



Coventry City Council

Public report

Report to

Audit and Procurement Committee

29th January 2024

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Chief Operating Officer (Section 151 Officer)

Ward(s) affected:

City Wide

Title:

Annual Governance Statement 2022-23

Is this a key decision?

No

Executive summary:

The purpose of this report is to provide details of the results of the annual review of effectiveness of the Council's governance arrangements and seek approval for the Annual Governance Statement, which forms part of the Statement of Accounts for 2022-23.

Recommendations:

Audit and Procurement Committee is recommended to:

- 1) Consider the findings of the review of effectiveness of the Council's governance arrangements and confirm its satisfaction with the level of assurance provided that arrangements are fit for purpose.
- 2) Consider and approve the Annual Governance Statement (attached at Appendix One), which will accompany the 2022-23 Statement of Accounts.

List of Appendices included:

Appendix One – Annual Governance Statement 2022-23

Background papers:

None

Other useful documents:

Annual Governance Statement 2021-22

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=12767&Ver=4>

Local Code of Corporate Governance

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=13044&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 2022-23

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 Local 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 and the Accounts and Audit (Amendment) Regulations 2022, which requires all relevant bodies to conduct a review of the effectiveness of its system of governance and prepare an Annual Governance Statement. The AGS also details key governance / control issues that the Council faces in the coming year.
- 1.4 The AGS is normally presented to Audit Committee in June / July each year to meet the deadline for publication specified in the Accounts and Audit Regulations. Whilst the accounts for 2022-23 have not yet been finalised, the audit of the 2019-20 accounts has now been completed, and work is currently ongoing to finalise the accounts for subsequent years. As such it is felt appropriate to present the AGS for 2022-23 at this time. This will also facilitate the AGS annual review for 2023-24.

2. Options considered and recommended proposal

- 2.1 Whilst processes are in place to monitor key elements of the governance framework through-out the year, for example through the work of Internal Audit, the Corporate Governance Steering Board and the Council's Audit and Procurement Committee, an annual review is also undertaken as part of the production of the AGS for the year. The purpose of the review is to provide assurance that the arrangements set out in the Local Code of Corporate Governance continue to be fit for purpose and identify key governance issues for the forthcoming year. This annual review considers information from a number of sources with the outcomes reviewed and agreed by the Corporate Governance Steering Board and Leadership Team. For 2022-23, this has included:
 - The outputs from the Internal Audit Service, reflected in an annual report that identifies those issues, which in the opinion of the Chief Internal Auditor, should be considered when producing the Annual Governance Statement.

- An assessment of compliance with arrangements for declaring interests and gifts and hospitality (members and officers)
- Review of arrangements for meetings, publication of decisions and engagement.
- Levels of complaints and whistleblowing disclosures made.
- Review of the One Coventry Plan and other key strategies such as the Medium Term Financial Strategy and the Health and Wellbeing Strategy.
- Reports from external bodies during the year.
- Consideration of the Council's Corporate Risk Register.
- Arrangements for leadership and management training.
- An annual assessment by each Director of the adequacy of governance arrangements / internal controls in relation to their service areas.
- An assessment of the Council's compliance with the principles and standards of the CIPFA Financial Management Code, which supports good practice in financial management and demonstrating financial sustainability.
- Assessment of the role of the S151 Officer against the requirements stated in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016.)

2.2 Based on the outcomes of the review, the overall opinion that has been reached is that reasonable assurance can be provided that the Council's governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The basis of this opinion includes the following key findings from the review:

- The Chief Internal Auditor's opinion that moderate (reasonable) assurance can be provided that there is generally an effective and adequate framework of governance, risk management and internal control in place designed to meet the Council's objectives.
- There is evidence that the Register of Interests for members is effectively maintained and there is a high level of compliance with the annual declarations of interest exercise for officers.
- A self-assessment of the Council's compliance with the Financial Management Code which has concluded that the Council is in a relatively strong position with regards to having good and sustainable financial management. Since the assessment was completed, further actions have been taken to ensure that the standards required by the Code are met. The Medium Term Financial Strategy 2023-26 recognises the financial pressures which exist over the period and sets

out a number of strategic policy and financial management assumptions and principles in order to balance the budget over the medium term.

- The One Coventry Plan recognises the importance of continued financial sustainability and the Council's role as partner, enabler and leader as key to achieving outcomes.
- Both Childrens Services and Adult Education were rated as good by Ofsted and the Youth Justice Service was rated as outstanding by HMI Probation.
- The number of complaints to the Local Government / Social Care Ombudsman is comparable to similar local authorities / West Midlands Combined Authority.
- Assurance obtained from Directors that there are no significant concerns in relation to governance within their service areas.
- The conclusion that the role of the S151 Officer within the Council meets the principles of the CIPFA statement on the Role of the Chief Financial Officer in Local Government.

