



Coventry City Council

Public report

Report to

Audit and Procurement Committee

18th June 2018

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director approving submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

City Wide

Title:

Annual Governance Statement 2017-2018

Is this a key decision?

No

Executive summary:

The purpose of this report is to seek approval for the Annual Governance Statement, which forms part of the Statement of Accounts for 2017-18.

Recommendations:

Audit and Procurement Committee is recommended to consider and approve the Annual Governance Statement (attached at Appendix One), which accompanies the 2017-18 Statement of Accounts.

List of Appendices included:

Appendix One – Annual Governance Statement 2017-18

Background papers:

None

Other useful documents:

Annual Governance Statement 2016-17

<http://internaldemocraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=11488&Ver=4>

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:

Annual Governance Statement 2017-18

1. Context (or background)

- 1.1 Coventry City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this responsibility, the City Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.2 To demonstrate such arrangements, the City Council has adopted a Code of Corporate Governance, which is consistent with the principles reflected in the CIPFA / SOLACE framework and guidance 'Delivering Good Governance in Local Government' (2016).
- 1.3 The Annual Governance Statement ('AGS') explains how Coventry City Council has complied with the Code and in doing so, reflects the requirements of the Accounts and Audit Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement. The AGS also details key governance / control issues identified through the assessment that the Council faces in the coming year.

2. Options considered and recommended proposal

- 2.1 The Annual Governance Statement is informed by a review of the Council's governance environment, which is based on a number of sources including:
 - An annual assessment of the adequacy of internal controls / governance arrangements by each Deputy Chief Executive.
 - The outputs from the Internal Audit Service, reflected in an annual report that identifies those issues, which in the opinion of the Acting Chief Internal Auditor, should be considered when producing the Annual Governance Statement.
 - Reports from external bodies during the year, including those from the Council's external auditors and other inspection agencies.
 - The Council's Corporate Risk Register.
 - An annual review against the principles and best practice set out in the Code of Corporate Governance.
- 2.2 Section 5 of the Annual Governance Statement, attached at Appendix One, highlights those areas that the Council considers require internal control / governance improvements. This assessment is co-ordinated by the Acting Chief Internal Auditor, but also incorporates the views and opinions of senior officers. The key disclosures come from the following processes:
 - A review of progress against disclosures highlighted in the Annual Governance Statement 2016-17.
 - New disclosures identified as part of the assessment process outlined in section 2.1.

The outcomes from these processes are expanded upon below.

2.3 **Update on disclosures made in the Annual Governance Statement 2016-17** - A review of the ten disclosures highlighted in the Annual Governance Statement 2016-17 has found that the disclosures fall into two categories, namely:

2.3.1 Closed from the 2016-17 Statement – One disclosure has been closed as it is no longer viewed as a significant governance / control issue facing the Council. Specifically, during 2016-17, the Council reviewed and updated its Code of Corporate Governance following the publication of new national guidance. An annual review process was introduced in 2017-18 to assess the Council's arrangements against the principles and best practice set out in the Code and national framework. This identified a number of actions which were reported to the Audit and Procurement Committee and Senior Management Board. These actions will be implemented during 2018-19. As the Code has been updated and the annual review cycle linked to this is now embedded, this is no longer viewed as a significant governance issue.

2.3.2 Carry forward to the 2017-18 Statement - A number of governance / control issues remain in the Annual Governance Statement. These are detailed in Appendix One, along with the actions the Council plans to take in 2018-19 in relation to these issues. In summary, the disclosures that have been carried forward to the 2017-18 Annual Governance Statement are as follows:

- Sustainable improvement in Children's Services.
- Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium Term Financial Strategy.
- The delivery of the Kickstart programme – the Council's plan for making savings, supporting city centre regeneration including business rates growth and rationalising its' office estate.
- Raising educational standards.
- Implementation of the Information Management Strategy. This issue also now incorporates the implementation of the General Data Protection Regulations.
- Long term sustainability of adult social care in the context of financial and demand issues.
- Delivery of the Workforce Strategy.
- Establishing a Counter Fraud Framework.
- Risk Management Strategy.

