
Report to Cabinet

Report of Management Board

Title
General Fund and Capital Budget Requirement 2005/06 (including the Treasury Management Strategy 2005/06)

1. Purpose of the Report

- 1.1 To inform members of the Government's final Revenue Support Grant (RSG) allocation for the Council and its implications for the next year's revenue budget.
- 1.2 To recommend budget proposals for 2005/06 to go forward to Council on 22nd February 2005.
- 1.3 To recommend the proposed restructuring of the City Development Directorate and the proposed revised arrangements for Neighbourhood Management in the City.
- 1.4 To recommend an initial capital programme for 2005/06 and provisional schemes for 2006/07 and 2007/08 for recommendation to Council on 22nd February 2005.
- 1.5 To recommend the Treasury Management Strategy for the Council's necessary borrowing and investments in 2005/06.
- 1.6 To recommend the prudential indicators and limits for 2005/06 to be recommended to Council on 22nd February 2005.
- 1.7 To recommend approval of the proposed fees, grant aid agreements and contracts and use of Government Grants within Social Services for 2005/06.

2. Recommendations

Cabinet is asked to:

- 2.1 Recommend the City Council to determine that its budget requirement calculated for the financial year 2005/06 in accordance with the requirements of Section 32 of the Local Government Finance Act 1992 shall be £382,289,879 (a council tax rise for the City Council of 3.9%) as outlined in Section 6 of this report.

- 2.2 Note the Director of Finance and ICT's comments in sections 11 and 12 of the report confirming the robustness of the estimates and adequacy of reserves.
- 2.3 Note the implications of the budget for the 2006/07 and 2007/08 financial years in section 8 and instruct the Management Board, as part of the 2005 PPR process, to provide recommendations on the necessary actions required to deliver a fully balanced budget within three years.
- 2.4 Approve the recommended change arising from the review of the City Development Directorate described in Section 6 and Appendix 3 involving
- Creation of the Property Management Service
 - Setting up of the freestanding Highways Service
 - Proposals in relation to adding two new senior staff to Culture and Leisure
 - Integration of the Development Control and Strategic Planning elements of Planning with further restructuring to follow (to be agreed by Members when proposals are brought forward).
- 2.5 Approve the budget reductions in relation to the above review, summarised in Appendix 2, and the further discussion to take place involving the Head of Regeneration Services and the Head of Area Co-ordination to agree the most effective way of managing project management issues within the resources available.
- 2.6 Approve the proposals as documented in the neighbourhood management review (Section 6 and Appendix 4) subject to further discussion and consultation on the boundaries of the three area structure. These include the proposals to reduce the numbers of community safety, area renewal and capacity building officers and those to increase the numbers of wardens and invest in police community support officers. The proposals also include the idea of ward and constituency forums (detailed arrangements to be agreed).
- 2.7 Approve the fees & charges, the grant-aid agreements and contracts and the proposed expenditure of Personal Social Services Grants from Government within the Social Services and Housing Directorate in 2005/06 as set out in Appendix 5.
- 2.8 Recommend the City Council to approve the Capital Programme of £123.802m for 2005/06, the future years' commitments arising from this programme of £72.063 (2006/07 to 2009/10) and the provisional schemes for commencement in 2006/07 onwards (see section 10).
- 2.9 Authorise the Head of Housing Policy and Services to vire between the elements of the Housing Capital Programme in line with previous years to achieve spend during the year
- 2.10 Approve the proposed Treasury Management Strategy for 2005/06, summarised in section 13 of the report.
- 2.11 Recommend the City Council to approve the revised investment policy at Appendix 7.
- 2.12 Recommend the City Council to adopt the prudential indicators and limits described in Section 14 and summarised in Appendix 8.

3. **Background**

- 3.1 The City Council is required to set its budget and determine the Council Tax for the City and its parishes by no later than 11th March each year.

- 3.2 As part of its Medium Term Financial Strategy, it is important that the City Council considers capital and revenue budgets together. This reflects the inextricable links between the two programmes and the way they support the delivery of the Council's vision and objectives. This report brings together these programmes for consideration by Cabinet and recommendation to Council.
- 3.3 Members must also consider, as part of their budget setting process,
- the affordability of the programmes
 - robustness of the budget,
 - adequacy of reserves.

These issues, including the relevant strategies, policies and indicators, are also addressed in this report.

- 3.4 The Council adopted its current Corporate Plan in April 2004 and a new Medium Term Financial Strategy in November 2004 which provide the context for this year's budget setting and will review and adopt a new Corporate Plan in April 2005 which will guide future policy and decision making.

4. **The Council's Policy Priorities**

- 4.1 The City Council's vision for the City is set out in the Council's Corporate Plan for 2004/5:- 2006/7 and was agreed by Council in April 2004:

"The Council wants Coventry to be a world class city, vibrant, prosperous and attractive, where everyone gets the best possible public services."

In order to deliver this vision, the City Council has a number of corporate objectives:

- Modernise the Council to meet the changing needs of customers
 - Continue the radical improvement programmes in Social Services, Housing Benefits and Street Services
 - Develop and maintain excellent Education in our city
 - Narrow the gap between our most deprived communities and the better off
 - Reduce crime and fear of crime
 - Achieve the goals of local neighbourhoods and communities and improve the city centre
 - Work in partnership to deliver the Coventry Community Plan
- 4.2 The Council has to consider a number of things when deciding upon its corporate objectives including: the views of local people; the needs of the City; the performance of its services; government policy and statutory plans; the Coventry Community Plan and other strategic plans. The Council must also consider the effect that the ending of some external funding streams may have on Coventry in the future.
- 4.3 Consultation on the Council's corporate objectives was undertaken in 2002/03 involving a wide range of organisations and people in Coventry. The consultation included a questionnaire in "*Coventry Contact*" delivered to households throughout the city and to the members of the Citizens Panel. Additional consultation on options for this year's budget proposals has been taking place with local voluntary organisations, local businesses and the Council's Trades Unions as well as key partners and local people on specific issues.

- 4.4 In addition to the Council's Corporate Objectives the Council has identified a number of Management Objectives aimed at improving the Council's performance, efficiency and effectiveness so the Council is more able to deliver better services and value for money for the people of Coventry. The Council is now a "Fair" authority under the Government's Comprehensive Performance Assessment process. It will be inspected again under a revised CPA framework in early 2006.
- 4.5 In delivering its objectives the City Council has laid down a number of values which underpin everything it does:
- Continuous improvement in efficiency and effectiveness
 - Focus on our citizens and customers
 - Quality, social justice and good government
 - Partnership working
 - Listening and responding to those we serve.
- 4.6 The Council's financial planning and budget setting process takes place within the context of the Council's policy priorities and corporate objectives as set out in the Corporate Plan. The Medium Term Financial Strategy that the Council approved at its meeting of 2nd November 2004 sets out how the Council will use its financial resources to achieve its objectives and deliver its services. The Council's capital plans and revenue budgets reflect corporate objectives over the medium term and are substantially integrated. Reserves are managed corporately, and there is a forecast level of reserves remaining that is appropriate to the needs of the authority.
- 4.7 Under the Medium Term Financial Strategy the Council will:
- move towards a robust medium term position, which reconciles corporate spending priorities, available resources including agreed council tax increases, and the availability of reserves
 - take steps to highlight the spending pressures being faced by all local authorities arising from national issues, especially for Social Services.
 - substantially deliver a sustainable balanced budget within three years.
- 4.8 To assist councillors in setting the Council's revenue spending plans and capital programme, the Management Board has put forward a range of proposals for consideration based on a strategy of:
- limiting expenditure on new developments to those that are either unavoidable, directly attributable to the Corporate Plan or relate to major service improvements.
 - identifying savings, either from the rationalisation or more efficient delivery of services, or from reductions in those services that have historically been better funded
 - making transitional strategic use of revenue reserve balances
 - planning fundamental changes to the way services are provided that can result in budget reductions
 - making strategic use of assets and reserves to ensure appropriate investment and delivery in front line services.
- 4.9 This year the Council is seeking to make a step change from having laid the foundations of a soundly managed authority to refocusing the council's strategic direction. This means focusing on delivering day to day services consistently and effectively moving partnership working up a gear to ensure that there is real impact seen on the ground and ensuring that the council obtains all the resources it can as part of the West Midlands metropolitan area,

but also as part of the Coventry and Warwickshire sub-region. One of the key regional and sub-regional issues is a greater focus on Coventry's Housing Strategy, reflected in the capital plans set out in this report.

- 4.10 Proposals launched before and after Christmas take forward a different approach to improving neighbourhoods in a difficult budget year. This will mean a greater emphasis on improving local neighbourhoods through consistently more positive service delivery, in order to stop decline before it is irreversible. This does not mean a rejection of the positive work done by staff in the city to date, but is a reflection of government guidance on neighbourhood management and a recognition that there are still major problems in the city which have not been solved and some new, more fundamental approaches are required. In some cases this will require major cultural changes in how staff work.
- 4.11 The Council's Customer Services Strategy will be essential to raising the game of services on a consistent basis. It will be a practical example of how better use to technology can make services accessible to more people more effectively. It will be particularly powerful as we develop it in conjunction with key partners like health services, Whitefriars Housing and West Midlands Police and Fire Services. Key to the success of all these initiatives will be continued working with the Coventry Partnership.
- 4.12 The Council has managed its resources in the last few years to target those services most in need of improvement. In the last two years, over £16m of additional money has been used to improve Social Services, Housing Benefits, Street Services and start the programme of modernising the Council.
- 4.13 This investment has led to real improvements and the Council is committed to maintain this momentum. This year's budget proposals continue to allocate resources to essential services as outlined in the Corporate Plan and to switch resources from services of lower priority. It is proposed that over £10m of additional resources should go to fund revenue activities that will specifically continue the improvements already made and allow other priorities to be reflected too.
- 4.14 This year our Social Services has achieved a two star status and the proposals included in the 2004 PPR will invest £3m of revenue funding next year to continue this improvement. This additional funding will address increased demand for services, especially child placements and inflationary pressures in the elderly and vulnerable persons care market, enabling the fundamental changes being made to the way that services are provided in the city to continue (These changes are contained in Appendix 1).
- 4.15 Improvements in Street Services have been significant and reflecting this, this service has recently participated in the prestigious international award for Liveable Communities in Niagara, Canada, receiving a bronze award as well as a silver award in the Large City category of the Britain in Bloom competition. The Council has also been successful in becoming a national pilot for the new Liveability Fund, established by Central Government to promote improved green spaces and street scene. However, the Council recognises that street services, especially highways and lighting, remain an important issue for the Council and residents, requiring significant additional funding in order to address the significant demand for investment in the highway infrastructure. To this end, the budget proposes a capital programme investment of £10m in this area.
- 4.16 In line with the Council's corporate objective of "develop and maintain excellent education in our city", and in line with our Medium Term Financial Strategy, the Council will once again allocate all the additional funding earmarked for schools by Central Government to Coventry's schools. The non-schools block of Education funding has been considered

alongside the remainder of the City's services in terms of identifying new spending and saving proposals.

- 4.17 The Council has also responded to the wishes of the communities as reflected in our objectives to "reduce crime and fear of crime" and "achieve the goals of local neighbourhoods and communities and improve the city centre". The budget proposals include a new annual investment of £1.4m to enable the provision of 75 Neighbourhood Wardens and 10 Community Support Officers, within a new Neighbourhood Management structure based in the communities.
- 4.18 A significant programme of investment in the affordable housing agenda allows the £12m received by the Council as a result of the governments "Right to Buy" scheme (this lets tenants buy the social housing that they have rented for some time), to be invested into Coventry to provide further social and affordable housing in the City over the medium term. This innovative approach identifies a range of flexible mechanisms for increasing the opportunities, in this limited market, enabling more families and citizens to aspire to a better standard of living.
- 4.19 The Council continues to invest in its workforce as part of its modernisation process. The budget allows for the Council to extend the staff development programme and the management development programme both of which are essential to building the capacity within our staff. An on-going annual investment, ultimately rising to over £6m has been identified to fund the single status agreement, satisfying the Council's legal obligation to address the issue of equal pay for equal work.
- 4.20 Also, the budget lays the foundations for a fundamental transformation of service delivery designed around the needs of the customer. The £20m identified for the Coventry Empowered programme will allow Coventry customers and citizens to access Council services in a variety of ways of their choosing. This will allow more customers than ever before to access our services, to receive them more quickly and efficiently, to reduce the number of repeat calls required and to ensure that they can talk to an officer of the Council, trained to deal with their enquiry at all reasonable times.
- 4.21 The Budget proposals identify savings of more than £4m that can be made by the Council so that revenue resources can be allocated to the Council's priorities as outlined above. The majority of the proposed savings arise as a result of more efficient use of the Council's resources and reducing services of lower priority.
- 4.22 These Budget proposals will enable the Council to deliver the real and significant service improvements for the people of Coventry that were started in 2002. The budget also allows the Council to respond to the needs of residents and commence new initiatives, improving both the infrastructure of the city and the way we deliver our services to the customer. Also, as part of the Council's Medium Term Financial Strategy, the budget sets the framework on which the Council can build a robust medium term financial position with fundamental changes to the way that services are provided in the city.

5. **Formula Grant (FG) Settlement**

- 5.1 The 'Formula Grant' allocated to each local authority is made up of two elements:
- Revenue Support Grant, and
 - National Non-Domestic Rate.

Following the consultation period on the 2005/06 Provisional Settlement in December, the Government announced the Final Settlement on 27th January 2005. The level of Formula

Grant that an authority receives is dependent on its Formula Spending Share (FSS) and its Tax Base, which is the measure of the taxable capacity of an area.

Coventry's FSS:

	Provisional FSS £'000	Final FSS £'000	Difference £'000
Education	175,768	177,274	1,506
Other Services	191,488	191,959	471
Total	367,256	369,233	1,977

5.2 The FG Settlement for the Council is as follows:

	Provisional Settlement £'000	Final Settlement £'000	Difference £'000
Entitlement	281,378	283,349	1,971

5.3 The effect of this Final Settlement is that the education support has increased by £1.506m since the Provisional Settlement. For the remainder of the authority, there is an increase in FG of £0.465m. This increase is related to the Capital financing element of the grant. When compared to 2004/05, this Settlement represents an increase in Formula Grant of 6.3%, after allowing for the net transfers of responsibility.

6. General Fund Revenue Budget

6.1 The General Fund Budget recommended in this report reflects the final settlement, the Council's Priorities and the approaches outlined in the Medium Term Financial Strategy. The budget recommendation also includes an increase in Council Tax of 3.9%.

6.2 The following table sets out the Cabinet Portfolio revenue budgets and sources of revenue funding. These proposals include spending and saving options outlined in Appendix 1 and 2 respectively. The proposals also include a contribution from reserves of £5.2m.

6.3 The portfolio budgets include 2.95% in respect of the pay award already agreed for 2005/06 and 2.0% price inflation on running expenses and income, as well as an inflation allowance on "contract" areas that reflects the mix of pay and price inflation as appropriate. They have also been updated to reflect the policy decisions made in previous PPRs.

6.4 In overall terms, the Council's Budget Requirement has increased by £19.4m – from £362.9m in 2004/05 (after the effects of transferred responsibilities for 2005/06) to £382.3m for 2005/06, an increase of 5.3%. This does not of course mean a Council Tax increase of the same level.

General Fund Budget 2005/06

2004/05 Final Budget £'000	Cabinet Member Portfolios*	2005/06 Base Budget £'000	2005/06 Spend Proposals £'000	2005/06 Saving Options £'000	2005/06 Final Budget £'000
18,242	Adult Education, Libraries, Sport and Leisure	18,544	400	(186)	18,758
187,950	Children's Services	202,251	220	(325)	202,146
23,009	City Services	25,112	980	(815)	25,277
92,267	Community Services	96,102	3,321	(2,137)	97,286
1,570	Corporate and Customer Services	611	450	(306)	755
6,647	Finance and Equalities	6,466	580	(398)	6,648
5,777	Health and Housing	6,583	1,470	(147)	7,906
28	Policy, Leadership and Governance	147	0	(85)	62
14,059	Urban Regeneration and Regional Planning	13,396	65	(953)	12,508
11,807	Corporate and Democratic Core and Unapportioned Overheads	12,030	0	0	12,030
361,356	Total Cabinet Member Portfolios	381,242	7,486	(5,352)	383,376
(11,809)	Asset Management Revenue Account	(15,735)	1,074	0	(14,661)
4,960	Contingencies and Corporate Budgets	4,926	2,000	(2,733)	4,193
(7,847)	Contribution from Reserves	(440)	0	(5,168)	(5,608)
14,516	Levies from Other Bodies	14,984	0	0	14,984
4	Parish Precepts	6	0	0	6
361,180	City Council General Fund Budget Requirement 2004/05	384,983	10,560	(13,253)	382,290
	Financed by:				
(264,910)	Central Government Resources				(283,349)
(94,520)	Council Tax @ 3.9% increase				(97,493)
(1,750)	Collection Fund Surplus				(1,448)
(361,180)	Total Resources				(382,290)

* City Council management structures are in the process of being changed to reflect the respective responsibilities of the Community Services and Children's Services portfolios. The table above aligns budgets largely along the historical operational lines of the Social Services and Education services pending completion of this work.

Overall Objectives of the Council's budget

- 6.5 The Council's Corporate Plan including its modernisation objectives, has been the key influence on the budget, both in terms of recommended increases in spending, and savings options.
- 6.6 The budget recommended can also be shown in the following format to illustrate the movement from the base budget.

	£'000	£'000
Base Budget		384,983
ADD New Spending Proposals		10,560
LESS Saving Proposals (£13,253k in table above excluding £5,168K contribution from reserves)		(8,085)
Revised Budget		387,458
LESS;		
Formula Grant	(283,349)	
Council Tax @ 2.5% increase	(97,493)	
Collection Fund Surplus	(1,448)	(382,290)
Shortfall to be funded from Reserves		5,168

Spend Proposals

- 6.7 Overall, the recommended budget for the General Fund as set out in the text would allow £10.6m of new spending proposals. Of this, £3m of additional revenue resources would fund activities that would specifically deliver continuing modernisation and improvement of the Council and its services. A further £7m has been included to address statutory and unavoidable issues for our services. Overall it is anticipated that these spend proposals will create up to 35 new posts. A summary of the spend proposals is included at Appendix 1.
- 6.8 The City Council continues to be committed to maintain the improvements in Social Services following the achievement of its two star status. It is recommended that £1.5m of additional resources is allocated for child placements to meet the actual cost of maintaining these placements for some 400+ children and that £1.8m is added to existing budgets to ensure care for vulnerable adults and our increasingly aged population.
- 6.9 Investments are also to be made in the Council's City Services Directorate, with £0.1m new investment each for anti fly-posting, Street Scene enforcement and Coventry in Bloom initiatives as well as £0.4m to deal with potentially hazardous trees.

- 6.10 The Council is also continuing its work with partners to reduce crime and the fear of crime and improve neighbourhood working by proposing the investment of £1.1m for Neighbourhood Wardens and £0.3m for Community Support Officers.
- 6.11 The Council also needs to find additional monies to meet increasing energy costs, to continue the maintenance and investment in its property portfolio, single status and other legislative and unavoidable pressures.

Savings Proposals

- 6.12 To finance the additional revenue funding required to deliver the corporate objectives, it will be necessary to make efficiency savings, to reduce the level of some Council services. Many of the potential savings identified continue the Council's modernisation agenda including the streamlining of systems and processes. The recommended £5.3m of savings in Cabinet Portfolios and Corporate Budgets could lead to losses of up to 54 posts, although these will be offset to a degree by the new posts being created. Not all losses of posts will lead to losses of people given the Council's redeployment policy and the fact that some posts are currently vacant. Exact posts and number of job losses cannot be finally agreed until the budget has been approved and its proposals implemented. A summary of the savings options are included at Appendix 2.
- 6.13 In identifying saving options care has been taken to protect those services that are considered to be a priority within the Corporate Plan or where the Council would otherwise fail to meet its statutory obligations. In total over £0.7m comes from within support services. These sums are over and above the on-going savings of £1.7m identified in the 2003 PPR process and reflect the Council's commitment to driving down these costs to the lowest reasonable level.
- 6.14 It is almost always the case that the City Council's budget setting process has an effect on jobs either because of resource switching to new priorities or because of the need to make savings. The Council manages these changes for people through the processes it has agreed with the Trade Unions. The experience for individuals of being told that their post may be deleted under restructuring is clearly very distressing but Trade Unions are consulted about the people who are affected and the Council tries to help people make choices, which keep them in work. Other options are also considered such as re-training and voluntary redundancy.

Key issues emerging during the Budget Process

Re-structure of City Development Directorate

- 6.15 The City Development review was issued in early January with a deadline of comments of the end of January. Some aspects in relation to the Regeneration Service have links to the review of Neighbourhood Management also referred to in this report. A summary of the review is attached at Appendix 3 to this report. Many of its proposals were about bringing some functions of the CDD review into line with current thinking about management of those functions in local government eg setting up the Highways Service and finally putting into place a unified corporate Property Service. The most controversial aspects of the report were those relating to changing the emphasis of the current Regeneration service and making reductions in staffing, mainly as a result of the pressures on the Council's finances and the need to prioritise. These proposals particularly affect the Area Renewal Service and project officer roles, but also some of the specific functions such as supporting sections of the labour market involved in homeworking.

6.16 At the time of publishing this report 40 sets of comments have been received from employees, almost all of them from members of the Directorate. Of the 40 sets of comments received, about half a dozen have come from specific teams eg Traffic Management and Accident Investigation, Regeneration Services Management Team etc, one has come from UNISON and the rest have come from individuals. Many of the comments have been extremely helpful, giving careful thought to the links between different services and the arguments for and against different structures. In some cases there have been differences of view between staff depending on their perspective. There were some errors of omission in the original report eg missing out key references to the Taxi Licensing Service, which need to be rectified.

6.17 In summary the proposals for the following have commanded broad support:

- Creating an integrated Property Management Service
- Restructuring Planning and Transportation Service
- Creating an integrated Highways Service
- Increasing the capacity of Culture and Leisure

There have been many useful comments on the precise location of functions and where for example functions should be distributed between different service units. Examples of this include:

- A preference for the Sustainable Transport Team to be located with Planning rather than the Highways function
- Some views for and against the proposed location of Accident Investigation
- Queries about the relationship between property and construction teams currently placed in service directorates eg Education and Libraries and the main corporate property service
- Discussion of the location of the Urban Design Service
- In general support for the Project Champions team moving to the Regeneration Service
- Discussion of particular issues to do with the project client function in Highways

These issues mentioned above are not exclusive but provide a flavour of the kinds of issues which have been raised. A number of these can be dealt with quickly, others need more discussion with the staff concerned sometimes across other Directorates as well as in CDD itself. In general these issues do not have budgetary implications and it is proposed that a follow up document to the review be issued by end of March to resolve these issues, but that Members should be asked to support the:

- **Creation of the Property Management Service**
- **Setting up of the freestanding Highways Service**
- **Proposals in relation to adding two new senior staff to Culture and Leisure**
- **Integration of the Development Control and Strategic Planning elements of Planning with further restructuring to follow (to be agreed by Members when proposals are brought forward).**

6.18 Somewhat inevitably the response to the proposals in relation to the Regeneration Service, which involve significant reductions in numbers of people have been much more hostile, with considerable concern about the impact on services including the financial interests of the council in relation to consequences of reduction of project management capacity. In completing this section of this report, officers have also taken into consideration relevant comments made in the responses to the Neighbourhood Management review, some of

which link to CDD. The key issues on which comments have been made, have been the proposed:

- Reductions in the number of people devoted to area renewal
- Reductions in the number of people working on project management
- Impact on the ability of the council to attract external funding including use of existing staff to “match” fund
- Impact on the ability of the council to project manage projects once funding attracted
- Concerns about apparent contradictions between making services in CDD more neighbourhood and community friendly and reducing resource in Regeneration

In addition to this attention has been drawn to the need to look closely at the potential equalities impact of the proposals to ensure they do not disproportionately affect women employees from minority backgrounds.

