



Coventry City Council

Public report

Report to

Audit and Procurement Committee

30th September 2024

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Director of Finance and Resources

Ward(s) affected:

City Wide

Title:

Annual Governance Statement 2023-24

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 2023-24.

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 2023-24 Statement of Accounts.

List of Appendices included:

Appendix One – Annual Governance Statement 2023-24

Background papers:

None

Other useful documents:

Annual Governance Statement 2022-23

[Agenda for Audit and Procurement Committee on Monday, 29th January, 2024, 2.30 pm - Coventry City Council](#)

Local Code of Corporate Governance

[Agenda for Audit and Procurement Committee on Monday, 26th June, 2023, 2.30 pm - Coventry City Council](#)

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 2023-24

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 2023-24 have not yet been finalised, the draft statement of accounts for 2020-21, 2021-22 and 2022-23 have been published. As such it is felt appropriate to present the AGS for 2023-24 at this time.

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 Board. For 2023-24, 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. This includes the results from the Corporate Peer Challenge which took place in January 2024.
- Consideration of the Council's Corporate Risk Register.
- An assessment of the Council's performance against the Best Value Standards and Intervention guidance.
- Review of the Annual Performance report for Coventry Municipal Holdings.
- 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 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 in overall terms the Council is able to demonstrate compliance with the Code, with a small number of improvement actions highlighted to build on the arrangements already in place and demonstrate delivery in full. 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 the balance the budget over the medium term. Management action is being taken in relation to the current risks to the Council's financial sustainability and these risks have been widely acknowledged and communicated.

- 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.
- The Adult Education Service was rated as good by Ofsted, alongside the 14 Council maintained Schools which were inspected during the year.
- 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 5.2 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 Board. 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 2022-23.
- 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 2022-23** – An update on the progress against planned actions in relation to the issues raised in the 2022-23 AGS is provided in section 5.1 of the Statement attached at Appendix One. A review of the 18 issues highlighted in the AGS for 2022-23 has found that these fall into two categories, namely:

2.4.1 Issues which have now been addressed – Three 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 2024-25 action plan:

- 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 and so no action has been required to be implemented by the Council. In the event that any new legislation regarding local authority financial reporting is passed, any actions required by the Council will be implemented.
- Ethical Leadership action plan: The action plan has substantially been completed, including work to refresh and promote the “I have a concern” intranet pages. Whilst financial constraints have prevented the Council from commissioning work to promote the Nolan Principles, this aspect will be covered within planned training on the Code of Conduct.
- Publication of decisions delegated to officers: Arrangements have been put in place with effect from the 2024/25 municipal year.

2.4.2 Carry forward to the 2024-25 Action Plan - A number of governance issues remain in the Annual Governance Statement. These are detailed in section 5.2 of the Statement attached at Appendix One, along with the actions the Council plans to take (or has taken) in 2024-25 in relation to these issues. In summary, the issues that have been carried forward to the 2024-25 Action Plan are as follows:

- Integrate and sustain improvement in Children and Education 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.
- 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
- Risk of use of un-regulated provision in Children Services due to national, regional and local sufficiency issues.

- Health Check / assurance Framework for the Council's group of companies.
- Transparency Code
- Implementation of Action Plan – Statement of Accounts for 2021/22 and 2022/23

2.5 New Governance Issues – Three new issues have been identified for the Annual Governance Statement. These are also detailed in section 5.2 of the Statement attached at Appendix One, along with the actions the Council plans to take (or has taken) in 2024-25 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:

- To produce and roll out a Supplier Code of Conduct.
- To improve arrangements to ensure management compliance with key HR policies and procedures.
- To implement the action plan arising from the Peer Challenge report.

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 Director of Finance and Resources and the Director of Law and Governance

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?