2.3 The AGS also details the key governance issues that the Council faces in the coming year. Section 5.3 of Statement, attached at Appendix One, provides details of these areas. Whilst the process of identifying the issues is co-ordinated by the Chief Internal Auditor, it incorporates the views and opinions of senior officers, the Council's Governance Steering Board and Leadership Team. The key issues come from the following processes:

- A review of progress against the actions planned to address significant issues highlighted in the Annual Governance Statement for 2021-22.
- New issues identified as part of the review of effectiveness outlined in section 2.1.

The outcomes from these processes are expanded upon below.

2.4 **Update on issues raised in the Annual Governance Statement 2021-22** – An update on the progress against planned actions in relation to the issues raised in the 2021-22 AGS is provided in section 5.1 of the Statement attached at Appendix One. A review of the 19 issues highlighted in the AGS for 2021-22 has found that these fall into two categories, namely:

2.4.1 Issues which have now been addressed – Seven issues have been closed as they are no longer viewed as a significant governance issue facing the Council and will not be carried forward to the 2023-24 action plan:

- Raising educational standards: Arrangements for working with Schools are well established. An Early Years Team has been implemented to focus on improving the quality of settings and improvement plans are in place in regards to primary school results. Post 16 data reflects considerable improvement including low

number of NEETS and positive destinations above the national average, and the majority of secondary schools in the city have seen improvements across all key measures.

- Implementation of the Information Management Strategy: An information risk register was introduced in January 2023 and is subject to quarterly review by the Information Management Strategy Group. There is a process in place to identify risks which the Senior Information Risk Officer should raise for consideration for inclusion on the corporate risk register and a review of the data protection training is taking place.
- Strengthening arrangements linked to the programme of health and safety audits undertaken: A formal follow up review of the Council's health and safety audit arrangements was carried out in 2022-23 which found that arrangements for developing and monitoring the audit programme have been improved and moderate assurance was provided that effective systems are in place.
- Refresh of the One Coventry Plan: Extensive engagement was undertaken with the Council workforce, partners and the wider public regarding the delivery of the priorities outlined in the draft Plan. Following the engagement period, the Plan was updated to reflect feedback and was formally approved at full Council in March 2023.
- Update of the Local Code of Corporate Governance: Following engagement with officers across the Council, the Code has been updated and now includes a description of the local arrangements in place to meet the principles of good governance. The Code was approved by Audit and Procurement Committee in June 2023 and arrangements have been agreed to review the Code on an annual basis.
- Mandatory training for Waste Services employees returning to work: All returning employees received full workplace training on their return to work and attendance was recorded in the service training record.
- Whistleblowing procedure: Work has been undertaken to put in place a digital reporting form which can be used to raise concerns and which automatically directs the report to the Monitoring Officer / Chief Internal Auditor.

2.4.2 Carry forward to the 2023-24 Action Plan - A number of governance issues remain in the Annual Governance Statement. These are detailed in section 5.3 of the Statement attached at Appendix One, along with the actions the Council plans to take (or has taken) in 2023-24 in relation to these issues. In summary, the issues that have been carried forward to the 2023-24 Action Plan 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.

- Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation.
- Development of a corporate data access standard.
- Governance over the programme of capital projects.
- City of Culture legacy.
- Further development of the Council's IT Disaster recovery plans and processes.
- Implementation of the Redmond Review into the oversight of local audit and the transparency of local authority financial reporting.
- To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security.
- Embedding new methods of consultation and engagement.
- Employees Code of Conduct
- Sustainability and Climate Change Strategy

2.5 **New Governance Issues** – Seven new issues have been identified for the Annual Governance Statement. These are also detailed in section 5.3 of the Statement attached at Appendix One, along with the actions the Council plans to take (or has taken) in 2023-24 in relation to these issues. These issues were identified as part of the review undertaken to support the production of the AGS as detailed in 2.1 and are summarised below:

- Officer declarations of gifts and hospitality.
- Ethical Leadership action plan.
- Risk of use of un-regulated provision in Children's Services due to national, regional and local sufficiency issues.
- Health Check / Assurance Framework for the Council's group of companies.
- Publication of decisions delegated to officers.
- Transparency Code.
- Implementation of Action Plan – Statement of Accounts for 2020/21, 2021/22 and 2022/23.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision

4.1 Timescales for specific actions which are being taken to address significant governance issues are included in the Annual Governance Statement. The action plan will be subject to quarterly monitoring by the Corporate Governance Group to ensure that issues are addressed in the timescales outlined.