6.19 There are a number of key points to be made to the points which have been made. First, no-one is minimising the impact on individual employees affected by the threat of redundancy. Obviously this is extremely difficult for those in that position. But looking at the Regeneration Service overall, this will still be a well-resourced service. In several places there is reference to the deletion or dismantling of the Area Renewal Service. It is true to say that the service is undergoing some restructuring and that it is proposed that less resource be allocated to it. However it has been made clear in the Neighbourhood Management review that the new role of Neighbourhood Management Officer will be a combination of the Area Renewal and Capacity Building roles. Several respondents have stated or implied that there is a lack of understanding by senior management of the differences between capacity building and area renewal roles. This is not the case. There is a very clear understanding of the two roles and there is a great deal of overlap between the two. This is demonstrated by several issues:

- The job descriptions of the two posts (remarkably similar)
- The fact that there have been cross-overs from capacity building to area renewal by staff
- The fact that members often use Area Renewal officers and Capacity Building officers interchangeably depending on personality of individuals, which posts are filled and what project is under discussion.

The key issue for some Area Renewal officers seems to be their ability to link back into the City Development Directorate and make some of the links between the planning service and some of the hard infrastructure services in CDD and neighbourhoods. Of course this is very important and this will be key for the Neighbourhood Management Officers. Rather a disturbing amount of emphasis seems to be put on this only working if the employees undertaking this work are members of the same Directorate. Part of the changes we are making in the council, and there is recognisable change from the position three years ago, is the ability of staff to work on a cross directorate basis. Certainly it is true to say that the Project Officer roles have been clearly designated as project management roles with a specific remit for the accountability both financial and otherwise of projects. If these proposals are approved then there will (as some responses have commented) be a need for detailed working through project by project, of roles and responsibilities. Some project management will be done by Neighbourhood Management Officers and some will be done by the smaller group of staff remaining in the Regeneration Service.

6.20 In response to the key points of concern which have been raised, in terms of the reduction of numbers of staff there can be no answer other than to say that significant resource has

been concentrated in this area in recent years – this is one (but not the only) reason for its success. But like services in most councils there has to be more emphasis on getting more out of less. This has been happening right across the council, with layers of management being taken out in social services, loss of posts in finance etc. At the same time the balance does need to be shifted to sorting out some of the quality of services to neighbourhoods at source ie in the mainstream services public authorities provide, which could be argued to be one of the root causes of why deprivation and lack of fulfilment of potential have dogged some inner city areas in Britain so persistently. This is not to criticise the work which has taken place but rather to say that the council needs to shift the direction of some of its resources. Although members of staff in that area and some elected members will not be pleased at this response, it is worth saying that there is considerable scope for further discussion about the location and configuration of services within the budget available. The Council remains committed to bringing in external funding but only within a context of doing so in a discriminating way, where the aftermath is clearly sustainable and the objectives meet council and/or partner policies.

- 6.21 The strength of feeling of staff involved in area renewal and employment and skills work is undoubted and there is a great deal of pride in the work which they have done and are doing. It is extremely important that as many of those staff as possible are redeployed into new structures either in Regeneration or Neighbourhood Management, or elsewhere in the council.
- 6.22 **On the basis of the comments above, the Director of City Development and Chief Executive are seeking Member approval to the budget reductions summarised in Appendix 2. They would recommend that further discussion should take place with the Head of Regeneration Services and the Head of Area Co-ordination to agree the most effective way of managing project management issues within the resources available.**
- 6.23 Considerable emphasis has been placed in the consultation on the need for detailed implementation plans and teams, to ensure the structural changes move forward smoothly. This is taken as read, but it will be important everywhere particularly in the changes to the Regeneration Service where there will need to be careful joint working between the Head of Regeneration and the Head of Area Co-ordination to ensure dovetailing of arrangements for ring-fencing posts and the redeployment of employees etc. In relation to the changes in the management of the Highways and Planning and Transportation functions much emphasis has been placed in the consultation on the need for changes in the quality of working relationships in some parts of the council and to the need for cultural change in making those effective. This is fully acknowledged. It is proposed that if the changes in principle are agreed at Council a full and more detailed document will be issued responding to many of the structural and implementation points raised in the consultation process. This will include detailed timescales and organisational arrangements.

Neighbourhood Management

- 6.24 The review of Neighbourhood Management was published in December seeking consultation responses by the end of January. There have been face to face briefings with employees. A summary of the report is attached at Appendix 4. In addition to seeking written responses, a members' advisory group was set up on warden services. This has met several times.
- 6.25 The main vision of the report is to get much better integration between area co-ordination, street services and community safety under the general banner of Neighbourhood Management. This is because every survey of the public which is ever done, as well as the evidence of most elected members' work in their wards, indicates that the first concerns

which many people have are about reducing crime and anti-social behaviour, and improving the environmental quality of their local neighbourhood. The proposals are to create three Neighbourhood Management areas rather than the current six on which Area Co-ordination is currently based; to invest in neighbourhood wardens and police community support officers; to change some staffing structures and to promote ward and constituency forums as a future link into the democratic processes of the council and the city generally. The proposals are to base the three areas on police operational command unit boundaries.

6.26 The proposals are being brought forward when the council is having to do some repositioning of how it spends its resources within a difficult financial situation and as part of its medium term financial strategy. In response to demand for more extended coverage and more sustainable funding of neighbourhood wardens the proposals in the neighbourhood management review are for increased funding for wardens and funding for police community support officers to focus on council and wider partnership objectives of tackling anti-social behaviour. At the same time there are proposals to reduce the level of funding for capacity building officers and area renewal officers and develop an adjusted role of six neighbourhood development officers. It is perhaps inevitable that the proposals are perceived as “cutting capacity building to fund wardens” but this is not the case. These proposals need to be seen in the wider context of reductions being made in almost every service of the council, while at the same time other proposals for investment in other aspects of service come forward.

6.27 Over 100 written consultation responses have been received, although of these, 70 are one identical letter (but personally addressed and signed) from people mainly in CV2 or CV3 addresses. It reads as follows:

“I am writing to object about the proposed changes to Area Co-ordination in Coventry. I believe the excellent work carried out by Area Co-ordination would be put at risk with the reduction of Community Safety Officers and Capacity Building Officers. In addition I also believe the reduction from 6 Area Co-ordination offices to 3 will undoubtedly mean many areas of Coventry will get no benefit from Area Co-ordination at all. Finally it has to be said that the time given to consult on these proposals has been totally inadequate.”

6.28 Excluding these 70 responses, the breakdown of where responses have come from is as follows. Members will appreciate that these figures may have changed slightly as one or two further responses are likely to have come in since the publication of this report. However the breakdown is as follows:

Community responses(including views of some area forums, individual community organisations and individuals in the community)	28
CV2/CV3 letter	70
Employees	
- Teams who are part of Area Co-ordination	5
- Other Council employees	11
Partner organisation representatives or employees	6
Trade unions	2
TOTAL	122

Of the community responses, 9 came from individuals or organisations connected to Hillfields. The other responses (excepting the CV2/CV3 letter) were scattered across a number of areas including Stoke Aldermoor, Willenhall, Willenhall Wood, Coundon, Walsgrave, Wood End, Foleshill.

Summary of views expressed in consultation

6.29 The consultation responses have been broadly supportive of having higher numbers and more sustainably funded wardens who are acknowledged to be popular. Responses have also been supportive of the idea of ward forums, although expressing concern about how they would be resourced and supported. The responses have however been overwhelmingly critical of the proposals as they affect “capacity building” and community support. The responses have indicated that the most controversial parts of the proposals are :

- *The proposed move from six areas to three, with views that this will reduce the amount of coverage of the city in terms of local knowledge and community and elected member support activity (particularly when combined with reductions in community safety officers and area renewal and capacity building officers)*
- *The choice of the police OCU areas as the boundaries for the three areas –the three biggest concerns (amongst a number) being the potential impact this would have on political links and structures with the splitting of different wards; concerns from some other partners about loss of links to other partner structures eg health locality teams and housing, and the breaking of existing community, partner and council links*
- *Concerns from community organisations about the reductions in the numbers in the current staffing structures in Area Co-ordination and the impact this will have on them being able to achieve things, particularly in relation to working with community groups and in relation to obtaining external funding. Similar concerns have come from those elected members who historically have made significant use of area co-ordination in their ward work.*

6.30 Although at the time of publication of this report no individual written responses from elected members have been received, in preparing this report, the views expressed in briefing meetings with different groups and individual discussion with members have been reflected.

6.31 In addition to the central points listed above a range of other concerns have been expressed (some of them related to the points above) In the interests of reflecting these fairly they are listed below under a number of themes:

Impact on existing good practice

- Concerns about the impact on the implementation of existing neighbourhood plans and area based action plans eg in Hillfields.
- Concerns about damage to existing links with partners in local areas and not underestimating the importance of existing relationships of trust between different professionals and community groups eg health action groups.

Impact on ability to obtain and manage funding

- Several groups and individuals have mentioned their concern about how groups will get help to obtain external funding
- Others have mentioned concerns about the project management once the funding has been obtained
- Others have expressed concern about the impact on “match” funding which is currently in existing funding allocations being implemented as well as about the ability to “match “ funding in the future

Contextual Issues

- A number of respondents liked the idea of the Council generally being more neighbourhood friendly but expressed scepticism about whether this could be achieved culturally, and if it could how long that would take
- There were concerns about perceived lack of recognition of the skills required to work well with community and residents groups
- There were concerns about where the lead on neighbourhood renewal would come from
- Concerns about where neighbourhood management offices would be and how accessible they would be

In particular an alternative three area models were put forward. Three or four respondent proposed an alternative of putting together pairs of the existing area co-ordination areas to achieve a three area structure – north east and south east, Phoenix and North and North West and South West. One or two others preferred parliamentary constituencies.

Officer Response to Neighbourhood Management Consultation

- 6.32 The most striking aspect of the concerns expressed about the proposals is in relation to the proposed use of the OCU boundaries. In discussion with the Council leadership, officers have recognised those concerns and are recommending that the proposals go forward for agreement on the basis of three areas but that the consultation on how those three areas should be configured should be continued, in particular to try and tackle the issue of avoiding the splitting of electoral wards between areas. Some ideas have already come forward during the consultation period and these need further work and discussion with Members. In addition to this officers have also been looking at the impact of new use of statistical analysis by central government , known as super output areas, and the impact of any likely proposals in relation to the delivery of children’s services in neighbourhoods. All these issues and the weight of concern about the boundaries mean that it would not be sensible to finalise the boundaries without further discussion and analysis. However it is still the view that there are significant gains to be had if there can be some alignment to get closer to OCU boundaries and this intent still needs to be part of that discussion.
- 6.33 Inevitably any proposals to reduce numbers of staff are both sensitive and emotive. The concerns which have been expressed are both genuine and in some cases justified. However the Council continues to face financial difficulties. These are likely to get worse rather than better over the next few years. If the proposals as set out are implemented,

then there will need to be very serious discussion about how the newly set up Neighbourhood Development Officers will operate and how other officers within the council and other partners will work with the new structures. However there are already major discussions taking place about better joint working on day to day neighbourhood services and there will need to be further discussion about capacity building and project management, not just in relation to this review but also in relation to the CDD review referred to elsewhere in this report. These comments are unlikely to reassure those with concerns about the reduction in resources but there are other areas in which some reassurance can be given.

6.34 A number of responses make assumptions which are incorrect, sometimes based on perceptions of what happens now under the existing arrangements. Key points which need to be made are:

- ◆ Under a three area arrangement there would not necessarily be the same resources allocated to each area. Clearly if some areas had heavier needs than others then more resources (not just from neighbourhood management) would be allocated to those areas.
- ◆ In the case of wardens, there has been some misunderstanding that every area of the city will get a warden service. This is not the case. Although there will be more wardens and some in areas which have not had wardens before, there will continue to be a concentrated presence of wardens in areas where there is greatest need.
- ◆ No assumptions have been made about where neighbourhood management staff would be based. In some cases they might be in existing offices –in others they might be based with staff from a range of services both from within and outside the council under new customer services arrangements
- ◆ No assumptions should be made about the frequency or support arrangements for proposed ward forums –as with the configuration of three areas, this requires considerable further discussion if the concept is agreed
- ◆ The skills required to work with local groups and organisations are not underestimated and it is understood that there are dangers in diluting these, and that there need in any city council organisation to be some specialists in this field. However, there is no doubt that there do need to be larger numbers of people with some grounding in those skills because however many resources were allocated of the specialists, it is important that those employees responsible for directly delivering services (not just of the council but other public service organisations) can work with councillors and members of the community to achieve the things which are needed locally.
- ◆ There will need to be detailed discussions about the implementation of these proposals to try and reflect and deal with some of the concerns of those responding, including potential meetings between the key officers concerned and members of the community. The points about the importance of project management, the need to co-ordinate with any recommendations of the CDD review which are implemented and the need not to prejudice existing projects are well-made and careful detailed discussions will need to take place to tackle these issues on a locality basis. Discussions will also need to take place with the Government Office of the West Midlands to ensure there are no misunderstandings about the approaches being taken. GOWM is already well-aware of many of the discussions going on between partners in the city about better co-ordination of services to improve local

neighbourhoods. These will be discussed further with both members and local community groups to ensure they develop in the right way, neighbourhood by neighbourhood

- ◆ Some of the fears expressed by other partners seem to be based on thinking that because neighbourhood management areas might be based on police OCU areas, police concerns are the only ones which will be taken into consideration by the council. This is of course not the case. Equally there is no reason why existing health action groups, environmental groups etc should not continue exactly as they are. No arrangements can afford to be completely rigid in their operation and individual meetings will be held with partners to reassure them of this.

6.35 There are some key philosophical differences behind the thrust of some of the consultation responses and the proposals in the neighbourhood management resources. The proposals in the neighbourhood management review are *not* as some of the responses have suggested, a turning away from those areas with most needs. It is rather, taking a different approach, by choosing to tackle some of the fundamental things which the council and its partners can improve through direct services eg street services and community safety, and putting a more visible presence of wardens, a service which the public have clearly indicated their enthusiasm for. Much of the direction of the proposals is designed to tackle at source dealing with the public's problems when many of these are well-known and understood. Inevitably there is doubt and in some cases outright cynicism about whether this will work. But these proposals are designed to make renewed efforts, with new approaches and better relationships to make sure they do work. In addition to this they are designed to respond to well-reported dissatisfaction with area forums which have been felt not to reflect small enough areas. There is a comment in one of the consultation responses that the proposals seem to work against each other- ie smaller wards forums and larger areas. While this may seem contradictory, it is all about recognising the need to retain the democratic links (subject to resolving the ward boundary issue of proposed structure) while using the opportunity to look afresh at the way neighbourhood management services are delivered on the ground.

It is recommended that Members

Agree the proposals as documented in the neighbourhood management review subject to further discussion and consultation on the boundaries of the three area structure. These include the proposals to reduce the numbers of community safety, area renewal and capacity building officers and those to increase the numbers of wardens and invest in police community support officers. The proposals also include the idea of ward and constituency forums (detailed arrangements to be agreed).

6.36 The overall financial implications of the changes in Neighbourhood Management review are reflected in the table below.

	2005/06 £000	2006/07 £000
Savings from new management structure	(151)	(302)
Cost of Neighbourhood Wardens	1,120	920
Cost of Community Support Officers	300	300
Total	1,269	918

Eligibility Criteria

- 6.37 A report on Eligibility Criteria was considered by Cabinet on 8th February. The report concluded by saying that particular interest had been paid to the views of service users and their carers. Their views were interpreted as being that they want to protect the services that they currently receive which they both generally value and appreciate. This recognised that those that responded to the Eligibility Criteria questionnaire and those who attended the meetings were people who already had critical or substantial needs (or were the carers for people who met these levels of eligibility). The consultation with service users might indicate that service users want to maintain the current criteria and the current levels of service. In the Director of Social Services and Housing's view, this view would change if those with greatest needs (who formed a significant part of the survey information) thought that their needs would be met at a lower level in order to have a more generous criteria. This is certainly the experience that he has in day-to-day contact with service users who make representations. The main message from service users and their carers is that they value and appreciate the help that they get and that they do not want that to change. They do not want to see cuts in the services on which they depend.
- 6.38 The Director is keen to ensure that the monies that are available to him can be spent on those in greatest need. He has recognised the importance of delivering focussed interventions that help people regain their independence and that resources are spent to that end. Only 172 people out of the 5,747 people (3%) who were assessed for services actually fell within the part-moderate criteria alone. Administering this additional category has not been clear for the social work staff. The development of the criteria has not supported the policy that it intended to encourage (short-term interventions). The Director knows that demands for social care help will only increase in coming years with more people meeting the critical and substantial categories. **The overall recommendation to Members was therefore to operate within the same framework as the vast majority of other local authorities and adopt the Critical and Substantial Bands to ensure that the scarce resources meet those with greatest needs.**

Single Status

- 6.39 The report to Council on 8th February proposes to implement the Single Status agreement in the forthcoming financial year. Resources have been built into the 2005/06 revenue budget to pay for this, and the on-going costs are reflected in the medium term forecast. The cost of single status in the first year is estimated at some £7m, including one off costs for back pay and compensation.

Under the single status agreement, movements in staff pay can be summarised as follows:¹

- 5,375 employees are assimilated into like grades
- 3,528 employees move onto a higher point
- 1,637 employees are protected on their current earnings

These numbers will change as staff appeal against their job evaluations. Appeals may result in no change, an increase or decrease in grading.

Figures quoted are based on contracts validated and incorporated into the model at December 2004. They will change over time to reflect the changing workforce and on-going validation work.

Education Spending

- 6.40 One of the City Council's corporate objectives is to "*maintain and develop excellent Education in our city.*" In line with this objective and our medium term financial strategy it is recommended that the Council once again passport all the additional funding allocation for schools in Coventry, in line with paragraph 4.13.
- 6.41 In April 2003 the Government introduced a new mechanism for allocating resources for Schools and Local Education Authorities (LEA's). The key feature was the introduction of a hard split between money for Schools and money for the LEA. The Schools Block includes not only delegated budgets of schools, but also some budgets which are held centrally for meeting the needs of individual pupils (e.g those with special educational needs). The Government introduced a strict passporting regime requiring that the entire annual increase in the Schools Block for each Local Authority should be passed on to its Schools Block budget. As indicated above, Coventry continues to comply with this requirement within its medium term financial strategy as this complements the City's own policy and priorities for education.
- 6.42 Following the introduction of this new system in 2003/2004, a number of schools around the country experienced significant difficulties, largely as a consequence of complex changes to the Standards Fund grant regime for schools. In response, the Government introduced for 2004/05 a system known as the minimum funding guarantee (MFG). Under this system every school was guaranteed a minimum increase of 4% per pupil. The major grants for schools (Standards Fund and Schools Standards Grant) and the Learning and Skills Council's funding for sixth formers, were also guaranteed to increase by 4%.
- 6.43 In 2005/06 the Government intends to continue this system, as it believes that the MFG has helped create stability across the school sector. For 2005/06 the minimum-funding guarantee is 4% for secondary and special schools and 5% for primary schools. This differential for primary schools reflects the Government's belief that the costs of introducing its policies on workforce reform will impact more on their budgets than on secondary and special schools.
- 6.44 The Government enforces its policy of passporting by setting every Local Authority a target for its Schools Block budget, which is based on last year's budget plus the increase in Schools Block allocation. Coventry's Schools passported budget totals £170.237million. The City Council, as required by legislation, has written to the Secretary of State confirming that it intends to accept its Schools passported budget at this level.
- 6.45 The LEA budget has continued to come under severe pressure, in part due to the Government increase in resources being significantly lower for the LEA Block than for the Schools Block, and in part due to the LEA budget facing the same spending pressures as other City Council Directorates. Nevertheless, along with other areas of the City Council, the LEA block has delivered savings that contribute to the corporate budgetary position and these are included within Appendix 2.
- 6.46 The key issue in the Education PPR has been making sure that schools receive enough money in their delegated budgets to meet the rising costs of Workforce reform. The most significant reform is that, from September 2005, all teachers will be entitled to 10% planning, preparation and assessment time. Schools will need to find resources to cover for the time teachers are no longer in front of their classes. Although the increase in funding from Government is significant for 2005/2006, each authority receiving between a floor of 5.5% per pupil and ceiling of 8.75% per pupil, individual schools and authorities

are still working out how to meet workforce reform costs. It is difficult to predict how easy it will be for schools to manage. Coventry's funding increase amounts to 7.5% per pupil.

6.47 Another significant issue is the review of Early Years provision. This has provided savings from surplus places removal, enabling resources to be redirected for appointing qualified teachers to meet statutory support for private voluntary and independent nursery provision. A number of other pressures for schools, including regrading of education assistants, expenditure match for Standards Fund grant and borrowing costs for equipment for new schools, have been financed by budget reductions for falling pupil numbers.

7 Other Budgets

7.1 **Asset Management Revenue Account** - The Asset Management Revenue Account contains the costs incurred by the Council in managing its loans and investment portfolios. The cost to the Council for interest paid is offset by interest and dividends received from external investments, as well as income from services in relation to charges for the use of assets. An in-depth review of this account has taken place this year that has allowed additional resources to be released for general use. The net income budget for the Asset Management Revenue Account next year is £14.7m and this has been taken into account within the budget requirement.

7.2 **Contingencies and Corporate Budgets** – The budget put forward includes the following contingencies and corporate budgets

	£m
Contingency for inflation not allocated to service budgets - principally to cover the increase in Employers' Superannuation contributions	2.2
Policy Contingency to cover unforeseen in-year developments of a policy nature	0.3
Resources held centrally for implementation of Single Status (other resources for this are held in central HR budgets)	3.8
Quasi National budget to pay for fluctuations in departmental budgets of a quasi national nature	0.3
Other Policy Initiatives (including Marketing Services to Maximise Income, Arena Community Facilities)	0.2
Public Service Agreement Performance Reward Grant	(2.6)
Total Contingencies and Corporate Budgets	4.2

7.3 **Contribution from Reserves** –The recommended budget for 2005/06 incorporates the use of these working balances as outlined below

	£m	£m
Balance available as at 31 st March 2004		(18.0)
2001 and 2002 PPR Proposals for 2004/05 included in service budgets		2.3
Approved and Potential policy commitments including Single Status (£2.8m), Swanswell (£1.2m), Costs identified in para 8.13 (£1m), Superannuation Fund costs (£3m)		8.3
2003 PPR Budget Support for 2004/05		5.8
Transfers into working balances		
Planning Delivery Grant	(0.1)	
Passenger Transport Authority	(0.7)	
Underspendings and Un-earmarked reserves as recommended by Management Board	(5.7)	(6.5)
Estimated Uncommitted Balance 31 st March 2004		(8.1)
Potential Contribution to support 2005/06 Budget		5.2
Uncommitted Working Balances		(2.9)

7.4 **Levies from Other Bodies** - Levies are payable to other public authorities by the City Council as a contribution to their costs. These amounts are determined by the levying authority as follows.

	2005/06 £'000
West Midlands Passenger Transport Authority	14,889
Environment Agency	95
Total	14,984

The increase in the Passenger Transport levy reflects both a 2.5% increase in the costs of that body, together with the effects of changes in the West Midlands population.

7.4 **Parish Precepts** - Parish precepts are paid out of the General Fund. Additional Council Tax is then levied in those parishes to pay for the respective precepts. The 2005/06 budget contains provision to pay precepts as follows:

2004/05 £	Parish	2005/06 £
3,000	Allesley	3,150
1,000	Keresley	2,500
4,000	Total	5,650

8. Council Tax and Impact on Future Years

- 8.1 The medium term financial strategy allows for a balance between service improvement and the need to keep Council Tax increases to a reasonable level. The proposed budget results in a 3.9% increase in the City Council's Council Tax. The impact is summarised below and illustrates the figures before Police and Fire precepts are added:

	2004/05 £	2005/06 £	%	Increase Per year £	Per week £
Band D	1,090.63	1,133.16	3.90	42.53	0.82
Average	770.22	796.65	3.43	26.43	0.51

- 8.2 The addition of the Police and Fire precepts will affect the total % rise and actual level of Council Tax reported above. The final decisions on precepts are due to be determined by the respective authorities on 14th February (Fire) and 10th February (Police).
- 8.3 It should be noted that the Government has retained reserve "capping" powers and has made it clear that they will use these in relation to authorities that make excessive increases in tax levels. The recommended Budget and consequent Council Tax levels in this report are not considered likely to attract such intervention.
- 8.4 The revenue proposals outlined above have implications for future years' budget projections. At this stage it is impossible to foresee all the likely factors affecting the council's future financial position. Nevertheless, assuming no further adverse pressures, the possible effects on the budget could be as follows:-

	2006/07 £m	2007/08 £m
2005/06 Base Budget position (before use of reserves)	377.1	377.1
Inflation, savings and built-in pressures	31.4	49.7
LESS resources – projected Formula Grant & Council Tax at existing level	(389.3)	(401.9)
Anticipated funding gap	19.2	24.9
Council Tax increase that would be needed to fund the entire gap	20.4%	5.4%

8.5 The above tax increases are for illustrative purposes only. Further changes, both locally and nationally may arise and affect the size of the gap. It is recommended that the Management Board be instructed to continue to identify further service reductions and efficiency savings to bring this gap to a manageable level. Given the scale of the anticipated funding gap, Management Board advice is that this can only be addressed through a fundamental change in the way that the Council is structured and services delivered to the public. Some of this fundamental change responds to Government policy such as the requirement to establish a Childrens' Directorate; others can be determined at local level. In order to achieve these changes, it is proposed that this transformational work commence immediately. Change on this scale will take a number of years to achieve, needs to be well structured and carefully planned and does not lend itself to an annual cycle. Clearly however, the financial outcomes will be reflected in the budget.

