

**Time and Date**

10.00 am on Tuesday, 12th June 2018

PLEASE NOTE TIME

Place

Committee Room 3 - Council House

Public business**1. Apologies****2. Declarations of Interest****3. Minutes** (Pages 3 - 12)

(a) To agree the minutes from the meeting of Cabinet on 10th April 2018

(b) Matters arising

4. Exclusion of Press And Public

To consider whether to exclude the press and public for the item(s) of private business for the reasons shown in the report.

5. Revenue and Capital Outturn 2017/18 (Pages 13 - 44)

Report of the Deputy Chief Executive (Place)

6. Care Quality Commission - Outcome of System Review (Pages 45 - 74)

Report of the Deputy Chief Executive (People)

7. The Burges Conservation Area Regeneration (Pages 75 - 88)

Report of the Deputy Chief Executive (Place)

8. West Midlands Joint Committee Dissolution (Pages 89 - 100)

Report of the Chief Executive

9. Edgwick Point and Wheler Road Seven Stars, Coventry - Property Acquisitions (Pages 101 - 110)

Report of the Deputy Chief Executive (Place)

10. **Outstanding Issues**

There are no outstanding issues.

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

Private business

12. **Edgwick Point and Wheler Road Seven Stars, Coventry - Property Acquisitions** (Pages 111 - 120)

Report of the Deputy Chief Executive (Place)

(Listing Officer: P Beesley, Tel: 024 7683 1377)

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

Martin Yardley, Deputy Chief Executive (Place), Council House, Coventry
Monday, 4 June 2018

Note: The person to contact about the agenda and documents for this meeting is Lara Knight / Michelle Salmon, Governance Services, Tel: 024 7683 3237 / 3065, Email: lara.knight@coventry.gov.uk / michelle.salmon@coventry.gov.uk

Membership: Councillors P Akhtar (Deputy Cabinet Member), R Ali (Deputy Cabinet Member), F Abbott, K Caan, G Duggins (Chair), J Innes, A Khan (Deputy Chair), R Lakha (Deputy Cabinet Member), K Maton, J Mutton, J O'Boyle, E Ruane, D Welsh (Deputy Cabinet Member), B Kaur (Deputy Cabinet Member), P Seaman and T Skipper (Deputy Cabinet Member)

By invitation: Councillors A Andrews and G Ridley (non-voting Opposition representatives)

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting
OR if you would like this information in another format or
language please contact us.

Lara Knight / Michelle Salmon
Governance Services

Tel: 024 7683 3237 / 3065

Email: lara.knight@coventry.gov.uk / michelle.salmon@coventry.gov.uk

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 10 April 2018

Present:

Members: Councillor G Duggins (Chair)
Councillor A Khan (Deputy Chair)
Councillor F Abbott
Councillor K Caan
Councillor J Innes
Councillor K Maton
Councillor J Mutton
Councillor J O'Boyle
Councillor E Ruane

Deputy Cabinet Members Councillor P Akhtar
Councillor R Ali
Councillor C Thomas

Non-Voting Opposition Members: Councillor A Andrews
Councillor G Ridley

Other Members: Councillor S Bains
Councillor R Brown
Councillor J Clifford
Councillor J McNicholas
Councillor M Mutton

Employees (by Directorate):

People K Lees, D O'Shaughnessy

Place M Yardley (Deputy Chief Executive (Place)), L Knight,
R Moon, J Newman, A West

Apologies: Councillors L Bigham, B Kaur, D Welsh

Public Business

148. Declarations of Interest

There were no disclosable pecuniary interests.

149. Minutes

The minutes of the meeting held on 6th March 2018 were agreed and signed as a true record. There were no matters arising.

150. Report back from the Task and Finish Group on improving the Quality of Housing and the Health and Wellbeing of Coventry Residents

The Cabinet considered a report of the Deputy Chief Executive (Place), which set out the recommendations from the Health and Social Care Scrutiny Board (5) Task and Finish Group on improving the quality of housing and the health and wellbeing of Coventry residents.

The Health and Social Care Scrutiny Board (5) established a Task and Finish Group to look at improving the quality of housing and the health and wellbeing of Coventry residents, in recognition that housing is a significant factor in impacting health outcomes.

The Task and Finish Group wanted to investigate and draw attention to the link between health and housing, look at the existing work being undertaken by organisations across the City to support people in developing and maintaining healthy homes and to consider how the Council could improve the quality of private rented sector housing.

Members were joined on the Task and Finish Group by representatives from Coventry Citizen's Advice, who were able to provide an insight into the housing challenges faced by Coventry residents. Evidence was provided by the West Midlands Fire Service, Whitefriars Housing, the Council's Housing Enforcement team and Public Health. In addition, a call for evidence was also published electronically to enable private Landlords to give their views.

The Task and Finish Group identified recommendations, which were endorsed by the Health and Social Care Scrutiny Board (5) at their meeting on the 31st January 2018 (their minute 40/17 referred), for the Cabinet's consideration.

RESOLVED that the Cabinet:-

- 1. Authorise that discussions are progressed with the Coventry and Rugby Clinical Commissioning Group to look at hosting advice outreach in GP surgeries, with the discussions and any outcomes to be overseen by the Cabinet Member for Public Health and Sport.**
- 2. Endorse the work of Citizens' Advice Frontline Network and other advice agencies to look at the co-ordination of grant and charity resources to assist tenants to create easier access to funds for tenants in need of support, overseen by the Cabinet Member for Community Development.**
- 3. Note the continued work of the West Midlands Fire Service on the Health Agenda, including working with partners to evaluate the impact and then, if appropriate, explore funding options for the Back Home Safe and Well initiative, overseen by the Cabinet Member for Public Health and Sport and the Cabinet Member for Adult Services.**

4. **Endorse work with city partners to consider opportunities for information sharing, which could lead to the identification of vulnerable people who may benefit from services or support through community resources, such as from Citizen’s Advice, Coventry Independent Advice Services and the Fire Service Safe and Well check, overseen by the Cabinet Member for Adult Services and the Cabinet Member for Community Development.**
5. **Delegate authority to the Deputy Chief Executive (People) in consultation with the Director of Public Health to undertake the necessary work required to define and promote Healthy Homes, overseen by the Cabinet Member for Public Health and Sport.**
6. **Note the proposal to continue to develop Selective Licensing in the City, overseen by the Cabinet Member for Community Development.**

151. **Governance of the West Midlands Fire Service**

Further to Minute 69/17, the Cabinet considered a report of the Chief Executive, which provided an overview of the public consultation evaluation in respect of the Mayoral West Midland Combined Authority (WMCA) Governance Scheme for the West Midlands Fire Service (WMFS) and sought consent to the submission of the Scheme and consultation to the Secretary of State for the Home Office, the Home Secretary.

The WMCA supported the West Midlands Fire and Rescue Authority’s (WMFRA) broad proposal for the transfer of its functions to the Mayoral WMCA on 3rd March 2017. On the 8 September 2017 the WMCA board noted the indicative timeline for the proposed governance route and approved the development of a governance review and scheme for the Mayoral WMCA governance of WMFS pursuant to Sections 111 and 112 (1d) of Local Democracy, Economic Development and Construction Act 2009.

The Governance Review provided a review of existing governance arrangements and functions, including the proposed new model and its benefits under the Mayoral WMCA. As part of the review, the WMCA Overview and Scrutiny Committee formed a Task and Finish Group to consider and make recommendations around the future Governance model.

The Scheme, presented to Cabinet on the 31st October 2017 and Council on the 5th December 2017, detailed the roles, accountabilities, and powers required by each individual and body in the proposed governance model.

In adherence to section 112 of Local Democracy, Economic Development and Construction Act 2009, which states that a combined authority must seek the approval of its constituent councils on the governance review and scheme, all seven constituent councils were consulted between October and November 2017. Unanimous support for the proposed scheme was received from all seven constituent councils, along with approval to proceed to a public consultation. Comments received from councils included: that the fire budget and fire reserves be ring-fenced, that the Mayor appoint the Chair of the Mayoral Fire Advisory Committee (MFAC) in consultation with Constituent Council Leaders, and that

MFAC be composed of no fewer than 15 members to ensure sufficient representation from all constituent authorities. As part of the public consultation exercise the Scheme was revised to reflect these concerns and was set out at Appendix A of the report submitted.

A formal public consultation on the proposed scheme was launched on 11th January 2018 for a period of eight weeks to 8 March 2018. This was pursuant to section 113 (3) Local Democracy, Economic Development and Construction Act 2009. The consultation was a requirement for the making of an order, which stipulated that the Secretary of State must not only consult constituent councils within a combined authority's area but also must have 'due regard to the need - (a) To reflect the identities and interests of local communities and (b) To secure effective and convenient local government'. Details of the consultation responses was set out in Section 3 of the report submitted along with a Consultation Outcome Evaluation at Appendix B.

RESOLVED that the Cabinet:

- 1. Note the outcomes of the formal public consultation.**
- 2. Agree to consent to the submission of the Scheme together with the results of the Consultation to the Secretary of State for the Home Office so as to enable the transfer of governance of West Midlands Fire Service (WMFS) from West Midlands Fire and Rescue Authority (WMFRA) to the Mayoral West Midlands Combined Authority (WMCA).**
- 3. Delegate authority to the Chief Executive following consultation with the Leader of the Council to approve the draft order received from Government to be laid before parliament, to enable the changes for WMCA to assume governance of WMFS.**

152. Implementation of Devolution Agreement - Adult Education Budget (AEB)

The Cabinet considered a report of the Chief Executive, which outlined the process to be followed and sought consent to the making of an order required to enable full devolution of the Adult Education Budget (AEB) to the West Midlands Combined Authority (WMCA).

The WMCA's first Devolution Deal was formally agreed by the Combined Authority Shadow Board on 17th November, 2015. The agreement included the transfer of adult skills funding (Adult Education Budget - AEB) to the WMCA and the subsequent Order establishing the Combined Authority contained details of a number of Adult Education powers although it did not deal with the devolution of funding. In order to prepare for devolution, the Combined Authority was required to meet a series of readiness conditions including the transfer of the Secretary of State for Education's statutory duties in relation to the provision of further education for adults.

The principal purpose of the AEB was to engage adults in learning that supported wider economic and social priorities. Devolution of the AEB would only be applied within constituent member areas, and the indicative budget would be approximately £112m for 2019/20 based on current spend on residents.

The Order, to be received in draft by 19th March 2018, would set out the details of AEB functions that would be transferred to the WMCA with the agreement to devolve the budget. Department for Education (DfE) had been clear that the Order would not cover apprenticeships, adult offender learning or provision for people aged 16 -18. Subject to these exceptions, it was proposed that the following functions contained in the Apprenticeships, Skills, Children and Learning Act (ASCAL) 2009 would transfer to the WMCA in relation to constituent member areas:

1. S86 – Duty to provide appropriate 19+ Further Education (not to include apprenticeships, prisoner education or traineeships).
2. S87 – Duty to provide appropriate Further Education to 19+ learners who do not have certain specified qualifications
3. S88 – Duty to ensure that provision is free for relevant learners who do not have certain specified qualifications

The following powers would be exercised concurrently with the Secretary of State:

1. S90 – Duty to encourage learner and employer participation in education and training of people aged 19+ (except those in adult detention) (to be exercised concurrently with the Secretary of State)
2. S115 – Duty to consider/have regard to the needs of 19+ learners with Special Education Needs (other than those aged 19-25 with Educational Health Care plans, who will remain the responsibility of the LAs as they are treated as 16-18 year old learners).
3. S122 – Power to exchange information with providers to enable provision of 19+ FE (to be exercised concurrently with the Secretary of State).

RESOLVED that the Cabinet:-

1. **Approve the transfer of functions to WMCA as set out in the report to ensure the successful devolution of the Adult Education Budget in 2019.**
2. **Consent on behalf of the City Council to the making of an Order giving effect to this transfer.**
3. **Delegate authority to the Chief Executive, following consultation with the Leader of the Council, to approve the final draft Devolution Order in order to meet the timetable for agreement as set out in the report.**

153. **Salt Lane Multi-Storey Car Park Development**

The Cabinet considered a report of the Deputy Chief Executive (Place), which sought approval of an additional £1m from the Capital Programme, offset by reduced borrowing costs, in respect of the Salt Lane Multi-Storey Car Park Development, to allow the procurement to proceed to award of contract and construction thereafter.

Coventry City Council adopted the City Centre Parking Strategy in August 2016. The strategy recognised that demand for off-street car park would increase during the next decade in line with the growth of the local economy and the transformation of the city centre. It was recognised that ultimately demand would out-weigh the number of spaces available and that investment was needed in order to ensure a sufficient amount of parking spaces were available in the right locations.

On 24 January 2017, Council and Cabinet considered a linked business case for the development of new multi-storey car parks at Salt Lane and New Union Street in the city centre. The business case and the recommendation for the addition of £10.7million to the capital programme funded from the corporate capital resources for 2017/18 and 2018/19 for the development of a new 600 space multi-storey car park at Salt Lane on the site of the existing surface car park was approved.

During 2017, officers appointed consultants to progress the detailed designs of the proposed scheme and had subsequently secured planning permission. Design works had been undertaken in conjunction with stakeholders and Cabinet Member for City Services.

The Cabinet noted that the Salt Lane site was constrained by a large underground BT duct carrying multiple fibre cables which run across the site from the BT exchange. It had been necessary to work with BT to agree a strategy to enable the car park construction works while ensuring continuity of the BT services. This has culminated in BT requiring an assurance duct, at an additional cost to the project of £682k, to be installed prior to the commencement on site by the preferred contractor. These costs were not known at the time of the previous report.

To facilitate the additional works required by BT, it would be necessary to remove two redundant underground fuel tanks at an estimated additional cost to the project of £50k - 100k. There was an associated risk that the removal of the tanks may identify that the surrounding ground is contaminated.

Associated with the building of the multi storey car park were highway and public realm works. The public realm element of the scheme was included within the public realm phase 5 programme which was approved by Cabinet on 6th March 2018. Together with fees, contingency, and the additional BT costs set out above it was expected that the revised budget required to deliver the scheme would be £11.7million which represented an increase of £1million compared to the approved budget.

Prior to the award of the contract to the preferred contractor, approval was required for the additional capital funding that would be required to deliver the scheme.

RESOLVED that the Cabinet approve the addition of £1million to the capital budget, funded from corporate capital resources, for the delivery of the Salt Lane car park as approved in the Business Case report of January 2017.

154. Replacement of Administration Building at Whitley Depot and ICT Data Centre at Jackson Road

The Cabinet considered a report of the Deputy Chief Executive (Place) which sought approval for the replacement of the administration building at Whitley Depot and the ICT Data Centre at Jackson Road.

The Place Directorate continued to review the use and effectiveness of the City Council's operational property. It was clear that the current arrangement of two separate satellite sites for an operational depot and CCTV / data centre are tired, unfit for purpose. Including period repairs, they were also expensive to operate, averaging in excess of £0.5m per year.

The Cabinet noted that Whitley Depot dated back to the 1960's and comprised 14 different buildings; 2 submerged fuelling stations; a weigh bridge and a concealed pond on a sloping site, immediately adjacent to the River Sowe on the Western boundary.

Jackson Road, whilst newer than Whitley, comprised a secure CCTV and alarm monitoring area, ICT hub, a collection of small offices, a poison store and kennelling for stray dogs. The site had constrained access from Holbrook Lane and very limited operational parking. Originally the site formed part of the adjacent St Paul's cemetery, and had limited commercial appeal.

It was proposed that a new building be constructed on the Whitley Depot site, comprising an open plan office; welfare and deployment building on a greatly reduced footprint towards the south of the site, close to the London Road entrance. The new office building would house all back-office staff currently based on site and would create a purpose-built deployment space for the Streetscene and Greenspace, Building Services and Highways teams. The office would mirror the Council's new accommodation standards that were in place at the new Customer Service Centre in Broadgate, the Democratic Centre within the Council House and the new office facility at Friargate.

The report indicated that the main entrance from London Road would be redesigned to create a more fluid movement of staff and commercial vehicles in and out of the site. It would also look to contain visitor parking in a safer and more controlled environment. A neighbouring property had been acquired to make way for the entrance redesign and an area of land to the front of the site cleared. An indicative masterplan sketch of what the site could look like was provided at Appendix A of the report submitted. In addition the scheme would look to provide space for basic parking provision for the remaining neighbouring residents.

All other buildings on site would be demolished with the exception of the grit store and vehicle workshop. The scheme would also de-clutter the site and vastly improve general movement of staff, visitors and commercial traffic. The existing waste transfer station could potentially be relocated within the confines of the site in the future. However, it was not part of the proposed project and would be subject to additional funding.

It was acknowledged that perimeter security would need to be improved (CCTV, fencing, gates etc.) so that the externally contracted security that currently patrolled the site could be cancelled. Instead, the security staff in the Council's Monitoring & Response Service, which would by default be based on site 24/7, would be utilised to carry out deterrent patrols and provide an on-site security presence. The Council's Insurance team had confirmed that this was acceptable from a liability perspective.

The co-location of staff in to one building would improve efficiencies; introduce agile and flexible working arrangements; re-engineer business process and drive out further operational efficiencies moving forward.

In addition, the transfer of facilities from Jackson Road to Whitley Depot would allow the Jackson Road site to be brought into use for burials as an extension to St Paul's cemetery, thus deferring capital spend on provision of burial space in the area.

The total cost of the proposed scheme was £5.1m, £4.6m of which was additional spend which would drive revenue savings. £0.5m related to existing approved resources within the ICT capital programme of 2018/19. The redevelopment of the depot and co-location of services currently based at Jackson Road would produce a net revenue saving from operating one building on one site instead of several buildings on two sites. Future capital expenditure would also be deferred as a result of the creation of additional burial space by incorporating the Jackson Road site as an extension to St Paul's cemetery.

Alternative security measures in the form of the internal Monitoring & Response service would allow the cancellation of the external contract for security guards. There would also be much reduced costs to run the building (heating, cooling, maintenance etc.), These savings would free up revenue budget to afford the cost of financing the proposed building investment cost, and make a significant contribution toward existing Medium Term Financial Strategy (MTFS) savings targets in the process.

In addition, re-provision of an ICT hub on a small part of the existing Jackson Road Site would incur a one off capital cost of £0.75m. This would provide the ICT service with the opportunity to review resilience of the ICT infrastructure in light of the recent network outage on 23rd May 2017. This was part of a wider ICT network re-development programme. £0.5m of the costs were funded from the existing ICT capital programme with the additional £0.25m being funded from within the £4.6m scheme cost.

RESOLVED that the Cabinet:-

- 1. Approve the replacement of all office buildings at Whitley Depot with a smaller, open plan and more efficient administration and deployment facility, and delegate authority to the Deputy Chief Executive (Place) to submit any necessary applications for permission or consents to deliver this facility.**

2. **Approve the replacement of facilities at Jackson Road and the demolition of the existing building to allow land to be brought back into use as additional burial ground at St Paul's cemetery and delegate authority to the Deputy Chief Executive (Place) to submit any necessary applications for consents required to demolish and appropriate the use as additional burial space.**
3. **Approve the overall affordability strategy for the Projects as set out in this report and subject to final scheme proposals being in line with the costs identified within this report.**
4. **Approves the allocation of £0.5m existing ICT capital resources against the ICT Data Centre scheme.**
5. **Delegates authority to the Deputy Chief Executive (Place), Deputy Chief Executive (People), and the Legal Services Manager as appropriate, to negotiate, finalise and award contracts required to deliver the Projects within the affordability parameters detailed in this report.**
6. **Consult with the Cabinet Member for City Services prior to the finalising of the design of the building and submission of any planning application.**
7. **Recommend that Council approve the addition of the replacement administration depot scheme at a cost of £4.6m to the Council's capital programme for 2018/19 onwards and uses its prudential borrowing powers under the Local Government Act 2003 to fund the project as required.**

155. **Outstanding Issues**

There were no outstanding issues.

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

There were no other items of public business.

(Meeting closed at 2.15 pm)

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Cabinet
Audit and Procurement Committee
Council

12th June 2018
18th June 2018
10th July 2018

Name of Cabinet Member:

Strategic Finance and Resources – Councillor J Mutton

Director Approving Submission of the report:

Deputy Chief Executive Place

Ward(s) affected:

All

Title:

Revenue and Capital Outturn 2017/18

Is this a key decision?

Yes

The report deals with financial matters in excess of £1.0m including specific new recommendations to allocate resources within the outturn position.

Executive Summary:

This report outlines the final revenue and capital outturn position for 2017/18 and reviews treasury management activity and 2017/18 Prudential Indicators reported under the Prudential Code for Capital Finance.

