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## Coventry City Council

### Minutes of the Meeting of the Audit and Procurement Committee held at 3.00 pm on Monday, 11 November 2019

Present:

Members: Councillor R Lakha (Chair)  
Councillor M Ali  
Councillor R Brown (Substitute for Councillor H Sweet)  
Councillor T Sawdon  
Councillor R Singh

Employees (by Directorate):

People M Burn, S C Lam

Place P Hammond, B Hastie, P Jennings, M Salmon, K Tyler,  
A Walster

Apologies: Councillor S Bains  
Councillor J Blundell  
Councillor H Sweet

## **Public Business**

### **35. Declarations of Interest**

Councillor R Singh declared an interest in the matter the subject of minute 41 below headed 'Internal Audit Plan 2019-2020 – Half Year Progress Report', in so far as it relates to Frederick Bird Primary School, as his relative was a teacher at the school.

### **36. Minutes of Previous Meeting**

The minutes of the meeting held on 2<sup>nd</sup> September 2019 were agreed and signed as a true record, subject to an amendment to the attendance for the meeting to include Councillor R Brown as substitute for Councillor M Ali.

There were no matters arising.

### **37. 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 in Minute 45 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 case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

38. **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.

An Appendix to the report provided details of issues where a report back had been requested to a meeting, along with the anticipated date for consideration of the matter. A further Appendix to the report provided details of items where information had been requested outside formal meetings, along with the date when this had been completed.

Members noted that in respect of the Further Reports Requested to Future Meeting Appendix, Item 1 headed 'Quarter Three Internal Audit Progress Report 2018/19 – Update on Frederick Bird School' had been included in the 'Internal Audit Plan 2019-2020 - Half Year Progress Report' being considered at this meeting and the Appendix could be updated accordingly.

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

39. **Work Programme 2019/20**

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 2019/2020.

**RESOLVED that the Audit and Procurement Committee notes the Work Programme for 2019/2020.**

40. **City Council Treasury Management Investment Activity**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place) outlining the City Council's Treasury Management Investment Activity. The report provided details of the Council's Lending List and the most recent list of investments that the Council held.

In September 2018 the Council changed strategy regarding the Collective Investment Funds it held. Previously the funds were low risk and low return. This strategy changed to embrace more volatility in returns whilst maintaining a low risk of default to achieve higher potential returns.

Since the last report, £9.2m of PWLB borrowing had matured and as such been repaid. No new long-term borrowing had been taken out and there were no plans to do this in the near future, with advice continuing to be to keep any borrowing to a short-term duration.

As a result of the significant payments required to repay the above borrowing and the large capital program that was currently underway, some short-term borrowing had been undertaken in this financial year. This had totalled £49.5m, with the amount outstanding as at 11 October 2019 being £29m. The average rate of borrowing for the 1st two quarters of this financial year had been 0.72%, meaning the interest earned on investment balances had more than compensated for any interest paid on short-term borrowing.

**RESOLVED that the Audit and Procurement Committee notes the report on City Council Treasury Management Investment Activity.**

**41. Internal Audit Plan 2019-2020 - Half Year Progress Report**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place) that provided an update on the internal audit activity for the period April to September 2019, against the Internal Audit Plan for 2019-20. It is the first monitoring report for 2019-20, which 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'.

An Appendix to the report provided a list of the audits finalised between April and September 2019, along with the level of assurance provided.

The following audits were currently in progress:

- Audits at Draft Report Stage – Compliance with HR procedures – Children's Services, Coroner's Service Capacity Review, St Osburgs Primary School.
- Audits On-going – Trading Standards Exercising Warrants, Car Park Business Passes, Parking Platform Grant, Agency Workers Contract, Sport & Arts – Review of Grant Processes.

Details of a selection of key reviews completed in this period were provided in a further Appendix to the report. 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 Audit and Procurement Committee.

At the end of September 2018, the Service had completed 38% of the Audit Plan against a planned target of 50%. It was acknowledged that progress in quarter two was slightly below target. The number of audits completed had been affected by a piece of work following up matches from the National Fraud Initiative and the undertaking of some larger audit reviews.

Members noted that the restructure of the Internal Audit Service had been completed and following the recent successful recruitment to two posts, it was anticipated that section would be fully staffed by April 2020. A small number of audits had been postponed until 2020-2021, these having been selected on the basis that they did not have a significant impact on the management of risk. A further update on the resource position would be provided to the Audit and Procurement Committee in the quarter three progress report. Members further noted that Frederick Bird Primary School had made significant progress in

implementing nine of twelve audit recommendations, with work continuing to complete the remaining three. In respect of the Council's self-insurance of properties, Members were advised that usual insurance standards applied to assessments.