8.6 It is possible that the following approach may be used to provide the capacity for on-going savings following fundamental review of service provision

	2006/07 £m	2007/08 £m
Potential Funding Gap	19.2	24.9
LESS Council Tax increase ¹	(2.4)	(4.8)
LESS Contribution from reserves	(4.0)	(2.0)
Required from new on-going efficiency savings	12.8	18.1

¹ Council Tax increase assumed at estimated inflation rate of around 2.5%

8.7 There are a range of options that Management Board intend to explore in order to deliver the necessary savings to achieve a balanced budget in the medium term. These will form a balance between transformation of service delivery, efficiency savings and service reductions. Management Board will be looking at all the Council's services with a view to ensuring that they are being delivered in the most efficient and effective way to ensure value for money for the people of Coventry. Initial examples of how some of these changes may take shape are outlined below. Members are reminded however, that thinking and recommendations will change and develop constantly as new information and changing circumstances come to light, are interpreted and applied.

- 8.8. The Coventry Empowered agenda changes the way that services will be delivered, focusing on the needs of the customer, rather than a traditional Directorate lead service delivery mechanism. This will fundamentally change the way that front line services are provided. The same principles can be applied to support services and back-office functions. The Council has already started this work, and delivered significant savings, by centralising a number of functions enabling processes to be simplified, removing duplication and sharing knowledge. Much can be done to build on this work and realise further savings as outlined in this section.
- 8.9 The Council has recently introduced Electronic Document Management Systems (EDMS) into Housing Benefits and is rolling this out to Local Taxation. EDMS allows paper to be stored electronically, reducing the need for filing and storage space. The application of EDMS throughout the Council could give the opportunity to reduce our accommodation requirements by up to a quarter allowing the council to withdraw from expensive rented property or to sell or rent out some of its existing office space delivering savings over the medium-term.
- 8.10 EDMS also allows papers to be recorded, allocated to teams or staff and tracked for action. The information gained from recording of correspondence, complaints, enquiries etc. will enable the Council to ensure that it has sufficient trained staff in relevant areas, that all correspondence is handled appropriately and in a timely manner. The management information provided can also be used to identify training needs and to measure staff productivity. Useful benchmarking information can be secured to demonstrate value for money or identify areas to be targeted for efficiency savings.
- 8.11 Procurement savings have been highlighted as part of the Government's Gershon efficiency review. Coventry City Council is already part of the UK's largest Local Authority Buying Consortium, collaborating to ensure combined leverage in the procurement of a wide range of goods and services, and has adopted much of the recommended best practice. The Council spend in excess of £200m p.a. on Works, Goods and Services. The rollout of the I-Procurement system, to be completed by December 2005, will provide savings in transactional costs. The I-Procurement system will also provide invaluable management information that will enable the Council to reduce off-contract spend, reduce our supplier base, aggregate expenditure and establish additional framework contracts. Through these mechanisms Management Board are targeting a reduction in procurement spend of 2.5% in line with Gershon targets.
- 8.12 The Council currently supports and manages some 3,000 systems to manage its information needs and deliver services. All primary systems, with the exception of schools' index and own systems, are managed within the ITNET contract, however there remain a large proportion of minor systems that have until recently been un-documented and not notified to the contractor. The Council is working to rationalise its systems and Management Board are looking to maximise savings in this area over the medium term.
- 8.13 Many of the Council's processes are complex. Over time processes are enhanced and changed to address problems that arise or to minimise the likelihood of error and become inward serving. Current emphasis is on operational processes that effectively manage risk whilst retaining external focus, delivering a level of customer service that is of a continually high standard. This refocus on design of operations is embraced in the Coventry Empowered programme and Management Board anticipate significant savings being achieved from these changes in operations in the future.
- 8.14 The opportunities to make savings identified by Management Board will require significant planning, work and skill if they are to deliver the targets identified. They also cannot all be

realised immediately; most will occur over time. To create the capacity to undertake this important work-plan, a fund of £1m has been earmarked from within existing reserves. The project will be championed by the Chief Executive leading a dedicated group of Council staff who will call on expertise from both within and outside the Council as required.

9. Fees & Charges and Grants

9.1 In setting its revenue budget, the Council assumes income levels to be raised from a range of fees and charges that it applies for the delivery of certain services. Most fees & charges for 2005/06 have been increased in line with inflation, in line with the MTFs or, where applicable, specific agreements. Specific consideration is usually given to Social Services fees and charges in tandem with the budget setting process and in accordance with this there is specific information in Appendix 5.

9.2 The Social Services budget especially is also greatly influenced by grant aid agreements, contracts and the application of specific grants provided by central government. The proposals affecting these areas are also outlined in Appendix 5.

10. Capital Programme

10.1 Single Capital Pot

The single capital pot (SCP) continues to identify funding support for local authorities' capital programmes. Under the SCP, individual government departments set allocations based on plans submitted by councils for Housing, Transport and Education. Notwithstanding these allocations, authorities are free to spend them on whatever capital purposes they determine. The Government will provide revenue support for these capital allocations. Councils' may supplement these allocations with additional borrowing funded from their own resources so long as they are affordable.

10.2 In the settlement, the government has provided revenue support for borrowing in 2005/06 through the Formula Grant system for the following capital allocations.

	Supported Borrowing 2004/05 £'000	Supported Borrowing 2005/06 £'000	Difference £'000
Housing	5,023	5,131	108
Transport	5,767	6,560	793
Social Services	217	212	(5)
Education	3,525	1,566	(1,959)
Total	14,532	13,469	(1,063)

10.3 A Capital Monitoring Group exists within Housing Policy and Services to ensure that the programme is delivered. As much of the programme is made up of individual grants, flexibility needs to be exercised between the various elements of the programme to achieve the desired level of spend and a recommendation has been included in this report to allow this practice to continue.

- 10.4 Resources for the Local Transport Plan have been awarded at a level below our expectations. In addition to the Coventry Quality Bus Network, the total allocation in this area is as follows:

	£'000
Bridge and highways maintenance	3,760
Integrated Transport strategy	2,800
Total Supported Borrowing	6,560

- 10.5 The 2005/06 Education capital settlement including ring-fenced borrowing and devolved grant is £13.2m as follows.

	£'000
Supported Borrowing	1,566
Ring-Fenced Supported Borrowing	4,569
Grant – including Devolved Formula	7,102
Total	13,237

10.6 **Capital Receipts**

Projected capital receipts are included in the table below. For information, these are separated between identified specific receipts and those that are anticipated to be yielded in the future. These forecast receipts, together with those previously identified for 2004/05 will be used to fund the proposed capital programme. Management Board has asked the Capital Working Group to take action to review how additional receipts might be made available and make recommendations to the Board and subsequently members.

	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000	2009/10 £'000	Total £'000
Commercial & Operational Property	30,345	13,465	10,065	8,800	2,750	65,425
Miscellaneous	200	200	200	200	200	1,000
Receipts to be identified	0	13,997	5,035	(2,316)	1,350	18,066
Total Receipts	30,545	27,662	15,300	6,684	4,300	84,491

10.7 **Forecast Capital Programme**

A summary of the proposed programme including existing commitments and funding locations is outlined below. Full details of the proposed programme are included at Appendix 6. Those schemes asterisked in the appendix will be subject to a further report to members before they start.

Expenditure	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000	2009/10 £'000
Adult Education, Libraries, Sport & Leisure	11,568	1,868	1,520	100	100
Children's Services	29,987	15,621	9,726	3,000	750
City Services	16,840	7,747	5,141	3,282	3,349
Community Services	940	580	490	500	516
Corporate & Customer Services	10,933	11,503	4,203	-	-
Finance & Equalities	1,488	-	-	-	-
Health & Housing	7,076	11,596	10,649	4,976	4,976
Urban Regeneration & Regional Planning	44,970	30,345	22,273	10,105	6,897
Total	123,802	79,260	54,002	21,963	16,588

Funding	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000	2009/10 £'000
Supported borrowing	13,469	11,989	12,031	10,694	10,768
Ring Fenced Borrowing	8,939	7,207	4,528	635	0
Prudential Borrowing	20,493	10,150	4,350	0	0
Total Borrowing	42,901	29,346	20,909	11,329	10,768
Government Grants	29,848	17,687	16,111	3,573	1,188
Capital Receipts	30,545	27,662	15,300	6,684	4,300
Revenue Contributions	17,619	365	151	71	26
Leasing	2,889	4,200	1,531	306	306
Total	123,802	79,260	54,002	21,963	16,588

10.8 From the table above, it can be seen that the authority plans to incur £20.5m of prudential borrowing in 2005/06, £10.2m in 2006/07 and £4.4m in 2007/08. Provision has been made in the revenue budget to fund this. Members should note however, that some of the prudential borrowing is for Coventry Empowered phases 2 and 3 that is being sought only in principle. Although the revenue costs of that borrowing have been shown in the

medium term forecast, these will of course be removed if, when setting the programme in subsequent PPRs, members decide not to pursue this option.

- 10.9 The programme inevitably looks significantly reduced in the medium term due to the inability to reliably predict new government allocations. Furthermore, new demands will become apparent as new initiatives are identified. In view of this and given the reliance on un-identified capital receipts to fund the programme in the medium term, it is proposed that only those projects due to start in the 2005/06 financial year be approved within this report as shown in the table below. It is recommended that the remainder of the programme, including those schemes only subject to feasibility studies in 2005/06, be approved in principle and subject to review during the next year's PPR.

	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000	2009/10 £'000
Approved Programme	123,802	44,832	23,229	3,642	360
Provisional Programme	0	34,428	30,773	18,321	16,228
Total Programme	123,802	79,260	54,002	21,963	16,588

- 10.10 The proposed capital programme strikes a balance between the need to invest in the infrastructure of the city and service delivery. In particular, the programme offers new investment of:

- over £27m in 2005/06 alone, invested in highways, to tackle the significant maintenance backlog that has accrued as well as providing important Safety improvements, quality bus networks and residents parking schemes.
- £8m to provide good quality affordable housing in the City and help some of our most vulnerable and older citizens to remain in their homes.
- £30m over the medium term to regenerate and improve the City .
- a £30m programme to enhance schools and educational facilities.
- A £20m programme (Coventry Empowered) to modernise Council services matching them to the needs of our customers.

- 10.11 **Coventry Empowered.** One of the most significant projects within the capital programme is Coventry Empowered. This is a project of investment designed to transform customer services and make the Council fit for the future. The fundamental principles of the project are to ensure that our citizens and customers can access the council at times and in ways to suit themselves. It is also important to ensure that staff handling customer enquiries, be they face to face, over the phone, web or in other ways, are equipped to handle that enquiry or range of enquiries at the first point of contact. Overall, the project is estimated to cost some £20m, however, this has been broken into three phases to enable pilot contact centres and one stop shops to be established as a proof of concept before completing the whole project. A business case has been established that demonstrates that, over time, Coventry Empowered will deliver sufficient savings to pay for itself and make a positive contribution to the Council's overall medium term financial position. It is therefore proposed to use prudential borrowing to fund this project. Although funding for the whole project has been assumed in the Capital Programme and Revenue budgets, funds will only be secured as required under the Council's Treasury Management Strategy. Should subsequent phases not proceed, clearly the associated prudential borrowing will not occur.

- 10.12 **Herbert Art Gallery and Museum – Phase 2.** When setting the capital programme for 2004/05, the Council included the sum of £14m for phase 2 of the Herbert Art Gallery and Museum. This scheme, partly funded by external grants, was designed to continue the improvements to the facility, providing a new frontage and reception area. During the year, the Council's approved capital programme has come under pressure from increasing costs due to unforeseen circumstances such as asbestos at the Coventry Transport Museum, and lower than expected capital receipts. As a direct result of this and against other competing major priorities such as investment in roads, schools and improving customer services in the light of the limited funds available to the Council, the Herbert Art Gallery Phase 2 has had to be removed from the capital programme.
- 10.13 Work is in hand to manage the impact of this change. Officers recognise the importance of the Herbert locally and regionally and the fact that there will be a possible loss of grant money committed to the council and the project. However, the importance of having a financially prudent capital programme and the need to fund higher priority day-to-day services mean that this phase of the capital development has been taken out of the programme. It is intended that detailed discussions will take place with the relevant regional and national arts organisations to discuss the best way of handling this issue without losing the opportunity in the longer term to continue the development of the museum in line with cultural and regeneration objectives.

11. Robustness of the Budget

- 11.1 Under the terms of the Local Government Act 2003, the Chief Financial Officer (the Director of Finance and ICT) is required to give assurance on the robustness of the estimates included in the forthcoming budget.
- 11.2 In the view of the Director of Finance and ICT the budget being recommended to the City Council is supported by robust estimates of income and expenditure. This judgement is based on the following reasons:
- i) The budget has been set within the guidelines of the authority's Medium Term Financial Strategy, approved by members, that sets out the broad policies and assumptions, that lie behind the Council's medium term financial planning process.
 - ii) There is a medium term financial plan in place that sets out the known changes to the current budget over three years incorporating the concept of strictly controlled Directorate budgets, known policy changes and best estimates of the impact of inflationary pressures and expectations of resources.
 - iii) The authority operates an integrated Medium Term Policy and Financial Planning process (the Policy Priorities and Resources process or PPR) that incorporates a comprehensive and detailed assessment of the new policy and technical changes that will affect the proposed budget and the medium term budgetary position of the authority.
 - iv) Individual Directorates, working to strict budgets (plus inflation), have prepared detailed service budgets that are the financial representation of the authority's statutory duties and corporate service objectives for the coming year.
 - v) The authority's individual service Management Teams and its corporate Management Board have been fully involved in the detailed make-up of the information included in the PPR process.
 - vi) All of the Authority's political groups have been provided with information on the PPR process and have been consulted on the options available in a way that will enable them to take a full part in the final decisions about budget setting.

- vii) As discussed further in section 12 below, the Authority's level of reserve balances is sufficient to meet other unforeseen eventualities (within reasonable limits of assessed risk) that may potentially be met by the authority.

12. Adequacy of Reserves

12.1 In line with section 11 above, the Local Government Act 2003 also requires the Chief Financial Officer to give assurance on adequacy of reserves of the Authority for which the budget provides.

12.2 The position on reserves was as follows at the 2003/04 outturn stage:

Reserve	Opening Balance 1 st April 2003 £'000	To/(from) Reserve £'000	Closing Balance 31 st March 2004 £'000
Departmental including repairs & renewals	22,336	(4,232)	18,104
Capital / City Centre	19,767	(541)	19,226
Earmarked Corporate Reserves	4,424	215	4,639
Insurance	8,324	(2,866)	5,458
Schools	6,637	1,601	8,238
Working Balances	12,974	5,021	17,995
Total	74,462	(802)	73,660

12.3 The final position of reserve balances carried forward into 2005/06 will not be known until finalisation of the 2004/05 accounts. The best current estimate is that the total level of reserves is likely to be around £68m compared with the £74m reported at the end of 2003/04. It is the view of the Director of Finance and ICT that the City Council holds an adequate level of reserves to support the recommended budget for 2005/06. This judgement is based on the following reasons:

- The Council is well provided for in terms of its reserves compared to its overall level of budget and much better provided for than many other authorities.
- The level of reserves in the key risk areas of insurance and property repairs is sufficient to meet any likely calls on these reserves (within reasonable limits of assessed risk).
- The level of reserves is sufficient to support contributions to 2005/06 directorate based budgets (including schools) and Corporate commitments both for capital and revenue purposes.
- The level of uncommitted Working Balances provides a sufficient level of resource to meet any other unforeseen eventualities (within reasonable limits of assessed risk) balanced against pressures to not hold an excessive level of reserve balances.

13. Treasury Management

13.1 Treasury management's objective is to manage the Council's cashflows so that sufficient money is available at all times to deliver its services. In particular, the overall aim of our Treasury Management Policy is to minimise the revenue costs of debt, at an acceptable level of risk, as well as to ensure future stability and predictability. More explicitly, the policy objectives are:

Borrowing

- To reduce the revenue costs wherever possible;
- To undertake funding in any year at the cheapest cost taking a medium term view (e.g. five years);
- To manage the total debt maturity profile to ensure a fairly even spread of future repayments;
- To review actively opportunities to redeem (i.e. repay early) and reschedule debt (i.e. replace one debt with another) as interest rates change, to reduce revenue costs.

Investment

- To maintain capital security,
- To maximise the revenue benefit by pursuing the following options, as appropriate given prevailing and forecast interest rates:
 - retain external investments
 - repay existing loans, or
 - avoid new borrowing

13.2 Interest Rate Forecasts

The purpose of this section is to identify likely future trends in interest rates to guide the borrowing and investment strategy. The Bank of England's November Inflation Report tended to support the more optimistic view on UK interest rates that has developed in the financial markets since the autumn. The tone of the document suggests that that Monetary Policy committee will be content to leave interest rates as they are, although the possibility of a small rise cannot be ruled out at this stage.

13.3 Although uncertainties exist, and much depends on the US economy, the international backdrop appears to have become more benign. Overall growth is expected to be at its strongest rate for some time, although it is expected to ease back during 2005. In the UK the housing market has begun to slow down, but this may not be accompanied by a sharp decline in consumer spending. The buoyancy of the labour market is seen by many as having something to do with this. The base rate is expected to fall slightly in 2005 from the current level of 4.75%, with longer-term interest rates increasing in the early part of 2005/06, but falling as the year progresses.

13.4 Borrowing

Based on current estimated levels of spend the expected long term debt position of the authority at 31st March 2005 is:

Type of Debt	Total £m
PWLB	207.2
Money Market	42.0
Stock Issue	12.0
Total	261.2

13.5 The main funding sources used by Coventry are:

- The Public Works Loans Board (PWLB) ~ this is, in effect, the government. Although loans may be obtained at variable rates of interest they are normally at fixed rates.
- Money Market ~ these are loans obtained from financial institutions, such as banks. These have generally been less competitive than PWLB loans. However, a comparatively recent development has been the LOBO (lenders option, borrowers option) which is essentially a long term loan at an initial fixed rate for typically 3-4 years then variable thereafter. Should the lender exercise the option and seek to increase the rate beyond a certain level the borrower can choose to repay the loan. Coventry has £40m of such loans.
- Stock Issue ~ this is loan stock issued by the City Council in 1986. In 2003/04 approximately £88m of the total of £100m was redeemed as part of a debt restructuring.

13.6 Given the revenue budget and associated capital programme outlined above, the estimated funding requirement for the City Council for 2005/06 is summarised below:

	£m
Previous borrowing which matures and needs to be replaced	1.7
New funds to finance the Capital Programme	22.1
Total forecast funding requirement	23.8

This sum will increase if new government supported borrowing is awarded during the year.

In the light of the interest rate forecast, the objectives underpinning the Treasury Management Strategy and the forecast borrowing requirement for 2005/06, the Director of Finance will, under delegated powers, undertake the most appropriate form of borrowing depending on prevailing interest rates at the time. In addition to borrowing to fund the capital programme, the Director of Finance will also monitor the opportunities for rescheduling debt. In essence this entails redeeming debt early when long term rates are low. This will only be done if revenue benefits justify it.

13.7 **Investments**

Under the City Council's Investment Policy cash management investments are made both directly by the City Council, reflecting day to day cashflow management decisions and also through fund managers, where cash resources are not required in the short term. In addition, the City Council holds long term investments for operational or policy reasons, representing past capital expenditure. These include Birmingham Airport Holdings Ltd, the Coventry Solihull Waste Disposal Company and the North Coventry Holdings Ltd (Arena).

13.8 The Investment Policy, as approved in last year's strategy report, has been revised in the light of the firming up of government guidelines. Aside from presentational changes, the

policy has been amended to include reference to long term share or loan capital investments in companies held for operational or policy reasons. The revised policy is included in Appendix 7.

- 13.9 Fund manager performance is reviewed in the corporate Revenue Monitoring report for 2004/05, which is being considered separately by Cabinet. However, since 2001 performance has exceeded the target rate, although in the current year performance is below the target. It is felt that the longer term perspective, as well as diversification justifies the continuation of the use of fund managers.
- 13.10 One of the fund managers, UBS are withdrawing from providing the service. In conjunction with our Treasury Management advisers work is being done to look at the options for reinvesting these amounts. However, it is anticipated that the sums currently managed by UBS continue to be invested through each of the remaining 2 fund managers. It is planned that further work will be undertaken in 2005/06 assessing the longer term options available to the City Council in investing these funds, taking into account the latest forecasts of the likely need to use the resources.

14. The Prudential Code

14.1 Prudential Code and Indicators

The Local Government Act 2003 and associated CIPFA Prudential Code for Capital Finance set the framework for the new local government capital finance system. From 2004/05 authorities can borrow whatever sums they see fit to support their capital programmes, subject to them being able to afford the revenue costs. This is a fundamental feature of the current system. The framework requires that authorities set and monitor against a number of Prudential Indicators relating to capital, treasury management and revenue issues.

14.2 Revenue Related Prudential Indicators

Within Appendix 8 those indicators with references 35 – 38 and 39 highlight the revenue impact of the proposed capital programme. In particular, the increased level of capital investment is forecast to raise the proportion of the council's net revenue stream (the amount to be met from government grant and local taxpayers) taken up by capital financing costs from 5.58% in 2005/06 to 6.68% in 2007/08. This is in part due to higher levels of Prudential Borrowing resourced spend included in the programme.

- 14.3 In addition, the impact on a Band D Council Tax of the current proposed programme compared to the programme approved last year is set out in indicator 39. This shows a marginal change over the years 2005/06 to 2007/08, reflecting capital financing costs net of revenue savings arising from schemes to be resourced from Prudential Borrowing. By incorporating net revenue savings this illustrates the broader impact of the investment proposals.

14.4 Capital and Treasury Management Related Prudential Indicators

This indicators, set out in Appendix 8, include:

- Authorised Limit (Ref 59)~ This reflects the level of borrowing which could be afforded in the short term, but is not sustainable. It is the forecast maximum borrowing need with some headroom for unexpected movements. This is a statutory limit.

- Operational Boundary (Ref 60) ~ This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an indicator to ensure the authorised limit is not breached.
- Net Borrowing less than "Year 3" Capital Financing Requirement (Ref 45) ~ The Council needs to be certain that net external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional capital financing requirement for 2005/06 and next two financial years. The CFR is defined as the Council's underlying need to borrow, after taking into account other resources available to fund the Capital Programme. This indicator is designed to ensure that over the medium term, net borrowing will only be for a capital purpose.
- Debt Maturity Structure, Interest Rate Exposures and Investments Longer than 364 Days (Ref 67 – 73, 74, 77) ~ The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the Council's overall financial position.
- Other indicators highlight Planned Capital Spend (Ref 51), Actual Debt at 31st March 2004 (Ref 64), the adoption of the Treasury Management Code (Ref 66).

All these prudential limits need to be approved by full Council, but can be revised by Council during the financial year. Should it prove necessary to amend these limits, a further report will be brought to Cabinet, requesting that you ask for the approval of full Council to the changes required.

15. **Leasing**

The City Council uses operating leases for non-fixed plant and equipment, where this method of funding represents best value. This type of financing does not count as a long-term liability. A facility will be arranged to lease assets up to a total value of £2.9m during 2005/06, in line with forecasts in the City Council's Capital Programme, but this will only be used where this is value for money when compared with other forms of funding, such as unsupported borrowing.