The overall financial position includes the following headline items:

- Revenue underspending of £1.6m which is required to be contributed to the Council's General Fund reserve.
- Within this position, contributions to reserves that require approval; £3.25m for future UK City of Culture costs and £2.1m to strengthen the Council's Business Rates' reserve.
- Headline overspends of £2.7m within Children's Services and £4.2m relating to Housing Benefit payments; part of wider budgetary pressures relating to housing and homelessness issues.
- An underspend of £6.6m within Corporate budgets relating to variations in inflation contingency, pension, treasury management and Business Rates related budgets.
- Capital Programme expenditure of £107m which is £17m less than envisaged at the start of the year.
- An increase in the level of Council revenue reserves from £51m to £67m.

The underlying revenue position has improved significantly since Quarter 3 when an overspend of £1.8 was forecast. In particular this relates to improvements within Children's Services, Adult Social Care, Customer Services and Transformation and Contingency and Central budgets which are set

out in the report. This has enabled the Council to bring forward the fulfilment of several policy commitments and/or transactions recommended by the Council's Director of Finance and Corporate Services – the Council's Section 151 officer - to strengthen the Council's balance sheet position. These are reflected in the recommendations below and explained in section 5.1.

Recommendations:

Cabinet is recommended to approve:

1. The final revenue outturn underspend of £1.6m (section 2.1 and Appendix 1) which will be added to the Council's General Fund reserve.
2. The final capital expenditure and resourcing position (section 2.3 and Appendix 2), incorporating expenditure of £106.5m against a final budget of £121m; £14.7m expenditure rescheduled into 2018/19 and a net underspend £0.7m.
3. The outturn Prudential Indicators position in section 2.4.4 and Appendix 3.

Cabinet is requested to recommend to the Council:

4. Approval of reserve contributions of £3.25m to meet UK City of Culture commitments and £2.1m to add to the Council's Business Rates reserve.

Audit and Procurement Committee is recommended to:

1. Consider the contents of the report and determine whether there are any issues which it wants to refer to the Cabinet Member for Strategic Finance and Resources.

Council is recommended to:

1. Approve reserve contributions of £3.25m to meet UK City of Culture commitments and £2.1m to add to the Council's Business Rates reserve.

List of Appendices included:

Appendix 1	Detailed breakdown of Directorate Revenue Variations
Appendix 2	Capital Programme Changes and Analysis of Rescheduling
Appendix 3	Prudential Indicators

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes - Audit and Procurement Committee 18th June 2018

Will this report go to Council?

Yes – 10th July 2018

Report title: Revenue and Capital Outturn 2017/18

1. Context (or background)

- 1.1 This report sets out the Council's revenue and capital outturn position in 2017/18 and performance against its Prudential Indicators for the year. The City Council set a revenue budget for the year of £232.5m and a Capital Programme of £123m.
- 1.2 The reported figures show the Council's financial position in relation to management accounts used to monitor performance through the year. The Audit and Procurement Committee will consider separately the Council's statutory Statement of Accounts.

2. Options considered and recommended proposal

2.1 Revenue Outturn

- 2.1.1 Table 1 below summarises the outturn position, an underspend of £1.6m. Local Government accounting rules require this underspend to be contributed to the Council's General Fund Balance.

Table 1 Summary Outturn Position

Service Area	Net Budget £m	Outturn Position £m	Variation £m	Variation %
People Directorate				
Public Health	1.6	1.4	(0.2)	(13%)
Directorate Management	1.5	1.4	(0.1)	(7%)
Education & Inclusion	12.5	12.2	(0.3)	(2%)
Children & Young People	70.3	73.0	2.7	4%
Adult Social Care	81.9	80.7	(1.2)	(1%)
Customer Services & Transformation	2.9	3.6	0.7	24%
Total People Directorate	170.7	172.3	1.6	1%
Place Directorate				
Directorate Management	3.7	3.8	0.1	3%
City Centre & Major Projects	7.2	7.4	0.2	3%
Transportation & Highways	4.2	4.6	0.4	10%
Streetscene and Regulatory	27.3	28.3	1.0	4%
Project Management & Property	(7.7)	(8.4)	(0.7)	(9%)
Finance & Corporate Services*	7.0	9.4	2.4	34%
Total Place Directorate	41.7	45.1	3.4	8%
Contingency & Central Budgets**	20.1	13.5	(6.6)	(33%)
Total**	232.5	230.9	(1.6)	(1%)

*An overspend of £4.2m within Finance and Corporate Services relates to non-reclaimable Housing Benefit Subsidy for temporary and supported accommodation **Net position after £5.4m of contributions to reserves recommended as part of the outturn position.

2.1.2 A projected over-spend of £1.8m was reported at quarter 3. The main underlying movements between quarter 3 and outturn are as follows:

- Children and Young People - £2.0m favourable
- Adult Social Care - £0.9m favourable
- Customer Services & Transformation - £0.9m favourable
- Streetscene & Regulatory - £0.6m adverse

This results in an overall favourable swing of £3.4m in the final quarter resulting in the overall underspend of £1.6m. Prior to the recommended reserve contributions a further favourable swing of £4.9m occurred within Contingency and Central budgets with the overall reasons for this being explained at 2.1.3 below.

Further detail is set out below.

2.1.3 Directorate Positions

Contingency and Central (£6.6m Underspend)

Inflation Contingencies have underspent by £3.6m, in part relating to lower than expected costs of pensions auto-enrolment. This is not unlikely to reoccur in 2018/19 on the basis that a saving of £2.3m has been built into Budget Setting and the additional cost of a 2% pay award has been absorbed. There is an underspend on pensions of £1.8m due largely to the £90m early payment of employer superannuation costs which has generated a discount for the Council from the West Midlands Pension Fund. Uncertainty around the impact of this mechanism has resulted in most of this underspend crystallising in the last quarter. The Council has received £2.1m more than budgeted for Business Rates compensation grants whilst the Asset Management Revenue Account has underspent by £1.7m including a £0.8m late swing in treasury investment value most of which has been recognised only upon disinvestment towards the end of the year. The Coventry and Warwickshire Business Rates Pool has generated a £1.1m surplus in excess of budget whilst the Council's contribution to the WMCA Devo Deal has been £0.6m less than budgeted, with the scale of these variations only being confirmed in the final quarter. The reserve contributions recommended will be made from this area, resulting in the overall underspend of £6.6m.

People (£1.6m Overspend)

The People Directorate has continued to face significant financial challenges throughout the 2017/18 financial year. Whilst the overall position is a £1.6m overspend after a number of one off benefits, an underspend of £5.1m on centralised salaries masks a significant overspend of £6.6m on other areas. £2.7m of this relates to undelivered savings targets which have not been possible to deliver in year. In addition to the undelivered savings targets there are significant budgetary control pressures, particularly within Childrens Services. We have seen a significant increase in the Looked After Children population in 2017/18 - average LAC numbers in 2016/17 were 587, whereas the average numbers in 2017/18 were 644, which is creating additional financial pressure across LAC placements and supported accommodation provision for care leavers. Childrens Leadership Team have been working to reduce cost and as a result have managed to reduce numbers in residential provision, this has reduced the residential forecast by £0.4m since quarter 2. Further work in relation to placement mix across LAC and young people leaving care forms part of the ongoing Children's Transformation programme.

Place (£3.4m Overspend)

The directorate's deficit position of £3.4m is as a result of a number of underlying and compensating issues, however the vast majority of the pressure relates to the net £3.3m cost impact of increased homelessness on the Housing Benefit Subsidy account due both an increase in homeless people, together with the insufficiency of the government subsidy to cover the full cost of placing them in emergency accommodation.

2.1.4 The Council has continued to reduce employee numbers. In 2017/18 around 300 individuals have left the Council on the basis of early retirement or redundancy. These decisions are the result either of the Early Retirement/Voluntary Redundancy (ER/VR) programme started towards the end of 2016 or of other transformation or structural changes within services which have helped to deliver the savings programmes required within the Council's budget. The resulting redundancy and pension strain costs to the Council amount to £3m which has been funded from a budget of £2.5m established for this purpose and a further £0.5m funded within the overall bottom line.

2.2 Reserves

2.2.1 The Council's revenue reserve balance at the end of 2017/18 is £67.1m, compared with £51.3m at the end of 2016/17. In addition, balances generated from capital receipts and capital grants to fund future capital projects have increased from £30.2m to £31.2m and reserve balances belonging to or earmarked to support schools which have increased from £22.6m to £24.3m. The total reserve movement in 2017/18 is summarised in the table below.

2.2.2 The reserve balances include £10.7m set aside as part of the Council's three long-term Private Finance Initiative models, £8.3m set aside to fund costs arising from early retirement and redundancy decisions, £5.1m set aside for the Council's contribution to the UK City of Culture and cultural event costs, £4.8m to support the Adult Social Care Better Care Fund model and £5.1m in relation to the Kickstart project. The £6.3m Management of Capital reserve includes revenue reserves to fund future capital projects and has increased by £0.8m in the year.

2.2.3 The Cabinet Member for Strategic Finance and Resources will consider an analysis of these balances and potential future spending commitments shortly and will bring recommendations forward as part of Budget Setting proposals or specific reports to Cabinet later in the year. It is also envisaged that Scrutiny Board 1 will undertake a detailed review of reserve balances this year in line with recent practice.

Table 2 Summary of Reserve Movements in 2017/18

	Balance at 31st March 2017	(Increase)/ Decrease	Balance at 31st March 2018
	£000	£000	£000
<u>Council Revenue Reserves</u>			
General Fund Balance	(3,134)	(1,568)	(4,702)
Private Finance Initiatives	(11,308)	527	(10,781)
Potential Loss of Business Rates Income	(1,970)	(1,444)	(3,414)
Early Retirement and Voluntary Redundancy	(8,261)	0	(8,261)
Birmingham Airport Dividend	(4,400)	0	(4,400)

City of Culture	0	(5,050)	(5,050)
Kickstart Project	(2,986)	(2,082)	(5,068)
Adult Social Care	(18)	(4,780)	(4,797)
Leisure Development	(894)	(705)	(1,599)
Public Health	(740)	134	(606)
Troubled Families	(686)	200	(486)
Insurance Fund	(1,786)	191	(1,595)
Management of Capital	(5,566)	(766)	(6,332)
Other Corporate	(973)	375	(598)
Other Directorate	(5,839)	(1,355)	(7,194)
Other Directorate funded by Grant	(2,785)	592	(2,194)
Total Council Revenue Reserves	(51,346)	(15,731)	(67,077)
<u>Council Capital Reserves</u>			
Useable Capital Receipts Reserve	(20,489)	(3,489)	(23,978)
Capital Grant Unapplied Account	(9,737)	2,558	(7,179)
Total Council Capital Reserves	(30,226)	(931)	(31,157)
<u>School Reserves</u>			
Schools (specific to individual schools)	(18,126)	(1,464)	(19,590)
Schools (for centrally retained expenditure)	(4,493)	(249)	(4,742)
Total School Reserves	(22,619)	(1,713)	(24,332)
Total Overall Reserves	(104,191)	(18,375)	(122,566)

2.3 Capital Outturn

2.3.1 The capital outturn position for 2017/18 is shown in summary below and in greater detail in Appendix 2:

Table 3: Capital Outturn Summary

Final Budget £m	Final Spend £m	Net Rescheduling Now Reported £m	Over- spends £m	Total Variance £m
120.9	106.5	(14.7)	0.7	(15.4)

The quarter 3 monitoring report to Cabinet on 13th February 2018 approved a revised capital budget of £120.9m for 2017/18. Since then there has been a net programme increase of c£1m giving a final budget for the year of £122.9m. Since February, a total of £14.7m net rescheduled spending has arisen on directorate capital programmes. A scheme by scheme analysis is included in Appendix 2 and this is summarised in the table below.

Table 4: Summary of Rescheduling

Project	(Rescheduling) /Accelerated Spend £m	Explanations
People Capital Programme (Schools and ICT)	(2.1)	General slippage £1.3m within the schools programme, based on lack of demand for school adaptations and internal staff changes. In addition £0.4m for DFG's/pathways to care take up of grant this year, £0.4m for ICT investment
Highways, Transport and Public Realm Programme	(3.0)	£0.7m WMCA UKC programme and £0.5m of S106 works which are reliant on 3 rd party match funding and some issues in tender prices. £0.9m involves works at Manor Farm (WHG Schemes) and subcontractor issues, £0.4m for Nationwide demolition has now been re-contracted for works to progress.
City Centre South and Friargate	(2.5)	Within the CCS programme progress has been made to acquire properties within the city centre this year, however it is difficult to predict as it is outside the Council control and therefore the rescheduling reflects the fact that there were not as many acquisition opportunities as originally anticipated. Friargate has seen some savings generated by maximising our internal resources rather than procuring external advisors.
Growth Grant Programme	0.8	General advancement of projects including project at Rugby Construction and Techno park and Getting Nuneaton Moving.
Whitley South Infrastructure	(4.6)	The spend profile on a project of this scale and nature is estimated at an early stage based on an industry standard S curve approach. Due to the delayed start and less activity on site during the months of February and March due to inclement weather we have incurred a slippage of £4.6m.
Kickstart Office	(1.2)	The underspend in 2017/18 has arisen due to lower than expected decommissioning costs in relation to the existing buildings and a slight delay in the completion of the Heatline contract for Friargate which has meant the first milestone payment is pushed back into 2018/19
Sports, Leisure and Parks	(2.0)	£1.6m of slippage on the Destination Leisure Facility as the slides and reroofing works have been re-sequenced to 2018/19, in addition a slight delay in the construction works for the 50m Pool at Alan Higgs
Others	(0.1)	Net movement
TOTAL	14.7	

Table 5: Over and Underspends in the Capital Programme

Project	Over/ (Under)spend	Explanations
Vehicle Plant Replacement	(0.7)	The service has undergone a review from 2018/19 of its requirements for vehicles acquisition over the next 5 years. This process has identified a reduction in our Prudential Borrowing requirement in 2017/18
Total	(0.7)	

2.3.2 The 2017/18 and future the Programme continue to maintain a significant investment in the City's Capital investment incorporating expenditure on the following key programmes and schemes:

- Highways and Public Realm. The City Council has continued to make significant investment in specific Public Realm schemes, a further £7.75m of Local Growth Deal funding has been secured and schemes are being designed currently to commence delivery in 2018-19. In addition works continue on the resurfacing of roads, and upgrading of Swanswell Viaduct nears completion.
- Connecting Coventry is a strategic transport programme of £620m investment in transport infrastructure in Coventry over the next 10 years. In 2017/18 £5.9m of spend has been incurred within the Programme including the A46 link road, Very Light Rail and Coventry Station Master Plan, currently funded from the Local Growth Deal. The primary source of funding going forward will be a mixture of WMCA – Devolution Deal, along with Local Growth Deal, DfT, Highways England and private investment.
- City Centre South (CCS) is a major regeneration project covering the southern part of Coventry city centre, which will transform the area by redeveloping approximately half (6.7 hectares) of the city centre retail core. WMCA funding is just under £100m, and the Council is investing in the form of properties and land worth £28m which are being transferred into a Special Purpose Vehicle for the development formed with a private developer. Acquisitions of Hertford Street/market Way and Coventry Point have now been secured.
- Education capital grant funding is made up of two elements, Basic Need and Condition/ Maintenance. The programme this year has slipped due to some in-house capacity issues, but the City Council still has sufficient school places, in mainstream schools, secured by the primary school expansion programme in 2008-14. The replacement of Tiverton Primary School at Whitley, which is under construction, will start to address the shortage of places in special education provision in the City, due for completion in 2018/19.
- City Centre Destination Leisure Facility (CCDLF) - In September 2014, Coventry City Council approved the addition of £36.7m to its capital programme for 2014/15 onwards, for the development of the CCDLF on the existing Christchurch House and Spire House site. The CCDLF is currently on Programme and scheduled to be fully opened in spring 2019. The next stage of the sports strategy to build the 50m Swimming Pool at the Alan Higgs Centre and bowling facilities are underway for 2018/19

- On the 22nd December 2017 the City Council acquired 100% of the ordinary share capital of Coombe Abbey Park Limited (CAPL), the principal activity of which is the running of the Coombe Abbey Hotel. The purchase of £9m represent a capital cost to the Council.
- Whitley South Infrastructure – In July 2016 the Council approved the site at Whitley South to be used to develop the expansion plants of JLR by developing the public infrastructure to accommodate proposed Research & Development campus, accommodate a number of small medium enterprises together with a hotel and car show room.

2.3.3 The funding in respect of this capital expenditure of £106.5m is summarised in Table 6 below. The Programme has been resourced c56% from capital grants and where possible the use of these grants has been maximised to defer the Councils requirement for prudential borrowing in year. In 2017/18 £15m Growth funding has been applied which need to be back-filled by capital reserves, capital receipts and prudential borrowing over the next few years.

Table 6: Capital Funding

	Funding the Programme £m	Available Resources £m	Resources Carried Forward £m
Prudential Borrowing	31.0	31.0	0
Grants and Other Contributions	59.8	66.7	6.9
Revenue Contributions	2.7	2.7	0
Capital Receipts	12.2	36.1	23.9
Capital of Management Reserve	0.7	7.0	6.3
Total Resourcing	106.5	143.5	37.1

2.4 Treasury Management Activity

2.4.1 Contrary to expectations following the EU referendum in June 2016, the UK economy strengthened by 1.8% in the calendar year 2017, the same level as 2016. However, inflation rose to as high as 3.1% in November 2017 before falling back to 2.7% in February 2018 meaning that real earnings fell as earnings growth dropped below inflation. This meant that the Bank of England increased the Bank Rate by 0.25% to 0.5% in November 2017, the first rate increase in ten years.

Current forecasts indicate that the Bank Rate will continue to increase gradually, perhaps seeing another 0.25% increase in 2018 with increases continuing potentially meaning a Bank Rate of 1.25% by September 2019.

Longer term rates, at which local authorities borrow from the Public Works Loans Board (PWLb), were:-

Table 7: PWLB Interest Rates

PWLB Loan Duration (standard rates)	Minimum in 2017/18	Maximum in 2017/18	Average in 2017/18
5 year	1.34%	2.21%	1.70%
20 year	2.66%	3.10%	2.84%
50 year	2.45%	2.84%	2.61%

Given the above rates it has continued to be cheaper for local authorities to use short rather than long term funds for financing.

2.4.2 Long Term Funding - At outturn, the Capital Financing Requirement (CFR), which indicates the authority's underlying need to borrow for capital purposes, has increased by £19.7m:-

Table 8: 2017/18 Capital Financing Requirement (CFR)

	£m
Capital Financing Requirement at 1 st April 2018	380.8
Borrowing required to finance 2017/18 Capital Programme	31.1
PFI & Finance Leases liabilities	0.3
Donated Assets	(0.3)
Provision to Repay Debt (Minimum Revenue Provision)	(10.2)
Provision to Repay Debt (Capital Receipts Set Aside)	0.0
Repayment of Transferred Debt	(1.0)
Reduction of Provision and other restatements	(0.1)
Capital Financing Requirement at 1 st April 2018	400.5

No new long term borrowing was actually taken out during 2017/18, however, some borrowing will be required in the future to support current capital expenditure plans and the need for any such borrowing will be kept under review in 2018/19. Within 2017/18, the movements in long-term borrowing and other liabilities were:-

Table 9: Long Term Liabilities (debt outstanding)

Source of Borrowing	Balance at 31st March 2017 £m	Repaid in Year £m	Raised in Year £m	Balance at 31st March 2018 £m
PWLB	209.4	(5.5)	0	203.9
Money Market	59.0	(21.0)	0	38.0
Stock Issue	12.0	0	0	12.0
Other	0.5	(0.1)	0	0.4

sub total ~ long term borrowing	280.9	(26.6)	0	254.3
Other Local Authority Debt	15.4	(1.1)	0	14.3
PFI & Finance Leasing Liabilities	73.9	(2.4)	0.2	71.7
Total	370.2	(30.1)	0.2	340.3

This long term borrowing is repayable over the following periods:-

Table 10: Long Term Borrowing Maturity Profile (excluding PFI & transferred debt)

Period	Long Term Borrowing £m
Under 12 Months	17.7
1 – 2 years	6.2
2 – 5 years	33.5
5 – 10 years	16.2
Over 10 years	180.7
Total	254.3

In line with CIPFA Treasury Management Code requirements, Lenders Option, Borrowers Option Loans (LOBOs) with banks are included in the maturity profile based on the earliest date on which the lender can require repayment. The Council has £38m of such loans, £10m of which the lender can effectively require to be paid at annual intervals, and £28m at 5 yearly intervals

2.4.3 Short Term In House Borrowing and Investments - The Treasury Management Team acts on a daily basis to manage the City Council's day to day cash-flow, by borrowing or investing for short periods. By holding short term investments, such as money in call accounts, authorities help ensure that they have an adequate source of liquid funds. A total of £45m of short term borrowing was taken out during the year, with £30m still outstanding at 31st March 2018. This borrowing was all taken out with other Local Authorities & public sector bodies and was required to manage short term cash flow shortages towards the end of the financial year. During the year the Council held significant short term investments, as set out in Table 11. The average short term investment rate in 2017/18 was 0.56%.

