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Coventry City Council

Minutes of the Meeting of the Audit and Procurement Committee held at 3.00 pm on Monday, 18 December 2017

Present:

Members: Councillor S Bains (Chair)
Councillor R Brown
Councillor L Harvard
Councillor T Sawdon
Councillor R Singh
Councillor K Taylor

Employees (by Directorate):

People M Burn

Place P Jennings, D Johnston, M Salmon, K Tyler

Apologies: Councillor H Sweet

Public Business

53. Declarations of Interest

There were no disclosable pecuniary interests.

54. Minutes of Previous Meeting

The minutes of the meeting held on 13th November 2017 were agreed and signed as a true record.

55. Exclusion of Press and Public

RESOLVED to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 relating to the private report referred to in Minute 56 below headed 'Procurement and Commissioning Progress Report' on the grounds that the report involves the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial and business affairs of a particular person (including the authority holding that information) and that, in all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

56. Outstanding Issues

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place) that identified issues on which a further report / information had been requested or was outstanding so that Members were aware of them and could manage their progress.

Appendix 1 to the report provided details of an issue where a report back had been requested to a future meeting, along with the anticipated date for further consideration of the matter. Appendix 2 provided details of items where additional information had been requested outside of the formal meeting along with the date when this had been completed.

RESOLVED that the Audit and Procurement Committee notes the outstanding issues report.

57. Work Programme 2017/18

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place), which set out the Work Programme of scheduled issues for consideration by the Committee for the year 2017/2018.

RESOLVED that the Audit and Procurement Committee:

- 1) Notes the Work Programme for 2017/2018.**
- 2) Council Staff Mandatory Training Internal Audit 2018/2019 - Findings' to be added to the Work Programme for a Future Meeting of the Committee.**

58. 2017/18 Second Quarter Financial Monitoring Report (to September 2017)

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place), that had been considered at the meeting of Cabinet on 28th November 2017 (their minute 75/17 referred), that set out the forecast outturn position for revenue and capital expenditure and of the Council's treasury management activity as at the end of September 2017.

The headline revenue forecast for 2017/18 was an overspend of £3.1m. This had improved since the Quarter 1 position when it stood at £4.6m whilst at the same point in 2016/2017 there was a projected overspend of £7.1m. Notwithstanding the relative improvement since Quarter 1 and the equivalent position last year, the reasons for the overspend represented some concerning trends for the Council. At a time of continued tightening of local authority resources the current position still represented one that demanded a strong focus on addressing the underlying issues.

This position continued to reflect areas for which overspends had been reported previously but it also incorporated the emergence of new budgetary issues. The main areas of financial pressures resulted from a shortfall in delivering savings targets set in previous budgets in some areas and some local externally driven demand pressures, in particular, in relation to looked after children and an increase in homelessness. Where relevant, these pressures had been incorporated within the 2018/2019 Pre-Budget Report (Minute 77/17 of the Cabinet referred) although the expectation was that some of these pressures may increase substantially in 2018/2019 compared with the current year.

The Council's Capital spending was projected to be £119.9m for the year, a net decrease of £9.1m on the position reported at Quarter 1.

The Committee sought clarification of a number of issues from officers and discussed the report at length. They acknowledged that Childrens Services, homelessness and Adult Social Care were the main areas of expenditure and that this was a national issue. They further acknowledged that the movement in the Capital budget included a £3m Revenue Contribution to fund Capital Schemes. In respect of the Government Policy requirement for local authorities to support the Unaccompanied Asylum Seeking Children National Transfer Scheme, the Committee outlined their concerns relating to the costs associated with the Scheme following a change to the court process and requested that details of the grant funding provided and the costs to the City Council be circulated to Members.

RESOLVED that the Audit and Procurement Committee notes the 2017/2018 Second Quarter Financial Monitoring Report (to September 2017) and agreed that there are no comments to be passed onto Cabinet.

59. **Corporate Risk Register Update**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place) that set out, in accordance with the Council's Risk Management Strategy, the current Corporate Risk Register that provided the Audit and Procurement Committee with an overview of the Council's corporate risk profile and the controls in place to address these risks.

The report indicated that Local Government was currently operating within an environment of substantial budget cuts and major policy changes with significant impact on service delivery and organisational structures. The pace and scale of change required the Council to constantly assess its risk profile and implement suitable controls to manage those risks.

The Committee noted that the report covered only those risks that were viewed as the most critical for the Council and were considered at the corporate level. Risk management activity continued at other levels throughout the Council dealing with risks of a lower rating.

The Corporate Risks, listed in Appendix 1 to the report together with details of the control measures put in place to address them, fell into two separate categories:

- Operational/ Business as Usual – those risks that could affect the underlying and fundamental operations and structure of the Council
- Specific/Project – those risks that could affect specific projects or the major change initiatives to how we operate

The Committee further noted that there had been some changes to the Risk Register from previous reports as follows:

- Risks removed:
CR 008 – Ofsted Improvement Notice
CR 009 – Coventry fails to provide a high quality education for its children
CR 012 – Provision of SEN Transport

- Risks added:
CR 016 – Failure to comply with Health and Safety Legislation
CR 017 – City Centre South

The Committee:

- Noted that following the completion of the move to Friargate, Kickstart would be removed from the next update of the Risk Register
- Were informed that in respect of Sky Blue Sports and Leisure Ltd, a compensation request was anticipated, however it was unknown when or from whom this would be sought and therefore it was a significant risk to the Authority.
- Recognising the economic uplift that the City of Culture 2021 would bring to the City, indicated that they would expect the City Centre South Scheme and the City of Culture 2021 to be evaluated and considered to ensure they worked together, minimising disruption and maximising outcomes.
- Noted that the Authority worked hard to protect the organisation's data and from cyber-attacks. Any breach would result in a fine from the Information Commissioner's Office and reputational damage was not calculable.
- Expressed their concerns relating to the completion of staff mandatory training and requested that an Internal Audit Review be undertaken in 2018/2019, the results of which to be submitted to a future meeting of the Committee and added to the Work Programme.

RESOLVED that the Audit and Procurement Committee:

- 1) **Notes the current Corporate Risk Register, indicating that they have satisfied themselves that Corporate Risks are being identified and managed.**
- 2) **Agreed that there were no areas where they require additional information.**
- 3) **A Council Staff Mandatory Training Internal Audit to be undertaken in 2018/2019 with the findings of the Review reported to a future meeting of the Committee and added to the Work Programme.**

60. **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.

61. **Procurement and Commissioning Progress Report**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (People) that provided an update on the procurement and commissioning undertaken by the Council since the last report submitted to the meeting on 13th November 2017 (minute 51/17 referred). Details of the latest positions in relation to individual matters were set out in an Appendix to the report.

The Committee requested that a breakdown of the costs of Window Cleaning Services for Council Buildings be circulated to Members of the Committee.

RESOLVED that the Audit and Procurement Committee:

- 1) Notes the current position in relation to the Commissioning and Procurement Services.**
 - 2) Agrees that there are no recommendations to be made to either the Cabinet Member for Strategic Finance and Resources, Cabinet or Council on any of the matters reported.**
- 62. Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of private business.

(Meeting closed at 4.15 pm)

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