<https://www.coventry.gov.uk/strategies-plans-policies/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

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Name and job title:

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Contributor/ approver name	Title	Service area	Date doc sent out	Date response received or approved
Contributors:				
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Tina Pinks	Finance Manager Corporate Finance	Finance and Resources	12/09/24	19/09/2024
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Barry Hastie	Director of Finance and Resources	-	12/09/24	19/09/2024
Julie Newman	Director of Law and Governance	-	12/09/24	16/09/2024
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	12/09/24	12/09/2024
Councillor R Lakha	Chair of Audit and Procurement Committee	-	12/09/24	12/09/2024

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

Appendix One – Annual Governance Statement 2023-24

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 2024 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 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 Leadership Board 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 2023-24, the Director of Finance and Resources 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 May 2024. 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 Director of Finance and Resources is a key member of the Council's Leadership Board with a critical role in strategic planning for the organisation. The Board also includes the Chief Executive and Monitoring Officer (the Director of Law and Governance), who, along with the Director of Finance and Resources, collectively have leadership responsibility for good governance as principal statutory officers. The Leadership Board is supported by three main Strategic Boards.

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 2024:

- 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.
- The Coventry and Warwickshire Growth Hub Limited was incorporated on the 24th July 2014 and was previously owned by the Coventry and Warwickshire Local Enterprise Partnership Limited. Following the closure of the Local Enterprise Partnership, on the 2nd November 2023, Coventry City Council and Warwickshire County Council acquired ownership of the Company as joint shareholders. The purpose of the company is to provide a central co-ordination point for publicly funded business support.

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 Leadership Board and Members against targets and objectives set out in the One Coventry Plan. These arrangements are now overseen by a Performance and Safeguarding Board and are currently being reviewed, with the aim of introducing bi-annual performance reporting moving forward.
- 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 Leadership Board.
- 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. This includes the results from the Corporate Peer Challenge which took place in January 2024.
- The Council's Corporate Risk Register.
- An assessment of the Council's performance against the Best Value Standards and Intervention guidance which was undertaken by a group of senior officers from across the Council.

- 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. The assessment was last updated in July 2024 and concluded that in overall terms the Council is able to demonstrate compliance with the Code, with a small number of improvement actions highlighted to build on the arrangements already in place and demonstrate delivery in full.
- The work of the Internal Audit Service during 2023-24. 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, which includes the Annual Internal Audit Opinion. For 2023-24, the Chief Internal Auditor concluded that reasonable assurance could 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. The report also identifies those issues, which in the opinion of the Chief Internal Auditor, should be considered when producing the Annual Governance Statement.
- In September 2023, the Council received formal confirmation from the Health and Safety Executive that they did not intend to prosecute the Council in relation to the fatal accident in Waste Services, and no prevention of death notice was issued to the Council. This was subject to no new material issues arising from the Coroner's Inquest. The inquest has now been concluded and in the opinion of Counsel there has been no material change resulting from the inquest.

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 2022-23 Annual Governance Statement.

Table one

No	Governance issues identified in 2022-23	2023-24 update
1	Sustainable improvement in Children's Services	The Service has implemented a range of positive recruitment and retention initiatives to help recruit and retain Social Workers further and reduce the