Table 11: In House Investments at 31st March 2018

	At 30th June 2017 £m	At 30th Sept 2017 £m	At 31st Dec 2017 £m	At 31st Mar 2018 £m
Banks and Building Societies	23.4	24.4	14.4	4.4
Local Authorities	0.0	0.0	0.0	0.0
Money Market Funds	26.9	9.9	6.7	2.5
Corporate Bonds	10.4	11.4	5.4	5.4
Registered Providers	8.0	8.0	8.0	8.0
Total	68.7	53.7	34.5	20.3

In addition to the above in-house investments, a mix of Collective Investment Schemes or “pooled funds” is used, where investment is in the form of sterling fund units and not specific individual investments with financial institutions or organisations. These funds are generally AAA rated, are highly liquid, as cash can be withdrawn within two to four days, and short average duration of the intrinsic investments. The intrinsic Sterling investments include Certificates of Deposits, Commercial Paper, Corporate Bonds, Floating Rate Notes and Call Account Deposits. However, they are designed to be held for longer durations allowing any short term fluctuations in return due to volatility to be smoothed out.

Table 12: External, Pooled Investments as at 31st March 2018

	Date Invested	Cost £m	Value £m	Annualised Return %
CCLA	Nov 2013	10.0	10.54	4.86%
Payden Sterling Reserve	Feb 2012	7.5	7.95	1.02%
Royal London Enhanced Cash Plus Fund	Sep 2016	4.8	4.86	0.72%
Deutsche Ultra Short Fund	Jan 2017	1.0	1.01	0.49%
Royal London Cash Plus Fund	Sep 2016	3.0	3.03	0.47%
Total		26.3	27.39	2.22%

In placing investments the authority manages credit risk within the parameters set out in the investment strategy, approved as part of the budget setting report. Central to this is the assessment of credit quality based on a number of factors including credit ratings, credit default swaps (insurance cost) and sovereign support mechanisms. Limits are set to manage exposure to individual institutions or groups. Whilst the fears of systemic banking failures may have receded, the development of “bail-in” make it almost certain that unsecured and corporate investors would suffer losses in the event of a bank default. Credit risk remains an issue for local authorities.

2.4.4 Prudential and Treasury Indicators - The Local Government Act 2003 and associated CIPFA Prudential and Treasury Management Codes set the framework for the local government capital finance system. Authorities are able to borrow whatever sums they see fit to support their capital programmes, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against a number of prudential and treasury indicators relating to capital, treasury management and revenue issues. These indicators are designed to ensure that borrowing entered into for capital purposes was affordable, sustainable and prudent. The purpose of the indicators is to support decision making and financial management, rather than illustrate comparative performance.

Revenue Related Prudential Indicators

Within Appendix 3 the Ratio of Financing costs to Net Revenue Stream (Ref 1) highlights the revenue impact of the capital programme. This shows that the revenue costs of financing our capital expenditure as a proportion of our income from government grant and Council Tax. The actual is 12.38%, as against 13.55% as forecast in the Treasury Management Strategy. This reflects a lower level of borrowing than anticipated to fund the Capital Programme and higher levels of investment balances.

Capital and Treasury Management Related Prudential Indicators

These indicators, set out in Appendix 3, include:

- **Authorised Limit for External Debt** (Ref 5) ~ This represents the level of gross 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 and potential debt restructuring. This is a statutory limit. Borrowing plus PFI and finance lease liabilities at £360.9m was within the limit of £470.4m.
- **Operational Boundary for External Debt** (Ref 6) ~ This indicator is based on the probable level of gross borrowing 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. Borrowing plus PFI and finance lease liabilities at £360.9m was within the boundary of £430.4m.
- **Gross Debt v "Year 3" Capital Financing Requirement** (Ref 2) ~ 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 current year plus the estimates of any additional capital financing requirement for the 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. Gross debt is within the "year 3" or 2019/20 CFR limit of £511.9m.
- **Debt Maturity Structure, Interest Rate Exposure and Investments Longer than 364 Days** (Ref 8 - 10) ~ 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 Councils overall financial position. Treasury Management activity was within these limits. The Debt Maturity PI (Ref 9) indicates that there is a potential 21.6% of total debt that needs to be refinanced in 2018/19, compared to the PI limit of 40% in the 2018/19 Treasury Management Strategy. The potential refinancing need includes LOBO loans for which the lender effectively has a call option, which if exercised would require the Council to repay the loan. If these loans were required to be repaid, the City Council would look to refinance these at lower borrowing costs or through the use of investment balances in the first instance.

3. Results of consultation undertaken

3.1 None.

4. Timetable for implementing this decision

4.1 There is no implementation timetable as this is a financial monitoring report.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The final revenue outturn picture for 2017/18 is underspend of £1.6. This is calculated after taking account of recommended contributions to reserves; £3.25m. to fulfil a financial commitment that the Council has already made formally to support future UK City of Culture activity and; £2.1m into the Business Rates reserve to increase the Council's financial resilience ahead of the uncertainty that surrounds forthcoming changes to local Government

Finance. Accounting regulations demand that the final £1.6m underspend is contributed to the Council's General Fund Balance, topping this particular reserve up to £4.7m which represents 2% of net revenue budget in line with the Council's Medium Term Financial Strategy.

Large overspends have occurred within individual service areas, most notably children's social care and services relating to housing and homelessness.

Children's social care has been a persistent area of budget pressure in recent years caused by comparatively high and growing numbers of Looked After Children. The Council has provided additional budgetary provision in the 2018/19 Budget process and has plans in place to help manage the number of children in the Council's care and the type of care provided. Nevertheless, this will continue to be one of the key areas of budgetary focus in 2018/19.

Housing and homelessness has emerged as a budgetary issue more recently, both in Coventry and nationally. The number of individuals and families presenting with a housing need has outstripped the supply of traditional sources of accommodation leading to a need to use more expensive housing alternatives for which Government Housing Benefit subsidy covers only part of the cost to the Council. Again the Council has provided additional budgetary provision and is in the process of identifying appropriate and financially sustainable solutions to these issues.

A number of service areas reported budgetary underspends and/or reported a significantly improved position in the final quarter of the year. This delivered an overall underspend at year end and a significant positive swing from the reported Quarter 3 position. A large proportion of this improvement came from sources that were difficult to predict or impossible to rely upon when the Council last reported its financial position. In addition to unexpectedly high windfall Business Rates compensation grants, a number of these have come about as a result of background work to improve and support the Council's financial position including:

- Up front payment of 3 years of employer pension contributions sharing the benefits of enhanced rates of investment returns available to the West Midlands pension Fund.
- Returns from the Coventry and Warwickshire Business Rates Pool – keeping Business Rates growth income across the sub-region locally rather than this being returned to Government
- Early repayment of one of the Council's long-term debts at a financially advantageous rate.
- Redemption of one of the Council's long-term treasury investments with in-year crystallisation of the capital growth.
- Provision of a guarantee to the Coventry and Solihull Waste Disposal Company enabling the Company to release sustained dividend levels.

The Council continues to face reductions in government funding and a need to absorb the financial impact of demographic and societal pressures such as those outlined above. Management attention has continued to focus on appropriate approaches to manage these pressures, to deliver the existing financial savings programmes approved previously and to focus on new ways of balancing the Council's budget.

On balance, although some areas of the budget are overspent, the Council remains in a robust financial position due to a range of ongoing measures. The Council continues to give a high priority to financial management at a senior level and strong corporate control continues to be applied allowing the Council to take advantage of tactical opportunities to protect its budget such as: central control of salaries, management of reserve balances and

capital receipts for corporate use, implementation of staff reduction programmes and continued attraction of significant external funding. These actions have helped to contribute to continued achievement of underspends and demonstrates the continued strength of the Council's budget management approach.

Management of the Council's programme of savings targets has not achieved universal success across all service areas. Care will be needed to ensure that the scale and pace of savings targets remains realistic in the face of service demands, recognising also that all services need to contribute to the changes needed to deliver a balanced budget.

Significant application of grant funding has been undertaken within the Capital Programme although some previously approved prudential borrowing has been applied within 2017/18. The level of Prudential Borrowing applied is likely to increase over the next couple of years as the relevant capital spending is incurred and as other sources of funding are exhausted.

The increase in the Council's reserves reflects several different circumstances; the need to fund future spending commitments that the Council has already entered into (City of Culture); the need to support spending programmes that have a multi year dimension (Kickstart, Adult Social Care); and to provide protection against potential risks to the Council's overall financial health (General Fund Balance, Business Rates). Events elsewhere within local government including; the issuing of a Section 114 Notice at Northamptonshire; sector wide concerns at the diminution of reserve balances and; perceived threats from the future of the Local Government Finance model beyond 2019/20, have demonstrated the importance of maintaining a robust balance sheet position. The view of the Director of Finance and Corporate Services is that the Council needs to ensure that it maintains sufficient resources to protect against financial shocks and provide resources that can be utilised at appropriate times to invest in local infrastructure or income earning assets. This view extends to the assessment that current reserves represent an appropriate level of balances for an authority of the Council's size. These balances are all earmarked for approved uses or will otherwise be available for member decision in the forthcoming Budget Setting process.

5.2 Legal implications

There are no specific legal implications in relation to this report.

6. Other implications

6.1 How will this contribute to achievement of the Council's Plan?

The Council monitors the quality and level of service provided to the citizens of Coventry and the key objectives of the Council Plan. As far as possible we will try to deliver better value for money in the services that we provide in the context of managing with fewer resources.

6.2 How is risk being managed?

The need to deliver a stable and balanced financial position in the short and medium term is a key corporate risk for the local authority and is reflected in the corporate risk register. Budgetary control and monitoring processes are paramount to managing this risk and this report is a key part of the process.

6.3 What is the impact on the organisation?

The revenue and capital outturn position reported here demonstrates that the Council continues to undertake sound overall financial management. This will continue to be very important in the light of the massive challenges being faced with regard to the level of funding available to local government over the next few years.

6.4 Equalities / EIA

No specific impact

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

Report author(s):**Name and job title:**

Paul Jennings
Finance Manager Corporate Finance

Directorate:

Place

Tel and email contact:

Tel: 02476 83 3753

Email: Paul.jennings@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Co-ordinator	Place	15/5/18	20/5/18
Helen Williamson	Lead Accountant	Place	7/5/18	7/5/18
Paul Hammond	Accountant	Place	7/5/18	7/9/18
Rachael Sugars	Finance Manager	Place	14/5/18	14/5/18
Ewan Dewar	Finance Manager	Place	14/5/18	14/5/18
Phil Helm	Finance Manager	Place	14/5/18	14/5/18
Names of approvers for submission: (officers and Members)				
Barry Hastie	Director of Finance and Corporate Services	Place	21/5/18	21/5/18
Carol Bradford	Corporate Governance Lawyer, Legal Services	Place	15/5/18	21/5/18
Councillor J Mutton	Cabinet Member for Strategic Finance and Resources	-	14/5/18	14/5/18

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Appendix 1 Revenue Variations

Appendix 1 details directorate forecast variances.

Budget variations have been analysed between those that are subject to a centralised forecast and those that are managed at service level (termed “Budget Holder Forecasts” for the purposes of this report). The Centralised budget areas relate to salary costs – the Council applies strict control over recruitment such that managers are not able to recruit to vacant posts without first going through rigorous processes. In this sense managers have to work within the existing establishment structure and salary budgets are not controlled at this local level. The Centralised Forecast under-spend shown below is principally the effect of unfilled vacancies.

Directorate	Revised Budget	Forecast Spend After Action/ Use of Reserves	Centralised Forecast Variance	Budget Holder Forecast Variance	Net Forecast Variation
	£m	£m	£m	£m	£m
Public Health	1.6	1.4	(0.1)	(0.1)	(0.2)
People Directorate Management	1.5	1.4	0.0	(0.1)	(0.1)
Education and Skills	12.5	12.2	(0.3)	0.0	(0.3)
Children and Young People's Services	70.3	73.0	(4.2)	6.9	2.7
Adult Social Care	81.9	80.7	(0.6)	(0.6)	(1.2)
Customer Services & Transformation	2.9	3.6	0.1	0.6	0.7
Total People Directorate	170.7	172.3	(5.1)	6.7	1.6
Place Directorate Management	3.7	3.8	0.0	0.1	0.1
City Centre & Major Projects Development	7.2	7.5	0.1	0.2	0.3
Transportation & Highways	4.2	4.6	(0.4)	0.8	0.4
Streetscene & Regulatory Services	27.3	28.4	(0.3)	1.4	1.1
Project Management and Property Services	(7.6)	(8.4)	0.7	(1.5)	(0.8)
Finance & Corporate Services	6.9	9.4	(0.3)	2.8	2.5
Total Place Directorate	41.7	45.3	(0.2)	3.8	3.6
Total Contingency & Central Budgets	20.1	13.3	0.0	(6.8)	(6.8)
Total Spend	232.5	230.9	(5.3)	3.7	(1.6)

The figures in this table may be subject to small rounding differences to the main report and the rest of the appendix.

Reporting Area	Explanation	£m
People Directorate	The Directorates underspend against its salary budgets and turnover target is mainly due to high levels of vacancies in Childrens Social Care which accounts for £4.2m of the £5.1m underspend. This is partially offset by a non salary overspend as a result of agency staff in Childrens Social Care. With the implementation of the Childrens Services Redesign underway, it is expected that vacancy levels and agency costs will reduce in the new year.	(5.1)
Place Directorate	The Place Directorate has had a number of vacancies during the year, primarily in Transportation and Highways, and Streetscene & Regulatory services. The former is due to difficulties in recruitment, the latter whilst a service review takes place. In both cases these have been covered by agency staff resulting in no overall significant saving or pressure.	(0.2)
Total Non-Controllable Variances		(5.3)

Service Area	Reporting Area	Explanation	£M
Public Health	Other Variances Less than 100K		(0.1)
Public Health			(0.1)
People Directorate Management	Director	The majority of the underspend relates to a reduction in expected external support costs	(0.1)
People Directorate Management			(0.1)
Education and Skills	Advice and Health Information Services	Library Service overspend is linked to the purchase of self service machines, which is one-off expenditure agreed as required to support delivery of the Connecting Communities programme.	0.3
Education and Skills	Libraries	Coventry Music: The over spend was predicted in the first year of the new model of delivery which was a demand led service. The set up costs and administration plus slight decline in the first quarter of take up from schools led to this position however increased take up and broader service offer will lead to the service being able to break even moving forward. The grant funding position has been taken out of high risk and is now on track with the new leadership. Governor Support Services: Whilst this is a fully traded offer for schools, the over spend has been due to a lack of investment in terms of reviewing current offer against demand. Moving forward the new offer includes in conjunction with the teaching school alliance a range of bespoke and ongoing training packages, Governor Hub and a flexible package for multi academy trusts. The next 12 months may see a continued overspend moving to break even in year 2.	0.2

Education and Skills	Inclusion & Participation	The forecast overspend is a result of part year delivery of the transport review, against a full year saving. This was due to a requirement to implement the policy changes with effect from 1st September 2017 and was flagged as part of the cabinet report in relation to SEN transport. The full year impact of delivery, based on current activity, indicates that there is a continued financial pressure relating to increase in demand. Efficiency activity in procurement may offset this pressure going forward. The Transport Strategic Review group reporting to People Leadership Team, are actively monitoring the situation and stimulating action for cost reduction.	0.2
Education and Skills	Adult Education	To date it has not been possible to meet a financial target set as part of previous budget setting process to ensure we maximise ESFA grant funding against internal training programmes.	0.1
Education and Skills	School Enrichment Services	Underspend in respect of Migration grant income, which supports expenditure within other Council services.	(0.7)
Education and Skills	Other Variances Less than 100K		(0.1)
Education and Skills			0.0
Children and Young People's Services	LAC & Care Leavers	The majority of the overspend in this area is in relation to LAC and leaving care placement costs. There has been an in-year reduction in the forecast due to a decrease in the number of children in residential, as a result of planned management action including review of all residential placements / packages, improved sign-off process for residential placements, and increased focus within the Placements Team on identifying appropriate fostering placements. There was also a reduction in internal fostering placement costs during Q4, due to decreased activity. This is being addressed through the transformation programme. The Throughcare budget has overspent, as forecast, due to an increasing number of former LAC attending university. The overspend in Supported Accommodation was due to delays in over 18s moving on to their own tenancies. A dedicated post has recently been recruited to, to support move on activity and ensure we support future care leavers into their own tenancies in a timely manner. This work continues to be aligned with the wider Housing and Homelessness Strategy. Some of the budget holder variance across the service relates to agency staff being used to cover vacancies, this is offset by underspends on the centralised variance. Overall the spend has reduced from 2016/17 levels and work continues across the service to address outstanding areas of concern.	4.8
Children and Young People's Services	Help & Protection	The overspend largely relates to the costs of Agency staff covering posts across the service, and savings targets held on a budget holder code. This is more than offset by underspends across salary budgets. There was also a pressure as a result of grant fall out for the Family Drug and Alcohol Court. This has been built into core budget for 2018/19, with additional benefits realisation due to a SIB due to commence October 2018. The overall underspend also includes some one-off Public Health funding (£650k).	1.9

Children and Young People's Services	Commissioning, QA and Performance	The budget holder overspend is largely as a result of agency staff covering vacancies, and 4 additional time-limited posts, currently covered by agency, to respond to concerns raised by OFSTED in relation to volume and quality of the work in the Safeguarding Service. As part of the redesign we continue to recruit to permanent posts which will reduce the overspend in the next financial year. The overspend is more than offset by an underspend on centralised salaries. The variance between the Q3 forecast and outturn is due to additional vacancies, and the unavoidable time lag between appointing staff and their commencement date.	0.3
Children and Young People's Services	Children's Services Management Team	The service has delivered in year savings as a result of in-year service changes (e.g. Youth Offending Service review). These contribute towards the delivery of the Children's Services Transformation programme.	(0.1)
Children and Young People's Services	Other Variances Less than 100K		
Children and Young People's Services			6.9
Adult Social Care	Strategic Commissioning (Adults)	The overspends on other pay, overtime and variable allowances are offset by underspends on centralised salary costs due to a number of vacancies.	0.3
Adult Social Care	Adult Social Care Director	There has been a significant increase in DOLs demand leading to additional assessment costs (£142k). The All Age Disability Team has also seen increasing demand and a high turnover of staff leading to increased Agency costs (£193k). This is partially offset by the vacancy savings showing on the centralised forecast.	0.3
Adult Social Care	Internally Provided Services	Underspends achieved due to early delivery of Adult Social Care savings targets.	(0.3)
Adult Social Care	All Age Disability and Mental Health Operational	Pressures relating to under achievement of Supporting People income are offset by a number of underspends across other areas of contractual spend.	(0.4)
Adult Social Care	All Age Disability and Mental Health Community Purchasing	Changes in the overall position have been achieved as the consequence of a number of different interventions. Firstly there has been a sustained focus on reducing costs within the All Age Disability Service. This has been led through the panel review process and supported by improved commissioning arrangements. In addition monies have been reclaimed that had previously not been forecast. This includes an ordinary residence agreement and Direct Payment re-payments.	(0.5)
Adult Social Care			(0.6)
Customer Services & Transformation	HR and Workforce Development Management	The majority of the overspend (£103k) relates to a delay in the delivery of savings which will now be delivered in 2018/19.	0.3
Customer Services & Transformation	Customer and Business Services	The overspend reflects the increasing pressure relating to the homelessness service and the associated costs of bed & breakfast provision. It also includes the cost of utilising agency staff to cover demand; and an unmet element of the Business Services savings target	0.9
Customer Services & Transformation	ICT Operations	The bulk of the underspend is due to two main factors. Firstly a large, unexpected one off rebate on the business rates for the	(0.3)

