

**Time and Date**

2.00 pm on Tuesday, 27th November, 2018

Place

Committee Room 3 - Council House

Public business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes** (Pages 5 - 16)
 - (a) To agree the minutes from the meeting of Cabinet on 2nd October 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. **2018/19 Second Quarter Financial Monitoring Report (to September 2018)**
(Pages 17 - 40)

Report of the Deputy Chief Executive (Place)
6. **Pre-Budget Report 2019/20** (Pages 41 - 68)

Report of the Deputy Chief Executive (Place)
7. **Coventry Tourism Strategy** (Pages 69 - 132)

Report of the Deputy Chief Executive (Place)
8. **Coventry Adoption Service Annual Report 2017-18** (Pages 133 - 154)

Report of the Deputy Chief Executive (People)
9. **Local Offer and extension of Personal Adviser support to Care Leavers**
(Pages 155 - 172)

Report of the Deputy Chief Executive (People)

10. **European Regional Development Fund 2014-2020 – Coventry Second Round Applications** (Pages 173 - 184)
Report of the Deputy Chief Executive (Place)
11. **Taxi Licensing Matters** (Pages 185 - 210)
Report of the Deputy Chief Executive (Place)
12. **Re-commissioning Homeless Services in Coventry** (Pages 211 - 226)
Report of the Deputy Chief Executive (Place)
13. **Options to Improve the Quality but Reduce the Cost of Temporary Accommodation** (Pages 227 - 240)
Report of the Deputy Chief Executive (Place)
14. **Binley Court, Brindle Avenue, Coventry - Investment Acquisition** (Pages 241 - 250)
Report of the Deputy Chief Executive (Place)
15. **Outstanding Issues**
There are no outstanding issues.
16. **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

17. **Options to Improve the Quality but Reduce the Cost of Temporary Accommodation** (Pages 251 - 264)
Report of the Deputy Chief Executive (Place)

(Listing Officer: P Mudhar, Tel: 024 7683 1970)
18. **Binley Court, Brindle Avenue, Coventry - Investment Acquisition** (Pages 265 - 274)
Report of the Deputy Chief Executive (Place)

(Listing Officer: P Beesley, Tel: 024 7683 1377)
19. **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, 19 November 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:

Cabinet Members:- Councillors F Abbott, P Akhtar (Deputy Cabinet Member), R Ali (Deputy Cabinet Member), F Abbott, K Caan, G Duggins (Chair), J Innes, AS 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)

Non-voting Deputy Cabinet Members:- Councillors P Akhtar, R Ali, B Kaur, R Lakha, T Skipper, and D Welsh

By invitation:- Non-voting Opposition representatives:- Councillors A Andrews and G Ridley

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,
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Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 30 October 2018

Present:

Members: Councillor G Duggins (Chair)
Councillor K Caan
Councillor K Maton
Councillor J O'Boyle
Councillor E Ruane
Councillor P Seaman

Non-Voting Opposition Members: Councillor A Andrews
Councillor K Taylor (Substitute for Councillor G Ridley)

Other Members: Councillor N Akhtar
Councillor R Ali
Councillor J Birdi
Councillor J Clifford
Councillor B Kaur
Councillor R Lakha
Councillor M Mutton
Councillor R Singh
Councillor G Williams

Employees (by Directorate):

Chief Executives M Reeves (Chief Executive)

People G Quinton (Deputy Chief Executive (People)), D Ashmore,
M Duffy, J Gregg, L Gaulton, N Hart, G Kell, K Nelson,
P Ward

Place M Andrews, B Hastie, C Knight, S C Lam, R Moon, M Salmon

Apologies: Councillor F Abbott
Councillor P Akhtar
Councillor J Innes
Councillor AS Khan
Councillor J Mutton
Councillor G Ridley
Councillor T Skipper

Public Business

57. Declarations of Interest

There were no disclosable pecuniary interests.

58. **Minutes**

The minutes of the meeting held on 2nd October 2018 were agreed and signed as a true record.

There were no matters arising.

59. **Exclusion of Press And Public**

RESOLVED that the Cabinet agrees to exclude the press and public under Sections 100(A)(4) of the Local Government Act 1972 relating to the private report in Minute 69 below headed 'Procurement of Contract for Maintenance and Inspection Service of Traffic Signal Equipment and Intelligent Transport Equipment and Supply and Installation of Traffic Signal Equipment and Other Works' on the grounds that the report involves the likely disclosure of information as defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial affairs of a particular person (including the authority holding that information) and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

60. **Youth Justice Plan 2018/2019**

The Cabinet considered a report of the Deputy Chief Executive (People) that would also be considered by Council at its meeting on 4 December 2018, which sought approval of The Coventry Youth Offending Service (CYOS) Youth Justice Plan following its agreement and signing off by Statutory Partners, and to seek Council endorsement.

Youth Offending Teams (YOTS) were established under the Crime and Disorder Act 1998 (CDA). The functions assigned to the YOS included the duty upon the local authority under the Children Act 1989 to take all reasonable steps to encourage children not to commit offences. The Act imposed a duty on each Local Authority acting in cooperation with its Statutory Partners, (Police, Health and Probation) to ensure that all youth justice services were available in their area to such an extent as was appropriate for the area.

The key tasks of the service were:

- Assessing and delivering interventions to the out-of-court-disposal cohort
- Management and delivery of community sentences
- Management and delivery of secure estate sentences and resettlement
- Servicing the Youth Court and Crown Courts (in terms of provision of a court team, bail & health assessments, provision of pre-sentence reports and stand down reports)
- Victim services
- Parenting services and management of Parenting Orders

The CDA legislation also imposed a duty to complete and submit a Youth Justice Plan each year.

The Plan provided an overview of CYOS achievements against key indicators, plans and targets, and identified the key strategic actions for the next 12 months. Statutory Partners (Police, Health, Probation) and Local Authority, represented by The Director of Children Services, had agreed and signed off on the Plan.

RESOLVED that the Cabinet:

1) Approves and endorses the Youth Justice Plan 2018-2019.

2) Recommends that Council endorse the Youth Justice Plan 2018-2019.

61. Council Plan 2017/18 - End of Year Performance Report

The Committee considered a report of the Chief Executive, that had also been considered by the Scrutiny Co-ordination Committee (their minute 23/18 referred), which provided details of the Council Plan 2017/18 End of Year Performance covering progress made towards the Plan during the period April 2017 to March 2018. The Council Plan 2016-2024, the Council Plan 2017/2018 end of year performance report, the table of indicators and the performance management framework were attached as appendices to the report.

A Members seminar to discuss the performance report had already taken place.

The Council Plan was the Council's corporate plan which set out the Council's vision and priorities for the city. The current plan was last reviewed in July 2016. This year, the Plan had been reviewed and rebranded in line with the Council's emerging One Coventry approach which was intended to lead to services and teams across the Council working smarter and in a more joined-up way.

As part of the vision the Council sought to promote the growth of a sustainable economy, was committed to reform so that everybody, including the most vulnerable residents, could share in the benefits of the city's growth, underpinned by a Council that was enabling communities to solve local problems, at a time of reducing resources.

The report used indicators, contextual information and comparative information to describe and explain how the Council and the city's performance compared to previous years and to other places. Of the 67 headline indicators, 42 indicators improved or stayed the same, 17 indicators got worse, 1 indicator couldn't say since it was updated every other year and targets were not applicable for the remaining 7. Further information was included in a second appendix to the report. Members noted that this progress had been made in the context of a sustained reduction in overall resources, with the Council receiving £107m less core government grant in 2017/18 than the equivalent figure received in 2010/11.

The report also set out how the Council was addressing inequalities. A third appendix to the report set out the Council's performance management framework which detailed how the Council planned and organised its resources to achieve its vision and priorities.

The Cabinet noted that the Housing and Homelessness Strategy was a key priority for the Council and it was likely that there would be additional performance indicators in this area. There was also likely to be a refresh of the tourism indicators.

A Briefing note detailing the Scrutiny Co-ordination Committee's consideration of the report was attached to the report. The Committee decided that:

- (1) The Council's performance, as set out in the performance report, be noted.
- (2) 'One Coventry', the rebranded Council Plan, and the Council's revised performance management approach, be noted.
- (3) The Chairs of the Scrutiny Boards to give further consideration to the table of indicators relevant to the work of their Boards, with update reports being submitted to future meetings, if appropriate.
- (4) Additional information be circulated to members on the smoking statistics, in particular the monitoring of mothers post birth.

RESOLVED that the Cabinet:

- 1) Notes the Scrutiny Co-ordination Committee's consideration of the Council Plan 2017/18 end of year performance report**
- 2) Approves the Council Plan 2017/18 end of year performance report.**
- 3) Notes "One Coventry", the rebranded Council Plan, and the Council's revised performance management approach.**

62. Microsoft Enterprise Agreement

The Cabinet considered a report of the Deputy Chief Executive (People) that sought approval for the procurement of a new three year contract to appoint a reseller for the renewal of the Council's Microsoft Enterprise Agreement (EA).

The EA was a volume licensing agreement that allowed the Council to legally access all of the licenced software products obtained from Microsoft. These products included Windows, Office 365 (including SharePoint and OneDrive) and the licensing for all back-end infrastructure supporting the systems in use across the organisation.

The maximum licence period for the EA was three years and the Council could not procure direct from Microsoft. For this reason, the Council engaged with a Microsoft reseller for transacting the EA. The Council's current reseller is Bytes Software Services Ltd, the existing 3 year EA transacted through them expired on the 31st March 2019.

ICT had been working with Microsoft and Bytes to audit the existing EA to ensure the Council only purchased the number of licences required for the new agreement. The Council's requirements had not changed significantly but the cost price had increased since 2015. The current indication was that the like for like renewal would be £1,073,000 per annum which represented a 30% increase.

Since the previous EA was procured, the Council had also taken the decision to move its corporate telephony solution from Mitel to Microsoft Skype. Skype licences could be procured as part of the EA agreement, so this cost, which equated to approximately £365k per annum for the new contract, would also be added to the new EA. Work was underway regarding procuring a specific telephony solution for the Customer Service Centre, the new solution would be in addition to Skype for Business therefore the potential costs for that, sat outside the scope of this report. The indicative total at the time of this report for the EA was £1.4m per annum (£4.3m for the 3-year contract).

Microsoft had confirmed there would be another 6% increase to its public sector pricing in October 2018. The Council had agreed an extension to this deadline to allow for further audit work to be concluded. By committing to the new EA before the 30th November 2018, the Council would avoid a further £86k per annum approximate increase in cost.

Although the Council were not in a position to compete for an alternative licence, it could still compete the spend to appoint the reseller. By completing a further competition through a national procurement framework, it would ensure it paid the lowest possible margin whilst giving compliance to its spend. The resellers also offered added value to the Council in terms of auditing its requirements and offering guidance and support as required.

Procurement intended to complete the further competition under Kent Commercial Services (KCS) Central Buying Consortium (CBC) Software Products and Associated Services framework (Y170358) Lot 1 - Microsoft. The framework had several approved Microsoft approved resellers including the Council's existing reseller Bytes that would allow for a competitive procurement process.

RESOLVED that the Cabinet:

- 1) Authorises the procurement of a new three year contract to appoint a reseller for the renewal of the Council's Microsoft Enterprise Agreement.**
- 2) Delegates authority to the Deputy Chief Executive (People) and Director of Finance and Corporate Services to agree the award of contract(s) following the procurement process.**

63. Land at Browns Lane, Coventry

The Cabinet considered a report of the Deputy Chief Executive (Place) on proposals to market and dispose of land at Browns Lane, Coventry.

The Council owned the freehold of land located at Browns Lane comprising approximately 42 acres. The site had been allocated as a future housing site in the Coventry Local Plan which was adopted by the Council on 5th December 2017 (their minute 70/17 referred). The Plan evaluated the land at Browns Lane with a capacity of up to 475 dwellings.

Consultants would be instructed to undertake requisite studies and to prepare and submit Outline Planning Applications for the land to establish the principle and density. Subsequent to planning permission being granted, the site would be released for marketing and disposal by tender over the financial years between 2020-2022.

RESOLVED that the Cabinet:

- 1) Approves the undertaking of requisite studies and the preparation and submission of an outline planning application for residential development of the land at Browns Lane, Coventry.**
- 2) Agrees to enter into negotiations with adjoining land owners for Browns Lane for a more comprehensive development (if applicable).**
- 3) Approves the marketing and disposal of Browns Lane by tender.**
- 4) Delegates authority to the Director of Property Management and Property Services, following consultation with the Cabinet Member for Jobs and Regeneration, for any subsequent variation in terms.**
- 5) Delegates authority to the Legal Services Manager to execute all the necessary documentation for the freehold transfer of the land at Browns Lane.**

64. One Strategic Plan - SEND Proposal for the use of the Woodlands Site

The Cabinet considered a report of the Deputy Chief Executive (People) that sought in principle approval to co-locate Woodfield Primary and Secondary Schools to the site previously occupied by Woodlands School, Broad Lane, Coventry.

Under Section 14 of the Education Act 1996, Coventry City Council had a statutory duty to ensure sufficient school places and fair, appropriate access to education for all. It was the Council's role to plan, commission and organise school places in a way that raised standards, managed supply and demand and created a diverse infrastructure.

Cabinet, at their meeting on 2nd October 2018 (minute 46 referred), approved in principle the draft One Strategic Plan and agreed that this should now be consulted on. The One Strategic Plan set out pupil forecasts for primary and secondary across education planning areas in response to rising or falling pupil cohorts across the city. It outlined the strategy proposed by the Local Authority and the Coventry Secondary Headteacher Partnership to meet the additional places required in secondary provision from 2019 – 2021.

The One Strategic Plan also outlined the strategy to meet the growing demand for places for children with special educational needs and disabilities including provision for children age 5 to 16, with complex social, emotional and behavioural difficulties. This specialist provision was currently delivered by Woodfield Special School from two separate sites. It was acknowledged that the existing school buildings were deemed unsuitable for purpose in the long term and had insufficient capacity to meet the growing demand.

An opportunity had arisen to re-use the site which contained listed buildings, previously occupied by Woodlands School, to co-locate Woodfield School, in its entirety. This would provide a future proofed fit for purpose educational environment, offering a full range of facilities including sport to learners, with the capacity for the provision to grow. The potential utilisation of the 'Woodlands site' enabled the physical separation of phases specifically primary and secondary to ensure that pupils from either phase were able to benefit from age appropriate curriculum and resources. The site security and design would ensure that pupils would only be able to access their own internal and external learning environment.

The report set out how the relocation could be facilitated and sought an "in principle" approval to proceed with a detailed feasibility study, consultation and, if appropriate, present final proposals for Council consideration and decision.

RESOLVED that the Cabinet:

- 1) Approves the principle of refurbishing the existing Woodlands School site to provide a new home for the existing Woodfield Primary and Secondary schools, the potential subsequent relocation of the Woodfield schools to the Woodlands site, and to apply for planning/listed building consent in order to be able to implement the proposals if a subsequent detailed feasibility study is approved by a future Cabinet and Council.**
- 2) Approves the proposal to pursue planning consent for residential use and subsequent disposal, subject to consent being granted, of the current Woodfield Primary (Stoneleigh Road) and Secondary (Hawthorne Lane) sites and to "ring fence" the receipts towards the costs of implementing recommendation 1) above.**
- 3) Undertakes all necessary consultation with families, the wider education community and all statutory bodies on the proposals set out in recommendation 1) above and to bring the outcome of the consultations and feasibility study, along with the financial implications of any final proposal, back to Cabinet and Council for consideration in making any final decision.**

65. Procurement of Contract for Maintenance and Inspection Service of Traffic Signal Equipment and Intelligent Transport Equipment and Supply and Installation of Traffic Signal Equipment and Other Works

The Cabinet considered a report of the Deputy Chief Executive (Place) which sought approval for the procurement of a contract for maintenance and inspection

service of traffic signal equipment and intelligent transport systems, and for the supply and installation of traffic signal and equipment.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposal. (Minute 69 below refers.)

Traffic signal controller junctions and pedestrian crossings must be maintained and inspected at regular time intervals. The Council had a duty as the responsible authority to ensure that the equipment used for the safe management of traffic was reliable and continued to operate as intended.

The scope of this contract would include the supply of goods, works and services associated with the: -

- Maintenance and inspection of traffic signals controlled junctions, pedestrian crossings and cycle crossings.
- Maintenance and inspection of Intelligent Transport Systems equipment including car park variable message signs, free text variable message signs etc.
- Installation of new traffic signal controlled junctions, pedestrian crossings and cycle crossings.
- Upgrade of existing installations;
- Minor civil engineering works associated with the upgrade of existing installation and the installation of new schemes.

The current contract for maintenance, inspection, supply and installation was procured collaboratively with Warwickshire County Council, Solihull Metropolitan Borough Council and Nottingham City Council and was due to end on the 30th June 2019. To ensure a new contract was place by 1st July 2019 it was necessary to start the procurement process. To put an attractive proposition to market and achieve best value, it was proposed that the Council would participate in a joint procurement exercise with Warwickshire County Council (as the lead authority) and Nottingham City Council to procure a contract for an initial period of five years and, thereafter renewable by agreement for further period(s) up to a maximum of not more than 2 years.

The City Council's current expenditure was likely to increase over the life of the new contract due to external funding opportunities including City of Culture, Housing Development, National Productivity Investment Fund, Transport for West Midlands and Air Quality Management.

RESOLVED that the Cabinet:

- 1) Gives approval to proceed with an appropriate procurement process for the Supply, Installation, Inspection and Maintenance of Traffic Signal Equipment and Intelligent Transport Systems in conjunction with Warwickshire County Council and Nottingham City Council.**
- 2) Authorises the Deputy Chief Executive (Place), following consultation with Cabinet Member for City Services, to enter into the relevant contract for the Supply, Installation, Inspection and Maintenance of**

Traffic Signal Equipment and Intelligent Transport Systems, on terms and conditions acceptable to the Deputy Chief Executive (Place).

66. Outstanding Issues

There were no outstanding issues.

67. Draft Housing and Homelessness Strategy 2019-2024 Public Consultation

The Cabinet considered a report of the Deputy Chief Executive (Place) that requested permission to carry out public consultation on the draft Housing and Homelessness Strategy 2019-2024, attached as an appendix to the report.

The Council was required to have an up to date Strategy to prevent homelessness. The current Housing and Homelessness Strategy covered the period from 2013 to 2018. Following engagement with key stakeholders, a draft Housing and Homelessness Strategy for 2019-2024 had been produced. The Strategy 2019-2024 focussed on four main themes:

- Preventing homelessness and supporting homeless households - this theme would be the Homelessness Strategy for the city and would embed the principles of preventing homelessness and providing effective support if people do become homeless, through adoption of the pathways model. To achieve this, actions would be put in place to increase effective partnership working both within the Council and with relevant partners, improve the information and advice available, and include support for people to sustain tenancies and build resilience to avoid the future risk of homelessness. This would also include a review of the Coventry Homefinder policy and the re-commissioning of homeless and ex-offender accommodation and floating support services.
- New Housing Development – this theme would focus on ensuring that the growth needs of the city were met with an appropriate mix of housing types and tenures. To achieve this, actions would be put in place to develop the relevant supplementary planning documents (SPDs), to work collaboratively with developers, Registered Providers (housing associations) and Homes England to ensure that affordable housing needs were met, and improve the design and diversity of new housing development.
- Improving the use of existing homes – this theme would focus on the city’s existing housing stock and ensure it was used in the most effective and efficient way to meet the needs of local people. To achieve this, actions would be put in place to reduce the number of empty homes, improve the standard and management of rented housing, including exploring options for discretionary licensing, and improve the quality of existing homes through energy efficiency measures etc.
- Support for people and communities – this theme would focus on ensuring that the city’s housing was fit for an aging population, people that need support to live independently were able to access it, and support for communities to influence housing in their area through Neighbourhood Plans and regeneration. To achieve this, actions would be put in place to assess the

need for supported housing, administer disabled facilities grants (DFGs), and support communities that wanted to prepare a neighbourhood plan.

The Draft Action Plan, attached as a second appendix to the report, was published alongside the Draft Housing and Homelessness Strategy. Once approved, the action plan would be regularly reviewed and updated to ensure that actions were being progressed and responses were being made to any changes in trends or issues that emerged during the lifetime of the Strategy.

RESOLVED that the Cabinet:

- 1) Approves a period of public consultation with the local community and key stakeholders on the Draft Housing and Homelessness Strategy 2019-2024, as attached as an Appendix to the report.**
- 2) Instructs officers to produce a final Housing and Homelessness Strategy following the public consultation, for approval and adoption by the Cabinet and Council.**

68. **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.

69. **Procurement of Contract for Maintenance and Inspection Service of Traffic Signal Equipment and Intelligent Transport Equipment and Supply and Installation of Traffic Signal Equipment and Other Works**

Further to Minute 65 above, the Cabinet considered a private report of the Deputy Chief Executive (Place) setting out the commercially confidential matters relating to proposals for the procurement of a contract for maintenance and inspection service of traffic signal equipment and intelligent transport systems, and for the supply and installation of traffic signal and equipment.