Quarterly reports on the Treasury Management Strategy will be presented to Cabinet, as part of the budget monitoring process.

16. **Other Specific Implications**

	Implications (See below)	No Implications
Area Co-ordination	✓	
Best Value	✓	
Children and Young People	✓	
Comparable Benchmark Data	✓	
Corporate Parenting		✓
Coventry Community Plan	✓	

	Implications (See below)	No Implications
Crime and Disorder	✓	
Equal Opportunities		✓
Finance	✓	
Health and Safety		✓
Human Resources	✓	
Human Rights Act		✓
Impact on Partner Organisations	✓	
Information and Communications Technology	✓	
Legal Implications	✓	
Property Implications		✓
Race Equality Scheme		✓
Risk Management	✓	
Sustainable Development		✓
Trade Union Consultation	✓	
Voluntary Sector – The Coventry Compact		✓

16.1 Area Co-ordination

The implications for Area Co-ordination are outlined from paragraph 6.16 and Appendix 4.

16.2 Best Value

The City Council's 2005/06 Budget and Capital Programme has been prepared in accordance with the Best Value Accounting Code of Practice. This requires all authorities to account for support services in the same way, in order to achieve comparability of financial data. In particular, it lays down whether specific costs should be shown against departmental or central service accounts. In accordance with this code, corporate and democratic core costs, together with unapportionable overheads, have been separated from the service costs of Cabinet portfolios.

16.3 Children and Young People

The implications of this report for the Schools element of the budget are dealt with within section 6.

16.4 Comparable Benchmark Data

The City Council is part of a number of benchmarking clubs that enable us to monitor our costs against other comparable organisations. In particular, the Council belongs to such a club for treasury management purposes, consisting of all West Midlands districts. Regular monitoring reports produced refer to benchmarks where these are available.

16.5 Coventry Community Plan

The themes and priorities of the second Coventry Community Plan have been taken into consideration in formulating the proposals in this Policy Priorities and Resources process.

- 16.6 **Crime and Disorder**
Appendix 4 refers specifically to measures designed to tackle crime and disorder issues.
- 16.7 **Finance**
The financial implications are included within the main body of the report.
- 16.8 **Human Resources**
The budget proposals will have some impact on employment levels. Any redundancies that do arise will be managed within the City Council's Security of Employment Agreement.
- 16.9 **Impact on Partner Organisations**
Appendix 5 contains information that impacts upon our dealings with some partner organisations.
- 16.10 **Information and Communications Technology**
The paragraph on Coventry Empowered within section 10 of the report describes developments in the City Council's approach to Information and Communications Technology.
- 16.11 **Legal Implications**
This report is expressed formally to comply with section 32 of the Local Government Act 1992 and Section 25 of the Local Government Act 2003.
- 16.12 **Risk Management Implications**
The General Fund Budget and Capital Programme is the culmination of the policy review process that began almost 12 months ago. In considering the Council's corporate objectives in the context of the Council's financial position, resources have been allocated to meet corporate priorities, and savings have been identified. There are a number of risks which now need to be managed:
- a) that the new resources actually deliver the corporate objectives. Operational plans and quarterly monitoring reports will specifically address this issue,
 - b) that the savings required are deliverable. These will be monitored as part of performance monitoring,
 - c) that ongoing spending and income are controlled to budgets. Compliance with the Council's budgetary control rules is essential,
 - d) that the required level of capital receipts is achieved, these will be monitored regularly by the Capital Working Group and the risk has been minimised by the provisional nature of the programmed starts beyond 2005/06,
 - e) that the treasury management procedures provide for cash to be available, at minimal cost, when required. The strategy and regular monitoring provide adequate safeguards.
- In addition to the Council's overall resources, the Council's Working Balance forecast to stand at some £2.9 m at the end of 2005/06 is an essential safeguard against unforeseen risk.
- 16.13 **Trade Union Consultation**
The trade unions have been consulted throughout the Policy, Priorities and Resources process.

17. Timescales and Monitoring

- 17.1 The actions that result from the spending and savings decisions will be monitored and evaluated through the Council's new performance management system – through quarterly monitoring by Councillors of the new Cabinet Member Strategic Plans and by service managers through their Operational Plans. This information will be used to inform future policy and financial planning.
- 17.2 Once the budgets for 2005/06 have been approved, effective budgetary control and monitoring is essential to ensure that expenditure is kept within approved budgets. The key principles of budgetary control, which are well established, are outlined below.
- Most budget heads include provision for the full cost of inflation in that year and will not be increased during the year.
 - Directors are responsible to their Cabinet Members to manage within their budgets, and any variations from approved spending on budgets must, wherever possible, be compensated elsewhere within the Cabinet Member's resources.
 - Once the budget has been set, the delivery of policy is constrained by the resources available; if necessary, policy has to be amended during the year, or resources found from other sources, to ensure that the total service portfolio budget is not overspent.
 - Effective budgetary control reporting is crucial. Individual Departments and Management Board now monitor revenue budgets monthly and capital budgets quarterly. Budgetary Control Guidelines require that Cabinet Members are regularly briefed on their budgetary control position during the year. In addition, Cabinet will receive summary reports on a quarterly basis.
- 17.3 Regular monitoring of the achievement of capital receipts will occur through the Capital Working Group.
- 17.4 Quarterly reports on the Treasury Management Strategy are presented to Cabinet.

List of background papers

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Papers open to Public Inspection - None

Appendices

- Appendix 1 – Detailed table of spending proposals
- Appendix 2 – Detailed table of savings options
- Appendix 3 – Review of the City Development Directorate
- Appendix 4 – Review of Neighbourhood Services
- Appendix 5 – Social Services : Annual Increases in Fees
 - Grants to Voluntary Organisations
 - Central Government Grants
- Appendix 6 – Summary Capital Programme 2005/06 to 2009/10
- Appendix 7 - Council Investment Policy
- Appendix 8 – Council Prudential Indicators

New Spending Proposals

Appendix 1

New Spending Options		Current Budget £m	2005/06 £m	2006/07 £m	2007/08 £m	Comments
a	Children's Placements	11.000	1.500	1.500	1.500	To negate the requirement to achieve PPR savings, agreed in previous years
b	Care Home Funding	5.900	0.482	0.482	0.482	To enable funding closer to the current market rate
c	Residential Care Market		0.739	0.739	0.739	Implementation of similar residential care home rates as our nearest comparator authority.
d	Continuing Care	23.000	0.600	1.000	1.000	To negate the requirement to achieve PPR savings, agreed in previous years
e	Gas and Electricity Inflation	0.700	0.350	0.350	0.350	Reflects very large increases in the City Council's gas and electricity prices
f	Single Status	140.000	1.300	(0.700)	(0.600)	Based on Report to Council 8 th February 2005
g	Hazardous Trees	0.125	0.400	0.200	0.100	To maintain all trees in a safe condition in order to minimise risk
h	Asbestos and Wiring Surveys	1.102	0.630	0.600	0.000	Surveys of building stock and pipework in order to comply with regulations and statutory duties
i	Fraud Unit - Loss of Subsidy	5.570	0.110	0.050	0.000	Increasing the base budget to offset income reduction due to changing regulations
j	Part-Time Pensions		0.100	0.100	0.100	Cost of legal change to employers' liability for providing part-time employees pensions
k	Accommodation Income Loss – Casseldon House	4.000	0.065	0.065	0.065	Funding to offset income lost due to relocation of occupier
l	Accommodation Income Loss - ITNET	4.000	0.056	0.056	0.056	Funding to offset income lost due to early relocation of contractor
m	Community Associations	None	0.220	0.000	0.000	Sustaining temporary funding in this area for up to one year only pending conclusions of Best Value Review.
n	Corporate Warden Scheme	0.210	1.120	0.920	0.920	Further development of a neighbourhood wardens service creating 19 additional posts

New Spending Options		Current Budget £m	2005/06 £m	2006/07 £m	2007/08 £m	Comments
o	Community Support Officers		0.300	0.300	0.300	Provision of additional officers (up to 12 posts) specifically to tackle anti-social behaviour issues
p	Anti-Fly Posting	6.060	0.150	0.000	0.000	Improvement of the street scene through provision of Anti-fly posting treatment to street furniture
q	Street Scene Enforcement	0.260	0.100	0.100	0.100	Continued additional expenditure on actions to enforce litter, fly tipping, dog fouling and flyposting laws creating 3 to 4 additional posts .
r	Benefits Administration	5.700	0.270	0.250	0.000	To defer repayment of PPR money to allow service improvements to continue
s	Corporate Development and Management Training		0.229	0.327	0.261	Providing further accredited training to middle and senior managers
t	External Funding Helpdesk	0.820	0.030	0.030	0.030	To fund staffing and other resources to deliver the helpdesk (1 post)
u	Additional Energy Officer	0.451	0.035	0.037	0.039	Additional post (1) to promote and improve energy efficiency as required by legislation
v	Coventry in Bloom	0.100	0.100	0.100	0.100	Extension of flower planters and hanging arrangements to additional parts of the city's highway network
w	Coventry Voluntary Services Council	0.097	0.050	0.050	0.050	To continue to fund volunteering service - "Volunteering Coventry"
New Spending Proposals			8.936	6,556	5,592	

Savings Options

Appendix 2

Directorate Savings Options		Current Budget £'000	Saving 2005/06 £'000	Saving 2006/07 on £'000	Service implications	Net post reduction
Social Services and Housing						
A	Fund contact services within Children's Locality Service from Safeguarding Children Grant	300	106	106	Re-directs the resources originally planned for a dedicated Contact Centre into an interim contact service. This enables the early provision of a dedicated contact service aimed at safely promoting family relationships for looked after children and thus improving outcomes for children and families.	0
B	Delete Children's Support Team	1,250	91	91	Deletion of 3 Children's Support Team management posts and the transferring of operational Children's Support Team staff to the local Family Support Service.	3
C	Delete Locality Service Manager and administrative support	300	100	100	Reduce manager posts from 3 to 2 with associated administrative support savings	2
D	Change occupancy at Wistaria	700	70	70	Staffing/service user ratio reduced resulting in restriction on amount of leisure and recreation activities. In line with existing placement strategy. Change of statement of purpose will have to be agreed by Commission for Social Care Improvement.	3
E	Efficiencies in Placements Services (Site maintenance and clerical)	229	50	50	Deterioration in fabric of site and responsiveness of service to internal and external customers	2

Directorate Savings Options		Current Budget £'000	Saving 2005/06 £'000	Saving 2006/07 on £'000	Service implications	Net post reduction
F	Reduction of the Bad Debt provision for Supporting People (SP) following an appraisal of the income being collected since SP was introduced	236	100	100	Customers would not see an impact. Problems would only arise if the income is not collected.	0
G	SSH Policy and Performance - various efficiencies	2,181	50	50	A review of budgets has led to identified savings. Service impact will include loss of capacity for buildings related services and limited capacity to develop Surfaces	1
H	Restrict eligibility criteria to critical and substantial needs i.e. no moderate needs met	27,044	700	700	Reduced opportunities for vulnerable adults/older people to achieve or regain independence. Risk of increased delayed discharges and associated reduced performance. Increase in residential/nursing home admissions. Contrary to promoting independence agenda	0
I	Older People's Services - monies not required for TUPE.	150	110	110	This money was put aside in anticipation of TUPE costs of transferring staff from Craven to Charnwood House. In event only 8 staff transferred.	0
J	Older People's Services - lower cost of contract at Charnwood House	1,127	100	100	Final contract costs for services at Charnwood House were less than first anticipated.	0
K	Older People's Budgets review - various efficiencies	3,000	60	60	A review of various budgets has led to identified savings.	0
L	Older People's In-House Domiciliary Care	2,764	200	200	Reduces the amount of money used to support in-house service when it moves across to Intermediate Care Services.	0
	Total		1,737	1,737		11

Directorate Savings Options		Current Budget £'000	Saving 2005/06 £'000	Saving 2006/07 on £'000	Service implications	Net post reduction
Education and Libraries						
M	Savings from restructuring of admin and clerical functions in the Management Services Division	337	40	40	None - efficiency savings	2 to 3
N	Reduction in Charges from the Internet Services Provider for Schools	533	44	44	None	0
O	End the clothing vouchers scheme	110	110	110	This is a discretionary local scheme which offers vouchers to assist low income families to meet the cost of school uniforms around 4,000 pupils a year currently receive a £22 a year grant	1
P	Children and Families. In some areas these services are provided in separate premises. It would be possible to vacate these premises (e.g. Hillfields Play Centre, Spon End Play Centre, Wood End Play Centre) and base the services on school sites.	1,031	50	100	Loss of popular community based service provision in priority neighbourhoods. This service provides non-statutory education services to children and is targeted at disadvantaged areas of the City. It would also help deliver the government vision of Extended Schools under which schools become the focus of a range of community provision beyond the statutory requirements and the normal school day.	1
Q	Charge schools for Information Team Services, currently centrally funded by the LEA.	417	45	45	Dependent on the level of buy back from schools. This would need to be agreed by the Schools Forum.	2

Directorate Savings Options		Current Budget £'000	Saving 2005/06 £'000	Saving 2006/07 on £'000	Service implications	Net post reduction
R	Cease Discretionary Awards to support students in Higher or Further Education.	16	16	16	Loss of the very small number of discretionary awards still provided to support students in Higher or Further Education in exceptional circumstances (including support for a South African scholarship fund).	0
S	Recruitment and Retention Strategy - scale down the activity to secure an adequate supply of teachers	82	15	15	This will lead to a reduction in scope and quality of Recruitment and Retention work	0
T	Standing Advisory Council for Religious Education (SACRE) - budget savings.	13	5	5	The budget of £13,000 tends not to be fully committed and could release a saving with no service implications	0
	Total		325	375		6-7
Chief Executive's Area Coordination						
U	Neighbourhood Management Review		104	209	Savings in line with Appendix 4.	6
	Total		104	209		6
Corporate Policy Unit						
V	Restructure Community Safety Team	900	47	93	Reduced capacity to support ward Members on community safety and antisocial behaviour issues and to work with community groups	3
W	Restructure Communications Team	672	25	100	Loss of capacity to support internal and external communications, loss of dedicated communications support for Directorates and Cabinet Members. Loss of capacity to support, projects, events, initiatives	Up to 4

Directorate Savings Options		Current Budget £'000	Saving 2005/06 £'000	Saving 2006/07 on £'000	Service implications	Net post reduction
X	Restructure Policy & Performance Team	1,200	60	107	Loss of capacity to promote and monitor performance management framework; support PPR; develop PSA and LAA; support best value and other reviews; co-ordinate consultation; promote equality and community cohesion; support Chief Executive and senior officers in Corporate Policy Unit	Up to 4
Total			132	300		11
City Services						
Y	Central Repairs Fund - re-prioritisation of programme of works (Day to Day repairs)	1,100	27	27	Proposed cut in CRF Capital Programme will increase the demand on the revenue budget for day to day repairs.	0
Z	Waste Disposal - Some savings already achieved, for instance through Landfill Contracts.	5,800	144	144	None	0
AA	Highways - maintenance including winter maintenance, gullies and line marking.	1,800	40	40	Services have been reviewed and further efficiency savings identified through better integration of maintenance activities and recent investment in new plant and equipment.	0
BB	Management of Vacancies (Non Trading Areas)		20	20	None	0

Directorate Savings Options		Current Budget £'000	Saving 2005/06 £'000	Saving 2006/07 on £'000	Service implications	Net post reduction
CC	Improved resource management in Operational/Trading areas.		198	198	This will include : Use of Contractors, Agency Staff, Overtime Payments, Vehicle Utilisation and Internal Support Services. For most areas within CSD, it is important to deliver essential services or to achieve income. All areas will be examined to ensure that these objectives are met whilst ensuring greater efficiency in the use of all resources.	0
DD	Cessation of Multi-lingual Food Hygiene Training	58	40	40	This service was originally set up to meet a gap in the market. Alternative provision now means the service is no longer needed in current form and income sources lost.	2.6
	Total (Incl Central Repairs Fund and Waste Disposal)		469	469		2.6
Legal and Democratic Services						
EE	Delete post of Head of Democratic Services	338	53	53	Limits our ability to drive forward improvements in relation to Scrutiny, Member Support and Elections (The saving may be delivered in a different way pending review by the Chief Executive and Director of LDS)	1
FF	Restructure Member Support.	899	69	69	Structure to be agreed but likely to involve: Deletion of Cabinet Manager, Principal Committee Officer and Committee Officer posts; creation of Office Manager. Support to Members strengthened but capacity to service informal meetings outside political management arrangements reduced	2
GG	Electoral Registration - no personal visit to lower response areas	24	8	8	Increasingly difficult to recruit temporary staff to undertake this work in any event so impact not significant.	0
HH	Savings on supplies and services budgets	77	23	23	Limits ability to cope with new/unexpected demands	0
	Total		153	153		3

Directorate Savings Options		Current Budget £'000	Saving 2005/06 £'000	Saving 2006/07 on £'000	Service implications	Net post reduction
Human Resources						
II	Restructure Young Person's Placement Scheme		60	60	Streamlined and more focused service	2
JJ	Restructure Benefits Team		0	15	Streamlined and more focused service	1
KK	Reduction in HR Admin Assistant posts		0	54	Efficiency savings through use of modern technology	4
	Total		60	129		7
City Development						
LL	Across the board efficiency reduction circa 2.9%	31,405	630	630	Commercial and Operational Property – reduced staffing levels/costs (£50k) and increased property income (£60k). Regeneration – withdraw grant to West Midlands Low Pay Unit (£19k) and further reduce administrative support (£28k). Planning and Transportation – divisional administration, procurement, conferences (£25k) and Building Control (£30k – 1 post). Projects – do not fill existing traffic design vacancy (£35k 1 post), do not fill existing landscape architect vacancy (£32k 1 post) and withhold price inflation (£23k).	3

Directorate Savings Options		Current Budget £'000	Saving 2005/06 £'000	Saving 2006/07 on £'000	Service implications	Net post reduction
continued.				<p>Culture and Leisure – withhold price inflation on budgets, limiting discretion to deal with initiatives or reduce R & M (£40k in total). Suspension in whole or in part of the Play Area renewals programme (up to £50k). Herbert Art Gallery arts development etc possibly reducing professional staffing levels (£96k)</p> <p>Planning and Transportation –Use Planning Delivery Grant to be fund planning posts (£142k)</p>	
MM	Draft Savings Target	36,900	409	(41)	Per review of City Development Directorate Report (Appendix 3)	To be confirmed later
	Total		1,039	589		3

Directorate Savings Options		Current Budget £'000	Saving 2005/06 £'000	Saving 2006/07 on £'000	Service implications	Net post reduction
Finance and ICT						
NN	Delete one auditor post	436	25	25	Reduction will be managed within the overall service - risk assessment will ensure that priority audits are maintained	1
OO	General economies in supplies/services budgets/ other running expenses, including non-allocation of price inflation	2,977	90	90	Managers will be expected to manage services with the reduced running expenses budgets in a way which minimises impact on service users	0
PP	Limit the spending on system support	414	165	165	Currently a number of systems support contingency budgets exist which are used for a variety of small developments each year. This saving will limit our flexibility to respond to new issues. With the Coventry Empowered proposals being developed, this is a risk worth taking.	0
QQ	Increase the income generated by the Fraud Unit	381	50	50	No impact	0
RR	Review of Directorate Support Arrangements	114	57	57	Minimum change to service	2
SS	Coventry Empowered	20,000	0	2,030	Savings arising from Cov Empowered Business Case (£2,530 in 2007/08).	Not Known
	Total		387	2,417		3
	Overall Total		4,406	6,378		54

Corporate and Other Savings

Corporate and Other Savings	2005/06 £000	2006/07 £000	2007/08 £000	Description
Corporate Use of PSA Reward Grant	2,208	0	0	PSA Performance Reward Grant of over £5m is being paid to the City Council in 2004/05 and 2005/06. After taking into account amounts that have already been committed, this leaves around £2m to be allocated. We could choose to use all this amount to balance the bottom line corporately (rather than distribute much of it to departments as originally agreed).
Policy Contingency	200	200	400	This option would remove part of the £500k Policy Contingency budget previously available to members to support policy initiatives.
Financial Contingency	100	100	200	This option would remove the whole of the Financial Contingency budget previously available to the Director of Finance to support issues of a technical nature.
Highways Maintenance Savings to offset costs of Prudential Borrowing for Highways	102	0	0	This saving in the Highways Maintenance budget was identified early in the PPR to complement the proposed investment in the capital Highways programme.
Waste Disposal Grant	244	244	244	
Planning Delivery Grant	100	0	0	This one-off contribution results from notification received by the City Council of a Planning Delivery Grant significantly above our expectations for 2004/05 and 2005/06.
Directorate Review Areas	225	350	350	Target savings have been identified for Consultation and Research (£25k rising to £50k), Income Generation (£100k rising to £200k) and Street Scene (£100k).
New Homes for Old	500	0	0	Re-Phasing of the NHFO project has freed up £0.5m in 2005/06.
TOTAL SAVING	3,679	894	1,194	

Review of City Development Directorate

This appendix summarises the conclusions and recommendations of the review of the City Development Directorate undertaken recently by the Chief Executive and the Director of City Development (The appendices to the original report have not been reproduced here).

1 Information/Background

- 1.1 Between November 2001 and March 2002 the Chief Executive undertook an organisational review of the Council. This review did not however cover the City Development Directorate. Although there have subsequently been some changes that have affected City Development Directorate eg integrating Public Protection with the new City Services Directorate, and there were some initial moves by City Development Management to consider management structures in 2003, no full scale review has taken place for some years.

2 Proposed Terms of Reference

- 2.1 The terms of reference broadly reflect those used in the City Council organisational review in 2001/2002, updated in line with today's pressures

To review the organisational structure of the City Development Directorate to ensure that it supports delivery of the city's Community Plan, Council corporate objectives, strategic and operational plans including the Best Value Performance Plan.

To follow up issues raised during the 2004/05 Policies, Priorities and Resources (PPR) process about the focus of regeneration and renewal and area co-ordination in the Council as agreed during the PPR (linked with the review of Neighbourhood Management currently out to consultation)

To make savings to help achieve the council's medium term financial strategy.

To consult with Members, employees, Trades Unions, area forums and key partners

To set out full cost and service implications

To make recommendations to Members.

- 2.2 The context for the review is that of the need to combine effectively the strategic and day to day service delivery aspects of the directorate in all its current services – urban development, projects, property, planning, transport, regeneration, culture and leisure. The objectives of the Council's medium term financial strategy mean that overall cost savings rather than additional resources are one of the objectives of the review however keeping structures effective enough to deliver the Council's ambitious objectives will also be important. Staff in City Development Directorate should be reassured however that this context is no different for all the other parts of the Council as we have to keep looking for savings throughout the Council in order to achieve the financial strategy.

- 2.3 The review proposals should be judged by the following criteria:

Increasing effectiveness of lines of communication
Supporting accountability to elected Members
Ongoing cost and value for money implications
Improving clarity of accountability and line management
Reducing bureaucracy
Improving closeness to the customer
Improving the Directorate's ability to 'get things done'

3 Findings and Conclusions of the Review

The key findings of the review are set out in the paragraphs below:

3.1 The Directorate has many strengths and has delivered some major achievements in the city, but it also has a number of weaknesses which need to be addressed, particularly in its more day to day operational services. The Directorate has to adapt to the city's current stage of development, and to the resources at it and the Council's disposal.

3.1.1 The City Development Directorate inspires different reactions from different people in the city and the region, even within the same sectors. In recent times it has received praise from key people in the city, often in the business sector, for the vision and energy it has shown in moving forward urban regeneration. In particular the Phoenix Initiative has received national recognition, the Directorate's role (with the support of Members and other Council Directorates) in the Arena project has been praised, and many of the innovative employment support schemes coming out of the Regeneration Service have been praised. On the other hand, there are complaints from some (but not all) residents' and community groups about the Directorate being unco-operative and rule-bound and at its worst acting high handedly without pausing to listen to local communities' views. It is likely that at times all of these things can be true. The Directorate is large and accommodates a very wide range of different professions ranging from building control officers and planning officers to economic development and leisure staff, each with their own cultures and dynamics. The objective of this review, followed up by day to day action, must be to hang on to some of the more visionary aspects of its range of services while achieving greater consistency of consumer orientation and customer service in day to day services. The Directorate also has to set itself up for the challenge of the next few years, in particular working closely with the Social Services and Housing Directorate to progress the city's Housing Strategy.