		<p>fibre network. Secondly, staff costs of the PC refresh programme were capitalised which led to a revenue underspend.</p>	
Customer Services & Transformation	ICT Strategy, Systems & Development	<p>The majority of the underspend relates to the Systems Management budget - an extremely complex budget made up of approx. 300 system contracts. The price of some systems has reduced and other increases were not as high as expected. Also, some implementation projects are still ongoing and so some anticipated revenue costs will be delayed until 2018/19.</p>	(0.1)
Customer Services & Transformation	Transformation Programme Office	<p>This service holds a budget which is intended to be used across the Council to support transformation activity - either through additional temporary staffing resource or by funding external expertise. As such this area is difficult to forecast. During 2017/18 expected additional resource was not required for some transformation activity and alternative funding sources became available to support other activity. This has resulted in an underspend.</p>	(0.2)
Customer Services & Transformation			0.6
Total Non-Controllable Variances - People			6.7
Place Directorate	Place		
Service Area	Reporting Area	Explanation	£M
Place Directorate Management	Other Variances Less than 100K		0.1
Place Directorate Management			0.1
City Centre & Major Projects Development	Sports, Culture, Destination & Bus Relationships	<p>This deficit reflects £178k exit costs were incurred for restructures at Culture Coventry Trust, together with an ongoing trading deficit at St Mary's Guildhall and Godiva's café of £99k, for which there are a series of service improvements implemented to generate cost savings and improve income</p>	0.3
City Centre & Major Projects Development			0.3
Transportation & Highways	Highways	<p>The pressure in Highways was a result of £170k expenditure pressures within priority patching due to the conditions of roads and the severity of winter, increased spend of £150k on gritting during the severe winter, and reduced income of £110k from fewer footway crossings and losses on fixed price jobs</p>	0.6
Transportation & Highways	Traffic	<p>Traffic pressures are due to compensating factors. Within Network Management, vacancies in Urban Traffic Control resulted in agency staff expenditure, which together with irrecoverable costs relating to accident damage to highway assets has caused a c£0.2m pressure. This has however, been offset by a net overachieved combined income on parking and enforcement activity, primarily relating to bus gate infringements</p>	0.1
Transportation & Highways	Other Variances		0.1

	Less than 100K		
Transportation & Highways			0.8
Streetscene & Regulatory Services	Waste & Fleet Services	Some lost work, plus the delayed achievement of commercial waste growth income targets whilst the service undergoes a major review accounts for the vast majority of the deficit for waste and fleet. Overspends on transport & fleet costs, together with the cost of maintaining collection of domestic refuse during the Christmas period are compounding the deficit. However as a result of the move to alternate weekly collection, waste disposal costs are lower than budgeted, helping to reduce the net service overspend	1.0
Streetscene & Regulatory Services	Streetpride & Parks	Whilst the Streetpride service has been under review during the year, vacancies have been covered by a combination of agency staff and overtime. Pressures on Coombe Car Parking income has also occurred together with additional costs relating to the Tree contract. These pressures have however been partially offset by additional Bereavement Services fee income	0.3
Streetscene & Regulatory Services	Environmental Services	This variation is due to an under recovery in income for CCTV . There has been a significant improvement in the performance of this service over the past year and is working to continue progress in 18/19.	0.1
Streetscene & Regulatory Services			1.4
Project Management and Property Services	Development Services	Core funded surveyors costs being recovered from sales disposal proceeds.	(0.2)
Project Management and Property Services	PAM Management & Support	One-off saving relating to the reduction in dilapidation costs while exiting Lamb Street lease	(0.3)
Project Management and Property Services	Facilities & Property Services	DFG capital grant of £0.4m was applied against R&M core funded costs relating to Adult Social Care schemes in the final quarter. In addition, unplanned Occupier support works relating primarily to the Education capital programme were carried out generating an additional windfall income of £0.2m	(1.0)
Project Management and Property Services	Other Variances Less than 100K		
Project Management and Property Services			(1.5)
Finance & Corporate Services	Revenues and Benefits	The Housing Benefit Subsidy account has been under pressure. The largest cost (£3.3m) is due to the element of HB paid out for bed & breakfast accommodation for homeless people which cannot be reclaimed from DWP as benefit subsidy. There is also a pressure (£0.9m) due to the element of benefit paid out for mainly clients in supported accommodation which can only be partially reclaimed. These have been partially offset by a surplus recovery of benefit overpayments (£1.1m) and uncommitted new burdens grant (£0.4m).	2.7
Finance & Corporate Services	Financial Mgt	Accelerated achievement of MTFs savings targets, temporarily offsetting other pressures within the division	(0.3)

Finance & Corporate Services	Legal Services - Place & Regulatory	Service cost reduction targets that are temporarily being achieved from the holding of vacancies within the diviison	0.2
Finance & Corporate Services	Other Variances Less than 100K		0.2
Finance & Corporate Services			2.8
Total Non-Controllable Variances - Place			3.8
Contingency & Central Budgets	Contingency & Central Budgets	<p>Contingency and central budgets have experienced favourable variances in the year from inflation contingencies (£3.6m) in part relating to lower than expected costs of pensions auto-enrolment, the Asset Management Revenue Account (£1.7m) including an increased income recognised upon disinvestment from treasury investments and pensions (£1.8m) due largely to the £90m early payment of employer superannuation costs which has generated a discount for the Council from the West Midlands Pension Fund. Uncertainty around the impact of this mechanism has resulted in most of this underspend crystallising in the last quarter. A further underspend of £1.1m relates to the Council's windfall from the Coventry and Warwickshire Business Rates Pool. Given the overall Council bottom line, it is recommended that a contribution of £3.25m is made to fund a further tranche of the Council's contribution to UK City of Culture costs. The underspend shown here is after this contribution to reserves has occurred.</p> <p>This report includes a recommendation that higher than budgeted Business Rates compensation grants (£2.1m) be contributed to the Business Rates reserve to protect the Council from future fluctuations in the Council's resourcing position.</p>	(6.8)
Total Non-Controllable Variances - Contingency & Central Budgets			(6.8)

Appendix 2 Capital Programme Change and Analysis of Rescheduling

SCHEME	APPROVED CHANGES £m	(RESCHE DULING) / ACCELE RATED SPEND £m	(UNDERSPEND) / OVERSPEND £m	EXPLANATION
PEOPLE DIRECTORATE				
Condition		(0.3)		Condition was underspent as some projects were not completed within the financial year, shifting to 18/19 and others came in under budget.
Early Years 2013-14 - Resource Swithed		(0.1)		Underspent as some projects were not completed within the financial year, shifting to 18/19 and others came in under budget.
Suitability/Access		(0.1)		Suitability/Access budget was underspent as less pupils required school adaptations.
Broad Spectrum School		(0.8)		The Broad Spectrum School was underspent as the programme shifted meaning high value works were moved to next financial year.
Pathways to Care (Support to Foster Carers)		(0.1)		During 2017/18 the Panel considered 11 New Pathways To Care applications. Of this, 5 applications were approved resulting in grants & loans totalling £138k being allocated. In addition to this, £78k that was approved at panel within 2016/17 is yet to be drawn down for the building works, however the requirement for these funds was confirmed at Court during April 2018 and are expected to be utilised within the early part of this financial year. Therefore this amount has been rescheduled.
ICT Infrastructure Operations		(0.6)		At quarter three we undertook a significant amount of rescheduling into future years for the ICT capital programme. At that time we forecast an amount that would still be required this financial year (during Qtr 4). Whilst there was significant spend during Qtr 4 it was not to the level anticipated. Moving forward and, to enable more accurate / fine grained forecasting, we will be looking at reorganising the ICT capital programme. At
Kickstart - ICT Systems		(0.2)		

Strategy Systems Development		0.4		present it is made up of 6 schemes across two cost centres. We will look to reduce this to a maximum of two schemes and manage to a granular level through works orders. This should provide more accuracy for the forecasting during financial year 2018/19.
Disabled Facilities Grants		(0.3)		Work has progressed well in year to maximise the additional funds allocation by DCLG to the extent we have exceeded their expectations by £169,000, this will be absorbed within the overall DFG funds. However, additional rescheduling is now being reported against our general demand on DFG funding. This is partly due to the demand for works being smaller. Work will progress in the new year to encourage the use of the funds within wider Adult Social Care adaptations programme.
Miscellaneous		(0.1)		Net Movement
SUB TOTAL - People	0.0	(2.1)	0.0	
PLACE DIRECTORATE				
Highways Maintenance Grant	0.1			Changes in the scope of Montalt Road surfacing scheme resulted in an increased project value and duration, and the bulk of new cost (160k) is being delivered in the 2018/19 FY and hence rescheduling required.
Challenge Fund - Swanswell Viaduct	(0.4)			Engineering difficulties encountered with the site and unavailability of third party contractors, e.g. BT, combined with late start on site, due to WHG subcontractor issues, meant the CCC works did not get started in earnest until Q2.
Coombe Abbey	0.1			Additional costs for Legal/stamp duty etc. which was not part of the original budget set aside for the Acquisition of Shares

CSP - A46 Link Road Phase 2		(0.2)		Expenditure was less than anticipated as a decision was taken to retender the consultant services required to progress this project, including the Outline Business Case and design. This will now be tendered during Q1 18/19.
CSP - Binley & Walsgrave Junctions		(0.1)		No funding has been secured against this project to date by CCC, as it's being led by Highways England. A review is being undertaken regarding whether a funding contribution is required as the HE are fully funding the Binley Junction, and work is progressing to identify how Walsgrave should progress.
CSP - Tile Hill Station Car Park Expansion		(0.2)		TfWM have been leading on the development of this project and incurring all charges to date. Delivery and funding arrangements to be reviewed for 18/19.
Coventry North Package		(0.1)		Funding for this scheme was approved by WMCA in Q4, work is underway to commission a consultant to progress scheme development, therefore expenditure has slipped into 18/19.
City Centre South		(2.1)		It is difficult to predict the number of acquisition opportunities that will arise in any given financial year as they are outside of CCC's control. The opportunities that arose were taken. This slippage reflects the fact that there were not as many acquisition opportunities as
Friargate (WMCA)		(0.4)		More efficient use of internal resources, reducing the need to procure external advisors
Highways Investment		(0.1)		Changes in the scope of Montalt Road surfacing scheme resulted in an increased project value and duration, and the bulk of new cost (160k) is being delivered in the 2018/19 FY and hence rescheduling required.
Whitefriars Housing Estates - MANOR FARM		(0.9)		Engineering difficulties encountered with the site and unavailability of third party contractors, e.g. BT, combined with late start on site, due to WHG subcontractor issues, meant the CCC works did not get started in earnest until Q2.
Skipworth Road S106		(0.1)		The scheme commenced later in Q4 than initially anticipated, predominantly due to adverse weather conditions. The scheme will be complete in early 2018-19.

Transport Programme S106 Schemes		(0.4)		Reliant on third party involvement in providing either match funding or cost estimates for the works which were not forthcoming. We are still working with these third parties, for example Canals and River Trust, to bring the schemes forward in this financial year. Also the S106 schemes were dependant on the development to which the monies are associated with being completed such that the schemes could be delivered and unfortunately this did not happen.
GD19 - NSR - Nuckle 1.2		(0.3)		The majority of the rescheduling relates to work in the change in design for the track layout and additional timetabling , as well as a pause in works while NR agree the designs submitted for approval. Balfour Beatty have been instructed to carry out the Early Contractor Involvement work and are progressing with the task, this is not yet completed. All works resheduled will be finished within the first quarter of 18/19. The funding allocated to London Midland was not spent due to the change in Train Operating Company, to West Midlands Rail, we are however expecting that we will need to spend some monies with WMR in this financial year.
GD11 - Coton Arches		(0.1)		Project has faced delays in start of construction, resulting in reduced claim in year. Project expects to catch up in full in 18/19
GD18 (ULS04) - Unlocking Sites - A45-Leam Road		0.1		Scheme costs came in over original estimate due to requirement for some additional works to be undertaken following engagement with stakeholders.
GD18 (ULS09) - Getting West Nuneaton Moving: Bermuda Connection		0.5		Claim received included accelerated spend that at Qtr 3 was assumed to be spent in 2018-19 Qtr 1. Project has now completed grant spend.
GD33 - Rugby HE Construction & Techno Park		0.3		Contracting for this project was completed earlier expected enabling a late Q4 Claim.

Whitley South Infrastructure - ROXHILL	0.8	(4.6)		The anticipated project start was delayed due to detailed tender requirements. The spend profile on a project of this scale and nature is estimated at an early stage based on an industry standard s curve approach. Due to the delayed start and less activity on site during the months of February and March due to inclement weather we have incurred a slippage of £4.6m. The approved change £0.8m are additional funds for costs funded directly by the JLR but not part of the £35m grant award
Broadgate Nationwide		(0.4)		Demolition commenced in Q4, however works halted due to contractual issues and now a new contract is to be let to progress works. All works are due to be completed by end of Q2 2018-19
Vehicle & Plant Replacement		(0.2)	(0.7)	The underspend is due to the rebasing of the 5 year programme from 2018/19 which means that the budget for several of the vehicles which were originally in the programme is no longer needed. The £0.2m relates to several vehicles which were delayed but are due to be purchased in 2018/19
Kickstart Office		(1.2)		The underspend in 2017/18 has arisen due to lower than expected decommissioning costs in relation to the existing buildings and a slight delay in the completion of the Heatline contract for Friargate which has meant the first milestone payment is pushed back into 2018/19
Investment in Sporting Facilities		(0.1)		Underutilisation of funds earmarked for Repairs and Maintenance of the 'CSLC', funds will be maintained until the formal closure of Coventry Sports and Leisure Centre.
ESIF - Business Support		(0.4)		The spend is based on individual businesses carrying out their project expenditure, and then submitting claims. The forecasts provided are based on the best estimates of the Grantees' planned expenditure. The underspend is caused by Grantee's projects being delayed and therefore less claims were received. Low Carbon, the opposite is true, where the Grantees projects have been able to accelerate and claim earlier than forecast.
ESIF - Low Carbon		0.2		
ESIF - Innovation		(0.1)		

City Centre Destination Leisure Facility		(1.6)		The contractor has re-sequenced the installation of the slides and roofing works until after 31 st March 2018 and therefore those works will now commence in the new year. This has resulted in a significant slippage of spend from 2017/18 into 2018/19. The overall project is still on programme.
Alan Higgs Centre - 50m Swimming Pool		(0.2)		There has been a slight delay to the commencement of the construction stage, as such some of the professional fees have been pushed back into the 2 nd stage and into 2018/19.
Multi Storey Car Parks		0.1		The £100k over the predicted Q3 value is due to the additional works required for consultants and works to address planning conditions and the BT diversion works.
Coventry on the Move in Parks Project Phase 1		(0.1)		The underspend is due to the delay in completion of the works to Caludon Castle under the Pathways contract. The poor weather experienced throughout December to March has delayed the scheme by 4-5 months. As part of the signage contract 5% of the contract value is withheld until the 12 months defects are finalised.
National Manufacturing Battery Development		0.1		Legal and technical support for the initial setup costs for the scheme
Miscellaneous	(0.1)	(0.1)		Net Movement
SUB TOTAL - Place Directorate	0.5	(12.7)	(0.7)	
TOTAL CHANGES	0.5	(14.7)	(0.7)	

Appendix 3

Summary Prudential Indicators

	Per Treasury Management Strategy 17/18 £000's	Actual 17/18 £000's
1 Ratio of financing costs to net revenue stream:		
(a) General Fund financing costs	31,501	28,770
(b) General Fund net revenue stream	232,482	232,482
General Fund Percentage	13.55%	12.38%
2 Gross Debt & Forecast Capital Financing Requirement		
Gross debt including PFI liabilities	411,779	360,925
Capital Financing Requirement (forecast end of 19/20)	430,383	511,856
Gross Debt to Net Debt:		
Gross debt including PFI liabilities	411,479	360,925
less investments	-30,000	-61,281
less transferred debt reimbursed by others	-14,300	-14,300
Net Debt	367,479	285,343
3 Capital Expenditure (Note this excludes leasing)		
General Fund	122,989	94,333
4 Capital Financing Requirement (CFR)		
Capital Financing Requirement	430,383	400,518
Capital Financing Requirement excluding transferred debt	416,083	386,218
5 Authorised limit for external debt		
Authorised limit for borrowing	399,968	399,968
+ authorised limit for other long term liabilities	70,415	70,415
= authorised limit for debt	470,383	470,383
6 Operational boundary for external debt		
Operational boundary for borrowing	359,968	359,968
+ Operational boundary for other long term liabilities	70,415	70,415
= Operational boundary for external debt	430,383	430,383
7 Actual external debt		
actual borrowing at 31 March 2018		290,443
+ PFI & Finance Leasing liabilities at 31 March 2018		70,407
+ transferred debt liabilities at 31 March 2018		14,300
= actual gross external debt at 31 March 2018		375,150
8 Interest rate exposures		
Upper Limit for Fixed Rate Exposures	399,968	271,449

Variable Rate

Upper Limit for Variable Rate Exposures

79,994	-42,288
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9 Maturity structure of borrowing - limits

under 12 months
12 months to within 24 months
24 months to within 5 years
5 years to within 10 years
10 years & above

upper limit	actual
40%	21.6%
20%	2.1%
30%	8.4%
30%	5.6%
100%	62.2%

10 Investments longer than 364 days: upper limit

24,000	0
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Cabinet

12th June 2018

Name of Cabinet Member:

Cabinet Member for Public Health and Sport – Councillor K Caan
Cabinet Member for Adult Services – Councillor F Abbott

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

All

Title:

Care Quality Commission – Outcome of System Review

Is this a key decision?

No – Although this matter affects all wards, it is not considered to be significant

Executive Summary:

Following the 2017 spring budget announcement of additional funding for adult social care, the Secretaries of State for Health and for Communities and Local Government asked the Care Quality Commission (CQC) to undertake a programme of targeted reviews in local authority areas. These reviews were to be exercised under the Secretary of State's Section 48 (Health and Social Care Act 2008) powers.

In July 2017 it was subsequently announced that there would be 20 reviews of Health and Social Care Systems where there are challenges, particularly in relation to delayed transfers of care. Coventry was selected as one of the first 12 areas to be reviewed.

The review was conducted over a period commencing on 4 December 2017 and concluded on 14 March 2018 with a Health and Well-Being Board (HWBB) summit. Subsequent to the review the HWBB was required to submit an action plan to the CQC describing how the local system will take forward the issues identified in the review, this was agreed by the HWBB on 9 April 2018. It is the responsibility of the HWBB to deliver the action plan and there is currently no intention for the CQC to undertake any follow up review.

The focus of the review was the interface between health and social care and the outcomes for older people moving through the system. There was an assessment of the governance in place for the management of resources and of commissioning across the interface.

The review report is attached as an appendix but, in summary, in the course of the review the CQC found that there was a system wide commitment to serving the people of Coventry well and

that Coventry was at the beginning of its journey in ensuring all services worked well in a 'joined up way'. However, the review also highlighted some areas where further work is needed to ensure all those responsible for providing health and care services worked effectively together. These areas are described in the Areas for Improvement section of the CQC report.

Recommendations:

Cabinet is requested to Support the work of the Health and Well Being Board in delivering the agreed action plan to address the areas for improvement identified in the review

List of Appendices included:

Appendix One: Care Quality Commission Review – Local Health and Care System - Coventry Improvement plan, April 2018

Background papers:

None

Other useful documents

Health and Well-Being Board reports:

Care Quality Commission Local System Review – 4 September 2017

Care Quality Commission Local System Review – 27 November 2017

Care Quality Commission Local System Review – 5 February 2018

Coventry Report following CQC system review:

http://www.cqc.org.uk/sites/default/files/20180313_coventry-local-system-review-report.pdf

Has it been or will it be considered by Scrutiny?

No - Although this report has not been through Scrutiny, this matter was considered by the Health and Social Care Scrutiny Board (5) on 26 April 2018

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

1. Context (or background)

- 1.1 Following the 2017 spring budget announcement of additional funding for adult social care through the improved Better Care Fund (iBCF), the Department of Health (DH) asked the Care Quality Commission (CQC) to undertake a programme of targeted reviews in local authority areas.
- 1.2 Subsequent to this, in July 2017 it was announced that there would be 20 reviews of Health and Social Care Systems where there are challenges particularly in relation to delayed transfers of care. Coventry was selected as one of the first 12 areas to be reviewed. Following each area review the review report would be published followed by a national report of key findings and recommendations following completion of all 20 reviews.
- 1.3 A set of performance metrics were used to identify the areas subject to review. These metrics are contained within the DH Local Area Dashboard. This dashboard creates a weighted average across 6 measures to identify the highest ranked and most challenged local systems in supporting patient flow. The measures included emergency admissions to hospital, length of stay for emergency admissions, people still at home 91 days following discharge, people receiving rehabilitation/reablement services and delayed transfers of care (both overall and at weekends).
- 1.4 In undertaking the review the CQC sought to answer the following question:

How well do people move through the health and social care system, with a particular focus on the interface between the two, and what improvements could be made?

- 1.5 The review was to consider how safe, effective, caring and responsive local services are. It would consider how well led the system is, evaluating the leadership of the system and the extent to which there is a shared clear vision and credible strategy which is understood across the health and social care interface to deliver high quality care and support.
- 1.6 The review would not provide an overall rating but it would highlight what is working well and where there are opportunities for improving. It is then a matter for the Health and Well-Being Board (HWBB) as the local system leadership forum to decide how the areas for improvement identified in the review are taken forward.
- 1.7 In respect of the co-ordination of the review the CQC requested that the local authority co-ordinates the review and ensures the input of partners. The reason for this is that the local authority is responsible for the HWBB and this is considered to be where the review, its outcomes and resulting action plan, is owned by the system. There is currently no intention for the CQC to undertake any follow up review although monthly telephone calls will take place with the DH in order for them to understand progress and areas of continued challenge following the review.
- 1.8 The Coventry review took place over the period from 4 December 2017 to 14 March 2018 with the main on-site week being week commencing 22 January 2018. As part of the review a 'Local System Overview Information Request' (SOIR) was required to be submitted which provided background information on the local system, who uses it, how services integrate and how effectiveness is monitored. CQC also conducted a 'relational audit' to understand the effectiveness of local relationships.