		<p>number of Social Worker vacancies. This has included regrading of posts, retention payments and continuation of the Social Work Academy, alongside other initiatives.</p> <p>Leaver data has indicated that the retention payments to social workers made a positive impact on retention rates, with a reduction in social workers leaving the service in 2023/24 compared to the previous year.</p> <p>The Children's Services Workforce Development Strategy was reviewed and updated in 2023. The strategy is a 2-year strategy (April 2023 - March 2025.) The workforce Action Plan workplan for 2023/24 was reviewed through the Children's Services Workforce Development Board on a monthly basis to monitor progress of actions within the plan. The workforce action plan 2023/24 was signed off in March 2024 with all actions completed.</p> <p>Engagement with frontline staff includes:</p> <ul style="list-style-type: none"> • Annual Conference • Let's Talk Corporate • Let's Talk Children – Quarterly • Managers Briefings – Quarterly • Practice Development Forums – monthly • Speak up & Speak Out Workforce Survey 2023 • Learning and Development feedback surveys • Exit/Leaver Interviews • Staying Interviews • Monthly Newsletter <p>The above are held on a regular basis to strengthen communication and act on feedback to continually improve services further.</p> <p>The Children's Services Strategic Plan was updated in 2023 to provide an overarching plan of the improvement /transformation work completed and planned for the future.</p> <p>The three key priorities include:</p> <ul style="list-style-type: none"> • Our Partnership • Our Workforce • Our Quality of Practice <p>The plan outlines the projects/and work in progress to deliver the overarching priorities.</p>
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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 forecast position presented a range of financial pressures resulting in a suite of in-year management actions to mitigate the impact of an overspent position at year-end, effectively reducing this position from £12.1m overspend forecast at Q1 down to a £1.8m overspend at outturn. Whilst a significant underlying pressure still exists a large amount of this was offset by additional income from grants and investment income.</p> <p>The ongoing elements of underlying service pressures were reflected in the balanced budget for 2024/25 set by the Council in February 2024.</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	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	<p>The demand for the service continued to increase significantly during 2023/24 with record numbers of households approaching the Council and being placed into temporary accommodation (TA.)</p> <ul style="list-style-type: none"> • All 50 family TA properties were either purchased or are going through conveyancing. • Actions in TA reduction plan have been implemented and new actions included. • New contracts awarded for family temporary accommodation provision. • Ribbon Court (50 units) has been delayed until October 2024 but is progressing. • All contracts are monitored and minimum 90% occupancy achieved. • As the numbers in TA increase, the use of B&B has been higher than the Council would like, however there were no families in B&B at Christmas. • Let's rent was re-launched, however it did not deliver the number of properties the Council had hoped for. As an alternative a Property Redress Scheme (PRS) was piloted with BEAM. • Local Authority Housing Fund (LAHF) 1 purchases completed by Stonewater. • Local Authority Housing Fund 2 TA properties – funding has been committed.

4	Development of a corporate data access standard	A working group has been established to review and recommend a standard to the Information Management Strategy Group (IMSG) for implementation. Data on current systems and best practice has been collected and is being reviewed. Outline recommendations to will be made to IMSG in July 2024 with a final proposal to IMSG in October 2024.
5	Governance over the programme of capital projects	Major capital projects have been monitored by way of the Capital Programme Project Board, chaired by the Director of Finance and Resources and attended by the senior responsible officers for each project. All projects are reported on by way of monthly RAG ratings and responsible officers are expected to report on significant risks and suitable mitigations. It is acknowledged that these arrangements have not consistently been in place during 2024, but have now been re-introduced on a bi-monthly basis.
6	City of Culture legacy	<p>The Albany Theatre capital project achieved Practical Completion in May 2024. The project comprised the redevelopment of the existing studio, the building of three new studios, and the updating of the current café. The existing studio will act as an incubator for emerging talent, whilst the three new studios will be used for rehearsals, community performances, learning and engagement, conferences, meeting spaces and arts activities.</p> <p>Following the exchange of Agreements for Lease with partners, the City Centre Cultural Gateway Project mobilised on-site in June 2024, with construction set to commence in August 2024.</p> <p>Coventry City Council supported the National Audit Office (NAO) investigation into the Funding of Coventry City of Culture Trust. The NAO report was published in July 2023. The City Council continues to support the Administrator's investigations, which remain ongoing at the time of reporting.</p> <p>Having come through a unique period of hosting the UK City of Culture 2021 and Birmingham Commonwealth Games 2022, Coventry is shaping its new Culture Works partnership and developing a three-year Cultural Strategy Action Plan 2024-2027. The UK City of Culture 2021 Impact Evaluation Final Report was published in November 2023 and a number of learning insights will inform the shaping of</p>