RESOLVED that the Cabinet:

- 1) Gives approval to proceed with an appropriate procurement process for the Supply, Installation, Inspection and Maintenance of Traffic Signal Equipment and Intelligent Transport Systems in conjunction with Warwickshire County Council and Nottingham City Council.**
- 2) Authorises the Deputy Chief Executive (Place), following consultation with Cabinet Member for City Services, to enter into the relevant contract for the Supply, Installation, Inspection and Maintenance of Traffic Signal Equipment and Intelligent Transport Systems on terms and conditions acceptable to the Deputy Chief Executive (Place).**

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

There were no other items of private business.

(Meeting closed at 2.55 pm)

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Public report Cabinet Report

Cabinet
Audit and Procurement Committee

27th November 2018
21st January 2019

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director approving submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

City Wide

Title:

2018/19 Second Quarter Financial Monitoring Report (to September 2018)

Is this a key decision?

No

Executive summary:

The purpose of this report is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of September 2018.

The headline revenue forecast for 2018/19 is an over spend of £0.5m. At the same point in 2017/18 there was a projected overspend of £3.1m.

This position continues to reflect overspends in several service areas that have been subject to recent budgetary pressure. Although the overall overspend position is relatively modest, the service and financial pressures in several areas continue to demand management attention. This is most pressing and significant in relation to challenges in housing & homelessness services. Notwithstanding a range of plans coming forward, it is now clear that these circumstances will be in place for some time and this is reflected in the financial proposals within the 2019/20 Pre-Budget Report also being considered by Cabinet on 27th November.

The Council's capital spending is projected to be £222m for the year, a net decrease of £40m on the programme planned at the start of the year. At quarter 1 Cabinet was alerted to the possibility of significant capital slippage later in the budgetary cycle and this risk is one that continues to be of relevance.

Recommendations:

Cabinet is recommended to:

1. Note the forecast revenue overspend at Quarter 2.
2. Approve the revised capital estimated outturn position for the year of £222.4m incorporating: £3.1m net reduction in spending relating to approved/technical changes and £23.9m net rescheduling of expenditure into 2019/20 (Appendix 4).

Audit and Procurement Committee is recommended to:

1. Consider whether there are any comments they wish to be passed to Cabinet

List of Appendices included:

Appendix 1	Revenue Position: Detailed Directorate breakdown of forecast outturn position
Appendix 2	Capital Programme: Analysis of Budget/Technical Changes
Appendix 3	Capital Programme: Estimated Outturn 2018/19
Appendix 4	Capital Programme: Analysis of Rescheduling
Appendix 5	Prudential Indicators

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?

Audit and Procurement Committee, 21st January 2019

Will this report go to Council?

No

Report Title:

2018/19 Second Quarter Financial Monitoring Report (to September 2018)

1. Context (or Background)

- 1.1 Cabinet approved the City Council's revenue budget of £234.8m on the 20th February 2018 and a Directorate Capital Programme of £262.5m. This is the second quarterly monitoring report for 2018/19 to the end of September 2018. The purpose is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and to report on the Council's treasury management activity.
- 1.2 The current 2018/19 revenue forecast is an overspend of £0.5m a decrease of £1.5m on the Quarter 1 position of £2.0m. The reported forecast at the same point in 2018/19 was an overspend of £3.1m. Capital spend is projected to be £222.3m, a decrease of £27m on the quarter 1 position.

2. Options considered and recommended proposal

- 2.1 **Revenue Forecast** - The forecast revenue overspend of £0.5m is analysed by service area below.

Table 1 - Forecast Variations

Service Area	Revised Net Budget £m	Forecast Spend £m	Forecast Variation £m
Public Health	0.1	(0.5)	(0.6)
People Directorate Management	1.4	1.5	0.1
Education & Inclusion	13.1	13.1	0.0
Children & Young People	73.9	74.9	1.0
Adult Social Care	75.7	75.7	0.0
Customer Services & Transformation	6.0	8.4	2.4
Place Directorate Management	1.6	1.6	0.0
City Centre & Major Projects	7.6	8.3	0.7
Transportation & Highways	4.1	4.0	(0.1)
Streetscene and Regulatory	26.6	28.3	1.7
Project Management & Property	(7.5)	(7.6)	(0.1)
Finance & Corporate Services	9.7	9.6	(0.1)
Contingency & Central Budgets	22.5	18.0	(4.5)
Total Spend	234.8	235.3	0.5

2.2 Explanation of Major Revenue Variations

A summary of the major forecast variances is provided below. Further details are shown in Appendix 1.

The largest pressure relates to the estimated costs of supporting families and individuals in temporary and supported accommodation (£2.4m), this is as a result of a continued rise in homelessness cases, and cases where insufficient Housing Benefit subsidy can be claimed from the government; this is over and above the £2.7m additional budget approved for 2018/19. The operational management of homelessness services is reported under the Director for Transformation and Customer Services which means that this area reflects the financial pressures associated with the most volatile demand-led budgets, against which there are clearly pressures being recognised at a national level. Although the specific financial pressures are present in this service area, both its causes and the necessary solutions to it, manifest themselves in multiple different service areas across the Council. Detailed work is being undertaken, now informed in part by the feedback from the Council's recent Peer Review, to design a programme of remedial actions and activities, This activity includes the identification of metrics and performance management arrangements to properly measure the requirements and impacts of actions across this broader range of services on a corporate basis.

As reported at Quarter 1, continuing recruitment problems are creating budget pressure relating to agency staffing covering vacancies. The majority of agency is currently within Children's Services where in the region of 54 posts are currently covered. The forecast includes an estimate for an improvement in the balance between agency workers and employed staff later in the year. Pressures in a number of Place Directorate services relate to the employment of agency staff totalling c£1m. This is either as a result of the need to ensure service continuity whilst reviews take place, where there has been an inability to recruit, or in some cases to address high levels of workload. However, these costs are largely offset by salary budget underspends of £0.8m.

People Directorate

In addition to the pressures described above, the People Directorate continues to face significant financial challenges in the 2018/19 financial year. Whilst the overall position of a forecast £2.9m overspend is an improvement on the quarter 1 position, the underspend of £5.6m on centralised salaries masks pressures of £8.5m on other areas.

The Looked After Children (LAC) population has risen significantly over the last year, with average LAC numbers at 644 in 2017/18 compared with 682 so far for 2018/19. This pressure had been anticipated and budget resource was added as part of the budget setting process for 2018/19 as well as a transformation programme target to deliver a lower unit cost within LAC placements. Whilst on track to deliver the necessary changes, there are continued pressures within supported accommodation placements for care leavers.

Alongside this, continuing pressures within SEN transport of £0.3m are balanced out by other underspends across the service. Finally, whilst Adult Social Care is showing a balanced position, there is increasing pressure surrounding packages of care alongside increasing demand in Deprivation of Liberty safeguards (DOLs) which are managed in year using iBCF protecting social care resources.

Place Directorate

There are a number of material variations forecast for the Directorate in 2018/19. The most significant is a forecast £0.5m waste disposal pressure relating to a reduction in a recycling rebate from BIFFA together with higher than expected increases in disposal tonnages. Also, following the decision to continue with the Godiva Festival annually, the increasing size of the event and the increasing cost of staging it, there is a pressure on the events budget of £0.46m in 2018/19. Additionally, some service areas are not fully achieving budgeted income levels, Commercial Waste £0.25m, CCTV £0.1m, St Marys Guildhall

£0.1m, parking enforcement £0.2m and Coombe Country Park £0.16m, however these are offset by higher planning and bus lane enforcement income.

Contingency and Central

Underspends totalling £4.5m are anticipated relating to the Asset Management Revenue Account (£2.1m) and other corporate budgets including the Kickstart financial model, the sports contingency, the Council's WMCA contributions and surpluses expected from the Coventry and Warwickshire Business Rates Pool. An unbudgeted £1m of Adult Social Care Grant has been received although the Council will also have £0.8m less resource relating to the amount of 2018/19 compensation that it will receive for the Business Rates multiplier being capped.

2.3 Capital Programme

The 2018/19 capital outturn position for quarter one reported a revised outturn position of £249.4m compared with the original programme reported to Cabinet in February 2018 of £262.5m. Table 2 below updates the budget at quarter 2 to take account of a £3.1m decrease in the programme from approved/technical changes and £23.9m it is now planned to be carried forward into future years. This gives a revised projected level of expenditure for 2018/19 of £222.4m. Appendix 3 provides an analysis by directorate of the movement since quarter one.

The Resources Available section of Table 2 explains how the Capital Programme will be funded in 2018/19. It shows 55% of the programme is funded by external grant monies, whilst 40% is funded from borrowing. The programme also includes funding from capital receipts of £6.1m. Overall the Capital Programme and associated resourcing reflects a forecast balanced position in 2018/19.

Table 2 – Movement in the Capital Budget

CAPITAL BUDGET 2018-19 MOVEMENT	Qtr 2 Reporting £m
Estimated Outturn Quarter 1	249.4
Approved / Technical Changes (see Appendix 2)	(3.1)
"Net" Rescheduling into future years (see Appendix 4)	(23.9)
Revised Estimated Outturn 2018-19	222.4

RESOURCES AVAILABLE:	Qtr 2 Reporting £m
Prudential Borrowing (Specific & Gap Funding)	88.3
Grants and Contributions	122.5
Capital Receipts	6.1
Revenue Contributions	5.0
Leasing	0.3
Total Resources Available	222.4

Final decisions on the funding of the programme will be made at year-end, based on the final level of spend and the level of resources available. These decisions will pay due regard to the need to earmark resources to fund future spending commitments. In recent years the Council has delayed prudential borrowing as a means of funding capital spend. However, £31m of Prudential Borrowing was incorporated within the 2017/18 resourcing position and it is important to be aware that significant amounts of borrowing have been approved to

fund the 2018/19 and future programmes and this will come on-stream over the next few years. The revenue funding costs of this have been built into the Council's forward financial plans.

2.4 Treasury Management Activity in 2018/19

Interest Rates

The current Bank of England Base Rate was increased by 0.25% to 0.75% in August. Central case interest rate forecasts indicate that there will be two further interest rates rises of 0.25% in 2019 with the first one potentially coming in March, meaning interest rates could be 1.25% by the end of 2019. However, the Monetary Policy Committee have shown a bias towards tighter monetary policy (lower interest rates) so there is no guarantee that this will happen. The current Brexit negotiations will have an impact on interest rates also.

Long Term (Capital) Borrowing

The net long term borrowing requirement for the 2018/19 Capital Programme is £79.8m, taking into account borrowing set out in Section 2.4 above (total £88.3m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£8.5). Although the Council's recent Capital Programmes have incorporated prudential borrowing as part of the overall resourcing package, no long term borrowing has been undertaken for several years, due in part to the level of investment balances available to the authority. However, the anticipated future high level of capital spend combined with the new lower level of investment balances available mean that the Council will need to keep this under review over the next few years. The actual pattern of these factors and the level and expected movement in interest rates will dictate when the Council next seeks to borrow.

During 2018/19 interest rates for local authority borrowing from the Public Works Loans Board (PWLB) have varied within the following ranges:

PWLB Loan Duration (maturity loan)	Minimum 2018/19 to P6	Maximum 2018/19 to P6	As at the End of P6
5 year	1.87%	2.19%	2.13%
50 year	2.45%	2.84%	2.76%

The PWLB now allows qualifying authorities, including the City Council, to borrow at 0.2% below the standard rates set out above. This "certainty rate" initiative provides a small reduction in the cost of future borrowing.

Regular monitoring continues to ensure identification of any opportunities to reschedule debt by early repayment of more expensive existing loans replaced with less expensive new loans. The premiums payable on early redemption usually outweigh any potential savings.

Short Term (Temporary) Borrowing and Investments

In managing the day to day cash-flow of the authority, short term borrowing or investments are undertaken with financial institutions and other public bodies. The City Council currently holds £10m short term borrowing at an average interest rate of 1%.

Returns provided by the Council's short term investments yield an average interest rate of 0.69%. This rate of return reflects low risk investments for short to medium durations with UK banks, Money Market Funds, Certificates of Deposits, other Local Authorities, Registered Providers and companies in the form of corporate bonds.

Although the level of investments varies from day to day with movements in the Council's cash-flow, investments held by the City Council identified as a snap-shot at each of the reporting stages were: -

	As at 30th September 2017	As at 30th June 2018	As at 30th September 2018
	£m	£m	£m
Banks and Building Societies	24.4	22.3	13.0
Money Market Funds	9.9	8.0	12.0
Local Authorities	0.0	21.5	6.0
Corporate Bonds	11.4	4.0	5.0
Registered Providers	8.0	5.0	6.0
Total	53.7	60.8	42.0

External Investments

In addition to the above investments, a mix of Collective Investment Schemes or “pooled funds” is used, where investment is in the form of sterling fund units and non-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. The Sterling investments include Certificates of Deposits, Commercial Paper, Corporate Bonds, Floating Rate Notes, Call Account Deposits and Equities. These pooled funds are designed to be held for longer durations, allowing any short term fluctuations in return to be smoothed out. In order to manage risk these investments are spread across a number of funds.

As at 30th September 2018 the pooled funds were valued at £38.9m, spread across the following funds: Payden & Rygel, CCLA, Royal London Asset Management, Deutsche Bank, Schrodgers, Investec, Columbia Threadneedle and M&G Investments

Prudential Indicators and the Prudential Code

Under the CIPFA Prudential Code for Capital Finance authorities are free to borrow, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against a number of Prudential 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.

The indicators, together with the relevant figures as at 30th September 2018 are included in Appendix 6. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2018/19. Specific points to note on the ratios are:

- The Upper Limit on Variable Interest Rate Exposures (indicator 10) sets a maximum amount of net borrowing (borrowing less investments) that can be at variable interest rates. At 30th September the value is -£73.2m (minus) compared to +£89.1m within the Treasury Management Strategy, reflecting the fact that the Council has more variable rate investments than variable rate borrowings at the current time.

- The Upper Limit on Fixed Interest Rate Exposures (indicator 10) sets a maximum amount of net borrowing (borrowing less investments) that can be at fixed interest rates. At 30th September the value is £225.7m compared to £445.4m within the Treasury Management Strategy, reflecting that a significant proportion of the Councils investment balance is at a fixed interest rate.

2.5 Investment Framework

Local authorities are increasingly looking to invest in commercial ventures in order to secure a financial return, including property schemes, share purchase and the provision on loans to external organisations and some decisions made by the Council recently have reflected these changes. Within this context, and in particular the risk associated with such investments, changes have been made to some aspects of the regulatory framework in which authorities invest, including: the Treasury Management Code; Prudential Code for Capital Finance and the statutory Guidance on Minimum Revenue Provision. However, the greatest change is through the revised government Statutory Guidance on Local Government Investments. In the main these changes relate to commercial investments outside the treasury area; in commercial property, shares and loans. The thrust of the changes is to extend to non-treasury investments, some of the arrangements that apply to treasury investments, such as the production of a formal strategy, setting investment parameters, monitoring and reporting on risk, and strengthening the processes in respect of commercial investments funded by borrowing. The precise details of how these requirements will be addressed is currently being assessed at both a national and local level, and will be reported on in due course, as part 2018/19 in year monitoring and also 2019/20 budget setting.

3. Results of consultation undertaken

None.

4. Timetable for implementing this decision

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

5. Comments from the Director of Finance and Corporate Services

5.1 Financial Implications

Revenue

In overall terms, this report indicates that the Council is managing its difficult financial position relatively successfully. The £0.5m projected revenue overspend has reduced from quarter 1 and is lower than the same reporting period in 2017/18. There continues to be a good expectation of reaching a balanced position by year-end. However, this should not deflect from some pockets of less encouraging financial performance.

Previous reports have brought to the attention of Cabinet and Council, the significant additional costs within homelessness and supported accommodation and the need for the Council to better align its services in this area. The recent Peer Review has provided a range of conclusions and recommendations in this area which officers are currently considering alongside a range of actions that were already in process. The speed and success with which these are implemented will dictate how quickly and robustly the Council is able to re-establish a sustainable budgetary position going forward. The Council's revised draft Housing and Homelessness Strategy was considered by Cabinet on 30th October and

it is anticipated that Cabinet will be presented with further reports designed to tackle housing and homelessness related issues over the coming months. In the meantime, this has been reflected as an area of significant budget pressure in the 2019/20 Pre-Budget Report.

At this stage of the financial year the overall bottom line position is a manageable one, subject to appropriate attention being given to managing the issues referenced in this report. However, concerns over the financial resilience of local authorities across the country is further sharpening the focus on the need to address medium term financial issues. As senior management and members begin to work in earnest on plans for 2019/20 Budget Setting, the Council is conscious of the need to identify and initiate a range of actions and strategies in order to move towards a balanced medium term position. These include but are not restricted to:

- Achieving existing savings targets.
- Aligning activity to budget in services that are currently reporting an over-spend.
- Identifying savings proposals or additional income earning opportunities within forthcoming Budget proposals.
- Identifying other medium-term proposals for achieving savings which require a longer lead-in time and/or specific public consultation.
- Identifying wider transformational proposals which will seek to provide budget balancing opportunities for the period towards the end of the current three year horizon and beyond.

CIPFA (the Chartered Institute of Public Finance and Accountancy) has consulted on the introduction of a financial resilience index in recent months. The stated intention of the index is to provide an assessment of the relative financial health of councils. Although the results of index are not yet known, it is possible that the Council will appear to be comparatively less resilient than others on the basis of some measures such as reserve levels and its proportionate spend levels on social care and debt interest payments. If and when the index is available, the Council will want to provide a reasonable and evidence-based response. However, it is clear that continued strong performance in setting robust budgets and delivering strong performance against these budgets is one of the best measures of the Council's continued robust financial resilience

Capital

Capital forecasts continue to project very high levels of spend for the year at £222m compared with the initial budgeted position of £263m. However, only £34m of actual payments have been made by the end of September, the same as the equivalent point in 2017/18 in which final spend for the year was just over £100m. This suggests that a massive acceleration is needed in order to achieve the level of expenditure projected currently for the 2018/19 Programme.

As reported at quarter 1, the key components of some individual schemes need to be completed in order for significant elements of the Capital Programme to be delivered. Unless progress is made on some of these areas in the near future, the collective positions outlined will make it very difficult to deliver the spend levels and project progress that is implied within the current forecast for 2018/19.

Members will be aware of the enormous challenge posed within the Council's plans, both within the Capital Programme but extending to other areas, not least the UK City of Culture. Steps have been taken to increase the level of project planning and officer monitoring in these areas but it will be essential that realistic assessments are made of what is deliverable at each stage. The financial position provides some indication that in-year delivery of a

sizeable part of the Capital Programme could be at risk and this report continues to alert Cabinet to the likelihood of significant capital slippage later in the budgetary cycle.

5.2 Legal implications

None

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 it will try to deliver better value for money and maintain services in line with its corporate priorities balanced against the need to manage 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 in managing this risk and this report is a key part of the process.

6.3 What is the impact on the organisation?

In quarter 2 there is a forecast overspend. The Council will continue to ensure that strict budget management continues to the year-end and will also need to manage overall financial resources to accommodate any overall year-end overspend. Any use of one-off resources to balance the final position means that these resources would not be available to use fund future spending priorities.

6.4 Equalities / EIA

No impact.

6.5 Implications for (or impact on) the environment

No impact

6.6 Implications for partner organisations?

No impact.