5. Comments from the Chief Operating Officer (Section 151 Officer) and the Chief Legal Officer

5.1 Financial Implications

There are no specific financial implications associated with this report. Internal control / governance has 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 One Coventry 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) climate change and the environment

None

6.6 Implications for partner organisations?

None

Report author(s):

Name and job title:

Karen Tyler
Chief Internal Auditor

Service:

Finance and Corporate Services

Tel and email contact

Tel: 024 7697 2186
Email: Karen.tyler@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/ approver name	Title	Service	Date doc sent out	Date response received or approved
Contributors:				
Suzanne Bennett	Governance Services Co-ordinator	Law and Governance	12/1/2024	12/1/2024
Tina Pinks	Finance Manager Corporate Finance	Finance	10/1/2024	17/1/2024
Names of approvers: (officers and members)				
Barry Hastie	Chief Operating Officer (Section 151 Officer)		10/1/2024	18/1/2024
Julie Newman	Chief Legal Officer		10/1/2024	18/1/2024
Councillor G Duggins	Cabinet Member for Policy and Leadership		10/1/2024	10/1/2024
Councillor R Lakha	Chair of Audit and Procurement Committee		10/1/2024	10/1/2024

This report is published on the council's website:

Appendix One – Annual Governance Statement 2022-23

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: www.coventry.gov.uk/codeofcorporategovernance
- 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 and the Accounts and Audit (Amendment) Regulations 2022.

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 2023 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 One Coventry 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 The One Coventry Plan 2022-2030 was formally adopted by the Council in March 2023 following a period of extensive engagement. To deliver the Council's long term vision of working together to improve the city and the lives of those who live, work and study in Coventry, the One Coventry Plan sets out the priorities of increasing the economic prosperity of the city and region, improving outcomes and tackling inequalities within our communities and tackling the causes and consequences of climate change, through continued financial sustainability and the Council's role as a partner, enabler, and leader. The delivery of the One Coventry Plan is supported by a range of policies and strategies and a performance management framework. A copy of the One Coventry Plan is available on our website at:
www.coventry.gov.uk/strategies-plans-policies/draft-one-coventry-plan/9
and the performance management framework is at:
http://www.coventry.gov.uk/downloads/download/5245/performance_management_framework
- 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 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>
- 3.6 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.
- 3.7 The Council has an Equality, Diversity and Inclusion Commitment which is available on our website at: [Equality, diversity and inclusion commitment – 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 One Coventry Plan. In 2022, a new set of equality objectives were approved and are available on our website at: www.coventry.gov.uk/diversity-inclusion/equality-objectives-2022-25. Progress is monitored and reported to the Cabinet Member (Policing & Equalities) and an annual report of completed Equality Impact Assessments is available at: www.coventry.gov.uk/diversity-inclusion/equality-impact-assessments
- 3.8 The Council's Risk Management Policy and Strategy defines processes for identifying, assessing, managing, and monitoring financial and operational risks. The Strategy recognises the need for risk registers at service, directorate and corporate level which are updated and reviewed regularly. The Corporate Risk Register is reviewed quarterly by the Strategic Leadership Team and is reported to the Audit and Procurement Committee.
- 3.9 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.

3.10 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.

3.11 For the financial year 2022-23, the Chief Operating Officer was the nominated Section 151 Officer, with the delegated responsibility for ensuring there are arrangements in place for proper administration of financial affairs. The Council last carried out an assessment of the role of the Section 151 Officer against the requirements stated in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) in August 2023. This assessment concluded that 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 Chief Operating Officer (Section 151 Officer) is a key member of the Council's Strategic Leadership Team (now called Leadership Team) with a critical role in strategic planning for the organisation. The Team also includes the Chief Executive and Monitoring Officer, who, along with the Chief Operating Officer, collectively have leadership responsibility for good governance as principal statutory officers. The Chief Operating Officer is also part of the Council's One Coventry Leadership Team which consists of all of the Directors of the Council.

