



Audit and Procurement Committee

Time and Date

2.30 pm on Wednesday, 29th January, 2025

Place

Diamond Rooms 1 and 2 - Council House

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 3 - 12)
To agree the minutes of the meeting held on 25th November 2024.
4. **Grant Thornton - Interim Auditor's Annual Report on Coventry City Council 2023/24** (Pages 13 - 50)
Report of the Director of Finance and Resources
5. **2024/25 Second Quarter Financial Monitoring Report (to September 2024)** (Pages 51 - 76)
Report of the Director of Finance and Resources
6. **Information Governance Annual Report 2023-2024** (Pages 77 - 88)
Report of the Director of Law and Governance.
7. **Half Year Fraud and Error Report 2024 / 2025** (Pages 89 - 96)
Report of the Director of Finance and Resources
8. **Complaints to the Local Government and Social Care Ombudsman 2023 /2024** (Pages 97 - 122)
Report of the Head of Customer and Business Services
9. **Outstanding Issues** (Pages 123 - 128)
Report of the Director of Law and Governance

10. **Work Programme 2024/2025** (Pages 129 - 130)

Report of the Director of Law and Governance

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

Private business

Nil

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

Tuesday, 21 January 2025

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, R Brown (By Invitation), Z Francis (By Invitation), A Hopkins, A Jobbar, R Lakha (Chair), P Male, B Singh (Deputy Chair) and Smith (By Invitation)

Public Access

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Public Document Pack Agenda Item 3

Coventry City Council

Minutes of the Meeting of the Audit and Procurement Committee held at 2.30 pm on Monday, 25 November 2024

Present:

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

Employees (by Directorate):

Finance and Resources B Hastie (Director of Finance and Resources), P Helm,
T Pinks, K Tyler

Law and Governance O Aremu, L Knight

Apologies: Councillor Jobbar

Public Business

33. Declarations of Interest

Councillor Lakha declared an interest in the matter referred to in Minute 38 below, headed "Internal Audit Plan 2024-25 – Half Year Progress Report, in so far as it relates to Willenhall Primary School, where he is a Governor.

34. Minutes of Previous Meeting

The minutes of the meeting held on 30th September 2024 were agreed and signed as a true record.

There were no matters arising.

35. 2023/24 External Audit Plan and Related Audit Reports

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) in relation to the 2023/24 External Audit Plan and Related Audit Reports.

The Audit Plan provides details of the planned scope and timing of the audit of the Council's accounts. As the focus of the audit is risk based, the external auditor, Grant Thornton, have been liaising with the Council's management to update their understanding of the nature of the risks that could impact on the audit plan. The findings from this work were detailed in the 'informing the risk assessment' report, set out at Appendix 2. The auditors would design an audit programme that is tailored to address the risks and circumstances at Coventry City Council. The key risks identified in the Audit Plan were:

- Management override of controls
- Valuation of land and buildings, and investment properties
- Valuation of the pension net asset/liability
- Accounting for the Group and the valuation of long-term investments
- Liabilities for equal pay claims

In support of the audit of accounts, Grant Thornton have reviewed the controls in place for the Council's key financial systems. The outcome from this work was detailed in the '2023/24 IT audit findings' report, set out at Appendix 3. Although there were some areas for improvement identified, there were no significant deficiencies in IT controls relevant to the audit of financial statements.

The Committee noted that in September 2024, the Government passed legislation designed to address the backlog in the completion of local authority accounts. The legislation specified deadlines for the completion of audit work for particular financial years. In the event of uncompleted audits by the specific deadlines, auditors would be required to issue either qualified opinions or disclaimers, as appropriate.

Primarily due to delays in the publishing of the audited 2019/20 accounts, the audit of the council's 2020/21 accounts had not been completed and the audit of the 2021/22 and 2022/23 accounts had not begun. As the deadline for publishing of the audited accounts in relation to these years has been set as 13th December 2024, there would not be sufficient time to carry out the audit of these years, and the external auditor would be issuing disclaimed opinions for these years.

As a result, the audit of the 2023/24 accounts would also need to be adapted to reflect the fact that the Council's 2022/23 have not been audited, so reliance could not be placed on brought forward balances. The deadline for publishing of the audited 2023/24 accounts had been set as 28th February 2025.

RESOLVED that, the Audit and Procurement Committee:

1. **Note the details presented in the 2023/24 Audit Plan.**
2. **Note the findings detailed in the 'Informing the audit risk assessment – 2023/24' report.**
3. **To note the findings detailed in the '2023/24 IT audit findings' report.**

36. External Audit Documentation Relating to the Council's 2020/21, 2021/22 and 2022/23 Statutory Accounts

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer), setting out a series of documents from the external auditor, Grant Thornton, relating to the Councils 2020/21, 2021/22 and 2022/23 statutory accounts.

In September 2024, the Government passed legislation designed to address the backlog in the completion of local authority accounts. This legislation specified

deadlines for the completion of audit work for particular financial years. In the event of uncompleted audits by the specific deadlines, auditors would be required to issue either qualified opinions or disclaimers, as appropriate. The relevant deadline for the accounts of financial years up to and including 2022/23 is 13th December 2024.

Grant Thornton have not been able to complete the audit of the Council's 2020/21 accounts and have not started the audit of the 2021/22 and 2022/23 accounts. This is primarily due to the significant delays in the completion of the audit of the 2019/20 accounts, which the Committee has been briefed on previously.

The documents from Grant Thornton, attached as appendices to the report, detailed the situation in relation to the three uncompleted years and dealt with the necessary matters required in advance of the deadline. In particular, they had issued an Audit Findings Report (AFR) in relation to the work they had previously carried out on the 2020/21 accounts. In addition, Grant Thornton had provided an Audit Report for 2021/22 and 2022/23 clarifying that it was not possible to audit the accounts for these years and detailing the other non-audit work that they did carry out.

Although some audit work was carried out on the 2020/21 accounts this was not sufficient for the auditor to issue a qualified opinion. As a result, Grant Thornton have issued disclaimers with regards to all three years' accounts (2020/21, 2021/22 and 2022/23). To complete the administrative process, the auditor provided draft management letters of representation, one for each respective year of accounts, for the Council to review and authorise. Upon authorisation, these accounts would be published on the Council's website as soon as was practically possible and in advance of the 13th December 2024 deadline.

The Committee sought clarification on a number of matters for each financial year's accounts, particularly in respect of the historic valuations and the impact these have had on the accounts, additional works required and the level of fees due to the external auditors. The Committee were assured that the issues with historical valuations was due to a movement from an internal valuer to an external valuer, but that it was a common area to find these sorts of issues. The changes in fees was due to the additional work that had been required in respect of the 2020/21 accounts. However, fees were reduced for later financial years due to the external auditor being unable to complete substantive works on these accounts.

The Committee noted that there were around 900 sets of unaudited accounts being dealt with across the country and that Coventry were not unique in being in the situation where accounts were not audited. It was stressed that the main implication going forward was that the external auditor could not give assurance in respect of opening balances and reserves. The external auditor was clear in stating that this did not mean that there were errors in balances and reserves, just that they were not able to confirm there were not.

The Director of Finance and Resources further assured the Committee that whilst the external auditor was not able to give confirmation over the accuracy of opening balances and reserves, that the accounts had been processed as though they would be audited and that he was confident with the accuracy of these matters.

However, should any amendments be identified these would be reported to the Committee prior to publication of the accounts.

RESOLVED that the Audit and Procurement Committee:

- 1. Note the details presented in the 2020/21 Audit Findings Report and the Audit Report for 2021/22 and 2022/23.**
- 2. Accept the disclaimed opinions provided by the external auditor in relation to the 2020/21, 2021/22 and 2022/23 accounts.**
- 3. Grant authorisation for the requested letters of representation, in relation to these financial years, to be signed and returned to the external auditors.**

37. Annual Compliance Report 2023 - Regulatory & Investigatory Powers Act (RIPA) 2000

The Audit and Procurement Committee considered a report of the Director of Law and Governance, which outlined the Council's use of the Regulation of Powers Act 2000 (RIPA), which governed the acquisition and disclosure of communications data and the use of covert surveillance by local authorities.

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

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

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

2019 saw the implementation of Part 3 of the Investigatory Powers Act 2016 (IPA). The IPA consolidated all existing powers available to law enforcement and other agencies. The legislation also ensured that the powers conveyed were fit for the fast-moving digital age and introduced the Office for Communications Data Authorisation (OCDA) which is now responsible for independently authorising all applications for communications data. This has removed the requirement for local authorities to seek judicial approval for communications data.

The Committee noted that, for the period 1st January 2023 to 31st December 2023, no applications were made for either the Use of Directed Surveillance or Covert Human Intelligence sources or the Use of Acquisitions and Disclosure of Communications Data.

The Committee queried whether the provisions under RIPA were used for the purposes of surveillance of flytipping hotspots. They were advised that, currently, overt surveillance was used in respect to flytipping but that further investigations would be made as to whether it is appropriate to use RIPA as a further source of evidence gathering and that flytipping carries the relevant custodial sentence for RIPA to be used. It was agreed that a note would be circulated to the Committee detailing the outcome of these investigations.

RESOLVED that, having considered the report, the Audit and Procurement Committee notes the report and determines that there are no recommendations to be forwarded to the Cabinet Member for Policing and Equalities.

38. **Internal Audit Plan 2024-25 - Half Year Progress Report**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources, which provided an update on the internal audit activity for the period April to September 2024, against the Internal Audit Plan for 2024-25. The report was the first monitoring report for 2024-25 and was presented in order for the Audit and Procurement Committee to discharge its responsibility 'to consider summaries of specific internal audit reports as requested' and 'to consider reports dealing with the management and performance of internal audit'.

The key target facing the Internal Audit Service was to complete 90% of its work plan by the 31st March 2025. As at the end of September 2024, the Service had completed 33% of the Audit Plan against a benchmark of 50% (which reflected delivery of 100% of the Plan). It was recognised that performance was below expectation, although the quarterly targets did not take account of the varying length of audits and as such performance would vary across the year. It was also apparent that performance had been impacted by vacancies within the Internal Audit structure. Whilst the Audit Plan for 2024-25 took account of this in terms of available audit days, draft reports were taking longer to turn round due to competing management demands. However, notwithstanding this, based on an assessment of performance as at early November 2024, it was predicted that the Service are on track to meet its target by the end of March 2025.

It was noted that whilst the Annual Audit Plan was agreed at the start of the financial year, this may be subject to change as a result of emerging risks, requests from service areas to reschedule work, and any exceptions. It was important that the Internal Audit Service retained a flexible approach in order to ensure it could respond to issues on a timely basis and add value. Any significant changes would be reported to the Committee.

Appendix 1 of the report provided a list of the audits finalised between April and September 2024, along with the level of assurance provided. As at 30th September 2024, the following audits were in progress:

- Payment Kiosks
- Housing Benefit Subsidy
- Group Governance Review
- New Working Arrangements in Waste Services,
- CareDirector post upgrade assurance
- Equality Impact Assessments
- Emergency Planning / Business
- Implementation of new IT systems
- Henley Green Primary School
- Howes Primary School
- Sowe Valley Primary School
- Willenhall Primary school
- Disabled Facility Grant Service Review
- Health Visitors Contract
- Energy Billing
- S17 Payments

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

RESOLVED that, the Audit and Procurement Committee:

1. **Note the performance at quarter two against the Internal Audit Plan for 2024-25.**
2. **Considered and note the summary findings of the key audit reviews attached as Appendix two to the report submitted.**

39. **Treasury Management Update 2024-25 - Half Year Progress Report**

The Audit and Procurement Committee considered a report of the Director of Finance and Resources which provided an update on the Council's Treasury Management activity in 2024/25 to the end of September 2024.

The Council adopted the Chartered institute of Public Finance and Accountancy's "Treasury Management in the Public Services: Code of Practice (the CIPFA code). This requires the Council to approve an annual Treasury Management Strategy and a mid-year update report. Treasury Management performance was reported as part of regular budget monitoring reports to the Committee.

The Council's Treasury Management activity is undertaken in line with the Treasury Management and Commercial Investment Strategy and Policy for 2022/23, which was agreed by Cabinet as part of the Budget Report 2022/23 at its meeting of 22nd February 2022. There were no breaches of the strategy and policy to report.

The Council is supported in the Investment Strategy and Policy by its Treasury Management Advisors - Arlingclose. The advisors provide economic analysis and specialist advice. A key element of this is the provision of advice on credit risk and

the supply of information on credit ratings. Regular review meetings with the advisors continue to be held.

Appendix 1 is a detailed list of short-term borrowing and investments that the Council holds as at 30th September 2024. There had been no short-term borrowing so far in 2024/25. There are one or two variables in the forecast for the rest of the year, but it was anticipated that the Council may need to borrow some short-term cash at the year-end. It was important to emphasise that this was a snapshot of the Council's cashflow and did not represent the Council's overall financial situation. In many cases the council received grant funding ahead of the expenditure being incurred.

The Committee noted that, other than an £18m loan from West Midlands Combined Authority (WMCA) on behalf of UKBIC, no new long-term borrowing had been undertaken since 2009, due in part to the level of investment balances available to the Council. The Council has no immediate plans to take any new long-term borrowing, until interest rates bottom out, forecast to be in the final quarter of 2025, however this would be kept under review. As at 30th September 2024, the Council's long-term liabilities totalled £310.3m. This total was mainly made up of long-term borrowing sourced from the Public Works Loan Board (PWLB); Liabilities arising from the Private Finance Initiative (PFI) and Lender Option Borrower Option (LOBO's) borrowing.

The PWLB remained the main source of loan finance for funding local authority capital investment. In Augst 2021, HM Treasury significantly revised guidance for the PWLB lending facility with more details and 12 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 2022/23 approved by Cabinet, it was agreed the Council will not purchase investment assets primarily for yield.

The final three tables at Appendix 1 provided a detailed list of investments held as at 30th September 2024 and identified a total investment of £87.0m. This compares to £91.1m at this time the previous year. These balances were a snapshot and did not reflect the Council's overall financial situation. For the twelve-month period to 30th September 2024, the Council's investments earned an average rate of interest of 5.11%. This could be split down between Collective Investment Funds at 5.30% and other investments at 5.02%. This was against a backdrop of the Bank of England base rate being maintained at 5.25% until 18th September 2024, when it reduced to 5%.

Appendix 2 showed the Council's Lending List as at 30th September 2024. This list showed those banking and government institutions that the Investment Strategy allowed the Council to invest cash balances with. The list was taken using specialist advice from Arlingclose and was split between UK and foreign institutions. The Council did not hold any funds with counterparties that were not on this list. Duration limits for counterparties on the Council's lending list are under regular review and would continue to reflect economic conditions and the credit outlook.

Financial markets were in a state of flux following the Budget announced by the Chancellor of the Exchequer on 30th October 2024 and pending the U.S. Presidency Election on 5th November 2024. Initial thoughts on the Budget announcement were that inflation would increase and thus restrict the Bank of England Monetary Policy Committee's (MPC) ability to reduce interest rates as much as was hoped. Events in the Middle East and Ukraine also add to the uncertainty.

Throughout the majority of 2024, the Bank of England Monetary Policy Committee (MPC) maintained interest rates at 5.25% although there were reductions of 0.25% in August 2024 and a further reduction of 0.25% in November 2024 following favourable inflation data taking the rate to 4.75%. Latest inflation data shows a year-on-year increase of 1.7%. The latest forecast from the Council's Treasury Management Advisors, Arlingclose, was for the Bank Interest Rate to fall but not as quickly as was first envisaged. Initial thoughts were that it would be in the region of 3% to 3.5% by December 2025 but this has now been updated in response to both the Chancellor's budget and the US election to 3.75%.

RESOLVED that, the Audit and Procurement Committee note the update against the Treasury Management Strategy 2024/25 at 40th September 2024.

40. **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

41. **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

42. **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.

(Meeting closed at 4.15 pm)

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Coventry City Council

Public report

Report to

Audit and Procurement Committee

29 January 2025

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

Ward(s) affected:

City Wide

Title:

Grant Thornton – Interim Auditor’s Annual Report on Coventry City Council 2023/24

Is this a key decision?

No – this is a performance report

Executive summary:

The purpose of this report is for the Council’s external auditor, Grant Thornton to provide Audit and Procurement Committee with a formal report on the Council’s arrangements for securing Economy, Efficiency and Effectiveness in its use of resources for the financial year 2023/24.

Recommendations:

Audit and Procurement Committee is recommended to:

- 1) Note the auditors Interim Annual Audit report for 2023/24 appended to this document, including the key and improvement recommendations contained within.

List of Appendices included:

Appendix - Grant Thornton – Interim Auditors Annual Report 2023/24

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:

Interim Auditor's Annual Report on Coventry City Council 2023/24

1. Context (or background)

- 1.1 In addition to the external audit of the statutory statement of accounts, the Councils external auditor are required, under the National Audit Office (NAO) Code of Audit Practice, to carry out an annual audit which tests arrangements that the Council has in place to ensure economy, efficiency and effectiveness in its use of resources.
- 1.2 The appendix sets out the Auditors report for 2023/24, including recommendations where they consider improvements may be made, plus a management response for each. It also presents progress on previously made recommendations.
- 1.3 The equivalent report for 2022/23 was considered and noted by this committee at its meeting on 18 March 2024.

2. Options considered and recommended proposal

The appended report is an independent review of the Councils performance, and as such, there are no other options.

- 2.1 Auditors are required to prepare their report based on the following specified criteria:

Financial sustainability: how the Council plans and manages its resources to ensure it can continue to deliver its services.

Governance: how the Council ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness: how the Council uses information about its costs and performance to improve the way it manages and delivers its services.

- 2.2 The auditors report for the 2022/23 financial year was reported to this committee in March 2024, which assessed the Council as having no significant weaknesses in relation to its financial sustainability, or how it secures economy, efficiency and effectiveness. It did however report on the delays around publishing of audited accounts as a single, but significant weakness under the governance criteria. A single 'key' recommendation was made on this matter, requiring the Council to continue to address historic issues that have resulted in delays to the publication of Statement of Accounts. As we are still in the process of addressing this matter, this key recommendation has been carried forward to the 23/24 audit recommendations.
- 2.3 The Government have set out deadlines (or 'backstops') for all Council's to meet regarding publication of accounts. For financial years up to and including 2022/23, this was December 2024, and for 2023/24, February 2025. Coventry has addressed the key weaknesses identified by Grant Thornton as the causal factors in the delay of 2019/20 accounts, and made the necessary improvements in the process of completing prior year accounts for 2020/21, 2021/22, and 2022/23, the disclaimed opinions for which were reported to this Committee in November 2024, such that the required (December) backstop date was achieved.
- 2.4 2023/24 accounts have also been produced in draft form by the end of November 2024, and Grant Thornton have been in the process of auditing these since December 2024. The

results of their audit work will be the subject of a report from them to this Committee next month, February 2025, facilitating the achievement of the Government backstop date.

2.5 A number of the other improvement recommendations reflected in the 2022/23 report have also now been resolved, with a small number identified as 'in progress' within the 2023/24 report. It is expected that these will also be addressed prior to the next annual audit for 2024/25.

2.6 Grant Thornton have identified as part of the 2023/24 audit report appended, 4 new improvement recommendations which have been accepted, and a management response has been included in the document attached.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision

4.1 This report is in line with normal reporting timelines

5. Comment from the Director of Finance & Resources and the Director of Law and Governance

5.1 Financial Implications

There are no direct financial implications of this report, however the Council's performance against NAO set criteria including financial sustainability are reflected in the appended external auditor's report.

5.2 Legal implications

None

6. Other implications

6.1 **How will this contribute to achievement of the Council's plan?**
(<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>)

One of the key priorities for the Council set out in the One Coventry Plan is to ensure continued financial sustainability of the Council. The external auditors' report for 2023/24 provides independent assurance that proper arrangements are in place to support the achievement of this objective.

6.2 **How is risk being managed?**

The external auditors' report for 2023/24 provides independent assurance that proper governance arrangements are in place to support the management of risk across the organisation.

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

No direct impact

6.4 **Equalities / EIA**

None

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

No direct impact

6.6 **Implications for partner organisations?**

No direct impact

Report author:

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Officer	Law and Governance	16/1/25	17/1/25
Names of approvers: (officers and members)				
Barry Hastie	Director of Finance and Resources	Finance	16/1/25	17/1/25
Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	16/1/25	17/1/25

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Coventry City Council

Auditor's Annual Report for the
year ended 31 March 2024

January 2025



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction



Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for Coventry City Council (the Council) during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements.

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Responsibilities of the appointed auditor

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council on 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Value for money

We report our judgements on whether the Council has proper arrangements in place regarding arrangements under the three specified criteria:

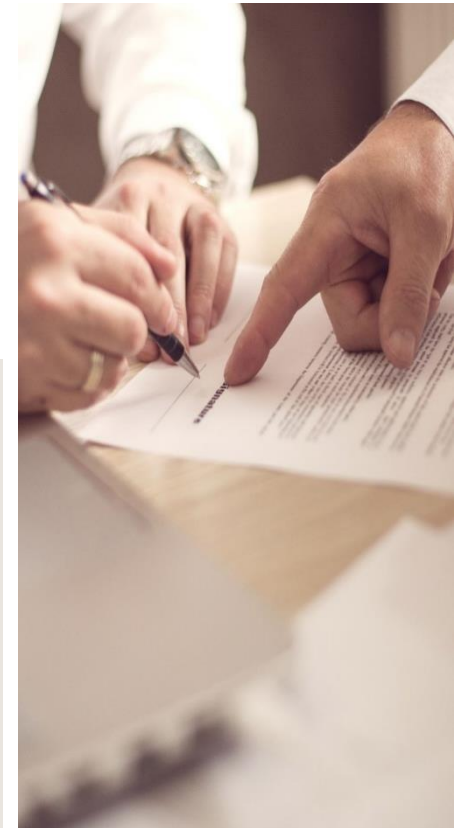
- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

Auditor powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 11 with a commentary on whether any of these powers have been used during this audit period.



