Coventry City Council

Public report

Report to

Audit and Procurement Committee   27th January 2020

Name of Cabinet Member:
Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:
Director of Finance and Corporate Services

Ward(s) affected:
City Wide

Title:
Annual Governance Statement 2018-19 – Update on planned actions

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Is this a key decision?
No

Executive summary:

The purpose of this report is to provide the Audit and Procurement Committee with an update on the actions planned in 2019-20 to address the governance issues highlighted in the Annual Governance Statement for 2018-19.

Recommendations:

The Audit and Procurement Committee is recommended to note and consider the progress made against the actions planned in 2019-20 to address the governance issues highlighted in the Annual Governance Statement for 2018-19.

List of Appendices included:

Appendix One - Update on the 2018-19 Annual Governance Statement action plan

Background papers:

None

Other useful documents:

Annual Governance Statement 2018-19
https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=12088&Ver=4

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:
Annual Governance Statement 2018-19 – Update on planned actions

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 had 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.

1.4   The Audit and Procurement Committee approved the AGS for 2018-19 at its meeting on the 24th June 2019. As part of this, the Committee requested that they receive an update report during the year on the actions planned to be undertaken by the Council in 2019-20 to address the governance issues highlighted.

2.   Options considered and recommended proposal

2.1   Disclosures made in the 2018-19 Annual Governance Statement

Part of the function of the AGS is to highlight areas that the Council considers require internal control / governance improvements. The 2018-19 statement set out the following issues (disclosures) which were identified in the development of the AGS:

- Seeking sustainable improvement in Children's Services
- Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy.
- Raising Educational standards
- Implementation of the Information Management Strategy
- Delivery of the Workforce Strategy
- Delivery of the ICT Strategy
- Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation.
- Producing a corporate data access standard
- Governance over relationships with partners and outside bodies
- Governance over the programme of capital projects

2.2   Improvement actions

The Annual Governance Statement also sets out the actions planned to be taken by the Council in the forthcoming year to address the disclosures made. This includes identifying officers who will be responsible for the actions and a timescale for delivery. Whilst some of

these actions will be one-off, ring fenced pieces of work which are relatively straightforward to deliver, other actions form part of larger, more complex activities which are delivered over a period of time and which may be on-going for several years before the required improvements to the actual governance issue become tangible.   Consequently, the level of progress made during the year to address matters may vary.

Attached at Appendix One is an update on all of the actions planned to be undertaken in 2019-20. This provides the Committee with assurance that progress is being made across all of the identified areas. A further update will be provided when the Annual Governance Statement for 2019-20 is presented to the Audit and Procurement Committee in June /July 2020.

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 Services

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. Reporting on progress in regards to the delivery of the action plan contained in the Statement represents good governance.

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 and assurance provided to the Audit and Procurement Committee through this report. 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) Climate Change and the environment**

No impact

6.6 **Implications for partner organisations?**

None

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Directorate:
Place

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Councillor G Duggins	Cabinet Member for Policy and Leadership		10/1/2020	13/1/2020

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

Ref	Governance issue	Planned actions 2019-20	Responsible Officer	Deadline	Current progress
1	Sustainable improvement in Children's Services	A new Executive Improvement board has been established to drive forward continuous improvement of Children's Services. A new Children's Safeguarding Partnership is due to be launched later in the year in line with revised statutory guidance. A review of the re-design has been concluded and small service changes will be made this year in response. A further phase of transformational activity will commence to support further improvement activity. Service Performance reviews will be implemented service wide and Quality Assurance visits by Children's Services Leadership Team will commence.	Director of Children's Services	On-going	The Children's Improvement Executive has been established with an independent chair and attended by member and exec level representation. It is meeting regularly and supporting the continued improvement of Children's Services.

The revised Children's Services arrangements were launched within timescale and in accordance with statutory guidance.

The review of the redesign has been completed and has seen resource shifted within Children's Services to reflect changes in demand. This has contributed to delivering required savings.

Service performance reviews have been implemented and take place twice yearly.

Quality Assurance visits involving the entire Children's Service senior leadership team have commenced. The first one took place at the Coundon office and included the lead member for Children's Services. Further visits are planned for 2020. |

Ref	Governance issue	Planned actions 2019-20	Responsible Officer	Deadline	Current progress
2	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy	The Council faces uncertainty due to anticipated changes in the Local Government finance system and a lack of clarity on the future of some major income streams such as Better Care Fund resources. Initial estimates indicate a significant financial gap and work has begun at an early stage to identify a range of options to enable the Council to respond to the possible range of budget scenarios. Members will receive regular briefings on potential 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	February 2020	The Government Spending Round announced in September 2019 indicated an improved resource position for the Council compared with previous assumptions. This has been built into the Pre-Budget Report taken to Cabinet in November 2019. Together with a modest set of savings and additional income proposals this leaves the budget close to being balanced for 2020/21.

The Provisional Local Government Settlement announced in December 2019 provides further grant funding above the levels assumed and the impact of this flexibility is being considered as part of the process to finalise the Council's 2020/21 Budget.