2.4 **New Disclosures** – Three new disclosures have been identified for the Annual Governance Statement 2017-18. These issues were identified as part of the review undertaken to support the production of the Annual Governance Statement and are detailed below:

- Governance Steering Board – As part of continuously improving our governance arrangements, in 2018-19 the Council will look to establish a governance steering board to support the ongoing review of the effectiveness of our governance arrangements.

- Delivery of the ICT Strategy – Ensuring that there are robust ICT arrangements in relation to infrastructure, cyber security plans and digital skills development. In 2018-19 this will include revising the ICT Strategy to reflect up to date arrangements for these key activities and the financial requirements linked to the delivery of this.
- Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation – The Homelessness Reduction Act 2017 came into force in April 2018. In 2018-19 the Council will review its Housing and Homelessness Strategy and establish a new Housing Prevention Service to work alongside the Housing Options Team. We are also securing more cost effective and better quality temporary accommodation to continue to meet the demands of this service.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision

4.1 There is no implementation timetable associated with this report.

5. Comments from the Director of Finance and Corporate Resources

5.1 Financial Implications

There are no specific financial implications associated with this report. Internal control / governance have clear and direct effects on finance within the Council. Since these vary widely, it is not useful to attempt to summarise them here, beyond noting that all systems and controls are designed to help improve value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

5.2 Legal implications

The City Council is required by the Accounts and Audit Regulations 2015 to approve, and subsequently publish, the Annual Governance Statement alongside the Statement of Accounts.

6. Other implications

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

The governance framework comprises the systems and processes (i.e the internal control environment), and culture and values, by which the authority is directed and controlled, and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

6.2 How is risk being managed?

The key risk that exists is that planned actions are not implemented. This risk is managed through the Council's governance framework which includes arrangements to provide oversight of planned actions through reporting to senior management and designated committees / boards. Defined processes also exist to gain assurance that agreed actions arising from the work of Internal Audit, External Audit or another external agency have been implemented on a timely basis.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

None

6.5 Implications for (or impact on) the environment

No impact

6.6 Implications for partner organisations?

None

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Place

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Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
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Barry Hastie	Director of Finance and Corporate Resources	Place	24/5/18	1/6/18
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This report is published on the council's website: www.coventry.gov.uk/meetings

Appendix One – Annual Governance Statement 2017-18

1. Scope of responsibility

- 1.1 Coventry City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Coventry City Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Coventry City Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 Coventry City Council has an approved Code of Corporate Governance, which is consistent with the principles reflected in the CIPFA / SOLACE framework and guidance *Delivering Good Governance in Local Government (2016)*. A copy of the Code is available on our website at:
http://www.coventry.gov.uk/downloads/file/3639/code_of_corporate_governance_2017
or can be obtained from Democratic Services.
- 1.4 The Annual Governance Statement explains how Coventry City Council has complied with the Code and also meets the requirements of Regulation 6(1) (b) of The Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an Annual Governance Statement.

2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Coventry City Council policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Coventry City Council for the year ended 31st March 2018 and up to the date of approval of the Statement of Accounts.

3. The governance framework

The key principles, approach and review processes that comprise the authority's governance arrangements are set out in the City Council's Code of Corporate Governance. Key elements include the following:

- 3.1 There is a governance / internal control environment that supports the Council in establishing, implementing and monitoring its policies and objectives. The Council's overarching objectives are contained in published policy documents including the Council Plan. These high level plans are supported by a range of thematic policies, strategies and delivery plans, service plans, and detailed work programmes.
- 3.2 Coventry's Council Plan was adopted in January 2014 and last updated in August 2016. The plan, called "*Coventry: A Top Ten City*", sets out the Council's long term vision and priorities for the city for the next ten years. To deliver the vision and priorities, the Council Plan affirms the Council's commitment to do this by maximising the use of its assets and reducing its operating costs, and through active communities and empowered citizens. The Council Plan is part of the Council's performance management framework designed to help the Council deliver its services and use its resources effectively in a planned and systematic way. A copy of the plan is available on our website at: http://www.coventry.gov.uk/info/10/performance/2089/council_plan
- 3.3 Throughout this process, clear channels of communication exist with all sections of the community and other stakeholders, to ensure the Council considers local needs and communicates both expected and actual outcomes for citizens and service users. This is evidenced through the Council's formal decision-making and performance management processes.
- 3.4 In October 2015, Coventry City Council agreed to join the proposed West Midlands Combined Authority, which is a model of governance for local authorities to act together to drive economic prosperity for the area. A Combined Authority is a statutory body in its own right supported by a devolution agreement with the Government and a constitution which sets out the terms of their funding and powers.
- 3.5 In December 2017, it was announced that Coventry had been named the UK City of Culture for 2021. The aim of this programme is to encourage the use of culture and creativity as a catalyst for change, to promote the development of new partnerships and to encourage ambition, innovation and inspiration in cultural and creative activity. This activity will make significant contributions to the delivery of the Council Plan and corporate priorities. Coventry City of Culture Trust has been set up to organise and deliver this activity and has been formally incorporated and received charitable status. Financial responsibility for the Trust's activities lie with the Chair and Trustees, with an independent Audit Committee providing scrutiny and oversight. As a guarantor on the financial obligations of the Trust, Coventry City Council is a principal partner in supporting the work of the Trust and ensuring that there is good governance around City of Culture delivery.
- 3.6 The control environment to ensure delivery of the Council's objectives is laid down in the Council's Constitution and performance management framework. The Constitution sets out how the Council operates, including:
- Roles and responsibilities of both Councillors and officers, including the Head of Paid Services, Monitoring Officer and Chief Financial Officer.
 - How decisions are made and the procedures in place to ensure that these are efficient, transparent and accountable to local citizens. The Constitution includes the Council's senior management structure and a scheme of delegation which sets out the principles for decision making and responsibility for functions. The Council facilitates policy and decision making via a Cabinet structure with Cabinet Member portfolios. There are scrutiny boards covering all portfolios and an overarching

Scrutiny Co-ordination Committee. The Member decision making, advisory and scrutiny bodies are shown at <http://www.coventry.gov.uk/howthecouncilworks>

- 3.7 Coventry City Council has developed a comprehensive set of policies and procedures, including those relating to the standards expected of Members and officers. These are subject to regular review to ensure the Council continues to enhance and strengthen its internal control environment. Systems exist to ensure compliance with policies and procedures, including statute and regulations. Internal Audit, through its annual risk based plan assesses compliance with key procedures and policies.
- 3.8 The Council has an Equality, Diversity and Inclusion Commitment which is available on our website at: [EDI Commitment | Equality and Diversity | Coventry City Council](#). This sets out the Council's commitment to meeting all areas of the public sector equality duty and to ensure equality of opportunity, both as a provider and commissioner of services and as a large employer. The commitment is implemented through setting equality objectives linked to the Council Plan. [Equality Objectives | Equality and Diversity | Coventry City Council](#). Progress is monitored and reported to the Cabinet Member (Policing & Equalities). The latest progress report can be found here: [Progress Report | Equality and Diversity | Coventry City Council](#). In addition, the Council carries out Equality and Consultation Analysis on all key decisions taken by Cabinet or Cabinet Members.
- 3.9 The Council's Risk Management Strategy defines processes for identifying, assessing, managing and monitoring financial and operational risks. The Strategy recognises the need for risk registers at directorate and corporate level which are updated and reviewed regularly. The Council is looking for continuous improvement throughout the Council in the management of risks, and this is being monitored through the Strategic Management Board.
- 3.10 The Council, through its Whistleblowing and Complaints Procedures, has documented processes in place to deal with concerns raised by both employees and members of the public. These policies have been widely communicated and are subject to regular review to ensure they are working effectively. In addition, the Council's Fraud and Corruption Strategy reinforces the Council's commitment to creating an anti-fraud culture, whilst having effective arrangements in place in responding to allegations of fraud and corruption.
- 3.11 An Audit and Procurement Committee provides independent assurance to the Council on various issues, including risk management and control and the effectiveness of the arrangements the Council has for these matters. The Committee's terms of reference were developed in conjunction with CIPFA guidance, and the Committee carries out a periodic self-assessment to measure its effectiveness, based on recommended CIPFA practice.
- 3.12 For the financial year 2017-18, the Director of Finance and Corporate Services was the nominated Section 151 Officer, with the delegated responsibility for ensuring there are arrangements in place for proper administration of financial affairs. In assessing this role against the requirements stated in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010), the Authority meets the five principles laid out in the CIPFA statement, namely:
- The Chief Financial Officer (CFO) in a local authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest.