Executive summary



Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO, in its consultation of February 2024, has indicated that it will in future require auditors to share a draft Auditors Annual Report ("the Report") with those charged with governance by a nationally set deadline each year and for the audited body to publish the Report thereafter. The outcome of the NAO's consultation on the Code is dependent upon the decisions made by the new government elected on 4 July 2024. These decisions are awaited at the time of drafting this report. As a firm, we are committed to reporting the results of our local audit work on as timely a basis as possible. We are therefore sharing this report with you in advance of the NAO's new Code being introduced. In the event of any new audit requirements being introduced when the Code is published, we will revisit these before finalising this report. Our summary findings are set out below. Our recommendations and management responses are summarised in the section starting on page 20.



Financial sustainability

The Council ended 2023/24 with an overspend of £1.8 million. The Council has a transformation plan and a modernisation plan. Nevertheless, by June 2024 the Council forecasted an overspend of £7.1M for 2024/25. Furthermore, a gap in the transformation plan forecast delivery for 2024/25 is widening.

The balance on the Council's revenue reserves stood at £118 million on 31 March 2024, which was sufficient to cover the anticipated budget overspend for 2024/25 as it stood in June 2024 (at £7.1 million); and any budget gap/ shortfall in savings and transformation plans for 2025/26 and 2026/27. However, the margin for error was small.

The Council should be turning its focus to the skills and capacity supporting the transformation plan so that reserves balances can be maintained. One emerging issue that the Council should consider when planning for future budget pressure is the likely impact of children with special educational needs and disability transferring to the adult sector.

In February 2023, the Council identified high value technical and service savings worth more than £90 million over three years to support budget planning for the three-year period 2024/25, 2025/26 and 2026/27. Transformation plan savings are monitored in granular detail by the Transformation Board. Management inform us that other savings are monitored by the Leadership Board, but not evidenced in papers or minutes. We have raised three improvement recommendations.



Governance

The Council has established frameworks, policies, and strategies to manage risks, fraud, and corruption, with internal and external assessments ensuring compliance with standards. Effective budget setting and decision-making arrangements are in place. Members are given detailed briefings on key trends within the budget prior to approval. Budget monitoring data was shared with Cabinet six times between 1 April 2023 and 31 August 2024.

Although the governance framework is broadly effective, the Council needs to improve its performance on preparing and publishing statutory financial statements. A draft of the Council's 2023/24 Statement of Accounts was authorised for issue by the Director of Finance and Resources on 29 November 2024. Drafts for 2021/22 and 2022/23 had been published in August and September 2024. The due date for each had been on the first 31 May falling after their year end. Going forward, unaudited accounts for 2024/25 will need to be published by 30 June 2025 and the audited accounts for the year 2024/25 will need to be published by 27 February 2026.

We note that the Council employed significant extra resource both in terms of valuation, and accountancy capacity to improve the quality of asset valuations (and Group Accounting), to support the 23/24 statement of accounts, and prior years. This will need to be tested as part of future audits.



Improving economy, efficiency and effectiveness

Progress against corporate key performance indicators is reported to Cabinet bi-annually. The reports cover 62 metrics and, in most cases, when the Council underperformed against its own target, it was still in line with national standards. The Council takes the results of external inspections seriously and develops improvement plans where required. The Council actively engages in partnership working and this is regularly reported through the various Committees and Cabinet. The Council has a procurement team overseeing large procurement exercises, with oversight on large projects performed by Project Boards. However, we note that the overall number of tender waivers was high between January 2023 and June 2024. From our review of arrangements, we have raised one improvement recommendation.

Executive summary (continued)

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Overall summary of our Value for Money assessment of the Council's arrangements

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below.

Criteria	2022/23 Auditor judgement on arrangements	2023/24 Risk assessment	2023/24 Auditor judgement on arrangements	Direction of travel
Financial sustainability	A We noted in 2022/23 that the Council's financial position would be more challenged for 2023/24 and later years.	Risk of significant weakness identified for 2023/24 on the underlying deficit; future deficits expected; and the adequacy of reserves available to cover budget shortfalls.	A No significant weaknesses in arrangements identified for 2023/24, but we note again that the situation is becoming more challenging and that there may be significant weakness in future years. Three improvement recommendations have been made to support the Council in improving arrangements for financial sustainability.	↔
Governance	R Significant weakness around delayed accounts and audit timetable identified in 2022/23. Draft accounts for 2020/21 required revision and draft accounts for 2021/22 and 2022/23 had not yet been prepared.	Risk of significant weakness identified for 2023/24, due to delays in publication of accounts.	R Draft accounts for 2021/22 and 2022/23 and 2023/24 have now been published, meaning that the Council has caught up compared to the prior year. However, in all cases, the original due dates were missed. Timescales for unaudited and audited accounts going forward will need to be complied with.	↔
Improving economy, efficiency and effectiveness	A No significant weaknesses in arrangements identified for 2022/23 but improvement recommendations was made.	No risk of significant weakness identified for 2023/24.	A No significant weaknesses in arrangements identified for 2023/24, but one new improvement recommendation has been made to support the Council in improving arrangements for 2023/24.	↔

G	No significant weaknesses in arrangements identified or improvement recommendation made.
A	No significant weaknesses in arrangements identified, but improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendations made.

Executive summary (continued)



Significant weakness identified in Governance arrangements

We reviewed the Council's arrangements to deliver governance and have concluded that there was a significant weakness in arrangements.

Delays in production of financial statements

Our Key Recommendation in February 2024 was that "the Council should address the weaknesses in the preparation of the financial statements that have caused delays to the publication of accounts".

Delays had largely been driven by disagreements over the accounting treatment for UK BIC Ltd; and issues with property valuations. Issues around UK BIC Ltd's accounting treatment are now resolved (UK BIC Ltd is accounted for as a subsidiary within the group accounts and as an investment in the single entity accounts).

A draft of the Council's 2023/24 Statement of Accounts was authorised for issue by the Director of Finance and Resources on 29 November 2024, but the deadline has been 31 May.

Key recommendation

For 2024/25, the Council will need strong arrangements in place to ensure that it publishes unaudited accounts by 30 June 2025 and to support the external audit processes that allow for publication of audited accounts by 27th February 2026. The Council will need to be mindful that 30 June will remain the deadline for publishing unaudited accounts until the end of 2027/28, but that the deadline will then move forward to 31 May. The deadline for publishing audited accounts will move progressively forward. For 2025/26, the deadline will be 31 January 2027. For 2026/27 and the years thereafter, the deadline will be 30 November.

All local authorities will be required to comply with the new arrangements, which will require planning to prepare for.



Value for Money Commentary on arrangements



The current local government landscape

It is within this context that we set out our commentary on the Council's value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.



National context

Local government in England remains a challenged sector. In recent years, generationally significant levels of inflation put pressure on councils' General Fund revenue and capital expenditure. The associated cost of living crisis drove an increase in demand for council services such as social care and homelessness. At the same time, the crisis impacted adversely on key areas of council income that were needed to service the increase in demand, for example fees and charges and the collection rates for council tax, business rates and rents.

In January 2024, the UK government announced an additional £600 million for local government, but the Spring Budget for 2024 brought little in the way of any further support. Rising costs of delivering services, coupled with workforce shortages in key areas, supply chain fragility, and rising interest rates for servicing debt, brought a level of crisis to the local government sector perhaps never experienced before. Current warning signs of difficulty include:

- Seven councils issuing eleven section 114 notices between 2019 and 2023, compared with two councils issuing notices between 2001 and 2018, with an increasing number of other councils publicly warning of a section 114 risk;
- Twenty councils being with government approval for exceptional financial support during 2024/25, totalling approximately £1.5 billion. Only six of these councils had previously issued a section 114 notice.; and
- The Local Government Association warning that councils in England face a funding gap of £4 billion over 2023/24 and 2024/25.

Local government is coming under an increased spotlight in terms of how the sector responds to the financial challenge it faces. The general election that took place on 4 July 2024 led to a change in government, and changes to government policy and legislation relating to the sector are emerging at the time of producing this report. The Chancellor's Budget on 30 October 2024 confirmed the government's plans for greater devolution in England and confirmed a real terms increase in core spending power to local government for 2025/26 of 3.2%. Including an increase in grant of £1.3 billion. The Chancellor also announced £1 billion additional funding for SEND, an additional £2.3 billion for schools, and that councils will be able to use the full amount of capital receipts from right to buy sales. The detail of what the Chancellor's announcement means for individual councils will become clearer when their provisional finance settlement for 2025/26 is confirmed by government in December 2024.

Local context



The Coventry Joint Strategic Needs Assessment in 2019 identified that the city's population has grown by a fifth since 2009, making it the second-fastest growing local authority outside of London. Growth was particularly strong in the 18 – 29 years age range.

There are a range on new and vibrant projects being championed by Coventry City Council in partnership with others. These include a new research project for a Very Light Railway and a new ten-years-plus strategic energy partnership.

However, there are underlying demographic issues that pose a challenge for the Council. The population is ageing rapidly and overall health for the city is below the national average. The Joint Strategic Needs Assessment identified that nearly 19% of Coventry neighbourhoods are amongst the 10% most deprived neighbourhoods in England.

Coventry City Council is made up of 18 wards and each ward is represented on Coventry City Council by three councillors. The city has a non-politically appointed Lord Mayor who chairs Council meetings; promotes the city; and performs ceremonial functions. Coventry City Council is a member of the West Midlands Combined Authority.

The external audit of Coventry City Council's statement of accounts for 2019/20 was completed in October 2023. There are draft accounts for 2020/21 and 2021/22 and 2022/23 and 2023/24 in the public domain.

Financial sustainability

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We considered how the audited body:

ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them.

Commentary on arrangements

The Council ended 2023/24 with an overspend of £1.8 million.

The Council has developed a transformation plan and a modernisation plan (for example, modernising the refuse service). Despite this, by June 2024 the Council had forecasted an additional overspend of £7.1 million for 2024/25. Furthermore, there is a widening gap in the transformation plan forecast delivery for 2024/25. The forecast gap in June 2024 was £1.12 million. However, by October 2024 the forecast gap was £5.976 million. Much of the gap in transformation plan delivery surrounds delays in new in-house children's home arrangements (including construction); digital changes; and service delivery changes.

Planning estimates prepared by the Council for 2025/26 and 2026/27 have indicated that budget gaps will be incurred in both of those years (£14.3 million and £14.8 million respectively), even if high value savings plans can be delivered in those years (£29 million and £29.4 million respectively). This is before the transformation gaps are considered.

The balance on the Council's revenue reserves stood at £118 million on 31 March 2024, which was sufficient to cover the anticipated budget overspend for 2024/25 as it stood in June 2024 (at £7.1 million); and any budget gap/ shortfall in savings and transformation plans for 2025/26 and 2026/27. However, the margin for error was small.

The Council should be turning its focus to the skills and capacity supporting the transformation plan so that reserves balances can be maintained. **Whilst we do not consider there to be a significant weakness in arrangements for managing financial pressure at present, this could become an area of significant weakness if financial performance continues to deteriorate.**

For transformation plans to be fully effective, it will be important that the council does factor in demographic change accurately. We note that around £2.1 million of the 2024/25 overspend reported at the end of Quarter 1 in 2024/25 related to overspend in adult social care. A significant driver within this was the cost of children with special educational needs and disability growing up and entering the adult sector, whilst still needing support. This is a trend that is likely to continue. The Council will need to be mindful that transformation is directed not only at areas that face budget pressure now, but also at areas where social trends mean there will be budget pressures in future.

Assessment

A

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability



We considered how the audited body:

Commentary on arrangements

Assessment

plans to bridge its funding gaps and identifies achievable savings

In February 2023, the Council identified high value technical and service savings worth £30 million per annum to support budget planning for the three-year period 2024/25, 2025/26 and 2026/27. Savings were analysed between technical savings and service savings and management actions.

Throughout 2023/24, once the technical and service savings and management actions were absorbed into the base budget, they were monitored locally by budget holders, with no separate data on savings progress for any scheme shared with members. Since the start of 2024/25, the formal transformation programme has been in place. The programme has its own governance structure and progress with transformation scheme savings (£12.2 million in 2023/24) are reported monthly to a new Transformation Board. Management informed us that other savings are discussed and reviewed regularly at the Leadership Board (an officer group). However, there were no papers or minutes to evidence this. ,

A

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability

Page 30



We considered how the audited body:

Commentary on arrangements

Assessment

<p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<p>There is a coherent link between the Council's financial strategy and its corporate objectives. Star Chamber meetings were held by the Council in June 2023 and September 2023 - with the Chief Executive and s151 officer meeting directors from across the business to agree policy options for members. The Council has a good understanding of the costs of delivering services and the drivers for cost pressure that it faces. For example, children's social care is an area where the Council has been very proactive. The Council has been working with others to re-commission the West Midlands frameworks for both independent fostering agencies and for residential care; and there have been recruitment drives for new internal foster carers who can cover emergency placements (which are traditionally very high in cost). The Council has an ambition to build 12 residential children's homes of its own to reduce high placement costs. Four are already in place and two more are in progress, but, as we have seen, construction delays mean that savings are taking longer than the Council had hoped.</p>	<p>G</p>
<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>The Council's financial plan is consistent with other plans, for example around workforce, capital, treasury and investments. The Council's new transformation plan aligns directly with its medium-term financial planning estimates. There has been some slippage in the capital programme, but the reasons are well understood by the Council.</p>	<p>G</p>
<p>identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans</p>	<p>The Council shared risk with members in budget reports before the start of 2023/24 and through the year. However, that risk was not always clearly quantified. The LGA Peer Review concluded that future financial modelling within the Medium-Term Financial Strategy should disclose the full impact and risk of key underlying assumptions e.g. demographic change, inflation, and policy on issues such as real living wage. The Council has agreed that in future years the Medium-Term Financial Strategy will include a review of wider contextual data. We will review progress with enhancing the quantification of risk disclosure as part of our value for money testing for 2024/25. We recommend that contextual data around income from commercial investments is also included.</p>	<p>A</p>

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability



Areas for improvement

Improvement recommendation 1:

The Council should turn its focus to the skills and capacity supporting transformation plans. As plans for 2025/26 and 2026/27 rely on high value savings and still anticipate budget gaps, the Council will need to be in a robust position for managing challenge. To protect reserves going forward, the Council will need to focus on achieving the transformational changes planned around placements, services and digital connectivity.

Future financial modelling within the Medium-Term Financial Strategy should disclose the full impact and risk of any possible changes in assumptions around demographic change, inflation, and policy on issues such as real living wage. Possible changes to income from commercial investment properties should also be included.

This is an improvement recommendation at present but could become a key recommendation in future years if financial performance does not improve.

Improvement recommendation 2:

Budget setting should anticipate the impact of children with special educational needs and disability growing up and entering the adult sector whilst still having support needs. The Council should develop appropriate forecasting tools so that it can anticipate how and when current spending on children will need to be replaced with spending on adults.

Improvement recommendation 3:

The Council should explore formal reporting to the Leadership Board and members on savings progress against target for those elements of planned savings not covered by the transformation arrangements. In total, technical and service savings of £30.3 million were absorbed into the budget for 2024/25. Transformation Plan highlight reports cover some £12.2 million. There are no papers or minutes to evidence regular monitoring of the other savings.



We considered how the Audited Body:

Commentary on arrangements

Assessment

ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships

Budget monitoring data was shared with Cabinet six times between 1 April 2023 and 31 August 2024, which is in line with most Local Authorities' best practice. Budget variances are shown in the reports.

The Council has strong arrangements around member and officer conduct, ethics and regulatory compliance. It has also prepared well for forthcoming legal changes around procurement.

Preparing and publishing accounts within statutory deadlines is an area, however, where the Council needs to improve. Our Auditors Annual Report for 2022/23 highlighted that the Council was three years behind schedule for the accounts and audit timetable (at the time, accounts for 2020/21 and 2021/22 and 2022/23 were overdue). The Council worked hard to catch-up with the schedule and unaudited accounts for all three of these years have now been published. A draft of the Council's 2023/24 Statement of Accounts was authorised for issue by the Director of Finance and Resources on 29 November 2024. Drafts for 2021/22 and 2022/23 had been published in August and September 2024. The due date for each had been on the first 31 May falling after their year end.

Going forward, unaudited accounts for 2024/25 will need to be published by 30 June 2025 and the audited accounts for the year 2024/25 will need to be published by 27 February 2026. Over the coming years, this timetable will shorten. From 2028/29 onwards, the deadline for publishing unaudited accounts will revert to 31 May. Between 2025/26 and 2026/27, the deadline for publishing audited accounts will move forwards, initially to 31 January and then to 30 November.

All local authorities will be required to comply with the new arrangements, which will require planning to prepare for. We note that the Council employed significant extra resource both in terms of valuation, and accountancy capacity to improve the quality of asset valuations (and Group Accounting), to support the 23/24 statement of accounts, and prior years. This will need to be tested as part of future audits.

R

Governance



We considered how the Audited Body: **Commentary on arrangements** **Assessment**

<p>monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The Council has established frameworks, policies, and strategies to manage risks, fraud, and corruption, with internal and external assessments ensuring compliance with standards. These include the corporate risk register being shared with the Audit and Procurement Committee [moving to a twice a year arrangement]; internal audit, whistleblowing, staff survey; anti-fraud and corruption arrangements; engagement with budget holders; public consultations; and shareholder committee arrangements for group companies. We note that an internal audit of governance arrangements for companies was ongoing at the time we completed our work (October 2024). We will consider findings as part of our audit for 2024/25.</p> <p>In May 2024, the independent validation concluded that the Council's Internal Audit service conforms 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.</p>	<p>G</p>
<p>approaches and carries out its annual budget setting process</p>	<p>The annual budget is subject to a high level of challenge and scrutiny from Cabinet before the budget is set. The Council concluded for 2024/25 that because there was only a one-year settlement, a robust and formal Medium-Term Financial Strategy could not be prepared. Nevertheless, medium term financial planning estimates for 2024/25 and 2025/26 and 2026/27 were prepared by the Council and shared with Cabinet in February 2024.</p>	<p>G</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services.</p>	<p>There are Member and Officer Codes of Conduct in place and the Council has arrangements for making declarations of interest and recording gifts and hospitality. There were no significant weaknesses in arrangements identified from our work.</p>	<p>G</p>
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The Council's Constitution ensures that the Council's decision-making and governance arrangements help the Council to achieve its corporate aims, objectives, and priorities effectively and efficiently. There are multiple levels of challenge to decisions, from the meetings of the Senior Management Board to Scrutiny Committees. Every report presented to Cabinet to support decision making includes a breadth of considerations such as financial and legal implications. Where Committees are required to approve a decision, the accompanying information is detailed. The tone from the top is appropriate and as expected of a well-run authority. The Ethics Committee receives regular Code of Conduct updates which provide learning opportunities on any national issues in relation to the ethical behaviour of elected Members, and the local position in Coventry. The Audit and Procurement Committee met seven times in the year in total.</p>	<p>G</p>

Page 33

G	No significant weaknesses in arrangements identified or improvement recommendation made.
A	No significant weaknesses in arrangements identified, but improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendations made.

Governance

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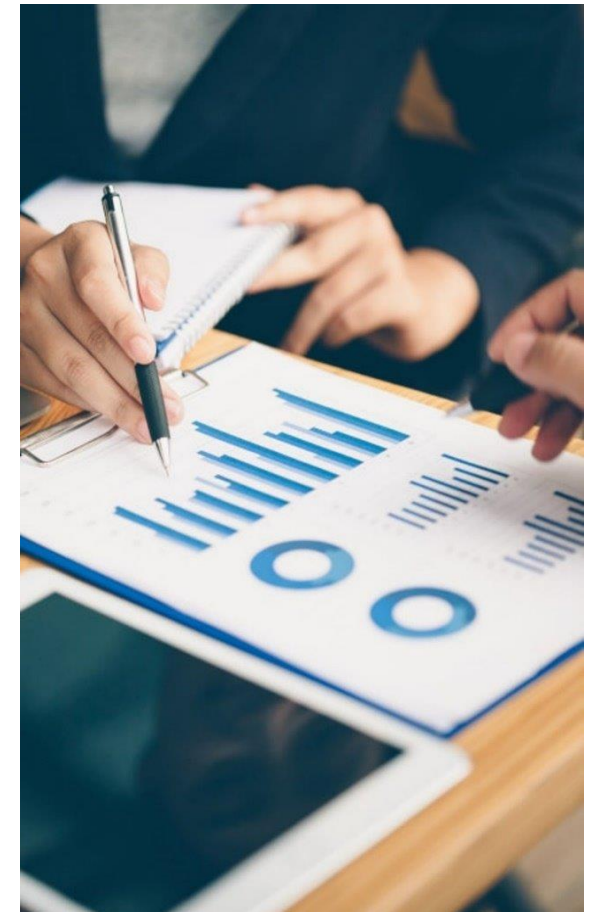


Significant weakness identified

Key Recommendation:

For 2024/25, the Council will need strong arrangements in place to ensure that it publishes unaudited accounts by 30 June 2025 and to support the external audit processes that allow for publication of audited accounts by 27th February 2026. The Council will need to be mindful that 30 June will remain the deadline for publishing unaudited accounts until the end of 2027/28, but that the deadline will then move forward to 31 May. The deadline for publishing audited accounts will move progressively forward. For 2025/26, the deadline will be 31 January 2027. For 2026/27 and the years thereafter, the deadline will be 30 November.

All local authorities will be required to comply with the new arrangements, which will require planning to prepare for.