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Appendix 1 Revenue Position: Detailed Directorate Breakdown of Forecasted Outturn Position

Appendix 1 details directorates forecasted 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 salaries and Overheads 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	0.1	(0.6)	0.0	(0.5)	(0.5)
People Directorate Management	1.4	1.5	0.1	0.0	0.1
Education and Inclusion	13.1	13.1	(0.1)	0.1	0.0
Children and Young People's Services	73.9	74.9	(4.6)	5.6	1.0
Adult Social Care	75.7	75.7	(0.7)	0.7	0.0
Customer Services & Transformation	6.0	8.4	(0.3)	2.7	2.4
Total People Directorate	170.2	174.2	(5.6)	8.6	3.0
Place Directorate Management	1.6	1.6	0.0	0.0	0.0
City Centre & Major Projects Development	7.6	8.2	0.0	0.6	0.6
Transportation & Highways	4.1	4.0	(0.2)	0.1	(0.1)
Streetscene & Regulatory Services	26.6	28.3	(0.3)	2.0	1.7
Project Management and Property Services	(7.5)	(7.6)	(0.1)	0.0	(0.1)
Finance & Corporate Services	9.7	9.6	(0.2)	0.1	(0.1)
Total Place Directorate	42.1	44.1	(0.8)	2.8	2.0
Contingency & Central Budgets	22.5	18.2	0.0	(4.3)	(4.3)
Total Spend	234.8	235.5	(6.4)	7.1	0.7
Resourcing	(234.8)	(235.0)	0.0	(0.2)	(0.2)
Total	0.0	0.5	(6.4)	6.9	0.5

Reporting Area	Explanation	£m
People Directorate	The Directorate underspend against its salary budgets and turnover target is mainly due to continuing high levels of vacancies in Childrens Social Care which accounts for the majority of the £5.6m underspend. This is partially offset by a non salary overspend as a result of agency staff in Childrens Social Care. It is expected that vacancy levels and agency costs will reduce in year, which will reduce the centralised salary underspend and the budgetholder overspend.	(5.6)
Place Directorate	A number of vacancies exist due to a combination of the inability to recruit to some posts and the holding of recruitment whilst reviews take place. Most reviews are now being implemented which will reduce this variation, and managers are working to recruit to the key posts where recruitment difficulties have been encountered	(0.8)
Total Non-Controllable Variances		(6.4)

People Directorate			
Service Area	Reporting Area	Explanation	£M
Public Health	Public Health Staffing & Overheads	The underspend relates to the early delivery of the future years grant saving	(0.1)
Public Health	CPH Disparities	Underspend linked to one off reduction in expected in year contract costs	(0.3)
Public Health	Other Variances Less that 100K		(0.1)
Public Health			(0.5)
Education and Inclusion	Education Improvement & Standards	This underspend relates to historic pension liabilities, and redundancy budget for maintained schools. We are not expecting any further commitments to be incurred against this area.	(0.2)
Education and Inclusion	Libraries, Advice, Health & Information Services	The position includes an overspend as a result of non-delivery of outstanding Connecting Communities Library Savings. Further work continues on identifying in year savings to mitigate this. This is offset by an underspend on Migration which will contribute towards the Council's net position, and temporarily offset any undelivered savings in 2018/19.	(0.4)
Education and Inclusion	SEND & Specialist Services	SEN Transport is forecasting a £0.3m overspend. This is based on current activity levels and the current cost of provision. Demand has re-based in September and the release of the e-auction contracts, the impact on the forecast is not yet calculated, and will be updated for qtr 3. Educational Psychologists is forecasting a £0.1m overspend. The EP service offers both a statutory and traded services. At this point as a consequence of recruitment challenges, the traded element has been re-prioritised towards the delivery of the Council's statutory responsibilities. The budget is in balance when the	0.4

		centralised salary budget is offset. The service has been successful in recruiting additional capacity from September, and this is included in the forecast.	
Education and Inclusion	Adult Education	To date it has only been possible to deliver £10k of a £200k financial savings target set as part of previous budget setting processes to ensure we maximise ESFA grant funding against internal training programmes.	0.2
Education and Inclusion	Education Entitlement	Governor Services are forecasting a £0.1m overspend due to loss of income from schools moving to other providers. This overspend has not increased as staffing has reduced and 5 new schools have come on board. However, there is a gap in terms of the loss of 12 schools. This is being monitored and other income streams such as training and audits are now being offered. Work is underway to see if this will have enough impact to bring in line by the end of the financial year.	0.1
Education and Inclusion			0.1
Children and Young People's Services	Children's Services Management Team	The service has delivered savings as a result of service changes (e.g. Youth Offending Service review). These contribute towards the delivery of the Children's Services Transformation programme, and offset against the overspend in other areas of the service.	(0.2)
Children and Young People's Services	Help & Protection	The overspend largely relates to the costs of Agency staff covering posts across the service. This is more than offset by underspends across salary budgets, and includes the trajectory of a reduction in agency posts from September to align with an additional intake of newly qualified social workers. There is also a small overspend forecast as a result of supporting families with no recourse to public funds.	2.8
Children and Young People's Services	LAC & Care Leavers	This overspend partly also relates to the costs of Agency staff as above. There is also an overspend predicted on supported accommodation of £1.2m which as a result of a higher number of former LAC in supported accommodation than budgeted for. Work is underway as part of Children's Transformation to reduce this, but this area is bearing some of the pressure of additional LAC numbers. Permanence allowance are forecasting a pressure of £0.1m. There is also a forecast pressure on the unaccompanied asylum seeker budget of £0.2m - this relates to costs of former LAC who continue to receive support, where there is not grant funding to cover costs. LAC Placements overall is forecasting a £0.5m overspend on the budgetholder forecast, but this offsets to a corresponding underspend on the centralised forecast, which means it is forecasting a balanced budget overall at quarter 2. This includes the Children's Transformation trajectory of increases in internal fostering and residential placements, alongside corresponding decreases in external fostering and residential placements.	2.9
Children and Young People's Services	Other Variances Less than 100K		0.1
Children and Young People's Services			5.6
Adult Social Care	Adult Social Care Director	Use of iBCF Protecting Social Care resources to manage Adult Social Care pressures	(1.0)

Adult Social Care	Older People Community Purchasing	Underlying budget pressures have increased this quarter in part due to increased residential and nursing placements. The underlying reasons for these increases are under investigation and trends are being monitored. In addition a contributing factor to increased cost pressure is associated with social care market costs. Management actions continue to ensure demand on social care is managed in the most cost effective way to reduce overall costs. Focused efforts to manage approved packages through the panel process continue. Utilising Promoting Independence approaches will further support management of financial pressures. A review of internal processes and procedures is being undertaken to support management maintain effective monitoring of costs and pressures.	0.2
Adult Social Care	All Age Disability and Mental Health Operational	There remains significant pressures in DOLs demand leading to additional assessment costs. The All Age Disability Team has also seen increasing demand and a high turnover of staff leading to increased Agency costs which is expected to reduce as substantive posts are appointed to.	0.5
Adult Social Care	All Age Disability and Mental Health Community Purchasing	Underlying budget pressures continue to rise in part due to the continued increases in demand for complex social care support for eligible service users. Overall control mechanisms are in place to ensure expenditure is robustly managed. Approval for packages are scrutinised at panel meetings with social workers required to explain their panel submission before approval is gained. Programmes in place to review some of the higher cost services and develop our approach to Promoting Independence which will further support the financial position. A review of internal processes and procedures is being undertaken to support management maintain effective monitoring of costs and pressures.	0.5
Adult Social Care	Internally Provided Services	The overspends on other pay, overtime and variable allowances are offset by underspends on centralised salary costs due to a number of vacancies	0.2
Adult Social Care	Older People Operational	Overall underspend with budget holder overspend pending recruitment to posts later in the year.	0.3
Adult Social Care			0.7
Customer Services & Transformation	Customer and Business Services	The majority of the overspend relates to the costs of temporary accommodation net of housing benefit subsidy for homeless families and individuals. £218k relates to Housing and Homelessness services linked to the introduction of the Homelessness Reduction Act. The costs relate to a combination of furniture storage costs and agency staffing.	2.6
Customer Services & Transformation	HR and Workforce Development Management	The majority of the budget holder overspend relates to a reduction in expected income from traded services	0.2
Customer Services & Transformation	ICT & Digital	The majority of the underspend relates to a combination of a £279k underspend on software and infrastructure costs, £107k underspend relating to restructure costs which are offset by a £218k overspend on telephony costs	(0.2)
Customer Services & Transformation			2.7

Total Budget Holder Variances - People			8.6
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Place Directorate	Place		
Service Area	Reporting Area	Explanation	£M
City Centre & Major Projects Development	Sports, Culture, Destination & Bus Relationships	Godiva festival overspend of £460k and trading deficit for St. Mary's of £108k.	0.6
City Centre & Major Projects Development			0.6
Transportation & Highways	Traffic	Additional enforcement income overall for the service offset by car park expenditure pressures, anticipated cost of agency cover within Urban Traffic Control, and the irrecoverable cost of road traffic accident damages to assets.	(0.1)
Transportation & Highways	Other Variances Less than 100K		0.2
Transportation & Highways			0.1
Streetscene & Regulatory Services	Planning & Regulatory Services	Primarily fee income higher than expected on both Development Management and Planning Enforcement	(0.4)
Streetscene & Regulatory Services	Waste & Fleet Services	Waste disposal pressures account for the largest element of this overspend due to increased tonnages and gate fees, together with a reduction in the rebate from the MRF contract operator. In addition, pressures in commercial waste relating to under recovery of skip income, and cost pressures in domestic refuse relating to fuel usage and higher cost of covering sickness absence are contributing to the overall pressure.	1.3
Streetscene & Regulatory Services	Environmental Services	Under achievement of trading income within the CCTV service area is causing the largest element of this pressure, however agency and overtime staffing costs are also contributing	0.2
Streetscene & Regulatory Services	Streetpride & Parks	Primarily the use of agency staff covering vacancies which are currently being recruited to, and are funded by a salary underspend. However there is a £160k pressure on car parking income at Coombe and £90k on the Urban Forestry Maintenance Contract	0.9
Streetscene & Regulatory Services			2.0
Project Management and Property Services	Facilities & Property Services	Income above target for project support on small building projects and compliance work.	(0.1)
Project Management and Property Services	Other Variances Less than 100K		0.1
Project Management and Property Services			(0.0)
Finance & Corporate Services	Revenues and Benefits	Primarily the use of temporary resource to cover vacancies and fluctuating workloads	0.1

Finance & Corporate Services	Financial Mgt	The majority of the underspend relates to the full year impact of a staffing restructure delivered in 2017/18. Further savings have been delivered following a review of non-staffing expenditure across the cost centre.	(0.2)
Finance & Corporate Services	Legal Services	Relates primarily to the cost of external barrister expenditure for advocacy work, together with the cost of agency cover for vacant posts & maternity cover	0.2
Finance & Corporate Services	Insurance	Income pressure due to the net effect of the loss of 10 school customers	0.1
Finance & Corporate Services	Other Variances Less than 100K		(0.1)
Finance & Corporate Services			0.1
Total Budget Holder Variances - Place			2.8

Contingency & Central Budgets			
Service Area	Reporting Area	Explanation	£M
Contingency & Central Budgets	Contingency & Central Budgets	Underspends totalling £2.1m are anticipated relating to the Asset Management Revenue Account up from £1.1m at quarter 1. This includes £0.5m of investment return that has been received as one of the Council's pooled investments has matured, additional higher investment returns as a result of larger than previously estimated cash balances and lower capital financing costs than previously assumed. Other corporate budgets have underspent by £2.4m . This results from previously reported underspends from the Kickstart financial model, the sports contingency model, WMCA contributions and Adult Social Care Grant. The improved position includes new projected underspends on returns from the Coventry and Warwickshire Business Rates Pool.	(4.5)
Total Budget Holder Variances -Contingency & Central Budgets			(4.5)

Capital Programme: Analysis of Budget/Technical Changes

SCHEME	EXPLANATION	£m
PEOPLE DIRECTORATE		
SUB TOTAL - People		
PLACE DIRECTORATE		
Friargate	Technical Adjustment to capital budget, as this is a revenue loan and will be funded through Treasury Management	(5.0)
Integrated Transport Programme - Urban Traffic Management and Control (UTMC)	A £250k Transport for West Midlands bid has been approved from the Congestion and Road Safety Programme. This will be aimed at improving road safety and resilience on the Key Road Network. £250k from the Integrated Transport Programme will be the supporting match funding.	0.3
Vehicle & Plant Replacement	Approved at Cabinet on 17th July 2018 this is year one for the Commercial Waste Expansion Plan, creating a commercial waste services with Nuneaton and Bedworth Borough Council	1.0
Lenton Lane Cemetery - Phase 2	Approved at Cabinet on 2th August 2018 this is year one of the cashflow for the extension programme for Lenton Lane Cemetery	0.3
Loop Line (Loan)	Transformation of the former Coventry Freight Railway Loop loan to HCT	0.2
West Orchards Car Park	New Car park Lightning scheme, approved under delegated authority	0.1
Indoor Pitch Facility at Alan Higgs Centre (Loan)	Approved at Cabinet on 28th November 2017 this is the cashflow for the loan facility to CAWAT	(0.6)
ESIF Innovation	The total size of the capital grants pot has been reduced and the total size of the revenue grants pot increased to better reflect demand from SMEs. In terms of Capital spend profile, the amount claimed in 17/18 was lower than originally expected so some funds moved to 18/19, however, all capital grants need to be paid out by end of December whereby the scheme will be finished.	0.7
Miscellaneous		(0.1)
SUB TOTAL - Place		
TOTAL APPROVED / TECHNICAL CHANGES		(3.1)

Appendix 3

Capital Programme: Estimated Outturn 2018/19

The table below presents the revised estimated outturn for 2018/19.

DIRECTORATE	ESTIMATED OUTTURN BUDGET SETTING £m	APPROVED / TECHNICAL CHANGES £m	OVER / UNDER SPEND NOW REPORTED £m	RESCHEDULED EXPENDITURE NOW REPORTED £m	REVISED ESTIMATED OUTTURN 18- 19 £m
PEOPLE	28.4	0.2	0.0	(11.3)	17.2
PLACE	220.6	(3.3)	0.0	(12.5)	204.8
TOTAL	249.0	(3.1)	0.0	(23.9)	222.0

Capital Programme: Analysis of Rescheduling

SCHEME	EXPLANATION	£m
PEOPLE DIRECTORATE		
Basic Need	The rescheduling of basic need funding is due to additional time being required to approve the one strategic plan and agree the strategy for expansion of secondary school places. Plans have now been agreed and work is underway, therefore the majority of this spend will be seen in 2019/20 financial year	-11.8
SUB TOTAL - People Directorate		-11.8
PLACE DIRECTORATE		
Coventry Station Masterplan	While the FB&C contractors are due on site in October 2018, there has been 3 month delay in contract award. In addition design delays for phase 2 have pushed the cashflow into 19/20.	-5.1
Salt Lane Car Park	The cash flow for Salt lane multi storey car park has been rescheduled to allow for the additional archaeological works to be undertaken. This has resulted in a change to the build programme meaning that the expected expenditure on the piles and steel has been delayed.	-1.0
Growth Deal - Business Innovation Fund (Duplex Fund)	Delays to the programme, to be raised and discussed at November CWLEP Programme Delivery Board. Project is in the final initiation stages.	-0.3
Growth Deal - A46 N-S Corridor (Stanks)	Delays to the programme, to be raised and discussed at November CWLEP Programme Delivery Board.	-1.5
Growth Deal - Warwick Arts Centre 20:20	The contract was awarded later than initially programmed, this has resulted in minimal spend in quarter 2, spend will materialise in Quarter 3.	0.6
Growth Deal - Rugby HE Construction & Techno Park	On hold pending the results of the 2018 Call and CWLEP Board on the 15th Oct 18.	-0.8
Housing Venture	A number of key Whitefriars personnel have left which has delayed development.	-0.2
Whitley Depot Redevelopment	Initial feasibility works are now being reworked and the project has slipped into 2019/20	-4.1

ICT	Due to the issues with Mitel the Council has had to procure Skype licenses out of this year's programme. Alongside this we have the opportunity, through our new mobile phone contract to introduce greater controls and asset management, this has required the procurement of new handsets as part of the contract which again has come out of this year's programme. with the pre-existing commitments and actuals we will need an acceleration of £500k this year	0.5
Miscellaneous		-0.2
SUB TOTAL - Place Directorate		-12.1
TOTAL RESCHEDULING		-23.9

Prudential Indicators

Indicator	per Treasury Management Strategy	As at 30th September 2018
Ratio of Financing Costs to Net Revenue Stream (Indicator 1) , illustrating the affordability of costs such as interest charges to the overall City Council bottom line resource (the amount to be met from government grant and local taxpayers).	13.83%	12.95%
Gross Borrowing should not, except in the short term, exceed the estimated Capital Financing Requirement (CFR) at the end of 3 years (Indicator 3) , illustrating that, over the medium term, net borrowing (borrowing less investments) will only be for capital purposes. The CFR is defined as the Council's underlying need to borrow, after taking account of other resources available to fund the capital programme.	Year 3 estimate / limit of £551.9m	£344.3m Gross borrowing within the limit.
Authorised Limit for External Debt (Indicator 6) , representing the "outer" boundary of the local authority's borrowing. Borrowing at the level of the authorised limit might be affordable in the short term, but would not be in the longer term. It is the forecast maximum borrowing need with some headroom for unexpected movements. This is a statutory limit.	£513.2m	£344.3m is less than the authorised limit.
Operational Boundary for External Debt (Indicator 7) , representing an "early" warning system that the Authorised Limit is being approached. It is not in itself 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.	£493.2m	£344.3m is less than the operational boundary.
Upper Limit on Fixed Rate Interest Rate Exposures (Indicator 10) , highlighting interest rate exposure risk. The purpose of this indicator is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the Council's overall financial position.	£445.4m	£225.7m
Upper Limit on Variable Rate Interest Rate Exposures (Indicator 10) , as above highlighting interest rate exposure risk.	£89.1m	-£73.2m
Maturity Structure Limits (Indicator 11) , highlighting the risk arising from the requirement to refinance debt as loans mature: < 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years +	0% to 40% 0% to 20% 0% to 30% 0% to 30% 40% to 100%	12% 0% 16% 6% 66%
Investments Longer than 364 Days (Indicator 12) , highlighting the risk that the authority faces from having investments tied up for this duration.	£18m	£0.0m

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Cabinet

27th November 2018

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director Approving Submission of the report:

Deputy Chief Executive, Place

Ward(s) affected:

All

Title:

Pre-Budget Report 2019/20

Is this a key decision?

Yes

Cabinet is being recommended to approve, as a basis for consultation, the spending and savings proposals for 2019/20 and future financial years as adjustments to the Council's Budget.

Executive Summary:

This report outlines as a basis for consultation a set of new revenue budget proposals for 2019/20 to 2021/22 and an overall Council Tax increase for 2019/20 of c2.9% as allowed for within Government guidelines. The final Budget proposals and the Council Tax increase will be subject to Council approval in February.

The Council remains committed to seeking to protect its most vulnerable citizens and to delivering a range of core services to everyone in the city at a time of recent large reductions in Government funding. In last year's budget setting process, the Council approved proposals that indicated a balanced two year position to 2019/20 with a Budget gap in 2020/21. This was despite a number of service pressures affecting the Council and was achieved through a combination of increased tax revenues, new commercial income streams and a number of technical measures.

Moving forward into a new 3 year planning period incorporating financial year 2021/22, an updated position is included within this report reflecting revised estimates and new expenditure pressures. The Council continues to be faced with financial challenges stemming from uncertainty around the Local Government finance environment, greater external pressures in some of its demand led services and continued challenges in driving through a small number of remaining savings targets within its own budgets. The Council has also reassessed the financial position with regard to its anticipated tax revenues and a number of corporately controlled budgets with a view to mitigating this position. As a result the projected financial gap over the next three years has grown to £5m in 2019/20 rising to £30m.

As a result, the Council has been required to identify a number of new savings proposals within service departments to be included in this report as a basis for consultation. It is anticipated that the vast majority of these can be achieved without significant negative impact upon Coventry citizens. Taking all these proposals into account, the Budget gap would reduce to £0.6m in 2019/20 rising to £25m by 2021/22.

The financial proposals are based on the funding set out in the Local Government Finance Settlement announced in February 2016 – an equivalent 2019/20 Settlement Funding Assessment reduction for the Council of £7m. This is the final year of the Government's current 4 year settlement and the figures indicated are not expected to alter significantly in forthcoming Government announcements in December and February.

Further work will be undertaken to address the 2019/20 gap outlined in this report between now and the final Budget Report in February. This will include consideration of the additional resources announced for social care as part of the Chancellor's Budget announced on October 29th.

Details on individual spending and savings are provided in Section 2 and on a line by line basis in Appendix 1.

Indicative sums are included within the report for the Council's prospective Capital Programme for 2019/20 based on current knowledge. This will be updated in the February Budget Report, reflecting the most up to programme information available.

Approval is also sought to undertake a public consultation process through 2019 relating to the Council's grant support to external organisations.

Recommendations:

Cabinet is recommended to:

- (1) Approve the revenue spending and savings options in Section 2 and Appendix 1 and the broad Capital Programme proposals in section 2.6 as the basis for the Council's statutory budget consultation process;
- (2) Approve the proposed approach on Council Tax in Section 2.7; and
- (3) Approve officers making preparations for a public consultation exercise in relation to the Council's grant payments to external organisations.

List of Appendices included:

Appendix 1 – Pre-Budget Financial Position

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?

No

Will this report go to Council?