- The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy.
- The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.
- The CFO in a local authority must be professionally qualified and suitably experienced.

The S151 Officer is a key member of the Corporate Leadership Team and formally retains a direct reporting line to the Chief Executive when required. The S151 Officer routinely attends and advises the Strategic Management Board of the Council (Chief Executive and both Deputy Chief Executives). The assessment concluded that these arrangements provide an appropriate framework under which the CIPFA principles are able to be delivered. In addition, during 2017-18, the senior management structure within the Council has been subject to review by the Leader of the Council and the Chief Executive.

3.13 The Annual Governance Statement also includes a review of the effectiveness of the system of internal control within group activities, where the Council is in a relationship with another entity to undertake significant activities. The following describes the group activities for the year ended 31st March 2018:

- Coventry and Solihull Waste Disposal Company is owned jointly by Coventry City and Solihull Metropolitan Borough Councils. A formal agreement sets out the operating arrangements between Coventry and Solihull. The Company is subject to the Industrial Emissions Directive and the conditions of the Environmental Permitting Regulations issued by the Environment Agency. Furthermore, the Company monitors its activities through an accredited Environmental Management System ISO 14001. The Company has appointed Ernst & Young LLP as its external auditors. The last published Annual Report and Financial Statements, for the year ended 31st March 2017, did not highlight any significant concerns.
- North Coventry Holdings (NCH) Limited is a wholly owned subsidiary of the Council. Two of the Directors of the Company are senior officers of Coventry City Council. All transactions are processed using the Council's financial systems and such activities are subject to an annual audit by the Council's Internal Audit Service. The Company has LDP Luckmans as its external auditors. There was an unqualified audit opinion for the last published Annual Report and Accounts, for the year ended 31st March 2017. The company's main purpose is to hold shares in Coventry North Regeneration Limited, although from 2017/18 it is engaged in providing business development services to the City Council.
- Coventry North Regeneration (CNR) Limited is a wholly owned subsidiary of NCH Limited. The main activity of the Company was the construction of the Ricoh Arena. Two of the Directors of the Company are also senior officers of Coventry City Council. All transactions are processed using the Council's financial systems and

such activities are subject to an annual audit by the Council's Internal Audit Service. The Company has LDP Luckmans as its external auditors. There was an unqualified audit opinion for the last published Annual Report and Accounts, for the year ended 31st March 2017.

- In December 2017, the City Council acquired 100% of the ordinary share capital of Coombe Abbey Park Limited (CAPL). As part of the acquisition, the Council secured external independent advice from a number of sources to support the financial and legal due diligence assessment, as well as the valuation of the shares being purchased. The due diligence work highlighted some areas of financial control weaknesses, which it was felt that the Council would need to address following acquisition. In particular, need to strengthen the finance function through increased capacity was recognised as important. In the light of the external due diligence, since the Council acquired CAPL, a programme of changes has been initiated, including the restructuring of the Board, as well as recruitment of a new senior Operations Manager and finance staff. The programme of change continues.

4. Review of effectiveness

4.1 Processes are in place to assess key elements of the governance framework throughout the year, for example, through the work of Internal Audit and the Council's Audit and Procurement Committee. A review of the effectiveness of the governance framework is also undertaken annually as part of the production of the Annual Governance Statement. This is informed by the work of senior managers within the authority, who have responsibility for the development and maintenance of the governance environment, the Acting Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates.