Improving economy, efficiency and effectiveness



We considered how the audited body:

Commentary on arrangements

Assessment

uses financial and performance information to assess performance to identify areas for improvement

The Council makes use of benchmarking and other external data such as a Local Government Association Peer Review and the Local Government and Social Care Ombudsman’s reports.

A bi-annual arrangement for reporting to Cabinet progress against corporate key performance indicators was adopted in January 2024. Although there were no reports to Cabinet for the first nine months of 2023/24, reports have since been shared in both January and October 2024. The reports cover 62 metrics and include data highlighting those metrics that are underperforming against Council target. Our review of the reports found that in most cases, when the Council under-performed against its own target, it was still in line with national standards. The Council is now developing Power BI tools that will allow members and officers to access live performance data.

G

evaluates the services it provides to assess performance and identify areas for improvement

There is good evidence which demonstrates that the Council has received external inspections/reviews within 2023/24 and has used the findings from these reports to develop improvement plans. The latest Ofsted inspections highlighted the Council’s strengths but raised improvement areas to be considered by the Council. A Local Government Association Peer Review was conducted in January 2024. The review raised ten improvement recommendations. The Council has appropriately responded to all of them. Responses were presented to Cabinet in June 2024.

The Council reviews the strategic priorities and the cost-effectiveness of existing activities, as well as the impacts on social value and climate. This was evidenced by the challenge posed by the Business, Economy and Enterprise Scrutiny Board to officers and representatives from Transport for West Midlands after considering the Bus Delivery Options paper presented in January 2024.

G

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness

Page 36



We considered how the audited body:

Commentary on arrangements

Assessment

<p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p>	<p>There are adequate arrangements in place which allow for the identification of and engagement with stakeholders. For example, this was evidenced by the proposed consultation for the Community Safety Partnership Plan 2024-2027, taken to Cabinet in July 2024. The engagement and consultation plan identified a list of stakeholders for the Council to consult with. The consultation period then lasted for 12 weeks, starting on 10th July 2024 and ending on 2nd October 2024.</p> <p>The Council actively engages in partnership working and this is regularly reported through the Council’s various Committees and Cabinet. An update on the progress of the Council’s Strategic Energy Partnership with EON was taken to the Scrutiny Coordination Committee Meeting in March 2024. The Strategic Energy Partnership, is a non-incorporated joint venture between the Council and EON, formed in September 2023. The update summarised the key activities of the first six months of the partnership.</p> <p>Governance arrangements for group undertakings have been modernised and embedded over the past two years, for example with the introduction of a Shareholder Unit. At the time we completed our work, an Internal Audit of the effectiveness of company arrangements was ongoing.</p>	<p>G</p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>The Council has a procurement team overseeing large procurement exercises, with oversight on large projects performed by Project Boards. The Council's Constitution requires that all expenditure over £100,000 be taken to the Procurement Panel, and for expenditure over £1 million to be taken to the Procurement Board. Reports for contracts with expenditure over £1 million per annum are taken to Cabinet for approval. Procurement and commissioning reports are presented at the Audit and Procurement Committee every six months, with activity reports tracking financial performance against contracts. To centralise the monitoring of contract performance data, the Council has invested in a new contract management module which embeds Key Performance Indicator data within the Contracts Register. Training for the module is ongoing.</p> <p>The Council keeps members up to date where necessary and can be agile in its approach to realising expected benefits. When a recent high profile construction partner went into administration in September 2024, the Council briefed members on steps taken to secure the relevant land; liaised with alternative contract partners to minimise the impact on timetable; and sought to use a parental company guarantee that was in place. Council briefings highlighted that the original contract partner had only been paid for work already completed, which will make it easier to manage the risk of project overspend.</p> <p>We note that the overall number of exceptions (tender waivers) was high between January 2023 and June 2024; and that the incidence of retrospective approval of exceptions was high (28%). This is an area where compliance needs to improve – otherwise the Council will be unable to demonstrate that it is achieving best value through procurement of goods and services. Training on legal and regulatory aspects of procurement may help.</p>	<p>A</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

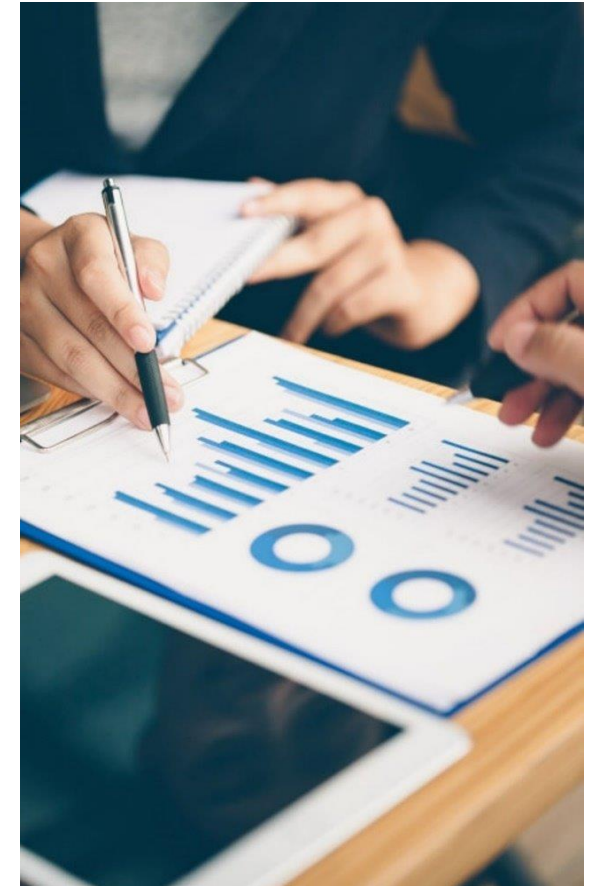
Improving economy, efficiency and effectiveness



Areas for improvement

Improvement recommendation 4:

In addition to training around use of the procurement portal, the Council should continue training and awareness around legal and regulatory requirements for procurement. To demonstrate best value, the Council needs to reduce the number and value of tender waiver requirements. Increased awareness of legal and regulatory requirements may help to achieve this reduction.



Value for Money Recommendations raised in 2023/24



Recommendations raised in 2023/24

	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Management Response
KR	<p>For 2024/25, the Council will need strong arrangements in place to ensure that it publishes unaudited accounts by 30 June 2025 and to support the external audit processes that allow for publication of audited accounts by 27th February 2026. The Council will need to be mindful that 30 June will remain the deadline for publishing unaudited accounts until the end of 2027/28, but that the deadline will then move forward to 31 May. The deadline for publishing audited accounts will move progressively forward. For 2025/26, the deadline will be 31 January 2027. For 2026/27 and the years thereafter, the deadline will be 30 November.</p> <p>All local authorities will be required to comply with the new arrangements, which will require planning to prepare for.</p>	Key	Governance	<p>Council website.</p> <p>Liaison with Finance team.</p>	Compliance with government requirements on preparation and publication of financial statements.	<p>The Council has achieved the publication of four sets of draft accounts for 2020/21, 2021/22, 2022/23 and 2023/24, including making the required improvements which were identified as weaknesses in previous audits. This has been achieved by maintaining strong discipline and increasing capacity and skills in the appropriate areas, such that timescales and quality requirements have been adhered to. Management will continue this approach into subsequent years such that statutory deadlines and backstop dates can be achieved.</p>

Recommendations raised in 2023/24

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	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Management Response
IR1	<p>The Council should turn its focus to the skills and capacity supporting transformation plans. As plans for 2025/26 and 2026/27 rely on high value savings and still anticipate budget gaps, the Council will need to be in a robust position for managing challenge. To protect reserves going forward, the Council will need to focus on achieving the transformational changes planned around placements, services and digital connectivity.</p> <p>Future financial modelling within the Medium-Term Financial Strategy should disclose the full impact and risk of any possible changes in assumptions around demographic change,</p>	Improvement	Financial Sustainability	Review of Transformation Plan gaps; 2024/25 budget performance; medium term financial estimates; and reserves balances.	If the transformation plans are not delivered, then there will be a greater reliance on the use of reserves to address gaps in the budget in future years. Eventually, this could become unsustainable.	<p>Management accept the need to focus on delivery of transformation savings and is in the process of reviewing governance in this regard. It also agrees that maintaining reserves is key, and as such has already instigated a requirement that all drawdown of reserves requires the approval of the s151 Officer.</p> <p>Every attempt is made to inform the MTFs with an accurate position regarding assumptions made on demographic pressures, inflation, and other operating costs. Historically, fluctuations/sensitivities in modelling have been manageable within the wider Council financial position, demonstrated in balanced year end revenue outturns. Inflation particularly in the last 2-3 years has been extremely volatile, affecting not only the Councils cost base, but has also had a detrimental impact on the national economy such that activity has been impacted adversely. As such, the impacts have been much harder to forecast accurately. We expect that stronger internal governance, a more stable inflationary environment, and an improved government resourcing position will ensure a return to the robust financial performance the Council has demonstrated previously.</p>

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR1 continued	inflation, and policy on issues such as real living wage. Possible changes to income from commercial investment properties should also be included. This is an improvement recommendation at present but could become a key recommendation in future years if financial performance does not improve.	Improvement	Financial Sustainability	Review of Transformation Plan gaps; 2024/25 budget performance; medium term financial estimates; and reserves balances.	If the transformation plans are not delivered, then there will be a greater reliance on the use of reserves to address gaps in the budget in future years. Eventually, this could become unsustainable.	See page 22.

Recommendations raised in 2023/24

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	Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Management Response
IR2	Budget setting should anticipate the impact of children with special educational needs and disability growing up and entering the adult sector whilst still having support needs. The Council should develop appropriate forecasting tools so that it can anticipate how and when current spending on children will need to be replaced with spending on adults.	Improvement	Financial Sustainability	Review of variances in the Quarter 1 2024/25 budget monitoring report.	New budget pressures emerging as special needs and disability population matures. Need to savings and transformation plans to take this into account.	The recommendation is accepted, and we will endeavour to reflect this in our planning, although it needs to be borne in mind that the reality is quite complex. The Council has a joined-up approach to transitions between Children's services and Adults services for the purposes of children with care needs entering into adulthood. The two national assessment regimes in place are however very different, and complex, and it does not necessarily carry that an assessed need as a child translates to an assessed need as an adult. In addition, the NHS may in some cases pay for some or all (or none) of an assessed need, the timing/outcome for which is not within our control.

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Management Response
IR3 The Council should explore formal reporting to the Leadership Board on savings progress against target for those elements of planned savings not covered by the Transformation arrangements. In total, technical and service savings of £30.3 million were absorbed into the budget for 2024/25. Transformation Plan highlight reports cover some £12.2 million. Other savings are regularly discussed and reviewed at Leadership Board but this is not minuted.	Improvement	Financial Sustainability	Review of new Transformation Plan arrangements.	Strong assurance over Transformation Plan arrangements, which are important for the Council's future.	The Council does record all savings and progress towards delivery at a granular level and has done so throughout 2024/25. This is periodically discussed at Leadership Board, albeit not minuted. It is also reported as part of the quarterly formal (service related) financial performance management report to cabinet as part of the wider corporate position. It is recognised however, that heightened corporate ownership and governance is appropriate and as a result, future Leadership Board reporting will be reviewed, and we will consider any appropriate updates to the formal performance reporting/narrative.
IR4 In addition to training around use of the procurement portal, the Council should continue training and awareness around legal and regulatory requirements for procurement. To demonstrate best value, the Council needs to reduce the number and value of tender waiver requirements. Increased awareness of legal and regulatory requirements may help to achieve this reduction.	Improvement	Financial Sustainability	Review of savings plan reporting and budget monitoring reports.	Potential to improve granularity and transparency of reporting on savings.	Management notes the improvement recommendation. To this end, in September 2024, Legal and Procurement Services has already held a joint training session that included legislative compliance, and compliance with the Council's Contract Procedure Rules. Training sessions, information and guidance will continue to be provided to officers prior to and following the commencement of the Procurement Act.

Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendices

Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

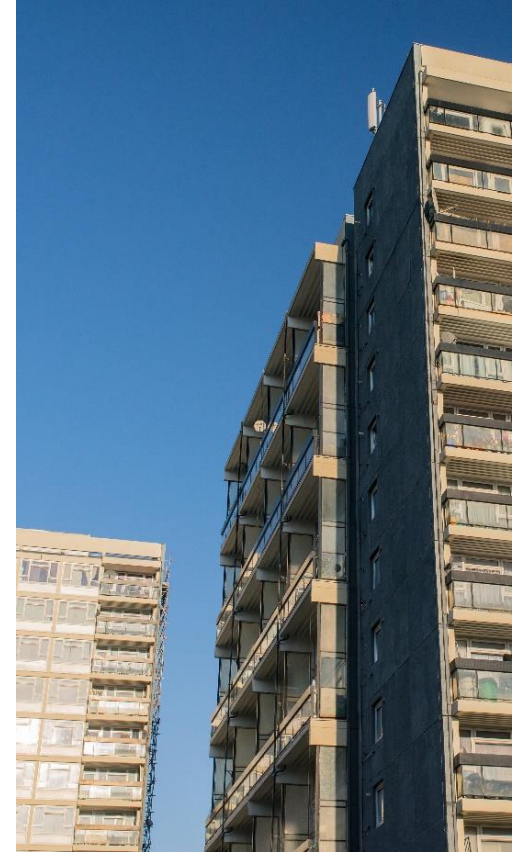
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

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Value for Money arrangements work

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

Financial Sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023/24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period

Information which informs our risk assessment	
Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Council's auditors as follows:

- **Statutory recommendations** – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and require discussion at full Council and a public response.
- **Key recommendations** – actions which should be taken by the Council where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Council's arrangements.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Audit Year Raised	Progress to date	Addressed?	Further action?
1 The Council should continue to address the weaknesses in the preparation of its financial statements, as addressed in our financial statements audit work, that have caused delays to the publication of accounts.	Key	2022/23 2021/22	The May 2024 deadline for 2023/24 unaudited accounts publication was missed, although the accounts were published in draft on 29 th November 2024. In future years, the Council will need to meet the backstop deadlines set by government or risk being named on a list of non-compliers.	In progress	Yes
2 The Council should consider reducing the time delay for budget monitoring reports being shared with Cabinet or make reporting to Cabinet more frequent.	Improvement	2022/23	Budget monitoring data was shared with Cabinet members six times between 1 April 2023 and 31 August 2024. In between reports to Cabinets, there was further sharing of budget monitoring data with the officer's Leadership Team.	Yes	No
3 When corporate key performance indicator reporting is re-introduced to Cabinet, the Council should consider an increase in the frequency of reporting in addition to embedding the changes already planned.	Improvement	2022/23	The Council has adopted a bi-annual reporting arrangement for Cabinet. One Coventry performance reports were most recently shared with Cabinet in January 2024 and October 2024. A system for more detailed Power BI dashboard performance reporting is also being developed.	In progress	Yes The Power BI reporting should now be introduced at pace.

Appendix C: Follow-up of previous recommendations

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Recommendation	Type of recommendation *	Audit Year Raised	Progress to date	Addressed?	Further action?
4 The Council should review training arrangements for service line staff who are responsible for monitoring contracts.	Improvement	2022/23	Procurement Services held 34 training sessions – virtual, and face-to-face – on the regular use of the portals and contract management. However, we note a relatively high incidence of waivers.	In progress	Yes Further training on procurement legal and regulatory requirements recommended.
5 Internal Audit should be subject to a Public Sector Internal Audit Standards review at the earliest opportunity. Internal Audit should cover the Council's subsidiaries.	Improvement	2021/22 2020/21	<p>i. The Council undertook a self-assessment with independent validation during 2023/24. This is one of the self-assessment options allowed under Public Sector Internal Audit Standards. In May 2024, the independent validation concluded that the Council's Internal Audit service conforms 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. The next external assessment will fall due no later than five years' time.</p> <p>ii. Terms of reference have been agreed for an Internal Audit review of company governance arrangements and the review is in progress.</p>	<p>i. Yes</p> <p>ii. In progress</p>	<p>i. No</p> <p>ii. We will review Internal Audit findings as part of our work for 2024/25.</p>
6 The Corporate Risk Register should be reviewed at the Audit and Procurement Committee on a more regular basis and should include date of last review and reasons why the Council accepts any risks outside its risk appetite.	Improvement	2021/22	Arrangements for bi-annual review have now been introduced.	Yes	No

*Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Audit Year Raised	Progress to date	Addressed?	Further action?
7 An independent assurance review of the revised governance structure for the Council's subsidiaries should be undertaken at the earliest opportunity.	Improvement	2021/22	Terms of reference have been agreed for an Internal Audit review of company governance arrangements and the review is in progress.	In progress	We will review Internal Audit findings as part of our work for 2024/25.
8 The Council should consider how to further avoid high placement costs and ensure the investment in its own children's home delivers the anticipated savings in placement costs.	Improvement	2021/22	The Council incurred an overspend of £2.7 million on children's placement costs in 2023/24 and is forecasting a similar overspend of £2.3M in 2024/25. Two new in-house residential homes that the Council had been planning to complete by November 2023 and July 2024 respectively, have both been delayed.	No	Yes The Council needs to focus skills and capacity on delivery planned transformation.
9 Procurement Tender Waivers should be reported to the Audit and Procurement Committee on a quarterly basis. The Council should ensure that the new Procurement Strategy is aligned to the Council's Digital Transformation Strategy.	Improvement	2021/22	Bi-annual reporting introduced. However, we note that reports shared with the Audit and Procurement Committee between January 2023 and June 2024 show that the overall number of exceptions is high (202 in total); that retrospective exceptions are relatively common (28%); and that there was a peak in emergency exceptions between July and December 2023.	No	Yes Further training on procurement legal and regulatory requirements recommended.





Cabinet
Audit and Procurement Committee

10th December 2024
29th January 2025

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:

City wide

Title:

2024/25 Second Quarter Financial Monitoring Report (to September 2024)

Is this a key decision?

No

Executive Summary:

The purpose of this report is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of September 2024. The net revenue forecast position after management action is for spend in 2024/25 of **£10.2m over budget**. Whilst not a wholly comparable position, at the same point in 2023/24 there was a projected overspend of £11.5m.

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 & Culture. These financial pressures are being caused by a combination of legacy inflation impacts, continued increases in service demand, complexity of cases and social care market conditions, income shortfalls due to reduced activity, and slippage in the delivery of some service savings.

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 required to address the pressure in year and to prevent the 2025/26 position increasing to unmanageable levels.

The Council's capital spending this year is projected to be £143m 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 stabilising, legacy inflationary pressures and high borrowing rates 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 financial pressures, both revenue and capital, has reaffirmed 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.

Recommendations:

The Cabinet is requested to:

- 1) Approve the Council's second quarter revenue monitoring position.
- 2) Approve that senior officers work in collaboration with portfolio holders to continue to identify further cost reductions to mitigate 24/25 pressures.
- 3) Approve the revised forecast capital outturn position for the year of £143m incorporating: £2.7m net increase in spending relating to approved/technical changes and £53m of net programme rescheduling of expenditure into future years.

The Audit and Procurement Committee is requested to:

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

List of Appendices included:

Appendix 1 - Revenue Position: Detailed Service breakdown of forecast outturn position

Appendix 2 - Capital Programme: Analysis of Budget/Technical Changes

Appendix 3 - Capital Programme: Analysis of Programme Acceleration/(Rescheduling)

Appendix 4 - Prudential Indicators

Background papers:

None

Other useful documents

None

Has it been or will it be considered by Scrutiny?

No

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

Yes - Audit and Procurement Committee - 3rd February 2025

Will this report go to Council?

No

Report title:

2024/25 Second Quarter Financial Monitoring Report (to September 2024)

1. Context (or background)

- 1.1 Cabinet approved the City Council's revenue budget of £277.5m on the 20th February 2024 and a Capital Programme of £157.5m. This is the second quarterly monitoring report for 2024/25. The purpose is to advise Cabinet of the forecast outturn position for revenue and capital expenditure, recommending any action required, and to also report on the Council's treasury management activity.
- 1.2 The current 2024/25 revenue forecast is for net expenditure to be **£10.2m over budget** (after management action). The reported forecast at the same point in 2023/24 was an overspend of £11.5m. The capital spend for 2024/25 is projected to be £143m.
- 1.3 It is not unusual for the revenue position to reflect a forecast overspend at this stage which then improves over the course of the year. However, as significant management action has already been factored in, the **underlying position is significantly** higher than the £10.2m forecast and will materially impact on future years budget setting.
- 1.4 The overspend is caused partly by factors external to the Council and which can be expected to be ongoing (affecting future years MTFS) if action is not taken urgently. Other pressures included in the forecast reflect slower than expected delivery of some savings approved in the 24/25 budget, although these are expected to be delivered in full in due course.
- 1.5 Following on from the £1.8m reported at the end of 2023/24, the underlying position for which was somewhat higher, this indicates a continued serious financial trend for the Council which is not sustainable over the long-term. Section 2 of the report provides further detail on the revenue position and Section 5 sets out the Council's proposed approach to managing the position.
- 1.6 As a final backstop it should be noted that the Council maintains a strong balance sheet in-part to protect itself from circumstances such as this, although it should be re-iterated that reserves are a finite resource and should only be applied sparingly to mitigate ongoing revenue overspends, and once a medium-term solution is in place.
- 1.7 It is therefore suggested that management consider further actions with member portfolio holders to consider other ways to reduce costs.

2. Options considered and recommended proposal.

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

Table1 Revenue Position - The revenue budgets and forecast positions are shown below analysed by service area.