- 1.9 The review concluded on 14 March 2018 with a HWBB summit where the CQC shared the findings with the HWBB. The Coventry report was published on 15 March 2018.
- 1.10 In summary, in the course of the review the CQC found that there was a system wide commitment to serving the people of Coventry well and that Coventry was at the beginning of its journey in ensuring all services worked effectively in a 'joined up way'. Positively, the review identified that frontline staff were committed to providing high quality, person-centred care and supporting people to be as independent as possible within their own homes. However, the review also highlighted some areas where further work is needed to ensure all those responsible for providing health and care services worked effectively together including effective joint strategic planning and delivery alongside the use of system level performance data to drive improvement. These areas are described in the Areas for Improvement section of the CQC report.
- 1.11 Subsequent to the review the HWBB was required to submit an action plan to the CQC describing how the local system will take forward the issues identified in the review, this was agreed by the HWBB on 9 April 2018 and is included at Appendix One.
- 1.12 The improvement (action) plan contains seven sections which group together the areas for improvement arising from the CQC review with a nominated responsible group for each. These seven sections were agreed at the summit on 14 March 2018 and are as follows:
- Vision and strategy
 - Engagement and involvement
 - Performance, pace and drive
 - Flow and use of capacity
 - Market development
 - Workforce
 - Information sharing and system navigation
- 1.13 The improvement plan (appendix one) describes the work that will be undertaken under each section to address the findings. The plan has been developed in a manner that is intended to give clarity and focus to the existing work groups and programmes in place as opposed to creating a separate and standalone set of activities. For example, work is already underway through the Coventry and Warwickshire Place Based Forum to develop system strategy. Similarly, work on flow and use of capacity was underway through the Coventry Accident and Emergency Delivery Group and the plan specifies this work. Since the review was completed progress has been made on developing a choice policy for use in hospital settings to reduce delays and in implementing the Care Home Enhanced Support (CHES) scheme which seeks to support care homes and reduce hospital attendances from these settings.
- 1.14 Some of the work within the improvement plan is complex, requires input from a range of stakeholders and may also require resources for implementation that will only become clear as the work progresses. Therefore, many of the dates for completion are uncertain and/or indicative at this point.
- 1.15 Once the 20 reviews are completed the CQC will publish a national report of their key findings and recommendations during 2018.

2. Options considered and recommended proposal

- 2.1 Participation in the review process was not optional as it was conducted using the powers available to the Secretary of State. The City Council is a key partner in the both the delivery of health and social care and system leadership to ensure that people in the City are supported in as effective manner as possible within available resources. This leadership role was exercised and demonstrated in the completion of the review.
- 2.2 Cabinet is recommended to support the Coventry HWBB in delivering the agreed action plan to address the areas for improvement identified in the review.

3. Results of consultation undertaken

- 3.1 There was no specific consultation undertaken, however a range of organisations across the statutory and voluntary sector were engaged in the review as were Healthwatch and users of services and carers. Trade unions were also briefed on the review and its outcomes.

4. Timetable for implementing this decision

- 4.1 The improvement plan associated with the review will be monitored through the Health and Well-Being Board with implementation responsibility as identified in the action plan.
- 4.2 Although there is no undertaking for the CQC to conduct any follow up review, monthly telephone calls will take place with the Deputy Director for Social Care Oversight within the DH to give assurance on progress following the review. These telephone calls will be with Director of Adult Services and Accountable Officer for Coventry and Rugby Clinical Commissioning Group (CRCCG) with attendance by the Deputy Chief Executive for People (where possible).

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

There are no specific financial implications associated with this report. Should it transpire that the delivery of any of the specific actions require, additional resources, these will be managed across the total available system resources, ensuring appropriate organisational governance is in place.

5.2 Legal implications

The Care Act 2014 makes it clear that in performing its functions under the Act,

“The general duty of a local authority, in exercising a function ... in the case of an individual, is to promote that individual’s well-being”.

Subject to certain specific requirements, the local authority has considerable discretion in how it chooses to meet this responsibility so as to be able to flexibly respond to the specific requirements of adults and carers in its area. In addition, the Act and its supporting Statutory Guidance, encourages co-operation between the Local Authority and its relevant partners and the integration of services where possible and appropriate to achieve this objective.

The work taken forward as a result of the review will be undertaken within the scope of this discretion.

6. Other implications

6.1 How will this contribute to the Council Plan

Progressing the areas identified in the review will make a positive contribution to the delivery of the Council's priorities, particularly in relation to: citizens living longer, healthier, independent lives; support improved health and wellbeing and support the City to reduce health inequalities.

6.2 How is risk being managed?

The HWBB is considered to be where the review, its outcomes and resulting improvement plan is owned by the system and is the forum through which any risks associated with delivery will be managed,

6.3 What is the impact on the organisation?

There are no direct implications at this stage.

6.4 Equalities / EIA

Health and Social Care services in Coventry support people with a range of protected characteristics. No specific analysis of equality impacts was completed in the course of the review.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

Although co-ordinated by the City Council the review included partners across health and social care as well as all member organisations of the Coventry Health and Well Being Board. Progressing the improvements identified will require input and leadership from partners as well as the City Council. Commitment to this has been achieved through the Health and Well Being Board.

Report author(s):**Name and job title:**

Pete Fahy
Director of Adult Services

Directorate:

People

Tel and email contact:

Tel: 024 76833555

Email: Peter.fahy@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Officer	Place	15.05.18	20.05.18
Vanessa Millar	Project Support Officer	People	17.04.18	21.05.18
Jon Reading	Head of Commissioning and Provision	People	17.04.18	17.05.18
Names of approvers for submission: (Officers and Members)				
Ewan Dewar	Finance Manager	Place	17.04.18	18.04.18
Janice White	Team Leader, Legal Services	Place	16.05.18	16.05.18
Gail Quinton	Deputy Chief Executive	People	16.05.18	21.05.18
Councillor F Abbott	Cabinet Member for Adult Services	-	15.05.18	16.05.18
Councillor K Caan	Cabinet Member for Public Health and Sport	-	17.05.18	20.05.18

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Care Quality Commission (CQC) Review
Local Health and Social Care System – Coventry
Improvement Plan 2018

Final Version - April 2018

Background

On 4th December 2017, the Care Quality Commission commenced a local review of the Coventry health and social care system. The main review week took place between 22nd and 26th January 2018, with the Health and Wellbeing Board feedback summit taking place on 14th March 2018.

The Coventry Health and Well Being Board welcomes the opportunities provided by the review to improve the way Coventry supports people that come into contact with the health and care system. This Action Plan has been developed in response to the issues highlighted within the report following its publication of the Coventry on 15 March 2017 recognising that the improvement journey was underway before the review and will continue beyond it.

The issues highlighted within the report have been reviewed and themed under the following headings:-

1. Vision and strategy
2. Engagement and involvement
3. Performance, pace and drive
4. Flow and use of capacity
5. Market development
6. Workforce
7. Information sharing and system navigation

The development of this Action Plan has been led by Pete Fahy, Director of Adult Services, Coventry City Council with support from the following individuals identified in the HWBB summit on 14 March 2018:

- Coventry and Rugby Clinical Commissioning Group (CRCCG)
 - Jo Galloway, Director of Nursing
- Coventry City Council Council
 - Gail Quinton, Deputy Chief Executive
 - Ian Bowering, Head of Social Work Service (Prevention and Health)
 - Jon Reading, Head of Commissioning and Provision
- University Hospital Coventry and Warwickshire (UHCW)
 - Lisa Kelly, Chief Operating Officer
- Coventry and Warwickshire Partnership Trust (CWPT)
 - Tracey Wrench, Chief Nurse and Interim Chief Operating Officer

- Coventry University
 - Professor Guy Daly, Pro Vice Chancellor (Health and Life Sciences)

In addition to the above, Andrea Green – Accountable Officer (CRCCG) has input to the production of the action plan and is the Health and Well-Being Board lead for its production.

The Group has been supported in its development by Richard Humphries, Senior Associate from the Social Care Institute for Excellence.

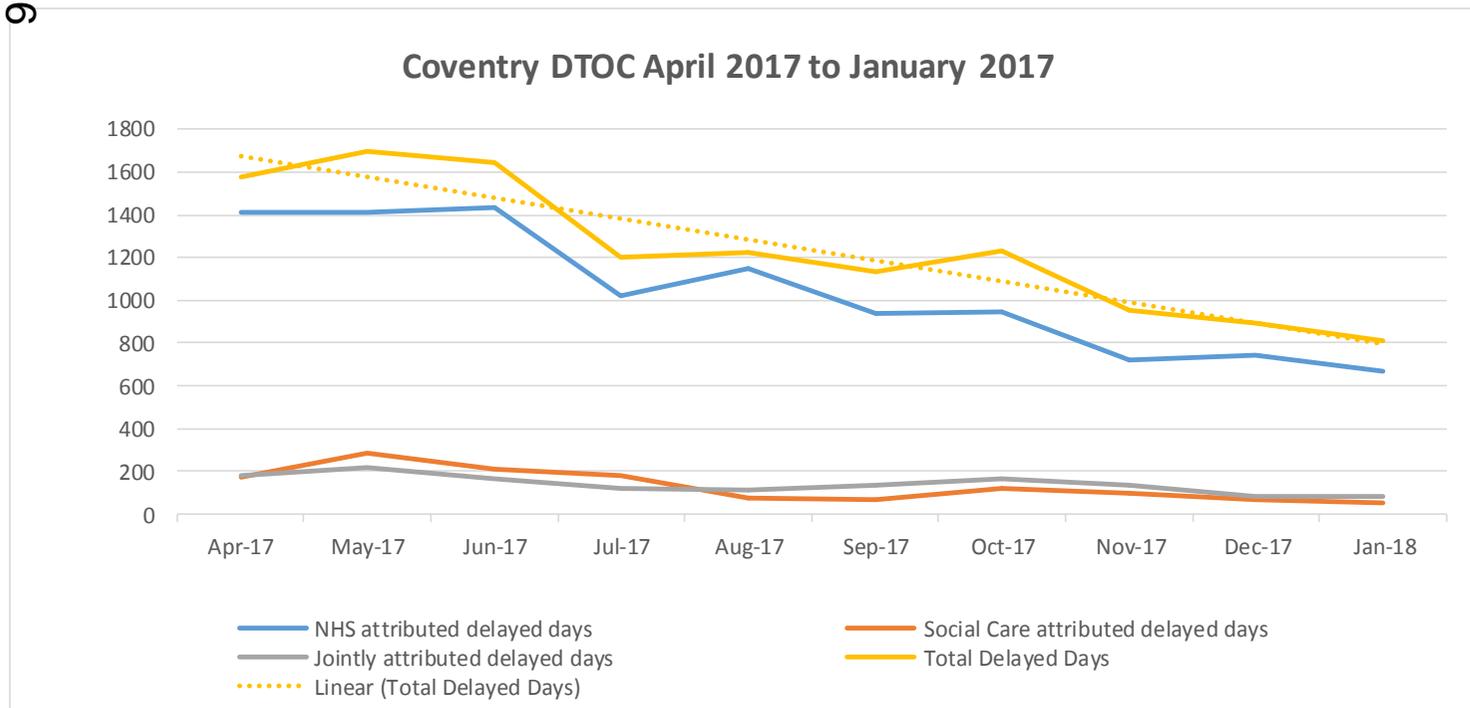
This action plan has been developed to support focus and drive on areas of activity and improvement already in progress across the system, it is therefore very much interlinked with existing plans as opposed to creating a separate and standalone action plan. As required by the CQC review the action plan will be owned through Coventry's Health and Wellbeing Board with responsibility for delivery through the relevant identified body.

Overall progress and current position:

Prior to review of the Coventry system being announced, during the review period and beyond we have continued to work as a system to address the issues that are impacting on people receiving consistently good health and care services. The review has provided a welcome opportunity for an external view on the issues we are dealing with and how we are responding.

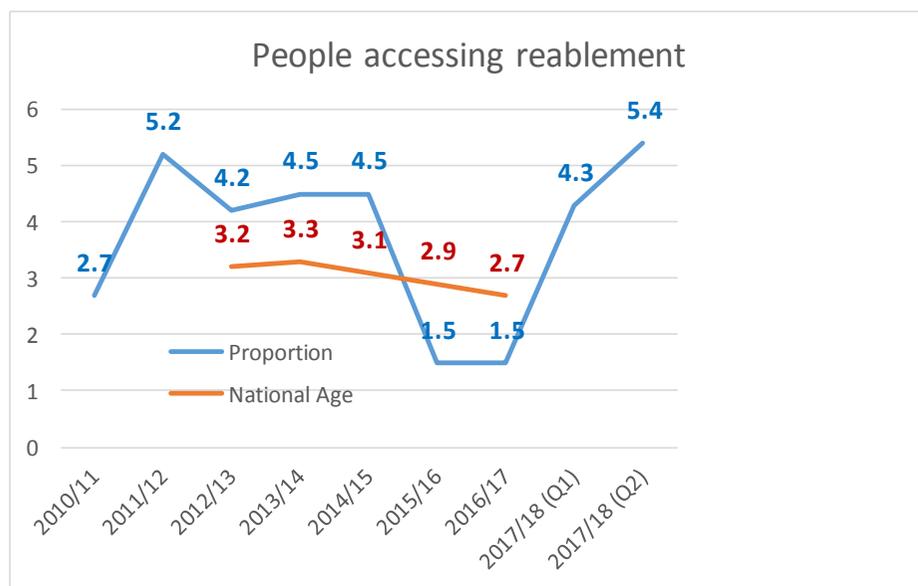
One particular measure we are proud of is our improvement in respect of Delayed Transfers of Care which has been achieved through taking a system approach as opposed to looking at the issue from a number of single agency perspectives. In the period between the announcement of the review and its commencement the position improved, the most recent data published for January 2018 shows continued improvement which is shown in Figure One (below).

Figure One: Delayed Transfer of Care to January 2017



Although improving further from this position remains a key system objective much of our effort is placed into improving the system to prevent admissions in the first place and, where they occur, avoiding readmissions. The improvement in access to reablement (Figure Two and based on provisional data for 2017/18 pending completion of the Short and Long Term Statutory Return (SALT)) demonstrates this improvement.

Figure Two: Access to Reablement



Despite the progress on Delayed Transfers of Care and Access to Reablement the Coventry system remains close to full capacity with A&E attendances, emergency hospital admissions and bed occupancy rates remaining high. This indicates that a focus on what happens when preparing for and achieving discharge is only part of the issue and is why many of the actions contained within this plan complement and add focus to the wider work taking place across the system to achieve our broader system aim of improving population health and reducing system demand across the board.

Specific examples of how we are progressing this include our Upscaling Prevention programme and our 'year of well-being' which will provide some of the strategic impetus required to make a long term and sustainable difference in Coventry. These strategic approaches will be complemented by addressing a number of performance management, flow, market and workforce issues that the review identified and are contained within this plan.

We would of course welcome further feedback from CQC and/or Department of Health regarding how our plan could be further strengthened in order to achieve our ambitions at a faster rate.

Theme 1 – Vision and strategy**Lead responsibility – Coventry and Warwickshire Place Forum**

Outcomes we will achieve: Ensure a consistent vision and strategy across the Health and Social Care system with links to how it's delivered.

CQC Recommendations:

- Ensure there is effective joint strategic planning and delivery for the people of Coventry based on the current and predicted needs of the local older population, to include BAME and hard to reach groups, and which harnesses all the local assets available in the wider system.
- While acknowledging that there is a concordat between Coventry HWB and Warwickshire HWB, the system leaders in Coventry need to build on the concordat and become more engaged with the development of the STP's Better Care, Better Health, Better Value programme.

Theme 1 – Vision and strategy							
Action Number	Action required	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
1.1	Develop a clear system strategy with a single supporting narrative for the whole system	Place Forum – Cov and Warks	Health and Wellbeing Board	ongoing	Sept 2018	All stakeholders are clear on the system strategy	High level system model in draft and shared with Place Forum
1.2	Define the governance arrangements that exist between STP, HWBB and ICS so that reporting arrangements and decision making remits are clear	Place Forum – Cov and Warks	Health and Wellbeing Board	TBC	TBC	Written and agreed system governance protocols in place	Not yet commenced

Theme 1 – Vision and strategy

Action Number	Action required	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
1.3	Define the model for local integration of services within ICS policy framework	STP (Preventative and Proactive workstream)	STP Board	ongoing	TBC	Clarity on what integrated health and care means for Coventry	Will emerge through progression of ICS development
1.4	Develop the Coventry operating model for locality delivery so that all stakeholders are clear how the locality model will work operationally	STP (Proactive and Preventative workstream)	STP Board	ongoing	March 2019	Clarity on how the locality model will deliver on the ground following pilot work and review	Operating model under development
1.5	Clearly identify the geography for locality based services for populations of 30k-50k) as the vehicle through which to drive improvement and equitable in community based health and care	CRCCG	STP (Proactive and Preventative workstream)	ongoing	March 2019	Clear locations and geography in place for 30-50k	New contract in place from 1 April to link community services to GP. GP transformation resources in place to commence delivery of approach
Page 59	Development of Joint Strategic Needs Assessment on locality basis so the population needs being served by each locality are clearly understood	Coventry City Council	Health and Wellbeing Board	ongoing	TBC	Locality based JSNA signed off by HWBB	Data in JSNA updated in January 2018, next evolution will be on locality basis

Theme 1 – Vision and strategy

Action Number	Action required	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
1.7	Develop the clinical strategy for the city including frailty so there is clarity on how clinical needs will be met	Coventry and Rugby Clinical Commissioning Group	Health and Wellbeing Board	ongoing	Sept 2018	Clinical strategy signed off by HWBB	Agreement that NHSE will fund the development of the clinical strategy and draft content structure produced

Theme 2 – Engagement and Involvement

Lead Responsibility – Engagement workstream of Better Care, Better Health, Better Value programme

Outcomes we will achieve: Clear mechanisms in place for engagement with professionals and people who either use or may use services

CQC Recommendations:

- Create and deliver a joint public engagement strategy which includes how the system will reach seldom heard groups.
- Improve the working relationships between the CCG and GP providers.
- Develop a shared view of risk across health and social care by identifying forums where staff groups can come together, build relationships and identify ways to establish a consistent approach to the process of risk assessment and positive risk taking.

Theme 2 – Engagement and Involvement							
Action number	Action required	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
2.1	Develop a set of 'I' statements with people who use Health and Social Care to form a benchmark for improvement, which are inclusive of all groups within the city	STP (Communication and Engagement workstream)	STP	ongoing	Sept 2018	Set of 'I' statements agreed through co-production	Draft engagement plan in place and engagement session being planned with Coventry Older Voices
Page 61	Engage with GPs through locality and membership forums to understand the issues impacting on effective partnerships with GPs.	CRCCG	CRCCG	ongoing	TBC	Understanding of issues and agreed actions to address where appropriate	Ongoing

Theme 2 – Engagement and Involvement

Action number	Action required	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
2.2.1	Following completion of action 2.2 to develop a set of measures to understand of the relationship is improving	Clinical Commissioning Group	Clinical Commissioning Group	TBC	TBC	GP and CRCCG both able to evidence improvements in relationship	Not yet commenced
2.3	Engaging Health & Social Care professionals in developing consistent approach to management of risk and embed this in practice	Local Workforce Groups	Local Workforce Action Board	Ongoing	TBC	A single risk management framework and evidence of this multi-disciplinary settings/place based teams	Model in place within INT settings. To be developed and rolled out through place based teams.

Theme 3 – Performance, pace and drive

Lead Responsibility – to be confirmed

Outcomes we will achieve: Delivery of agreed change programmes in a timely way.

CQC Recommendations:

- Ensure system wide performance data is used to drive improvements, implementing solutions and setting targets in which all parts of the system have a shared responsibility, and providing opportunities for collaborative reflection and learning

Theme 3 – Performance, Pace and Drive							
Action number	Actions	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
3.1	Establish system-wide data set / dashboard on flow into and out of hospital and capacity of services supporting step up and discharge	A&E Delivery Group	STP (Urgent and Emergency Care)	ongoing	Sept 2018	Fully operational dashboard of key indicators of flow and capacity to monitor activity / inform action	Draft developed and versions of good practice from elsewhere being sought
3.2	Establish a system-wide Performance dashboard to monitor progress in the delivery of agreed vision and strategy	CRCCG linking with partners	Health and Well-Being Board	Not yet commenced	Dec 2018	System wide focus on key areas of strategic delivery enabling pace and drive to be maintained	This area will progress linked to the vision and strategy and engagement priority areas to ensure connectivity between performance management and strategic delivery
Page 63	CQC Local System Review Action Plan to be monitored, on	Health and Well-Being	Health and Well-Being Board	ongoing	June 2018	Delivery of action plan delivered with appropriate escalation to unblock	To be agreed by HWBB

	an ongoing basis, by the HWBB.	Board				areas of non-delivery	
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Theme 4 – Flow and use of capacity

Lead Responsibility – Coventry Accident and Emergency Delivery Group

Outcomes we will achieve: Reducing unavoidable admissions to hospital. For those who need to be admitted to ensure that people only stay in hospital for as long as they need to and, when ready to leave, are discharged promptly with appropriate support.