3.12 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 2023:

- In November 2021, the Council incorporated Coventry Municipal Holdings Limited (CMH) to manage most of its wholly owned companies and strengthen the governance arrangements for these investments. In setting up these arrangements, the Council took account of lessons learnt from issues encountered by other local authorities and the recommendations made in Public Interest Reports issued by Grant Thornton on such matters. A Group Governance Agreement is in place which sets out the governance structure and training has been provided by the Council's legal advisors to those officers appointed as directors. The CMH group comprises of the following subsidiaries:
 - Tom White Waste Limited (and its subsidiaries A & M Metals Limited and Tom White Waste (LACO) Limited)
 - Coombe Abbey Park Limited (and its subsidiaries No Ordinary Hospitality Management Limited and Coombe Abbey Park (LACO) Limited)
 - No Ordinary Hotels Limited (dormant)
 - Coventry Technical Resources Limited
 - Coventry Regeneration Limited

In accordance with the Group Governance Agreement, the subsidiaries are required to produce annual business plans and in addition, CMH produce an annual performance report covering all of group's performance. A Shareholder Committee is in place which oversees the group's performance.

- The Coventry and Solihull Waste Disposal Company Limited was incorporated on 24th February 1992 is owned jointly by Coventry City Council, Solihull Metropolitan Borough Council, Warwickshire County Council and Leicestershire County Council.
- The UK Battery Industrialisation Centre Limited was incorporated on 27th February 2018 and the Council is currently the sole shareholder with one share which has a nominal value of £1. The purpose of the company is to run the proposed National Battery Development Facility.
- The Friargate Joint Venture Project limited Ltd was incorporated on 17th December 2018. This is a 50/50 joint venture with Friargate Holdings 2 Limited, established to develop new buildings within the Friargate district of the city.
- Sherbourne Recycling Limited (SRL) was incorporated on the 25th February 2021 and Coventry City Council along with seven other local authorities acquired shares in the company on the 1st April 2021. The purpose of the company is to manage the construction of a material recycling facility (MRF) and then operate the facility, which will sort the dry mixed recyclable waste received from the eight local authorities and other commercial customers. Sherbourne Recycling Trading Limited is a trading subsidiary of Sherbourne

Recycling Limited who own 100% of the shares in this entity. All commercial contracts will be secured through this entity with the waste being processed by SRL on an arm's length transaction.

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 Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's risk management, internal control, and governance arrangements, 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 Leadership Team and Members against targets and objectives set out in the One Coventry Plan.
- Regular meetings of the Council's Governance Group to consider on-going and emerging governance issues and co-ordinate actions required. Updates on this work are provided to Strategic Leadership Team.
- Consideration of ethical governance matters by the Ethics Committee, including reflecting on national governance failings to identify if there are any lessons learnt for the Council to take forward.
- 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 and update of the Council's Local Code of Corporate Governance which is subject to approval by the Audit and Procurement Committee.

4.3 The review of effectiveness has also been informed by:

- Reports from the external auditors and other inspection agencies.
- The Council's Corporate Risk Register.

- Directors' Statements of Assurance. An annual assessment of the adequacy of governance arrangements / internal controls in relation to their service areas by each Director.
- An assessment of the Council's compliance with the principles and standards of the CIPFA Financial Management Code, which supports good practice in financial management and demonstrating financial sustainability. Overall, the Council satisfied CIPFA's requirement to demonstrate a direction of travel towards full compliance with the Code and since the assessment was completed, further actions have been taken to ensure that the standards required by the Code are met.
- The work of the Internal Audit Service during 2022-23. 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 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 Council's governance 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 2021-22 Annual Governance Statement.

Table one

No	Governance issues identified in 2021-22	2022-23 update
1	Sustainable improvement in Children's Services	<p>National workforce issues remain. A shortage in the supply of social workers has impacted this.</p> <p>The workforce strategy has been implemented and revised for 23/24.</p> <p>An innovation and improvement forum has not been established and this will carry over to next year. Instead, an engagement piece with the workforce took place in the form of an ideas factory.</p>

		<p>An action plan in response to the Ofsted action plan was developed and actions have largely been completed.</p>
2	<p>Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy</p>	<p>The 2022/23 budgetary control position has included a range of financial pressures resulting in an overspent year-end position. The ongoing elements of this were reflected in the balanced budget for 2023/24 set by the Council in February 2023.</p> <p>The refreshed One Coventry Plan has been approved and the Council's financial plans have continued to be aligned with the objectives in the new plan.</p>
3	<p>Raising educational standards</p>	<p>Implementation of an Early Years Team to focus on improving quality of settings from September 2022.</p> <p>Our post 16 data reflects considerable improvement including low number of NEETs, positive destinations above national average confirming that the system is successful in securing high levels of education, employment, or training. This is despite not meeting national attainment targets by key stage 1, 2 and 4,</p> <p>In Summer 22, as anticipated, primary results saw a widening gap to the national average in some measures as a result of the pandemic, and despite the hard work and commitment our pupils and schools demonstrated during this period. We are confident our primary schools in partnership with ourselves will mitigate this and strong improvement plans are in place.</p> <p>Whilst we anticipate a widening of the gap in Coventry secondary schools too, compared to 2019 (pre-pandemic), the 2022 Coventry GCSE results show improvements across the board in all key measures. This position is consistent across the city, as the majority of schools in the city have seen improvement across all key measures.</p> <p>The Government decided to drop the Schools Bill from the parliamentary process in favour of using existing legislative powers to deliver some changes to statutory provisions and there is not funding available in relation to being an Education Investment Area. The guidance on LA Attendance duties was updated, and we have been implementing a new</p>