		<p>the Cultural Strategy Action Plan.</p> <p>The Council has appointed a new Head of Culture and Creative Economy, a post jointly funded by Coventry University and the University of Warwick. In the past 12 months, the city has been successful in securing over £2.3m of devolved cultural funds and Commonwealth Games legacy funds to support cultural and community legacy activity in the city.</p> <p>The Destination Coventry proof of concept pilot has been extended to 31st March 2025, to facilitate detailed exploration with the Coventry and Warwickshire Chamber of Commerce of a permanent public / private funded destination management operating model for the city. Coventry has further supported the development of The Coventry and Warwickshire Local Visitor Economy Partnership (LVEP), an accredited destination partnership focused on the creation of a growth plan for the Coventry and Warwickshire geography.</p>
7	Further development of the Council's IT disaster recovery plans and processes	<p>The Council have continued to make improvements to the technical components of the Digital Services disaster recovery position.</p> <p>Digital Services have continued to review its network design and architecture to ensure that its infrastructure is designed and configured to meet best practice recommendations.</p> <p>Digital Services have continued to ensure that they have proactive maintenance in place across all of the Council's key infrastructure and the Council continually reviews its processes regarding business continuity and disaster recovery from a technical point of view. 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> <p>Digital Services have continued to support services from across the organisation in the creation of their service level resilience plans and this is work that will continue into the new year.</p>
8	Implementation of the Redmond	<p>The measures indicated by the Redmond Review have not been legislated for and defined so no action has been implemented by the Council. As a result,</p>

	Review into the oversight of local audit and the transparency of local authority financial reporting	this issue will not be carried forward to the 24/25 action plan, although in the event that any new legislation regarding local authority financial reporting is passed, any actions required by the Council will be implemented.
9	To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security	<p>Digital Services 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 service in the new Digital Service plan for 2024/25.</p> <p>Digital Services continually monitor the cyber security landscape and adapt its plans accordingly to meet industry best practice and align with the National Cyber Security Centre (NCSC) recommendations. The Service have had direct engagement activity throughout 23/24 with Microsoft regarding best practice from a technology and process point of view and this continues to support its plans. In line with industry trend the Service are looking to adopt the NCSC Cyber Assessment Framework (CAF) rather than focus on Cyber Essentials Accreditation – the Council are one of the pilot organisations working with government on the development of the CAF for local government. A recent audit of the Council's cyber security arrangements supports that good progress is being made.</p>
10	Embedding new methods of consultation and engagement	<p>There have been 18 consultations on Let's Talk Coventry including the recent Budget Consultation. As a result, over 20,000 residents have been engaged with. As well as largescale consultations the Council have undertaken over 60 surveys in the last year, including service area customer satisfaction and baseline collection surveys.</p> <p>However, the ambition to use the Let's Talk platform to forge an on-going dialogue with residents following on from the One Coventry Plan engagement has not been realised and therefore insight to inform performance has not been available.</p>
11	Employees Code of Conduct	The standard contract of employment for Council employees has been updated with the Code of Conduct still being an integral part of this. Whilst

		<p>consideration has been given to refreshing the Code, further work on this is required along with promoting the Code across the organisation.</p> <p>This includes promoting the arrangements the Council has in place in regards to officer declarations of gifts and hospitality.</p>
12	Sustainability and Climate Change Strategy	<p>The revised Sustainability and Climate Change Strategy is being progressed, alongside an Action Plan, with a view to finalising and seeking Cabinet and Full Council approval in the Summer of 2024.</p> <p>All recommendations from the Climate Change Board Pathway Groups have now been received to include in the revised drafting.</p> <p>The finalising of the strategy has been delayed due to a number of reasons, including timing of emerging recommendations, work on the just transition framework which is ongoing to feed into the strategy and capacity challenges, which means progress has not been as quick as originally planned. This does not mean that progress has not been made, as there has been a lot of focus on development and delivery of projects to support the Strategy in the emerging Action Plan.</p> <p>The Strategic Energy Partnership Strategic and Annual business plans have been approved by Shareholders Committee (April 2024).</p>
13	Ethical leadership action plan	<p>The action plan has substantially been completed, including work to refresh and promote the “I have a concern” intranet pages. Whilst financial constraints have prevented the Council from commissioning work to promote the Nolan Principles, this aspect will be covered within planned training on the Code of Conduct. As a result, this issue will not be carried forward to the 24/25 action plan.</p>
14	Risk of use of un-regulated provision in Children’s Services due to national, regional and local sufficiency issues	<p>The sufficiency strategy was submitted and approved in September 2023. The strategy seeks to address the challenges in identifying appropriate registered homes for all children in care, which includes those for children with the most complex needs.</p>