CQC Recommendations:

- Reduce numbers of avoidable admissions from care homes by extending successful initiatives such as the React to Red scheme, introducing pharmacist led medication reviews and increasing coverage of GP input into care homes.
- Ensure discharge planning is started at the beginning of a person’s journey through hospital and remains a key focus during their stay. ‘Red and green bed days’ to be implemented and embedded across all wards. Care home and home with care providers to be involved in discharge planning at an early stage of the person’s stay in hospital.
- Improve the processes around medicines on discharge to reduce delays and improve the safety of those who have been discharged to care homes.
- Improve the ability to discharge patients from hospital at weekends by increasing senior clinical decision makers and ensuring the presence of the discharge teams at weekends.
- Increase the utilisation of trusted assessors in each D2A pathway to improve the speed of transfers from hospital by increasing provider’s confidence. Include in any jointly developed protocol for assessments and the review process, a clear feedback mechanism for learning and improvement.

Theme 4 – Flow and use of capacity

Action number	Actions	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		

Theme 4 – Flow and use of capacity

Action number	Actions	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
4.1	<p>Support to care homes</p> <p>Increase coverage of dedicated GP support into care homes through implementation of the Care Home Enhanced Support (CHES) scheme</p>	CRCCG	STP (Urgent and Emergency Care)	Complete	Complete	<p>Increase coverage above current level of 66% of care homes</p> <p>Reduction in avoidable admissions, readmissions and improved DTOC</p>	Complete - Commissioned service with GPs to commenced 1 April 2018
4.2	<p>Support to care homes</p> <p>Care home and home with care providers to be involved in discharge planning at an early stage of the person's stay in hospital</p>	CRCCG	STP (Urgent and Emergency Care)	Ongoing	TBC	<p>Evidence of early involvement by care providers in discharge planning working with IDT in UHCW</p> <p>Improved weekend discharges to care homes including new residents</p>	CHES scheme in place which will enable this action to be delivered
4.3	<p>Support to care homes</p> <p>Implement Red Bag scheme</p>	AJCB	STP (Urgent and Emergency Care)	Ongoing	September 2018	<p>Red Bag scheme in place for identified cohort</p> <p>Reduction in avoidable admissions, readmissions and improved DTOC</p>	Funding for Red Bag scheme agreed from iBCF, plan being developed for delivery
4.4	<p>Increase coverage and effectiveness of 'Red to Green'</p> <p>'Red to Green bed days' to be implemented and embedded across all wards and into D2A community settings</p>	A&E Delivery Group - Coventry	STP (Urgent and Emergency Care)	Ongoing	TBC	<p>Increase coverage within wards at University Hospital</p> <p>Overall reduction in lengths of stay / improvement in DToC</p>	Red to green in place across some wards and roll out being planned

Theme 4 – Flow and use of capacity

Action number	Actions	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
4.5	<p>Increase coverage of Trusted Assessor</p> <p>Increase care home provider's confidence in assessments completed e.g. by reviewing trusted assessment approach and evaluating need for Care Home Assessor post</p>	CRCCG via A&E Delivery Group - Coventry	STP (Urgent and Emergency Care)	Ongoing	TBC	Understanding factors to improve care home confidence leading to reduced number of refusals and delays attributable to care homes	Being scoped through provider engagement work
4.6	<p>Improving Discharge</p> <p>Review role of Community Discharge Hub to ensure continued effectiveness and clear mechanisms in place for learning and improvement</p>	A&E Delivery Group - Coventry	STP (Urgent and Emergency Care)	TBC	TBC	<p>Review complete with proposals for future development</p> <p>Overall reduction in lengths of stay / improvement in DToC</p>	Not yet commenced
Page 67	<p>Improving Discharge</p> <p>Review what is required to deliver 7 day services to impact on weekend discharges e.g.</p>	A&E Delivery Group - Coventry	STP (Urgent and Emergency Care)	Ongoing	TBC	Resourced plan implemented to deliver 7 day discharges leading to increased discharge activity at weekends without impacting on Mon-Fri activity	Some seven day services in place but not consistently. Review to be completed on system

Theme 4 – Flow and use of capacity

Action number	Actions	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
	Increase senior clinical decision makers at weekends Presence of the discharge teams at weekends						benefit of more consistent approach.
4.8	Prevention, Ambulatory Care, Zero length of stay Review of ambulatory care pathways redirecting / supporting patients with alternative sources of support i.e. falls prevention and Back Home Safe and Well	A&E Delivery Group - Coventry	STP (Urgent and Emergency Care)	Ongoing	TBC	Overall reduction in number of admissions	Baseline completed, working in collaboration with NHS Elect and ECIP to progress this area. Joint audit between UHCW and CRCCG completed.

Theme 5 – Market development

Lead Responsibility – Adult Joint Commissioning Board

Outcomes we will achieve: Ensuring the right level of market capacity and optimising its utilisation.

CQC Recommendations:

- Roll out and evaluate a programme of social prescribing.
- Identify and supply the necessary support needed for care homes to accept weekend discharges for new residents – *see actions under flow and use of capacity.*

Theme 5 – Market development							
Action number	Actions	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
5.1	Refresh Market Position Statement and utilise with support and care service providers	Adult Joint Commissioning Board	Collaborative Commissioning Board	Ongoing	Sept 2018	Market position statement published with associated provider engagement	Data gathering underway, provider forums arranged
5.2	Produce a market development plan for support and care service providers in consultation with providers	Adult Joint Commissioning Board	Collaborative Commissioning Board	Ongoing	Dec 2018	Market development plan in place and shared	Consolidation of Pathway 3 provision commenced.
Page 59	Evaluate programme of social prescribing and then rollout. (dependent on outcome of	Adult Joint Commissioning Board	Collaborative Commissioning Board	TBC	TBC TBC	Evaluation complete and optimum social prescribing capacity in place	Initial evaluation completed in 2017, this will be refreshed in 2018.

Theme 5 – Market development

Page 79

Action number	Actions	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
	evaluation)						
5.4	Evaluate D2A pathway provision to ensure it remains fit for purpose	Adult Joint Commissioning Board	Collaborative Commissioning Board	Ongoing	July 2018	Optimum and sustainable D2A provision in place	Pathway 3 evaluation commenced and evaluation of P1 and P2 scoped
5.5	Develop step-up capacity to support people more effectively in the community	Adult Joint Commissioning Board	Collaborative Commissioning Board	Ongoing	Mar 2018	Increased step up capacity in place to assist with management of system demand	Complete – capacity in place. Will be extended to people with change in needs

Theme 6 – Workforce

Lead Responsibility – Local Workforce Action Board

Outcomes we will achieve: A clear approach to ensuring how the local workforce will be developed to meet population needs for health and care

CQC Recommendations:

- Develop a strategic plan for the health and social care workforce in Coventry linked to the STP's wider Better Care, Better Health, Better Value programme that takes account of the national health and social care workforce strategy (once developed)

Theme 6 - Workforce							
Action number	Actions	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
6.1	Develop system wide workforce strategy to support delivery of strategy and vision	Local Workforce Action Board	STP Board	Ongoing	Ongoing	Clear and resourced workforce strategy in place	Work underway through Local Workforce Action Board but in its early stages – this action will largely take place subsequent to strategy and vision work
6.2	System wide training and development plan to cover issues including: Risk management Shared assessment Care support provider skills	Local Workforce Action Board	STP Board	TBC	TBC	Training programme developed, delivered with evidence of impact	Not yet commenced – will link to engagement work and market development

Theme 7 – Information sharing and system navigation**Lead Responsibility – Digital Transformation Board**

Outcomes we will achieve: Improved accessibility of information for people accessing care and support and professionals

CQC Recommendations:

- Accelerate the delivery of the Digital Transformation Board to provide digital interoperability and shared care records across the system.
- Provide a single point of access health and social care navigation system for people and carers to easily find the support and advice they need.

Theme 7 – Information sharing and system navigation

Action number	Actions	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
7.1	Improve Adult Social Care “front door” to enhance accessibility of information and advice	CCC	Digital Transformation Board	Underway	Ongoing	Reported improvement in accessibility of information and advice (ASCOF)	Project with Capita commenced to progress this area
7.2	Consolidate CWPT access points into Integrated Single Point of Access (ISPA)	Out of Hospital Design Board	Proactive and Preventative workstream of STP	Underway	September 2018	Health ISPA implemented	Plans being developed to formalise arrangements between CWPT and CCC points of access
7.4	Undertake interoperability scoping workshop across Coventry and Warwickshire system partners to identify ideas and opportunities for improving system flow.	Digital Transformation Board	STP Board	underway	Sept 2018	Clear plan agreed by partners on how to improve with timescale for delivery	Workshop to be arranged

Theme 7 – Information sharing and system navigation

Action number	Actions	Delivery Lead Organisation	System Governance Body	Timescale		Success measures	Progress to date
				From	To		
7.5	Hold Assistive Technology workshop to develop shared Coventry and Warwickshire strategy that supports delivery of health and social care priorities.	Coventry City Council	Digital Transformation Board	underway	Sept 2018	Wider use of technology to support health and care	Work underway using Capita to support
7.6	Undertake review of existing Information Governance support and guidance arrangements to ensure processes are simplified.	Sub regional Information Governance group	Digital Transformation Board	underway	Sept 2018	Clear information governance arrangements in place	Review underway

Abbreviations:

CRCCG	Coventry and Rugby Clinical Commissioning Group
CCC	Coventry City Council
UHCW	University Hospital Coventry and Warwickshire
CWPT	Coventry and Warwickshire Partnership Trust
AJCB	Adult Joint Commissioning Board
DTB	Digital Transformation Board
LWAB	Local Workforce Action Board
STP	Sustainability and Transformation Programme
BCBVBH	Better Care, Better Value, Better Health (the local STP programme)
ECIP	Emergency Care Improvement Partnership

PD
DT
CHES
ISPA
JSNA

Multi-Disciplinary Team
Care Home Enhanced Support
Integrated Single Point of Access
Joint Strategic Needs Assessment



Cabinet
Council

12th June 2018
10th July 2018

Name of Cabinet Member

Cabinet Member for Jobs and Regeneration – Councillor J O'Boyle

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

St. Michaels

Title: The Burges Conservation Area Regeneration

Is this a key decision?

Yes

Executive Summary:

In December 2014 Planning Committee approved the Lady Herbert's Garden and Burges Conservation Area Appraisal and Management Plan. Significantly, this appraisal and management plan extended the Lady Herbert's Garden Conservation area to include properties in the Burges, Hales Street and Palmer Lane.

Based on the success of the Far Gosford Street Townscape Heritage Initiative (THI), the Council and its heritage partner, Historic Coventry Trust, were invited to submit an application for funding to develop a THI proposal for the area bounded by Burges, Hales Street and Palmer Lane to complement the recent Heritage Lottery Funded extension to the Transport Museum and refurbishment of the Old Grammar School

In September 2015 the Council in partnership with Historic Coventry Trust submitted a Stage 1 proposed outline scheme for the regeneration of the Burges Conservation Area.

In November 2015 the stage 1 application was considered by the Heritage Lottery Fund Board. The Stage 1 application was successful in securing £172,000 of Heritage Lottery funding (Development Grant) to progress the detail of a stage 2 application. Coventry City Council contributed match funding of £20,000 to provide a total development stage budget of £192,000.

Between February 2016 and June 2017 a professional team was appointed to develop the schemes detailed design, determine costs, secure match funding and produce all the required supporting documents for a Stage 2 application to be submitted.

On the 2 August 2017 the Burges Townscape Heritage Stage 2 application was submitted with the agreement of the Cabinet Member Jobs and Regeneration.

The detailed scheme covers a number of interventions which will enhance the appearance and economic viability of Burges, similar to the model used for Far Gosford Street Regeneration. If successful, the HLF funding (£1,825,000) together with the funding secured from Historic England PSICA fund (£225,000) and match (£1,806,403) will secure capital and revenue funding to deliver the following:-

1. Property improvement grants
2. Public realm improvements
3. Gap site intervention.
4. Community consultation and participation programme

(The area covered by the proposed Townscape Heritage Scheme is in mixed public and private ownership. (See Appendix 1 Townscape Heritage Scheme Plan and Appendix 2 Property ownership plan)

Recommendations:

Cabinet is requested to:-

1. Approve the delivery of the Townscape Heritage Initiative and the Historic England Partnership Scheme in Conservation (PSICA) Scheme.
2. Note the submission of the stage 2 application to the Heritage Lottery Fund, Townscape Heritage for the Burges Regeneration Project for £1,825,000 and the Historic England Partnership Scheme (PSICA) for £225,000.
3. Acknowledge the Historic Coventry Trust contribution of £175,000 towards the Historic England Partnership Scheme (PSICA) funding pot.
4. Approve a local match contribution of £193,166 (Liveability and Growth Fund) from the Council's own funds towards the £3,856,404 Stage 2 budget which will be utilised if the HLF Stage 2 application is successful.
5. Authorise the Council to act as the accountable body for the above grants awards, if successful and to authorise the spend of the HLF grant and other match funding secured (see financial section 5 of this report) to deliver the scheme.
6. Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to enter into the appropriate funding agreements to secure the grant funding packages (if successful)
7. Delegate authority to the Deputy Chief Executive (Place) alongside Procurement Board to agree the most appropriate procurement route for the Townscape Heritage Scheme to be delivered

Cabinet is requested to recommend that Council:

1. Agree (subject to no other funding sources being secured) to underwrite the required gap funding shortfall of £383,704 (as required by Heritage Lottery Fund in order to secure their funding) and to delegate authority to the Deputy Chief Executive (Place) in consultation with Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources to authorise any spend associated with the funding shortfall up to a limit of £383,704.

2. Authorise the addition of £2,688,871 to the capital programme and £295,000 to revenue budgets subject to approval of the Townscape Heritage Lottery Bid and match funding and further authorise applications to other funding providers to secure the final funding package for delivery stage

Council is recommended to:

1. Agree (subject to no other funding sources being secured) to underwrite the required gap funding shortfall of £383,704 (as required by Heritage Lottery Fund in order to secure their funding) and to delegate authority to the Deputy Chief Executive (Place) in consultation with Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources to authorise any spend associated with the funding shortfall up to a limit of £383,704
2. Authorise the addition of £2,688,871 to the capital programme and £295,000 to revenue budgets subject to approval of the Townscape Heritage Lottery Bid and match funding and further authorise applications to other funding providers to secure the final funding package for delivery stage

List of Appendices included:

Appendix 1 – Townscape Heritage Scheme Plan
Appendix 2 – Ownership Plan

Background papers

None

Other useful documents:

Lady Herbert's Garden & the Burges Conservation Area Appraisal
Burges Conservation Management Plan – Adopted as supplementary planning guidance at Planning Committee on the 10 May 2018
Heritage Framework Agreement – Cabinet Report 28th November 2017 & Council 5th December 2017
Architects RIBA Stage 3 Report

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 10th July 2018

Report title: Burges Conservation Area Regeneration

1. Context (or background)

- 1.1 The Townscape Heritage Project focuses on the Burges Conservation Area that was given Conservation Area status in December 2014 following an expansion of the Lady Herbert's Garden originally designated in 1969.
- 1.2 This area has been chosen for restoration / regeneration because it is one of the city centre's last surviving historic areas with buildings and streets of medieval origin with later 19th century additions. Burges is also home to a number of locally listed buildings. There has been recent public realm investment in the vicinity. Burges, Hales Street and Palmer Lane area would also benefit greatly from investment in the buildings, public realm and by seeking to address and develop gap sites. Together, these improvements would improve the area and provide the incentive for others to invest.
- 1.3 The area has considerable potential boosted by its location next to the Transport Museum and close to the Cathedral Quarter and the Heritage Lottery Funding restored St John's Hospital/ Grammar School.
- 1.4 Based on the success of the Far Gosford Street THI scheme the Council and its heritage partners were invited to submit an application to develop a further THI scheme. The application has been submitted and retrospective approval is sought for the Council to act as the accountable body and contributor to the delivery of the scheme.

2. Options considered and recommended proposal

- 2.1 There is only one real option to consider, whether to support the application submitted or withdraw it.
- 2.2 Option one - withdraw the application and do not sign the funding agreement / do nothing – this could lead to further decline and deterioration of the area.
- 2.3 Option two - support the Heritage Lottery Townscape stage 2 application and the Historic England PSICA application and commit £193,166 (Liveability & Growth Fund) from the Council's budget to secure a successful Stage 2 application for £1,825,000 of Heritage funding. This collective delivery stage budget is £3,856,403 (as detailed within the financial section of this report. This budget will bring about the following interventions to regenerate and uplift the Burges & Hales Street part of the Burges Conservation Area :-

1. **Restoration of buildings historic fabric including the building repairs and reinstatement of architectural detail** – Grants will be provided to restore the historic properties located in Burges and Hales Street. Repair and reinstatement work will be carried out to existing historic building fabric and unsympathetic alterations will be removed. New work, will include the restoration and installation of high-quality shop fronts with designs sympathetic to the existing historic buildings, reinstatement of timber sash windows, clay roof tiles, chimneys, cast iron rainwater goods etc.
2. **Gap site / infill developments**– Sites at the rear of Hales Street fronting Palmer Lane have been identified for potential small retail development opportunity. The schemes will complement the new space around the public realm and create new shop fronts along Palmer Lane. It is intended that it will create a new active frontage linking Burges, the River Sherbourne and Palmer Lane to the city centre.

3. **Public realm improvements and improvements to the exposed area of the River Sherbourne (Palmers Lane)** – At the Heart of the Burges area is the city’s “forgotten River”, culverted through most of the city, it makes a brief appearance in Palmer Lane, set against the original historical medieval buildings. The opening of the River Sherbourne onto a new public space will form the main focus of the public realm project. .
4. **A public participation and stakeholder “Activity Action Plan”** - Includes a budget for a programme of public participation. A range of activities have been developed to engage a wider audience and raise awareness of the Conservation Area and its Heritage.

It is intended that the above work will make a positive contribution to the areas local character and distinctiveness.

- 2.4 It is recommended to support the Heritage Lottery TH Stage 2 application and Historic England application for the Burges Regeneration.
- 2.5 The TH Stage 2 application will be considered by the Heritage Lottery Regional and National Board in June 2018, here a decision will be made as to whether the funding will be allocated to secure the delivery the Project. It is expected that we will be notified in Late June / Early July of the decision made.

3. Results of consultation undertaken

- 3.1 Consultation was carried out as part of the formal adoption process of the Conservation Area appraisal plan.
- 3.2 The following consultation has been carried out during the development stage :-
 - Activity Action Plan Consultation – Online consultation form on Coventry City Council Website to gauge public interest in the activities planned and help prioritise activities based on public and groups interest. In addition consultation was carried out with a range of schools, groups and organisations.
 - Design Consultation – public consultation event held at the Old Grammar School 13 & 14 May 2017
 - Civic Day - 17 June 2017 (part of the Coventry Society Civic Day Event)
 - Letters of support have been received from the following organisations ; Culture Coventry, The BID, businesses, Warwickshire Wildlife Trust, Police, Ego Performing Arts, Western Power, Coventry Society
- 3.3 The feedback and comments from the consultation have been positive welcoming investment into preserving the historic fabric of the area and its overall regeneration.

4. Timetable for implementing this decision

- 4.1 If the recommendation to support is granted the following indicative timetable will be followed :-
 - 4.1.1 The Stage 2 application to Heritage Lottery, Townscape Heritage Fund was submitted on 2 August 2017.

4.1.2 Approval to stage 2 application by the HLF is scheduled for June 2018

4.1.3 Permission to start the delivery stage (if application successful) July 2018 – September 2018

4.1.4 Physical implementation 2018 – 2023

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The report requests approval for a programme with a total revenue and capital cost totalling £3.856m, itemised as follows:

Funding Budget	Capital (£)	Revenue (£)
Repair and reinstatement Conservation work to properties	1,773,007	
Intractable Sites & Gap Sites	707,153	
Opening up of River Sherbourne and associated public realm	882,954	
Staffing		200,000
Publicity & Promotion		15,000
Participation Programme / Activity Plan		80,000
Volunteer Time	30,000	
Inflation	84,258	
Contingency	84,030	
Total	3,561,404	295,000

The Council is proposed as the accountable body for the cash spend element of the works and delivery costs, estimated at £2.984m. The remaining £0.872m is match funding planned to be achieved from a combination of property owner contributions and the delivery body, Historic Coventry Trust. The funding is itemised below.