No

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Pre-Budget Report 2019/20

1. Context (or background)

- 1.1 In 2018/19, the Council is receiving c£113m less core Government grant than the equivalent figure it received in 2010/11. The four year settlement announced by Government in February 2016 indicates a further reduction of £7m in 2019/20 which will bring the loss suffered to c£120m per annum.
- 1.2 Confirmation of the Government's proposed settlement for the Council will be contained within the Provisional Local Government Finance Settlement which the Government has indicated will be released on 6th December. The final settlement announcement is expected in late January or early February 2019. The Council's existing participation in the West Midlands 100% Business Rates Retention Pilot will continue into 2019/20, the projected benefits and no detriment basis of which were set out in the 2017/18 Budget Report. One of the impacts of this is that the Council is effectively operating under a 100% Business Rates scheme and as a result of continuing reductions in its SFA, will be subject to a tariff of c£20m in 2019/20. This is required to be paid over to Government as part of the overall Local Government funding model.
- 1.3 When the 2018/19 Budget was set, the Council had a projected balanced budget position for 2019/20, albeit with significant gaps for the years following this. However, through 2018 it has become clear that some existing savings plans cannot now be delivered to the original timescale. In addition the Council is faced by additional unavoidable and demand led budget pressures, the most significant of which reflect a number of societal and social-economic factors that are affecting a number of councils across the country. This position has created a budget shortfall of £10m in 2019/20, a figure which rises to £31m over the medium term.
- 1.4 In 2020/21 the initial projected budget gap is £28m after identified budgetary pressures. It is in this year that the Government is intending to implement a new national Spending Review, a revised resource allocation model within the Local Government sector (the Fair Funding Review) and a new national 75% Business Rates Retention scheme. As a result there is huge uncertainty around Local Government funding which makes it impossible to provide a robust financial forecast at this stage. Nevertheless, initial assumptions and existing trends are sufficiently firm to indicate that there will in all certainty be a substantial gap for that year. The view of the Council's Director of Finance and Corporate Services is that the Council should be planning for such a position.
- 1.5 The City Council's Medium Term Financial Strategy (MTFS) which was approved by Council in October set out the national and local context in which the Council is operating and the financial assumptions within this Pre-Budget Report are aligned to the MTFS. Prior to setting the final Budget in February, the Council will be required by law to establish the Council Tax and Business Rates tax-bases for 2019/20 and declare any projected deficits or surpluses from previous years. Officers' best estimate of these tax-bases have been included in the financial projections within this report.
- 1.6 Sitting behind the overall financial approach is the Council's commitment to protect its most vulnerable citizens and to deliver a range of core services to everyone in the city. However, the Council's message to Coventry citizens is that it faces an increasingly difficult task to achieve this at the same time as dealing with continued austerity. In order to balance its Budget the Council is taking a number of broad approaches. It continues to seek ways of modernising services including making changes to service provision that require a different set of customer expectations and behaviour as well as the way that its employees work. The Council is keen to ensure that citizens are clear that savings in and cuts to some services will be essential including the proposals considered as part of previous Budget

reports. There will also be a focus on ensuring that the Council optimises the full-range of income sources that affect its overall budget including Council Tax and Business Rates revenue, external specific grants, fees and charges and other elements of income from commercial activities including loan finance and returns from property and treasury investments.

- 1.7 Taking all these factors into account the Council's senior managers have identified a range of savings which, for the most part, have limited or no direct impact on services to the people of Coventry. These are explained and set out in section 2 and Appendix 1.
- 1.8 This report proposes that the budget consultation is carried out on the basis that the Council will increase Council Tax levels by just under 3%, the maximum amount allowable by Government without triggering a referendum. Having used the full flexibility to raise a 3% Social Care Precept in each of the previous two years, there is no further capacity for an additional precept in 2019/20.

2. Options considered and recommended proposal

- 2.1 The remainder of the report details the financial position facing the Council and the specific proposals put forward for consultation. These proposals are detailed within Appendix 1.

Revenue

- 2.2 Following the 2018/19 Budget Report the Council faced a balanced budget for 2019/20 with significant budget gaps after this. A number of budget pressures and shortfalls in the achievement of savings plans have then created a revised budget gap over this period the most significant of which are outlined below:
 - The 2018/19 Quarter 2 budget monitoring report reflects an estimated cost of supporting families and individuals in temporary and supported accommodation that is £5.1m above 2017/18 budget levels. Significant work is being undertaken to address the underlying reasons for this but at the same time service pressures continue to grow in this area. The proposal here is to make budgetary allowance at the estimated existing spend level and this therefore adds to the amounts planned in 2018/19 budget setting (these amounted to £2.2m reducing to £1.5m across 2019/20 to 2021/22).
 - The savings profile for the Council's previous Workforce Reform programme increases to £5m in 2019/20. Initial elements of the programme will be in place for 2020/21 including the new staff parking scheme. However, the remainder of the programme - essentially a new pay and reward model - will not be in place on 1st April meaning that there will be a shortfall in delivery of the planned saving. The assumption here is that the model will be implemented part-way through the year but that only half of the overall £5m target will be achieved in 2019/20, with full delivery assumed for 2020/21.
 - Children's Services are working towards delivery of a previously approved savings target which will not be wholly met in 2019/20. It is anticipated that there will be shortfalls in relation to staffing (£1m) and supported accommodation (£0.5m) in 2019/20 only with these savings then anticipated to be delivered from 2020/21 onwards. The proposal does not make any allowance for any further cost pressures or increases in the number of Looked After Children.
- 2.3 There is a small number of policy proposals which it is proposed are funded within the overall 2019/20 Budget package of which the largest one is as follows:

- A five year UK City of Culture city readiness and legacy programme totalling £6.1m was approved by a report to Council on 4th September 2018. This provisionally incorporates time-limited service enhancements and additional capacity in the areas of: Culture, Heritage and Sports; Business, Jobs and Skills; Planning and Building Control; Licensing & Regulatory Services; Cleaning and Greening; Public Realm, Infrastructure and Highways; Traffic Management; Property Services; and Programme and Project Management. This proposal puts the financial resources in place to deliver these measures.

2.4 A number of the issues that will help to close the financial gap represent realignments of budgets that for the most part flow from existing policy and practice. In this respect these can be considered to be technical budget realignment that will not have a significant impact on services or citizens. The major ones are described briefly below:

- Council Tax income resources are anticipated from the actual 2017/18 and projected 2018/19 Council Tax surpluses in excess of previous figures budgeted. This reflects increases in the city's tax-base above the underlying estimate and includes the effects of growing housing numbers and continuing downward trends in the level of Council Tax Reduction Scheme payments and overall levels of discounts.
- The Council has maintained an on-going budget of £2.5m to fund the costs of redundancy and early retirement decisions over recent years, often supplemented by contributions from reserves. It is anticipated that these costs will be at a relatively low level in 2019/20 and the proposal here is to reduce this budget as a time limited saving against the bottom-line. Given the budget gap in 2020/21 onwards there remains a possibility that such costs may increase again in these years so the saving is only proposed on a one-off basis at this stage.
- The position reflects the latest estimate of planned for amounts for pay awards and inflation costs including a continued assumption that a number of Council budgets will not be increased in line with inflation.

2.5 If all these adjustments are incorporated there are still significant budget gaps over the medium term summarised in Table 1 below. The budget gap is forecast to be £5.3m in 2019/20 rising to £30.3m in 2021/22.

Table 1: Financial Position Before Service Saving Proposals 2019/20 to 2021/22

	2019/20 £000	2020/21 £000	2021/22 £000
Initial Budget Gap	0	20,767	23,549
Delayed Savings and Emerging Pressures	8,568	5,068	5,268
Expenditure Policy Options	1,607	1,907	2,307
Technical and Corporate Savings	(4,851)	(4,967)	(803)
Current Budget Gap	5,324	22,775	30,321

2.6 Senior Council officers have considered savings that may be achievable within their service area, focussing initially on savings that can be achieved within 2019/20 with a minimum of impact on services. The detail of these savings is included at Appendix 1 and these form the core of the proposals put forward for public consultation. The financial gap

assuming that all these items are approved as part of the final Budget Report would be as follows.

Table 2: Financial Position After Service Saving Proposals 2019/20 to 2021/22

	2019/20	2020/21	2021/22
	£000	£000	£000
Current Budget Gap Brought Forward	5,324	22,775	30,321
Proposed Service Savings	(4,740)	(6,014)	(6,384)
Current Budget Gap	584	16,761	23,937

- 2.7 This position shows a relatively modest budget gap for 2019/20 with a far more significant budget challenge for the years after this. Further proposals will be brought forward as part of the final Budget Report which will ensure that a balanced budget position is achieved in 2019/20. Whilst this is a manageable target given current known financial parameters, the position clearly becomes far more serious in 2020/21 and beyond. This is explored more fully in section 5.1.
- 2.8 There are a number of areas that can be reviewed or which may change ahead of final Budget Setting: the Council will need to finalise its Council Tax and Business Rates base and estimated outturn positions; the Government will announce the provisional and final Local Government Finance Settlements – although the initial assumption is that these will be in line with previous announcements; other issues may develop which could have a positive or negative impact on the bottom line as the Council seeks to finalise its estimated financial position; and the Council will need to establish the impact of the recent announcements made within the Chancellor’s October Budget, in particular in relation to adult and children’s social care. Although this latter issue could amount to a combined total figure in excess of £4m for 2019/20, the Council needs to work through Government expectations of how this money should be allocated or ring-fenced. This will inform the degree to which the announcements will provide mitigation of existing City Council cost pressures or additivity of service provision.

Capital

- 2.9 The Council has an aspirational draft five year capital programme which totals nearly £1.2billion. Of this nearly c£250m is currently cash-flowed for 2019/20. It should be said at the outset that much of this Programme is reliant on receiving future approvals from the West Midlands Combined Authority (WMCA). In turn these approvals will rely on the WMCA being able to secure funding streams that are equal in value to the amounts identified when the initial Devo-Deal was established. Work is on-going between the WMCA and the 7 West Midlands district councils to secure this programme.
- 2.10 The main components of the Council’s provisional programme are set out below with the figures quoted representing the projected sums earmarked currently for 2019/20. The five year programme and an updated cash-flow position will be included in February’s final Budget Report. The Programme includes:
- A strategic transportation programme of around £100m under the banner of UK Central incorporating the Coventry South package (including A46 works) and the Coventry Station Masterplan.

- Up to £85m of other economic regeneration and infrastructure works including the National Battery Manufacturing Development Facility, the Growth Deal programme, the Whitley South highway development and investment in sports and leisure facilities.
- City Centre Regeneration investment taking forward the city's Friargate District and City Centre South plans.
- Housing Investment Fund infrastructure works of over £20m
- Continued investment in the schools capital works including provision for the expansion of secondary places.

2.11 Much of these works impact upon significant strategic transportation links which will directly and indirectly improve connectivity across the region and support local economic regeneration. Although it can be difficult to see the immediate impact of these on a day to day basis, the overall programme will also witness the completion or near-completion of a range of landmark or significant local developments. These include the City Centre Destination Leisure Facility, the 50m pool at the Higgs Centre, a new Indoor Bowls facility, the Salt Lane multi-storey car park, the restructuring of the Upper Precinct and the redevelopment of Whitley Depot. The Council is also exploring opportunistic ways to make capital investments in facilities provided by local partners such as the Historic Coventry Trust and Coombe Abbey Park limited. This is ahead of, and does not include, any specific developments that will be taken forward as part of the City of Culture celebrations, the capital funding and planning for which are still in their relatively early stages.

2.12 The draft programme will be subject to change between now and February with every expectation that some of the proposed expenditure profile will be shifted to later years. It is important to be aware also that some of the schemes involve a complex mix of funding sources, multi-partner delivery arrangements and challenging planning, technical and approval cocktails that do not always lend themselves to smooth project delivery progress. In addition, challenges remain in securing the project staffing resources to take-forward the Programme which continues to be a risk factor in its successful delivery. In overall terms, given the large amount of externally funded and driven proposals within the Council's Capital Programme it is very likely that a fair degree of flux will continue to be experienced in its cash-flow over the next few years.

3. Results of consultation undertaken

3.1 The proposals in the report will be subject to statutory consultation requirements. The Council will communicate the report's key messages through usual means including social and digital media.

4. Timetable for implementing this decision

4.1 If approved, the proposals identified within this report will be implemented from 1st April 2019 in line with the profile set out in Appendix 1. This report does not authorise spending and savings decisions. This will happen in the final Budget Setting report in February.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The proposals in this report are wholly concerned with financial matters. In common with recent years, some of the issues reported reflect challenges that are common to a number of similar authorities across the sector in terms of emerging cost pressures and delivering

challenging transformation targets. Although the Council has been able to produce multi year balanced budgets in each of the last two years, this is not the case for the current budget setting round. This reflects both the continued impact of austerity which the Council's financial projections assume will extend beyond 2019/20 and the Council's recent saving and transformation plans which have been more limited in scope than those earlier in the decade.

The Chancellor's recent Budget claimed to mark the end of austerity and published a projection for Departmental Expenditure Limits (DEL) which indicated a real-terms flat spending allocation for Government departments excluding the NHS. Given that local government has previously fared less well than some other departments it remains reasonable to assume that future spending allocations will continue to come under downward pressure in the 2019 Spending Review.

The potential changes to the local government finance system expected from 2020/21 that are outlined in section 1.4 could have a profound impact on the whole sector and it is impossible at this stage to predict what these may be. Current financial assumptions for the Council are based on the continuation of existing trends which means the likelihood of further reductions in resources.

In October, the Council underwent a Peer Review in which senior officers, politicians and officials from across the local government sector assessed the Council's performance. In overall terms the review provided feedback that the Council was performing well in many of the areas assessed. With specific reference to financial matters, the review noted the significant pressures in children's services and homelessness. It recognised the work needed to deliver a balanced 2019/20 position and the high level of uncertainty regarding 2020/21 as well as the size of the current projected financial gap and rising service demand. This, combined with the cumulative impacts of savings that the Council has already had to deliver led the review to conclude that the Council would need consider proposals in the future that fall outside the existing way in which it works.

Unless there is a significant shift in national funding arrangements in the Council's favour, financial year 2020/21 threatens to be a very challenging one. Neither this report nor the final Budget report in February will offer solutions to balance 2020/21 and beyond at this stage. However, the Council's Strategic Management Board and its Director of Finance and Corporate Services intend to initiate early work to identify ways in which the Council can start to meet the budget gap indicated.

There is no expectation of significant uncertainty over the assumptions for the Council's funding position in 2019/20. Therefore, the work to finalise the 2019/20 Budget for February will focus mainly on fine-tuning (and ameliorating where possible) the cost pressures identified as well as the Corporate/technical measures including its Council Tax tax-base, capital financing costs and any one-off measures that can be used in line with the Council's Medium Term Financial Strategy.

Following the Chancellor's Budget announcements, there was widespread comment in the local government sector that the proposals were focussed on short-term measures and did not address some of the longer term structural issues being faced. In one sense this was always likely given the Spending Review and other local government finance changes expected in 2019. This approach was confirmed in the form of a number of one-off or short-term funding allocations provided to local government such as those for social care, potholes, Disabled Facilities Grants and schools. These do nothing to help Council's plan for 2020/21 and beyond and help to explain in Coventry's case why large financial gaps continue. In addition, the intelligence that has been received from Government sources

indicates that councils will not receive information about their prospective funding allocations within the new resource allocation system until very late in 2019.

The view of the Director of Finance and Corporate Services is that the Council cannot afford to be complacent or plan on an optimistic basis for the medium term. Any such approach would run the risk of facing financial gaps with little or no time to identify ways of addressing them. Therefore, it is proposed that a range of approaches will be taken relatively early in planning for 2020/21 to include:

- Identifying any service areas where the Council may want to undertake a specific consultation exercise to help inform the best way forward to deliver services. The proposal in this report is that the arrangements around the Council's grants to external organisations should be one of these areas.
- Identifying changes in service areas to be explored by senior Council officers and the Council's Cabinet at an early stage within 2019 to enable time for fully worked up proposals to be discussed, formulated and consulted on as appropriate.
- Senior Council officers identifying any longer term transformative ideas or more significant structural arrangements within the Council which may take more intensive development over a longer time-frame.

The Council's recent revenue and capital budgets have maintained a strong focus on helping Coventry become a growing and more prosperous city both to help protect and increase key tax revenue streams and reduce the reliance of some local residents on Council services. In addition, the Council has adopted more commercial approaches to identify new and increased revenue streams, including as part of the new savings in this report. These approaches have had some success in increasing the Council's financial robustness and self-reliance and protecting the fundamental services that protect the most vulnerable citizens which it is responsible for. However, if reductions in Government funding continue, it will be impossible to maintain the current level or quality of services provided to Coventry citizens. The Budget process ahead of 2020/21 will provide a major challenge to Council officers and members to identify the savings needed to balance the Budget whilst also seeking to show-off the city in its best light as it approaches the City of Culture year in 2021.

The Council's expansive Capital Programme reflects considerable success in attracting external grant funding and working with local partners to lever in funding for important projects often with a sub-regional dimension. This remains a critical part of the medium term revenue focus referenced above and is central to the Council's plans to increase local regeneration and prosperity. The challenges set out in section 2.12 above clearly represent a significant amount of risk to successful delivery of part of the Programme and will continue to occupy a significant degree of officer attention over the coming year.

5.2 Legal implications

The proposals in this report are designed to meet the Council's statutory obligations in relation to setting a balanced 2019/20 budget by mid-March 2019. This includes the duty to report to the Council on the robustness of the estimates provided and the adequacy of the financial reserves in place. Section 31A of the Local Government Finance Act 1992 and Section 25 of the Local Government Act 2003 refer.

6. Other implications

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

The Council, in common with all local authorities, will continue to be faced with challenging resource constraints although the precise nature and trajectory of this may be not yet clear. Individual savings and investment proposals set out in this report refer to the impact on front-line services which are limited on this occasion. The budget is developed within the context of the approved Medium Term Financial Strategy, which in turn rests on the principles set out for the City within the Council Plan. In this way pre budget proposals are aligned to existing policy priorities.

6.2 How is risk being managed?

The inability to deliver a balanced budget is one of the Council's key corporate risks. The proposals within this report are aimed directly at trying to mitigate this risk. The new savings that will be included in the Council's bottom line budget position are unlikely to represent a significant risk of non-achievement. However, the continued large budget gaps for future years will need to be addressed as part of the next budget process through 2019.

6.3 What is the impact on the organisation?

The new proposals in this report will have relatively limited impacts. However, the revenue gap to be managed in later years means that the Council will have to consider changes that might radically affect the way it works and the services it provides in the future.

6.4 Equalities / EIA

An initial assessment is that the savings contained in this year's pre-Budget report are unlikely to have any equality impacts. This position will be reviewed ahead of the final budget proposals being put forward in the new year, and any associated equality analysis will be carried out accordingly.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

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Names of approvers for submission: (officers and members)				
Director: Barry Hastie	Director of Finance and Corporate Services	Place Directorate	9/11/18	12/11/18
Legal: Carol Bradford	Corporate Governance Lawyer	Place Directorate	1/11/18	2/11/18
Members: Councillor John Mutton	Cabinet Member (Strategic Finance and Resources)		14/11/18	15/11/18

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Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
	Position Carried Forward from 2018/19	0	20,767	23,549	
	Non-Achieved Savings				
1	Children's Services	1,500	0	0	This assumes non-achievement of previously approved savings in relation to staffing (£1m) and supported accommodation (£0.5m) in 2019/20 only with these savings then anticipated to be delivered from 2020/21 onwards. The proposal does not make any allowance for any further cost pressures or increases in the number of Looked After Children.
2	Our Future Workforce (Workforce Reform)	2,500	0	0	The savings profile for the Council's previous Workforce Reform programme increases to £5m in 2019/20. Initial elements of the programme will be in place for 2020/21 including the new staff parking scheme. However, the remainder of the programme, essentially a new pay and reward model, will not be in place on 1st April meaning that there will be a shortfall in delivery of the planned saving. The assumption here is that the model will be implemented part-way through the year but that only half of the overall £5m target will be achieved in 2019/20, with full delivery assumed for 2020/21.
	Total Non-Achieved Savings	4,000	0	0	

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
	Expenditure and Income Pressures				
3	Housing and Homelessness	2,900	3,400	3,600	The 2018/19 Quarter 2 Budget monitoring report reflects an estimated cost of supporting families and individuals in temporary and supported accommodation that is £5.1m above 2017/18 budget levels. Significant work is being undertaken to address the underlying reasons for this but at the same time service pressures continue to grow in this area. At this point it is necessary to continue to make budgetary allowance at existing levels. This proposal therefore adds to the amounts planned in 2018/19 budget setting (£2.2m reducing to £1.5m across 2019/20 to 2021/22) to match the current £5.1m.
4	Loss of Coventry & Warwickshire Business Rates Pool Surplus	400	400	400	The Council has an income budget of £400k currently to take account of any surplus generated from the Coventry and Warwickshire Business Rates Pool, of which the Council is a member. The Warwickshire authorities are currently applying for Business Rates Pilot status from Government which, if successful, will result in the dissolution of the Pool. In these circumstances this income stream would no longer be available to the Council.

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
5	ICT Software and Telephony Systems	798	798	798	This incorporates three separate cost pressures. The Council's 3 year Microsoft Enterprise Agreement licences are due to expire on 31st March 2019 with an associated increase in cost. The £250k financial pressure relating to the renewal of this volume licensing agreement was reported to Cabinet on 30th October 2018 as part of the re-procurement. The existing corporate telephony system is being transferred to Microsoft Skype. Skype licences can be procured as part of the Microsoft Enterprise Agreement. The £365k expected increase to licence costs associated with this was reported to Cabinet on 30th October 2018. As part of the upgrade to the existing corporate telephony system, work will also be required on the telephony system supporting the Customer Service Centre. The expected £183k increased cost of this is currently unfunded.
6	Insurance	250	250	250	Significant savings have been made against the Council's insurance premia over the last 3-4 years. However, increasing numbers of claims made against the Council, together with the loss of significant schools insurance premium income following their conversion to academies, has resulted in new pressures. This can be partially offset by a use of earmarked insurance reserves, but additional ongoing funding of an estimated £0.25m is required to ensure this is sustainable
7	HGV Drivers - Market Related Pay	220	220	220	Following the inability to retain drivers within the service, and the resulting increased cost of employing agency staff in order to ensure front line service delivery, HGV drivers have received one-off reserve funded market supplements. This has enabled the service to manage its HGV driver compliment more effectively so it is proposed to make the increased payment a permanent arrangement.