Total Over / (Under) spend at Q1	Service Area	Revised Net Budget	Total Forecast Spend	Total Over/ (Under) Spend at Q2
£m		£m	£m	£m
3.1	Adult Services and Housing	129.8	134.1	4.3
1.7	Childrens and Education	112.7	116.4	3.7
3.0	City Services	40.7	43.7	3.0
(4.4)	Contingency & Central Budgets	(30.8)	(34.6)	(3.8)
0.0	Finance and Resources	12.4	12.1	(0.3)
0.6	Legal and Governance Services	8.2	8.4	0.2
0.6	People and Organisation Development	0.8	1.3	0.5
(0.4)	Planning and Performance	6.3	6.2	(0.1)
0.1	Policy and Communication	0.0	0.1	0.1
2.0	Property Services and Development	(9.3)	(7.3)	2.0
0.0	Public Health	(1.3)	(1.7)	(0.4)
0.8	Regeneration and Economy Dev	8.0	9.0	1.0
7.1	Total	277.5	287.7	10.2

2.2 An explanation of the major forecast variances is provided below, some of which are of an ongoing nature if urgent action is not taken. Further details are provided in Appendix 1 to the report.

Directorate

Adult Services & Housing £4.3m overspend

The largest element of overspend in this area relates to Adult Social Care (£3.6m) which is mainly due to the costs of purchasing packages of care for adults and older people, this is partially offset by increased client fee income. Growth in packages of care continues to be seen in most areas, but particularly in areas of high cost and demand associated with Learning Disability home care, transitions from children to adults, Mental Health, and in general complexity associated with reviewing activity. This increase in spend on packages of care is the main reason for the overall £1.2m increase in the Adult Services and Housing overspend since Q1.

The other significant overspend within this area relates to Housing and Homelessness (£0.7m) which is a result of the number of families and single people seeking assistance with housing issues, and subsequently the number being placed in Temporary Accommodation. A range of different additional temporary accommodation provision is being sought to reduce this cost, however delays to some of the proposed schemes is resulting in a pressure against the delivery target. Management actions are being carried out to help mitigate this.

Children's and Education Services £3.7m overspend

Within Children & Education Services a £4.8m overspend relates to the cost of placements for children in care. This relates to the use of external residential

children's homes and high-cost spot placements due to a lack of sufficiency in the market and some voids across block and internal homes. There is an annual trend of increased numbers of children moving to residential care in the summer and alongside this, we have also seen an increase in the number of children entering care, with total numbers having risen by over 40 children between April and the end of September. This means children in care numbers are currently higher than our financial planning assumptions, which has worsened the position reported at quarter 1 by a further £2.5m.

There is a further overspend of £0.9m in the Children's Disability Team due to an increase in both demand and prices for short breaks and direct payments.

A £0.5m overspend for SEND Home to School Transport is also forecast due to increased demand for travel assistance in the new academic year, together with pressures in the internal passenger service.

These overspends are offset in part by a £0.8m forecast underspend for Special Guardianship allowances, due to lower than budgeted activity. There is also an underspend of £0.7M in Early Help, and the division is also utilising £0.7M of uncommitted earmarked reserves to support the bottom line.

City Services £3.0m overspend

The most significant pressure relates to Highways of £1.3m. The DLO have been deployed onto reactive maintenance work whilst capital grant funded business case approvals are awaited, resulting in a £0.5m short-term pressure which is delivering a greater number of pothole repairs in year. This is in addition to programmed highway's defects and potholes repairs which is under a £0.4m pressure due to the volume of defects reported. During 2024/25, there is no ability to manage reactive overspends through the approved capital programme.

Environmental Services represents £1.1m of the Directorates pressure, with income deficits in Coventry Funeral Service (£0.3m) and parks activities (£0.3m). A further £0.2m pressure is forecast relating to Traveller incursion costs due to eviction prevention and clean-ups. Waste & Fleet are holding c£0.4m pressures relating to additional waste disposal fees & cost of passenger transport.

There is also a £0.5m deficit in Planning and Development, primarily due to reduced income generation caused by the decline in planning applications and the cost of the Local Plan Review.

Property Services and Development £2.0m overspend

There are two main elements that form the forecast overspend, the first being £0.8m short-term costs of holding vacant properties within the City Centre South (CCS) project prior to demolition (which if CCS site is handed over to the contractor, will not be incurred next year). The second relates to a net £0.7m cost of holding voids (e.g. rates, building servicing costs) within the commercial portfolio. In addition, plans in place to bring in new rentals, are taking longer to deliver, however this is being offset in the short-term using earmarked reserves. Work is underway to significantly reduce these in-year deficit, however this cannot be confirmed until the end of this calendar year.

Regeneration and Economy £1.0m

This relates to a pressure in Culture of £0.6m, comprising primarily a Godiva Festival deficit and Cultural Gateway holding costs. Commercial sponsorship income is forecasting c£0.1m achieved to date, leaving a c£0.2m pressure remaining.

Corporate

Contingency and Central (£3.8m Underspend)

Favourable variances within corporate contingency budgets of c£4.0m include the £3.2m grant announced in the final government settlement in February 2024, which was allocated to corporate contingencies. This is being offset by an adverse variance (£1.6m) which is due to a forecast underachievement of 2024/25 savings targets relating to the One Coventry programme, where detailed work is in progress to fully develop the scope and potential impact of the proposals, to inform implementation.

In addition to this there is also a £1.6m surplus forecast on Asset Management Revenue Account, relating to increased planned income from CWSDC dividend income, an increase in temporary investment interest, and reduced service loan interest.

2.3 Capital

The quarter 2 2024/25 capital outturn forecast is £143m compared with the first quarterly outturn of £193.3m. Table 3 below updates the budget at quarter 2 to take account of £2.7m of new approved/technical changes and £53m of programme rescheduling into future years.

The resources available section of Table 3 explains how the Capital Programme will be funded in 2024/25. It shows 75.8% of the programme is funded by external grant monies, whilst 17% is funded from borrowing. The programme also includes funding from capital receipts of £8.9m.

Table 3 – Movement in the Capital Budget

CAPITAL BUDGET 2024/25 MOVEMENT	Qtr 2 Reporting £m
Revised Programme (Reported at Q1)	193.3
Approved / Technical Changes (see Appendix 2)	2.7
“Net” (Rescheduling) (See Appendix 3)	(53.0)
Revised Estimated Outturn 2024-25	143.0

RESOURCES AVAILABLE:	Qtr 2 Reporting £m
Prudential Borrowing (Specific & Gap Funding)	24.5
Grants and Contributions	108.4
Capital Receipts	8.9

Revenue Contributions and Capital Reserve	1.2
Total Resources Available	143.0

The inflationary pressures affecting the Council's revenue budget are also present within capital schemes although the pattern with which this takes affect can be different due to the way in which expenditure is incurred. It is likely that most stand-alone projects that are already in-progress will be delivered within existing agreed contractual sums. However, some future projects that have not yet started may need to be re-evaluated to determine their deliverability within previously defined financial budgets. In addition, where budgets have been established to deliver programmes of expenditure, it is likely that these programmes will need to be reduced in size over time reflecting higher prices.

2.4 Treasury Management

Interest Rates

CPI inflation figures announced on 16th October 2024 fell unexpectedly to 1.7% in the year to September, the lowest rate in three and a half years. There was no increase in the month-on-month inflation figures. Services CPI has fallen from 5.6% to 4.9%. As a consequence of better-than-expected figures, the financial markets have built in a forecast of a decrease in the Bank of England interest rate at each of the next three MPC meetings. These are likely to be in 0.25% increments. The situation could change though after the Chancellor's budget on 30th October 2024.

Throughout the majority of 2024, the Bank of England Monetary Policy Committee (MPC) maintained interest rates at 5.25% although there were reductions of 0.25% in August 2024 and a further reduction of 0.25% in November 2024 following favourable inflation data taking the rate to 4.75%. The latest forecast from the Council's Treasury Management Advisors, Arlingclose, is for the Bank Interest Rate to fall but not as quickly as was first envisaged. Initial thoughts were that it would be in the region of 3% to 3.5% by December 2025 but this has now been updated in response to both the Chancellor's budget and the US election to 3.75%.

Long Term (Capital) Borrowing

The net long-term borrowing requirement for the 2024/25 Capital Programme is £1.9m, considering borrowing set out in Section 2.3 above (total £24.5m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£16.1m). In the current interest rate climate, the Council has no immediate plans to take any further new long-term borrowing although this will continue to be kept under review.

The Public Works Loan Board (PWLB) remains 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 12 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 2022/23 approved by Cabinet on 22 February 2022 it was agreed the Council will not purchase investment assets primarily for yield.

Interest rates for local authority borrowing from the Public Works Loans Board (PWLB) between 1st July and 30th September 2024 have varied within the following ranges:

PWLB Loan Duration (maturity loan)	Minimum 2024/25 to Q2	Maximum 2024/25 to Q2	As at the End of Q2
5 year	3.38%	4.01%	3.63%
50 year	3.95%	4.36%	4.20%

The PWLB allows qualifying authorities, including the City Council, to borrow at 0.2% below the standard rates set out above. This “certainty rate” initiative provides a small reduction in the cost of future borrowing.

Regular monitoring continues to ensure identification of any opportunities to reschedule debt by early repayment of more expensive existing loans replaced with less expensive new loans. The premiums payable on early redemption usually outweigh any potential savings.

Short Term (Temporary) Borrowing and Investments

The Council’s 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.

Returns provided by the Council’s short-term investments yielded an average interest rate of 5.02% over the last quarter. This rate of return reflects low risk investments for short to medium durations with UK banks, Money Market Funds, Certificates of Deposits, other Local Authorities, Registered Providers, and companies in the form of corporate bonds.

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

	As at 30th June 2024	As at 30th September 2024
	£m	£m
Banks and Building Societies	0.0	0.0
Local Authorities	27.5	26.0
Money Market Funds	34.1	31.0
Corporate Bonds	0.0	0.0

HM Treasury	0.0	0.0
Total	61.6	57.0

External Investments

In addition to the above in-house investments, there is a core mix of £30m in Collective Investment Schemes or “pooled funds”, where investment is in the form of sterling fund units and not specific individual investments with financial institutions or organisations. The pooled funds are generally AAA rated; are highly liquid, as cash can be withdrawn within two to four days; and have a short average duration. These investments include Certificates of Deposit, 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 risk these investments are spread across several funds (Schroders, Ninety-One Investec, Columbia Threadneedle and M&G Investments). In addition, there is an investment in the CCLA property fund. This fund is not as liquid and access to redemption of units in this fund is subject to 6-months notice.

Returns provided by the Council’s pooled funds yielded an average interest rate of 5.30% over the last 12 months. On 30th September 2024 the pooled funds were valued at £27.5m (£27.1m at 30 June 2024), against an original investment of £30m (a deficit of £2.5m). All seven pooled funds show a deficit value but returns on these investments remain strong. As world economies improve, and interest rates become lower, then values should improve. The property market is predicted to have bottomed out, and the fund is being actively managed to provide good returns. There remains an expectation that the full value for each pooled fund 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. The override to the accounting rules is due to expire on 31st March 2025 and thereafter it is likely that capital value losses will have to be taken to revenue. These investments will continue to be monitored closely and are likely to be redeemed when they reach par value.

Prudential Indicators and the Prudential Code

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

The indicators, together with the relevant figures as at 30 September 2024 are included in **Appendix 4** to the report. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2024/25. 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 30 September 2024 the value is -£61.6m (minus) compared to £99.1m within the Treasury Management Strategy, reflecting the fact that the Council has more variable rate investments than variable rate borrowings at the current time.
- The Upper Limit on Fixed Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at fixed interest rates. At 30 June 2024 the value is £223.0m compared to £495.9m within the Treasury Management Strategy, reflecting both the level of actual borrowing and that a significant proportion of the Council's investment balance is at a fixed interest rate.

2.5 Commercial Investment Strategy – Loans and Shares

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, are proportionate to the size of the Council. In doing this the strategy includes specific limits for the total cumulative investment through loans and shares. The total combined limit for 2024/25 is £125m, against which there are £104m of existing commitments: -

	Limit	Actual 30 th September 2024	Committed and Planned 2023/24	Total	Headroom
	£m	£m	£m	£m	£m
Shares	55.0	52.1	0.0	52.1	2.9
Loans	70.0	51.8	1.9	53.7	16.3
	125.0	103.9	1.9	105.8	19.2

The committed or planned total of £1.9m includes a number of loan facilities to lend which may not necessarily be taken up, although the Council is committed to provide the funds if requested.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision.

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

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

5.1 Financial implications

Revenue

The net quarter 2 forecast reflects a continuing serious position for the Council. The net forecast, after significant management action is a **£10.2m revenue overspend** and incorporates a range of intractable ongoing service demand related issues, the persistence of inflationary pressures continuing to impact cost, and the under achievement of a number of income and savings targets. Actions taken so far (set out below), are of a largely one-off nature, meaning the **underlying position remains significantly higher**.

At this stage of the monitoring cycle there is a real and significant threat that the Council will not be able to balance its revenue position by year-end without the use of reserve contributions, and without further urgent and ongoing action, **will also increase the initial 2025/26 MTFS gap approved by Council in February 2024**.

These circumstances continue to be common to councils across the country with instances of financial stress again being widely reported. The failure of the local government finance system to tackle issues around social care funding plus the continued legacy impact of inflation, have placed many councils in a perilous financial position. Recent government funding announcements will help this position in 25/26, but will not solve fully.

The trend for cost-of-service delivery has generally over time reflected an upwards trajectory, reflecting prevailing inflation and market conditions. However, the unprecedented levels of inflation in the last couple of years has affected all service delivery costs such that 2022/23, through to 2024/25 and beyond, reflect a very steep relative upward trend for the Council's key service costs.

The 2024/25 pay offer was accepted in October 2024 by the trade unions in line with budget provisions assumed during the 204/25 Budget Setting process.

Continuing difficulties in the external markets for both children and adults are well documented but issues including the cost of highly complex cases and higher than planned levels of inflationary increases in placement costs have persisted to apply pressure to the budgetary provision included within the Council's budget.

It is necessary therefore to continue to identify and carry out management actions to help reduce the deficit, as discussed below.

Management Action

This difficult position carries on from that faced in 2023/24 when the Council needed to balance its financial outturn position using £1.8m of reserves. Such a solution would be the Council's backstop position for 2024/25 but is one that the Council **should be anxious to avoid**. The Council holds limited unearmarked reserve balances and recognises that such an approach is not sustainable in the medium term. It is therefore imperative to identify and adopt approaches that help the Council to manage its short-term pressures, whilst at the same time supporting the outlook for 2025/26 and medium-term financial problems.

The Council's Leadership Team has already instigated a range of immediate responses and is in the process of taking forward other actions in support of 25/26. The following actions used to mitigate the underlying pressures in year have been taken so far:

- Continued robust challenge and review of forecasts
- Continuation of tight recruitment controls
- Alternative funding opportunities from grant/reserves
- Undertake a comprehensive review of service reserves.
- Continued communication and challenge to all staff to embed a strong financial culture.
- Identification of service management actions to reduce cost

In the lead up to the Budget Report in December 2024, the Leadership Board have been identifying options and service impact of reducing ongoing spend levels to within budget for political decision.

Continued efforts from both officers and portfolio holders are needed in order to minimise overspend. This, together with the above would give sufficient assurance that the Director of Finance and Resources does not need to take any extra-ordinary action at this stage to respond to the financial position (such as issuing a Section 114 Notice) either in respect of 2024/25, or future years. However, **Cabinet should be in no doubt that the underlying position for 2024/25 is again incredibly challenging and will have an impact on Budget Setting for 2025/26.**

Capital

The Council's Capital Programme continues to include a range of strategically important schemes across the city. This continues to be a large mostly grant funded programme continuing the trend of recent years. The programme includes major scheme expenditure on secondary schools' expansion, Very Light Rail, disabled facilities grant (DfG), construction of Woodlands School, City Centre South and delivery of the City Centre Cultural Gateway development.

Legal implications

There are no legal implications arising at this stage.

The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables Cabinet to remain aware of issues and understand the actions being taken to maintain a balanced budget.

6. Other implications

6.1 How will this contribute to the One Coventry Plan?

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

The Council monitors the quality and level of service provided to the citizens of Coventry and the key objectives of the One Coventry Plan. As far as possible it will

try to deliver better value for money and maintain services in line with its corporate priorities balanced against the need to manage with fewer resources.

6.2 How is risk being managed?

The need to deliver a stable and balanced financial position in the short and medium term is a key corporate risk for the local authority and is reflected in the corporate risk register. A recent reassessment indicates that the Council now faces a greatly increased level of risk in this area, described in section 5. Good financial discipline through budgetary monitoring continues to be paramount in managing this risk and this report is a key part of the process. A range of urgent actions has been set out in response to the Council's financial position. It is vital that Council officers and members are aware of the current financial challenge and activity across the second quarter of the year including the measures outlined will provide some indication of the direction of travel for the remainder of the year. This in turn will dictate the extent to which the bottom line can be moved significantly closer to a balanced position.

6.3 What is the impact on the organisation?

It remains important for the Council to ensure that strict budget management continues to the year-end. The Council may be forced to make some difficult policy choices over the coming months especially in areas that do not have a strict statutory basis, and which involve material levels of discretionary and flexible expenditure.

6.4 Equalities / EIA

No current policy changes have been proposed but the possibility remains that the Council may need to consider changes to existing services through the year. If this is the case, the Council's equality impact process will be used to evaluate the potential equalities impact of any proposed changes.

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

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

6.6 Implications for partner organisations?

No impact

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

Appendix 1

Revenue Position: Detailed Directorate Breakdown of Forecasted Outturn Position

Table 1 below shows budget variations analysed between those that are subject to a centralised forecast variance and those that are managed at service level (termed “Budget Holder Variance” for the purposes of this report). The Centralised budget areas relate to salary costs – the Council applies strict control over recruitment such that managers are not able to recruit to vacant posts without first going through rigorous processes. In this sense managers have to work within the existing establishment structure and salary budgets are not controlled at this local level. The Centralised salaries and Overheads under-spend of £5.5m shown below is principally the effect of unfilled vacancies, and are offsetting service (Budget Holder) pressures.

Table 1

Service Area	Revised Net Budget	Forecast Spend	Centralised Variance	Budget Holder Variance	Total Variance
	£m	£m	£m	£m	£m
Adult Services and Housing	129.8	134.1	(2.0)	6.3	4.3
Childrens and Education	112.7	116.0	(1.8)	5.5	3.7
City Services	40.7	43.7	(0.9)	3.9	3.0
Finance and Resources	12.4	12.1	0.0	(0.3)	(0.3)
Legal and Governance Services	8.2	8.4	(0.3)	0.5	0.2
People and Organisation Development	0.8	1.3	0.1	0.4	0.5
Planning and Performance	6.3	6.2	0.1	(0.2)	(0.1)
Policy and Communication	0.0	0.1	0.1	0.0	0.1
Property Services and Development	(9.3)	(7.3)	(0.3)	2.3	2.0
Public Health	(1.3)	(1.7)	(0.3)	(0.1)	(0.4)
Regeneration and Economy Dev	8.0	9.0	(0.2)	1.2	1.0
Contingency & Central Budgets	(30.8)	(34.6)	0.0	(3.8)	(3.8)
Total	277.5	287.3	(5.5)	15.7	10.2

Table 2:

Service Area	Reporting Area	Explanation for variance from budget	Total Forecast variance £m
Adult Services	Strategic Commissioning (Adults)	The underspend relates to New Homes for Old Private Finance Initiative additional client fee income above budget and the continuation of lower transport costs to day opportunities.	(0.7)
Adult Services	Adult Social Care Director	Identified underspend on appointee ships provision and other adult social care projects off-set by an accumulation of salary related overspends and a contribution of £45k to an integrated ICT solution to support the operationalisation of Local Integrated Teams with University Hospital Coventry & Warwickshire.	(0.2)

Adult Services	Adult Social Care Business & Financial Management	The underspend relates to the decommissioning of the Electronic Call Monitoring System and staff vacancies which are in the process of being recruited to.	(0.2)
Adult Services	Localities and Social Care Operational	The overspend relates to additional agency staff costs due to a large number of vacancies. This overspend is only partly offset by underspends due to those staff vacancies which are in the process of being recruited to.	0.3
Adult Services	Community Purchasing Mental Health	The budget for purchasing packages of care for adults and older people in adults social care continues to see significant pressures. We continue to see growth in most areas, but in particular areas of high cost and demand associated with Learning Disability home care, transitions from children to adults, and Mental Health and in general complexity associated with reviewing activity. Increased activity reflects the complexity and acuity of the casework with increased demand projected during the year. Scrutiny continues across all areas where budgets are authorised to ensure cost effectiveness and escalation where appropriate including people with Continuing Health Care (CHC) or joint funding criteria.	4.3
Adult Services	Other Variances Less than 100K		0.1
Housing & Homelessness	Housing and Homelessness	The number of families and single people seeking assistance with housing issues and subsequently the number being placed in Temporary Accommodation increased at a higher level than expected at the start of the year and continues to increase during 24/25 (£0.7M). A range of different additional temporary accommodation provision is being sought as part of the medium-term financial strategy, however delays to one of the proposed schemes means is resulting in a pressure against the delivery target (£0.6M). However, a number of management actions have been taken to mitigate against these pressures which has resulted in a slightly stronger position than at Q1.	0.7
TOTAL Adult Services & Housing			4.3