3.2 Need for a more consolidated and high profile Property function.

3.2.1 The current Property and Projects Division only contains the majority but not all of the Council's property functions, many of them orientated more towards the Council's commercial property portfolios rather than the strategic management of its operational and commercial property. Individual Directorates e.g. Education and Social Services and Housing have some property functions and although the situation has improved in the last couple of years, there is not enough cross-Council planning about property. Facilities management of the Council's city centre buildings is based in the Legal and Democratic Services Directorate. There are some property maintenance functions in Property and Projects and other Building Services functions including specialist functions like Engineering and Lift Maintenance in Building Services in the City Services Directorate. There is not enough consistent record

keeping about property and although we do have a sensible Asset Management Plan it is still not well-developed enough to deliver the Council's objectives in the way we need. There is reasonable co-operation between Departments but we do not yet have a fully integrated corporate approach to property.

3.3 Need to create a more district and integrated Highways Management function in the Council.

- 3.3.1 Members will recall that in the Chief Executive's 2002 Organisational Review it was agreed that highways maintenance functions (including maintenance, operational policies and service requests and complaints) would be part of the newly created City Services Directorate, while transportation and strategic highways management functions would remain in the City Development Directorate including transport policy and planning resulting capital programme development, design and commissioning and some strategic maintenance works. At the time some senior staff highlighted that a number of things would need to be in place for these arrangements to work including good communication links and co-ordination between City Development and City Services, clear budgetary arrangements and clear responsibilities and accountability for different stages of the highways management and maintenance functions. For a whole range of reasons, while there have been some successes and improvements in services, there has still not been enough emphasis on clear accountability and problem resolution and delivery, making things difficult for the public, Members and other parts of the Council. In some instances this has been due to an inability to recruit appropriate staff or having over-stretched resources. The lines of accountability between City Development Directorate and City Services are further complicated by the engineering partnering arrangements with Jacobs Babbie. Although these have been set up soundly, the partnership adds another potential element of confusion for Members and public.
- 3.3.2 Currently the Planning and Transportation Development Policy function in CDD contains a Planning and Transportation Policy Team, which along with some specific transport-related functions, deals with regional and sub-regional transport policy and liaison, preparation and monitoring of Coventry's element of the West Midlands Metropolitan District Local Transport Plan including links with the Coventry Development Plan. Within that team other aspects of highways policy eg Traffic Regulation Orders, Road Safety and Sustainable Transport are also dealt with.
- 3.3.3 Separately within Development Policy are the Traffic Management and Accident Investigation Team, which deals with Development schemes, parking, safety audits, and a range of traffic schemes and the Civil Engineering Client and Quality Team which deals with contracts management and LTP co-ordination and performance monitoring, often clienting Jacobs Babbie in their work on traffic scheme design. This team also manages the Urban Traffic Control Centre.
- 3.3.4 City Services has a Highways and Lighting function, which deals with more ongoing highway maintenance, but not with major traffic schemes. In total there are 127 Full Time Equivalents.
- 3.3.5 Key difficulties which arise between the two services relate to confusion about accountability for the boundaries between the design of traffic management schemes and their delivery. The public, understandably finds it difficult to differentiate between roadworks which relate to the design and implementation of a new traffic management scheme and those which deal with ongoing road maintenance. There can be confusion between different parts of the Council about co-ordination and

planning of work further confused by the involvement of utilities, bus companies etc. There are other problems, which relate to clarity of programming, budget management and responsibility. This can lead to delay both in the delivery of schemes on the ground and the financial information required to manage them effectively.

3.3.6 There is no doubt that regardless of any possible structure and system change, there are challenges for Coventry, as there are for many authorities, in delivering an effective maintenance programme, due to financial pressures, skills shortages in engineering etc. But there is considerable consensus amongst Members, employees and public that the current arrangements need to be improved.

3.4 **A need to improve the customer orientation of the Planning and Transportation service.**

3.4.1 The city's Planning and Transportation service currently has a mixed press. Its strategic planning function is well-regarded and Coventry was one of the first authorities to complete a Unitary Development Plan. The service has worked hard to come up with innovative solutions to facilitate balanced development which can support regeneration objectives while safeguarding planning principles and the interests of stakeholders which might be put at risk by proposals. The advice provided on strategic planning of major projects is valued both within and outside the Council.

3.4.2 However, like many planning services the service receives a mixed reaction from individual customers either submitting planning applications or responding to them. The service has developed a reputation for extensive use of answer phones which customers do not find helpful. It is not always easy to trace what stage of the process particular planning applications have reached. There is frequent elected member frustration because some members feel planning officers do not keep them closely informed enough of key planning issues in their ward.

3.4.3 In the planning service's defence, like most planning services, they have been consistently short-staffed, due to national skill shortages particularly at the middle to senior level where significant planning expertise and experience is required. They would argue that without some use of answer phones planning officers would not be able to process sufficient work even to approach Government targets for the completion of planning applications.

3.4.4 There is no doubt that it is important to differentiate between customer dissatisfaction with the style of service they receive and customer dissatisfaction with planning decisions made. All planning services are responsible for officer decisions, or officer recommendations to Members, which either applicants or objectors do not agree with. The planning service is one of the "sharp end" services which are a critical part of local authorities' role in arbitrating between differing views within a community, using a set of nationally and locally adopted planning principles. This means that there will be times when customers are not happy with decisions which are taken. This makes the style and approach of dealing with customers (both applicants and objectors) during the process in which they are involved, even more sensitive and important and unfortunately there are examples of unresponsiveness to either members of the public or elected members.

3.4.5 In Best Value Performance terms, however, it must be acknowledged that Coventry's Planning Service has improved its performance between 2002/03 and 2003/04. In

2002/03 the service met none of the Best Value targets for determining of major, minor or other applications. By 2003/04 the service had improved its performance so that it met the target for other applications (80% of applications determined in 8 weeks) and exceeded its targets in major applications (67% determined in 13 weeks – target 60%) and minor applications (72% determined in 8 weeks – target 65%).

3.4.6 The transportation element of the service as in many local authorities is under a lot of strain due to the volume and complexity of the strategic transport agenda being generated locally, nationally and regionally. The Planning and Transportation service has historically had in it much of the highways capital scheme commissioning and monitoring as well as some of the more operational issues. Further reference to these issues is set out in proposals relating to transport and highways management later in this report.

3.4.7 The Planning and Transportation Service achieves a great deal which is positive and it makes a significant contribution to both the careful control of development and the facilitation of development within the city. There is no doubt however that its approach to customer service needs to be improved and like many other services in the council it is a high demand service which needs to be a priority for improving processes and technology.

3.5 **Due to financial constraints, grant fallout and changed priorities a need to reshape the Regeneration Services function.**

3.5.1 The existing Regeneration Services function has been one of the success stories of the Council. The Council's achievements in regeneration were complimented by the original 2002 CPA inspection. The service, supported by others in the Council, has been successful in attracting businesses to the city and in attracting central government and European funding. This success has been built on a combination of Council mainstream funding and specific external funding to fund staff and community investment. Regeneration and Area Co-ordination, in alliance with local community activists and elected councillors, have helped support the growth of respected community organisations like WATCH (Working Actively To Change Hillfields) and WEETEC (Willenhall Education Employment Training Centre). The Council's budget constraints, the need to invest in those services still not performing to the level demanded by Members and the public, and the limitation on the amount of council tax which can be raised, means that expenditure on some regeneration services needs to be reduced. The proposed reductions in this report are not efficiencies, but specific proposals to reduce some current service levels in order to re-prioritise resources. They are in no way a negative comment on the services currently being delivered but reflect the availability of resources available to the council. It will be important that the service proposals being made fit with the Council's overall direction, expressed in its own corporate objectives and in its support for the Coventry Partnership's Community Strategy.

3.6 **A need to complete a restructuring of the Culture and Leisure function, to strengthen the management resource required to play a leadership role in Culture, Leisure and Sport in the city.**

3.6.1 Culture and Leisure has a net budget of £14,057,306 spent on sport, parks, heritage and grants to leisure delivery partners such as the Coventry Sports Trust. It has 151 Full time equivalent employees of which 66 are employed in Arts and Heritage and 39 are employed in Parks. The current Culture and Leisure Service has for some time not had the right balance of skills and levels within it and it needs to be restructured to

provide sufficient support to the strong partnership working and strategic direction which is required given the number of major culture, sport and heritage projects in the city, high profile events programmes and the need for the development of culture and leisure neighbourhoods, with young people and with schools. The service has tended to be under-resourced in middle and senior management. There will be more of a focus on Culture and Leisure in the 2005 CPA process.

4 **Review Recommendations**

4.1 **There should be renewed efforts to ensure that the Directorate's style and approach (particularly in services such as Planning and Transportation and Property) is orientated to working in line with the Council's Neighbourhood Management philosophy, encompassing a more structured approach to involving local people in planning affecting their communities, and in responding to their needs.**

4.1.1 In the late 90s onwards City Development directly sought funding from Members to appoint officers (Area Renewal Officers) to help make the Directorate link more with Area Co-ordination in the city and make links between Area Co-ordination and the City Development Directorate. The Neighbourhood Management report being considered separately by Members makes proposals to reduce the number of Area Renewal officers (CDD) and Neighbourhood Capacity Building Officers (CXD) given the Council's financial constraints.

4.1.2 This reinforces the Directorate's (and the rest of the Council's) need to become more neighbourhood and community orientated in its day to day working, rather than relying on specific dedicated officers to be "the neighbourhood people" (even though there is still a need for some dedicated neighbourhood resource as set out in the Neighbourhood Management proposals). Obviously there is only so much time available to any individual officer or team. This needs some innovative and responsive thinking about how to improve communication and be more responsive while not putting too much of a time burden on hard-pressed staff trying to produce planning committee reports, support site visits etc.

4.1.3 This should be taken forward by:

Joint discussion with the Area Co-ordination service (potentially to be redesignated Neighbourhood Management), Corporate Policy (in particular in connection with Community Safety), Customer Services and Business Information and City Services.

An emphasis on how the perception of the Planning and Transportation and Property Service customer orientation can be improved within the limited resources available.

Effective implementation of the new Local Development Framework.

4.2 **The current Projects and Property Service unit should be split, creating a new Property Management Unit and transferring the current Development Projects Section (except for the Traffic Design and Road Safety Section) to Regeneration. The current post of Head of Projects and Property should be deleted and a new post of Head of Property Management created.**

4.2.1 The Property Management Service should include:

The current Asset Management function.

The current Portfolio Property Management function.
Posts dealing with Property Management in Social Services,
Education and City Services

- 4.2.2 Significant detailed work needs to be undertaken to agree whether a single Council Building Services/Property Maintenance service focusing on maintenance of both operational and commercial property should be located in Property Management or City Services. It may make most sense for this to be located within the Property Management Service in CDD but this needs further analysis. The services to be brought together would include the operational property elements of the Facilities Management service in Legal and Democratic Services, the Building and Facilities Section of the Property and Projects Division in CDD and the Building Services section of City Services. All staff in these services will be consulted on their views. In areas like Facilities Management where there are staff not related to operational property there would need to be discussion as to their location. Obviously some staff eg those in Building Services in City Services will already have been part of restructuring in the setting up of the City Services Directorate and may well have concerns about further uncertainty. However, the Council's next stage of development does need to encompass having a single integrated property maintenance function in order to achieve maximum efficiency and effectiveness. It is likely that this review would produce some efficiency savings but no figures have been attached to these, in this report. It is envisaged that any potential savings would be reported to Members in September 2005.
- 4.2.3 The Property Management service will look after strategic property advice and asset management, day-to-day management of both commercial and operational property, and management services/facilities management. It is proposed that discussions be opened with CV One and the private sector owners of the retail market about the future management arrangements for the retail market, currently a responsibility of the Projects and Property Service.
- 4.2.4 A proposed revised structure is attached at Appendix J. It is not proposed at this stage that the property officers based in services should change their location. The full integration of these services will need a detailed project plan and phased implementation. The property service has only relatively recently been reinforced, during the PPR for 04/05, but in bringing these functions together should result in efficiency savings and a target of £50,000 savings for implementation in 06/07 is recommended. There will be two key managers underneath the Head of Property Management post, the Assets Strategy and Operational Property Manager and the Commercial Property Manager. Other structures in relation to property maintenance will depend on the further detailed review.
- 4.3 **The Council should create a clear and accountable integrated Highways Management function in City Services, restructuring the Planning and Transportation (CDD), Street Services (City Services) and Development Projects (CDD) functions accordingly.**
- 4.3.1 It is essential that both Members and the public can identify a single point of accountability for management of Coventry's highways. It is proposed that this function is located in the City Services Directorate. It is however equally essential that strategic planning of transport strategy and the regional roads network which are increasing in importance, should be retained in Planning and Transportation. This is in line with the need for regional spatial planning and the planning and co-ordination of public transport in partnership with other local authorities in the West Midlands and

the West Midlands Passenger Transport Authority. The 2003 Traffic Management legislation which says that every local authority needs a designated Traffic Manager makes it even more imperative that there is clarity about accountability for this particular issue. This is linked to the introduction of the New Roads and Street Works Act (NRSWA) which relates to the policy and operational aspects of the Traffic Management Act.

4.3.2 It will be very important that the timing and phasing of creating a Highways and Lighting Service Unit is handled very carefully because of the existing pressures on the service due to workload and specific projects like decriminalisation of parking. Consultation with staff will need to be particularly intensive.

4.3.3 It is proposed that there should be a regrouping of highways management functions across the Council into a single highways management Service Unit called Highways and Lighting. Currently the functions are located in Planning and Transportation (CDD) and Property and Projects (CDD) and Street Services (CSD). A proposed structure is attached at Appendix H. It should be based upon the following:

Retention of the Planning and Transport Policy function in Planning and Transportation retitled Planning and Transport Strategy reporting directly to the Head of Planning and Transportation (see Planning and Transportation proposals)

Formal retention of Local Transport Plan co-ordination in Planning and Transportation due to links with regional and spatial planning but with very close day to day working links with Highways Management

Retention of Traffic Implementation Manager's current location and responsibility for Primelines and Bus Showcase in Planning and Transport Strategy

4.3.4 The following functions being located in a newly created Highways Service

- Highways strategic policy
- Parking, Traffic Regulation Orders
- Road Safety, Sustainable Transport
- Clienting and commissioning for LTP capital schemes, city centre schemes, sustainable transport schemes
- Highways scheme design
- Development scheme advice
- Urban Traffic Control Highways Maintenance Strategy
- Highways maintenance commissioning and delivery
- Street lighting maintenance and delivery
- Safety audits, facilities for disabled people eg dropped kerb, parking bays
- Skip licensing
- Performance management and monitoring

4.3.5 Evidence from other authorities indicates that for the links between strategic transport planning and highways management to work properly there need to be well-defined day to day working structures to ensure both the appropriate strategic operation of the Local Transport Plan and its sensible and efficient delivery in highways management terms. This is particularly important when both strategy and delivery are closely linked to working with other authorities in the region, as they are in Coventry. In order to achieve this it is proposed that there should be:

- 4.3.6 A permanent officer working partly containing representatives of Transport Policy (CDD), Highways Management and Maintenance (CSD), Finance (FICT) and Communications (CXD). This working party should meet regularly and plan and manage the LTP bidding process regionally and its delivery within Coventry. This will mean that both the Planning and Transport, and Highways services will be writing the policy relating to roads and public transport, but they will be doing it together.
- 4.3.7 There should be a small Member working party including the Cabinet Members for Regeneration and City Services Meeting from time to time to oversee this process
- 4.3.8 Both the Head of Planning and Transport Strategy and the Head of Highways should have in their performance targets the successful planning and delivery of the Local Transport Plan, although the Head of Planning and Transport Strategy should take the lead on co-ordinating the LTP with regional planning strategy across the other districts.
- 4.3.9 This proposal will mean the day to day functions across Planning and Transportation, Property and Projects, and Street Services being brought together and inevitably will require a careful transition process. But it will combine the strategic, operational and budgetary responsibility for management and maintenance of the Council's highways all in one place. It cannot be over-emphasised that there will still be a need for very positive co-operation between the strategic transportation function in Planning and Transportation to co-operate very closely with the Highways Management limits particularly in the co-ordination of the LTP and the management of its monitoring and delivery, as well as in working with partners such as bus companies. It is proposed that the function should be located in the City Services Directorate as in the public's and Members minds highways maintenance is associated with the maintenance of "the public realm", the day to day environment and public space and infrastructure with which we are surrounded. It will also enable the close co-ordination with the services such as grounds maintenance.
- 4.3.10 There will be some important cultural issues to be overcome in building the new unit which will bring together highways engineers and day-to-day delivery of maintenance services. It will enable however restructuring of financial and budgetary planning systems where necessary.
- 4.3.11 The timescale for implementation of this new structure will depend on detailed consultation with staff and the appointment of a Head of Service.
- 4.4 **The current Planning and Transportation Service should be re-structured to give a strengthened focus on a unified approach to planning. This will include a remit to work with the Customers Services and Business Information Team in FICT to improve the way in which the service interacts with customers both through change in working practice and links with the development of contact centres and greater technological support.**
- 4.4.1 It is proposed that the planning elements handled by Development Policy and the Planning Control functions of Development Regeneration should be brought together in one function under a Strategic Planning and Development Control Manager. Building Control should be separated out from Planning Control and should report directly to the Head of Planning and Transportation, and the Planning and Transportation Policy Manager should report directly to the Head of Planning and Transportation alongside the Transport Implementation Adviser who does so already.

- 4.4.2 This would result in a single post of Strategic Planning and Development Control Manager rather than the two existing posts of Development Regulations Manager and Development Policy Manager, leading to a financial saving.
- 4.4.3 The benefits of this approach with some restructuring beneath this level would be to ensure that strategic planning and development control were working "hand in glove" to an even greater degree than at present. It would also provide much greater clarity in terms of accountability. Most importantly however it would provide the opportunity for a rethink about how best the planning services sets itself up for responding to customers in line with the Council's approach to modernisation of Customer Services. This vital piece of work would need to be undertaken over a longer timescale and in conjunction with colleagues from Customer Services.
- 4.5 **The current Regeneration Services function should be restructured giving it more of a strategic rather than direct delivery emphasise reducing the existing staffing numbers dealing with employment initiatives and time-limited projects and adding some of the hard infrastructure regeneration functions from Property and Projects.**
- 4.5.1 Over the past few years the Regeneration Service has been a mixture of a strategic and a delivery functions focusing in particular on seeking and using external funding, programme management and on community economic development and employment initiatives. The proposals in this paper will mean a shift more towards the strategy direction of the service's work. This will reduce the direct delivery functions previously funded by the council, but retain sufficient co-ordination and strategic capacity both to continue the Council's influence on regeneration strategy in the city and to support and "match" fund the more direct services still funded until 2006 or 2007. The emphasis of the service will also shift to encompass not only the social inclusion, employment initiative side of regeneration but also some of the key hard infrastructure aspects of regeneration. This will take place with the transfer of the Development Projects Function and the two Project Champions currently located in Property and Projects from the existing Property and Projects unit into Regeneration Services. A leadership role on urban design issues will still be retained by the Head of Planning and Transportation.
- 4.5.2 The major focus of regeneration in the city will be
 Encouraging diversification of the economy
 Working with partners at a strategic level on measures to encourage residents in the city with lower incomes into opportunities to increase their prosperity eg training and employment
 Supporting major partnership and regeneration schemes
- 4.5.3 The proposals in this report seek to reflect that direction while not jeopardising the existing externally funded initiatives which we have contracted to deliver.
- 4.5.4 The proposals are to reduce the number of posts on the direct delivery side. There will also need to be some adjustments in support services and this will require some review and reorganisation once the new service structures are put in place. The reconfigured service unit will contain the "hard" regeneration side of the Project Champions and Development Projects together with the revised Regeneration Strategy and Neighbourhood Renewal and Community Regeneration functions. Regeneration Strategy will concentrate on the city's overall regeneration strategy focusing on achieving both improved social inclusion and built infrastructure, working

with a whole range of other services. It will also be a key liaison point with The Coventry Partnership on delivering regeneration elements of the Community Plan.

4.5.5 The Neighbourhood Renewal and Community Regeneration function will continue to have some significant direct delivery of services while the funding is available, for example for Community Based Economic Development in the proposed Community Employment Section, the service is funded until December 2006. This section will also continue to have an important function in providing a key contact point and support from the council to major partnership projects such as New Deal for Communities which require extensive input from key partners like the Council and Whitefriars.

4.5.6 A summary of the impact of the proposals in relation to the function is as follows:

Retention of Head of Regeneration, Neighbourhood Renewal and Community Regeneration Manager and Regeneration Strategy Manager posts

Deletion of the posts of Employment and Community Economic Development Manager, and Skills and Employment Manager and creation of single post of Community Employment Manager

Reduction of existing 4 Skills Development Officer posts to 2 posts

Deletion of Special Projects Officer and Homeworking Officer posts

Retention of Construction Employment Unit Project Manager (and team), Construction Training and Liaison Officer, Canley Outreach Employment Worker and Arena Project Implementation Officer (all externally funded on time-limited basis)

Childcare and Worklife Balance team including Children's Information Service (mainly funded by specific DFES grant) to be retained within Regeneration until appropriate to move to new Children's Services Directorate

Area Renewal Officers are being discussed within the Neighbourhood Management report. This report proposes the deletion of the 2 Area Renewal Team Leader posts and a reduction of 2 Project Officer posts to 1 and 2 Renewal Officers to 1. (These posts are not mentioned in the Neighbourhood Management Report).

The Community-based Economic Development Team and Manager should be retained as currently, reporting to the new post of Community Employment Manager

Creation of a new post of Neighbourhood Renewal Policy Adviser

4.5.7 A key area whose future depends on significant restructuring and obtaining of new funding sources, is the Client Support Unit which is based in Neighbourhood and Community Regeneration. This unit's main function is getting people who find it hard to break into employment, into work. This is often amongst groups who find it difficult to get into the workplace eg long-term unemployed, people on incapacity benefit who wish to get into work etc. The work of the unit is well-regarded both locally and by central government, but has historically been funded extremely intensively. The unit's original inception in the late 1990s, was borne out of central government's New Deal funding (not NDC, but New Deal in relation to employment). In recent years the unit has been funded out of a range of different funding streams which have included the first Local Public Service Agreement reward money, Grant and Contract Income from Job Centre Plus and its predecessors and some one off mainstream Council funding. In 2004/05 the total funding for the unit was £603,000, of which £259,000 came from the PSA, £248,00 came from Job Centre Plus and a mix of CDD one-off and ongoing funding £96,000.

4.5.8 In the context of the mix of funding streams the Regeneration Service has been looking at the future of the service. There is also a different policy context now compared to when the unit was set up. The unit's work was to a degree "filling a gap" in services not being provided by other agencies. There is now real co-operation between agencies working in employment issues in the city through the Coventry Partnership and elsewhere and many major employers are themselves thinking more about bringing people into the workforce who have been seen historically as more difficult to employ. This is an area of focus for the Coventry Partnership Jobs and Economy theme group which is led by the Regional Manager of Job Centre Plus. It remains extremely important to find ways of supporting access into the job market as a way of raising family income levels in the city. However given the changing policy context, changing availability of external funding and the financial circumstances of the Council, it is inevitable that the Council's involvement will need to move less towards direct delivery and more to a strategic context, combined with using its own day to day "muscle" as one of the largest employers in the city, to provide opportunities in our own organisation.