Appendix 1: 2019/20 Pre-Budget Financial Position

	2019/20 £000	2020/21 £000	2021/22 £000	
Total Expenditure and Income Pressures	4,568	5,068	5,268	

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
	Expenditure - Policy Options				
8	UK City of Culture 2021 City Readiness	1,500	1,800	2,200	This reflects a five year city readiness and legacy programme totalling £6.1m per the report to Council on 4th September 2018. This provisionally incorporates time-limited service enhancements and additional capacity in the areas of: Culture, Heritage and Sports; Business, Jobs and Skills; Planning and Building Control; Licensing & Regulatory Services; Cleaning and Greening; Public Realm, Infrastructure and Highways; Traffic Management; Property Services; and Programme and Project Management.
9	Street Cleansing	107	107	107	An amendment to the 2018/19 Budget Setting Report increased the street cleansing budget to incorporate one neighbourhood cleansing team and two barrow operatives. This was included initially on a one off basis subject to review for 2019/20 Budget Setting. Although fly-tipping continues to be a significant issue in parts of the city, this initiative has enabled the service to reduce response times to these incidents over the past year. The proposal here is for the increase to be made as a permanent addition to the Budget.
	Total Expenditure Policy Options	1,607	1,907	2,307	

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
	Technical Savings				
10	Inflation Contingencies	(1,530)	(1,030)	(1,030)	This reflects the latest estimate of planned for amounts for pay awards and inflation costs compared with previous medium term estimates.
11	One-Off Availability of Early Retirement/Voluntary Redundancy	(2,000)	0	0	The Council maintains an ongoing budget of £2.5m to fund redundancy costs and the pension strain cost of early retirement decisions. A likely low level of ER/VR costs in 2019/20 will enable the use of the budget as a time limited saving against the bottom-line.
12	Council Tax and Business Rates Collection Fund and Tax-Base	(3,000)	0	0	This incorporates resources available from the actual 2017/18 Council Tax surplus and projected 2018/19 surplus in excess of previous figures budgeted. This reflects increases in the city's tax-base above the underlying estimate and includes the effects of growing housing numbers and continuing downward trends in the level of Council Tax Reduction Scheme payments and overall levels of discounts.
13	Asset Management Revenue Account	(21)	(737)	327	The AMRA revenue budget position reflects current forecasts of the level of capital financing costs (reflecting the profile of capital spend), the level of income from investing the Council's cash balances and the impact of the Council's Minimum Revenue Provision (MRP) policy.
14	2018/19 Coventry & Warwickshire Business Rates Pool Surplus	(300)	(200)	(100)	See line 4 above. It is anticipated that the Pool surplus in excess of £1m in 2018/19. The proposal here is to use £0.6m of this to provide a phased offset of the income loss in future years.
15	2018/19 Adult Social Care Resources	(1,000)	0	0	Planned underspend of 2018/19 Adult Social Care resources applied as a contribution from reserves in 2019/20.

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
16	Delay Use of Capital Receipts by one year	3,000	(3,000)	0	The 2017/18 Budget approved the use of £3m of capital receipts to replace revenue funding of the Capital Programme in 2019/20. This item proposes to delay this contribution for one-year. This enables greater focus on the medium term position and the need to further consider the Council's requirement to apply capital receipts for longer-term income generating purposes.
	Total Technical Savings	(4,851)	(4,967)	(803)	

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
	Savings - Policy Options				
	Place Directorate				
17	Financial Management Structure	(150)	(250)	(250)	10% Reduction in Financial Management staffing cost. achieved from the more visible business partnering (BP) teams which support Directors & senior managers directly. It is considered feasible to recover the cost of an additional post (one already charged to projects) from charging for some discreet BP services within the Council, saving £50k.
18	Property Ground Leases	(150)	(300)	(300)	Detailed review of Property Ground Leases to optimise return
19	New Union Street Offices	(50)	(50)	(50)	Letting of New Union Street Offices to external customer
20	Lythalls Lane Industrial Estate	(100)	(100)	(100)	Post implementation review of Lythalls Lane industrial estate investment to maximise growth
21	Property Compliance Team	(100)	(100)	(100)	Property compliance team income levels achieving in excess of budget
22	Property and Project Management Property Surveyors	(50)	(50)	(50)	Recovery of staff time costs from capital disposals proceeds. Potential reconfiguration/growth of team.
23	City Centre Rents	(250)	(250)	(250)	Ahead of the proposed City Centre South development, void rent/rate liabilities have emerged for a number of Council owned properties. This pressure was budgeted for within 2018/19 Budget Setting. However, the current progress on the scheme implies a delayed estimated income loss in comparison with previous plans.

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
24	Acquisition of Income Earning Assets	(250)	(250)	(250)	Generate an income stream from the re-investment of capital receipts In line with the Medium Term Financial Strategy, focussing on property assets that offer an appropriate level of financial return.
25	Economic Development Service (EDS)	(25)	(25)	(25)	Modest target for additional grant income to offset corporately funded salary costs
26	Coombe Abbey Hotel High Wire	(20)	(20)	(20)	Increased dividend from Coombe Abbey Hotel as a result of CAPL collaboration re High wire (net of hotel borrowing costs)
27	Traffic Enforcement Existing Activity	(275)	(275)	(275)	Improve recovery rates in parking enforcement to allow the income from existing bus gate/lane enforcement action of to be made available to support the budget setting process.
28	Coombe Abbey Park Limited	(500)	(750)	(1,000)	The Council's purchase of a 100% shareholding in CAPL was funded from capital receipts as part of 2017/18 Outturn. This enables any dividends generated to be made available to support the Council's bototm line. The initial estimate is for a forecast dividend of £0.5m in 2019/20 but with an expectation that this will increase in later years.
29	Whitley Depot Rebuild	0	(227)	(227)	Per the report to Council on 10th July 2018, the project to replace and consolidate the costly administration buildings at Whitley Depot and Jackson Road onto one site will make on-going running cost savings in excess of c£0.2m.
30	Property and Project Management Green Team	(25)	(25)	(50)	Modest cost reduction and/or income growth. Potential reconfiguration/growth of team
31	Planning Income	(300)	(300)	(300)	Additional income generation from increased planning activity resulting from successful inward investment

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
32	Fleet & Waste Commercial Activity	(250)	(250)	(250)	Commercialisation opportunity resulting from collaborative working with Nuneaton & Bedworth Council to deliver their Domestic Recycling service.
33	Pest Control Commercial Activity	(30)	(30)	(30)	Pest Control commercial business expansion and collaboration with neighbouring authorities. Growth of the charged for services eg wasps, mice following growth within and in some cases outside of Coventry are helping to reduce the subsidy of this area for non charged for services e.g. rat infestations.
34	Parks Play, Catering and Parking Income	(30)	(50)	(60)	Increasd play, catering and parking offer in City parks to generate net income benefit
35	Parking Enforcement	(25)	(50)	(50)	Undertake additional parking enforcement during peak evenings
36	ANPR Vehicle	(25)	(40)	(40)	Procure an Automatic Number Plate Recognition car to capture offences (parking on school zig-zags, red lines, taxi ranks) and assist with enforcement issues (residents' parking).
37	Legal Services	(50)	(50)	(50)	Redesigning duty provision to externalise on a hourly rate as opposed to standby cost, reconsider cost of Copyright Licence and not recruiting to part time posts vacant as a result of reduced hours. Potential risk to on call provision - to be accepted by Social Care, risk in not complying with copyright requirements and reduction in staff may require external advice at cost.
38	Operational Property Rental Opportunities	(140)	(140)	(140)	Consider Operational Property rental opportunities to external clients - i.e. NHS, 312 and Moathouse.

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
39	Property Services & Project Management Income Growth	(50)	(75)	(100)	Potential reconfiguration/growth of team
40	Commercial Waste Service Growth	(50)	(125)	(125)	Further commercial waste expansion/growth opportunities resulting from a major review of the service to ensure its competitiveness in the market and fitness for purpose. A number of new contracts have been won and others are in train which should yield growth in contribution as indicated
41	Commercialisation of Godiva Festival	(50)	(50)	(50)	Consider options including charging for parking and increased sponsorship/naming rights revenue.
42	Godiva Festival Merchandising	(25)	(25)	(25)	Create 'Friend of Godiva Festival' (e.g. wristbands) or wider merchandising offers
43	Additional Bus Lane Enforcement	(60)	(120)	(120)	Install additional cameras to enable enforcement of existing bus lanes.
	People Directorate				
44	Early Payment Discount from Suppliers	(25)	(50)	(75)	A scheme of early payments to suppliers in return for a discount is available.
45	Public Health External Contract Savings	0	(200)	(200)	The majority of Public Health contracts have now been let so limited re-procurement opportunities exist without invoking a contract variation. The Sexual Health Contract is available for re-tender or the existing contract could be extended. Early work has begun with the incumbent provider to see whether savings can be achieved through service transformation avoiding the need to retender at that point.

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
46	Looked After Children Transport	(130)	(130)	(130)	This underspend has arisen as a result of a review a number of years ago which lead to tighter criteria and management in to transport of LAC. This underspend has supported the Children's budgetary control position over a number of years.
47	School Redundancies	(100)	(100)	(100)	This underspend has arisen as a result of tighter criteria and management in relation to the situations when the Council would pick up school redundancy costs. The Council does still have a statutory requirement to pick up redundancy costs for maintained schools in some cases, so if it were to give this budget up there would need to be an agreement to provide funding from reserves as and when required. The potential for school restructures has been enhanced as a result of the national school funding reform, where Coventry schools are largely on the funding floor.
48	Premature Retirement Costs (Schools)	(200)	(200)	(200)	This budget relates to the costs of former retirement/redundancy decisions where ongoing pension enhancements were agreed. There are no new commitments against this, so the costs (although subject to inflation) will continue to reduce over time. The Council currently makes a contribution to this budget from the DSG - historic commitments of £300K. DfE have set out their intentions to reduce historic commitments from 2020/21 so there is a risk that there will be a pressure here in the future.
49	Reduction in future additional Council Core Funding for Adult Social Care Pressures	(1,000)	(1,000)	(1,000)	Following the Council's decision to further invest in Adult Social Care to manage ongoing pressures, the Government injected significant further grant to support the pressure. The current requirement for additional Council resources in the next financial year has reduced due to the additional grant resources.

Appendix 1: 2019/20 Pre-Budget Financial Position

		2019/20 £000	2020/21 £000	2021/22 £000	
50	Public Health - Managing the risk of Payment by Results	(150)	(150)	(150)	A number of Public Health contracts include elements based on payments by results. Historically these have not all been achieved contributing to year end surpluses. The ability to deliver this will be dependent upon provider performance.
51	Restructure of ICT Services	(85)	(85)	(85)	The ICT service is restructuring to meet the changing needs of the organisation.
52	Income Generation Safeguarding	(20)	(50)	(85)	Income generation on provision of training for Designated Safeguarding Lead, Governors, Early Years & School Reviews.
53	Early Years Training	0	(40)	(40)	Saving from ending direct delivery and commissioning training through the Teaching School
54	Outdoor Education Service	0	(32)	(32)	Maximise income (Duke of Edinburgh). We would need to ensure that this would not have a detrimental impact on the overall traded income for Dol-y-moch.
	Total Savings Policy Options	(4,740)	(6,014)	(6,384)	
	Overall Financial Deficit Position	584	16,761	23,937	

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Cabinet

27 November 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:

All Wards

Title:

Coventry Tourism Strategy

Is this a key decision?

Yes - This key decision concerns the provision and approval of a Tourism Strategy for the city of Coventry, which it is anticipated will have a marked effect on communities and businesses across a number of Wards in the City.

Executive Summary:

Approval is sought for a tourism strategy and destination management plan – 'Coventry Tourism Strategy 2019-2023'.

This report (and its associated appendices) address the outcomes of 12 months of tourism research and over 70 independently conducted stakeholder interviews on the development of Coventry's tourism offer. The adoption of the Coventry Tourism Strategy will provide a strong foundation from which to build successful tourism outcomes and economic impact from Coventry's position as European City of Sport 2019, UK City of Culture 2021 and as a host city for the Birmingham Commonwealth Games 2022.

The proposed Strategy's stated vision is:

'By 2023 perceptions and awareness of Coventry as a leisure and business tourism destination will have improved and grown and residents will be even more proud, active ambassadors of their city. The city will be recognised as a host for major events and the city will be attracting more than 10 million visitors a year'

The proposed Strategy sets out a five year vision and strategic plan for developing the Coventry visitor experience and visitor economy, building on the unique opportunities presented by the city's economic and industrial development alongside its place as European City of Sport 2019, UK City of Culture 2021 and role as a host city for the Birmingham Commonwealth Games. The development of the strategy has been commissioned by Coventry City Council and the Coventry City of Culture Trust with funding from the Great Place Scheme (supported by Arts Council England and Heritage Lottery Fund).

It is intended that the strategy and its underpinning delivery plans will continue to evolve over the five year journey towards achieving its vision.

Recommendations:

Cabinet is requested:

- 1) To approve the Coventry Tourism Strategy 2019-2023
- 2) To note the establishment of the Destination Partnership between the relevant partners and stakeholders (as set out in Appendix 4) for the purposes of overseeing and managing the implementation of the Coventry Tourism Strategy 2019-2023
- 3) To agree that the Cabinet Member for Jobs and Regeneration (or any other Elected Member that Cabinet considers most appropriate) be nominated as the Chair of the Destination Partnership
- 4) To note that the Destination Partnership will operate in shadow form for the purposes of finalising the term of references and composition of its members as set out in the Coventry Tourism Strategy 2019-2023
- 5) That delegated authority be given to the City Solicitor to finalise and approve the terms of reference for the Destination Partnership

List of Appendices included:

1. Coventry Tourism Strategy 2019-2023.
2. Coventry Tourism Strategy – Comparator Analysis (Report 1)
3. Coventry Tourism Strategy – Product and Audience Review (Report 2)
4. Coventry Tourism Strategy – Delivery Structure and Resources (Report 3)

Background papers:

None

Other useful documents

The following papers are posted for reference on the Coventry City Council website:
<http://democraticservices.coventry.gov.uk/mgListCommittees.aspx?bcr=1>:

1. Destination Management Strategy – Briefing Note to the Business Economy and Enterprise Scrutiny Board (3), 17th January 2018
2. The Destination and Tourism Strategy – Minutes of the Business Economy and Enterprise Scrutiny Board (3), 15th November 2017
3. Destination, Events and UK City of Culture – Briefing Note to the Business Economy and Enterprise Scrutiny Board (3), 13th April 2016

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?

No

Report title: Coventry Tourism Strategy

1. Context (or background)

- 1.1. Tourism in Coventry generates circa £385m of spend per annum and supports over 6,900 jobs (circa 5.9% of local employment).
- 1.2. In 2016, recognising the need for up-to-date visitor research and tourism data, Warwick Business School, supported by funding from Coventry City Council, Arts Council England and Coventry and Warwickshire Local Enterprise Partnership commissioned a comprehensive, 12-month programme of tourism research to inform the future development of a five-year Tourism Strategy.
- 1.3. Over 1,650 visitors to Coventry and over 450 online participants (including more than 200 non-visitors to Coventry) were engaged through the detailed tourism research. In addition to guiding work on the city's Tourism Strategy, this research was used to inform Coventry's successful bids for the titles of European City of Sport 2019 and UK City of Culture 2021. This research will further assist with plans for Coventry's role as a host city for the Birmingham Commonwealth Games 2022.
- 1.4. Further to the initial findings of the above tourism research, Coventry City Council and the Coventry City of Culture Trust commissioned NGI Solutions to support the development of a new five-year Tourism Strategy and Destination Management Plan (DMP) (Appendix 1) in order re-position Coventry's tourism offer through:
 - Identifying key areas for product development
 - Establishing priorities for market growth
 - Developing measures to further engage the city's population as tourism advocates
 - Developing plans for customer service improvements
 - Providing a model for commissioning in order to deliver elements of the plan
 - Providing guidance on tourism industry support needs in the city
- 1.5. Supported by NGI Solutions, the development of the Coventry Tourism Strategy has occurred across two phases:
 - **Phase 1** – structured review and audit of existing city product and information; consultation with key tourism, cultural and heritage partners
 - **Phase 2** – review of key strategies; appraisal of market and socio-economic trends; setting of strategic priorities; testing and development of a delivery model most suited for Coventry; stakeholder workshop; finalising of proposed strategy and strategic action plan
- 1.6. Over 70 stakeholders were also engaged in one-to-one consultation through the Strategy development process. A digital audit of the city's cultural assets was also undertaken in parallel.
- 1.7. Key findings from the 12-month visitor profiling research, a hotel data audit, the digital audit and over 70 stakeholder interviews suggest that Coventry has:
 - (i) a lack of digital presence
 - (ii) a current lack of coordinated marketing for its visitor offer
 - (iii) low levels of visitor spend
 - (iv) work to do to develop the city's accommodation offer and
 - (v) huge potential for growth.

- 1.8. The research findings and subsequent discussions with key stakeholders and partners have shaped the development of the Vision for a new Tourism Strategy:

“By 2023 perceptions and awareness of Coventry as a leisure and business tourism destination will have improved and grown and residents will be even more proud active ambassadors of their city. The city will be recognised as host for major events and the city will be attracting more than 10 million visitors a year.”

- 1.9. To deliver the Vision, the proposed Strategy outlines that Coventry needs to deliver against seven measures of success:

1. Development of a successful delivery partnership to manage the Strategy / DMP
2. Increase in overall visitor numbers
3. Increase in overnight visitor numbers
4. Increase in yield per visitor
5. Growth in jobs supported by the visitor economy
6. Increase in awareness of Coventry as a visitor destination
7. Improved perceptions of Coventry as a destination

- 1.10. Developing the product offer is key to achieving the aims of the Strategy. Based on the structured review and audit of existing city product and information (see Appendix 3), the Strategy proposes a phasing of product development and new campaigns concerning the following product areas:

- Iconic Buildings and Architecture
- Medieval History and Stories
- Family Fun (including the new waterpark ‘The Wave’)
- Conferencing in Coventry
- Sport, Dance and Wellbeing (including European City of Sport and the Commonwealth Games)
- Home of the Bicycle, Car and Taxi
- Coventry City of Culture 2021
- Music
- Independent Shopping
- Food and Drink
- Industrial / Technological Tourism (working with businesses to attract visitors)

- 1.11. The development of product sits alongside wider developments within the city and improvements to the visitor offer and experience, such as the enhancement of the city’s retail, food and beverage offers; improvements to public realm; improvements to the city’s digital infrastructure; and investment into transport and highways infrastructure. Furthermore, the role of the city’s residents, institutions and businesses in advocating and promoting the destination is also key to its developing profile – for example through growing overnight stays through the ‘visiting friends and relations’ (VFR) sector.

- 1.12. The Strategy further proposes a new partnership structure for the strategic coordination and delivery of Tourism in Coventry. The Strategy recognises that Coventry needs its own voice and that no single organisation in the city is equipped to develop and drive tourism and the visitor economy on its own. However, it notes that there are a range of effective partners delivering on aspects of the visitor economy and therefore recommends that a Destination Partnership commissioning model is adapted.

- 1.13. The proposed Destination Partnership – facilitated and supported by Coventry City Council – would bring together key tourism partners and stakeholders (including from the public and private sectors; from hospitality, conferencing, education and skills sectors) to make the decisions on who is best placed to lead the various work strands outlined in the Strategy. The proposed core roles of key delivery organisations within the Destination Partnership are also outlined within the Strategy.

2. Options considered and recommended proposal

2.1. Option 1 - No Tourism Strategy (Not recommended)

- 2.1.1. The proposed Tourism Strategy for Coventry notes that the city has - in the coming years - a once in a lifetime opportunity to develop its visitor economy and increase the sector's contribution to the wider city economy. The forward absence of an approved Tourism Strategy, dedicated Destination Partnership and management plan for the visitor economy would limit the ability of key agencies (including the City Council) to maximise the opportunities offered by the city's current regeneration developments and position as European City of Sport 2019, UK City of Culture 2021 and as a host city for the Birmingham Commonwealth Games 2022.
- 2.1.2. The absence of a Tourism Strategy for the city could further negatively impact on the city's ability to drive a direct economic benefit from holding key national and international titles and from hosting key events.
- 2.1.3. The absence of a clear Destination Partnership would further potentially limit the opportunities for the city to coherently and consistently engage key national and regional partners and access national funding opportunities.
- 2.1.4. For these reasons, particularly within a climate where there is reduced and finite resources available to local authorities to support tourism and destination activities, continuing without a strategy that sets out the principles and priorities for partnership activity and investment in tourism is not recommended.