		<p>model which will be in place for September 23.</p> <p>As arrangements for working with Schools to raise educational standards are well established and form part of business as usual, this issue will not be carried forward to the 23/24 action plan.</p>
4	Implementation of the Information Management Strategy	<p>The Information Management Strategy Group has made arrangements to undertake a review of Data Protection training with the intention of updating the training strategy.</p> <p>An information risk register was introduced in January 2023 and is now subject to quarterly review by the Information Management Strategy Group. A number of information sources are being used to inform the regular review and update of the information risk register and a process in place to identify risks which the Senior Information Risk Officer (SIRO) should raise for consideration on the corporate risk register.</p> <p>As arrangements are now in place and form part of business as usual, this issue will not be carried forward to the 2023-24 action plan.</p>
5	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	<p>The service delivered an underspend in 2022/23 of approximately £1million.</p> <p>The initial 25 3-bed and larger Temporary Accommodation properties were purchased.</p> <p>The private rented sector (PRS) has been very buoyant and therefore the number of households housed in the PRS has reduced.</p> <p>Additional staff were embedded, income recovery and increased move-ons have been achieved.</p> <p>Two separate procurement exercises have been completed and additional properties secured.</p> <p>Due to market conditions the cost of Temporary Accommodation in the PRS has increased.</p> <p>Rent accounting system launched and embedded.</p> <p>Over 90% occupancy achieved across all contracted temporary accommodation.</p>

6	Development of a corporate data access standard	This has not been progressed due to other priorities and resource pressures. The Information Management Strategy Group will consider the scope of a review to develop and implement a corporate access standard at its meeting July 2023.
7	Governance over the programme of capital projects	<p>The Council continues to maintain an ambitious programme of capital projects, to provide long term benefits for the people of Coventry. 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.</p> <p>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 Council's Capital Programme Delivery Board which is currently chaired by the Chief Operating Officer. It is anticipated that this arrangement will be reviewed once the new Chief Executive joins the Council.</p> <p>In 2022-23 the focus was on ensuring that as the programme continues to move at pace, governance arrangements remain embedded and robust and programme delivery supports the Council's wider aspirations as well as supporting the local economy.</p>
8	City of Culture legacy	<p>St. Mary's Guildhall opened to the public in July 2022, following a £5.5m restoration, with a new visitor offer and Tales of Tea destination café/restaurant in the Undercroft.</p> <p>Charterhouse opened to the public in April 2023 as a new heritage visitor destination with Purnell's Café & Bistro operating from the main building, complementing work on the adjacent Heritage Park.</p> <p>The Albany Theatre capital works are now underway, creating new studios and improving facilities for theatre visitors. The City Centre Cultural Gateway has further received planning consent and has completed RIBA Stage 4 design.</p> <p>The Coventry City of Culture Trust opened the completed Reel Store in May 2022 and delivered a summer programme of activities at the Assembly</p>

		<p>Festival Garden. The Trust encountered financial difficulties early in its legacy period, and despite receiving a £1m cashflow loan from the City Council in October 2022, the Trust entered administration in February 2023. The circumstances surrounding the Trust's financial difficulties are subject to ongoing investigations by the Administrator, by the Charity Commission and by the National Audit Office. The Council is in ongoing discussions with the Department for Culture, Media and Sport and both national and local partners around securing enduring legacies from UK City of Culture and delivering outcomes of Coventry's Cultural Strategy 2017-2027.</p> <p>The Destination Coventry proof of concept pilot continues into 2023/24, with the first cycle of Membership renewals commencing in late December 2022.</p>
9	Strengthening arrangements linked to the programme of health and safety audits undertaken	<p>A formal follow up review of the Council's health and safety audit arrangements was carried out in August 2022 with the final report issued in September 2022. The review found that arrangements for developing and monitoring the audit programme have been improved and moderate assurance was provided that effective systems are in place. The outstanding actions will be subject to the standard Internal Audit follow up process.</p> <p>As a result, this issue will not be carried forward to the 2023/24 action plan.</p>
10	Further development of the Council's IT disaster recovery plans and processes	<p>The Council have continued to make significant improvements to the technical components of the ICT & Digital disaster recovery position.</p> <p>The Council's network design and architecture have continued to be reviewed following the completion last year of the move to a new secondary data centre. ICT and Digital have continued to ensure that there is proactive maintenance in place across all of the key infrastructure and the service continually review processes regarding business continuity and disaster recovery from a technical point of view.</p> <p>The Council are part of the strategic organisational planning for large-scale city-wide resilience in conjunction with Coventry, Solihull and Warwickshire and this activity will continue into the new year.</p>