4.5.9 The costings being proposed for 2005/06 were £629,000, funded by a combination of £307,000 grant and contract income from Job Centre Plus, £272,000 "one off" CDD finance and £40,000 ongoing CDD finance. It is proposed that the service should now work in conjunction with the Coventry Partnership and key players like the Chamber of Commerce, voluntary sector and Job Centre Plus to identify how it can rethink the nature of this service to reduce the Council funded element by £150,000 for 2005/06. Inevitably this will involve potential post losses in 2005/06. These will need to be planned and phased in line with the collective proposition in the city about how we focus on efforts to enable people into work and a higher income. This approach is driven partly by the very real need to change the shape and nature of the service and partly by the Council's financial constraints. It is possible that we may be able to provide a better and more long term policy through changing employment approaches in the city but we cannot shy away from the fact that in the short term these proposals would have an impact on the some disadvantaged people in terms of the support service available

4.6 **The Culture and Leisure Service should be restructured to strengthen the Council's ability to play a strategic role in the city's cultural strategy and development of sport across the city.**

4.6.1 The Council's approach to Culture and Leisure is to:

Concentrate on enabling and facilitating a diverse pattern of culture and leisure in the city

Work closely with partners locally, regionally and nationally to achieve this

Seek to influence provision where there are gaps affecting particular groups, interest or neighbourhoods

4.6.2 The Head of Culture and Leisure post has been vacant for some months following the retirement of the previous postholder and the Leisure Policy, Planning and Resourcing Officer has been fulfilling an acting role. However, the restructuring of the service has been under consideration for some time as it has been recognised that the Head of Service post did not have sufficient senior management structures effectively to sustain the demands of the strategic partnership approach required to align Culture and Leisure with the Council's regeneration aims.

- 4.6.3 It is proposed that there should be two new posts within the service, a Community Leisure Manager and a Development and Strategy Manager. Both these posts would report to the Head of Culture and Leisure. The Community Leisure Manager would concentrate on the co-ordination and management of day to day services to communities, whether services directly managed by the Council or delivered through partners, voluntary organisations etc. The Development and Strategy Manager would concentrate on the future development of the service including working to maximise funding opportunities, strategic planning with partners, linking with regeneration initiatives and leading the management of major capital schemes. For the moment these posts should sit alongside the post of City Heritage and Arts Officer (retitled City Heritage and Arts Manager). In the longer term the intention is to create a Coventry Museum Trust which links the existing Transport Museum Trust and the Herbert Art Gallery and Museum.

5 **Final Conclusions**

- 5.1 In the last few years, the City Development Directorate has achieved a great deal in terms of its impact in the city. It provides a combination of day to day services like leisure and development control, and more strategic services like transport, regeneration and strategic planning. The proposals in this report are designed to increase accountability to elected members and the public, support improvements in customer service whether to key partners or members of the public, and make savings which can be re-invested in other services either within the Directorate or in other parts of the Council.

Neighbourhood Management in Coventry - Proposals for Further Development

The following summarises a report issued by the Chief Executive on proposals for arrangements surrounding Neighbourhood Management within the City.

1 Introduction

Coventry City Council is consulting widely on proposals regarding the way it works in neighbourhoods. This paper includes:

- Proposals for restructuring of Area Co-ordination and linked services to create a Neighbourhood Management Service based on the current three areas of the West Midlands Police Operational Command Units
- Proposals for the future arrangements of Neighbourhood Warden and Community Support Officers.
- Proposals on Neighbourhood Consultation and Engagement using a framework of neighbourhood, ward and constituency forums.

This paper has been written in response to a series of related issues including a number of internal reviews within the council, consultation with the Council's new Conservative administration following the elections in June 2004, and the recent appointment of a new Head of Area Co-ordination.

2 From Area Co-ordination to Neighbourhood Management

The main proposal in this paper is to move from the Area Co-ordination service to a **Neighbourhood Management Service**. In recent times the term Neighbourhood Management has become the term most used nationally to describe neighbourhood working and it is proposed that the policy statement the Council should use to describe what Neighbourhood Management is all about is:

" Neighbourhood Management is the way in which the Council works to reflect needs and preferences in local neighbourhoods to improve its services and the quality of life of local people"

What do we mean by Neighbourhood Management?

The key tasks for Neighbourhood Management should be:

- a) Problem Solving** – the council's front line staff for responding to/dealing with "liveability" problems (the things that people see when they walk out their front door), and sometimes crises, at a local level. This work is very much with local communities, dealing with situations themselves where they can and involving other council services or other agencies eg Primary Care Trust (PCT), West Midlands Police where necessary. At the heart of this will continue to be work on Community Safety and Street Services.
- b) Leading on Community Engagement and Consultation** both locally and strategically – it is vital that the council engages with local communities to:

- *Help build social and community structures in historically less well-off areas where those structures have been either non-existent or less strong*
 - *Work with residents and community groups on a preventative basis in areas which might be seen as at risk of decline*
 - *Hear the views of local people city-wide in order to make services more responsive locally*
 - *Work closely with the voluntary sector*
- c) **Strategic Planning of Neighbourhood Working** – Neighbourhood Management should play a more significant role in developing neighbourhood working across the Council by taking responsibility for cross-service neighbourhood planning to shape, influence and respond to corporate targets as part of the corporate planning cycle, not only within the council, but also with other agencies such as the PCT and Police. This will ensure bottom up influence in the planning process from neighbourhood plans and top down implementation of the Corporate Plan and key City Council strategies into neighbourhood working. In addition to this forward planning role Neighbourhood Management should also be taking a leadership role, reporting to the Chief Executive, in terms of driving and co-ordinating different parts of the council to respond to neighbourhood sensitivities and to deliver parts of the neighbourhood plans.

3 The Neighbourhood Management Proposals

It is proposed that:

- **There should be 3 Neighbourhood Management areas based on police Operational Command Units, rather than the current 6 Area Co-ordination areas**
- **There would no longer be 5 Area Co-ordinator posts and a North East Regeneration Manager Post, but there would be 3 new Neighbourhood Manager posts created – Neighbourhood Manager (North West), Neighbourhood Manager (North East) and Neighbourhood Manager (South)**
- **There would no longer be the existing roles of 6 Capacity Building Officers and 6 Area Renewal Officers, but a new post of Neighbourhood Development Officer (6 posts) will be created encompassing both roles**
- **Neighbourhood management should encompass Community Safety Officers, but reduced from 6 to 3 and retain 6 Area Services Officers (2 per area) but renamed Neighbourhood Services Officers**
- **The neighbourhood warden service should be directly managed by an Operations Manager within Neighbourhood Management as currently**
- **The number of Office Manager posts would reduce from 6 to 3, and there would be adjustments to the administrative support in the three area model in that additional clerical posts will be created**
- **The current post of Head of Area Co-ordination should be redesignated Head of Neighbourhood Management.**

There will need to be further discussions about the location of team members of each of the Neighbourhood Management areas. In moving from the existing six area structures to a three area Neighbourhood Management function it would be important to ensure:

- a. the retention of a focus on the existing priority neighbourhoods and the work on their neighbourhood plans
- b. internal clarity about responsibilities for work in particular neighbourhoods, as inevitably some priority neighbourhoods will cross the new boundaries
- c. internal clarity about the responsibilities between different Neighbourhood Management areas, Democratic Services and managers in the rest of the Council, for the new neighbourhood consultation and engagement proposals in Section 8
- d. effective communication of the new arrangements to the voluntary and community sectors in neighbourhoods
- e. intelligent deployment of resources across the three areas, according to need.

The proposals contained within this report take into consideration the views of local people about the priority they attach to local community safety and local environmental issues. They strongly reinforce the importance of Neighbourhood Management to the Council's thinking but move financial resources in the direction of practical action on the streets. The important role of the new Neighbourhood Manager posts as problem-solvers and local co-ordinators of service should not be underestimated. These posts will be key to the Council's service in delivering Neighbourhood Management. They will be supported in this by Neighbourhood Development Officers and Neighbourhood Services Officers. It has to be recognised that there will be fewer dedicated workers to work with local groups, and this will reinforce the importance of many more council staff in a range of professions being trained in how best to work with groups and individuals within the community so that the whole Council becomes more neighbourhood orientated.

The proposal to move to three areas in line with OCU boundaries would achieve closer working with West Midlands Police in line with Neighbourhood Management objectives and seeking to achieve the objectives of the Community Safety Partnership which we know are amongst the top priorities of local people. It does not mean that these issues are the only ones of concern to residents and businesses. It is also important that street and warden services, problem-solving and community consultation objectives are fulfilled effectively.

4 Warden Services and Neighbourhood Management

Warden schemes have existed in Coventry since 2000. The schemes have been developed in an ad hoc way in response to the requirements of a range of different external funding regimes. Although precise roles and responsibilities differ between the various schemes in Coventry, they are generally credited with providing reassurance, improving the environment, and acting as the eyes and ears of the City Council and its partners in addressing neighbourhood issues. Feedback from residents and agencies show that neighbourhood wardens have made a real difference to their quality of life. The main impact has been in making residents feel safer and in getting early attention to problems of street scene issues, rubbish, abandoned cars and damaged street furniture.

The schemes were originally funded entirely from external finance, some of which ended in March 2004. But the City Council decided that the existing number of wardens should be retained in their existing areas in 2004/05, pending a decision about the long-term development of a citywide scheme. Additional funds of £660,000 were made available for this purpose - £450,000 from Neighbourhood Renewal Fund and £210,000 from the City Council.

In order to introduce some consistency across the existing schemes, some interim management arrangements have been put in place for those schemes that are now supported by Council funding, i.e. Canley, Longford and South East. Each of these schemes has a Team Leader. The Team Leaders report directly to the Warden Operational Manager,

who in turn reports to the Head of Area Co-ordination. The remaining schemes are managed through other arrangements, in line with their external funding requirements.

There are now four schemes operating in the City:

- City Centre Street Crime Wardens
- Hillfields Neighbourhood
- Neighbourhood Warden Team (operating in Willenhall, Willenhall Wood, Stoke Aldermoor, Ernesford Grange and part of Binley Village, Canley and Longford)
- New Deal for Communities Wardens (Wood End, Henley Green and Manor Farm area)

Generally speaking, the existing schemes have been funded by Government provided funding at a level that would be difficult to sustain or extend across the city on a long term basis. The challenge for the Council and its partners is to ensure the continuation of warden services in a way which learns from the experience of the existing schemes and maximises their impact

In addition to the City Centre Street Crime Wardens, eight Police Community Support Officers (PCSOs) work in Coventry city centre. Their role is similar to that of wardens, in that they provide a visible presence, but they also have limited police powers, including fixed penalty notices for offences of dog fouling, littering and riding on the footpath. In certain circumstances they can request name and address, seize alcohol or confiscate cigarettes, as well as stop vehicles. The number of PCSOs in Coventry as part of this scheme, is set to increase to 12 in the near future.

Experience shows that if minor incidents, e.g. graffiti, abandoned vehicles, vandalism, etc., go unchecked, this can progress to higher level disorder, fear of crime and, in the longer term, serious criminal activity. Wardens can help to prevent this escalation by acting as referral agents, reporting incidents to the appropriate agencies and ensuring that they are swiftly dealt with.

5 Future proposals for Neighbourhood Wardens

The kinds of issues which need to be taken into consideration in terms of any future geographical location of neighbourhood wardens are priority neighbourhoods, Police Spectrum areas, analysis of anti-social behaviour levels and feedback from Community Safety Officers. Day to day deployment would be based on information regarding levels of crime and anti-social behaviour, but the roles of wardens would be integrated with inspectors and other area based staff to provide a seamless service regarding the removal of refuse, maintenance of street lighting, grounds maintenance and other liveability issues.

The aim would be to provide a visible and reassuring presence to local communities, provide quicker response times to service requests, tackle issues before they become customer complaints and increase customer satisfaction overall. This objective could be assisted by ensuring that wardens and other employees working in neighbourhoods, including street cleansing staff, wear similar uniforms and are able to call on rapid response teams to deal with issues outside their own capability. The key success factor for wardens is the relationships that they can build up with local communities. Some areas will therefore have a continuous presence, whilst others will be served as and when needed. Within this framework, it is recommended that the warden service would normally be available between 8.00 a.m. and 8.00 p.m on Monday – Friday as consultation indicates that these are felt to be the most important hours of coverage.

It is proposed that:

- **Funding should be made available to ensure the sustainability of provision of up to 75 neighbourhood wardens in the city (there are currently 56). The total cost of this will be in the region of £2.28 m depending on detailed financial implications. In 2005/06 the new finance required will be £1.120m**
- **Neighbourhood Wardens will have a common job description ensuring flexibility both in types of work and the ability to work in any part of the city if required to (except those wardens residually funded by specific funding streams such as New Deal for Communities). There should be a corporate approach to uniforms and radio systems**
- **Neighbourhood Wardens will, as now, be based in the Neighbourhood Management Service (currently Area Co-ordination) in the Chief Executive's Directorate. They will report to an Operations Manager who will manage the wardens across the city, as is the case currently**
- **Wardens will patrol the streets and public places, advising people how to access further services, inform the police and other agencies of specific problems, carry out routine inspection work and ensure effective responses to street issues. They will be trained and provided with the necessary equipment immediately to remove discarded needles and syringes, remove other environmental hazards and deliver minor community repairs. They will have enforcement powers in relation to litter, fly posting and dog fouling, but not car parking.**

6 Future proposals for an Anti-Social Behaviour (ASB) Warden Service

In Community Safety surveys and in many consultations with local people anti-social behaviour, by a range of definitions, is identified as a key concern. The Community Safety Partnership (part of The Coventry Partnership) has an Anti-Social Behaviour Strategy, and Coventry has recently become one of the Home Office's Anti-Social Behaviour Action Areas. Councillors and officers continue to receive many complaints about anti-social behaviour. In the light of this councillors have requested that officers look at what can be done to respond to public concern about the issue and provide supplementary support to the Police and joint working with other partners in the city.

It is proposed that:

- **Funding of £300,000 annually be provided to fund up to a dozen Anti-Social Behaviour Community Support Officers (ASB CSOs) and make a contribution towards transport and support**
- **The ASB CSOs will be located directly within the management structure of the West Midlands Police Occupational Command Units, distribution to be agreed in conjunction with the police**
- **The role and function of the CSOs will be discussed and finalised between the Council and the Police. This will require careful discussion on prioritisation and tasking to ensure that the CSOs provide added value to Police and other partner activity across the city, enable a visible challenge to low level anti-social behaviour in neighbourhoods.**

Indicators of how this will be measured will be agreed before the setting up of the scheme, between the Council, local residents and the Police.

7 Liveability, Street Services and Neighbourhood Management

Over the last two years, in the context of a larger reorganisation of the whole City Services Directorate, the Council's street services function has been reorganised to have more of a neighbourhood emphasis. Throughout that time the role of the Area Services Officer in Area Co-ordination (proposed to be retitled Neighbourhood Services Officer in the revised neighbourhood management structure) has been critical to making street services more responsive to the priorities of local residents.

Currently there are 6 Services Supervisors (Cleansing and Grounds Maintenance), 2 Services Supervisors (Lighting), 4 Service Supervisors (Highways) and 3 Services Supervisors Domestic Waste (including Abandoned Vehicles). It is proposed:

- i) These posts would be aligned to have geographical responsibilities relating to the three neighbourhood management areas
- ii) There would be further work on clarifying the roles, responsibilities and communication lines between the newly titled Neighbourhood Services Officers and the Service Supervisors
- iii) There would be continued development of the emphasis of Service Supervisors interacting with local consultation and community engagement mechanism (currently Area Forums), in the context of the new proposals for consultation and community engagement in section 8 of the report.

All of these proposals are directly in line with the philosophy being created within City Services of greater efficiency and more responsiveness to neighbourhood priorities. The links between neighbourhood environmental action and community safety activity will be strengthened even further with the new arrangements for the Government's Safer and Stronger Communities Fund and the pilot Local Area Agreement in which the Council is participating.

8 Neighbourhood Consultation and Engagement

An internal council review of Area Forums has looked at the role of Area Forums and how they might be improved. It was concluded that the existing six Area Forums related to each of the Area Co-ordination areas "fell between two stools" - on the one hand trying to be part of the governance mechanism of the City Council, and on the other hand trying to be neighbourhood consultation mechanisms, but in areas on too big a scale to be successful. The reality is that neighbourhood and community consultation is taking place across the city in a variety of venues with the support of elected members and Area Co-ordination, but that Area Forums themselves are mixed in their success in terms of involving local people or providing useful consultation forums.

9 Neighbourhood Consultation and Engagement Proposals

It is proposed that:

- a) **Consultation and engagement processes are set up using a framework of wards and parliamentary constituencies.**
- b) **This would accommodate the principles of:**
 - **Ward forums being based on a single ward, or, if circumstances were appropriate on a two or three ward basis. The recommendation on what**

approach should be followed would need to be agreed by council. It might be for example that some wards might be single ward forums, while other areas which had issues in common might lend themselves to a multi-ward model. In this way both the democratic structures and local variations could be accommodated.

- **Ward forums meeting at frequencies which suited them and focusing on the issues of importance within their neighbourhood**
- **Constituency forums meeting twice a year, to make the link with MPs.**

Relationships between the proposed three Neighbourhood Management areas and the ward and constituency forums should be agreed following consultation with MPs, local elected Members and local people, on ideal ward forum areas.

The purpose of the ward forums (of whatever size) would be to:

- Enable local people to influence local services
- Increase the accountability of councillors and officers to local people
- Provide a focus for problem resolution in local neighbourhoods.

The purpose of constituency forums would be to link with parliamentary structures in taking a wider view of city issues. Some considerable further discussion will be required with the city's three MPs to hear their views on the approach to these.

10 Timescale and Expected Outcomes

It is proposed that consultation be concluded by end of January 2005 to enable financial implications to be assessed for the budget process with final decisions to be taken in February then the objective would be for implementation of new managerial structures, and ward/constituency areas by the beginning of September 2005.

SOCIAL SERVICES' ANNUAL FEES, GRANTS TO VOLUNTARY ORGANISATIONS AND CENTRAL GOVERNMENT GRANTS

1. Purpose of this Appendix

1.1 This appendix is submitted as part of the Council's 2005/6 budget making process, specifically in relation to expenditure on social services. It makes a series of recommendations on fees, grants to voluntary organisations and the allocation of Central Government Grants.

2. Recommendations

2.1 This report makes a number of separate recommendations:

2.1.1 Fees:

- to approve a 2.7% increase in fees for contracted care services for adults and older people, and for Direct Payments
- to approve increases of 13.4% on Elderly Mentally Infirm rates residential rates, 12.1% on Standard Nursing Home rates and 5.3% on Enhanced Nursing Home rates, subject to approval of older people's care homes PPR bid
- to approve an increase in fees for children's placements in line with the figure negotiated by the West Midlands Child Care Consortium
- to approve a 2.7% increase in fees for domiciliary care for children
- to approve a 2.7% increase in Direct Payments
- to delegate to Service Managers the authority, in circumstances where residential or nursing placements in respect of adults, older people and children/young people or domiciliary care provision is not available at standard rates, to negotiate the cost of placements or provision with providers on an individual basis and to negotiate spot, block or cost and volume contracts at appropriate rates.
- to note that the re-tendering of older people's domiciliary care will be the subject of further reports

2.1.2 Grant Aid Agreements and Contracts:

- to approve an average 2.68% increase in funding for services commissioned from voluntary organisations
- to approve the move from grant-aid agreements to 3 or 5 year contracts
- to approve the levels of individual grants or contracts as set out in Annexe A
- to approve delegated authority to the Director of Social Services & Housing to implement the outcome of forthcoming contract reviews and adjust the funding and the duration of Grant Aid Agreements/Contracts in liaison with the Cabinet Member (Community Services). This will be reported formally at Cabinet in the next annual report.

2.1.3 Government Grants:

- to approve the proposed expenditure of Government Personal Social Services Grants as detailed in Annexe B.

3. Information/Background

3.1 Annual fees increase

- 3.1.1 Payment for commissioned and contracted services to meet the care and support needs of children, adults and older people accounts for around 40% of the Council's social care expenditure. This amounts to total gross expenditure budget of £45.9 m in 2004/5.
- 3.1.2. The Council's usual policy is to increase fees in line with inflation annually to recognise changes in provider costs. Projecting the relative stability of the Retail Price Index into 2005/6 would suggest that an increase of 2.7% would be a reasonable assumption. Other Local Authorities in the West Midlands intend to increase fees by a roughly similar percentage.
- 3.1.3 In addition, specific risks have been identified for the Directorate's purchasing in terms of:
- the continuing pressures on the children's placements budget,
 - and the potential for legal challenge over the issue of top-ups and the growing difficulties in securing appropriate capacity in priority areas of the older people's care homes market
- 3.1.4 As Coventry is part of the West Midlands Child Care Consortium, fees are negotiated by the Consortium, and are not expected to exceed inflation. However, children's placements continue to be an area of risk due to the overspend in 2004/05, and on an ongoing basis. This service area is, therefore, subject to a further PPR bid, which totals £1.5 million. It is expected that Coventry will have less reliance on these "spot-purchases" in the future when the work on the tendering of the contract for residential care is completed. It is also expected that we can achieve a reduction in the overall costs, which may reduce the overall spending need in the future.
- 3.1.5 Children's Services are exploring the potential to extend their joint working with other West Midlands Authorities through procuring services in "clusters" to bring about economies of scale and more focused commissioning. This should support the stabilising of fee levels on a regional basis.
- 3.1.6 The Council is fully aware of the problems created for residents of older people's care homes and their relatives by providers charging third party payments or top-ups to meet the costs of care. In some cases, homes are charging as much as £265 a week. The separate PPR bid is intended to help residents and relatives meet this charge.
- 3.1.7 The Directorate is finding difficulty placing people who need either nursing home or specialist dementia care at the rates Coventry has been paying. 35 people are currently waiting for an Elderly Mentally Infirm placement, more than half of whom are inappropriately placed in other homes. To respond to this, a separate PPR bid is being made to allow the Council to raise these rates to levels equivalent to those paid by Warwickshire. This is justified by the interdependency of the two care markets, and the fact that significant numbers of Coventry people choose Warwickshire homes. The cost of this has been worked out at around £740,000 (full year effect). Payment of higher fees will be tied to evidence of service improvements and achievement of specific outcomes.

3.1.8 The effects of approval of this bid are shown in the table below:

Older People's Care Homes Fee Levels

	Current Rate	Proposed Rate including 2.7% inflation	Proposed Rate assuming PPR bid is approved as outlined in 3.1.7
Residential Homes			
Standard Rate	£254	£261	£261
High Dependency Rate	£296	£306	£306
Enhanced Rate	£336	£345	£381
Nursing Homes			
Standard Rate	£387	£398	£434
Enhanced Rate	£412	£423	£434

3.1.9 Members will be aware that the Social Services & Housing Directorate is in the process of moving the greater part of its commissioned domiciliary care for older people from spot to block, cost and volume contracts. As with the care homes market, there are considerable cost pressures coming through in the domiciliary care market. This is showing up in the prices quoted by agencies, which have tendered for block and spot contracts. A further report will be brought to Cabinet when the impact is clear.

3.1.10 Members will be aware that the Social Services & Housing Directorate is in the process of creating Standing Lists of approved providers within each of the client groups. This will support the management of providers who spot purchase service from the Directorate in terms of vetting their credentials, putting providers in competition over fee levels and greater control within the groups for commissioning and contract management. Even with the move to more stable block and cost and volume contracts the market will inevitably always need to spot purchase services.

3.1.11 Similarly, the Social Services & Housing Directorate is committed to offering and encouraging Direct Payment opportunities to service users across the client groups. This impacts on both the Directorate and providers as the way we need to procure services, therefore, becomes more flexible and may impact on fee levels. Cabinet has previously (16.11.04) agreed to fund inflation for Direct Payments.

3.1.12 Fee bandings are being introduced into learning disability care purchasing in order to set clearer parameters for how much can be paid for care, and to exert greater control of expenditure. This could extend to the remainder of the Adults Group and Children's Services with similar need to control the cost of care packages.

3.1.13 In the event that there are no suitable places available within a residential or nursing home within a reasonable period at the Local Authority's fee levels, it may be necessary to commit to a placement at a higher level to ensure a service user receives appropriate care. Similarly, there may be occasions where a placement was initially arranged on a private fee paying basis, but the service user has since become eligible for Local

Authority support, and it has been assessed as inappropriate to move them to a standard fee placement. There may also be situations in which the cost of domiciliary support cannot be contained within the standard inflationary increase. All such cases will need to be assessed on an individual basis, and it is therefore recommended that existing delegated authority be renewed to allow Service Managers to negotiate variations.

