

Coventry City Council
Minutes of the Meeting of the Audit and Procurement Committee held at 2.30 pm
on Monday, 21 July 2025

Present:

Members: Councillor R Lakha (Chair)
Councillor M Ali
Councillor J Blundell
Councillor A Hopkins
Councillor A Jobbar
Councillor J Lepoidevin (Substitute for Councillor P Male)
Councillor B Singh (Deputy Chair)

Member (by Invitation): Councillor R Brown – Cabinet Member for Strategic Finance and Resources

Employees (by Directorate):

Finance and Resources B Hastie (Director of Finance and Resources), P Helm, T Pinks, K Tyler

Law and Governance O Aremu, M Salmon

Apologies: Councillor P Male

Public Business

9. Declarations of Interest

There were no disclosable pecuniary interests.

10. Minutes of Previous Meeting

The minutes of the meeting held on 23rd June 2025 were agreed and signed as a true record. There were no matters arising.

11. Annual Compliance Report 2024 - Regulatory and Investigatory Powers Act (RIPA) 2000

The Audit and procurement Committee considered a report of the Director of Law and Governance that outlined the Council's use of the Regulation of Investigatory Powers Act 2000 (RIPA), which governed the acquisition and disclosure of communications data and the use of covert surveillance by local authorities

The Regulation of Investigatory Powers Act 2000 (RIPA) enabled the Council to use covert surveillance; covert human intelligence sources (CHIS); and the acquisition of service use or subscriber information in relation to communications data in a manner that was compatible with Article 8 of the European Convention on Human Rights governing an individual's right to respect for their private and family life, home and correspondence.

The Council used powers under RIPA to support its core functions for the purpose of prevention and detection of crime where an offence may be punishable by a custodial sentence of 6 months or more or were related to the underage sale of alcohol and tobacco. There were three processes available to local authorities under RIPA: the acquisition and disclosure of communications data; directed surveillance; and covert human intelligence sources (“CHIS”).

The Act set out the procedures that the Council must follow if it wished to use directed surveillance techniques or acquire communications data in order to support core function activities (e.g. typically those undertaken by Business Compliance and Environmental Health). The information obtained as a result of such operations, could later be relied upon in court proceedings providing RIPA was complied with.

2019 saw the implementation of Part 3 of the Investigatory Powers Act 2016 (IPA). The introduction of this legislation had seen the most significant change to the acquisition of communications data in recent years. The IPA consolidated all existing powers available to law enforcement and other agencies. It radically overhauled the way these powers were authorised and overseen. The legislation also ensured that the powers conveyed were fit for the fast-moving digital age that we live in. The IPA had introduced the Office for Communications Data Authorisation (OCDA) which was now responsible for independently authorising all applications for communications data. This had removed the requirement for local authorities to seek judicial approval for communications data. In addition, the legislation had broadened the range of communications data available including access to location data.

The Home Office Code for Covert Surveillance and Property Interference recommended that Elected Members, whilst not involved in making decisions or specific authorisations for the local authority to use its powers under Part II of the Act, should review the Council’s use of the legislation and provide approval to its policies. The Council adopted this approach for oversight of the authority’s use of Parts I and II of the Act.

The Council was required to have a Senior Responsible Officer to maintain oversight of the RIPA arrangements, procedures and operations. The Council’s Monitoring Officer performed this function and was responsible for the integrity of the Council’s process for managing the requirements under RIPA.

The Committee noted that, for the period 1st January 2024 to 31st December 2024, no applications were made for either the Use of Directed Surveillance or Covert Human Intelligence sources or the Use of Acquisitions and Disclosure of Communications Data.

The Committee asked questions and sought assurances at the meeting from officers on matters including: the procedures that the Council must follow if it wished to use directed surveillance techniques or acquire communications data; the strictly regulated use of the powers under the Act for the purpose of prevention and detection of crime, that had resulted in no applications being made for its use in 2024; the impact the use of the powers could have on an individual’s right to respect for their private and family life, home and

correspondence; the Senior Responsible Officer, that being the Council's Monitoring Officer, to maintain oversight of the RIPA arrangements, procedures and operations and ensuring the integrity of the Council's process for managing the requirements under RIPA; the definition of covert and overt surveillance work; the work that took place across the Authority through the use of other powers, particularly for prosecution and enforcement work; and the actions that could be taken through the use of overt surveillance.

The Committee were satisfied with the Council's use and compliance with the Regulation of Investigatory Powers Act 2000 and requested that consideration be given to the inclusion of information on the work that had taken place across the Authority through the use of other powers, to provide a wider picture in future RIPA reports. Officers undertook to review the outcome of prosecution and enforcement work, for example relating to fraudulent trading activity or underage sales of alcohol or tobacco, to determine where this should be reported.

The Committee further requested that information on the use of powers under RIPA for the period January – July 2025, be circulated to Members.

RESOLVED that, having considered the report, the Audit and Procurement Committee:

- 1) Notes the Council's use and compliance with the Regulation of Investigatory Powers Act 2000.**
- 2) Determines that there are no recommendations to be forwarded to the Cabinet Member for Policing and Equalities as officers will take away the comments made at the meeting and feedback to the committee.**

12. Revenue and Capital Outturn 2024/2025

The Audit and Procurement Committee considered a report of the Director of Finance and Resources (Section 151 Officer) that had been considered at the meeting of Cabinet on 8th July 2025 (their minute 11/25 referred) and would also be considered at the meeting of Council on 2nd September 2025. The report outlined the final revenue and capital outturn position for 2024/25, and reviewed treasury management activity and 2024/25 Prudential Indicators reported under the Prudential Code for Capital Finance. Appendices to the report provided: a detailed breakdown of Directorate Revenue Variations; Capital Programme Changes and Analysis of Rescheduling; and Prudential Indicators.