2.2. Option 2 – Approve a Five-Year Tourism Strategy (Recommended)

- 2.2.1. Approving the Coventry Tourism Strategy 2019-2023 will confirm the strategic direction and priorities for tourism in the city and support the city in prioritising activities and partnerships to raise its profile locally, regionally, nationally and internationally.
- 2.2.2. Already in the city partner resources have been combined to good effect in supporting bidding and build-up activity for Coventry 2021 and securing development and delivery resources.
- 2.2.3. Approving the Strategy will show recognition of the wide range of benefits that both leisure and business tourism can bring to the city in securing social and economic outcomes articulated in the city's Sports Strategy, Cultural Strategy, and UK City of Culture bid documentation. The Strategy and Destination Partnership it proposes will provide the platform for securing the direct tourism benefits projected from Coventry's future years in the national spotlight – including through the European City of Sport 2019, UK City of Culture 2021 and as a host city for the Birmingham Commonwealth Games 2022.

3. Results of consultation undertaken

- 3.1. Structured tourism research was carried out in 2016/17 with over 1,650 visitors to the city and over 450 online respondents, at least 200 of whom had not been to the city before. The following is a summary of findings from the detailed survey work.
- 3.2. 94% of surveyed visitors to Coventry said they would recommend Coventry to a friend for a visit or day trip and 95% said they would visit Coventry again. Visitors said what they most liked about Coventry was its history, Cathedral[s], universities and friendly people. 32% of visitors said that their experience of the city exceeded their expectations, with only 7% expressing disappointment.
- 3.3. Less positively, 77% of non-visitors said they hadn't visited because they were 'not sure what's there'. 20% of surveyed non-visitors said they would never consider visiting Coventry (this was prior to the UK City of Culture and European City of Sport title announcements), which was the same percentage for destinations such as York, Bath and Bristol and was less than for cities such as Birmingham, Sheffield, Liverpool, Glasgow, Durham, Edinburgh, Cardiff, Manchester and Leeds.
- 3.4. Whilst Coventry already attracts nearly 8 million visits per annum, visitor spend is low compared to comparator cities (see Appendix 2). The city clearly needs to encourage people to stay longer and spend more whilst they are in Coventry (e.g. in venues, cafes, bars, retail etc.). The lowest scoring elements in the visitor satisfaction survey were 'Nightlife' and 'Variety of Things to Do', though the research suggests awareness of the variety of visitor attractions and activities the city has to offer was not well understood. Litter and cleanliness were the main things visitors wanted to see improved.
- 3.5. The 70 stakeholder interviews independently undertaken by NGI Solutions during Phase 1 of the Strategy development process canvassed views and perspectives from a wide range of stakeholders – including heritage, culture, tourism, hospitality, economic development, business and media partners.
- 3.6. From the initial research and the stakeholder interviews, NGI Solutions provided a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) which is included in the Strategy document. From this analysis, the Strategy proposes the themes, products and markets that Coventry should prioritise – the development work for which is outlined in Appendix 3 – Product and Audience Review (Report 2).
- 3.7. Also based on the findings of the stakeholder interviews, combined with comparative analysis with other cities or destinations (Appendix 2), the Strategy further makes recommendations around the future structure and resourcing of destination management in Coventry. The analysis guiding these recommendations is considerate of the diversity in destination management arrangements across a range of comparator cities or towns (Appendix 4 – Delivery Structures and Resources).
- 3.8. Finally, key stakeholders were consulted on the key findings and recommendations of the Strategy in September 2018, prior to its proposal.

4. Timetable for implementing this decision

- 4.1. Subject to approval of the recommendations contained within this report, The Coventry Tourism Strategy be adopted as policy with immediate effect, with a planned delivery period of five years (2019-2023 inclusive).

- 4.2. Work to develop the Destination Partnership Board will commence with immediate effect with a detailed action plan (with confirmed delivery agency commitments) being an early priority (see 'Priorities and Actions' listed within the Strategy).
- 4.3. The proposed Strategy covers a five-year period, and although the Strategy will guide tourism activity and the development of Coventry as a destination, it will not be allowed to constrain development where further change is needed to ensure that Coventry is able to maximise the benefits presented by the opportunities that lie ahead in the next five years. Over the lifetime of the strategy, there will regularly evaluation to assess progress and align action plans to changes in local, regional or national policies. To monitor and measure progress in delivering the strategy, a wide range of data sources will be used.

5. **Comments from the Director of Finance and Corporate Services**

5.1. **Financial Implications**

The staffing resource exists within the current team structure to cover the appointment of the Destination Partnership Manger to support the Strategy. However, based on the recommendations of the study, there is a need for an additional £100k - £150k per year 'to provide leverage and delivery of its own programmes'. These resources are not currently provided for Tourism and Destination Management within the Councils approved revenue budget. It is proposed that £100k per year is earmarked for the years 2019/20 – 2022/23 from the indicative City of Culture readiness programme resources of £6.1m, subject to its final approval as part of the budget setting process which will be formally approved by Council in February 2019.

Any specific actions itemised within the proposed action plans which have financial implications over and above existing resources will need separate approval as appropriate. .

5.2. **Legal implications**

There are no legal implications associated with this report.

6. **Other implications**

6.1. **How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?**

The recommended proposal will contribute to the Council's aims of:

- **Raising the profile of Coventry through promoting Coventry as a visitor destination (including through arts, sports and cultural opportunities)** – The Tourism Strategy (also referred to as a Destination Management Plan) is a shared statement of intent to manage Coventry as a destination and its tourism offer over a set period of time. The Strategy aims to address the need for the city to improve the way it promotes itself as a major tourist destination and as a result, through a better articulated tourism offer, successfully attract more visitors, increase spend and secure and sustain new businesses and investment.
- **Making the most of our assets and supporting businesses to grow** – The Strategy proposes the development of a new partnership approach to growing the tourism offer and the city's visitor economy. This approach builds on the products and venues the city already has to offer, seeking to raise their profile

and grow the visitor economy through both increasing visitor numbers and levels of visitor spend.

6.2. How is risk being managed?

In order to mitigate any associated risks with the delivery of the Strategy over its lifespan, it is proposed delivery will be monitored through the (new role of) Destination Partnership Manager, reporting to the Destination Partnership. It is proposed this will include an annual review of progress and against a confirmed action plan approved with the Partnership and key partners.

6.3. What is the impact on the organisation?

Approval of the report recommendations would secure an adopted five-year Coventry Tourism Strategy.

Approving the Coventry Tourism Strategy 2019-23 will confirm the strategic direction and priorities for tourism in the city and support the City Council in seeking and creating partnerships with other significant stakeholders in developing Coventry as a more culturally attractive, vibrant and prosperous place to live work and enjoy through a partnership delivery model. Approving the Strategy will further show recognition of the wide range of benefits that business and leisure tourism can bring, in providing both social and economic benefits for the city.

From a City Council perspective, it is anticipated that the Strategy will deliver benefits for the city that support service objectives across the Directorates, including:

- The development of a new city-wide partnership approach to growing the visitor economy, which improves access to commissioned budgets, partner resources and external funding for a range of cultural organisations, activities and events across the city
- A revitalised and clear tourism offer that increases the perception of the city as a major tourism destination within the West Midlands and successfully attracts new business and investment.

There are no HR implications for the organisation as these proposals will not affect City Council employees.

6.4. Equalities / EIA

No negative impact of protected groups or concerning the three aims of the general duty is anticipated. The Tourism Strategy identifies how structured investment can support and promote the delivery of the city's Sports Strategy, Cultural Strategy and City of Culture plans, which all commit to ensuring that the priority groups are more included in the cultural life in the city.

6.5. Implications for (or impact on) the environment

If the Tourism Strategy is approved by Cabinet, the environmental impact and mediating influences relating to any resultant capital schemes and the projected increase in visitor numbers will be considered within the context of the Council's City Readiness programme.

6.6. Implications for partner organisations?

The proposed Coventry Tourism Strategy 2019-2023 is a document developed through consultation with a range of stakeholders and proposes a partnership approach to delivering the Strategy.

Approving the Coventry Tourism Strategy 2019-2023 will confirm the strategic direction and priorities for developing the visitor economy in the city and will further show recognition of the wide range of benefits both business and leisure tourism can bring.

Approval of the Strategy will give confidence to external funders that the city has clear objectives and priorities for growing its visitor economy in the next five years. This should assist the proposed Destination Partnership and wider partners in applying for external grant funding and will bring greater coherence in the links from tourism to wider city agendas (e.g. community cohesion, jobs and economy, regeneration).

The proposed formation of a Coventry Destination Partnership will provide a coordinated, partnership body that can advocate for and speak on behalf of the visitor economy and associated industries across the city, from a wider perspective than any one partner.

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

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Place

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Names of approvers for submission: (officers and members)				
Finance: Phil Helm	Finance Manager (Place)	Place	25/10/18	31/10/18
Legal: Julie Newman	City Solicitor and Monitoring Officer	Place	25/10/18	31/10/18
Deputy Chief Executive: Martin Yardley	Deputy Chief Executive (Place)	Place	01/11/18	01/11/18
Member: Councillor Jim O'Boyle	Cabinet Member for Jobs and Regeneration		02/11/18	05/11/18

Coventry Tourism Strategy
2019-2023

Introduction

Coventry has had an extraordinary year. Wind the clock back 12 months and arguably not many people would have anticipated that the UK's next City of Culture would also be hosting the next Commonwealth Games, picked as a key location for 2018's biggest music event and identified as European City of Sport 2019. Furthermore, the Great Places and Cultural Destinations projects have secured an additional £2million for the city and are laying some important foundations that will boost the numbers and dwell time of visitors. Nationally and internationally, Coventry's reputation as a potential destination for visitors is growing and this should provide the catalyst for the city to develop its tourism ambitions and infrastructure. This Tourism Strategy (also referred to as the Destination Management Plan, or DMP) aims to ensure Coventry maximises these opportunities.

What is a Tourism Strategy / Destination Management Plan (DMP) and why does Coventry need one?

Over the last decade, the importance of tourism as an economic development tool has been recognised at a local and national level. Therefore, tourism is now more commonly referred to as "the visitor economy" in recognition of its potential to drive jobs and economic growth.

A partnership strategy / DMP is a shared statement of intent to manage a destination and its tourism offer over a set period of time, identifying key stakeholders and clear actions they will take to improve the destination.

This is a critical time for the development of the visitor economy in Coventry. There is currently a once in a lifetime opportunity to make a dynamic shift in perceptions of the city and to increase both visitor numbers and expenditure to develop the visitor economy contribution to the overall economy of the city. The Strategy will provide a clear roadmap of the steps required to ensure the city maximises all opportunities to develop a sustainable offer over the next five years.

A DMP needs to be concise and digestible so Coventry's Tourism Strategy (this document) is supported by three additional reports that should be read alongside this to gain a true understanding of Coventry's visitor economy.

The Coventry Tourism Strategy was commissioned by Coventry City Council and the Coventry City of Culture Trust and has been developed in consultation with public and private sector groups and organisations who impact on the Coventry's visitor economy. It will be managed by the Destination Partnership enabled by Coventry City Council. It should also be set within a context of wider regional and national organisations such as the West Midlands Growth Company and Visit Britain who influence the geography, funding and partnerships within which Coventry will need to operate.

This Strategy has been developed using information gathered from:

- 12 months visitor profiling research undertaken in 2016/17
- Hotel data audit undertaken in 2018
- Consultation with over 70 organisations and individuals with a stake in Coventry's visitor economy undertaken in 2018.

Key findings from this information suggests that Coventry has:

- a lack of digital presence.
- a lack of coordinated marketing for its visitor offer.
- low levels of visitor spend.
- work to do to develop the city's accommodation offer.
- huge potential for growth.

The Vision

By 2023 perceptions and awareness of Coventry as a leisure and business tourism destination will have improved and grown and residents will be even more proud active ambassadors of their city. The city will be recognised as host for major events and the city will be attracting more than 10 million visitors a year.

Targets

To deliver the Vision, Coventry needs to deliver against seven measures of success:

- Development of a successful delivery partnership to manage the Strategy
- Increase in overall visitor numbers
- Increase in overnight visitors
- Increase in yield per visitor
- Growth in jobs supported by the visitor economy
- Increase in awareness of Coventry as a destination
- Improved perceptions of Coventry as a destination

In order to achieve the following targets:

Measure	Current position 2018	Target 2023	Notes
Overall visits	7,974,000	10,280,901	Additional 1 million visits generated and sustained from City of Culture 2021
Overnight visits	8%	15%	Coventry will be a well-recognised city for short breaks
Day visitor spend	£27.77	£40	Improved product and awareness offer greater opportunities to spend
Overnight visitor spend (per trip)	£119.42	£140	

A robust monitoring framework needs to be established to regularly review the Strategy against its priorities and targets. This will include the measurement against Key Performance Indicators (KPIs) such as visitor numbers and expenditure as well as changes in perception and awareness

of Coventry.¹ Most successful destinations deliver against an incremental growth target that would be set against both visitor numbers and expenditure, however the period of this Strategy (from 2019 to 2023) means that the catalyst of European City of Sport 2019, City of Culture 2021 and Commonwealth Games 2022 will have a significant impact. Therefore, Coventry's targets and measures of success for its visitor economy in 2023 must reference and include these elements.

Strategic Context.

It is important to understand the national, regional and local context in which Coventry operates and to identify opportunities at all levels from which Coventry can benefit.

National

At a national level the strategic direction for tourism is driven by Visit England and Visit Britain. Visit Britain is the national tourism agency responsible for promoting Britain worldwide. Visit Britain will provide Coventry with opportunities to promote the city to a global audience through activity such as press trips and online marketing. Visit Britain have recently submitted the Tourism Sector Deal to Government to be part of the Industrial Strategy, with key priorities that include:

- A 10-year tourism and hospitality skills campaign
- Boosting productivity
- Improving connections for overseas and domestic visitors
- Creating tourism zones that will allow the development of a quality tourism product

Visit England markets England both domestically and to well established overseas markets. Visit England also have a specific remit to improve the product of England's tourism destinations through funds such as the Discover England project. Having a Strategy / DMP gives Coventry the opportunity to work with Visit England and explore opportunities to promote and fund the City through their channels.

Regional

Coventry and Warwickshire Local Enterprise Partnership (CWLEP) outlines culture and tourism as a strategic priority with a focus on maintaining and growing cultural and tourism assets. CWLEP investment will primarily focus on joining up public spaces, improving transport links and developing skills in the tourism and culture sector. The CWLEP is also keen to showcase Coventry to the world during City of Culture 2021 and use the event to boost the economy across the entire CWLEP region. The West Midlands Growth Company is responsible for supporting the delivery of the West Midlands Combined Authority Strategic Economic Plan by attracting investors and visitors. The Growth Company is keen to play a role and support Coventry's development as a destination and has considerable resource and expertise that the city can benefit from. The

¹ Measures of Success to be monitored via Cambridge or STEAM economic impact model (biannually) and visitor surveys (in 2019,2021,2023). STEAM would be the recommended model as it provides data at a more local level.

Strategy articulates reasons for the city to be involved in decision making and activity at a regional level where it makes sense for Coventry to do so.

Local

There are a number of plans within Coventry that the Tourism Strategy is well placed to support and align with. These include:

- **Coventry City Council Plan 2016-2024** - The Strategy will support Coventry City Council's aspirations to develop the city centre, raise the profile of Coventry, offer arts, sport and cultural opportunities and to empower citizens
- **Coventry Cultural Strategy 2017-2027** - The visitor economy and culture go hand in hand and developing product for visitors, developing itineraries and trails will all contribute to the successful delivery of the Cultural Strategy.
- **Coventry Sports Strategy 2014-2024** - The Strategy will provide a framework to jointly market sport and culture as well as encouraging residents to explore the city, improving wellbeing and supporting sporting infrastructure (e.g. 'The Wave' destination Water Park that will also attract visitors from across the region).

SWOT Analysis

The Tourism Strategy needs to maximise Coventry's strengths, take advantage of opportunities and negate any weaknesses and threats. The process of developing and articulating the Strategy provides useful intelligence for partner organisations to deliver the actions and ultimately deliver the vision of the Strategy. Coventry's SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) has been consolidated into the diagram below:



Themes, Products and Markets

Developing the product offer is key to achieving the aims of the Strategy. A 'roadmap' approach is proposed to phase the development and promotion of the key themes that Coventry should use to package product to attract new and develop existing audiences. The development work for this section can be found in the accompanying **Report 2**.

Coventry's visitor data demonstrates that there is currently a low awareness of the product offer with very few visitors being able to name more than two attractions. There is also a disconnect between the audience profile of Coventry and its product offering. Currently the most recognised product offer appeals to an older audience while the current visitor profile is much younger. This provides Coventry with a significant growth opportunity.

Consultation and existing research has identified that by 2023, through product development and catalytic events such as Coventry 2021 and the Commonwealth Games, Coventry will appeal to a wider range of visitors and have a product offer to match.

There are two parallel jobs to be done. The first is to ensure the existing products concerning heritage and architecture are developed, packaged and marketed to their full potential. The second is to develop a new product offer around themes that will be driven by the exciting developments Coventry has planned across the next five years. Highlights include:

- Opening of The Wave (city centre water park)
- European City of Sport 2019 and a growing sporting offer (including Rugby Union, Rugby League, Football, Netball, and Ice Hockey)
- Coventry Evening Telegraph Building transformation into a Boutique Hotel
- Drapers Hall development as a new music and entertainment venue
- Coventry City of Culture 2021
- Commonwealth Games 2022

Investment in the product of Coventry needs to be supported by wider co-ordination and investment in the place to ensure that the overall visitor experience fulfils the promise of the reasons to visit listed above. For example, if a first-time visitor to Coventry in 2021 can't park, navigate the city or find somewhere to eat, their overall experience and likelihood to return will be diminished regardless of the success of the City of Culture.

Over the next five years, identifying the themes that Coventry can use to structure and package its offer will contribute to an increase in both the volume and value of tourism for the city. It is proposed that a phased 'roadmap' approach to product development and marketing is taken, structured around the themes of:

- Iconic Buildings and Architecture
- Medieval History and Stories
- Family Fun (including the new waterpark 'The Wave')

- Conferencing in Coventry
- Sport, Dance and Wellbeing (including European City of Sport and the Commonwealth Games)
- Home of the Bicycle, Car and Taxi
- Coventry City of Culture 2021
- Music
- Independent Shopping
- Food and Drink
- Industrial / Technological Tourism (working with businesses to attract visitors)

The ambition of the Strategy is that Coventry will be attracting and sustaining 2.3 million additional visitors by 2023. These visitors will change over the lifespan of the Strategy and the ambition by 2023 would be that Coventry is recognised as a UK short break destination.

Key infrastructure developments and a strengthened product offer and event programme will see a diverse visitor audience travelling to Coventry for day and overnight trips.

At the beginning of the DMP journey it is helpful to categorise Coventry's potential and existing visitors into three groups.

- Day Visitors including local residents
- Overnight visitors including SFR (Staying with Friends and Relatives)
- Business visitors

Report 2 provides wider analysis of the opportunities each product theme offers for each audience.

As an emerging destination, Coventry already attracts each of these audiences but with the product development opportunities outlined above there is significant opportunity to grow each group in order to achieve the ambitious growth targets for 2023.

Structure

Coventry needs its own voice. There is neither the resource or desire for a standalone Destination Management Organisation and consultation suggests that no single organisation within the city is equipped to drive tourism on its own. However, there are a range of effective partners delivering on aspects of the visitor economy and it is therefore recommended that a partnership commissioning model is adopted.