Funding Source	Total Funding Amount (£)	Project (cash funding)(£)	Match funding contributed externally – Non Cash (£)	Current status
HLF TH	1,825,000	1,825,000		Pending approval of stage 2 application
HE PSICA FUND	225,000	225,000		Approved subject to securing match funding
Local Authority 111 agreement	280,000	280,000		Secured
Liveability (Coventry City Council)	142,966	142,966		Secured
Growth Fund (LEP)	50,200	50,200		Secured
Private Property	197,144		197,144	Secured at grant offer stage in

Owners				delivery
Historic Coventry Trust (HLF TH)	545,388		545,388	Secured at grant offer stage in delivery
Historic Coventry Trust (HE PSICA Fund)	175,000	75,000	100,000	Contribution from Historic Coventry Trust subject to full business case.
Business Improvement District	2,100	2,100		Secured
Volunteer Time	30,000		30,000	To be secured by volunteer involvement (in kind contribution)
Shortfall to be secured	383,704	383,704		To be secured (External future funding applications)
Total	3,856,403	2,983,871	872,532	

The report requests retrospective approval for the submission of a stage 2 application for £1.825m to the Heritage Lottery Townscape Heritage Fund (included above) which was submitted in August 2017. If this is successful, the Council would be required to contribute up to £576,870 towards the projects delivery stage to lever this grant in. This local contribution has been identified from secured resources, Liveability Grant of £142, 966 and & Growth Deal of £50,200k. The additional £383,704k is the amount proposed to be underwritten subject to seeking to secure other funding. A funding strategy has been written which identifies potential sources of funding to mitigate the shortfall.

Further to the above additional Historic England PSICA Funding has been secured to the value of £225,000 towards property restoration in Hales Street (1-9). This requires £175,000 of match funding, £100,000 of which has been secured via the Historic Coventry Trust, leaving them a further £75,000 which will be secured through the transfer by way of a lease of the Hales Street properties to Historic Coventry Trust.

As accountable body for the delivery grant, the Council would need to ensure procurement processes are followed, payments processed and claims submitted to the Heritage Lottery Fund, with a back to back grant aid agreements with our third party contributors

The grant of leasehold interest of the historic assets was previously agreed by Cabinet on the 28 November 2018, subject to a full business case for each property being submitted by the Historic Coventry Trust to the Council for approval prior to the formal leasehold transfer of the properties.

5.2 Legal implications

If successful the Council will be accepting a grant of £1,825,000 and £225,000 for the delivery stage work and compliance with any funding criteria and requirements. The Council would be the accountable body for the funding and will be required to comply with all funding conditions from the Funder. The appointment of the Council as Accountable Body will be achieved through a contractual relationship and signature of a funding contract. The appointment to Accountable Body status will enable the Council to be directly and indirectly involved in the delivery of the objectives stated within this report.

It is likely that the Council will be required to enter into an agreement with Heritage Lottery Funding and Historic England to govern the terms and conditions of the grant funding. Legal colleagues are available to advise on and support the completion and signature of the funding contract and ensure that risk to the Council is fully understood and mitigated through appropriate governance. Further, they will offer support in the delivery of the project as and when required by the anticipated project team.

The Council may appoint the external consultants required to carry out the delivery of the Townscape Heritage Scheme. The selection of contractors to undertake the capital works will be carried out in full compliance with the Council's Rules for Contracts and the Public Contract Regulations 2015, either through the use of an established framework or through a compliant procurement exercise where required.

The Historic Coventry Trust and other third party grant applicants will need to be accountable for the grants that they receive and enter into a grant aid agreement to comply with the grant conditions.

Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The success of the Stage 2 application will allow the release of funds to spend on delivering the scheme. The delivery of the overall scheme will regenerate and improve the appearance of the Conservation Area. In addition it will restore property, preserve our heritage, provide better access to the Historic River Sherbourne, create a new improved public realm, develop brownfield land and compliment other Council projects i.e. Transport museum, Old Grammar School, City Centre improvements.

The restoration of this area will also be a positive factor when Coventry is City of Culture in 2021.

6.2 How is risk being managed?

In order to address the shortfall of funding the Council is being requested to underwrite the shortfall in match as highlighted in paragraph 5. A number of external applications will be made to other public funders i.e. Environment Agency etc. to reduce the City Council's commitment.

Risk will be managed by the Council. The main risk is that the Stage 2 application is not approved and the project will not proceed further.

The Council will incur risk as the Accountable body in administering the grant but has a track record of successfully managing external grants delivered with partners

If the £75,000 match funding shortfall is not secured for the PSICA Historic England Grant, properties at 1-9 Hales Street for which it is allocated will not proceed. Negotiations with Historic England are currently being progressed with Officers to agree a solution.

6.3 What is the impact on the organisation?

The project will have the following impact on the organisation:-

The project will generate revenue for staffing

The project proposals include the upgrading and restoration of Council owned land and property.

The organisation will expend £219,066 (Liveability & Growth Fund) on Burges delivery stage as detailed in the financial section of this report, only if the HLF is secured.

6.4 Equalities / EIA

The report recommendations do not affect the Council's policy, provision of any service or its statutory functions. It is not required to undertake an Equality Impact Assessment.

6.5 Implications for (or impact on) the environment

The Project will bring about positive environmental impacts:-

- Restoration of buildings
- Development of brownfield land
- River Sherbourne Improvements
- Reusing reclaimed materials

6.6 Implications for partner organisations?

The project will be delivered in partnership with Historic Coventry Trust.

Report author(s):**Name and job title:**

Nicola Poole
Project Manager

Directorate:

Place

Tel and email contact:

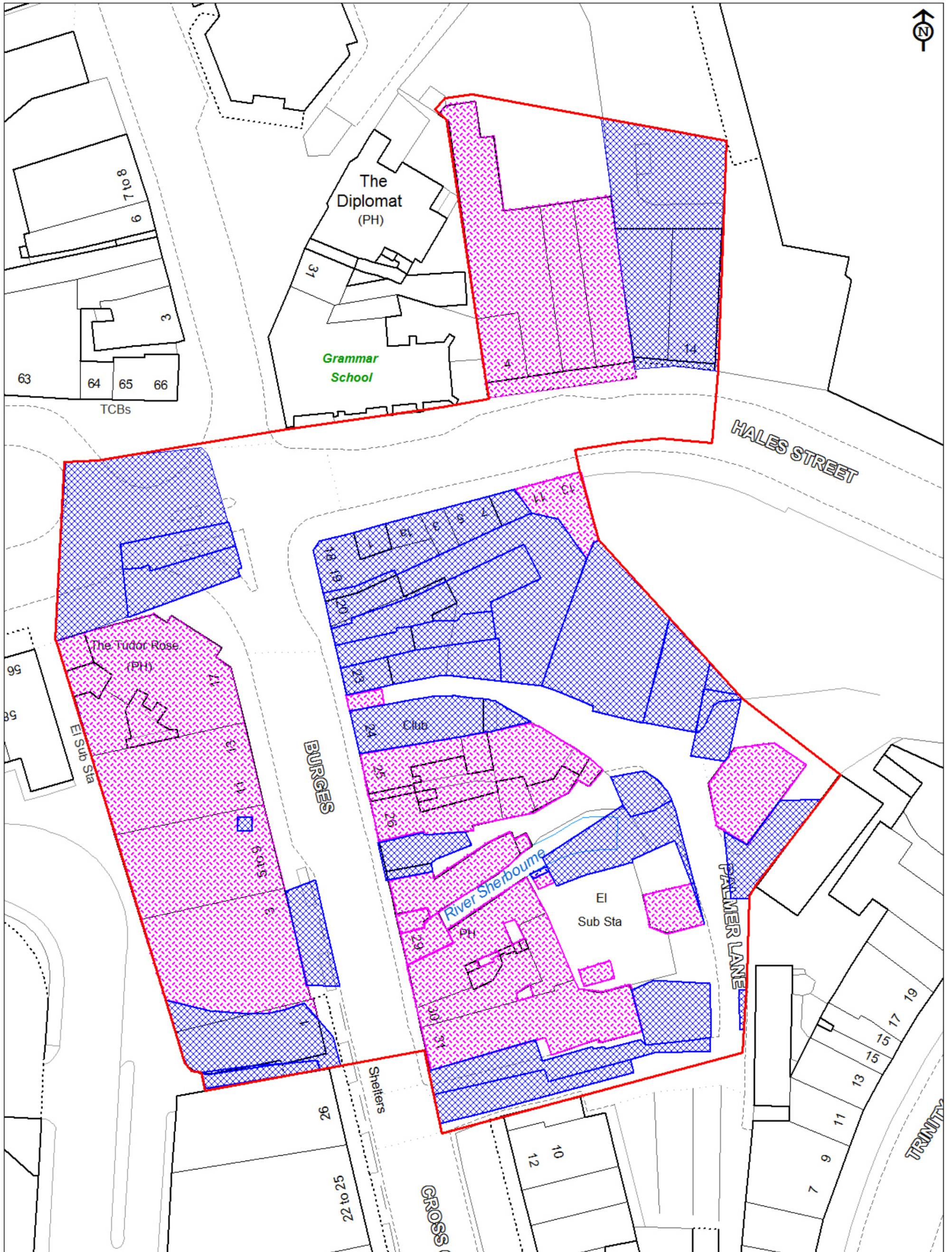
Tel: 02476 786297

Email: nicola.poole@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Helen Williamson	Capital Lead Accountant	Place	02/05/2018	10/05/2018 & 14/052018
Lucy Hobbs	Head of Project Delivery	Place	02/05/2018	
Richard Moon	Director of Project Management and property Services	Place	02/05/2018	14/05/2018
Michelle Salmon	Governance Services Officer	Place	02/05/2018	17/05/2018
Names of approvers for submission: (Officers and Members)				
Phil Helm	Finance Manager	Place	02/05/2018	10/05/2018, 14/05/2018 & 17/05/2018
Oluremi Aremu	Major Projects Lead Lawyer – Legal Services	Place	02/05/2018	14/05/2018 & 16/05/2018 & 17/05/2018
Martin Yardley	Deputy Chief Executive	Place	18/05/2018	22/05/2018
Councillor J O'Boyle	Cabinet Member for Jobs and Regeneration	-	22/05/2018	23/052018
Julie Fairbrother	Communications Manager	Place	02/05/2018	17/05/2018
Graham Tait / Mark Andrews	Historic Environment Records Officer	Place	02/05/2018	11/05/2018

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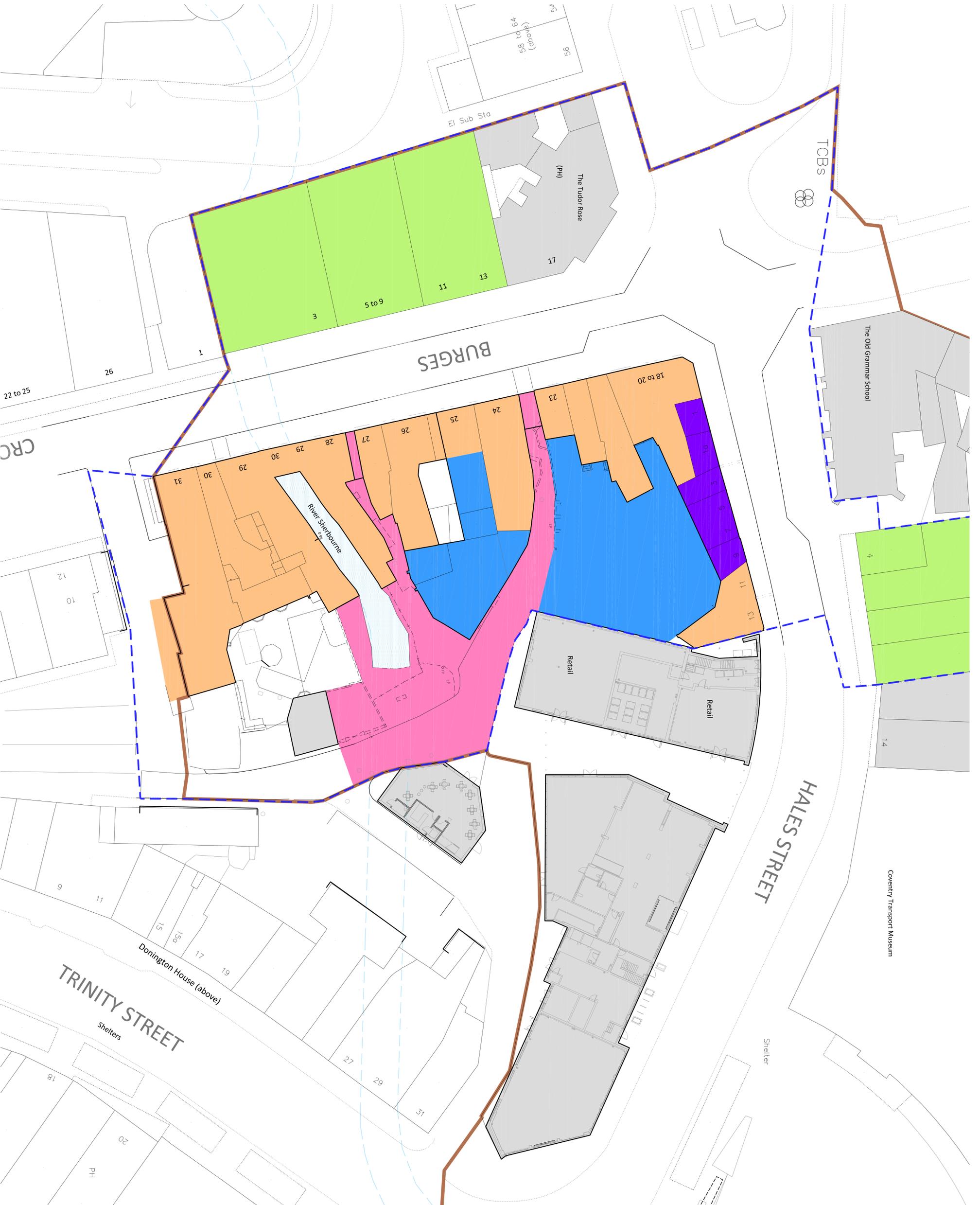
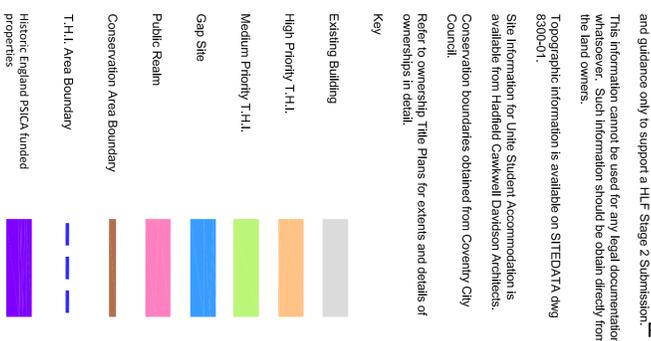
Burges, Coventry

Scale 1:500 Drawn by: LPL Date: 19/08/2015
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-  Council Ownership land & Buildings
-  Non Council Ownership Buildings

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Funding raised by The National Lottery

 and awarded by the Heritage Lottery Fund


C 21.04.2017 Historic England PS/CA funded properties selected with key
 B 21.04.2017 Boundary updated
 A 30.04.2017 Key updated
 REV DATE NOTES
 22.04.2017 Based on RIBA Stage 3
 Client: CHK

Coventry City Council
 Project: Burges Redevelopment

Drawing Title: Town Heritage Initiative Area Plan
 Drawing No: 103
 Revision: C

Drawn	Checked	Paper Size	Scale	Date
RK	RK	A1	1:250	05.22.2017
Project No:	16483	Drawing No:	103	Revision: C

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 Warwick
 London
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47a George Street, Jewellery Quarter, Birmingham, B3 1QA
 Tel. 0121 737 8350 www.corstorphine-wright.com

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Cabinet
Council

12 June 2018
10 July 2018

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Chief Executive

Ward(s) affected:

City Wide

Title: Dissolution of the West Midlands Joint Committee

Is this a key decision?

No

Executive summary:

This report seeks authority from Cabinet to recommend to Full Council the approval of a unifying Resolution to dissolve the West Midlands Joint Committee (“WMJC” or the “Committee”) and the new arrangements for managing the remaining residual business of the Committee once the Committee is dissolved. In addition, it seeks Cabinet approval to establish a Joint Executive Committee with the other six Councils within the West Midlands for the purpose of airport decisions known as West Midlands Shareholders Airport Committee.

Recommendations

Cabinet is recommended to:

- (1) Agree to recommend to Full Council on 19 June 2018 the approval of the dissolution of the West Midlands Joint Committee, for the reasons set out in this report.
- (2) Agree to set up a Joint Executive Committee with the other six Councils within the West Midlands for the purpose of airport decisions known as West Midlands Shareholders Airport Committee in accordance within the terms of reference set out at Appendix 4 of this Report.
- (3) Agree to recommend to Full Council the proposals for managing the remaining residual business of the WMJC once it is dissolved as set out in Appendix 3 of this Report be approved.

- (4) Recommend to full Council that Cllr Duggins be appointed to the West Midlands Shareholders Airport Committee as a voting member and Cllr Abdul Khan and Cllr Ridley be appointed as non-voting members once the committee is established.
- (5) Recommend to full Council that the City Solicitor and Monitoring Officer be authorised to make any relevant changes to the Council's Constitution in order to enact the recommendations at (1) and (2).
- (6) Authorise the City Solicitor to negotiate, execute and complete all legal documents necessary to support and deliver the above recommendation.

Council is recommended to:

- (1) Approve the dissolution of the West Midlands Joint Committee, for the reasons set out in this report.
- (2) Approve the proposals for managing the remaining residual business of the WMJC once it is dissolved as set out in Appendix 3 of this Report.
- (3) Approve the appointment of Cllr Duggins as a voting member of the West Midlands Shareholders Airport Committee and of Cllr Abdul Khan and Cllr Ridley as non-voting members once the committee is established.
- (4) Authorise the City Solicitor and Monitoring Officer to make any relevant changes to the Council's Constitution in order to enact the recommendations at (1) and (2).

List of Appendices included:

Appendix 1: Outline of future costs

Appendix 2: Unifying Resolution

Appendix 3: Proposals on how existing WMJC functions will be carried out in the future

Appendix 4: Proposals for Airport Committee

Background Papers

None

Other useful documents:

None

Has it or will it be considered by Scrutiny?

No

Has it, or will it be considered by any other council committee, advisory panel or other body?

No

Will this report go to Council?

Yes - 19 June 2018

Report Title: Dissolution of the West Midlands Joint Committee

1. Context (or Background)

- 1.1 WMJC was established in 1985 for the purpose of discharging the residual County Council functions that were deemed inappropriate to pass on to individual Metropolitan Borough Councils (MBCs). Lead responsibilities for different functions across the region were allocated eg support to Fire Authority; support to Passenger Transport Authority etc.
- 1.2 Initially meetings of the WMJC took place 3 to 4 times a year and dealt with a wide range of matters; Birmingham Airport has always been a substantial item of business but previously many transport-related matters were covered as well as more ad hoc items including waste landfill agreements, spatial planning, Environment Agency Levy.
- 1.3 Over more recent years, as other regional bodies have been introduced, particularly the West Midlands Combined Authority (WMCA), the responsibilities of WMJC have diminished. Only two short meetings per year are held now, often with few items of interest to Members. This has been commented on by voting and non-voting members recently.
- 1.4 Birmingham City Council, Coventry City Council, Dudley MBC, Sandwell MBC, Solihull MBC, Walsall Council and City of Wolverhampton Council are member authorities of WMJC with each having one voting and two non-voting members. Coventry City Council's members are Councillor George Duggins (voting Member), Councillor Abdul Khan and Councillor Gary Ridley (non-voting Members).

2. Options considered and recommended proposal

- 2.1 Appendix 3 sets out the existing functions of the WMJC with recommendations on how they could be carried out in the future. These proposals were discussed and agreed by Metropolitan Chief Executives at their meeting on 27 October 2017 and again on 26 January 2018 and by Metropolitan Leaders at their meeting on 9 February 2018.
- 2.2 Since the majority of the existing business of WMJC is airport related, it is proposed that a WM Shareholders Airport Committee be established to deal with all Birmingham Airport matters. This would allow for more appropriate detailed discussion on issues related to the Districts' shareholding in Birmingham Airport. The new Committee will be administered by the Birmingham-based Airport Adviser. Appendix 4 sets out the proposals for the Airport Committee in more detail.
- 2.3 When developing proposals, consideration has been given to:
 - The nature and frequency of occurrence of each area of WMJC business;
 - Existing formal and informal regional meetings;
 - Arrangements in other regions.