4.2 Arrangements to assess the effectiveness of the governance framework include:

- Regular and detailed monitoring of the Council's performance, by both Strategic Management Board and Members against targets and objectives set out in the Council's Plan.
- On-going reviews of the Council's Constitution, overseen by the Constitution Advisory Panel and subject to approval by Full Council. These reviews include areas such as standing orders, financial procedures and the scheme of delegation.
- Regular reviews of the Council's strategies and procedures to ensure they continue to reflect the needs of the Council.
- An annual review against the principles and best practice set out in the Code of Corporate Governance and which is used to identify improvements to strengthen the Council's governance arrangements.

4.3 The review of effectiveness has also been informed by:

- Reports from the external auditors and other inspection agencies.
- An annual assessment of the adequacy of internal controls / governance arrangements by each Director.
- The Council's Corporate Risk Register.

- The work of the Internal Audit Service during 2017-18. The Service works to a risk based audit plan, which is approved annually by the Council's Audit and Procurement Committee. An annual report is also produced and presented to the Committee. The report identifies those issues, which in the opinion of the Acting Chief Internal Auditor, should be considered when producing the Annual Governance Statement.
- 4.4 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Procurement Committee, and can provide reasonable assurance that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework and that a plan to address weaknesses and ensure continuous improvement of the system is in place.

5. Significant governance issues

5.1 Table one below provides an update on the governance issues that were raised in the 2016-17 Annual Governance Statement.

Table one

No	Governance issues identified in 2016-17	2017-18 update
1	Sustainable improvement in Children's Services	The improvement board has continued to meet to challenge and hold the Council to account for the effective improvement and delivery of Children's Services. A comprehensive transformation programme is underway that will yield longer term and sustainable improvement to Children's Services. This has included the development of a stronger early help offer that expects partners to contribute to, a strengthening of the Multi-Agency Safeguarding Hub and a restructure that better supports the Child's experience and journey through the system. Other improvements have included a better placement mix for looked after children and this is supporting more effective and sustainable budget management. Demand pressures remain that make this extremely challenging.
2	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium Term Financial Strategy	The Council has set a budget that is balanced over the next two years despite shortfalls in the delivery of savings from a number of transformation projects. The position has been underpinned by continued strength of the council tax-base, additional dividends from the Council's shareholdings and further review and management of the Council's contingency budgets and cash-flows.
3	The delivery of the Kickstart programme – the Council's plan for making savings, supporting city centre regeneration including business rate growth and rationalising its' office estate	The works for the new Democratic Centre were delivered in October 2016 with project sign off in October 2017. One Friargate opened for staff in October 2017. Our customers continue to be welcomed in the Customer Services Centre. The opening of One Friargate has enabled the embedding of a much more agile way of working through digital technology and increased flexible working arrangements; touch down space has also been provided for staff in the Council House. The Kickstart revenue savings have been achieved as per the target set-out in the Medium Term Financial Strategy. In