11	Implementation of the Redmond Review into the oversight of local audit and the transparency of local authority financial reporting	The measures indicated by the Redmond Review have not been legislated for and defined so no action has been implemented yet by the Council.
12	To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security	<p>The Council have made good progress on its cyber security activities over the past twelve months, and this will continue to be a key focus for the ICT & Digital Service in the new Digital Service plan for 2023/24.</p> <p>The Council continually monitors the cyber security landscape and adapts its plans accordingly to meet industry best practice and align with the National Cyber Security Centre (NCSC) recommendations. Examples of this include updating the plans regarding Multifactor Authentication to use the "number matching" technique as a default rather than push approvals. In line with industry trend, the service are looking to adopt the NCSC Cyber Assessment Framework (CAF) rather than focus on Cyber Essentials Accreditation.</p>
13	Embedding new methods of consultation and engagement	<p>Let's Talk Coventry continues to be the Council's platform for all consultation/engagement activities. As the provider has now merged with Granicus there is now an opportunity to join up our digital channels seamlessly. Coventry Connects is still undergoing development and the platform will be linked in as appropriate moving forwards. The Council are currently in the process of updating the One Coventry performance framework and it has been agreed with the leadership team that this will include softer data including case studies. It is envisioned that the Let's Talk platform will be utilised to collect this insight.</p> <p>Continued support to the Integrated Care Strategy inviting representatives to Community Messenger meetings, stakeholder groups and facilitating better communication with the contacts held. The outcomes of this have been used to influence council led documents and the conclusions made from the engagement support the Council's own findings. Will continue to ensure communication between the council and NHS to ensure alignment continues.</p>

		<p>The Joint Strategic Needs Assessment (JSNA) has been used as a starting point for engaging and involving local partners and stakeholders as well as combining intelligence that is tailored to local needs and uncovers local issues.</p> <p>An evaluation process was undertaken and found that services that used previous years JSNA based on Family Hub areas found it difficult to extract the information that they needed as the boundaries were so large and localities vastly different. Collated stakeholder feedback and understanding of how other services use the profiles so that the Council can support work across teams. As a result, the way in which data is collected has been re-evaluated to utilise work that is already happening in the city and compare outcomes of different areas. Work alongside the Community Resilience Team has also been undertaken, working closely with their coordinators in each of the priority areas feeding back community information and informing the profiles.</p> <p>Moving forward for the next profiles, continue to work with partners on information already gathered and feedback from communities will underpin the profiles and recommendations.</p>
14	Refresh of the One Coventry Plan	<p>In 2022, extensive engagement was undertaken with the Council workforce, partners and the wider public regarding the delivery of the priorities outlined in the draft Plan. This engagement created the opportunity to understand more about how the Council can collectively best deliver its vision and priorities for the city.</p> <p>Following the engagement period, the Plan was updated to reflect feedback and the One Coventry Plan 2022-2030 was formally approved at Full Council in March 2023. The ongoing delivery of the priorities will now form part of business as usual.</p> <p>As a result, this issue will not be carried forward to the 2023/24 action plan.</p>
15	Update of the Local Code of Governance	<p>Following engagement with officers across the Council, the code has been updated and now includes a description of the local arrangements in place to meet the principles of good governance.</p>