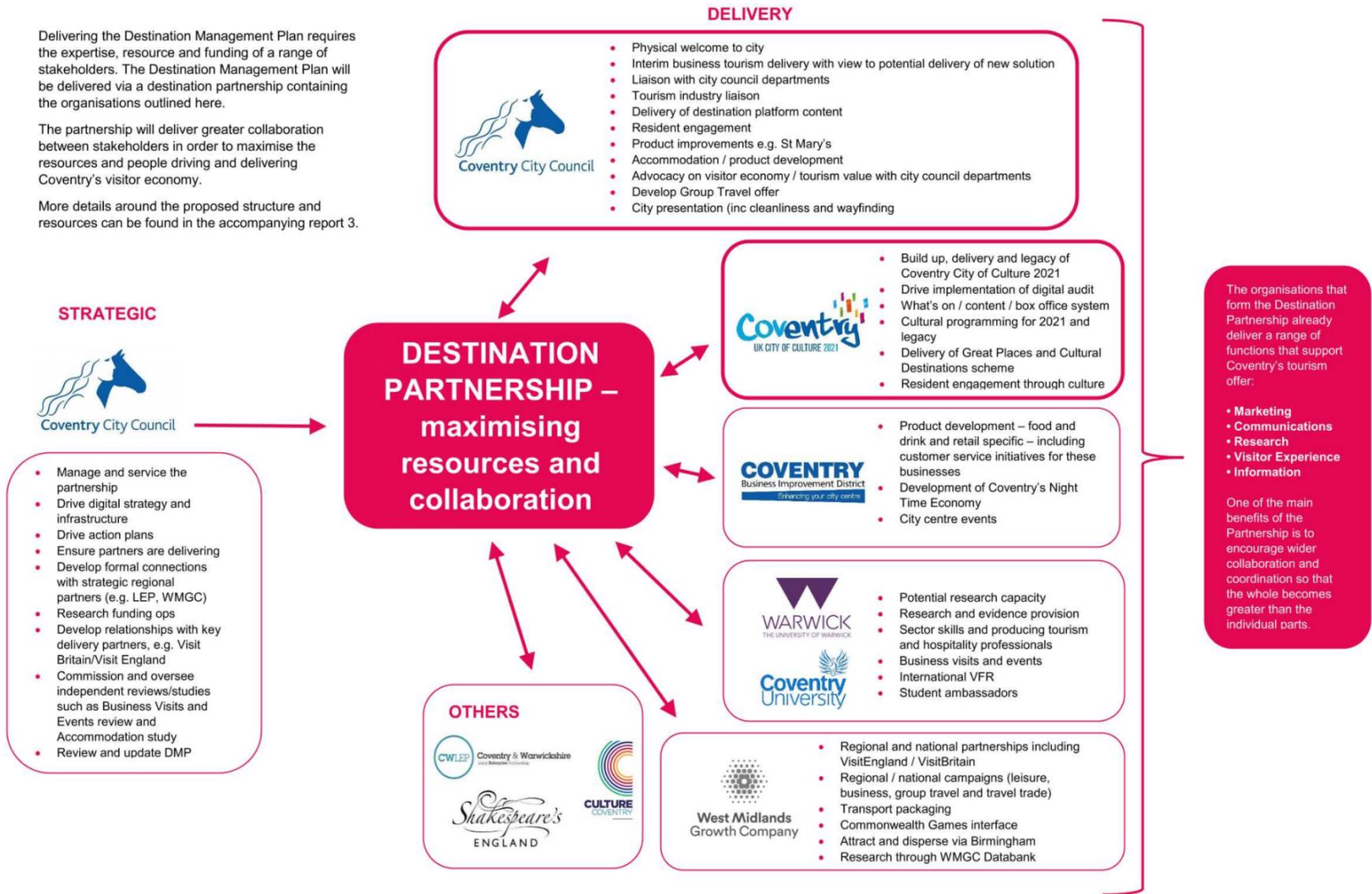
The Destination Partnership, facilitated by Coventry City Council, will make the decisions on who is best to lead the various work strands of the Strategy. These may flex and change over time. There are significant ongoing responsibilities for the City Council who have the appetite and some resources to support this, but many roles will be delivered by external agencies such as the Coventry City of Culture Trust, West Midlands Growth Company and other partners. A summary of the proposed partnership strategic and delivery structure is outlined in the diagram below.

Structure

Delivering the Destination Management Plan requires the expertise, resource and funding of a range of stakeholders. The Destination Management Plan will be delivered via a destination partnership containing the organisations outlined here.

The partnership will deliver greater collaboration between stakeholders in order to maximise the resources and people driving and delivering Coventry's visitor economy.

More details around the proposed structure and resources can be found in the accompanying report 3.



Priorities and Actions

The actions and activity required to deliver the Strategy’s vision have been captured under four work areas. The 4 “P”s and associated actions and activity are outlined in the table below. The Destination Partnership will oversee these work areas with activity delivered by key city partners or commissioned via Coventry City Council.

Work Area	Actions / Activity
<p>Partnership - the development of the Destination Partnership and associated delivery structure is crucial to the development of Coventry’s visitor economy. The Partnership should contain organisations who impact on and can put resources to Coventry’s visitor economy.</p>	<ul style="list-style-type: none"> • Employ / allocate Strategy/DMP coordinating role – Destination Partnership Manager based in Coventry City Council • Establish Destination Partnership with clear governance, terms and conditions, and Chair. • Agree roles and responsibilities of partner organisations. • Agree projects for Year One and potential funding sources for delivery. • Develop sub groups to take / develop key areas (i) business visits and events (ii) events strategy and (ii) business engagement activity (see Year One priorities on Page 15) • Develop digital framework and partnership based on Digital Audit recommendations that will support all of the work areas.
<p>Product – Developing current and identifying new product (based on robust research) that will encourage an increase in visits and greater spend per visitor</p>	<ul style="list-style-type: none"> • Development of packages for key product themes identified. • Accommodation study to inform future developments. • Prioritise capital developments in line with product themes • Review Business and Events offer (via sub group) to identify key developments required in this area, both in infrastructure and packaging. • Development of event strategy or event wish-list to continue momentum and reason to visit after City of Culture 2021 and the Commonwealth Games 2022 that builds on existing events and ensures that Coventry is an event-ready city. • Agree product development plans around themes (Family Fun, Sport, Transport, Music). Signpost to training and development opportunities for front line staff to improve skills and service.

<p>Place - There is work to do to improve Coventry as a place to visit which means that visitors are welcomed and can easily orientate themselves.</p>	<ul style="list-style-type: none"> • Build on the Great Places programme to develop: <ul style="list-style-type: none"> ○ Trails and routes to tie product themes together. ○ Wayfinding and signage project. ○ Mapping and itinerary development ○ Welcome Training • Develop a visitor information strategy and implementation plan that puts the visitor at the heart of the offer and puts appropriate information in areas of high visitor foot fall. • Develop digital skills and the digital capacity of tourism businesses and partners. , • Develop a comprehensive centralised listings database • Prioritise gateway improvements (particularly the railway station) • Identify visitor hotspots and city gateways and ensure that street cleaning and public realm strategies and delivery tie in with these. • Maximise the catalyst of UK City of Culture to complete the Cultural Strategy cultural capital priorities, identifying projects for investment in the short term to 2021 and for longer term capital, public realm and public art product.
<p>Positioning – Coventry needs to define and explain its offer based on the product and markets reflected in the Strategy.</p>	<ul style="list-style-type: none"> • Develop a bank of key messages and photography to use when positioning Coventry to visitors. • Complete Creative Tourist digital audit recommendations. • Apply the centralised listing database to partner websites, digital itineraries and other key information channels. • Develop an ambassadorial culture amongst residents, students and businesses to ensure they are Coventry’s biggest and loudest supporters. • Ensure that partners’ marketing and PR campaigns position Coventry as a visitor destination. • Develop potential day and overnight visitor campaigns with key partners. • Ensure Coventry is cohesively taken to market as a business visits and events destination.

Underpinning the Strategy

To ensure the successful delivery of the Strategy there will be two cross cutting objectives:

- **Research** – the recommendations in the Strategy have been developed from robust research. These baseline studies, including Economic Impact Modelling and visitor surveys must be regularly repeated and additional information developed over the lifetime of Strategy - such as an Accommodation Study and a tourism GVA study which should both be undertaken. More work needs to be done to identify and resource methods of monitoring city performance on an ongoing basis. The work by the two universities (Coventry University and the University of Warwick) on a City of Culture research programme should allow the city to become an exemplar in visitor research. The city may wish to explore moving to the STEAM model for evaluation on a two or three-year cycle and putting in place rigorous monitoring of hotel and attraction data. The work by Creative Tourist recommends various actions to better measure the city's audiences.
- **Wider collaboration** – By 2023 Coventry will be seen as a visitor destination in its own right. However, to get there, collaboration is critical. This is particularly important when looking to attract funding for future projects as cross boundary / cross regional projects are much more likely to gain traction. Through the Destination Partnership, Coventry will identify opportunities for joint working with key strategic delivery partners such as the Coventry and Warwickshire Local Enterprise Partnership, West Midlands Growth Company and Shakespeare's England.

Year One Priorities:

In order to focus the Destination Partnership and ensure it “hits the ground” running, the proposed priorities have been identified to guide activity in 2019 (Year One). The subsequent action plan maps the priorities and actions over this and the following four years:

Year One Priority	Priority Actions and Activity
Partnership – to establish a clear set of partnerships to deliver Strategy actions	<p>All the actions allocated to the Partnership work area should be a priority in Year One. In addition, underpinned by the proposed digital framework the sub groups should focus on:</p> <ul style="list-style-type: none"> • Business Visits and Events (BVE) – undertake a review of BVE activity to identify the most advantageous approach to take Coventry to this market. • Events – lead the development of a City Events Strategy building on recent success that identifies national and international events to bid for and develops criteria for growing Coventry-specific events. • Business Engagement – develop a programme of activity to engage the wider business community in the Strategy and associated activity and to create local ambassadors.
Making Coventry Welcome	<p>Coventry will engage with its local population to develop civic pride giving residents the tools to become the city’s best ambassadors via initiatives such as:</p> <ul style="list-style-type: none"> • Coventry Card (or equivalent resident card) • Residents’ Festival • “What’s On Your Doorstep” marketing campaign <p>Coordinating the Place work (Page 13) to:</p> <ul style="list-style-type: none"> • Provide an improved welcome at ‘Gateways’. • Improve visitor information provision. • Improve wayfinding and public realm. • Upskill frontline staff digitally and to deliver a warm and informed welcome. • Improve city cleanliness

Understanding Accommodation

Commission an accommodation study that:

- Builds on the current product audit to get a true understanding of Coventry's current accommodation market and potential.
- Guides strategic investment so that development is sustainable and appropriate.
- Provides an investment proposition for potential developers.
- Informs Coventry City Council's planning processes.
- Forms part of the capital prioritisation study

Strategy Action Plan

‘By 2023 perceptions and awareness of Coventry as a leisure and business tourism destination will have improved and grown and residents are proud and active ambassadors for their city. The city will be recognised as host for major events and the city will be attracting more than 10 million visitors a year.’

In order to achieve this vision, the Strategy work areas have been mapped over the five year period of the Strategy / DMP.

Objectives	2019	2020	2021	2022	2023
Partnership - the development of the DMP Partnership / delivery structure is crucial to the development of the rest of the DMP. The Partnership Board should contain organisations who impact on and can put resources to Coventry's Visitor Economy.					
Employ / allocate DMP coordinating role – Destination Manager and agree host organisation for this role based on recommendations.	✓				
Establish Destination Partnership Board with clear governance, terms and conditions and Chair.	✓				
Agree roles and responsibilities of partner organisations.	✓				
Agree projects for year one and potential funding sources for delivery	✓				
Develop Board sub groups to take develop business visits and events, events strategy and business engagement activity.	✓	✓	✓	✓	✓
Develop digital framework and partnership based on Digital Audit recommendations that will support all of the work areas.	✓	✓			

Objectives	2019	2020	2021	2022	2023
Product - the DMP identified new and existing product that can be further developed and focussed to provide reasons to visit and stay in Coventry.					
○ Development of packages for key product themes identified.	✓	✓	✓		
○ Prioritise capital developments	✓				
○ Accommodation study to inform future developments.	✓				
○ Review Business and Events offer (via Board sub group) to identify key developments required in this area both in infrastructure and packaging.	✓	✓			
○ Development of event strategy or event wish list to continue momentum and reason to visit after 2021 and Commonwealth Games that builds on existing events and ensuring Coventry is an event ready city.	✓	✓	✓	✓	✓
○ Develop plans to improve retail and food and drink product		✓	✓	✓	✓
○ Signpost to training and development opportunities for front line staff to improve skills and service.	✓	✓	✓	✓	✓

Objectives	2019	2020	2021	2022	2023
Place - There is work to do to improve Coventry as a place to visit which means that visitors are welcomed and can easily orientate themselves.					
Build on Great Places programme to develop: <ul style="list-style-type: none"> • Trails and routes to tie key product. • Wayfinding and signage project. • Mapping and itinerary. development. • Welcome training. 	✓	✓	✓		
Make cleaning Coventry a priority	✓	✓	✓	✓	✓
Develop Visitor Information and execution strategies that put the visitor at the heart of the offer and puts appropriate info in high visitor footfall areas.	✓	✓	✓		
Develop digital skills and capacity of tourism businesses and partners.	✓	✓	✓		
Development of comprehensive centralised listings database.	✓	✓	✓		
Prioritise Gateway improvements - railway station.	✓	✓	✓		
Identify visitor hotspots and city gateways - ensure street cleaning and public realm strategies and delivery tie in with these.	✓	✓	✓	✓	✓

Objectives	2019	2020	2021	2022	2023
Positioning - Coventry needs to define and explain its offer based on the product and markets reflected in the DMP.					
Develop bank of key messages and photography to use when positioning Coventry to visitors.	✓	✓			
Complete Creative Tourist Digital recommendations	✓				
Apply centralise listing database to partner websites, digital itineraries and other key information channels.		✓	✓	✓	✓
Develop ambassadorial culture amongst residents, students and businesses to ensure they are Coventry's biggest and loudest supporters.	✓	✓	✓	✓	✓
Ensure partners' marketing and PR campaigns position Coventry as a visitor destination.	✓	✓	✓	✓	✓
Develop potential day and overnight visitor campaigns with key partners.		✓	✓	✓	✓
Ensure key theme and messaging are focussed to grow Coventry's share of the business and events market.	✓	✓	✓	✓	✓

Coventry Tourism Strategy
Comparator Analysis
Report 1

Introduction

This document provides a desk-based review with the identification and review of good practice, data, and the Destination Management Plans (DMPs) of selected comparator cities to Coventry. This process has not only been undertaken with those identified as current comparators but also with those who Coventry could learn from. This review not only includes the various cities targets for growth but also the delivery models being used to achieve this. This will allow the Tourism Strategy / DMP steering group insight into these different approaches and take away key learning points. The destinations we have drawn comparisons against are Leicester, Sheffield, Bradford and Hull.

Leicester

Leicester was earmarked by almost 1 in 5 consultees as a comparator city. With its heritage, proximity to Coventry, cultural offer, diverse resident population, and recent tourism developments, it is a city which Coventry compares to but could also potentially learn from.

Delivery Model

Tourism Advisory Panel - key tourism sector partners

Tourism Delivery Plan with partners

Place Marketing Action Plan¹

Key Products

- National Space Centre
- King Richard III visitor centre
- 2000 year Story of Leicester
- Curve
- New Walk Museum
- Attenborough Arts Centre
- Abbey Park
- Phoenix - cinema and art bar
- O2 Academy
- Largest Diwali celebrations in western world
- Caribbean Carnival
- Britain's longest running comedy festival
- Jewry Wall
- Golden Mile
- High Cross Shopping Centre²

¹ <https://www.leicester.gov.uk/media/180622/leicester-tourism-plan-reduced-size.pdf>

² <https://www.leicester.gov.uk/media/180622/leicester-tourism-plan-reduced-size.pdf>

Development Priorities

- Tourism business and employment opportunities
- Maximise King Richard III tourism opportunities
- Work with wide range of partners
- Improve quality and accessibility of visitor destination experience
- Encourage repeat visits via multi-venue experiences
- Support partners in appealing to new markets
- Place the visitor at heart of tourism planning
- Grow business tourism market
- Perceptions research
- Leicester Food Plan³

Growth targets

- £590million tourism value by 2020
- 5.2million overnight stays by 2020
- 8,000 jobs by 2020
- 13.6million visitors by 2020⁴

Key Statistics

- 35.5million day visits (2013 Leicester & Leicestershire)
- Day visitor spend = £278million
- 4.4million overnight visitors – including SFR (2013)
- Overnight visitor spend = £234million
- More than 730,000 overnight stays were spent in commercial serviced and non-serviced tourist accommodation.
- Over 3.6 million nights were spent staying with friends and relatives in the city.
- Business tourism accounts for the most overnight stays in serviced accommodation in the city.
- Leicester enjoys a higher than average impact from overnight stays generated by people staying with friends and relatives (SFR).
- Leicester offers 31 establishments providing serviced accommodation, a total of 3,181 bed spaces. The city also offers 253 bed spaces in 102 self-catering properties and over 2,000 academic bed spaces that are available at certain times at the city's two universities.
- The average total economic impact per night for visitors staying in hotels and guest houses in Leicester was £115.
- While the number of overnight stays in serviced accommodation (hotels, and so on) remain broadly constant throughout the year, the number of people staying in non-serviced accommodation (self-catering) is markedly seasonal, rising from a low in January to a peak in August.
- 7000 jobs (2013)
- Value of tourism: £512million (2013)⁵

³ <https://www.leicester.gov.uk/media/180622/leicester-tourism-plan-reduced-size.pdf>

⁴ <https://www.leicester.gov.uk/media/180622/leicester-tourism-plan-reduced-size.pdf>

⁵ <https://www.leicester.gov.uk/media/180622/leicester-tourism-plan-reduced-size.pdf>

Is it a Competitor?

Given its heritage, growing tourism offer, and being in the East Midlands, Leicester should be viewed as a key competitor to Coventry. With similar product and themes, particularly 'medieval history', and 'sport, dance & wellbeing', as well as similar development priorities such as working with a wide range of partners, developing a distinctive identity, encouraging repeat visits, and improving the quality of the visitor destination experience, there are a lot of competitive areas between the two cities. Leicester is slightly ahead in its tourism development journey which explains the significant difference in day and overnight visits, and expenditure. However, despite this the value of tourism and number of jobs suggest Coventry is well placed to match Leicester over the next few years in the tourism sector.

Sheffield

Given its industrial heritage, diverse population, proximity to countryside and recent digital developments, Sheffield shares similarities and challenges with Coventry. It was also highlighted as a comparator city by 1 in 10 consultees.

Delivery Model

Marketing Sheffield

DMP aligned to local and national strategies

Consideration to Tourism Business Improvement Districts (TBIDs)

Key Products

- Purple Flag award for night time economy
- Crucible Theatre
- Lyceum Theatre
- Crucible Studio
- Graves and Millennium Galleries run by Museums Sheffield
- Site Gallery
- Kelham Island Museum
- Abbeydale Industrial Hamlet
- Beauchief Abbey
- Bishops House
- Sheffield Cathedral
- National Emergency Services Museum
- Weston Park Museum
- Magna Science Adventure Centre
- Sheffield Manor Lodge
- Ponds Forge
- Ice Sheffield
- FlyDSA Arena
- Sheffield City Hall
- O2 Academy
- Meadowhall
- Fargate
- Antiques Quarter

- The Moor Market
- EIS
- Sheffield Wednesday and Sheffield United⁶

Development Priorities

- City Centre Masterplan – reducing the size of the retail offer in the City Centre by a third and connecting the different areas within our City Centre
- New Retail Quarter, Sevenstone
- Moor development and the Market
- Cultural Industries Quarter
- Chapel Walk – High St Innovation Fund
- Pop-up shops
- Engaging new, creative talent
- Festivals that support the brand values and alignment of University funding of festivals (Sheffield Food Festival etc)
- Business and leisure tourism
- An improved reputation for the city
- Opportunities for talent and creativity development
- Cultural, sporting excellence offering
- A vibrant retail offer
- Development of 4/5 star and 'boutique' mid-range hotel offer
- Development of a higher-end food & beverage offer
- Electrification of the Midland mainline and High Speed Rail 2⁷

Key Statistics

- 1,293million overnight visitors
- £114 million overnight spend
- Lowest ranked core city for overnight visitors in the UK
- Ranked 20th in the CACI Retail Footprint
- Hotel room occupancy rates of 67%; average room rates - £48.
- Customer Satisfaction levels for City Centre Management (82%), cleanliness (96%), management (96%) and general enjoyment (98%).
- University ranked 3rd in 2011 for student experience
- The Millennium Gallery is the most visited free attraction in the North of England⁸

Is it a Competitor?

Despite similar challenges around improving the retail and food offer, as well as quality of accommodation, it is worth noting that Coventry already has more overnight visitors and a higher occupancy rate than Sheffield. The similar theme of architecture and iconic buildings, alongside a comparable product offer, suggests Sheffield could be a competitor but three major events from 2019-2022 position Coventry excellently to provide a more compelling destination offer than Sheffield.

⁶ <http://www.welcometosheffield.co.uk/>

https://www.tripadvisor.co.uk/Tourism-g186364-Sheffield_South_Yorkshire_England-Vacations.html

⁷ http://www.welcometosheffield.co.uk/content/images/fromassets/100_1934_170113174400.pdf

⁸ http://www.welcometosheffield.co.uk/content/images/fromassets/100_1934_170113174400.pdf

Bradford

Bradford has been earmarked as a comparator city to Coventry due to its similar size, varied offer, and comparative challenges such as identifying internal partnerships and a visitor information service that is in transition. Many of its development priorities align closely to the potential areas of development that Coventry may focus on.