		<p>addition, the Customer Journey programme delivered the Customer Service Centre in November 2015 and the Medium Term Financial Strategy savings in 2015-16 linked to this.</p> <p>Significant progress was made in 2017/18 with major city centre developments which will drive future business rates. A Joint Venture agreement is being prepared between the Council and the Friargate developers which will push forward the development of the city's new commercial quarter. In parallel, the City Centre South retail development, as well as major works on the upper precinct and Cathedral Lanes will all generate improved rates income when they are completed.</p>
4	Raising educational standards	<p>An evaluation of the Coventry School Improvement Strategy at the end of the academic year 2016-17 by the Primary and Secondary Partnerships resulted in a part re-organisation of the Primary Networks and Secondary Collaboratives into larger groupings to increase capacity to drive improvement through school-to-school support.</p> <p>Currently (March 2018) 74% of pupils attend a good or outstanding secondary school compared to 83% nationally. The Secondary and Primary School Improvement Boards continue to oversee the effectiveness of the Secondary Collaboratives and the Primary Networks and provide support, challenge and evaluation for the Local Authority in relation to school improvement.</p> <p>The Education and Children's Services Scrutiny Board (2) has oversight of the Education programme of work. In addition, the Education Standards Board provides a half termly political interface with the Director of Education and Skills and Local Authority officers to scrutinise support in schools and the effectiveness of challenge delivered by the Coventry School Improvement Strategy.</p>
5	Implementation of the Information Management Strategy	<p>The Council has continued to implement the Information Management Strategy which was approved in 2016. Progress continues to be overseen by the Information Management Strategy Group and progress is reported to senior management and the Audit and Procurement Committee. A second data protection audit was carried out by the Information Commissioner's Office in November 2017 which has led to a further action plan. The organisation has also been undertaking a series of actions in readiness for the implementation of the General Data Protection Regulations in May 2018.</p>
6	Long term sustainability of adult social care in the context of financial and demand issues	<p>A Better Care Fund plan was agreed by the City Council and the Coventry and Rugby Clinical Commissioning Group in July 2017 with the subsequent S75 agreement now also approved. The Council savings figures required from this work have been delivered.</p> <p>Savings within Adult Social Care have been delivered for 2018-19 totalling £1m through service review and commissioning work. Spend activity and use of resources are monitored and managed through monthly review meetings.</p>
7	Delivery of the Workforce Strategy	<p>In 2017-18 we have further strengthened the Council's commitment to developing the workforce, through the Council's</p>

		<p>organisational development offer. In addition, programme governance in relation to Workforce Reform has been strengthened, with a project board chaired by the Director of Customer Services and Transformation with representation from across the council and dedicated communications & finance support from the Council's S151 officer.</p> <p>The programme is further supported via regular engagement with Corporate Leadership Team, and direct oversight by Senior Management Board and elected members.</p>
8	Code of Corporate Governance	An annual review was undertaken against the principles and best practice set out in the Code and national framework. This identified a number of actions to strengthen governance arrangements and these were reported to the Audit and Procurement Committee and Senior Management Board to help inform the preparation of this year's Annual Governance Statement. These actions will be implemented during 2018-19 and this review cycle is now embedded. Consequently, this has not been carried forward as a significant governance issue for 2018-19.
9	Establishing a Counter Fraud Framework	A new Fraud and Corruption Strategy has been drafted which includes a counter fraud framework. The framework underpins implementation of the strategy and the governance arrangements linked to this.
10	Risk Management Strategy	The Risk Management Policy and Strategy have been formally adopted and activity is underway to embed risk management practice in the organisation. The process of identifying and reporting upon Corporate Risks is established.

5.2 The Council is seeking to continuously enhance its management arrangements to improve service delivery, efficiency and value for money, whilst achieving its objectives. The review of effectiveness has informed identification of the following key challenges for 2018-19 (table two), along with the actions planned to address these matters to further enhance our governance arrangements.

Table two

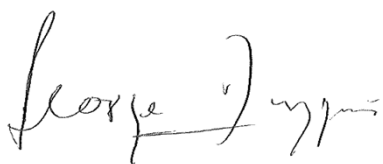
Ref	Governance issue	Planned actions 2018-19	Responsible officer	Timescale
1	Sustainable improvement in Children's Services	Continuing to build on the recent progress in Children's Services identified by Ofsted during the focused visit of Children's Services in January 2018, continue to focus on securing long term sustainable improvement in Children's Services. For the immediate future this will continue to be overseen by an Improvement Board and Independent Chair. The Children's transformation programme will continue. A Peer review is planned during this financial year.	Director of Children's Services	On-going