There continues to be no information in relation to the future of local government spending beyond 2020/21. Without this, the risk remains that the Council is faced with significant future budget gaps. In order to address future budget pressure the Council is currently pursuing transformation programmes under the 'One Coventry' approach including the key themes of Commercialisation, Digitalisation and Place Based Services. |

Ref	Governance issue	Planned actions 2019-20	Responsible Officer	Deadline	Current progress
3	Raising educational standards	Continue to improve outcomes for ALL pupils, including pupils with an Education, Health and Care Plan (EHCP) and receiving Special Educational Needs (SEN) support, so they are in line with or better than national by ensuring that individual school, Primary Network and Collaborative priorities align with and contribute to specific citywide priorities: **Early Years:** Improving Good Level of Development (GLD) **Primary:** Increasing the proportion of children achieving Greater Depth in Writing and making accelerated progress in writing by the end of Key Stage 2 **Secondary and 16-18:** • Improving Progress 8 • Improving progress in both English and Maths by the end of 16-18 (GCSE resits) **All phases:** Narrowing the gap to national for our vulnerable groups: • GLD for all groups • Key Stage 1 and Key Stage 2 achievement for children with SEN and an EHCP • Key Stage 4 progress for disadvantaged and pupils receiving SEN support	Director of Education and Skills Head of Education Improvement and Standards 0-19 Senior Adviser Education Improvement 11-19 (25)	On-going	Termly meetings continue to take place with Primary Networks and Secondary Collaboratives to both review and monitor data trends and predictions, which ensures city priorities are reflected at school level. **Early Years:** Good Level of Development (GLD) improved at a faster rate than national for the second consecutive year. **Primary:** Improvements at a faster rate than national in Key Stage 2 "Writing at expected standard and at greater depth" **Secondary and 16-18:** Key Stage 4 Progress 8 showed a small decline and with no national change. The gap has therefore widened marginally. However, the more acute measure of % of strong passes in English and Maths improved faster than national. For 16-18 year olds the trend was downward in English and upwards in Maths. **Special Educational Needs (SEN):** There is a widening gap at Early Years Foundation Stage for pupils identified at SEN support and with an Education, Health and Care Plan (EHCP). However, Key Stage 1 shows a narrowing of the gap in most subjects with SEN support above national in reach of Reading, Writing and Maths and also for Year 1 phonics. At Key Stage 2, the strengthening position continues with SEN support now within 1% of national for the combined measures of Reading, Writing and Maths. EHCP pupils narrowed the gap by over 2%.

| | | | | SEN Support Key Stage 2 progress scores for Writing are now above national, and although remaining below for Reading and Maths, the gap has closed.

EHCP Key Stage 2 progress scores remain below national, having considerably widened for all 3 subjects. This is viewed in the Coventry context of the needs of the EHCP cohort. At Key Stage 4 there was a widening of the gap for EHCP but the improvements in SEN Support saw the gap narrowed.

Disadvantaged: The gap narrowed with national in all the Primary School Key Stages - Early Years Foundation Stage, Key Stage 1 and Key Stage 2. In secondary, Key Stage 4 progress slowed and with some national improvement, no change locally saw a small widening of the gap. |
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Ref	Governance issue	Planned actions 2019-20	Responsible Officer	Deadline	Current progress
4	Implementation of the information management strategy	Review and update of Information Management Strategy and Information Management Training Strategy.	Head of Information Governance	March 2020	A review has taken place of the Information Management Strategy and the latest version went to the Information Management Strategy Group for approval in October 2019. Still in draft form, it now requires contribution from the Group to ensure it accurately reflects the Group's intentions/objectives. The Information Management Training Strategy is under review and scheduled for completion by the end of March 2020. As part of this, all mandatory Data Protection related training courses are being reviewed by the Data Protection Team in December 2019/January 2020 to ensure they are fit for purpose.

Ref	Governance issue	Planned actions 2019/20	Responsible officer	Deadline	Current progress
5	Delivery of the Workforce Strategy	During 2019/20 the following actions are planned: • The further development and implementation of the workforce strategy to embed the Council's One Coventry approach • The launch of a new Equality, Diversity & Inclusion project focusing on recruitment and selection • A focus on ensuring that our case work is improved and timely • The progression of 'Our Future Workforce' change programme • Creating opportunities for talent mapping and career progressions at all levels across the organisation • Improved Employee Engagement which can be measured through job satisfaction • Continued development of industrial relations • Improvement in digital skills across the workforce • The continuation of ensuring the safety and wellbeing of our employees.	Director of Human Resources	On-going	The new post of Director of Human Resources commenced in July 2019 and has immediately developed a clear plan of action for HR over the next two years with the development and introduction of the People Plan. The Plan identifies 6 key objectives across 5 areas of work, all of which provide details of actions to deliver the overall aims of the plan. The continued development and enhancement of robust management information (HR analytics) including a HR scorecard to inform strategic decision making and to track progress has been embedded over 2019/20. During the year, an extensive employee engagement has taken place to develop a set of agreed behaviours that will reflect One Coventry. Building on the Year of Wellbeing, HR with Public Health are developing a staff health and wellbeing plan. Improvements continue to be made on improving appraisal completion. The Council is working hard to deliver its commitment to Equality, Diversity and Inclusion through establishing a project board and agreed action plan of priorities. The Council continues to build on its digitalisation programme through the introduction of Microsoft Team to support staff to work more flexibly and efficiently. The Digiknow service is helping to share knowledge and skills both face to face support at induction as well as video and e-learning to increase digital skill levels across the Council.