15	Health Check / Assurance Framework for the Council's group of companies	A terms of reference for the review has been agreed and it is intended that the work will be completed in the first half of 2024/2025.
16	Publication of decisions delegated to officers	Arrangements have been put in place with effect from the 2024/25 municipal year. As a result, this issue will not be carried forward to the 24/25 action plan.
17	Transparency Code	Additional information is being prepared for publication on the Council's website and in a way that makes it as easy to locate as possible. A wider exercise to publish information outside the Code but is the subject of regular Freedom of Information requests is also being undertaken to increase the access to information held by the City Council.
18	Implementation of Action Plan – Statement of Accounts for 2020/21, 2021/22 and 2022-23	<p>The draft 2020/21 Statement of accounts were published on 28th March 2024.</p> <p>This was followed with the publication of the draft 2021/22 Statement of Accounts on 12th August 2024, and subsequently the draft 2022/23 Statement of Accounts were published for public inspection on 13th September 2024.</p> <p>Additional resource has been brought into both the Property Valuation Team & Corporate Finance Team to support the completion of the 2021/22 & 2022/23 Statement of Accounts.</p> <p>The Government issued a consultation on 'Addressing the local audit backlog in England.' The consultation sought views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog and put the system on a sustainable footing. The outcome of this consultation which closed on 7th March 2024, was published on 9th September 2024.</p> <p>The response confirms the Governments intention to set the following statutory deadlines for Category 1 authorities to publish audited accounts by the following dates:</p> <ul style="list-style-type: none"> • 2023/24: 28 February 2025 • 2024/25: 27 February 2026 • 2025/26: 31 January 2027 • 2026/27: 30 November 2027

		<ul style="list-style-type: none">• 2027/28: 30 November 2028 <p>We are working closely with Grant Thornton to understand the implication of any changes to Regulations and agree subsequent actions.</p>
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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 2024-25 (table two), along with the actions planned to address these matters to further enhance our governance arrangements.

Table Two

Ref	Governance issue	Planned actions 2024-25	Responsible officer	Timescale
1	Integrate and sustain improvement in Children and Education Services	<p>Develop a confident and competent, experienced, and stable workforce. Specifically:</p> <ul style="list-style-type: none"> • To integrate the Children and Education workforce. • Develop further workforce proposals to stabilise the recruitment and retention of social workers. <p>Deliver an integrated workforce plan 2024/5 for Children and Education Services.</p> <p>Integrate Children and Education Services to strengthen communications and feedback from staff to continually improve services.</p> <p>Develop an integrated Children and Education Strategic Plan for implementation from April 2025.</p>	Director of Children and Education Services	March 2025
2	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy	The 2024-25 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. Based on budgetary pressures identified during 2023/24, additional resources were allocated as part of 2024/25 budget setting. However, we are still seeing increasing demand and complexity	Director of Finance and Resources / Head of Finance	March 2025

		<p>across both social care and housing which will be closely monitored.</p> <p>In order to deliver a balanced 2024/25 budget, c£30m of saving and cost reductions were identified. The scale of the savings required is significantly higher than previous years. A monthly reporting of progress against savings targets will be presented to Leadership Board and where risk of non-delivery exists actions will be sought to manage any shortfalls in the overall savings delivery plans.</p> <p>Work is already underway to assess the range of financial scenarios facing the Council for the period from 2025-26 and proposals will be presented to members within the Pre-Budget Report in December 2024.</p> <p>Assessment will continue of the Council's One Coventry Plan and how the Council's financial plans align to the objectives of the Plan.</p>		
3	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	<p>The homelessness service is demand led and experienced significant increase in demand during 2022/23 & 2023/24. The following actions are planned for 2024-25:</p> <ul style="list-style-type: none"> • Open 2 new Supported Temporary Accommodation (TA) units for single people on Meriden Street and Chase Avenue. • Deliver an additional 50 TA flats for small families working with Green Square Accord at Ribbon Court. • Secure additional funding through LAHF 3 to purchase additional family TA units and progress 	<p>Director of Adult Social Care & Housing</p> <p>Head of Housing & Homelessness</p>	March 2025