Ref	Governance issue	Planned actions 2018-19	Responsible officer	Timescale
2	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium Term Financial Strategy	Work continues to implement transformation savings and manage areas of budgetary pressure such as looked after children and homelessness. In addition the Council is looking to examine how best it can take a more commercial approach in both existing and new areas of service. Delivery of the budget is monitored on a regular basis by the Council's Cabinet and its Audit and Procurement Committee. Members will receive regular briefings on new areas of policy development and these will be formally reported to Cabinet Members, Cabinet and Council as appropriate.	Director of Finance and Corporate Services	On-going
3	The delivery of the Kickstart programme – the Council's plan for making savings, supporting city centre regeneration including business rate growth and rationalising its office estate	<p>The Kickstart team will ensure defects resolution and project sign-off for One Friargate is achieved within the 12-month period.</p> <p>The key elements of the Kickstart Programme continue to form part of the council's ongoing commitment to property rationalisation and optimisation, as well as better use of technology to drive organisational and service benefits.</p> <p>City Centre regeneration will continue in 2018/19 including the expected completion of the Friargate Joint Venture agreement and the opening of Phase 2 of the Cathedral Lanes redevelopment. Coventry's announcement as the 2021 City of Culture is likely to lead to acceleration of city centre redevelopment and therefore business rates increases as the city prepares for its 2021 programme.</p>	Director of Project Management and Property Services / Director of Customer Services and Transformation / Director of City Centre and Major Projects	On-going
4	Raising educational standards	Further work to develop and embed the Network and Collaborative evaluation process is required to ensure that the Coventry School Improvement strategy continues to offer appropriate challenge and support and enables development of capacity to support school-to-school improvement and access to available funding.	Director of Education and Skills	On-going

Ref	Governance issue	Planned actions 2018-19	Responsible officer	Timescale
5	Implementation of the Information Management Strategy	Implementation of the action plan arising from the Information Commissioner's Office data protection audit in November 2017. Completion of the General Data Protection Regulations action plan. Implementation of the Information Management Training Strategy.	Members and Elections Team Manager	On-going
6	Long term sustainability of adult social care in the context of financial and demand issues	A series of improvement projects are in place including operational excellence, technology enabled care and improving the effectiveness of promoting independence approaches. The Better Care Plan agreed in 2017-18 also agreed a number of projects linked to prevention from which impact will be assessed in 2018-19. The tight control and monitoring of activity and spend will continue.	Director of Adults Services	On-going
7	Delivery of the Workforce Strategy	Continue to ensure robust governance arrangements are in place and programme changes agreed and monitored. There is a significant programme of activity planned for 2018-19 across many aspects of developing our workforce and ensuring our policies and practices are fit for purpose and for the future.	Head of HR and Organisational Development	On-going
8	Establishing a Counter Fraud Framework	The updated Fraud and Corruption Strategy and Counter Fraud Framework will be presented to the Audit and Procurement Committee for formal approval. Once approved, the framework will be used to identify priorities and develop an action plan of counter fraud work for 2018-19.	Acting Chief Internal Auditor	September 2018
9	Risk Management Strategy	Further activity is required to embed risk management practice throughout the organisation. In 2018-19 this will include the development of comprehensive Service and Directorate risk registers.	Insurance and Risk Manager	On-going

Ref	Governance issue	Planned actions 2018-19	Responsible officer	Timescale
10	Governance Steering Board	As part of continuously improving our governance arrangements, in 2018-19 the Council will look to establish a governance steering board to support the ongoing review of the effectiveness of our arrangements.	Members and Elections Team Manager	September 2018
11	Delivery of the ICT Strategy	Ensuring that there are robust ICT arrangements in relation to infrastructure, cyber security plans and digital skills development. In 2018-19 this will include revising the ICT Strategy to reflect up to date arrangements for these key activities and the financial requirements linked to the delivery of this.	Head of ICT and Digital	On-going
12	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	The Homelessness Reduction Act 2017 came into force in April 2018. In 2018-19 the Council will review its Housing and Homelessness Strategy and establish a new Housing Prevention Service to work alongside the Housing Options Team. We are also securing more cost effective and better quality temporary accommodation to continue to meet the demands of this service.	Director of Streetscene and Regulatory Services / Director of Customer Services and Transformation	On-going

5.3 We are satisfied that these steps will address the need for improvements that were identified in our review and we will monitor their implementation and operation, as part of our next annual review.



Cllr George Duggins
Leader of Coventry City Council



Martin Reeves
Chief Executive of Coventry City Council