The overall financial position included the following headline items:

- An underspend of £1.8m, balanced by a contribution to earmarked reserves.
- Capital Programme expenditure of £128.8m.
- A small increase in the level of available Council revenue reserves from £118m to £119m.

The Council had faced significant pressures within both Adults and Children's Social Care, and City Services. Other overspends were also being reported in Regeneration and Economic Development, Legal and Governance, People, and Organisational Development. These financial pressures were being caused by a combination of continued increases in service demand, complexity of cases and

social care market conditions, legacy inflation impacts, income shortfalls due to reduced activity, and slippage in the delivery of some service savings.

The underlying revenue position had improved by £8.8m since Quarter 3 where an overspend of £7.0m was being forecast. The majority of the improved position related to increased one-off income within Contingency and Central budgets which were set out in section 2.1.4 of the report.

The Committee asked questions and sought assurances at the meeting from officers on matters including: the funding provision and the financial impact on Council services for supporting new communities in the city; the Council's position in relation to the level of its reserve balances, which placed the Authority in a strong financial position; attracting higher income earners to live and work in the city through new developments; the expectation that the Cultural Gateway Project would operate commercially; and the restrictions and prohibited uses of Public Works Loan Board borrowing, the main source of loan finance for funding local authority capital investment, for which there was no maximum borrowing limit.

The Committee requested that details of the prohibited and the permitted uses of Public Works Loan Board borrowing, be circulated to them.

The Committee discussed lobbying the Government regarding the restrictions on access to Public Works Loan Board borrowing, if Councils chose to pursue new regeneration investment opportunities. They agreed that the matter be referred to the Cabinet Member for Strategic Finance and Resources for consideration.

RESOLVED that having considered the contents of the report, Audit and Procurement Committee referred the following matter to the Cabinet Member for Strategic Finance and Resources:

- 1) The Audit and Procurement Committee requests that the Cabinet Member for Strategic Finance and Resources considers lobbying the Government on behalf of the Council regarding the restrictions on access to Public Works Loan Board borrowing, if Councils choose to pursue new regeneration investment opportunities.**

(Note: HM Treasury - Public Works Loan Board Guidance for Applicants – August 2021 was subsequently circulated to Members of the Committee which provided information regarding borrowing for new regeneration investment opportunities)

13. Audit and Procurement Committee Annual Report to Council 2024-2025

The Audit and Procurement Committee considered their Annual Report to Council that provided an overview of its activity during 2024/2025. The report would be submitted to the City Council at their meeting on 2nd September 2025.

The report included an introduction by the Chair, Councillor R Lakha, and indicated that the Audit and Procurement Committee was a key component of the Council's governance framework, supporting good governance and strong public financial management. Over the last year, the Committee had continued to discharge its key responsibility effectively, namely providing independent assurance on the adequacy of the risk management framework, the internal

control environment and the integrity of the Council's financial reporting and governance processes. The report demonstrated the vital role carried out by the Committee and the contribution that it made to the Council's overall governance arrangements.

The Committee received a range of routine reports based on the clearly defined expectations of services / functions that reported to it, e.g. internal / external audit and financial management. It also received ad-hoc reports which focussed on either a specific concern or developments that impacted directly on the Committee.

The report detailed the Committee's activity in 2024/25 in the following areas: Governance; Financial Management and Accounting; External Audit; Internal Audit; Fraud and Error; Procurement and Salaries. Reports considered during this period which were linked to risk management, internal control and governance, included: Whistleblowing Annual Report 2023/24; Regulation of Investigatory Powers Act 2000 Annual Compliance Report; Complaints to the Local Government and Social Care Ombudsman 2023/24; Corporate Risk Register; Information Governance Annual Report 2023/24; and Coventry Municipal Holdings Group Accounts.

The report also detailed priorities for the Committee for 2024/25 which included:

- The Council's risk management, governance, internal control and financial management arrangements continue to operate effectively, especially in light of the ongoing financial pressures caused by inflation, increasing service demands and difficult conditions within social care markets.
- The deadlines relating to the publication of the Council's 2024/25 unaudited and audited Statements of Accounts are achieved and the Council has appropriate arrangements in place to ensure the timetable is met in forthcoming years.

RESOLVED that the Audit and Procurement Committee recommends that Council considers the Audit and Procurement Committee Annual Report 2024/2025 at their meeting on 2nd September 2025.

14. Outstanding Issues

There were no outstanding issues.

15. Work Programme 2025/2026

The Audit and Procurement Committee considered a report of the Director of Law and Governance that detailed the Work Programme of scheduled issues to be considered by the Committee during the Municipal Year 2025/2026.

RESOLVED that the Audit and Procurement Committee notes the Work Programme for 2025/2026 and that the External Auditor, Grant Thornton, would be submitting their 2024/25 External Audit Plan Report to the next meeting of the Committee scheduled for 22nd September 2025.

16. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of public business.

(Meeting closed at 4.00 pm)