Children's Services	Corporate Parenting and Sufficiency	<p>There is a £4.8m forecast overspend on placements for children in care. This figure considers income from central government for unaccompanied asylum-seeking children which ensures these children do not contribute to the budgetary pressure. The pressure relates to the use of external residential children's homes and high-cost spot placements due to a lack of sufficiency in the market and some voids across block and internal homes. There is an annual trend of increased numbers of children moving to residential care in the summer and alongside this, we have also seen an increase in the number of children entering care, with total numbers having risen by over 40 children between April and the end of September. This means children in care numbers are currently higher than our financial planning assumptions.</p> <p>In addition to the Residential Strategy & Fostering Excellence program, a number of actions are being taken to address this pressure; increase occupancy in internal and block residential children's homes, recommission Regional frameworks to increase the number of children cared for by framework providers, progress hard to place contracts and move children, when appropriate, to alternative internal / framework provision or a foster home following a review of all children living within a children's home. In addition, children continue to be supported to return home through our reunification project.</p> <p>The overall position is mitigated in part by use of reserves and underspends across other areas of the service including a £0.8m forecast underspend for Special Guardianship allowances, where the activity is below the level anticipated when the budget was set.</p>	3.6
Children's Services	Help & Protection	The variance is predominantly due to a £0.7m forecast underspend across Family Hubs and Early Help, where due to staffing vacancies staff costs are expected to be below budget.	(0.9)
Children's Services	Children in Care, Children with Disabilities & Care Leavers	The variance is predominantly due to an overspend of £0.9m in the Children's Disability Team, due to an increase in both demand and prices for short breaks & direct payments. We are currently in the process of retendering our short breaks contracts to ensure 'best value' and reduce high-cost support spend.	0.7
Education Services	SEND & Specialist Services	SEND Transport is forecasting an overspend of £547k. The forecast demand and cost of home to school travel assistance for the September 2024 academic year, was based on the following assumptions: The increase in EHCPs will mirror demand for the 2023/24 year; the proportionality of placements between mainstream and specialist will not change, and the mode of travel will continue to require taxi provision as Coventry's fleet capacity will be exhausted. As we progress through Autumn Term 2024 service demand forecasts continue to be revised based on actual rather than forecast demand providing more certainty. A mid-year revision of the	0.4

		central costs for the internal passenger service resulted in a £300k budget pressure. The impact of post 16 contributory changes will be evident and strong mitigation action from the service end to end process review will aim to reduce unit costs for eligible travellers in Qtr3 and Qtr4 (2024/25 academic year). This overspend is offset in part by underspends across other areas of the service.	
Education Services	Education Entitlement	This underspend primarily relates to the Virtual School and is linked to staffing vacancies and utilisation of additional grant funding where appropriate.	(0.2)
Education Services	Education Improvement & Standards	An overspend of circa £200K across Schools Trade Union costs is partly offset by an underspend on historic pension costs. The overspend position on Schools Trade Union is linked to inflation and lower amounts of de-delegated funding. Historic pension costs expenditure will continue to reduce over time as there are no new commitments against this.	0.1
Ringfenced Funding - Dedicated Schools Grant (DSG)	SEND & Specialist Services	The forecast for SEND Provision is an overspend of £356k. The increase in demand for EHCPs is mirroring 23/24 activity creating further growth overall. This reflects ongoing provision demand and costs. The availability of specialist school placements is limited, which has resulted in a significant increase in mainstream expenditure. However, this is compensated by a forecast underspend in special school provision. This overspend is offset in part by underspends across central services due to vacancies.	0.3
Ringfenced Funding - Dedicated Schools Grant (DSG)	Schools	This underspend relates to the Council's High Needs holding pot. This is budget that has been earmarked to support the Council's overall SEND Strategy and fund known provision cost pressures that will arise in future years.	(0.9)
Ringfenced Funding - Dedicated Schools Grant (DSG)	Education Entitlement	This underspend is a consequence of staffing vacancies combined with forecast over achievement of income targets.	(0.1)
Ringfenced Funding - Dedicated Schools Grant (DSG)	Financial Strategy	Technical adjustment to remove total Dedicated Schools Grant Variance from the General Fund position.	0.7
TOTAL Childrens and Education			3.7
Finance and Resources	Customer & Business Services	Underspend is due to staff vacancies across the service and additional income generated. However, to meet all the expectations on the service and deliver organisational priorities recruitment to key leadership and essential roles is taking place to drive change forward.	(0.1)
Finance and Resources	Other Variances Less than 100K		(0.2)

TOTAL Finance and Resources			(0.3)
Legal and Governance Services	Legal Services	Agency in Legal Services continues to be reviewed and challenged, but is required to cover caseload capacity need in Children's, Adults and Education. Options to reduce agency usage are being explored.	0.6
Legal and Governance Services	Procurement	Benefits of prompt payment scheme plus vacancies.	(0.2)
Legal and Governance Services	Regulatory Services	Vacant posts across the service with plans to recruit	(0.1)
TOTAL Legal and Governance Services			0.3
People and Organisation Development	Employment Services	The overspend mainly relates to a reduction in income from external organisations totalling £130K and £50K remaining from an MTFS target. Changes to the team structure have taken place in order to reduce costs and further changes are planned.	0.3
People and Organisation Development	HR - People & Culture	This is due to an historic MTFS target and budgetary pressures of apprentice salaries.	0.1
People and Organisation Development	Occupational Health, Safety and Wellbeing Services	Underspends driven by vacancies and additional income from fees and charges	(0.1)
People and Organisation Development	Employment Policy & Practice	The overspend mainly relates to unfunded Job Evaluation Team posts £127K and additional cost of covering sickness	0.2
TOTAL People and Organisation Development			0.5
Property Services and Development	Commercial Property and Development	Commercial property portfolio income has a pressure of £748k due to voids and the associated void costs. There is also a pressure of £802K reflecting annual net holding costs for the City Centre South property (incl. NNDR), which will fall away once the project goes 'unconditional'. The retail market sees a pressure of c. £169k as the costs for supplies and services are exceeding budget provision.	1.9
Property Services and Development	Management & Support	This reflects the slipped delivery of property savings in year, offset by a one off contribution from reserves.	0.1

TOTAL Property Services and Development			2.0
Highways	Highways	This service is forecasting an overspend of £1.3m this due to a number of factors, the key ones being: The DLO have been deployed onto reactive maintenance work whilst capital grant funded business case approvals are awaited, resulting in a £500k short-term pressure which is delivering a greater number of pothole repairs in year. This is in addition to programmed highway's defects and potholes repairs which is under a £400k pressure due to the volume of defects reported. There is no ability to manage reactive overspends through the approved capital programme in year. Other pressures include £203k for Flood risk management and drainage arising from a historic income target and costs of highway inspector regrades	1.2
Highways	Traffic	This includes costs associated with Road Traffic Collisions, which may be recovered through insurance.	0.2
Environmental Services and Development	Planning Services	Q2 Planning Application fee income is broadly in line with projections and ahead of the last two years at the same time. However, the number of applications is still below the forecast required even with the price increase. Total deficit c£370k. There is also a pressure in the current year relating to costs associated with undertaking the Local Plan review of £124k	0.5
Environmental Services and Development	Streetpride & Parks	Decrease in overall income in bereavement across memorialisation and crematorium due to small decrease in death rates and cost of living. Coventry Funeral Services are forecasting £100k loss in year one against an expected £160k surplus . Income across parks is also down due to reduction in visitor numbers and associated parking and activity income.	0.6
Environmental Services and Development	Waste & Fleet Services	Additional costs at Waster Transfer Station associated with third party transport (£150k). Half price bulky waste service estimated to cost approx. £170k. Additional staffing and vehicle costs (spot hires, fuel, avoidable damage) of approx. £170k associated with removal of task and finish (this forecast presumes settlement costs of £324k will be funded corporately). This is partly offset by use of reserves (£188k).	0.5
TOTAL City Services			3.0
Public Health	Public Health - Migration	Underspend represents a release of funding previously held in reserve	(0.4)

TOTAL Public Health			(0.4)
Planning and Performance	Transformation Programme Office	Underspend represents a release of funding previously held in reserve	(0.2)
Planning and Performance	Libraries, Advice, Health & Information Services	Overspend is largely due to non-delivery of staff turnover and income targets. Overspend is reducing as vacant posts impact on actual spend. Traded service is reporting increased up-take.	0.1
TOTAL Planning and Performance			(0.1)
Policy and Communication	Other Variances Less than 100K		0.1
TOTAL Policy and Communication			0.1
Regeneration and Economy Dev	Culture, Sports, Events & Destination	Total overall service pressure mainly comprises Cultural Gateway holding and mobilisation costs (pre-construction) as reported in Q1; forecast Godiva Festival deficit primarily due to lower ticket sales, lower commercials therefore on Food and Bereavages, bad weather and Euro 24 fixture clashes. Service pressures partially mitigated by vacancies in staffing; income generation from wider events; and management actions to reduce costs across Q3-Q4.	0.6
Regeneration and Economy Dev	Regen & Economy Management Support	(£106k) of sponsorship and commercial income has been generated to date and is forecast to achieve (£254k) this year. However, the Q2 position is c£155k due to a shortfall against a challenging income target for sponsorship & advertising, progress is being made but more slowly due to external industry business planning cycles, and internal processes to fulfil procurement, planning and highways obligations.	0.2
Regeneration and Economy Dev	Other Variances Less than 100K		0.2
TOTAL Regeneration and Economy Dev			1.0
Contingency & Central Budgets	Revenue AFC	Favourable variances within corporate contingency budgets of c£4.0m include the £3.2m grant announced in the final government settlement in February 2024, which was allocated to corporate contingencies. This is being offset by an adverse variance (£1.6m) which is due to a forecast underachievement of 2024/25 savings targets relating to the One Coventry programme, where detailed work is in progress to fully develop the scope and potential impact of the proposals, to inform implementation.	(2.2)
Contingency & Central Budgets	Treasury Management	£1.6m surplus forecast on Asset Management Revenue Account, relating to increased planned income from CWSDC dividend income, an increase in temporary investment interest, and reduced service loan interest	(1.6)
TOTAL Contingency & Central Budgets			(3.8)
Total Budget Holder Outturn Variances			10.2

Appendix 2

Capital Programme Approved / Technical Changes

SCHEME	EXPLANATION	£m
Housing - Local Authority Housing Fund 3 (LAHF3)	<p>Briefing taken to the Leader of the Council, Chief Executive, Cabinet Member for Housing & Communities, S151 Officer and Director of Adult Services & Housing on 10th September requesting approval of £3.5m grant from the Department for Levelling Up, Housing and Communities. A retrospective report to be taken to November full Council.</p> <p>LAHF 3 will fund more high-quality temporary accommodation for homeless families and provide housing for those on the Afghan Citizens Resettlement Scheme (ACRS) who supported UK efforts in Afghanistan.</p>	1.0
West Midlands Investment Zone - Greenpower Park	<p>On 12th March 2024 Cabinet approved the report - West Midlands Investment Zone (WMIZ). The report recommendations included approving acceptance of up to £35m in West Midlands Investment Zone (WMIZ) funding, noting that initially £23m will be available for infrastructure provision on the Coventry Airport site. This element of £1.962m of funding from West Midlands Combined Authority for infrastructure works at the WMIZ Greenpower Park.</p>	2.0
Swimming Pool Support Fund - Phase 2	<p>The Council has been successful in securing capital grant funding from Sports England to upgrade Building Management system, replace florescent lighting with LED lighting and photo voltaic (PV) panels at 3 of the city's sports facilities. The works will be carried out at Alan Higgs, AT7 Centre and Exel Arena.</p>	0.6
Duplex Fund	<p>A technical adjustment as the final drawdown of the £2m loan 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 was processed in March 2023.</p>	(0.8)
Miscellaneous	Schemes below £250k threshold	(0.1)
TOTAL APPROVED / TECHNICAL CHANGES		2.7

Appendix 3

Capital Programme: Analysis of Programme Acceleration/(Rescheduling)

SCHEME	EXPLANATION	£m
Friargate	Change to the budget profile is a result of delays in receiving the Final Account from the developer.	(3.6)
Coventry Very Light Rail	Further to the review of the Q2 forecast, £10.7m has been rescheduled into the next financial year for the following reasons: 1. The City Centre Demonstrator route is now significantly reduced in Scope in the initial phase (220metres from 860metres). The cost movement for this is in the region of £6.5m 2. The procurement of the slabs for the 640m will now slip into next financial year at a cost of £1.3m 3. The works to the vehicle (from Gen 1.0 to 1.5, i.e. to run in the city) will reschedule £1.6m. 4. The remaining £1.3m is for the slippage to the CCTMP works associated with the CVLR route.	(10.7)
Foleshill Transport Package	Following a consultation exercise and junction modelling, the project team are exploring alternative holistic solutions for Foleshill Transport Package. A change request has been approved by WMCA to re-phase programme with delivery expected in 2026.	(1.9)
Coventry South Transport Package	Change request has been approved by WMCA to phase programme into 5 distinct projects, these will be delivered between October 2024 and March 2027. A BJC has been submitted to WMCA for the first of these schemes, London Road North Cycleway for £2.375m, with construction due to commence in October 2024.	(6.7)
Woodlands School	£10m slip to 2025/26 Woodlands – Additional time was required to; verify the main contract with work undertaken to consider value engineering, discharge planning conditions, structural surveys including laboratory assessments to ensure structural stability of the building frame and foundations. The latter was as a requirement to ensure risk is properly managed.	(10.0)
Basic Need School Programme	Delays on 6 education expansion projects have taken place due to extensive feasibility and design considerations to ensure all stakeholders agree with the overall scope and specification. There have also been complex planning requirements to navigate to ensure application is compliant and consultees agree with the proposals.	(5.4)
Collection Centre	The rescheduling of the capital forecast is due to the main contractor entering into Administration at the end of September and the construction project being on hold till a new contractor can be procured.	(14.6)
Miscellaneous	Schemes below £250k threshold	(0.1)
TOTAL RESCHEDULING		(53.0)

Appendix 4

Prudential Indicators

Indicator	per Treasury Management Strategy 2024/25	As at 30 September 2024
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.	14.94%	14.38%
Gross Borrowing should not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) at 31st March 2024 plus the estimates of any additional CFR in the next 3 years (Indicator 2) , illustrating that, over the medium term, net borrowing (borrowing less investments) will only be for capital purposes. The CFR is defined as the Council's underlying need to borrow, after taking account of other resources available to fund the capital programme and is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.	Estimate / limit of £525.9m	£308.0m Gross borrowing within the limit.
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.	£545.9m	£308.0m is less than the authorised limit.
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.	£525.9m	£308.0m is less than the operational boundary.
Upper Limit on Fixed Rate Interest Rate Exposures (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.	£495.9m	£223.0m
Upper Limit on Variable Rate Interest Rate Exposures (Indicator 9) , as above highlighting interest rate exposure risk.	£99.1m	-£61.6m
Maturity Structure 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.		

< 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years +	0% to 50% 0% to 20% 0% to 30% 0% to 30% 40% to 100%	5% 17% 5% 16% 57%
Investments Longer than 364 Days (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.	£30m	£0.0m



Public report

Audit and Procurement Committee

29 January 2025

Name of Cabinet Member:

Cabinet Member Policy and Leadership - Cllr G Duggins

Director approving submission of the report:

Director of Law and Governance

Ward(s) affected:

N/A

Title:

Information Governance Annual Report 2023/2024

Is this a key decision?

No

Executive summary:

Information is one of the Council's greatest assets and its correct and effective use is a major responsibility and is essential to the successful delivery of the Council's priorities. Ensuring that the Council has effective arrangements in place to manage and protect the information, both personal and business critical, it holds is a priority.

Data protection legislation sets out the requirements on organisations to manage information assets appropriately and how they should respond to requests for information. The Information Commissioner's Office (ICO) is the UK's independent supervisory authority set up to uphold information rights in the public interest, promote openness by public bodies and data privacy for individuals, and monitors compliance with legislation.

This report provides a summary of the Council's performance during 2023/2024 in responding to requests for information received under the above-mentioned legislation. It also reports on the management of data protection security incidents and/or those reported to the ICO and data protection training.

Recommendations:

The Audit and Procurement Committee is recommended to:

- 1) Note the Council's performance on Freedom of Information, Subject Access and other Data Protection Act requests, including the outcomes of internal reviews and the number and outcome of complaints made to the ICO.
- 2) Note the reporting and management of data security incidents.
- 3) Note data protection training compliance.
- 4) Identify any comments or recommendations.

List of Appendices included:

None

Background papers:

None

Other useful documents

None

Has it or will it be considered by Scrutiny?

No

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

No

Will this report go to Council?

No

Report title: Information Governance Annual Report 2023/2024

1. Context (or background)

- 1.1 Information Governance (IG) is the strategy or framework for handling personal information in a confidential and secure manner while ensuring compliance with the relevant statutory and regulatory requirements. IG within the Council is delivered through a distributed model of responsibility rather than through the sole responsibility of the IG Team, with key roles identified and assigned to ensure appropriate oversight and accountability:
- Head of Information Governance
 - Information Governance Team
 - Senior Information Risk Officer (SIRO)
 - Data Protection Officer (DPO)/DPO Team
 - Caldicott Guardian
 - Information Asset Owners (IAO)
 - Information Asset Managers (IAM)
 - Information Management Strategy Group
- 1.2 The function of Information Governance supports the Council's compliance with the UK General Data Protection Regulations GDPR (UK GDPR), Data Protection Act (DPA) 2018, Freedom of Information Act 2000 (FOIA) and Environmental Information Regulations (EIR). The Council has a statutory obligation to comply with the IG framework by responding appropriately to requests and managing personal data lawfully. The IG Team assist the organisation by monitoring internal compliance, informing and advising on data protection obligations, providing advice and guidance and raising awareness on data protection matters.
- 1.3 The FOIA and EIR impose a statutory obligation on the Council to respond to requests for information within 20 working days, subject to relevant exemptions. The Code of Practice, issued by the Secretary of State for Constitutional Affairs under Section 45 of the FOIA, requires public authorities to have a procedure in place to deal with complaints in regard to how their requests have been handled. This process is handled by the Information Governance Team as an FOI or EIR internal review. After an internal review has been completed an applicant has a right to complain to the Information Commissioner's Office (ICO) for an independent ruling on the outcome. Based on the findings of their investigations, the ICO may issue a Decision Notice. The ICO may also monitor public authorities that do not respond effectively and in a timely manner to the FOI/EIR requests they receive and may take enforcement action or issue reprimands accordingly.
- 1.4 The DPA 2018 provides individuals with the right to ask for information that the Council holds about them. These are also known as Subject Access Requests (SARs). The Council should be satisfied about the individual's identity and have enough information about the request. The timescale for responding to these requests is one month, starting on the day of receipt. Authorities can extend the time taken to respond by a further two months if the request is complex or a number of requests have been received from the individual, e.g. other types of requests relating to individuals' rights.
- 1.5 There is no requirement for the Council to have an internal review process for SARs. However, it is considered good practice to do so. Therefore, the Council informs

applicants of the Council's internal review process. However, individuals may complain directly to the ICO if they feel their rights have not been upheld.

- 1.6 The Council also receives one-off requests for personal information from third parties including the police and other government agencies. The IG Team maintains a central log that includes exemptions relied on when personal data is shared with third parties. They provide advice and assess whether the Council can lawfully disclose the information or not.
- 1.7 The Council's management of data protection security incidents is undertaken by the Data Protection Officer Team, they record, investigate and where necessary, recommend actions to be taken based on the impact risk level.
- 1.8 The Data Protection Officer Team supports the Council in understanding the impact of plans, projects and activities on data protection through a process of impact assessments to support decision-making. The Council also has arrangements in place to support the sharing of data where appropriate and the team provide support in the preparation and sign off of on-going and one-off data sharing agreements.

2. Information Governance Annual Report 2023-2024

2.1 Context

- 2.1.1 The landscape in which public authorities are now operating has continued to change since the introduction of the GDPR and subsequently UK GDPR and the Data Protection Act 2018 (DPA 2018) in 2018.
- 2.1.2 This landscape will continue to change. Good information governance has an important part to play as the introduction of integrated care systems has brought partnerships of organisations together to plan and deliver joined up health and care services, and to improve the lives of people who live and work in their area and effective cyber security is an increasingly key element in protecting and preventing unauthorised access to personal information. The development of Artificial Intelligence provides opportunities as well as risks in relation to the use of data and is addressed both in the proposed changes to legislation and the Council's developing approach.
- 2.1.3 In March 2023, the Government introduced the Data Protection and Digital Information Bill which did not complete its passage through parliament prior to the UK parliamentary general election being called for July 2024. The new Government has subsequently introduced to parliament the Data (use and Access) Bill with the stated purpose to "unlock the secure and effective use of data for the public interest". While it retains some of the measures proposed in its predecessor, others are amended and some new elements introduced. Implications for local government will be monitored as the Bill progresses to ensure that the City Council is able to meet the new requirements when they are introduced.
- 2.1.4 In June 2022, the ICO set out a revised approach to working more effectively with public authorities. This approach has seen an increased use of the ICO's wider powers under data protection law, including warnings, enforcement notices and

reprimands as well as changing its approach to the application of fines in the public sector and the ICO is currently considering the next steps.

2.2 Requests for Information

- 2.2.1 The number of Freedom of Information Requests received by the Council in 2023/24, 1428 was an increase of 232 requests on the previous 2022/23 year. The Council responded to 81% of FOIA/EIR requests within the target time of 20 working days in 2023/24 which was a decrease on the previous year (see table 2). This is below the 90% threshold set by the ICO.
- 2.2.2 The Council received 30 requests for internal reviews in the year 2023/24 (down from 37 the previous year). The Council responded to these with the following outcomes:
- 10 were not upheld – the exemptions that had been applied were maintained and no further information was provided;
 - 6 were not upheld – but advice or clarification was provided;
 - 4 were partially upheld – some further was information provided;
 - 7 were upheld - information was provided;
 - 3 were withdrawn.
- 2.2.3 The City Council already publishes a significant amount of information and is identifying opportunities to increase the volume and type of information published (subject to legal compliance). This will increase transparency and help to reduce the number of FOI's the Council receives because the information will already be available.
- 2.2.4 No complaints were made to the ICO during 2023/24 (compared to 12 the previous year).