Ref	Governance issue	Planned actions 2019/20	Responsible officer	Deadline	Current progress
6	Delivery of the ICT Strategy	During 2019/20 the Council will publish an updated ICT Strategy which will continue to provide assurance with regards to our core infrastructure, cyber security plans and digital skills development whilst also supporting innovation and our digitalisation agenda. The ICT Strategy will align with the One Coventry approach.	Head of ICT & Digital	Sep 2019	The revised ICT Strategy was approved by Cabinet in October 2019. The Strategy is based on the key principles of "Coventry as a Platform" which seeks to streamline and modernise processes and systems and the "Digital Workforce", ensuring staff have the relevant skills and tools to make the best use of the technologies available. The Strategy is aligned to the One Coventry approach and reflects requirements stemming from: - Medium Term Financial Strategy - One Coventry Council Plan - Coventry UK City of Culture 2021 - Digital Coventry Strategy for the city The Strategy also recognises the priority of protecting the Council's technology estate, data and users from cyber-threats through robust and proactive approaches to the Council's cyber security measures.

Ref	Governance issue	Planned actions 2019/20	Responsible officer	Deadline	Current progress
7	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	To deliver to the Housing and Homelessness Strategy and the agreed action plan through the Council's Strategic Housing Board.	Director of Housing and Transformation	On-going	The new five-year Housing and Homeless Strategy was agreed by Council in March 2019. The revised strategy seeks to address the challenges and opportunities of the entire Housing System, from the prevention of homelessness to the provision of housing. Over 2019/20 there has continued to be a significant increase in demand, in line with the Housing Reduction Act (2017). However, new initiatives such as the introduction of Housing First and the council's new temporary accommodation solutions (e.g. Caradoc, Frank Walsh House) are expected to make significant inroads on the Council's financial pressures in late 2019/20 and over 2020/21, as well as providing more suitable temporary housing for residents.
8	Corporate data access standard	Development and implementation of a corporate access standard and protocol for all systems that hold personal data.	Member and Elections Team Manager	December 2019	A working group has met to review standards and facilities in key systems. A checklist and protocol have been drafted for review. Once agreed, appropriate action will be taken to implement the standard for all systems holding personal data.

Ref	Governance issue	Planned actions 2019/20	Responsible officer	Deadline	Current progress
9	Governance over relationships with partners and outside bodies	The Council has a strong foundation of partnership working, which was positively recognised in our recent Local Government Association (LGA) Corporate Peer Challenge. This has included our pivotal involvement in forming the West Midlands Combined Authority, the Place Forum and the Coventry and Warwickshire Local Enterprise Partnership. However, it is recognised that in order to continue to respond to challenges and to adapt to new approaches in terms of the role of the local authority in the community, the Council needs to ensure that there are effective arrangements over its relationships with partners and outside bodies which provide governance and flexibility to deliver effective outcomes. Partnership working principles have been established and work is planned in 2019/20 to develop protocols to underpin this. These will be used to gain assurance that key relationships, such as with the City of Culture Trust and the Friargate Joint Venture are being appropriately governed. In addition, a People Partnership is in its early stages of implementation with a focus on strengthening partnership arrangements across the City and working together to improve collaboration and connectivity in spirit of our One Coventry approach.	Deputy Chief Executive (People)	On-going	Partners have welcomed and embraced the development of a One Coventry approach. The People Partnership has developed into a One Coventry partnership group which is leading the development of a One Coventry approach beyond the Council. A number of strategic plans are being aligned through the review of the One Coventry Council Plan and this is being used to achieve more strategic planning coherence with key partners. This is also supporting the revisions to governance arrangements for key priorities e.g., city of culture, health and wellbeing.

Ref	Governance issue	Planned actions 2019/20	Responsible officer	Deadline	Current progress
10	Governance over the programme of capital projects	The Council has an ambitious programme of capital projects, which in 2019/20 will continue to accelerate in advance of the Council becoming City of Culture in 2021. Whilst providing ongoing regeneration and redevelopment of the city and supporting business rate growth, the scale of the programme requires robust governance and strategic control to ensure that the programme is delivered successfully. Governance arrangements are established with delivery overseen by project boards who report to the responsible cabinet members via established briefing and reporting mechanisms. Governance is also provided via the City of Culture Readiness Board and the Place Programme Delivery Board. In 2019/20 the focus will be on ensuring that as the programme continues to move at pace, governance arrangements remain embedded and integral to programme delivery whilst also ensuring that there are effective processes in place to maintain a view of the overall programme, so its inter-dependencies are managed / joined up, maintaining momentum on the Council's wider aspirations.	Deputy Chief Executive (Place)	On-going	Governance arrangements continue to be in place and embedded, including the City of Culture Readiness Board and the Place Programme Delivery Board which meet regularly.