2.4 Having taken into account the above, the proposals outlined were deemed to be the most practicable by both the Metropolitan Chief Executives and Metropolitan Group Leaders at their respective meetings as referred to at paragraph 2.1.

2.5 Recommendations

Cabinet is recommended to:

- (1) Agree to recommend to Full Council on 19 June 2018 the approval of the dissolution of the West Midlands Joint Committee, for the reasons set out in this report.
- (2) Agree to set up a Joint Executive Committee with the other six Councils within the West Midlands for the purpose of airport decisions known as West Midlands Shareholders Airport Committee in accordance within the terms of reference set out at Appendix 4 of this Report.
- (3) Agree to recommend to Full Council the proposals for managing the remaining residual business of the WMJC once it is dissolved as set out in Appendix 3 of this Report be approved.
- (4) Recommend to full Council that Cllr Duggins be appointed to the West Midlands Shareholders Airport Committee as a voting member and Cllr Abdul Khan and Cllr Ridley be appointed as non-voting members once the committee is established.
- (5) Recommend to full Council that the City Solicitor and Monitoring Officer be authorised to make any relevant changes to the Council's Constitution in order to enact the recommendations at (1) and (2).
- (6) Authorise the City Solicitor to negotiate, execute and complete all legal documents necessary to support and deliver the above recommendation.

Council is recommended to:

- (1) Approve the dissolution of the West Midlands Joint Committee, for the reasons set out in this report.
- (2) Approve the proposals for managing the remaining residual business of the WMJC once it is dissolved as set out in Appendix 3 of this Report.
- (3) Approve the appointment of Cllr Duggins as a voting member of the West Midlands Shareholders Airport Committee and of Cllr Abdul Khan and Cllr Ridley as non-voting members once the committee is established.
- (4) Authorise the City Solicitor and Monitoring Officer to make any relevant changes to the Council's Constitution in order to enact the recommendations at (1) and (2)

3. Results of consultation undertaken

- 3.1 Both the Chief Executive and the Leader have contributed to the proposals via their regular meetings with other Metropolitan Borough Council Chief Executives and Metropolitan Leaders Group.
- 3.2 A brief update was also provided at the last WMJC meeting on 26 January 2018.
- 3.3 The Unifying Resolution is being submitted to Cabinet in each of the other six constituent Councils for approval in each of those councils. In addition each of the other six constituent Councils are being asked, through their respective executive governance arrangements, to set up a Joint Executive Committee with the other six councils.

4. Timetable for implementing this decision

- 4.1 Once the constituent councils have all agreed these proposals, they will be implemented and the Joint Committee abolished and replaced as outlined.

5. Comments from the Director of Finance and Corporate Services

5.1 Financial Implications

Coventry City Council's contribution to the WMJC in 2017/18 was £64,744. Future costs are likely to remain very similar since although WMJC responsibilities will be dealt with differently the financial obligations remain the same. An outline of future estimated costs for the operation of the new arrangements is included at Appendix 1 of this report.

5.2 Legal implications

- 5.2.1 There are no inherent provisions in the revised Constitution of WMJC dated 28 January 2015 which provide for its dissolution. The WMJC was established by the Full Councils of the District Councils of the County of West Midlands as a Joint Committee on 24 July 1985 under the provisions of Part VI of the Local Government Act 1972.
- 5.2.2 The WMJC's Constitution was updated to reflect changes as set out in the Localism Act 2011 in relation to strategic planning and cross boundary infrastructure matters which must now be dealt with via the Duty to Cooperate ("the duty").
- 5.2.3 Where local authorities are jointly discharging functions they must work within the statutory framework that governs this. The Local Government Act 1972 S101(5) requires the authorities to appoint a joint committee consisting of councillors from each authority.
- 5.2.4 The unifying resolution as set out in Appendix 2, once signed by all the constituent Councils will dissolve the West Midlands Joint Committee.

6. Other implications

6.1 How will this contribute to achievement of the Council's Plan?

The changes will have minimal, if any, effect on the achievement of the Council Plan.

6.2 How is risk being managed?

No specific critical risks have been identified.

6.3 What is the impact on the organisation?

There will be no specific impact upon the Council from these proposals.

6.4 Equalities / EIA

No impact.

6.5 Implications for (or impact on) the environment

No specific impacts

6.6 Implications for partner organisations?

The proposal is the same for each of the other West Midlands Metropolitan Districts.

Report author(s):

Name and job title:

Carol Bradford
Corporate Governance Lawyer
Regulatory Team, Legal Services

Directorate:

Place

Tel and email contact:

Tel: 024 7683 3976
Email: carol.bradford@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Co-Ordinator	Place	18/05/18	21/05/18
Paul Jennings	Finance Manager, Corporate Finance	Place	18/05/18	21/05/18
Names of approvers: (Officers and Members)				
Barry Hastie	Director of Finance and Corporate Services	Place	18/05/18	23/05.18
Julie Newman	Legal Services Manager and Monitoring Officer	Place	18/05/18	23/05/18
Martin Reeves	Chief Executive	-	18/05/18	22/05/18
Councillor G Duggins	Leader of the Council	-	22/05/18	23/05/18

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Estimate of future costs

	Airport Committee	Pension Fund	Administration
Aeronautical adviser	24,000		
SASIG subscription	6,000		
Finance & Admin Support	32,000		24,000
Pensions	45,000 (former airport employees)	387,000 (former WMCC, WMRB and Other Employees without a Successor Authority)	
Miscellaneous (catering, room bookings etc)	3000		4000
Total	110,000	387,000	28,000

RESOLUTION OF ALL THE CONSTITUENT LOCAL AUTHORITIES TO DISSOLVE THE WEST MIDLANDS JOINT COMMITTEE FROM THEIR RESPECTIVE GOVERNANCE ARRANGEMENTS

We the undersigned Local Authorities ALL hereby determine to dissolve the West Midlands Joint Committee (the "Committee").

On the dissolution, the powers and functions of the Committee will be determined in a manner agreed by each constituent local authority.

Signed

Proposals for remaining WMJC functions

FUNCTION	RECOMMENDATIONS
1. To make nominations or appointments to the 5 balancing places of the West Midlands Police and Crime Panel.	That nominations to the Panel are reviewed at Met Leaders Group meeting. (Nominations will be formally made by each of the Councils and through ABCA; Leaders will be asked to review the nominations and political balance on the panel.)
2. Matters relating to Birmingham Airport.	That WM Shareholders Airport Committee be established with responsibility for all those airport related functions which currently sit with WMJC. This to include: (1) The exercise of the Districts powers and rights as shareholders of the Airport Company including the manner in which the Districts' block shareholder vote is to be exercised pursuant to the Shareholders' Agreement (2) The appointment and removal of District Directors of the Airport Company (3) The determination of the manner in which the District Directors block vote is to be cast pursuant to the Shareholders' Agreement The 7 Mets will need to make contributions to cover airport related costs.
3. To consult and co-operate as respects matters affecting the District Councils (including the Duty to Cooperate and as appropriate with each District Council and the Joint Authorities).	That relevant items requiring a formal decision go to WMCA Board (eg planning) and any remaining items go to Met Leaders Group meeting.
4. To oversee the work of and payment of the Joint Data Team contract with Mott Macdonald Ltd dated 27 March 2008. The JDT contract with Mott MacDonald provides services to the seven metropolitan authorities, the Highways Agency and	Responsibility to transfer to WMCA Board. (Existing contract expires in 2018).

<p>Centro as was, comprising of two main elements:</p> <ul style="list-style-type: none"> • Transportation and Planning Services; and • Transportation Modelling (PRISM). <p>The contract currently runs until March 2018, costs being covered by the 7 District Councils, split according to population. (A paper was presented to WMJC in June 2015 outlining full details of the work of the team).</p>	
<p>5. To receive reports from any partnership.</p>	<p>That items go to either Met Leaders Group meetings or WMCA Board meetings as appropriate.</p>
<p>6. Approval of nominations to West Midlands Arts Trust.</p> <p>The principal activity of the Trust is, having received grant aid from West Midlands County Council, to provide a building at a peppercorn rent to the Arts Council England in order to further the arts in the West Midlands.</p>	<p>Historically Birmingham and Sandwell Councils have provided a Trustee to sit on this Board, this has been managed through WMJC. It is proposed that this is now dealt with by the Met Leaders Group.</p>
<p>7. Payment of pension costs relating to former employees of WMCC, WMRB and other employers without a successor authority.</p>	<p>That responsibility for collection of contributions remains with Wolverhampton Finance. Financial reports presented at Met Leaders Group meeting for information.</p>

Proposals for Airport Committee

Structure

- It is suggested that the Airport Committee schedules six meetings each year.

Functions

- Appoints officers to advise the Districts and Airport Committee on Birmingham Airport Holdings Limited (the “Company”).
- Exercises the powers and rights of the Districts as shareholders of the Company including the manner in which the Districts’ block shareholder vote is to be exercised.
- Appoints and removes District directors.
- Determines the manner in which the block vote is to be cast by any of the Districts’ directors.

Membership

- One voting Member from each District.

In order to ensure that the current non-voting members of WMJC retain knowledge of airport related issues, it is suggested that two non-voting members from each District are invited to attend one of the scheduled meetings of the Airport Committee each year.

Voting

- All resolutions passed by a majority of the members present who between them represent Districts who hold at least 51% of the Districts’ total shareholding.

The Districts currently hold the following shareholding in the Company:

Birmingham	38.1%
Coventry	11.8%
Dudley	11.4%
Sandwell	11.5%
Solihull	7.6%
Walsall	10.0%
Wolverhampton	9.6%
Total District Shareholding	100%

Urgent decisions between meetings

- It is suggested that the Airport Committee may arrange for the discharge of their functions by each of the Districts’ Chief Executives or anyone authorised by any District to act in the Chief Executive’s absence acting in consultation with the Chair or vice Chair of Airport Committee.



Cabinet
Council

12th June 2018
10th July 2018

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration - Councillor J O'Boyle

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

Foleshill and Cheylesmore

Title:

Edgwick Point and Wheler Road Seven Stars, Coventry – Property Acquisitions

Is this a key decision?

Yes

Executive Summary:

This report is seeking approval for the acquisition of commercial properties which the Council will then let to generate new income.

Edgwick Point is the purchase of a freehold site of 3 acres, with planning consent to create nine industrial / warehouse units, totalling 65,000sqft.

Wheler Road, Seven Stars Industrial Estate, two adjacent industrial properties totalling 6,200 sqft can be acquired.

The financial details of the proposal are contained within the private part of your report.

It is intended that the property would be held by the Council as an investment asset and managed by the Council's Commercial Property Management.

Recommendations:

Cabinet is recommended to:

1. Approve in principle the acquisition of the freehold interest in land at Edgwick Point, Coventry as shown on the attached plan 1 and to fund the buildings to be constructed. The financial implications are outlined in the private report.
2. Authorise the acquisition of the long leasehold interest in the properties on Wheler Road Coventry as shown on the attached plan 2. The financial implications are outlined in the private report.
3. Delegate authority to the Deputy Chief Executive (Place) in consultation with the Director of Finance and Corporate Services and the City Solicitor to undertake the necessary due diligence, negotiate and finalise the terms of the acquisition of the properties and to complete all necessary legal documentation to facilitate the completion of the purchases.
4. Delegate authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Jobs and Regeneration, for any subsequent variation in terms.

Cabinet is asked to recommends to Council:

1. To approve the necessary adjustment of the Capital programme to reflect the capital expenditure incurred in the acquisition of the Edgwick Point and Wheler Road interests.

Council is recommended to:

1. Approve the necessary adjustment of the Capital Programme to reflect the capital expenditure incurred in the acquisitions of Edgwick Point and Wheler Road interests

List of Appendices included:

Plan 1: Site plan for the acquisition of the freehold interest in land known as Edgwick Point, Coventry.

Plan 2: Site plan for the acquisition of the long leasehold interest in land and buildings on Wheler Road, Coventry.

Other useful background papers:

N/A

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 10th July 2018

Report title: Edgwick Point and Wheler Road Seven Stars, Coventry – Property Acquisitions.

1. Context (or background)

- 1.1 The Council is committed to investing capital receipts in order increase revenue income, supporting services it seeks to deliver.
- 1.2 Two opportunities have been presented to the Council to acquire property, which once let, will create income producing investments.
- 1.3 Edgwick Point is currently owned by The Wigley Group. They have secured a planning consent enabling the demolition of the existing buildings and the construction of 65,000sqft of buildings for industrial and warehousing use. A review of the existing consent in order to optimise the efficiency of the scheme is underway.
- 1.4 Due to a current lack of supply of new industrial accommodation in the City, demand for space remains strong. Our property agent, Drake Howard, is confident that the units will let well. This is also supported by the success of the extension to Lythalls lane Industrial Estate the Council undertook in the last couple of years.
- 1.5 The location of Edgwick Point, just off the A444 and Foleshill Road, affords easy accesses to the motorway and key atrial routes in the north of the city. The site forms part of the larger Edgwick Park, which includes occupiers such as Lidl, Royal Mail and a Mercedes Benz car showroom.
- 1.6 The second option, Wheler Road, comprises the purchase of two modern, detached, office and workshop premises.
- 1.7 The total area for both properties extends to 6,200 sqft. benefiting from a total of 28 car parking spaces..
- 1.8 Wheler Road forms part of the Seven Stars Industrial Estate. This is an established and well located, commercial business estate. The estate is accessed off the Humber Road which affords easy access to the main atrial routes across the city and beyond to the motorway network.
- 1.9 Both properties are currently vacant. It is considered that to assist with the re-letting of the property there is a need to undertake some refurbishment work. These costs have been assessed and factored into the financial assessment of the investment.

2. Options and recommended proposal

Option 1 – Proceed with Acquisitions

- 2.1 Edgwick Point would complement other industrial units the Council owns in the immediate area, namely Little Heath and Lythalls Lane. The sizes of the proposed units are generally larger than those the Council currently owns. This therefore provides the opportunity for business to continue to grow and expand from within the Councils portfolio.
- 2.2 The estimated income from the fully let Edgwick Point scheme has been independently assessed by property argents Drake Howard on behalf of the Council and informed the business case.
- 2.3 Wheler Road is the acquisition of the current 125 year leasehold interest from 14 November 1988 (95 years unexpired) pursuant to a lease dated 7 June 1991. The Council currently owns the freehold interest in the land but the headleasee only pays a peppercorn rent to the Council. The purchase not only provides an increased annual income but also in the future provides a strategic possibility to combine adjoining land holdings for expansion or redevelopment.

- 2.4 The estimated income from the fully let Wheler Road properties scheme has been independently assessed by property agents Drake Howard on behalf of the Council and forms part of the business case.
- 2.5 To ensure that the income levels proposed can be achieved, refurbishment of the properties is required. This work would be undertaken once the properties had been acquired and ahead of re-letting. The cost estimate is within the private part of your report.
- 2.6 The return expected to be made from the investment is outlined in your private report.
- 2.7 The purchase prices proposed for the freehold and leasehold interest and the level of return anticipated has been considered and evaluated by the Council's independent property agents, Drake Howard. They have confirmed that the price represents open market value for the acquisitions.
- 2.8 Acquiring vacant units rather than tenanted premises adds an element of risk around the ability to secure tenants. In both property cases these have been mitigated by selecting good quality accommodation located on well connected and established business locations. The accommodation is flexible in terms of the size of accommodation and what each property can be used for, increasing the target market as wide as possible. In addition, independent property advice has been taken which supports the view that the units will attract tenants based on assumed rental levels.
- 2.9 These risks are reflected in the investment yield / return on the capital employed to purchase the property and due to the scarcity of property available are typical of those currently available in the investment market.
- 2.10 Based on experience it is believed that the proposed layout can be improved upon, increasing the potential lettings and therefore will be explored.
- 2.11 The anticipated return is substantially higher than that which placing the money on deposit because there is a pricing of the risk factored in.

Option 2 - Not to Proceed with Acquisitions

Recommendation – Proceed with the purchase of the two investments.

3. Results of consultation undertaken

No public consultation has been undertaken

4. Timetable for implementing this decision

- 4.1 Subject to Cabinet and Councils approval it is anticipated that the Council will secure the acquisition of the leasehold interest within 28 days of the decision.

5. Comments from the Director of Finance and Corporate Resources

5.1 Financial implications

Members have already approved a financial target from 2017/18 for officers to identify new income streams resulting from the acquisition of investment assets in order to help support the Medium Term Financial Strategy and support the wider delivery of Council services.

Each proposed acquisition has been considered on a commercial business case taking into account the cost of financing the one off investment costs, the income to be generated from rent, and any net landlord liabilities. The business case for each of the proposed acquisitions is summarised below:

The details of the financial business cases can be found in the private report.

5.2 Legal implications

Local authorities have broad powers allowing it to invest and to borrow, either for purposes relevant to the performance of any of their functions or generally for the prudent management of their financial affairs (s1 and s12 of the Local Government Act 2003). The Council may also acquire property by agreement located either inside or outside of their administrative boundary for the purposes of any of their functions, including their investment functions, or otherwise for the benefit, improvement or development of their area (s120 of the Local Government Act 1972).

Lastly, they may also take any action (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions, which would again include their investment functions (s111 of the Local Government Act 1972).

The Council will ensure that in exercising its investment functions to expand its property portfolio that any actions are reasonable and proportionate and for proper purposes consistent with the Council's prudential regime and its investment strategy.

The Council's external agents, Drake Howard have verified that the terms of the acquisition specified in this report represent market value for the best value and in turn satisfy the requirements under Section 123 Local Government Act 1972

All acquisitions are subject to the vendors being able to show good title and the undertaking of the normal due diligence and finalising the terms of acquisition with regards to the acquisition of land and buildings.

Officers within Legal Service (Place Directorate) have been consulted with regards to the preparation of this report and will agree and complete the legal documentation effecting the acquisition of the freehold and leasehold interests ensuring that the Councils interests are properly protected.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)

The purchase of the leasehold interest and the net financial income benefits that flows from it will contribute to the Council Plan of making the most of our assets to deliver priorities with fewer resources.

6.2 How is risk being managed?

The risks have been identified as ensuring that the proposed benefits of the development scheme are realised.

6.3 What is the impact on the organisation?

The impact to the organisation will be minimal but will generate additional work for officers within Place Directorate in dealing with the acquisition of the two property interests.

The acquisitions of the freehold at Edgwick Park and the long leasehold interest merger with the Council's existing freehold interest at Wheler Road will constitute income producing commercial investments.

6.4 Equalities / EIA

An Equality Impact Assessment has not been undertaken as the proposal concerns the disposal of land for redevelopment as no Council service or group will be impacted.

An equality impact assessment is a process designed to ensure that a policy project or service does not discriminate against any disadvantaged or vulnerable people. Section 149 of the Equality Act 2010 imposes an obligation on Local Authorities to carry out an equality impact assessment when the local authority is exercising a public function.

An equality impact assessment has not been undertaken by officers as the proposal set out in this report relates to the acquisition of a legal interest in the land and does not constitute a change in service delivery policy or the exercise of a public function.

6.5 Implications for (or impact on) the environment

The Council's acquisition of the commercial industrial property proposed will have no additional implication or impact on the environment.

6.6 Implications for partner organisations?

There are no implications for any partner organisations.

Report author(s):

Name and job title:

Paul Beesley
Manager Property Development, Disposal and Acquisitions

Directorate:

Place

Tel and email contact:

Tel: 024 7683 1377
Email: paul.beesley@coventry.gov.uk

Enquiries should be directed to the above person(s).

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Place	22/05/18	22/05/18
Names of approvers for submission: (Officers and Members)				
Phil Helm	Finance Manager	Place	17/05/18	18/05/18
Oluremi Aremu	Major Projects Lead Lawyer	Place	17/05/18	18/05/18
Richard Moon	Director Project Management and Property Services	Place	17/05/18	18/05/18
Martin Yardley	Deputy Chief Executive	Place	18/05/18	21/05/18
Councillor J O'Boyle	Cabinet Member for Jobs and Regeneration	-	22/05/18	23/05/18

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Plan 1 – Edgwick Point



<p>PLACE DIRECTORATE PROPERTY ONE FRIARGATE COVENTRY CV1 2GN 02476 833384</p>	 <p>Coventry City Council</p>	<p>Edgwick Point, Coventry</p>	
		<p>Scale NTS Drawn by AW</p>	<p>Date 18.05.2018</p>

Martin Yanley - Director of Place
Richard Moor - Director Property Management & Property Services

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Plan 2 - Wheler Road



PLACE DIRECTORATE
 PROPERTY
 ONE FRARGATE
 COVENTRY CV1 2SN
 02476 833384



Coventry City Council

Wheler Road - 0.607 Acres

Scale NTS Drawn by AW Date 18.05.2018

Martin Yardley - Director of Place
 Richard Mason - Director Property Management & Property Services

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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