		<p>the purchasing.</p> <ul style="list-style-type: none"> • Work with BEAM to deliver 20 additional PRS properties. • Work with Spring Housing to deliver an additional 11 3bed and 1 4bed flats for families and 18 bed unit for single people. • Consult with PRS landlords and relaunch Lets Rent Coventry and source additional permanent homes. • Work with Citizen to move the new Faseman House development (50 units of family TA) through planning and on-site. • Continue to ensure that voids within contracted providers are minimised and meet target of 90% occupancy. • Seek to eliminate the use of B&B accommodation for families unless in an emergency. • Develop and launch Coventry's new Homeless & Rough Sleeping Strategy. 		
4	Development of a corporate data access standard	Development and implementation of a corporate data access standard and protocol for all systems that hold personal data.	Head of Governance	October 2024
5	Governance over the programme of capital projects	In 2024/25 the focus will remain 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.	Capital Programme Project Board	March 2025
6	City of culture legacy	The City Centre Cultural Gateway project will enter the construction phase, securing tangible, long-term	Strategic Lead – Culture, Sport and	March 2025

		<p>legacies for the city in close collaboration with national and local partners.</p> <p>Independent investigations will be concluded into the circumstances surrounding the Coventry City of Culture Trust entering administration. The Council will review the report findings alongside learning outcomes from the UK City of Culture 2021 Impact Evaluation Final Report (published November 2023).</p> <p>The Coventry Culture Works partnership will adopt a formal governance structure and three-year Cultural Strategy Action Plan, to deliver final-stage outcomes from the city's Cultural Strategy 2017-2027.</p> <p>The Destination Coventry pilot will conclude its extended proof-of-concept period, leading to decisions on future sustainable Destination Management arrangements for the city.</p>	Events	
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.	Director of Digital Services	March 2025
8	To further strengthen the Council's arrangements and internal control environment around IT	Implementation of the cyber security activities listed in the Digital Service Plan.	Director of Digital Services	March 2025

	/ Cyber Security			
9	Embedding new methods of consultation and engagement	Leadership Board will consider the current communication, engagement and consultation functions across the Council. Improving methods of consultation and engagement will form part of this review.	Consultant in Public Health (Insight and Communities)	March 2025
10	Employees Code of Conduct	Further consideration of refresh of the Code of Conduct for employees. Training on the Code is planned as part of a wider programme for managers and employees over the next year. This will include training on the arrangements in place for officer declarations of gifts and hospitality.	Director of Human Resources	March 2025
11	Sustainability and Climate Change Strategy	Finalise the Strategy and take to Cabinet and Full Council for approval.	Strategic Lead – Green Futures	September 2024
12	Risk of use of unregulated provision in Children’s Services due to national, regional and local sufficiency issues	The Residential Strategy 2023-2026 has been approved, with two children’s homes due to open in the summer of 2024 and a further 5 new children’s homes over the next 2 years. In addition, the Sufficiency Steering Group is seeking to identify and enable access to further resources through an increase of in-house provision and commissioned services, providing more homes for children with complex needs and thereby prevent them from moving into an unregulated provision.	Director of Children and Education Services	March 2025

13	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.	Director of Law and Governance / Chief Internal Auditor	October 2024
14	Transparency Code	Strengthen arrangements for ensuring that the Council complies with the Transparency Code.	Corporate Governance Group / Head of Governance	December 2024
15	Implementation of Action Plan – Statement of Accounts for 2021/22 and 2022-23	Maintain the level of resource and additional capacity within Property Services and Corporate Finance to deliver the following: <ul style="list-style-type: none"> • Consolidation of 2021/22 Statement of Accounts and publication on our website for public scrutiny by August 2024. • Consolidation of 2022/23 Statement of Accounts and publication on our website for public scrutiny by September 2024. • Following discussion with Grant Thornton, put in place any actions arising from the outcome of the consultation on “addressing the local audit backlog in England.” 	Director of Finance and Resources	December 2024
16	Supplier Code of Conduct	To produce and roll out a Supplier Code of Conduct.	Deputy Head of Procurement and Commissioning	March 2025
17	Management compliance with HR policies and procedures	To improve arrangements to ensure management compliance with key HR policies and procedures.	Director of Human Resources	March 2025
18	Peer Challenge action plan	To implement the action plan arising from the Peer Challenge report.	Leadership Board	November 2024

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