		<p>The draft code has been reviewed by the Strategic Leadership Team, the One Coventry Leadership Team, the Extended Leadership Team and the One Coventry Policy Forum. The code will be presented to the Audit and Procurement Committee in June 2023 for formal approval and arrangements have been agreed to review the code on an annual basis.</p> <p>As a result, this issue will not be carried forward to the 2023/24 action plan.</p>
16	Mandatory training for Waste Services employees returning to work	<p>All returning employees received full workplace training on their return to work. Attendance is recorded in the service training record.</p> <p>As a result, this issue will not be carried forward to the 2023/24 action plan.</p>
17	Employees Code of Conduct	<p>The code is provided to all employees when they start with the organisation and is referenced in the Corporate Induction training.</p>
18	Sustainability and Climate Change Strategy	<p>The draft Strategy was approved by Political Cabinet. The Draft Strategy consultation was completed in the summer of 2023, the outputs of which were reported to Council's Scrutiny Coordination Committee in September. Work is ongoing to update the Strategy in the light of comments made and consultation for an Action Plan, aiming for final approval in the new year. This is slightly later than planned as there is a requirement to align with the Severn Estuary Partnership Strategic Business Plan and recommendations being produced by the city's Independent Advisory Climate Change Board.</p>
19	Whistleblowing procedure	<p>Work has been undertaken to put in place a digital reporting form which can be used to raise concerns, and which automatically directs the report to the Monitoring Officer / Chief Internal Auditor.</p> <p>As this work has now been completed, this issue will not be carried forward to the 2023/24 action plan.</p>

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 2023-24 (table two), along with the actions planned to address these matters to further enhance our governance arrangements.

Table Two

Ref	Governance issue	Planned actions 2023-24	Responsible officer	Timescale
1	Sustainable improvement in Children's Services	<p>The following actions are planned for 2023-24:</p> <ul style="list-style-type: none"> • Develop a confident and competent, experienced, and stable workforce. • Deliver this year's workforce plan. • Strengthen further feedback from the front line in the form of an innovation and improvement forum. • Implement Children's Services strategy 23-26 	Director of Children's Services	March 2024
2	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy	<p>The 2023-24 budgetary control position will be closely monitored to ensure that the key financial pressures being experienced by the Council can be mitigated and/or managed. Some underlying trends in areas have emerged in 2022/23 including inflation, adult social care and housing which are indicative of further unbudgeted pressures in 2023/24 which will be a key focus of this activity. At this stage of the monitoring cycle it is expected that the Council will not be able to balance its revenue provision by year-end 2023/24 without the use of reserve contributions.</p> <p>Significant work has been undertaken by senior managers to assess the range of financial scenarios facing the Council for the period from</p>	Chief Operating Officer (S 151 Officer) / Head of Finance	June 2023 to March 2024

		<p>2024-25 and proposals presented to members within the Pre-Budget Report on 12th December 2023. The extent to which these proposals will be implemented will be unknown until the government settlement is announced.</p> <p>Assessment will continue of the Council's One Coventry Plan and how the Council's financial plans can be better aligned to the revised objectives of the new Plan. These proposals will be formalised through the 2024-25 Final Budget Setting process in February 2024.</p>		
3	<p>Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation</p>	<p>The homelessness service is demand led and experienced significant increase in demand during Q3 2022-23. This demand has continued during Q1 2023/24. The following actions are planned for 2023-24:</p> <ul style="list-style-type: none"> • Purchase the second tranche of 3-bed and larger Temporary Accommodation (TA) properties. • Implement detailed actions set out in the TA reduction plan and the Housing & Homelessness Service plan (both developed in June 2023) • Explore alternative procurement routes to ensure value for money for TA for families. • Deliver additional 50 units of TA through a Registered Provider in the city. • Continue to ensure that voids within contracted providers are minimised and meet 	<p>Director of Adult Social Care & Housing</p> <p>Head of Housing & Homelessness</p>	<p>March 2024</p>

		<p>target of 90% occupancy.</p> <ul style="list-style-type: none"> • Seek to eliminate the use of B&B accommodation for families unless in an emergency. • Re-launch Lets Rent scheme to try and increase the properties available for people in temporary accommodation. • Deliver on the Local Authority Housing Fund (LAHF) purchases in partnership with Stonewater. 		
4	Development of a corporate data access standard	Development and implementation of a corporate access standard and protocol for all systems that hold personal data.	Head of Governance	December 2023
5	Governance over the programme of capital projects	In 2023/24 the focus will be on ensuring that as the programme continues to move at pace, governance arrangements remain embedded and robust and programme delivery supports the Council's wider aspirations as well as supporting the local economy.	Chief Executive	Ongoing
6	City of culture legacy	<p>The Albany Theatre capital project to create new studio spaces and improve facilities for theatre visitors is due to complete in 2023/24.</p> <p>The City Centre Cultural Gateway project is (subject to successful appointment of a contractor and entering of Agreements for Lease with the partners) due to mobilise on site within 2023/24, entering the construction phase of the project.</p> <p>The City Council has called for</p>	Strategic Lead – Culture, Sport, Events and Destination	2022-24