Table 1. Number of FOI/EIR requests received

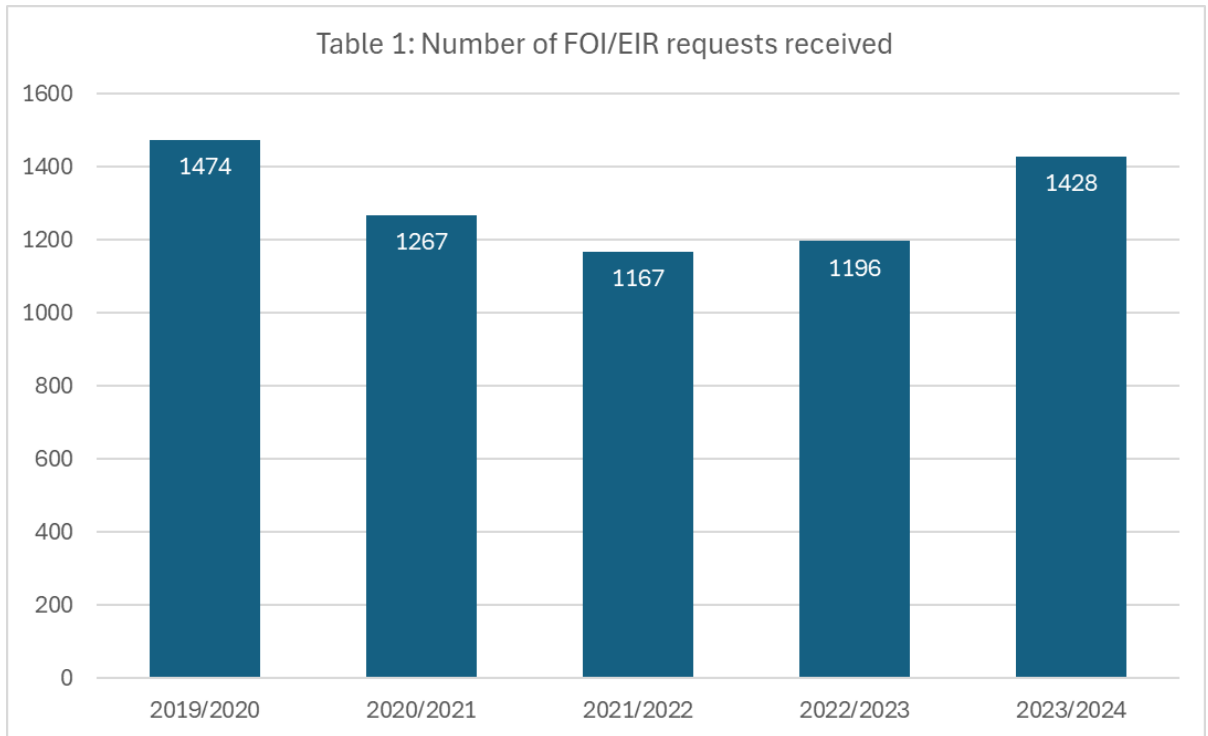
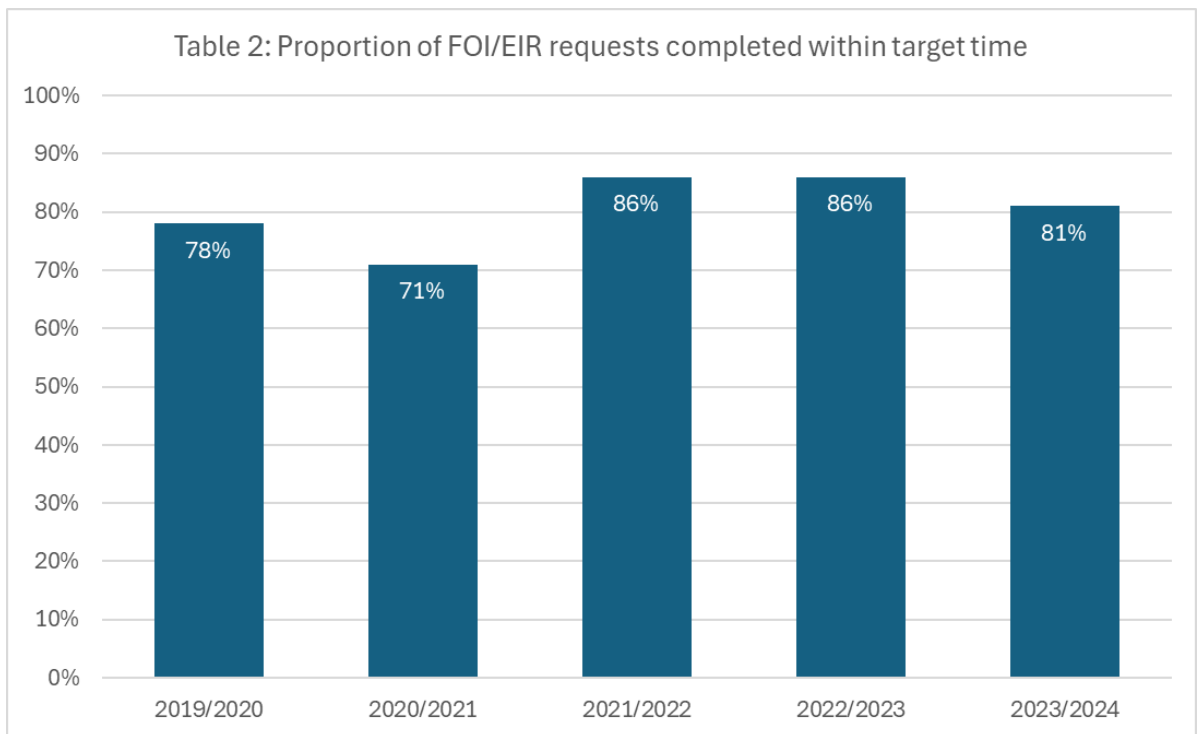


Table 2. Proportion of FOI/EIR requests completed within target time



2.2.5 286 valid Subject Access Requests (SARs) were received during 2023/24, an increase of 13 on the previous year (see table 3). While the Council receives fewer SARs than other information requests, many of these are complex and can involve managing significant amounts of sensitive information. The number of requests relating to Children’s Social care, as well as the number of SARs to which extensions were

applied due to their size and/or complexity both increased significantly. The completion rate within the target time increased to 84% in 2023/24 (up from 79% the previous year (see table 4).

2.2.6 The Council received 12 requests to carry out an internal review into a SAR application during 2023/24, the same number as in the previous year. In 9 cases, further information was provided which was located through further searches based on information provided by the requester or by reviewing the information which had originally been redacted. Where information was not provided, this was due to the original exemptions being upheld or information not being held by the Council.

2.2.7 No complaints were made to the ICO related to Subject Access Requests in 2023/24.

Table 3. Number of SAR's received

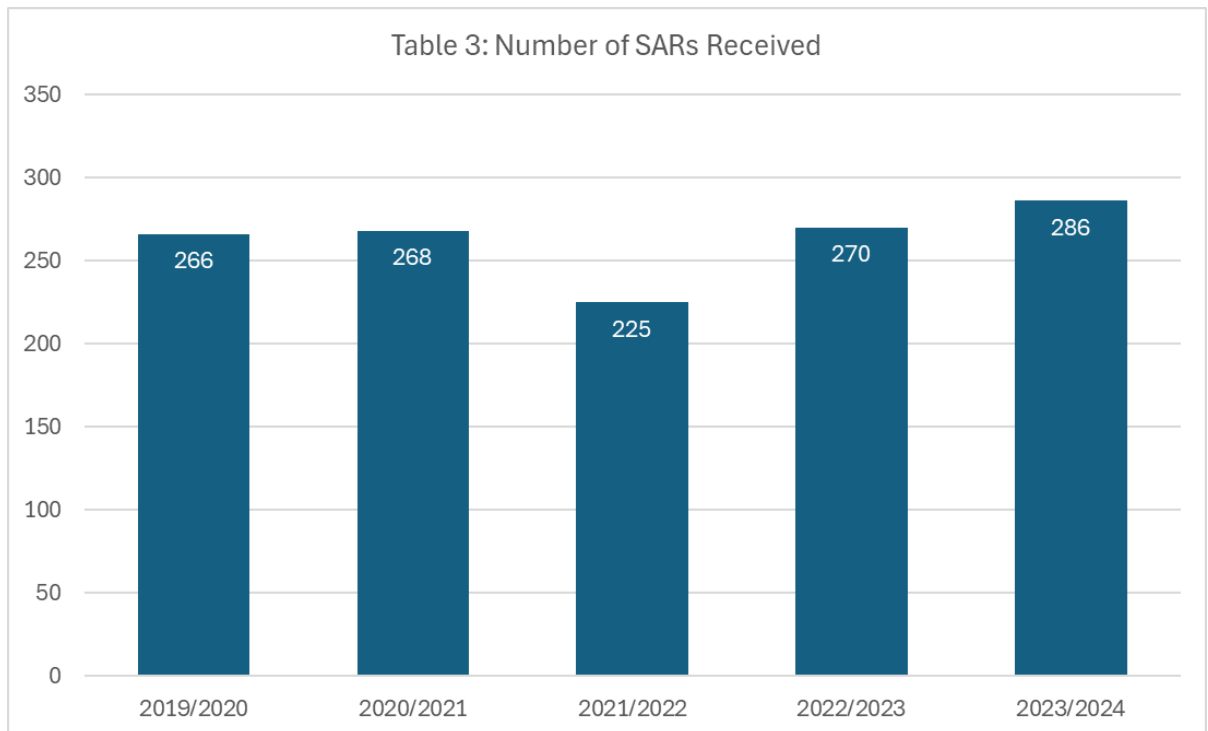
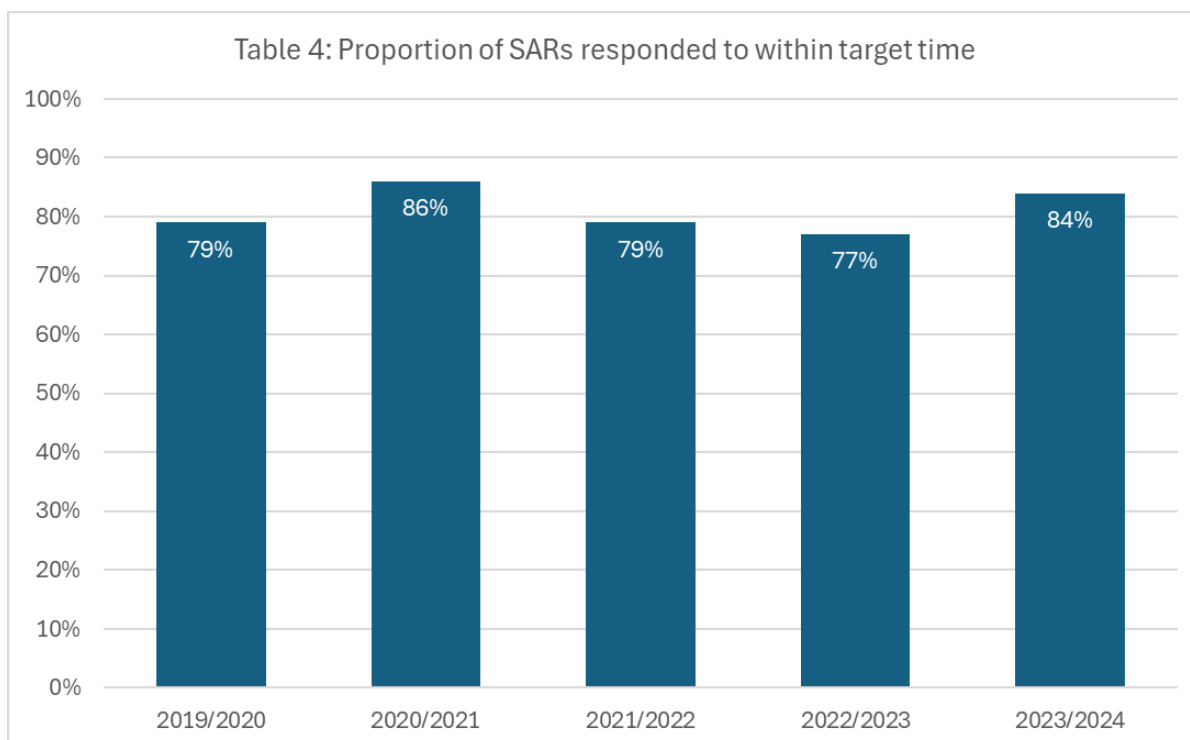


Table 4. Proportion of SARs responded to within target time



2.3 Data Security Incidents

- 2.3.1 Protecting information from theft, loss, unauthorised access, abuse and misuse is crucial in order to reduce the risk of data breaches or financial loss incurred through non compliance with key legislation.
- 2.3.2 The IG data protection security incident reporting process supports the Council’s objective that breaches are managed promptly, and outcomes of investigations are used to inform reviews of the control measures in place to keep personal information secure.
- 2.3.3 In addition, the Council actively encourages the reporting of near misses and potential breaches to identify learning, promote awareness and reduce the likelihood of a serious breach to information even though not all reported incidents will have resulted in a breach. Even where there is no breach, incidents can provide valuable insight into training requirements and processes and procedures which may need to be strengthened as a preventative measure. When investigating data protection security incidents, the Data Protection Team routinely consider resultant training needs and provide advice and guidance as required. Messages continue to be provided to staff alerting them to the need to protect personal data and use it appropriately.
- 2.3.4 In 2023/24, 176 reports of information security incidents were sent to the Data Protection Team, a decrease from 219 in the previous year. Of these, 103 did not involve a breach of personal data. These included for example near misses, loss or theft of equipment, cases where technical measures prevented access to data and incidents where a breach was contained. Of the incidents where a breach of personal

data was identified, 70 were identified as low risk, 1 medium and 1 high. The majority of reports were classified as information being disclosed in error (75) with 57 reports relating to technical/procedural errors, 28 reports relating to loss or theft of hardware and one to unauthorised access.

- 2.3.5 The GDPR introduced requirements for personal data breaches that meet certain thresholds to be reported to the ICO. Two self-reports were made to the ICO during 2022/2023.
- 2.3.6 One complaint was made to the ICO during 2023/2024 related to the council's Data Protection Obligations. The ICO confirmed that they did not intend to take regulatory action and provided guidance to the council on measures to implement to avoid future incidents.

2.4 Training and Awareness

- 2.4.1 Data Protection training is key to ensuring staff are aware of their responsibilities. Training is currently delivered through the Council's e-learning platform and annual completion of the data protection course is mandatory for all staff with access to personal data. Staff who do not have access to a computer in their role (not office based) and those with minimal personal data involved in their role are provided with appropriate level training. This ensures that an appropriate level of understanding and awareness is reached that is relevant to their role/responsibilities.
- 2.4.2 The data protection training strategy is kept under review and updated as required. New cyber security training is being introduced to replace the existing information security training and reflect the changing environment in which the Council operates. Other information and awareness raising is undertaken throughout the year in response to local and national issues. For example, ICT have delivered awareness sessions specifically relating to cyber security and regular cyber security messages are issued by ICT to staff. This has included a programme of awareness raising during cyber security month.
- 2.4.4 For the 2023/24 year, the Council reported a completion rate of the Council's mandatory data protection training of 95%. The Elected Member Training and Development Strategy, introduced for the 2022/2023 year, also includes data protection training.

2.5 Data Security and Protection and Toolkit

- 2.5.1 The Data Security and Protection Toolkit is an online tool that allows relevant organisations that process health and care data to measure their performance against data security and information governance requirements which reflect legal rules and Department of Health policy. This self-assessment tool enables the Council to demonstrate that it can be trusted to maintain the confidentiality and security of personal information, specifically health and social care personal records.

2.5.2 All organisations that have access to NHS patient data and systems use this Toolkit to provide assurance that they are practicing good data security and that personal information is handled correctly.

2.5.3 For the 2023/24 reporting period, the Council met all of the mandatory requirements and was assessed as meeting required standards.

3. Options considered and recommended proposal

3.1 The recommended proposal is that Audit and Procurement Committee consider and note the Annual Report. In addition, the Committee is recommended to forward any comments or recommendations to the Cabinet Member Policy and Leadership.

3.2 The only other option is to “Do Nothing” which is not recommended as it is essential that the Council continues to monitor and report on its performance in relation to access to information requests, information security incidents and training completed in order to promote best practice information governance and drive continuous improvement in the Council’s ability to comply with the laws relating to information.

4. Results of consultation undertaken

4.1. None

5. Timetable for implementing this decision

5.1. Not Applicable

6. Comments from Director of Finance and Resources and Director of Law and Governance

6.1. Financial Implications

There are no specific financial implications resulting from the issues within this report although it is worth noting that the Information Commissioner’s Office is able to levy significant fines for serious non-compliance with the legislation surrounding the management of information.

6.2. Legal Implications

There are no specific legal implications arising out of the recommendations. However, the Council’s performance is subject to external scrutiny by the ICO, who have the authority to impose sanctions upon the Council for non-compliance. The monitoring and reporting on the outcomes of ICO complaints represents good practice and promotes good governance and service improvement.

7. Other implications

7.1. How will this contribute to the One Coventry Plan?

The monitoring and reporting of the Council's performance regarding responding to, and handling access to information requests under FOIA and DPA 2018, including any complaints made to the ICO will enable continuous improvement, raise awareness and promote high standards of information governance, fostering a culture of openness and transparency within the Council and demonstrating our commitment to best practice information governance, security, and protection.

7.2. How is risk being managed?

The reporting and monitoring on the Council's performance to information laws and outcomes of ICO complaints will help protect information and reduce the risk of the ICO upholding complaints and taking enforcement action against the Council.

7.3. What is the impact on the organisation?

Operating best practice Information Governance and Security will support public confidence in the Council, offering assurance to service users of the council's commitment to Data Protection and Transparency. Partner and client organisations will have the assurance they required in order to engage with the Council and share data. The risks of serious breaches of personal Data/Information Assets should be reduced, protecting information and reducing the likelihood of action by the ICO.

7.4. Equalities / EIA?

The Council's responsibilities under Section 149 of the Equality Act 2010 are supported by UK GDPR/DPA 2018, requiring that Special Category Data is afforded extra measures of security to protect that data. .

7.5. Implications for (or impact on) climate change and the environment?

None

7.6. Implications for partner organisations?

As set out in paragraph 7.3 above.

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Director: Julie Newman	Director of Law and Governance	-	13/01/25	16/01/25
Members: Cllr G Duggins	Leader and Cabinet Member for Policy and Leadership	-	13/01/25	16/01/25

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Coventry City Council

Public report

Report to

Audit and Procurement Committee

29th January 2025

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:

Half Yearly Fraud and Error Report 2024-25

Is this a key decision?

No

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 during the first half of the financial year 2024-25.

Recommendation:

The Audit and Procurement Committee is recommended to note and consider the anti- fraud and error activity undertaken during the first half of the financial year 2024-25.

List of Appendices included:

None

Background papers:

None

Other useful documents:

None

Has it or will it be considered by scrutiny?

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

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

No

Will this report go to Council?

No

Report title:

Half Yearly Fraud and Error Report 2024-25

1. Context (or background)

- 1.1 Fraud in the public sector has a national focus through the publication of "Fighting Fraud and Corruption Locally – The Local Government Counter Fraud and Corruption Strategy". Whilst the national strategy states that the level of fraud in the public sector is significant, the current trends in fraud activity includes areas which Coventry City Council does not have responsibility for, for example, social housing, and the levels of identified / reported fraud against the Council remain at relatively low levels, in terms of both numbers and value.
- 1.2 This report documents the Council's response to fraud and error during the first half of the financial year 2024-25 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 strategic response to the risk of fraud and error. The work of the team has focused on three main areas during 2024-25, namely:
- 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 2024-25 to date is detailed below.

- 2.2 National Fraud Initiative –The NFI exercise is led by the Cabinet Office. The exercise takes place every two years and matches electronic data within and between public bodies, with the aim of detecting fraud and error. Internal Audit work in 2024-25 has been mainly focused on collating and submitting the datasets for the next exercise. This was completed in early October 2024. The matches were released in January 2025 and form part of the planned programme of work for 2025/26. Matches relating to council tax single person discounts are released annually and now fall under the responsibility of the Revenues and Benefits Service.
- 2.3 Referrals and Investigations – From time to time, the Internal Audit Service receive referrals or are asked to assist with investigations relating to employee misconduct and other fraud against the Council involving external individuals. Table two overleaf indicates the number of referrals by source in 2024-25, along with figures for the previous three financial years.

Table Two - Fraud Reports Received between 2021-22 and 2024-25

Source	Reports 2021-22	Reports 2022-23	Reports 2023-24	Reports 2024-25 April to September
Whistle blower	1	1	4	0
Manager	20	10	18	8
External	2	2	1	1
Total	23	13	23	9

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.

2.3.1 Of the nine referrals received, four have led to a full investigation. The reasons for referrals not resulting in a full investigation include (a) 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 four investigations highlighted above, three further investigations were carried forward from 2023-24. Six investigations related to fraud / theft or other activities linked to obtaining a financial benefit and one related to a Code of Conduct matter. Three out of the seven investigations are still on-going, whilst of the remaining four:

- In one case involving a direct payment, administration of the payments was moved to a managed account and action has been taken to recover monies.
- In one case involving the provision of false information to support a claim for homelessness assistance, the Council ended its duty to provide temporary accommodation.
- In one case, a formal re-setting of standards took place.
- In one case, the concern was not substantiated.

2.4 Fraud Awareness – In 2024-25 to date, the Internal Audit Service have attended a number of 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 also delivered a fraud awareness session to colleagues from Human Resources as part of their away day.