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

- 1) Notes the performance as at quarter two against the Internal Audit Plan for 2019-2020.**
- 2) Considered and notes the summary findings of the key audit reviews detailed in an Appendix to the report.**

**42. Complaints to the Local Government and Social Care Ombudsman 2018-2019**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (People), which had also been considered by the Cabinet Member for Policy and Leadership on 7<sup>th</sup> November 2019 and would also be considered by the Ethic Committee on 5<sup>th</sup> December 2019, which set out the number, trends and outcomes of complaints to the Local Government and Social Care Ombudsman (LGSCO) relating to Coventry City Council in 2018/2019. Appendices to the report provided: the Local Government and Social Care Ombudsman Annual Review letter 2019; Coventry City Council Complaints Handling Guidance; and Local Government and Social Care Ombudsman Investigation Decisions in 2018/2019 for Coventry City Council.

Coventry City Council's complaints policy set out how individual members of the public could complain to the Council, as well as how the Council handled compliments, comments and complaints. The Council informed individuals of their rights to contact the LGSCO if they were not happy with the Council's decision after they had exhausted the Council's own complaints process.

The Local Government and Social Care Ombudsman (LGSCO) was 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 was a free service that investigated complaints in a fair and independent way; and provided a means of redress to individuals for injustice caused by unfair treatment or service failure.

Every year, the LGSCO issued an annual letter to the Leader and Chief Executive of every Council, summarising the number and trends of complaints dealt with in each Council that year. The latest letter, issued July 2019, covered complaints to Coventry City Council between April 2018 and March 2019 (2018/19). This year it included a new statistic on compliance. It recorded an authority's compliance with the recommendations made to remedy complaints.

The report set out the number, trends and outcomes of complaints to the LGSCO relating to Coventry City Council in 2018/2019. In particular, it focused on upheld complaints, service areas with a high number of complaints, compliance with the Ombudsman's recommendations, learning from complaints, and how the Council compared to previous years and to other local authorities.

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

- 1) Notes the Council's performance in relation to complaints to the Local Government and Social Care Ombudsman.**
- 2) Notes the Council complaints process and guidance.**
- 3) Receives assurance that the Council takes appropriate actions in response to complaints investigated and where the Council were found to be at fault.**

**43. Post of Director of Business, Investment & Culture - Salary Approval**

The Audit and Procurement Committee considered a report of the Deputy Chief Executive (Place) that sought agreement, in line with statutory guidance under S40, of the Localism Act 2011 and the Council's Pay Policy statement, for a salary range of up to £117,028 pa for the post of Director of Business, Investment and Culture.

The post had been in place on a temporary basis due to the challenges and opportunities facing the council, in terms European City of Sport, UK City of Culture 2021, Commonwealth Games 2022 and the local economy post Brexit, require a re-shaping of the way that we work to ensure Economic Growth and prosperity. As part of the One Coventry initiative and programme there was an urgent need to capitalise on opportunities, therefore there was a need to establish the post on a substantive basis.

The Director of Business, Investment and Culture will be responsible for:

- Strategic Lead, European City of Sport, UK City of Culture 2021 and Commonwealth Games 2022
- Sports, Culture & Destination
- Economic Growth
- Climate Change & Sustainability
- Strategic Business Support (Place)

The Business Case, attached as an Appendix to the report, identified that the post of Director of Business, Investment & Culture should be graded at Grade D2, the salary range for which is £108,007 to £117,028.

Statutory Guidance under S40 of the Localism Act 2011 required that full Council, or some other agreed formal meeting of Elected Members should be offered the opportunity to approve salary packages over £100,000. In Coventry, this responsibility had been allocated to the Audit and Procurement Committee under its terms of reference.

**RESOLVED that the Audit and Procurement Committee agrees a salary range of up to £117,028 pa for the post of Director Business, Investment & Culture.**

44. **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.

45. **Procurement and Commissioning Progress Report**

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

The report provided an update on the procurement and commissioning undertaken by the Council. Details of the latest positions in relation to individual matters were set out in the Appendix to the report.

The Committee questioned officers, received responses and discussed various aspects of the document, and requested that they be provided with clarity on the figures indicated in the first two columns in respect of the Council Chamber Webcasting Facilities Upgrade and whether the figures include the webcasting of the Planning Committee. Further, they requested that a meeting be arranged between officers and the Chair of the Committee to review and determine the most appropriate format and submission of the information contained in the Appendices and to establish clarity of the role of the Committee in their consideration of future reports.

**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 the Cabinet Member for Strategic Finance and Resources, Cabinet or Council on any of the matters reported.**

46. **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 4.30 pm)