided in a Table in the report. Whilst all concerns are taken seriously, the responses will differ on a case-by-case basis. In some cases, if the disclosure has been made anonymously and insufficient details have been provided, the Council may be restricted in the action it can take. However, typically a preliminary fact-finding investigation will be undertaken which if required, will result in a full investigation and formal action being considered. A summary of the responses to the disclosures made in 2023-24 were provided in a further table.

**RESOLVED that, the Audit and Procurement Committee note the summary of whistleblowing concerns raised during 2023-24 and confirm its satisfaction with the actions taken to respond to the issues raised.**

## 26. **Annual Governance Statement 2023-2024**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources that provided details of the results of the annual review of effectiveness of the Council's governance arrangements and sought approval for

the Annual Governance Statement, which formed part of the Statement of Accounts for 2023-24.

Coventry City Council was responsible for ensuring that its business was conducted in accordance with the law and proper standards, and that public money was safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this responsibility, the City Council was responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk. To demonstrate such arrangements, the City Council had adopted a Local Code of Corporate Governance, which was consistent with the principles reflected in the CIPFA / SOLACE framework and guidance 'Delivering Good Governance in Local Government' (2016).

The Annual Governance Statement ('AGS') explained how Coventry City Council had complied with the Code and in doing so, reflected the requirements of the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2022, which required all relevant bodies to conduct a review of the effectiveness of its system of governance and prepare an Annual Governance Statement. The AGS also detailed key governance / control issues that the Council faced in the coming year.

The AGS was normally presented to Audit Committee in June / July each year to meet the deadline for publication specified in the Accounts and Audit Regulations. Whilst the accounts for 2023-24 had not yet been finalised, the draft statement of accounts for 2020-21, 2021-22 and 2022-23 have been published. As such it was felt appropriate to present the AGS for 2022-23 at this time.

Whilst processes were in place to monitor key elements of the governance framework through-out the year, for example through the work of Internal Audit, the Corporate Governance Steering Board and the Council's Audit and Procurement Committee, an annual review was also undertaken as part of the production of the AGS for the year. The purpose of the review was to provide assurance that the arrangements set out in the Local Code of Corporate Governance continued to be fit for purpose and identified key governance issues for the forthcoming year. The annual review considered information from a number of sources with the outcomes reviewed and agreed by the Corporate Governance Steering Board and Leadership Team.

Based on the outcomes of the review, the overall opinion that had been reached was that reasonable assurance could be provided that the Council's governance arrangements continued to be regarded as fit for purpose in accordance with the governance framework. The basis of this opinion, including the key findings from the review, were set out in the report.

An update on the progress against planned actions in relation to the issues raised in the 2022-23 AGS was provided in section 5.1 of the Statement, attached at Appendix One.

18 new issues had been identified for the Annual Governance Statement, these were also detailed in section 5.2 of the Statement, attached at Appendix One, along with the actions the Council planned to take (or had taken) in 2024-25 in

relation to these issues. These issues were identified as part of the review undertaken to support the production of the AGS as detailed in section 2.1 of the report.

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

- 1) In considering the findings of the review of effectiveness of the Council's governance arrangements, confirms its satisfaction with the level of assurance provided that arrangements are fit for purpose.**
- 2) In considering the Annual Governance Statement, attached as Appendix One to the report, approves the Statement which will accompany the 2023-24 Statement of Accounts.**

**27. Corporate Risk**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources, the purpose of which was to provide the Committee with the outcome of the review of the Corporate Risk Register 2024-25. This provided the Committee with an overview of the Council's corporate risk profile and the controls in place to address these risks.

The Audit and Procurement Committee's Terms of Reference required the Committee to monitor the effective development and operation of risk management within the Council. It was agreed on 18<sup>th</sup> March 2024, that the Audit and Procurement Committee would receive the Corporate Risk Register twice a year in line with the Grant Thornton value for money report.

The Corporate Risk Register should identify the risk that threaten the successful implementation of the One Coventry Plan .

The Committee noted that the Corporate Risk Register at Appendix 1 to the report has been reviewed in consultation with the Leadership Board and the allocated Risk Owner. It identifies the main risks facing the Council, the impact of the risk, the inherent risk score before risk mitigation, the risk mitigations, the risk score after the mitigations are applied and where responsibility lies for the Council's response. In addition, a further column has been added identifying what the risk score was when the Committee last received a report in March 2024.

There were some changes to the Corporate Risk Register from the previous report to Members.

Risks added:

- Risk 37 – Inadequate database systems in Regulatory Services.
- Risk 38 – Impact of the Illegal Migration Act 2023 on Coventry.

Risks Removed:

- Risk 29 – The continued implementation of the Elections Act

The following residual risk score had had decreased:

- Risk 36 – Managing any loss of reputation and public trust.

For the following risks, the residual risk scores had increased:

- Risk 22 – Childrens Services workforce stability.

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

- 1) **Note the current Corporate Risk Register, indicating that they had satisfied themselves that corporate risks were being identified and managed.**
- 2) **Confirm that they have not identified any areas where they require additional information.**
- 3) **Approve the bringing of a further risk management report to the Audit and Procurement Committee in March 2025.**

(NOTE: The Committee were advised that Roger Martin was attending his final meeting prior to leaving the authority. The Committee thanked Roger for his work and wished him well for the future.)

## 28. **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.**

## 29. **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.**

30. **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.

31. **Procurement and Commissioning Progress Report**

The Audit and Procurement Committee considered a report of the Director of Law and Governance that provided an update on the procurement and commissioning undertaken by the Council since the last report to Committee on 18<sup>th</sup> March 2024. Details of the latest positions in relation to individual matters were set out in the Appendices to the report.

The report contained information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972 as amended. The grounds for privacy were that it contained information relating to the financial and business affairs of a particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighed the public interest in disclosing the information.

The report indicated that since the last Committee when the procurement report had been presented, the Procurement Panel had received 42 reports and the Procurement Board 31 reports.

In addition, there had been a total of 73 exceptions. An exception to the Contract Procedure Rules may be granted subject to conditions, such as urgency, single source availability, technical nature etc. An exception could not be granted where a breach of any UK legislation would be incurred.

Members asked questions and received assurances at the meeting from officers on individual matters.

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

- 1) **Notes the current position in relation to the Commissioning and Procurement Services.**
- 2) **Agrees that no recommendations are to be made to the Cabinet Member for Strategic Finance and Resources, Cabinet or Council, on any of the matters reported.**

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

There were no other items of private business.

(Meeting closed at 3.45 pm)