2.5 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 2024 to September 2024, no significant frauds have been concluded.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision

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

5. Comments from the Director of Finance and 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 / error is identified, recovery action is taken to minimise the impact that such instances cause. This also includes action, where appropriate, to make improvements to the financial administration arrangements within the Council as a result of frauds identified.

5.2 Legal implications

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

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

6. Other implications

6.1 How will this contribute to achievement of the 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 / error can have a detrimental financial impact on the Council.

6.2 How is risk being managed?

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

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

6.3 What is the impact on the organisation?

Human Resources Implications

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

6.4 Equalities / EIA

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

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

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

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

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

No impact

6.6 Implications for partner organisations?

None

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Councillor G Duggins	Cabinet Member for Policy and Leadership	-	9/01/2025	16/1/2025
Councillor R Lakha	Chair of Audit and Procurement Committee	-	9/01/2025	9/1/2025

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Coventry City Council

Public report

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

5 December 2024
9 January 2025
29 January 2025

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Chief Executive

Ward(s) affected:

All

Title:

Complaints to the Local Government and Social Care Ombudsman 2023/24

Is this a key decision?

No

Executive summary:

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

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

The LGSCO issues an annual letter to the Leader and Chief Executive of every Council, summarising the number and trends of complaints dealt with relating to that Council that year. The latest letter, issued 17 July 2024, covers complaints to the LGSCO relating to Coventry City Council between April 2023 and March 2024 (2023/24).

This report sets out the number, trends and outcomes of complaints to the LGSCO relating to Coventry City Council in 2023/24. It focuses on upheld complaints, service areas with a high number of complaints, compliance with Ombudsman's

recommendations, learning from complaints, comparisons with prior years, and how we compare to other local authorities.

Recommendations:

The Cabinet Member for Policy and Leadership is recommended to:

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

The Ethics Committee is recommended to:

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

The Audit and Procurement Committee is recommended to:

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

List of appendices included:

Appendix 1: Local Government and Social Care Ombudsman Annual Review Letter 2024
Appendix 2: Local Government and Social Care Ombudsman Investigation Decisions in 2023/24 for Coventry City Council

Background papers:

None

Other useful documents

Local Government and Social Care Ombudsman Annual Review of Local Government Complaints 2023-24

Has it been or will it be considered by Scrutiny?

No

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

Yes, Ethics Committee on 9 January 2025 and Audit and Procurement Committee on 3 February, 2025

Will this report go to Council?

No

Report title:
Complaints to the Local Government and Social Care Ombudsman 2023/24

1 Context (or background)

- 1.1 The Local Government and Social Care Ombudsman (LGSCO) is the final stage for complaints about Councils, all adult social care providers (including care homes and home care agencies) and some other organisations providing local public services. It is a free service that investigates complaints in a fair and independent way and provides a means of redress to individuals for injustice caused by unfair treatment or service failure.
- 1.2 Coventry City Council's Complaints Policy, published on the Council's website at www.coventry.gov.uk/complaints/, sets out how individual members of the public can complain to the Council, as well as how the Council will handle their compliments, comments and complaints. The Council also informs individuals of their rights to contact the LGSCO if they are not happy with the Council's decision once they have exhausted the Council's complaints process.
- 1.3 The LGSCO issues an annual letter to the Leader and Chief Executive of every Council, summarising the number and trends of complaints dealt with relating to that Council that year. The latest letter, issued 17 July 2024, covers complaints to the LGSCO relating to Coventry City Council between April 2023 and March 2024 (2023/24). The letter can be found in Appendix I.
- 1.4 This report sets out the number, trends and outcomes of complaints to the LGSCO relating to Coventry City Council in 2023/24. This report focuses on upheld complaints, service areas with a high number of complaints, learning from complaints, comparisons with prior years, and how we compare to other local authorities.
- 1.5 The Council has a robust and transparent policy for handling complaints. In addition to this annual report, the Council also produces formal reports on complaints about adult social care and children's social care, to Cabinet Member Adult Services and Cabinet Member Children and Young People respectively.

2 Options considered and recommended proposal

- 2.1 Across all Councils, the LGSCO received 17,937 complaints and enquiries in 2023/24, up from 15,488 the previous year. The areas receiving the greatest number of detailed investigations were Children's Services (4,666), Housing (2,953), and Adult Services (2,499).
- 2.2 For Coventry City Council, the LGSCO received 80 complaints and enquiries in 2023/24, which is 7 complaints more than the previous year (73).

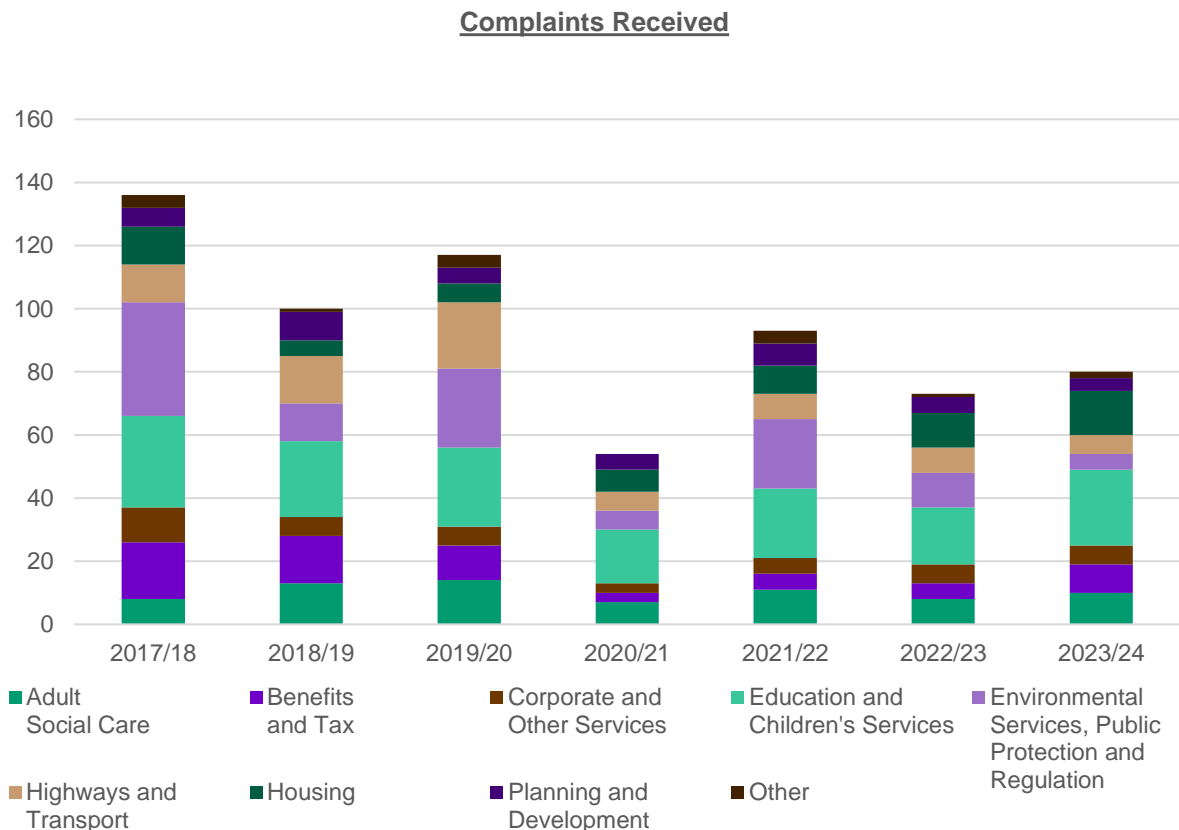
2.3 Figure 1.

Figure 1: Complaints and enquiries received by category

Category (as defined by LGSCO)	Complaints in 2022/23	Complaints in 2023/24
Adult care services	8	10
Benefits and tax	5	9
Corporate & other services	6	6
Education & children’s services	18	24
Environmental Services & Public Protection & Regulation	11	5
Highways & transport	8	6
Housing	11	14
Planning & development	5	4
Other	1	2
Total	73	80

2.4 Figure 2 sets out how the number of complaints and enquiries received by the LGSCO in last 7 years.

Figure 2: Complaints and enquiries received in last 7 years



- 2.5 In 2023/24 there was a slight increase (up 9%) in complaints and enquiries received – **80** (2023/24) compared to **73** (2022/23). The category with the highest number of complaints and enquiries remained Education and Children’s Services with 24 (up 33% from 18 in 2022/23). However, there was a significant decrease (55%) from 11 to 5 complaints regarding Environmental Services in 2023/24. This was almost equivalent to a 50% decrease reported in 2022/23.
- 2.6 It is not possible to comment on the Council’s overall performance based solely upon the number of complaints or enquiries to the LGSCO. Interpretation is challenging in relation to number, as a high number of complaints may indicate that a council has been effective at signposting people to the LGSCO through their complaints handling process. Equally it could be argued that a high number of complaints may highlight that a Council needs to do more to resolve issues through its own complaints process and so save customers from needing to escalate their complaints to the LGSCO
- 2.7 When dealing with an enquiry, the LGSCO can choose to investigate cases where it sees merit in doing so. Following an investigation, the LGSCO can decide if a complaint is: **upheld** – where a Council has been at fault and this fault may or may not have caused an injustice to the complainant; or where a Council has accepted it needs to remedy the complaint before the LGSCO makes a finding on fault; or **not upheld** – where, following investigation, the LGSCO decides that a Council has not acted with fault.
- 2.8 In 2023/24 the LGSCO made **69** decisions relating to Coventry City Council, down from **81** the previous year:
- **2 x** incomplete/invalid.
 - **4 x** advice given.
 - **21 x** ‘referred back’ for local resolution.
 - **34 x** closed after initial enquiries; and
 - **8 x** complaints investigated, of which **3** were upheld and **5** were not upheld.
- 2.9 The number of complaints investigated (**8** complaints in 2023/24) decreased compared to previous years (**20** in 2022/23, and **14** in 2021/22).
- The LGSCO upheld a lower proportion of complaints they investigated than in previous years: 38% of complaints were upheld (3 out of 8) in 2023/24, compared to 85% (17 out of 20) in 2022/23, 71% (10 out of 14) in 2021/22, and 77% (10 out of 13) in 2021/20.
 - This compares to the Chartered Institute of Public Finance and Accountancy (CIPFA) statistical neighbours’ upheld rate of 79%, West Midlands Combined Authority (WMCA) upheld rate of 77% and a national upheld rate of 80% for 2023/24.
 - The tables below, set out how Coventry compares to its CIPFA statistical neighbours (Figure 3) and with the West Midlands Combined Authority (WMCA) constituent authorities (Figure 4).

Figure 3: Complaints investigated: Comparison with CIPFA nearest neighbours 2023/24

Overall, 79% of complaints were upheld among Coventry and its 15 statistical neighbours. The authority with the highest percentage of complaints upheld in 2023/24 was Salford (100%) and lowest was Coventry (38%). Bolton had the second highest upheld rate (90%).

Local Authority	Not Upheld	Upheld	% Upheld	Total
Salford	0	11	100%	11
Bolton	1	9	90%	10
Leicester	3	18	86%	21
Wolverhampton	1	6	86%	7
Oldham	2	12	86%	14
Blackburn and Darwin	1	5	83%	6
Bristol	7	35	83%	42
Rochdale	1	5	83%	6
Sheffield	4	20	83%	24
Medway	4	16	80%	20
Sandwell	4	14	78%	18
Derby	4	14	78%	18
Bradford	9	20	69%	29
Kirklees	8	13	62%	21
Coventry	5	3	38%	8

Figure 4: Complaints investigated: Comparison with WMCA constituent authorities 2023/24

Of 211 complaints investigated across the seven constituent areas of the WMCA, 174 (77%) were upheld and 37 were not upheld. The authority with the highest percentage of complaints upheld in 2023/24 was Solihull (100%), albeit from just 5 cases, while the lowest was Coventry (38%). Walsall was the second highest on (95%).

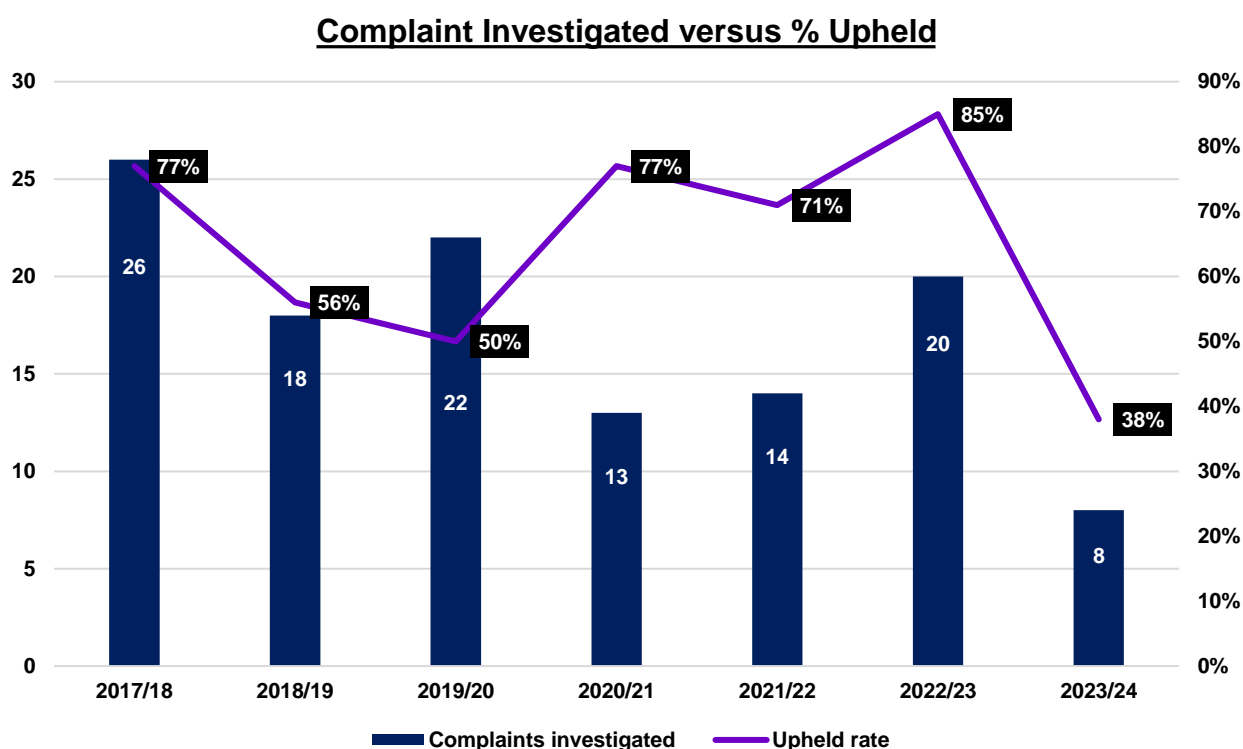
However, the Ombudsman has made us aware that they are being more selective about the complaints they look at in detail, prioritising where it is in the public interest to investigate. This has meant that changes in uphold rates this year are not solely down to the nature of the cases going to the ombudsman. As the Ombudsman is less likely to carry out investigations on ‘borderline’ issues, they are naturally finding a higher proportion of fault overall.

Local Authority	Not Upheld	Upheld	% Upheld	Total
Solihull	0	5	100%	5
Walsall	1	18	95%	19
Birmingham	17	115	87%	132
Wolverhampton	1	6	86%	7

Sandwell	4	14	78%	18
Dudley	9	13	59%	22
Coventry	5	3	38%	8

Figure 5: Complaints investigated, and percentage upheld over the last 7 years

Figure 5 sets out how the number of complaints investigated, and the percentage of complaints upheld by the LGSCO for the last 7 years.



2.10 Of the 3 upheld complaints for Coventry, 2 complaints had remedies determined by the LGSCO and 1 the LGSCO found that Coventry had provided a satisfactory remedy before the complaint reached them (33%). This compares to an average of 14% in similar authorities. There was 1 complaint that resulted in some form of financial redress or reimbursement (£750)

2.11 Following an investigation, the LGSCO will typically issue a statement setting out its findings and decision. If the LGSCO decides there was fault or maladministration causing an injustice to the complainant, it will typically recommend that a Council take some action to address it. Wherever possible the LGSCO will publish decision statements on its website, except where the content of the report could identify the individual complainant. In some cases, where the LGSCO upholds a complaint, the LGSCO may choose to issue a formal report of maladministration

2.12 In 2023/24, the Ombudsman reported that the Council agreed to, and carried out, the recommendations made in five cases during the year. However, it was disappointing that in two of those cases the Council did not complete the recommendations within the agreed timescales. In one case, new Community

Trigger guidance was produced two months after the agreed deadline. For further details see Appendix 2.

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

Figure 6: Complaints investigated by service area in 2022/23 compared to 2023/24

Service area	2022/23				2023/24			
	Upheld	Not upheld	% upheld	Response time (days)	Upheld	Not upheld	% upheld	Response time (days)
Adult social care	4	1		18	2			22
Bereavement Services	1			0				
Children's services	1			18		2		33
Corporate & Other Services						1		9
Highways		1		23	1			5
Household waste assisted collections	3			12				
Household waste collections	2			9				
Housing services	3			16		1		7
Planning	2	1		10		1		2
Regulatory Services	1			10				
Total	17	3	83%	13	3	5	38%	13

2.14 This year saw a decrease in the number of detailed investigations completed: 8 in 2023/24 compared to 20 in 2022/23. These related to Adult Social Care, Children's Services, Corporate & Other Services, Highways, Housing Services, and Planning.

2.15 The LGSCO typically expects Councils to respond to investigation enquiries within 20 working days. In 2023/24 we averaged 13 working days.

2.16 Satisfactory remedy decisions are complaints where the Ombudsman has decided, while the authority did get things wrong, the authority had offered a satisfactory way to resolve it before the complaint was referred to the Ombudsman. In 2023/24 the LGSCO found 33% (1 of 3) of upheld cases Coventry had provided a satisfactory remedy before the complaint reached the Ombudsman. This compares to 12% (2 of 17) in 2022/23, 10% (1 of 10) in 2021/22 and 10% (1 of 10) in 2020/21.

2.17 In Figure 6, 38% of complaints investigated were upheld in 2023/24. This compares to an average of 80% in similar authorities. Adjusted for Coventry City Council's population, this is **0.8 upheld decisions per 100,000 residents**. The average for authorities of this type is 4.4 upheld decisions per 100,000 residents. (The figures used are based on latest census data).

Figure 7: Number of Upheld Complaints per 100,000 residents.

Local Authority/ Authority Type	Number of Upheld Complaint per 100,000 Population	
	Upheld Complaints	Upheld Complaints per 100,000 Population
County Councils	911	4.5
District & Borough Councils	256	1.2
London Borough Councils	724	8.2
Metropolitan Councils	532	4.4
Unitary Authorities	764	4.6
Across the UK	3,215	5.6
Coventry	3	0.8

Figure 8: Satisfactory remedy provided before the complaint reached the Ombudsman comparison with other WMCA constituent authorities

Of 174 complaints upheld in WMCA area the Ombudsman considered that in only 14 cases the authority had provided a satisfactory remedy before the complaint reached them (8%).

Local Authority	Upheld cases where the authority had provided a satisfactory remedy before the complaint reached the Ombudsman		Total Number of complaints upheld
	%	Number	
Coventry	33%	1	3
Dudley	15%	2	13
Birmingham	8%	9	115
Sandwell	7%	1	14
Walsall	6%	1	18
Solihull	0%	0	5
Wolverhampton	0%	0	6

2.18 The LGSCO Annual Review Letter recognises compliance with Ombudsman's recommendations, which is included on the [interactive data map of council performance](#) which shows performance data for all councils in England. In 2023/24 the Ombudsman was satisfied we successfully implemented all their recommendations 100%. This was based on 5 compliance outcomes - 2 Adult Care Services 1 Environmental Service, 1 Housing Service and 1 Highway Services (although 2 of these enquiries related to the 2022/23 financial year).

Figure 9: Compliance with Ombudsman recommendations

Local Authority	Complaints where compliance with the recommended remedy recorded	
	Number	% Where remedy successfully implemented
Birmingham	115	99%
Walsall	18	99%
Sandwell	14	99%
Dudley	13	99%
Wolverhampton	6	99%
Solihull	5	99%
Coventry	3	100%

2.19 Following their investigations, the LGSCO recommended some changes be made to the Council’s processes and procedures. A summary of the recommendations is set out in the Learning from complaints table (Figure 9). Further details about the outcomes of each of the complaints investigated this year and the actions taken are set out in Appendix 2.

2.20 Figure 10: Learning from complaints

Service Area	Summary of actions agreed
Adult Social Care	<ul style="list-style-type: none"> • Develop practice guidance around the whole family approach. • Deliver training to staff in the contact team about recognising when parents need support. • Provide evidence of work underway to address working practices relating to communication. • Review record keeping procedures and language used in communications to ensure clear explanations are provided in plain English about different discharge decisions. • Review the way safeguarding investigations are conducted to identify why errors occur and lessons learnt. • Provide copy of the Home’s guidance or policy document regarding the reporting of accidents or injuries sustained by service-users.
Housing	<ul style="list-style-type: none"> • Remind relevant staff of the proactive duty to make reasonable adjustments under the Equality Act and ensure this is communicated to applicants. • Draw up procedures or guidance for considering homelessness applications where children might reasonably be expected to reside with the applicant when domestic abuse is a factor.
Environmental Services & Public Protection & Regulation	<ul style="list-style-type: none"> • Agree to review policies and procedures for assisted refuse collections to ensure refuse workers are properly alerted to new assisted collections;

	<p>and arrangements remain clear to refuse workers throughout the duration of the assisted collection.</p> <ul style="list-style-type: none"> • Agree to review policies and procedures for missed refuse collection reports to ensure reports are properly recorded, responded to, and monitored for repeated issues. • Agree to review policies and procedures for complaints about refuse and recycling to ensure complainants receive considered responses and are told how to escalate their complaint, both within the Council's complaints procedure and to the Ombudsman. • Remind staff to adhere to the complaints policy, specifically providing a response or update to the complainant within the specified timeframe. • Ensure that reports of missed collections are escalated to the Waste Team.
Highways & Transport	<ul style="list-style-type: none"> • Ensure contacts received from members of the public about road contractors failing to comply with conditions are responded to promptly and where this is not possible, or the level of contact becomes too much and a drain on resources, the Council will set out reasonable and realistic levels of contact for that individual on that topic.