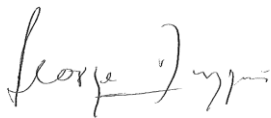
		<p>and is supporting independent investigations into the circumstances surrounding the City of Culture Trust entering administration. The Council remains in ongoing discussions with the Department for Culture, Media and Sport and with national and local partners around securing enduring legacies from UK City of Culture 2021.</p> <p>The City Council is working closely with Coventry University, the University of Warwick and local partners to develop and support new a cultural partnership to refresh and carry forward a three-year Cultural Strategy Action Plan, to deliver next-stage outcomes from the city's Cultural Strategy 2017-2027.</p> <p>The Destination Coventry proof-of-concept pilot will be reviewed and evaluated, leading to decisions on future sustainable Destination Management arrangements for the city.</p>		
7	Further development of the Council's IT disaster recovery plans and processes	Support the work of the business continuity planning across the organisation, ensuring that ICT disaster recovery processes are enhanced, with supporting documents formalised and testing arrangements agreed. The scope of this activity includes supporting resilience planning at a city level in particular in relation to connectivity and digital infrastructure across the city.	Head of ICT & Digital	March 2024

8	Implementation of the Redmond Review into the oversight of local audit and the transparency of local authority financial reporting	The Council will implement the required measures set out in the Redmond Review once these have been legislated for and defined.	Chief Legal Officer / Chief Operating Officer	Ongoing
9	To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security	Implementation of the cyber security activities listed in the Digital Service Plan.	Head of ICT & Digital	March 2024
10	Embedding new methods of consultation and engagement	Development of the new One Coventry performance framework including insight collected via Let's Talk platform.	Consultant in Public Health (Insight and Communities)	March 2024
11	Employees Code of Conduct	Refresh of Employees Code of Conduct and promotion of refresh across the organisation.	Chief People Officer	March 2024
12	Sustainability and Climate Change Strategy	<p>The following actions are planned for 2023-24:</p> <ul style="list-style-type: none"> • Analysing responses from consultees to the draft Climate Change Strategy. • Drafting a revised Climate Change Strategy and Action Plan following incorporation of feedback, recommendations & Severn Estuary Partnership Strategic Business Plan. • Finalising Strategy for Cabinet and Full Council Approval 	Director for Transport, Highways & Sustainability, Strategic Lead – Green Futures & Head of Climate Change & Sustainability	September 2023 – February 2024

13	Officer declarations of gifts and hospitality	Raise awareness around requirements to declare gifts and hospitality.	Chief Legal Officer	March 2024
14	Ethical leadership action plan	Implementation of action plan arising from Ethical Leadership session.	Chief People Officer / Chief Legal Officer	March 2024
15	Risk of use of un-regulated provision in Children's Services due to national, regional and local sufficiency issues	Steps are being taken to increase the Council's internal provision. Alongside this, a sufficiency strategy is being developed to strengthen capacity through commissioning within the private sector.	Director of Children's Services	March 2024
16	Health Check / Assurance Framework for the Council's group of companies	Undertake a health check and develop an assurance framework for the Council's Group of Companies.	Chief Legal Officer / Chief Internal Auditor	March 2024
17	Publication of decisions delegated to officers	Introduce arrangements for publishing decisions delegated to officers by Council, Cabinet and Cabinet members.	Head of Governance	March 2024
18	Transparency Code	Strengthen arrangements for ensuring that the Council complies with the Transparency Code.	Corporate Governance Group / Head of Governance	March 2024
19	Implementation of Action Plan – Statement of Accounts for 2020/21, 2021/22 and 2022-23	<p>The following actions have been agreed with the Auditors:</p> <ul style="list-style-type: none"> • Undertake a root cause analysis of the delays in the 2019/20 financial statements audit and prepare an appropriate action plan in response to these delays. These should particularly focus on the valuation process. • Prepare its 2020/21 group 	Chief Operating Officer (S151 Officer)	September 2024

		<p>accounts for audit as soon as possible.</p> <ul style="list-style-type: none"> • Review the Council's (single entity) financial statements for 2020/21 applying additional quality checks to the accounts and land and property valuations. • Put in place the additional capacity needed to prepare and complete the 2020/21, 2021/22 and the 2022/23 financial statements. • Agree a timetable with Grant Thornton for the completion of the open accounts. Progress against this timetable should be reported to the Audit and Procurement Committee. Where there is slippage against the programme arrangements should be made to resolve these issues. 		
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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



Dr Julie Nugent
Chief Executive of Coventry City Council