3.2 Grant Aid Agreements and Contracts

- 3.2.1 The Directorate proposes to fund 57 schemes operated by voluntary organisations providing services to children, adults and older people. A 2.66% increase in funding to cover inflation is recommended.
- 3.2.2 It has been agreed that most grants will progressively be replaced by more detailed 3 or 5 year contracts, allowing voluntary organisations to operate and develop services on a more secure and planned basis. This process will be completed over the course of the coming financial year, and will be subject to a detailed report to members.
- 3.2.3 This greater stability should reduce the amount of staff turnover and the costs in financial and service terms this creates, thereby improving the return the Council gets for its investment.
- 3.2.4 Moving to longer-term contracts will also save the Council money, principally in officer time taken up in renewing agreements; time which is better used in contract management.
- 3.2.5 Annexe A sets out proposals in relation to each of the grants. The review of these contracts will need to take place in the light of the medium-term financial strategy of the Council and the requirement to produce 2.5% efficiency gains in procurement.

3.3 Allocation of Central Government Grants

- 3.3.1 Government Personal Social Services Grants announced for 2005/06 coming to the City Council total £12,454,000.
- 3.3.2 A summary of grant allocations is given below, and specific details and proposed expenditure are given in Annexe B. Most of this proposed expenditure is a continuation of expenditure approved last year.

Grant	2005/06 Allocation (£)
Access & Systems Capacity	3,610,000
Adoption Support and Special Guardianship	232,000
Carer's Grant	1,187,000
Change Fund	56,000
Child & Adolescent Mental Health Services Grant	609,000
Choice Protects Grant	401,000
Human Resources Development Strategy Grant	389,000
Improving Information Management Capital Grant	164,000
Integrated Children's Services Capital Grant	106,000
Mental Health Grant	802,000
National Training Strategy Grant	573,000
Preserved Rights Grant	1,691,000
Reimbursements (Delayed Discharges) Grant	618,000
Residential Allowance	1,085,000
Safeguarding Children Grant	647,000
Teenage Pregnancy Grant	284,000
Total	£12,454,000

SERVICES FUNDED AND COMMISSIONED BY SOCIAL SERVICES AND HOUSING 2005/2008							Annexe A	
Ref No.	ORGANISATION	SERVICE FUNDED	User Group	Current Agreement	Expiry Date of Funding	2004/2005 Budget (£)	Budget 2005/2006 (£)	Period Requested and Expiry Date Of Funding
SECTION A - Grant Aid Agreements/Contracts requiring members agreement during 2005/06								
A1	Coventry Carers Centre	To identify and support carers in the city by providing a 'drop-in' centre, telephone help-line and outreach service.	C	Contract	31/09/2005	103,449	106,196	3 years 30/09/08
A2	Coventry Crossroads	To provide a waking night sitting service to vulnerable people and their carers to compliment intermediate and palliative care services.	C	Contract	30/09/2005	47,028	48,277	3 years 30/09/08
A3	Coventry Crossroads	To provide services to adults and children to enable their informal carer to take a break.	C	Contract	30/09/2005	61,308	62,936	3 years 30/09/08
A4	Coventry Day Centre For The Homeless also Known as Norton House	Contribution towards the employee and running costs of a day centre providing support to people who are homeless.	C	Joint Contract	30/09/2005	51,710	53,083	3 years 30/09/08
A5	The Tuesday Club	Provides a contribution towards employee and running costs of a day centre for older people from the African Caribbean communities.	OP	Contract	31/03/2005	73,018	74,957	3 Years 31/03/08
A6	St Barnabas Day Care	Provides a contribution towards employee and running costs of a day centre for older people.	OP	Contract	31/03/2005	74,780	76,765	3 years 31/03/08

A7	Risen Christ Day Centre for Elderly	Provides a contribution towards the running costs of a day care centre for older people.	OP	Contract	31/03/2005	27,340	28,066	3 years 31/03/08
A8	Gosford Asian Day Centre	To provide the employee costs and a contribution towards running costs of a day centre for older people from the Asian communities.	OP	GAA	31/03/2005	57,105	58,621	1 year 31/03/06
A9	Canley Evangelical Day Care Centre	To provide the employee costs and a contribution towards the running costs of a day centre for older people. This is pending City Council's annual pay review.	OP	Contract	31/03/2005	28,585	29,344	3 years 31/03/08
A10	CACEC Day Care	Contribution towards the employee and running costs of a day centre for older people experiencing dementia.	OP	Contract	31/03/2005	66,628	68,397	3 years 31/03/08
A11	CACEC Sitting	To provide a flexible home sitting service to support older people experiencing dementia and their carers.	OP	Contract	31/03/2005	16,578	17,018	3 years 31/03/08
A12	Alzheimer's Society	To develop and provide a daycare service for older people experiencing dementia at Barras Court.	OP	Contract	31/03/2005	135,133	138,721	3 years 31/03/08
A13		To provide a contribution towards the management costs of providing day care for older people experiencing dementia.		Contract	31/03/2005			3 years 31/03/08
A14		To fund an advocacy service for people experiencing dementia and their carers.		Contract	31/03/2005			3 years 31/03/08
A15	Age Concern Coventry	Contribution towards employee costs of providing a range of supportive services for older people.	OP	Contract	31/03/2005	55,438	56,910	3 years 31/03/08
A16	Age Concern	To provide an Advocacy service to older people as part of the Directorate's Prevention Strategy.	OP	Contract	31/03/2005	28,850	29,616	3 years 31/03/08
A17	Age Concern	To provide an Appointeeship service for older people who are no longer able to manage their own financial affairs.	OP	Contract	31/03/2005	38,551	39,575	3 year 31/03/08

A18	Community Transport	Contribution towards the employee costs of providing a transport service for day care providers funded by Social Services & Housing. This is pending City Council's annual pay review.	OP	Contract	31/03/2005	84,633	86,880	3 years 31/03/08
A19	Coventry Crossroads	A home based support service to older people as part of the preventative strategy	OP	Contract	31/03/2005	39,030	40,066	3 Year 31/03/08
A20	Coundon Care Centre	Day care provision for older people residing in the Coundon area of the city	OP	Contract	31/03/2005	20,000	20,531	3 Year 31/03/08
A21	Irish Elders Centre	Day care provision for Irish Elders	OP	Contract	31/03/2005	30,000	30,797	3 Year 31/03/08
A22	Coventry Law Centre	To provide a welfare rights advice service and appeal tribunals advocacy and support service.	C	GAA	31/03/2005	33,229	34,111	yearly Contract arranged corporately
A23	Foleshill Advice & Information Centre	Information and advice service based in the Foleshill area of the city.	C	GAA (Corporate)	31/03/2005	58,268	59,815	yearly Contract arranged corporately
A24	Wood End Advice & Information Centre	Advice and information services in the Wood End area of the city.	C	GAA (Corporate)	31/03/2005	76,429	78,458	yearly Contract arranged corporately
A25	Osaba Solace Domestic Violence Project	Direct support services to primarily African Caribbean women and their children who are experiencing domestic violence.	C	Contract	31/03/2005	42,355	43,480	2 years 31/03/07
A26	Osaba Women's Centre	Provides direct services to primarily African Caribbean women and their children to help alleviate poverty and social exclusion.	C	Contract	31/03/2005	24,107	24,747	2 years 31/03/07
A27	Valley House	To provide specialist services to minimise and address the physical and emotional effects on children who have witnessed domestic violence.	C	Contract	30/09/2005	27,626	28,359	2 years 30/09/07

A28	Cov & Works CDA Grapevine Drop-in Centre	To meet the employee and running costs of the Grapevine Drop In Centre.	LD	Contract	30/09/2005	123,104	126,372	4 years 30/09/09
A29	North Warwickshire NHS Trust	To provide a home based support service for people with learning disabilities.	LD	Contract	31/03/2005	66,962	68,937	1 years 31/03/06
A30	Rethink Home Based Support Service (previously known as National Schizophrenia Fellowship)	To provide a home based support service to people with Mental Health needs.	MH	Contract	31/03/2005	76,636	78,705	3 years 31/03/08
A31	Coventry Society for the Blind	Wireless service for the Blind.	PD	Contract	30/09/2005	2,372	2,435	3 years 30/09/08
A32	Tamarind Centre previously known as Coventry Black Mental Health)	Contribution towards the employee and running costs of providing a supportive service to Black people with mental health needs and their carers.	MH	Contract	31/03/2005	119,378	122,547	3 years 31/03/08
A33	SAHARA	To provide advocacy support to Asian elders experiencing mental ill health and their carers.	MH	Contract	31/03/2005	20,754	21,305	3 Year 31/03/08
A34	Coventry MIND preventative service	To provide an enabled employee to work as a care assistant to develop services,	OP	Joint Contract	30/09/2005	21,269	21,834	1 Year 30/09/06
A35	Sahara Preventative service	To fund an outreach worker	OP	Contract	31/03/2005	23,597	24,224	1 Year 31/03/06
A36	Sahil Project	To provide an access service for Asian women experiencing social isolation and stress.	MH	GAA	30/09/2005	16,585	17,025	3 Year 30/09/08
A37	Rethink Spectrum	To provide employment opportunities service for people with Mental Health needs.	MH	Contract	31/03/2005	82,593	84,786	3 year 31/03/08

A38	CROW - Coventry Recycling of Waste	(i) To purchase 5 full time equivalent training places for adults with learning disabilities. (ii) Service users allowance payable to service users to support their attendance at Crow, ie £3 per day.	LD	GAA	31/03/2008	(i) 9,356 (ii) 3,142	(i) 9,604 (ii) 3,227	3 years 31/03/08
A39	Coventry Samaritans	To contribute towards the running costs of a confidential counselling service to people who are at risk and lonely	MH	GAA	31/03/2005	2,029	2,083	3 years 31/03/08
A40	Coventry Voluntary Service Council	Local development agency, which supports, advises and informs voluntary groups in Coventry.	C	Joint GAA	31/03/2005	11,984	12,302	Contract Arranged corporately
A41	NCH Action for Children	Accommodation Support Service to young people between the ages of 16 and 21 who have left care and living in a range of accommodation.	CF	Contract	30/09/2005	282,100	287,742	Review of Service
A42	Penderels Trust	To provide advice and support to disabled people wishing to arrange Direct Payments.	PD	Contract	30/09/2005	132,954	136,876	2 years 30/09/07
A43	Penderels Trust	To support disabled people in accessing independent living services, including an element of direct Community Care service provision (managed accounts).	PD	GAA	30/09/2005	149,574	153,545	2 years 30/09/07
A44	Cov & Warks Sign Language Interpreting Service (CWSLIS)	To purchase a sign language interpreting service to enable deaf people to access services.	PD	Joint GAA	31/09/2005	29,963	30,759	3 years 30/09/08
A45	BEN Town Thorns	To provide respite care for young people with physical difficulties. The agreed payment to the provider is £640 per week for core services. Any needs over and above the core services is funded through RNCC, Continuing Care or Community Care	PD	Contract	31/08/05	33,280	34,162	1 Year 31/08/06

Services Funded From The Commissioning Budget 2005/2006

Ref No.	ORGANISATION	SERVICE FUNDED	User Group	Current Agreement	Expiry Date of Funding	Budget (£) 2004 - 2005	Budget (£) 2005 - 2006
Section B Grant Aid Agreements/Contracts already approved by Members until March 2006 and after							
B1	Dudley Lodge	Purchase of four residential /families placements providing tailored programme of support	CF	Contract	31/03/2006	256,766	264,341
B2	NCH Action for Children	After Care/Personal Advisor service to young people who have left local authority care.	CF	Contract	31/03/2007	552,335	568,629
B3	NCH Action for Children	A range of services for children and families primarily in the Foleshill and Hillfields areas of the city via Cornerstone Family Centre.	CF	Contract	30/09/2007	225,732	231,725
B4	Community Drug Team	To provide a supportive service to adult drug users in Coventry. Contract Managed by Barry Eveleigh, Drugs and Alcohol Team Co-ordinator, Community Safety Team.	DAHA	Contract	31/03/2006	60,806	62,600
B5	Community Alcohol Service Coventry & Warwickshire	Alcohol & drugs counselling and support services. Contract Managed by Barry Eveleigh, Drugs and Alcohol Team Co-ordinator, Community Safety Team.	DAHA	Joint GAA	31/03/2007	71,187	73,077
B6	Terrence Higgins Trust	Contribution towards the funding of a specialist Community Worker who is working with the African community (with the majority of the work with Asylum Seekers and Refugees)	PD	Joint Contract	31/03/2006	12,873	12,702
B7	Coventry MIND (Day Centre – Coopers Lodge)	To provide the employee costs and a contribution towards running costs of Coopers Lodge Day Centre.	MH	Joint Contract	31/03/2006	50,033	51,361

B8	Coventry Rape & Sexual Abuse Centre	Contribution towards employee and running costs of providing support to women and girls who have been raped or sexually abused.	C	GAA	31/03/2007	28,823	29,588
B9	Coventry Rape & Sexual Abuse Centre	Contribution towards employee and running costs of providing support to women and girls who have been raped or sexually abused	C	GAA	31/03/2007	15,939	16,362
B10	NCH Children's Advisory Service	Children's Advocacy information advice and confidential support to looked after children in residential and fostering care.	C	Contract	31/03/2006	114,000	117,363
B11	Coventry MIND (drop in Centre)	To provide the employee costs and a contribution towards running costs of Mind Drop-In Centre	MH	Joint Contract	31/09/2006	45,610	46,821
B12	Coventry MIND (home based support)	To provide the employee costs and a contribution towards running costs of Coopers Lodge Day Centre.	MH	Joint Contract	31/03/2006	61,805	63,446
Key to Service Users Groups CF = Children & Families PD = Physical Disabilities C = City-Wide/Corporate							

ANNEXE B

Access and Systems Capacity Grant

Amount of Grant	£3,610,000
Responsible Officers	Sally Burton (Older People) Lynda Bull (Adults)

The purpose of this grant, which includes a one-off allocation of £600,000 for 2005/06 only, is to enable local authorities to build up the stock of community based social services, and promote older people's independence, reduce delayed discharges and meet new targets for assessment. This is a specific formula grant without conditions.

Usage

Home Improvement Agency (Orbit Care and Repair)	£42,396
Community Equipment	£169,586
Additional Staffing & Support Costs	£105,580
For Intermediate Care Services / Home Care (Community Care Budget)	£532,782
Intensive Packages (Adults moving to Older People's Services)	£255,418
Primrose Hill Lodge Intermediate Care	£244,220
PHL/Gilbert/Maymorn – Intermediate Care loss of income	£154,847
Beake Avenue loss of income on Intermediate Care services	£248,486
Beake Avenue additional capacity	£213,292
Night Care Staff in Extra Care Housing	£311,407
NHFO Consultancy	£65,000
Partnership Board costs	£23,462
Reablement / OT's	£110,231
Intermediate Care, additional Social Work staffing	£127,975
To fund community care services in line with agreed Eligibility Criteria	£350,000
Falls Co-ordinator – one-off 2005/06	£60,000
Project Support for Home Care market – one-off 2005/06	£65,000
Project Worker - Recruitment, retention and induction of care workers	£50,000

The remaining £480,318 will be subject to a further report. Part of the remainder will be used to complement the Assistive Technology Grant which comes on stream in 2006/07. This will enable the Council and the PCT to invest in home security, monitoring systems and specialist equipment in order to help more people to live at home.

Adoption Support and Special Guardianship Grant

Amount of Grant	£232,000
Responsible officer	Howard Woolfenden (Children and Families)

The purpose of this grant is to support the development and provision of services in line with the Adoption Support Services Regulations 2003 and the forthcoming Adoption Support Services Regulations and Special Guardianship Regulations that are planned for 2005.

This will be used to enhance the existing social worker and support packages to adoptive parents.

Allocated to	2004 –05 onwards	New in 2005-06	Notes
Independent Counselling and Support to Birth Parents	£40,000		Statutory requirement in Adoption Regulations
Senior Practitioner Adoption Support	£35,711		Manage and support the Adoption Support Service
Adoption Support Senior caseworker	£30,949		To support increased demand for intermediary contact arrangements
Adoption Support Operating Budget	£20,340		Operating budget for statutory functions of adoption support groups, training etc
Enhanced Support Packages for adopters	£40,000		Individual packaged of enhance support, therapy, etc as required by new regulations (enhancing adoption financial support budget)
Total	£167,000		Agreed last year
Proposed New in 2005 - 06			
Clerical support Post		£18,000	Essential additional support to facilitate contact arrangements
Post adoption supervised and supported contact		£18,000	Arranging and supervising Adoption Contact
Enhanced Support Packages for adopters		£26,885	Individual packaged of enhance support, therapy, etc as required by new regulations (enhancing adoption financial support budget)
Inflation Pay Adjustment		£2,115	Inflation Pay uplift
Total		£65,000	Proposed this year
Already committed 2004		£167,000	
Grand Total		£232,000	

Carers Grant

Amount of Grant £1,187,000
Responsible officer Lynda Bull (Adults)
 Sally Burton (Older People)
 Howard Woolfenden (Children and Families)

The main purpose of this grant is to:

- i. enhance provision of community care and Children's Services to allow carers to take a break from caring by stimulating greater diversity of provision

ii. stimulate a greater awareness by authorities of the need for services in their area to be more responsive to the needs of carers; and

iii. provide carers services other than breaks services in keeping with the 2001 Carers and Disabled Persons Act.

20% has been allocated using the children's formula, 24% using the other adults' (18-64) formula and 56% using the older people's formula. 20% of the grant is intended for children's services to support families of disabled children and young carers. It is recommended that 5% is the maximum spent on administrative costs. The remaining 75% is intended for adult services. This is a specific formula grant without conditions.

Usage

Young Carers	£112,764
Parent Carers	£57,761
Disability Team, Direct Payments	£55,004
Coventry Crossroads	£109,908
Carers (Purchasing Budgets Adults / Older People	£318,156
Maurice Edelman	£37,071
Carers – Adult Mental Health	£88,970
Mental Health – Social Workers funding	£37,080
Learning Difficulties Care Support Workers	£88,786
Admin	£38,598

The remaining £242,902 will be the subject of a further report.

Change Fund

Amount of Grant	£56,000
Responsible officer	Jos Parry (Head of Policy & Performance, Education & Libraries)

The Local Authority Change Fund Grant is a contribution to each local authority to build on current progress in developing children's trust arrangements to integrating services. The grant is not ring-fenced to allow each local authority and its partners, the flexibility to prioritise spending in the most appropriate way to progress change locally. On 31 August 2004 a letter was sent to all local authority Chief Executives providing information and guidance on the Local Change Fund Grant of £15 million, spanning an 18 month period from September 2004 to March 2006, including details of allocations and how to claim the money. The priorities are integrated commissioning, common assessment, multi-agency working and information sharing.

Child & Adolescent Mental Health Services Grant

Amount of Grant	£609,000
Responsible officer	Howard Woolfenden (Children and Families)

The grant should be used to improve CAMH services, in accordance with local need and priorities, as set out in the CAMHS Development Strategy. This should respect the description of a comprehensive CAMHS as set out in the Children's NSF and should outline how the increased

resources will be used to achieve a comprehensive CAMHS. Such a service should include mental health promotion and early intervention.

Plans for spending the grant should be agreed between Social Services, Primary Care Trusts, Education Departments and other partners. Local agencies should work in partnership at all levels of service planning and delivery. Joint commissioning arrangements and/or Health Act flexibilities should be used wherever possible.

Up to 5% of the grant may be spent on capital projects including the development of IT infrastructure and investment in the built environment.

Allocated to	2004 –05 onwards	New in 2005-06	Notes
Primary Mental Health Team/Admin support	£114,426		
Looked After Children Team	£136,781		
Court Psychology Service	£48,000		
Adoption Direct Worker	£36,672		
Psychology Assistant (LAC)	£19,423		
Primary MH worker	£36,672		
Admin (LAC)	£17,664		
Non Pay Costs	£30,362		
Total	£440,000 *		Agreed last year
Assertive Outreach Team to Children in Crisis		£73,000	Capacity to respond in crisis
Looked After Children Admin Support		£17,660	Essential admin support
CAMHS post in BEST		£36,670	Multi Agency Strategy capacity
Joint Development/ Commissioning Manager		£36,670	Essential joint management support
Pay uplift for inflation		£5,000	Inflation adjustment
Total		£169,000	Proposed this year
Already committed 2004		£440,000	
Grand Total		£609,000	
			* underspend of £150,000 allocated in year to independent placements addressing mental health issues

Choice Protects Grant

Amount of Grant £401,000
Responsible officer Howard Woolfenden (Children and Families)

A key priority of this grant is the development of the range of placement choice required to meet the needs of the local population of looked after children and to give them the stability they need. More effective strategies for planning and commissioning provision for looked after children will be central in achieving these aims and funding will be to this end. Any such work will take into account the importance of a detailed assessment of the need of both the current and anticipated future population of looked after children and the importance of a multi-agency approach in delivering provision in as cost-effective a way as possible. This grant will help support the decision taken by Cabinet in September 2004 for the commissioning of new residential services for looked-after children

The grant conditions for the first two years of Choice Protects stated that the money should be spent on services that expand or strengthen local authorities' fostering services with a view to improving looked after children's life chances through increasing placement stability and choice. These conditions continue to apply in 2005-06, with funding to be used to improve the recruitment, retention and training of foster carers and/or the development or expansion of fostering services.

Allocated to	2004 –05 onwards	New in 2005-06	Notes
24/7 Telephone Support to carers	£36,000		Statutory Requirement
Foster Carer Association	£9,200		Developing Carers self support
Support to Black Children Placed in Foster Care	£6,000		Additional support to develop identity needs
Enhanced Support to foster carers	£13,347		Individualised support to sustain placements
Not allocated at start of year	£10,000		Allocated in year to admin staff in support of Placement Strategy
Snr Caseworker Friends and Families x 2 FTE	£61,898		Develop service to support Kinship Care
Long Term Fostering Homefinder Snr Caseworker	£30,949		To meet need to find carers for older children
CAMHS Fostering/Therapist	£30,949		Support placement stability by linking placement service with CAMHS LAC Team
Foster Carer Support Groups Snr Caseworker x 22.5 hrs	£18,820		Support Foster Carers groups and training
Total	£218,000		Agreed last year
Proposed New in 2005 - 06			
Recruitment black carers		£14,000	Enhance recruitment of BME carers
Refocusing skills payments to carers		£60,000	Encourage stability and efficiency by linking skills payments to the number of children in placement
Snr Practitioner (Friends and Family) x 0.5FTE		£18,000	Develop and lead practice on Kinship Placements
Additional Admin Support		£18,000	To support increasing admin needs of supervising social workers
Supervising Social workers		£61,900	To supervise the growing number of foster carers
Private Fostering Publicity		£5,000	To meet statutory requirements
Inflation Pay Adjustment		£6,100	Annual Pay uplift on salaries
Total		£183,000	Proposed this year
Already committed 2004		£218,000	
Grand Total		£401,000	

Human Resources Development Strategy Grant

Amount of Grant £389,000
Responsible officer Derek Sleigh (Policy and Performance)

This money has been provided to develop the social care workforce, so that the effectiveness of human resources management can be raised, serious problems of recruitment and retention of staff can be tackled and reforms in service provision can be assisted by developments of new types of worker.

The grant includes resources intended to support post qualification and continuous professional training for professional workers in the social care field. Further guidance will be included in a circular to be issued in due course. This is a specific formula grant without conditions.

This grant will be included in the resources earmarked in the implementation of the Training Plan, which is due to be submitted to the Social Services and Housing Senior Management Team in early February for approval.

Although the grant is issued without conditions, there is an expectation that a substantial proportion of the grant will be used for training and development in the independent sector.

Improving Information Management Capital Grant

Amount of Grant £164,000
Responsible officer Derek Sleigh (Policy and Performance)

This funding is ring-fenced for capital expenditure only for the purpose of improving information management for Social Services. The 2005/06 grant will be prioritised by the Social Services and Housing IS board in line with specific Social Care objectives, in consultation with the Director of Finance and ICT..Priorities will include the continued development of the ICT infrastructure for Social Services, and the replacement of SURFACS, the Directorate's current information system. The grant will be available to complement the funding proposed in this year's PPR process for replacing SURFACS.

Integrated Children's Services Capital Grant

Amount of Grant £106,000
Responsible officer Jos Parry (Head of Policy & Performance, Education & Libraries)

The allocation for 2005/06 is the second tranche of the grant, with the balance paid in 2006/07. This is a change to the funding schedule announced earlier. In view of the revised grant schedule, implementation of the ICS on all new referrals should be in place no later than the end of December 2005 and the system should be fully operational by the end of December 2006.