3 Results of consultation undertaken

3.1 None identified or undertaken.

4 Timetable for implementing this decision.

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

4.2 The Council's guidance and process for dealing with LGSCO complaints is set out in Complaint Handling Guidance http://www.coventry.gov.uk/downloads/download/4587/complaints_handling_guidance . Following the 2017 annual letter, this guidance was updated to ensure that investigations, particularly upheld complaints, are properly communicated to elected members. As a result:

- complaints to the LGSCO continue to be formally reported to the Cabinet Member for Policy and Leadership and the Audit and Procurement Committee every year (this report). In addition, this report is also considered by the Ethics Committee.
- complaints about Adult Social Care and Children's Social Care, including cases investigated by the LGSCO, continue to be reported through an annual report to the Cabinet Member Adult Services and Cabinet Member Children and Young People respectively.
- where an investigation has wider implications for Council policy or exposes a more significant finding of maladministration, the Monitoring Officer will consider

whether the implications of that investigation should be individually reported to relevant members; and

- should the Council decide not to comply with the LGSCO's final recommendation following an upheld investigation with a finding of maladministration or should the LGSCO issue a formal report (instead of a statement), the Monitoring Officer will report this to members under section 5(2) of the Local Government and Housing Act 1989.

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

5.1 Financial implications

There are no direct financial implications associated with this report. Financial remedies resulting from any complaints are typically paid out of service budgets. In 2023/24 there was 1 complaint which resulted in some form of financial remedy or reimbursement, totalling £750. This is detailed in Appendix 2 and was paid out of the budget of the relevant service areas.

5.2 Legal implications

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

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

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

6 Other implications

6.1 How will this contribute to the One Coventry Plan?

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

The One Coventry Plan sets out the Council's vision and priorities for the city. The vision: One Coventry – Working together to improve our city and the lives of those who live, work and study here. Effective management and resolution of complaints, as well as learning from complaints, will help ensure that Council services meet the

needs of residents and communities and helps build a foundation of trust in order for the Council to have new conversations with residents, communities and partners to enable people to do more for themselves as active and empowered citizens.

6.2 How is risk being managed?

It is important that the Council takes action and learns from the outcome of complaints. Appendix 2 to the report sets out the actions the Council has taken; for example, providing training, instruction and guidance to staff and improving communications between services to help to reduce the likelihood of the same fault happening again.

6.3 What is the impact on the organisation?

The co-ordination and management of complaints to the LGSCO often involves considerable officer time at all levels of seniority. It includes collecting a significant amount of data, preparing and writing formal responses, and chasing to meet timescales set out. It may also require liaison with and external input from partner organisations and commissioned services.

It is therefore preferable (and beneficial) for complaints to be resolved informally at first point of contact wherever possible, or resolved through the Council's internal complaints procedures, adult social care complaints procedures, or children's social care complaints procedures, as appropriate. This would improve satisfaction for residents and communities, as well as save Council time and resources. The Council also publishes guidance on complaints handling. See link for reference http://www.coventry.gov.uk/downloads/download/4587/complaints_handling_guidance

6.4 Equalities/EIA

We welcome all feedback and encourage members of the public to let us know if they have anything to say about Council services, whether that be for us to take action to put things right if something has gone wrong, or to let us know when we are doing something well.

The Council is committed to making it easy for everyone to submit compliments, comments or complaints to us, and we offer several different pathways to do so. As well as our [Compliments, Comments and Complaints](#) web page and our online [Speak Up](#) form, we also offer contact by telephone, email, social media, letter or via face-to-face contact. We also advise people that they can ask somebody else to act on their behalf, for instance, a friend or relative or Citizens Advice.

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

6.5 **Implications for (or impact on) climate change and the environment**
None.

6.6 **Implications for partner organisations?**

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

Additional Information

In February, following a period of consultation, the LGSCO launched the **Complaint Handling Code** for councils, setting out a clear process for responding to complaints effectively and fairly. The purpose of the Code is to enable organisations to resolve complaints raised by individuals promptly, and to use the data and learning from complaints to drive service improvements. It will also help to create a positive complaint handling culture amongst staff and individuals.

The LGSCO issued the Code as “advice and guidance” for all local councils in England under section 23(12A) of the Local Government Act 1974. This means that councils should consider the Code when developing complaint handling policies and procedures and when responding to complaints. If a Council decides not to follow the Code, the LGSCO expects it to have a good reason for this.

The Code only applies to complaints where there is no statutory process in place. This means that some complaints about children’s services, adult social care and public health are not covered by the expectations set out in the Code. The Code does not apply to complaints about the behaviour of locally elected officials.

Report author:**Name and job title:**

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Enquiries should be directed to the above person.

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Andy Williams	Director of Regeneration and Economy	-	14/10/2024	04/11/2024
Colin Knight	Director of Innovation	-	14/10/2024	04/11/2024
Mandeep Chouhan	Resident Experience Lead, Customer Services	Customer Services	31/10/2024	01/11/2024
Jaspal Mann	Strategic Lead, (EDI)	Public Health and Wellbeing	14/10/2024	22/10/2024
Sukriti Sen	Director of Childrens Services and Education	-	14/10/2024	31/10/2024
Alison Duggal	Director of Public Health and Wellbeing	-	14/10/2024	31/10/2024
Sally Caren	Head of Adult Care and Support Services and Housing	Adult Services and Housing	14/10/2024	04/11/2024
Richard Moon	Director of Property Services and Development	-	14/10/2024	31/10/2024
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Names of approvers for submission: (officers and members)				
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Julie Newman	Director of Law and Governance	Law and Governance	04/11/2024	04/11/2024
Julie Nugent	Chief Executive		04/11/2024	12/11/2024
Councillor G Duggins	Cabinet Member for Policy and Leadership		12/11/2024	14/11/2024

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

17 July 2024

By email

Dr Nugent
Chief Executive
Coventry City Council

Dear Dr Nugent

Annual Review letter 2023-24

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2024. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to ensure effective ownership and oversight of complaint outcomes, which offer valuable opportunities to learn and improve. In addition, this year, we have encouraged Monitoring Officers to register to receive the letter directly, supporting their role to report the decisions we uphold to their council.

For most of the reporting year, Paul Najsarek steered the organisation during his tenure as interim Ombudsman, and I was delighted to take up the role of Ombudsman in February 2024. I look forward to working with you and colleagues across the local government sector to ensure we continue to harness the value of individual complaints and drive and promote systemic change and improvement across the local government landscape.

While I know this ambition will align with your own, I am aware of the difficult financial circumstances and service demands that make continuous improvement a challenging focus for the sector. However, we will continue to hold organisations to account through our investigations and recommend proportionate actions to remedy injustice. Despite the challenges, I have great confidence that you recognise the valuable contribution and insight complaints, and their swift resolution, offer to improve services for the public.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic. This year, we also provide the number of upheld complaints per 100,000 population.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and give credit to organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 24 July 2024. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Your organisation's performance

I welcome that your Council agreed to, and carried out, the recommendations we made in five cases during the year. However, it is disappointing that in two of those cases your Council did not complete our recommendations within the agreed timescales. In one case, new Community Trigger guidance was produced two months after the agreed deadline, and, in another case, there was delay in sharing a decision with staff.

While I acknowledge the pressures councils are under, delays only add to complainants' frustration and, where service improvements remain outstanding, the risk of others being affected by the same fault remains. We share recommendations at the draft decision stage of our process and often propose a time period within which we expect any actions to be completed. It is important your Council engages fully with that process and is realistic in either confirming or seeking to negotiate the timeframe required to complete the actions.

I invite the Council to consider how it might make improvements to reduce delays in the remedy process.

Supporting complaint and service improvement

In February, following a period of consultation, we launched the [Complaint Handling Code](#) for councils, setting out a clear process for responding to complaints effectively and fairly. It is aligned with the Code issued to housing authorities and landlords by the Housing Ombudsman Service and we encourage you to adopt the Code without undue delay. Twenty councils have volunteered to take part in an implementation pilot over the next two years that will develop further guidance and best practice.

The Code is issued to councils under our powers to provide guidance about good administrative practice. We expect councils to carefully consider the Code when developing policies and procedures and will begin considering it as part of our processes from April 2026 at the earliest.

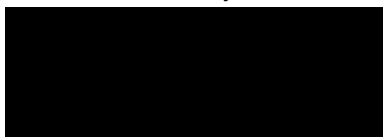
The Code is considered good practice for all organisations we investigate (except where there are statutory complaint handling processes in place), and we may decide to issue it as guidance to other organisations in future.

Our successful complaint handling training programme continues to develop with new modules in Adult Social Care and Children's Services complaint handling available soon. All our courses include practical interactive workshops that help participants develop their complaint handling skills. We delivered 126 online workshops during the year, reaching more than 1,700 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

We were pleased to deliver an online complaint handling course to your staff during the year. I welcome your Council's investment in good complaint handling training and trust the course was useful to you.

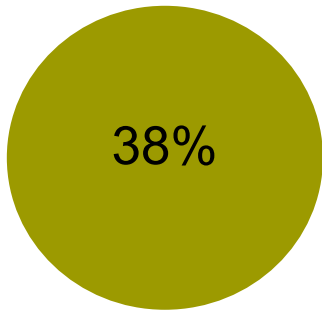
Returning to the theme of continuous improvement, we recognise the importance of reflecting on our own performance. With that in mind I encourage you to share your view of our organisation via this survey: <https://www.smartsurvey.co.uk/s/ombudsman/>. Your responses will help us to assess our impact and improve our offer to you. We want to gather a range of views and welcome multiple responses from organisations, so please do share the link with relevant colleagues.

Yours sincerely,



Amerdeep Somal
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld



38% of complaints we investigated were upheld.

This compares to an average of **80%** in similar organisations.

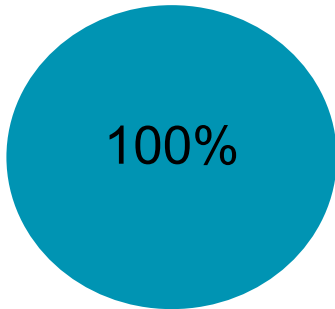
3
upheld decisions

This is 0.8 upheld decisions per 100,000 residents.

The average for authorities of this type is 4.4 upheld decisions per 100,000 residents.

Statistics are based on a total of **8** investigations for the period between 1 April 2023 to 31 March 2024

Compliance with Ombudsman recommendations



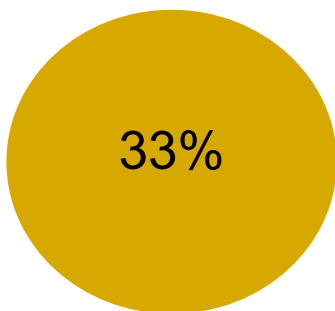
In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

This compares to an average of **99%** in similar organisations.

Statistics are based on a total of **5** compliance outcomes for the period between 1 April 2023 to 31 March 2024

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

Satisfactory remedy provided by the organisation



In **33%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **14%** in similar organisations.

1
satisfactory remedy decision

Statistics are based on a total of **3** upheld decisions for the period between 1 April 2023 to 31 March 2024

Appendix 2 Decisions in 2023/24 (detailed investigations carried out)

Service Area	Decisions Upheld (3)	Monetary Settlement
1 - Complaint Report issued: Upheld: Fault & Injustice.		
Adult Social Care 1 complaint Upheld	<p>Ms B is represented by a law centre advocate. Ms B complains that the Council:</p> <ul style="list-style-type: none"> • Failed to arrange her care September 2021 to February 2022, when an informal carer was hospitalised. • Did not ensure that the care provided met her needs and did not investigate her complaints about poor care including that the carer took a video call while she was undressed. • Took too long to complete a needs assessment, and its assessment was inaccurate. • Did not properly complete a financial assessment as it did not include all of Ms B's disability related expenditure (DRE). • Failed to make reasonable adjustments for Ms B's disability when it made its financial assessment; and • Wrongly invoiced Ms B for over £1,000. <p>Ms B says that the Council's shortcomings left her distressed, and her care needs unmet. She had to rely on family and friends for care, who tried their best to help her but could not always commit to this.</p> <p>...The Council struggled to find a provider for Ms B's care, that it was proactive in trying to arrange care, and referred the problem to its commissioning manager. However, the Council's delay in arranging care was a service failure.</p> <p>When we have evidence of fault causing injustice, we will seek a remedy for that injustice which aims to put the complainant back in the position they would have been in if nothing had gone wrong.</p> <p>To remedy the injustice identified in this report, the Council has agreed to:</p> <ul style="list-style-type: none"> • Apologise to Ms B for the faults identified. • Make a symbolic payment to Ms B of £500 in respect of the loss of service when it delayed in arranging her care and assessing her needs. • Make a symbolic payment to Ms B of £250 in respect of the distress, frustration and uncertainty she has suffered. • Offer Ms B a fresh care needs assessment and if she accepts, a fresh financial assessment. • Waive collection of the outstanding invoice in recognition that there is a genuine dispute over the end date of the care, and that in any case Ms B was invoiced far in excess of the care she received, and the Council took too long to put this right. 	<p>£750</p>

Service Area	Decisions Upheld (3)	Monetary Settlement
1 - Complaint Report issued: Upheld: Fault & Injustice.		
	<ul style="list-style-type: none"> • Confirm to Ms B in writing that it has waived the outstanding amount and that it will not make any further demands for payment. • Review why it took so long to adjust the account when care ended and make improvements to how it handles this; and • Share this decision with relevant staff, including those that are the telephone contact with the public. <p>The remedy actions for this case were sent to the Ombudsman in June. The remedies were completed and satisfied on 23 June 2023. The Ombudsman were satisfied with the Council's response in accordance with section 31(2) of the Local Government Act 1974.</p>	
2 - Complaint Report issued: Upheld: No Further Action, Organisation already remedied.		
<p>Adult Social Care</p> <p>1 complaint upheld</p>	<p>The Council has abused Mr B and his mother, Mrs C, who lives in a Council run extra care and housing accommodation. Mr B says the Council ignores their concerns and does not care. The family are constantly worried and have tried all avenues to try and improve Mrs C's care support. Mr B wants a public apology and substantial compensation.</p> <p>The evidence supports the Council has not ignored concerns and has thoroughly investigated and responded. There is no evidence to support abuse of Mrs C, or her family. Any concerns of abuse or neglect should be reported to safeguarding. While the family worry the Council is both the safeguarding authority and service provider, there is nothing to support the Council has not properly undertaken its safeguarding duties.</p> <p>Final Decision We will not investigate Mr B's complaint because we are satisfied the Council has thoroughly investigated and responded. The Council has accepted any failures in service, apologised, and taken action to improve service and communication.</p>	

Service Area	Decisions Upheld (3)	Monetary Settlement
1 - Complaint Report issued: Upheld: Fault & Injustice.		
Highways & Transport 1 complaint upheld.	<p>Mr X complained the Council issued him a Penalty Charge Notice (PCN) when his car had broken down. He says he appealed this, but also paid the fine of £35 as he did not want to risk having to pay an increased fine of £70. He says the Council then did not respond to his further contact, and he has been left £35 out of pocket. He says the matter has caused stress and inconvenience. He wants the Council to refund him the £35 he paid and pay him a further financial remedy to recognise his stress and inconvenience.</p> <p>Agreed Action The Council agreed to issue a response to Mr X's challenge which gives him the right to make formal representations and, if necessary, appeal to an independent adjudicator. The Council has now issued this letter.</p> <p>Final Decision We will not investigate Mr X's complaint because the Council has now issued a response to his informal challenge. I am satisfied with the action it has taken, and it is reasonable for Mr X to make formal representations and, if necessary, appeal to the Traffic Penalty Tribunal.</p>	
Total		£750

Service Area	Decisions Not Upheld (5)
Housing 1 Complaint	<p>The complainant, who I refer to as Mr X, complained about the way the Council handled his case since presenting as homeless. Specifically, he complained:</p> <ul style="list-style-type: none"> a) that the Council placed him in unsuitable interim accommodation. b) that the Council unreasonably stopped funding his accommodation. c) that the Council failed to process his housing register application. d) about the Council's decision on his homelessness application; and, e) that the Council has discriminated against him on the grounds of religion and disability and breached his human rights.

Service Area	Decisions Not Upheld (5)
	<p>I find the Council properly considered Mr X's mental and physical wellbeing, his disability, and his religious beliefs. I find it considered everything it should have when deciding this was suitable for Mr X. I therefore do not find the Council at fault for the way it decided this interim accommodation was suitable for Mr X.</p>
<p>Planning & Development</p> <p>1 Complaint</p>	<p>The complainant (whom I shall refer to as Ms X) complains:</p> <ul style="list-style-type: none"> • the Council did not notify her of a planning application for a telephone mast. The Council says it put up a site notice, but neither she nor her neighbour saw it. • in its decision making, the Council ignored its own planning policy. This said it should not approve applications that have a harmful effect on the locality and residential amenity. <p>Ms X says she did not see the site notice the Council says it put up. But the Council has a copy of it on its website. So, on the balance of probabilities, it is likely the Council posted the notice.</p> <p>Without fault, the Ombudsman cannot criticise the merits of the Council's decision. The Ombudsman did not uphold the complaint.</p>
<p>Corporate & Other Services</p> <p>1 Complaint</p>	<p>The complainant, who I shall call Mr X, complains about the decision of the allotments association to ask him to vacate his allotment plot. Mr X says the effort he put into the plot has been lost and it has made him stressed. He would like the plot to returned to him to use.</p> <p>Mr X says the Committee did not adequately consider whether he could keep half the plot and that he has lost the expensive trees, grape vines and shrubs they planted there.</p> <p>From the information I have, the Committee considered all the information when it made the decision and followed the correct process. The points Mr X raises, are all to do with the merits, i.e. the rights and wrongs of the decision. His view is different to the Committee members on several points, but as the Committee members took this into account, I cannot say the decision-making process was flawed.</p> <p>The Ombudsman did not uphold the complaint and found no evidence of fault.</p>
<p>Education & Children's Services</p> <p>2 Complaints</p>	<ol style="list-style-type: none"> 1. Mr X complained the Council were wrong to decide that Elective Home Education (EHE) would not be suitable for his children's education. He said this decision was flawed, because of inaccurate information that he was not engaging with an ongoing child protection (CP) plan <p>Mr X also complained the Council refused to escalate his complaint to stage two of its corporate complaints' procedures without good reason.</p>

Service Area	Decisions Not Upheld (5)
	<p>On balance I find any fault there may have been here, did not cause Mr X an injustice. The available evidence suggests he would likely have raised his complaint to us in any case, and the Council told him in a reasonable time it had nothing further to add after the stage one response.</p> <p>The Ombudsman found no fault.</p> <p>2. Mr X complained the Council did not properly investigate his complaint about its care of his child when they were in foster care, which it considered through the statutory complaint procedure. Mr X said:</p> <ul style="list-style-type: none"> • the Council did not consider the reason or impact of multiple foster care moves on his child. • the Council's investigation and recommendations were inadequate; and • the Council has not communicated with him about the compensation it said it would discuss. <p>Mr X wanted the Council to provide compensation to him and his child for the distress they were caused.</p> <p>I intend to the end this investigation because Mr X has started legal action against the Council about the same matter he complained to the Ombudsman about. Mr X stated that he wanted the Council to provide financial compensation to Y and himself for the harm caused to them and has raised a claim with the court on the same matter. We cannot investigate a complaint if someone has started court action about the matter. (Local Government Act 1974, section 26(6)(c), as amended)</p>

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Public report Committee Report

Audit and Procurement Committee

29th January 2025

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

Report author:

Name and job title:

Michelle Salmon
Governance Services Officer

Service Area:

Law and Governance

Tel and email contact:

E-mail: michelle.salmon@coventry.gov.uk
Tel: 024 7697 2642

Enquiries should be directed to the above person.

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

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
	Nil					

* 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 that further information on the procurement of mobile phone contracts and the amount from the budget being spent on spot contracts, be circulated to them	Rob Amor	
2	Annual Compliance Report 2023 – Regulatory and Investigatory Powers Act (RIPA) 2000	Audit and Procurement Committee 25 th November 2024 Minute 37/24	Members requested that further information be provided in relation to the use of RIPA powers as a further method of surveillance in respect of flytipping	Remi Aremu	

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)
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
Internal Audit Plan 2024-25 – Half Year Progress Report
2023 Annual Compliance Report - Regulatory & Investigatory Powers Act (RIPA) 2000
2023/24 External Audit Plan and Related Audit Reports
External Audit Documentation Relating to the Council's 2020/21, 2021/22 and 2022/23
Statutory Accounts

3rd February 2025

External Auditor's Annual Report 2023/24 Statement of Accounts (Grant Thornton)
External Auditor's Annual Report 2023/24 Value for Money (Grant Thornton)
Quarter Two Revenue and Capital Monitoring Report 2024/2025 (to September 2024)
Information Governance Annual Report 2023
Half Year Fraud and Error Report 2024/2025
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)

2024 Annual Compliance Report - Regulatory & Investigatory Powers Act (RIPA) 2000

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