Mental Health Grant

Amount of Grant £802,000
Responsible officer Lynda Bull (Adults) in collaboration with Director of Mental Health (PCT)

Mental Health grant funds are intended for use in developments designed to support implementation of the Mental Health National Service Framework standards and those necessary

Mental Health service developments set out in the NHS Plan. Such investments should augment existing Mental Health expenditure and help support delivery of milestones set out in Mental Health local delivery plans.

The grant will be used to continue the funding of existing schemes set up in previous years with an addition for inflation.

National Training Strategy Grant

Amount of Grant £573,000
Responsible Officer Derek Sleigh (Policy & Performance)

This grant supports the training of social care staff across the statutory, private and voluntary sectors. The majority of the grant is provided for developing NVQ qualifications in social care to meet the National Minimum Standards, with further resources to fund Trainee Social Worker Schemes and to develop Learning Resource Centres within local authorities to help all social care staff undertake training and qualifications and continue their career development.

This grant will be included in the resources earmarked in the implementation of the Training Plan, which is due to be submitted to the Social Services and Housing Senior Management Team in early February for approval. Although the grant is issued without conditions, there is an expectation that a substantial proportion of the grant will be used for training and development in the independent sector.

Preserved Rights Grant

Amount of Grant £1,691,000
Responsible Officer Lynda Bull (Adults)
 Sally Burton (Older People)

Section 50(1) of the Health and Social Care Act 2001 came into effect on 8 April 2002, as a result of which local authorities became responsible for the provision of residential accommodation for persons ordinarily resident in their area who were in relevant accommodation with Preserved Rights. The Preserved Rights Grant is paid to local authorities to help them discharge their new responsibilities. This is a specific formula grant without conditions and will be paid under section 31 of the Local Government Finance Act 2003.

This grant has reduced from previous years, with the balance rolled into FSS. The resource is allocated within Community Purchasing budgets to meet preserved rights expenditure.

Reimbursement (Delayed Discharges) Grant

Amount of Grant £618,000
Responsible officer Sally Burton (Older People)

The grant was introduced in 2003-04 to accompany the Community Care (Delayed Discharges, etc.) Act 2003, which introduced reimbursement charges payable by local authorities to NHS Trusts for those delays for which they are solely responsible. The aim of the grant is to encourage local authorities to work with health partners to invest to tackle the causes of delay in their local system. This is a specific formula grant without conditions.

£212,000 of this grant is already committed on salary costs at Hawthorne Lodge, salary costs for social workers at Walsgrave, Coventry & Warwickshire Hospital and Intermediate Care and some additional clerical costs, as previously approved.

The remaining £406,000 will be the subject of a further report. This will initially be agreed in partnership with the PCT, UHCW and Intermediate Care, and subsequently approved by the Older People's Partnership Board and the Intermediate Care Board. Priorities for the remainder of the grant include extending capacity to cover weekend discharges, the prevention of hospital admissions as well as speeding up discharges and supporting case management.

Residential Allowance

Amount of Grant	£1,085,000
Responsible Officer	Lynda Bull (Adults) Sally Burton (Older People)

The purpose of the grant is to compensate authorities for additional expenditure they will incur in supporting those residents in independent care homes. A further small component of the grant relates to 'Boyd Loophole' cases. These are individuals who, prior to 6 October 2003, were paying for the costs of their care in care homes through a variety of benefits including RA and who have now approached local authorities for assistance towards the costs of their care.

This grant has reduced from previous years with the balance rolled into FSS, and will be rolled into FSS completely from 2006/07. The resource is allocated within Community Purchasing budgets to fund additional expenditure on residential care.

Safeguarding Children Grant

Amount of Grant	£647,000
Responsible officer	Howard Woolfenden (Children and Families)

This Grant is intended for the purpose of supporting councils in improving their services to safeguard children, including responding to the recommendations made in Lord Laming's report of the inquiry into the events leading up to the death of Victoria Climbié and the Joint Chief Inspectors' Report "Safeguarding Children", the establishment of Local Safeguarding Children Boards and increasing the focus on Private Fostering.

Social Work Services for Children and Families - £385,000 has been committed to date through last years PPR decision to avoid further reductions in Children's social work staffing and ensure this capacity is focused on the Laming recommendations.

Contact Centre Development - £98,000 had been provisionally allocated to contribute towards the partnership development of a local Contact Centre to support contact between children (particularly looked after children and their families). This sum is however now the subject of a separate PPR saving proposal for 2005/06.

Establishment of dedicated staff posts - The balance of £164,000 will be used to fund the following developments:

Private Fostering – £30,000. To ensure that Coventry complies with national policy requirements concerning the assessment/support of fostering arrangements made privately by parents a specialist post has been developed and recruited to.

Hospital Liaison – £34,000 in order to improve the coordination of joint work with hospitals (particularly safe discharge planning for children) a specialist post has been established and is currently being recruited to. This will build on positive developments in partnership work with hospital services which have been achieved over recent months and is fully supported by local paediatricians.

Court Officer – £35,000 to address unacceptable variability in court work and the over-use of costly specialist assessments a dedicated court officer post has been developed and is currently being recruited to. The role of this officer will be to provide a managerial oversight of court work with children, a training/coaching service to staff in respect of court work and a quality control system in respect of individual cases.

Area Child Protection Committee £65,000 – in order to support the effective transition of the Coventry ACPC into a Safeguarding Board in line with new legislative requirements a development post is being established. To support the achievement of national targets concerning the review of child care/protection plans the reviewing officer establishment is being enhanced by a half-time post.

Teenage Pregnancy Grant

Amount of Grant	£284,000
Responsible officer	Howard Woolfenden (Children and Families)

The purpose of this grant is to support the implementation of local teenage pregnancy strategies, through the pump priming of promising practice and new approaches, and ensure that robust arrangements are in place for the co-ordination and delivery of agreed local action plans.

The grant is currently committed on expenditure incurred by the Primary Care Trust in conjunction with the local authority through the Teenage Pregnancy Partnership Board.

CAPITAL PROGRAMME 2005/06 TO 2009/10

SUMMARY

CAPITAL PROGRAMME 2005/06 – 2009/10

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s
Expenditure					
Cabinet Member:					
Adult Education, Libraries, Sport & Leisure	11,568	1,868	1,520	100	100
Children's Services	29,987	15,621	9,726	3,000	750
City Services	16,840	7,747	5,141	3,282	3,349
Community Services	940	580	490	500	516
Corporate & Customer Services	10,933	11,503	4,203	-	-
Finance & Equalities	1,488	-	-	-	-
Health & Housing	7,076	11,596	10,649	4,976	4,976
Urban Regeneration & Regional Planning	44,970	30,345	22,273	10,105	6,897
Total Programme	123,802	79,260	54,002	21,963	16,588

CAPITAL PROGRAMME 2005/06 – 2009/10

CABINET MEMBER (ADULT EDUCATION, LIBRARIES, SPORT & LEISURE)

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s
Approved Programme					
1 Coventry Transport Museum	4,857	95			
2 Belgrade Theatre	1,062	618	20		
3 Herbert Art Gallery	618				
4 Sports Centre Repairs *	2,350				
5 Sports & Leisure Facilities - longer term design fees	71				
6 Memorial park Water Feature - Recommissioning	135	10			
7 St Mary's Hall Medieval Kitchen *	50				
8 Oak Farm Play Area	110				
9 Longford Park Refurbishment	123				
10 Coombe - Boathouse Refurbishment	105	5			
11 Coombe CCTV	44				
12 Playground Refurbishment *	174				
13 Meadowlands	149	5			
14 Red House Multi-Use Games Area	2				
15 Foleshill Skate Park	5				
16 Libraries Refurbishment & Replacement Programme	1,713	485			
Total Approved Programme	11,568	1,218	20	0	0
<u>Provisional Programme</u>					
17 St Mary's Hall Medieval Kitchen *		50	892		
18 Playground Refurbishment *		100	100	100	100
19 Libraries Refurbishment & Replacement Programme *		500	508		
Total Provisional Programme	0	650	1,500	100	100
Total Programme	11,568	1,868	1,520	100	100

CAPITAL PROGRAMME 2005/06 – 2009/10**CABINET MEMBER (CHILDREN'S SERVICES)**

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s
Approved Programme					
1 Moseley	1,400	2,150	200		
2 Charter School	4,133	250			
3 Physical Education & Sports	5,544	144			
4 Hillfields Young People	35				
5 Surestart	630				
6 Annie Osborn	109				
7 Howes	953	604			
8 Moat House	113				
9 Willenhall Wood/Chace	3,046	1,200	163		
10 Suitability *	4,074	557			
11 Asset Management Plan Condition *	1,780	443			
12 Schools Access Programme *	558	549	499		
13 New Pupils Places *	0	894	907		
14 Non Schools Building Programme	325				
15 Extension to Coundon Court School *	1,955	2,463	140		
16 African Caribbean Young People Centre	104				
17 Leased Equipment	200				
18 Devolved Formula Capital	3,648	4,577	4,817		
19 Pathways to Care	280				
20 Children's Residential Services	800	700			
21 Children's Service Office Accommodation	300	200			
Total Approved Programme	29,987	14,731	6,726	0	0
<u>Provisional Programme</u>					
22 Leased Equipment		200	200	200	200
23 Stivichall Primary School *		250	2,500	2,500	550
24 Non Schools Building Programme		150			
25 Pathways to Care		290	300	300	
Total Provisional Programme	0	890	3,000	3,000	750
Total Programme	29,987	15,621	9,726	3,000	750

CAPITAL PROGRAMME 2005/06 – 2009/10**CABINET MEMBER (CITY SERVICES)**

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s
Approved Programme					
1 Highways Maintenance & Lighting Investment	10,000				
2 Central Repairs Fund	1,500				
3 Electrical Wiring Remedial Works	250				
4 Asbestos Remedial Works	450				
5 Expansion of Whitley Depot	371				
6 Liveability Programme	1,450				
7 Vehicle & Plant Replacement	2,539				
8 Replacement of Household receptacles	130				
9 Canley Crematorium Equipment	130				
10 Monitored Careline Facility	20				
Total Approved Programme	16,840	0	0	0	0
<u>Provisional Programme</u>					
11 Highways Maintenance		1,547	1,610	1,676	1,743
12 Central Repairs Fund		1,500	1,500	1,500	1,500
13 Electrical Wiring Remedial Works		250	250		
14 Asbestos Remedial Works		450	450		
15 Vehicle & Plant Replacement		3,894	1,225		
16 Replacement of Household Receptacles		86	86	86	86
17 Monitored Careline Facility		20	20	20	20
Total Provisional Programme	0	7,747	5,141	3,282	3,349
Total Programme	16,840	7,747	5,141	3,282	3,349

CAPITAL PROGRAMME 2005/06 – 2009/10

CABINET MEMBER (COMMUNITY SERVICES)

Approved Programme

- 1 Social Services - Stairlifts & Hoists Programme
- 2 Minor Works
- 3 Intermediate care schemes
- 4 Improving Information Management

Total Approved Programme

Provisional Programme

- 5 Social Services - Stairlifts & Hoists Programme
- 6 Minor Works

Total Provisional Programme

Total Programme

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s
	540				
	214				
	22				
	164				
	940	0	0	0	0
		400	300	300	300
		180	190	200	216
	0	580	490	500	516
	940	580	490	500	516

CAPITAL PROGRAMME 2005/06 – 2009/10

CABINET MEMBER (CORPORATE & CUSTOMER SERVICES)

Approved Programme

- 1 Coventry Empowered Phase 1 *
- 2 Wide Area Network
- 3 Replacement Human Resources/Payroll System *
- 4 Replacement Social Services IT System (SURFACS) *
- 5 Central Accommodation - working environment issues *
- 6 Central Reception Areas

Total Approved Programme

Provisional Programme

- 7 Coventry Empowered Phase 2 *
- 8 Coventry Empowered Phase 3 *

Total Provisional Programme

Total Programme

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s
1 Coventry Empowered Phase 1 *	7,000	3,000			
2 Wide Area Network	1,420				
3 Replacement Human Resources/Payroll System *	1,500	1,500			
4 Replacement Social Services IT System (SURFACS) *	603	603	603		
5 Central Accommodation - working environment issues *	370				
6 Central Reception Areas	40				
Total Approved Programme	10,933	5,103	603	0	0
		6,400			
			3,600		
Total Provisional Programme	0	6,400	3,600	0	0
Total Programme	10,933	11,503	4,203	0	0

CAPITAL PROGRAMME 2005/06 – 2009/10

CABINET MEMBER (HEALTH & HOUSING)

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s
Approved Programme					
1 Adaptations - Disabled Facilities Grants	2,300				
2 Private Sector Renewal	1,270				
3 Energy Efficiency	300				
4 Guild/ Pridmore	500				
5 Kick Start	230				
6 Social Housing Grant	376				
7 Right to Buy Receipts related Expenditure	2,000				
8 Gating Programme	100				
Total Approved Programme	7,076	0	0	0	0
<u>Provisional Programme</u>					
9 Adaptations - Disabled Facilities Grants		2,300	2,300	2,300	2,300
10 Private Sector Renewal		1,270	1,270	1,270	1,270
11 Other (Energy Efficiency & Guild Pridmore)		800	800	800	800
12 Kickstart		230	230	230	230
13 Social Housing Grant		376	376	376	376
14 New Homes for Old		900	900		
15 Right to Buy Receipts related Expenditure		5,620	4,673		
16 Gating Programme		100	100		
Total Provisional Programme	0	11,596	10,649	4,976	4,976
Total Programme	7,076	11,596	10,649	4,976	4,976

CAPITAL PROGRAMME 2005/06 – 2009/10**CABINET MEMBER (URBAN REGENERATION & REGIONAL PLANNING)**

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s
Approved Programme					
1 Local Transport Plan:					
2 Integrated Transport *	2,843				
3 Maintenance (including Radford Road Embankment T3 Stabilisation) *	3,760				
4 Primelines	8,850	8,530	8,330	1,270	
5 Perceived Safety *	400				
6 Residents Parking Scheme *	200				
7 Traffic Calming & Parking *	130				
8 Burges Enhancement *	50	200	100		
9 Arena	14,093				
10 Swanswell	4,225	5,000			
11 Pool Meadow *	750				
12 City Centre Package	1,587	118	65		
13 High Street *	918				
14 Canley Regeneration *	463	3,835	1,870	282	20
15 North East Regeneration & Riley Square	1,500				
16 Corridor Regeneration	396	515	515	340	340
17 New Deal for Communities before Masterplan *	3,100	5,000	5,000	1,750	
18 Electric Wharf	345				
19 Lower Precinct		582			
20 Commercial Property Repairs & Maintenance *	1,048				
21 Poverty Access & Safety	71				
22 Central Depot	55				
23 Wood End Community Centre	9				
24 Westwood Infrastructure	130				
25 Aldermans green Industrial Estate	29				
26 Hillfields Shopping centre	14				
27 Binley Business Park	4				
Total Approved Programme	44,970	23,780	15,880	3,642	360
Provisional Programme					
28 Local Transport Plan *		5,215	5,243	5,313	5,387
29 Perceived Safety *		400	400	400	400
30 Residents Parking Scheme *		200			
31 Commercial Property Repairs & Maintenance *		750	750	750	750
Total Provisional Programme	0	6,565	6,393	6,463	6,537
Total Programme	44,970	30,345	22,273	10,105	6,897

CAPITAL PROGRAMME 2005/06 – 2009/10

CABINET MEMBER (FINANCE & EQUALITIES)

Approved Programme

1 John White Community Centre *

2 Access for Disabled People *

Total Approved Programme

Total Provisional Programme

Total Programme

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s
	1,288				
	200				
	1,488	0	0	0	0
	0	0	0	0	0
	1,488	0	0	0	0

COUNCIL INVESTMENT STRATEGY AND POLICY

A. **Strategy Guidelines** – The main principle governing the Council’s investment criteria is the security and liquidity of its investments, although the return will be a consideration, subject to adequate security and liquidity. After this main principle the Council will ensure:

- It has sufficient liquidity in its investments. For this purpose it will set a minimum amount to be held in short term investments (specified investments).
- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counter parties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.

The Director of Finance and ICT will maintain a counter party list in compliance with these criteria and will revise and report this to Cabinet for information. The current proposed criteria are shown below for approval. These criteria is separate to that which chooses Specified and Non-Specified investments as it selects which counterparties the Council will choose rather than defining what its investments are.

- Banks – the Council will use banks which have at least the following Fitch ratings
 - Short Term – F1+
 - Long Term – AA-
 - Individual – C
 - Support – 3
- Bank Subsidiary and Treasury Operations – the Council will use these where the parent bank has the necessary ratings outlined above.
- Building Societies – the Council will use all Societies which meet the following Fitch ratings.
 - Short Term – F1
 - Long Term – A
 - Individual – B
 - Support – 3
- Money Market Funds
- UK Government (including gilts and the DMO)
- Local Authorities, Parish Councils etc
- Supranational institutions

B. **Specified and Non Specified Investments** – In the normal course of the council's cash flow operations it is expected that both specified and non specified investments will be utilised for the control of liquidity as both categories allow for short term investments. The Council will maintain a minimum £20m of investments in specified investments. The use of longer term instruments (greater than one year from inception to repayment) will fall in the

non-specified investment category. These instruments will only be used where the council's liquidity requirements are safeguarded. The Director of Finance and ICT, under delegated powers, will undertake the most appropriate form of investments depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above.

C. **Annual Investment Strategy** - The key requirements of both the CIPFA publication, Treasury Management in the Public Services : Code of Practice and Cross Sectoral Guidance Notes and ODPM investment guidance issued on 12th March 2004, are to set an annual investment strategy covering the identification and approval of the following:

- The strategy guidelines for decision making on investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year. This will need to define broad categories of investment and the regularity of monitoring.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

This strategy is to be approved by full Council.

D. **Investment Policy** – The proposed investment policy is:-

Specified Investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the council has the right to be repaid within 12 months if it wishes. These are low risk assets where the possibility of loss of principal or investment income is negligible. These would include investments with:

1. The UK Government (such as the Debt Management Office, UK Treasury Bills or gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. An investment scheme that has been awarded a high credit rating by a credit rating agency.
5. A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society).

For category 4 this covers a money market fund rated by Fitch rating agency.

For category 5 this covers bodies with a minimum rating of F1+ for banks and F1 for building societies as rated by Fitch rating agency. Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. This criteria are

	Long Term	Short Term	Individual	Support	Term	Limit
Banks with ratings at/above	AA-	F1+	A	3	12 mths	£10m
Banks with ratings of	AA-	F1+	A/B or B	3	6 mths	£5m
Building Societies	A	F1+	B	3	6 mths	£5m
Banks with ratings of	AAA	F1+	B/C	1	6 mths	£5m
Banks with ratings of	AA-	F1+	B/C	1	3 mths	£3m
Banks with ratings of	AAA	F1+	C	1	3 mths	£3m
Building Societies	A	F1	B	3	1 mth	£1m

Lending to County Councils, London boroughs, Metropolitan districts, unitary authorities has the limits 12 months and £5m.

Lending to Shire districts, fire & civil defence authorities, passenger transport authorities and police authorities has the limits 12 months and £2m.

Non-Specified Investments – Non-specified investments are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category	Limit (£ or %)
a.	<p>Supranational Bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. The Guaranteed Export Finance Company {GEFCO})</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure, and these bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond</p>	£30m *

	is sold before maturity.	
b.	Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category 1 above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	£30m *
c.	Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings.	nil
d.	Any bank or building society that has a minimum long term credit rating of F1, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	£30m *
e.	Any non rated subsidiary of a credit rated institution included in the <i>specified</i> investment category. These institutions will be included as an investment category subject to having an individual rating of F1+ and whose parents have the minimum full rating as set out above (per table included above in Section D Investment Policy, Specified Investments)	As per table in Section D above

* Note ~ In aggregate the total of non specified investments falling into categories "a", "b" and "d" will not exceed £30m.

Within category "d" and in accordance with the Code, the Council has developed additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are:

	Long Term	Short Term	Individual	Support	Limit
Banks with ratings at/above	AA-	F1+	A	3	£10m
Banks with ratings of	AA-	F1+	A/B or B	3	£5m
Building Societies	A	F1+	B	3	£5m
Banks with ratings of	AAA	F1+	B/C	1	£5m
Banks with ratings of	AA-	F1+	B/C	1	£3m
Banks with ratings of	AAA	F1+	C	1	£3m
Building Societies	A	F1	B	3	£1m

In addition, the City Council holds share or loan investments for policy reasons. These are non specified investments. In such instances the acquisition of the share or loan capital represents capital expenditure of the authority and is reported on as part of the capital monitoring process.

- E. **The Monitoring of Investment Counter parties** - The credit rating of counter parties will be monitored regularly, at least monthly. However the Council receives credit rating advice from its advisers, Butlers, on a daily basis as and when ratings change, and counter parties are checked promptly. There will be a minor time delay between rating changes and the Council receiving notification, and on occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counter party failing to meet the criteria will be removed from the list immediately by the Lead Accountant (Treasury Management) and, if required, new counter parties which meet the criteria will be added to the list after approval by the Director of Finance and ICT.

- F. **Use of External Fund Managers** – It is the Council's policy to use external fund managers for part of its investment portfolio. The fund managers will use both specified and non-specified investment categories. The terms of the fund managers' investment policies are agreed with them. However, in summary it is intended that the current requirement that the average duration of the investments within each portfolio does not exceed 3 years, is amended so that, in addition no more than 50% of investments can have a duration in excess of 1 year. The purpose of these limits is to minimise the risk arising from fluctuations in longer term interest rates, whilst maximising investment return. The performance of each manager will be reviewed at least quarterly by the Director of Finance, and reported to Cabinet quarterly.

Summary Prudential Indicators

APPENDIX 8

REF (para)		Actual 03/04 £000's	Budget 04/05 £000's	Forecast 05/06 £000's	Forecast 06/07 £000's	Forecast 07/08 £000's
35-	Ratio of financing costs to net revenue stream:					
38	(a) General Fund financing costs	17,837	18,725	21,260	25,285	27,161
	(b) General Fund net revenue stream	341,029	361,180	380,984	391,722	406,795
	General Fund Percentage	5.23	5.18	5.58	6.45	6.68
39	Estimates of Council Tax (Band D equiv) ~ 2005 Programme			65.54	72.04	76.30
39	Estimates of Council Tax (Band D equiv) ~ 2004 Programme			64.29	72.94	75.06
45	Net borrowing and the capital financing requirement:					
	gross borrowing	247,229	284,733	306,872	336,218	357,127
	less investments (see para 88 definition)	-61,569	-56,621	-42,258	-43,881	-43,881
	less transferred debt reimbursed by others (para 93)	-23,182	-23,218	-22,834	-22,424	-21,986
	= net borrowing	162,478	204,894	241,780	269,913	291,260
	Capital Financing Requirement in year 3 (as below)					367,155
	net borrowing must not exceed year 3 CFR			338,956	357,679	367,155
	Capital Expenditure (Note this includes leasing although this is not Capital expenditure)					
51	General Fund	76,770	103,723	123,802	79,260	54,002
	Capital Financing Requirement (CFR)					
53 & 57	Capital Financing Requirement	294,609	324,874	338,956	357,679	367,155
59	Authorised limit for external debt					
	Authorised limit for borrowing	414,938	375,500	366,232	373,641	
	+ authorised limit for other long term liabilities	0	0	0	0	
	= authorised limit for debt	414,938	375,500	366,232	373,641	
60	Operational boundary for external debt					
	Operational boundary for borrowing	394,938	313,922	323,558	337,936	
	+ Operational boundary for other long term liabilities	0	0	0	0	
	= Operational boundary for external debt	394,938	313,922	323,558	337,936	
64	Actual external debt					
	actual borrowing at 31 March 2004	247,229				
	+ actual other long term liabilities at 31 March	0				
	= actual external debt at 31 March 2004	247,229				
66	CIPFA Treasury Management Code?					
	Has the authority adopted the TM Code?			Yes		
	Interest rate exposures					
67-	upper limit on fixed rate exposures			110%	110%	110%
73	upper limit on variable rate exposures			30%	30%	30%
74	Maturity structure of borrowing - limits					
	under 12 months	0%	15%			
	12 months to within 24 months	0%	20%			
	24 months to within 5 years	0%	20%			
	5 years to within 10years	0%	30%			
	10 years & above	40%	100%			
77	investments longer than 364 days					
	upper limit :			30,000	30,000	30,000