Delivery Model

- VisitBradford (Section within BMDC) delivers website and marketing activity. Lead organisation for the implementation of the DMP
- Four Visitor Information Centres operated by City of Bradford Metropolitan District Council.
- TEAM Tourism Consulting (Commissioned by BDMC to develop DMP and review BDMC's Tourism Service)

Key Products

- Ilkley (Attractive Victorian spa town) and Ilkley Moor
- Haworth and Bronte Country
- National Science and Media Museum
- Bronte Parsonage Museum
- Saltaire (UNESCO WHS) and Salt's Mill (Museum)
- Keighley and Worth Valley Railway
- Bradford Industrial Museum
- Cartwright Hall
- Impressions Gallery
- Alhambra Theatre
- Bradford Cathedral
- East Riddlesden Hall
- Cliffe Castle Museum and Gardens
- King's Hall and Winter Gardens
- Bolling Hall
- Peace Museum⁹

Development Priorities

- Development of a second major city centre arts or cultural facility to complement the National Media Museum.
- Development of the evening economy - particularly in terms of restaurants and bars.
- Further development and upgrading of the retail offer.
- Animation and management of the city centre particularly in the evening.
- Re-development of the Bradford Interchange area which is a poor gateway.
- Outside of the city centre (primarily within Saltaire, Haworth, and Ilkley) priorities are primarily around improving visitor management (Toilet provision, car and coach parking, signing and interpretation).¹⁰

⁹ https://www.tripadvisor.co.uk/Tourism-g186408-Bradford_West_Yorkshire_England-Vacations.html

¹⁰ <https://bradford.moderngov.co.uk/documents/s13571/Bradford%20District%20-%20Destination%20Management%20Plan%20Final%20-%20December%202016.pdf>

Growth targets

- Increase value of tourism from £612m to £725m (by 2021)
- Support an estimated additional 1,650 jobs (by 2021).

Key Statistics

- 8.6million day visits
- 91% domestic, 9% overseas visitors
- 626,000 overnight visitors
- 2.4million nights per annum
- 70% occupancy rate
- 2,130 bed spaces
- 9,600 FTE jobs (2015)
- Value of tourism: £612million (2015)¹¹

Is it a Competitor?

Bradford has a similar tourism offer and product as Coventry, and shares similar numbers of day and overnight visitors, jobs, and value of tourism. With a strong focus on research, it is a young, diverse city who is at a similar point in its tourism development, with shared priorities such as development of an evening economy, upgrading the retail offer and animation of the city centre. Despite Coventry having a stronger provision for business tourism, and different geographical markets, overall Bradford can be viewed as a competitor to Coventry, certainly up until 2021.

Hull

As City of Culture 2017, Hull is perhaps an obvious starting point for comparator cities and will provide benchmarking for a number of targets for Coventry's City of Culture 2021. However, beyond this it shares a number of similarities with Coventry in that it has a good connection to the surrounding countryside, and a rich heritage, alongside a strong cultural offering. Furthermore, it was viewed as a comparator city by almost a third of consultees.

Delivery Model

Visit Hull and East Yorkshire (VHEY) is the DMO. Created in 2007 to deliver the sub-regional outputs of the Yorkshire Forward Strategic Framework for the visitor economy. VHEY is a partnership between East Riding of Yorkshire Council, Hull City Council and local private sector visitor economy businesses.

Key Products

- UK City of Culture 2017
- Humber Bridge
- The Deep
- The Artic Corsair
- The Spurn Lightship
- KCOM Stadium
- KCOM Craven Park

¹¹ <https://bradford.moderngov.co.uk/documents/s13571/Bradford%20District%20-%20Destination%20Management%20Plan%20Final%20-%20December%202016.pdf>

- Hull Trinity Church
- Beverley Minster
- Fort Paull
- Skidby Windmill
- Burton Constable Hall
- RSPB Bempton Cliffs
- Rockcity

Development Priorities

3 Year Action Plan based around six themes:

- Understanding the visitor journey
- Respond to trends
- Communicate with industry partners
- Developing experience and packages
- Deliver with destination partners
- Engage with visitors

Key areas of Strategic development:

- Partnership - be a beacon for the visitor economy
- People - raise the quality of the visitor offer
- Product - create experiences and support business
- Promotion - promote positive image of the area

Growth targets

- To generate an additional 2 Million visitors into Hull and East Yorkshire by 2017-18
- To increase the visitor economy by £200m by 2017-18
- To increase employment in the visitor economy by 3,500 jobs - taking employment within the visitor economy up to 20,000 by 2017-18

Key Statistics

- 13.72m day visitors (2013) - made up of 4.4m from Hull and 9.32m from East Yorkshire
- 1,157,000 overnight visitors (2013) - made up of 352,000 from Hull and 805,000 from East Yorkshire
- 3,962,000 nights (2013) - made up of 1,287,000 from Hull and 2,675,000 from East Yorkshire
- 16,581 actual jobs across Hull and East Yorkshire in 2013
- Estimated 1,800 private and public-sector businesses benefited from the local visitor economy
- Value of tourism: £757m per annum (Hull and East Yorkshire) (2013) - made up of £260m from Hull and £498m from East Yorkshire
- Overnight visitor spend = £192m (£56m Hull and £136m East Yorkshire)
- Day Visitor spend = £369m (£139m Hull, £230m East Yorkshire)
- Business Turnover = £332m (£201 Hull, £131m East Yorkshire)¹²

¹² <http://mediafiles.thedms.co.uk/Publication/YS-EY/cms/pdf/VHEY%20Tourism%20Strategy.pdf>

Is it a Competitor?

There are numerous shared targets and objectives between Coventry and Hull. For example, strategic partnership is key to both when looking to improve their respective visitor economies. The visitor welcome and experience is also a development priority, as is promoting a positive image of the area. Furthermore, there are also some shared themes and products such as 'sport, dance & wellbeing' and a full 'festival & events calendar'. However, Hull does not occupy the same 'tourism space' as Coventry, with a target audience more towards the North and West, as opposed to the Midlands and South for Coventry. Moreover, Hull is, at the moment, slightly ahead of Coventry in terms of the economic impact of tourism, with almost double the number of day and overnight visitors, and 6,000 more jobs in the sector. Though this gives us confidence in the catalytic impact impacts of being City of Culture 2021.

As the UK City of Culture 2017, Hull will undoubtedly provide a benchmark for Coventry towards, throughout, and beyond 2021. The University of Hull have produced a preliminary evaluation report which has revealed some useful visitor economy statistics for Coventry to consider.

- 51% of visitors were from Hull, with a further 27.5% of audiences were from East Yorkshire.
- There was an increase in the proportion of audiences from elsewhere in the UK, in comparison to 2016 events, with over 1 in 5 audience members (20.7%) visiting from elsewhere in the UK.
- Less than 1% of visitors were from overseas, which was a very small proportion of the overall volume of audience attendances. This 0.98% equates to 52,000 attendees. In the context of over 437,000 international trips to Hull in 2016, this percentage is relatively small. This would suggest that the programme had little impact in attracting additional visitors from overseas.
- However, hotel occupancy grew by 10.5% from 2016 and the value of tourism for 2017 saw a £40m increase compared to aforementioned 2013 statistic.
- The age profile of audiences shows high representation of people aged 55-64, and an under-representation of audiences aged 16-34 years old.¹³

Furthermore, at the time of writing there is consideration that the Hull 2017 Culture Company will continue as a permanent national arts company based in the city, developing a 20-year legacy plan across three phases, as set out in Hull City Council's Cultural Strategy, supporting the delivery of the city's £250 million legacy plan to improve Hull's culture and visitor infrastructure. Whether the Culture Company's role develops into becoming the destination management delivery organisation for the city remains to be seen.¹⁴

¹³ <http://www.hull.ac.uk/work-with-us/more/media-centre/news/2018/city-of-culture-evaluation.aspx>

¹⁴ <https://www.hull2017.co.uk/discover/article/company-behind-hull-2017-continue-national-arts-organisation/>

Key learnings

- Hull 2017 has been received as a very successful delivery of a City of Culture programme so provides an excellent opportunity for Coventry to learn from and improve upon in 2021.
- Given the similarities between Coventry and Leicester, Leicester's delivery model is an option which should be considered.
- These 'second tier' destinations, particularly Hull and Leicester, face similar challenges and journeys to Coventry and should provide inspiration and learning opportunities.
- Partnership is key to delivery and success across all of these comparator cities
- The visitor experience is a core objective for all of these cities
- Promoting a positive image and developing a distinct identity is a challenge for these comparator cities.
- Retail, food & beverage, and quality accommodation are key development priorities.
- There are similar themes and products across these comparator cities so selection of distinct themes and itineraries for Coventry is fundamental for differentiation.

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Destination Management Plan

This document supports the Coventry Destination Management Plan and should be used within the context of the plan. All information within this document is the property of Coventry City Council and the Destination Partnership. Any information within this paper should only be used with the permission of this group

Coventry Tourism Strategy
Product and Audience Review
Report 2

Identifying Coventry's Offer

The Tourism Destination Management Plan (DMP) presents a roadmap to develop Coventry as a visitor destination by 2023. The development of the product available to visitors is key to this. This document provides further insight into the product areas and potential audiences Coventry should be looking to attract.

The products have been grouped into themes highlighted in Appendix 1. These have been tested against the findings of both the consumer and business research carried out as part of the development of the Strategy / DMP to assess where there is a fit and which should be prioritised. This has been aligned with known investment and development in the product offer of Coventry over the next few years.

The products and themes have been aligned to the years it is proposed they will come to fruition over the period of the Strategy / DMP. This will be a cumulative process which will build the product offer and audiences for Coventry. The work below identifies the themes and the year it is proposed they will ready to take to market, though some flexibility in order to accelerate or further develop product is assumed.

Appendix 1 of this report is a table that lists the main products within each theme for convenience.

2019

Iconic Buildings and Architecture

This product exists as part of the fabric of the city and is widespread. Iconic product such as the Cathedral is recognised by both visitors and non-visitors alike and there is significant potential to utilise these buildings to act as the key attractor to the city.

30% of visitors to Coventry currently cite their main reason for visiting as sightseeing while 65% base their day out on previous experience. Using the buildings and architecture of the city to develop trails and tours would be a 'quick win' to move people around the city and use its buildings as part of its wayfinding strategy.

This would also allow for greater engagement with product in the city and the availability of itineraries would encourage them to visit new areas and attractions.

Key product for this theme should include:

- Coventry Cathedral
- St Mary's Guildhall
- Old Cathedral
- Holy Trinity
- Spon Street
- Weaver's House
- Priory Visitor Centre and the Undercroft
- Charterhouse and Gardens
- Coventry Market

- Drapers' Hall
- London Road Cemetery

There are also many potential delivery partners for this theme including:

- Historic Coventry Trust
- Coventry City Council
- City of Culture Trust
- Culture Coventry
- Coventry BID
- Blue Badge Guides – to showcase the offer through walking tours

The main development needed to maximise this theme is the production of trails both on, and offline, and improved wayfinding around the city. The development of itineraries that identify what can be visited in half a day, a full day or a weekend will allow the opportunity to showcase the city.

The city's current visitor profile is young, with more than half of visitors under 35. Improved packaging of this product in this theme will attract an older demographic and thus expand Coventry's appeal.

Although 'Iconic Buildings and Architecture' has an existing audience there is significant room for development. Resource is mainly required around packaging rather than investment in product.

Both this theme and the medieval history strand below present significant opportunities to work with Blue Badge Guides in the city to curate trails and to bring the stories of the city to life.

Medieval History and Stories

There is a definite sense amongst the culture and heritage community that the Medieval History of the city is an underplayed asset. There is a passion to demonstrate that Coventry's history is about much more than just WW2 and runs from medieval to modern times.

On the consumer side, visitors said that one of the most popular elements of their visit was the history of Coventry, and 1 in 5 strongly agreed that there is a lot of heritage attractions in the city.

As with the 'Iconic Buildings and Architecture' theme, much of the work required to develop this area is in the packaging and wayfinding strategies that are developed for the city, including the development of Coventry's digital presence. There is significant overlap between these two areas.

There is a great deal of product that could be brought to life within this area including:

- Lady Godiva
- Priory Undercroft
- St Mary's Guildhall and the Coventry Tapestry (the only tapestry of this age in the UK to hang on the wall for which it was made)
- Old Cathedral

- New Cathedral
- Medieval to Modernist offer
- Holy Trinity
- Spon Street
- Weaver's House
- Charterhouse and Gardens
- Coventry Market

However, 'Medieval History' is an area in which there is a great deal of competition, with cities such as York, Bradford and Leicester using their history and heritage as a key strand of their promotion. Leicester is seeking to maximise its medieval history offer with the opening of the King Richard III Visitor Centre which will generate significant interest. Therefore, it is vital that the product of Coventry is well packaged and the unique key products are identified.

The post war architecture is also of potential interest to niche markets and to Coventry residents. Coventry City of Culture Trust is currently carrying out additional research into this theme as part of the Great Place project with the aim to provide maps and trails promoting Coventry's medieval treasures before the end of 2018.

Conferencing in Coventry

The City Council's current conferencing focus is on business visits and events, attending trade shows such as Confex, showcasing the business tourism offer of the city. There are a number of key and well-known venues within the city portfolio including the Ricoh Arena and Warwick Conferences. Indeed, in 2017, the Ricoh Arena hosted 538 conferences and 58 exhibitions among the overall 777 events they held in the year, attracting 1.4 million business visitors in total.

While this is an area in which work has taken place over recent years the development of the Tourism Strategy / Destination Management Plan gives a good opportunity to pause and undertake a Business Tourism Review to ensure the city is delivering this theme consistently and cost effectively.

This review is necessary for a number of reasons:

- Not all stakeholders promoting conferencing in Coventry are promoting the city as part of their offer.
- Midweek occupancy in the city is already high so capacity could be a potential barrier in growing this market. Therefore, it is critical to think strategically about how sustainable growth in the area is delivered and concentrate resource where intervention will have the most impact.
- 2021 provides an opportunity to generate conference business aligned to City of Culture. Targeting the right conferences needs to happen as priority and should form part of this review.
- It will allow greater clarity on the level of resource required to make an impact in such a competitive market, and can focus limited resource to the main areas of priority.
- It would allow a review of the needs of event organisers and delegates.

The development of the Strategy has identified a number of opportunities that would increase Coventry's business visits and events that need testing as part of the review. These include:

- Working with academic institutions to identify conferences being attended by University staff that could be brought to the city, as well as aligning the strategy with the strengths of the city.
- Build on the innovation and automotive strengths and target conferences and events in these sectors.
- Generating conference business for the city by targeting sports and cultural conferences in line with major events that will be coming to the city over the next few years.
- Collaboration with West Midlands Growth Company and Shakespeare's England especially in years one and two to ensure traction and visibility on a national and international scale.
- The proximity to London and an international airport is an advantage for this area. For event organisers and delegates transport and ease of access are key drivers.
- The additional benefit of City of Culture will mean that Coventry is on more business radars than previously and the city should ensure that it is in a position to take advantage of this.

The review should be led by the Destination Partnership (see Report 3) and undertaken by an independent consultant to re-evaluate the strategy for business visits and events, including messaging, attendance at future events, and identifying the best organisation to lead. This would also include the requirements for the city at product level such as the development of additional hotel stock and potential need for a city centre-based conference venue.

Family Fun

Visitor research and industry interviews have shown that currently the city has a young visitor profile and a product naturally suited to an older demographic. However planned investment in product in the city will bridge this gap. The most significant example of this is the Water Park.

Other product to be included in this theme includes:

- Coventry Transport Museum
- Herbert Art Gallery and Museum
- Lunt Roman Fort
- Planet Ice
- Ricoh Arena

Whilst the opening of the Water Park will attract new visitors to the city, additional product development is required to ensure that these visitors stay longer and spend more.

Work with existing product to ensure their offer appeals to a family audience is also important. Free entrance to a number of Coventry's key attractions adds to the appeal. Generating

awareness of additional products such as Escape Rooms and other facilities will also increase the scope of the visitor offer.

Improvements to pre and post arrival information will also play a key role in developing the offer to the family audience including the development of itineraries for the family audience and highlighting family friendly activities and events via new digital content. City of Culture 2021 will also provide a key opportunity to showcase the city to the family audience.

Sport and Wellbeing

By 2020 sport and wellbeing will be a key component of Coventry's visitor offer. Currently only 5% of visitors said their main reason for visiting was to watch sport. However, 61% of visitors are aware of the Ricoh Arena.

This theme will be enhanced by key events Coventry has attracted including:

- Coventry being European City of Sport in 2019
- Birmingham hosting the Commonwealth games in 2022 (Coventry will host Netball as part of this)

These developments will create a strong narrative around sport and culture which should encourage greater collaboration between these two sectors when engaging local and national audiences.

As previously mentioned, there is also significant investment being made into the leisure product of Coventry with the new £37 million Water Park spearheading this and a new 50 metre pool, both due for completion in 2019.

Other key product within this area would be:

- Professional Sport – International, Premiership and Championship Rugby; League One Football; International and Elite League Ice Hockey; Superleague Netball.
- Dance & Joining in –Mercurial Dance, Highly Sprung.
- Coventry University/PYF dance events with young people.
- New Cycle paths – Canal Basin, Daimler Building, Charterhouse Park etc.

Sport engages a wide range of audiences, including those seeking family fun, who will be encouraged into town through the Water Park or cycle trails, through to international enthusiasts willing to travel to watch football, rugby or motorsport in the UK.

This area can also be integrated into the Coventry Health and Wellbeing Strategy which aims to improve the health and wellbeing of the residents of the city.

2020

Home of the Bicycle, Car and Taxi

After the Cathedral, The Transport Museum is the next most well-recognised and visited attraction in Coventry, and 1 in 4 visitors said they were aware of it.

The stakeholder consultations also highlighted Jaguar Land Rover and innovation in engineering and building as key USP's for the city. The growth of Coventry MotoFest with an estimated 130,000 visitors annually provides a focus to build interest in the city's historic and current transport innovation, design and manufacture.

Aside from the product mentioned above, this theme requires significant product development including:

- Showcasing the city's relationship with the development of the bicycle.
- The development of a bike hire scheme.
- The proposed Charterhouse to Gosford Green cycle loop and canal tow path offer new products to residents and visitors.
- The 2 Tone Taxi Ride that was used as part of the City of Culture bid could also play a pivotal role in showcasing Coventry's importance as the home of the Taxi. The original taxi used in the bid has now been replaced by an electric version. The artwork has remained the same and the vehicle will remain a symbol of both Coventry's heritage and continuing contribution to transport.

Coventry could showcase its history as the home of these developments particularly around the bicycle. This could be developed in collaboration with the sport theme and development of the cycling trails for the city.

2021

UK City of Culture

Obviously City of Culture will have a catalytic impact on Coventry as a visitor destination.

City of Culture will shine a spotlight on Coventry for 12 months and in the run up attracting local, national and international visitors. The challenge will be to maximise this opportunity and ensure that it creates a lasting legacy for the city and permanently increases and shifts visitor profile. The city should be left with a positive reputation for cultural events and grow visitor numbers by more than 1 million.

To highlight the impact of being City of Culture, Hull's UK City of Culture year attracted a total audience of 5.3 million visitors who attended more than 2800 events, activities and exhibitions. These visitors contributed £300m to the local economy.

The event also generated 20,200 pieces of media exposure while locally 3 in 4 said the event made them proud to live in Hull and it is estimated that 95% of residents visited at least one event.

2022

Music

Music is a theme identified with an existing product but a potential to grow new audiences.

There is a wide range of product in the city. The annual Coventry Godiva Festival attracts an audience of up to 179,000 with increasing audiences and profile outside the city.

The Ricoh Arena has also hosted a wide range of high profile music events such as the Rolling Stones, Bruce Springsteen, Take That, MTV Crashes and Rihanna, and will continue to do so in the future. In May 2018 Coventry hosted BBC Music's The Biggest Weekend at the War Memorial Park, bringing a national profile and a significant out of city audience.

The city also has a thriving independent offer which includes Tin Music and Arts, Coventry Music Museum, Albany Theatre and the Empire. This will support and enhance the mainstream offer to make sure the music scene in Coventry appeals to a diverse audience. Being the birthplace of 2-Tone Ska supports this independent offer and is of definite interest to visitors as demonstrated by the interest it generated in the City of Culture bid.

The music offer of the city will be further enhanced by a £5 million investment to turn Drapers' Hall into a music venue for performances and as a training space for future musicians, with a proposed opening in 2020.

2023

Food and Drink

The DMP consultation demonstrated that neither visitors or stakeholders identified Coventry's food and drink offer as a key draw to the city. Only 1 in 10 said that food and drink were their main reasons for visiting.

However, the product audit undertaken as part of the work demonstrated both the volume and diversity of the offer. Areas such as Bradford, named the 'Curry Capital' have identified their food offer as a strength and maximised its development, which is an area Coventry can learn from. Leicester have also developed a Food Plan for the city to strengthen its strategic importance in its tourism offer.

There are some key product strengths such as:

- Coventry Market
- Cathedral Lane's restaurants
- Fargo Village Artisan products
- Multicultural Food Festival
- Developing food offering and areas such as Foleshill Road, Spon Street and the Butts

There is a strong opportunity to grow this area by showcasing the product and attracting local residents. Coventry has a diverse community and therefore a diverse palette which should translate into a major reason to visit if developed appropriately.

Independent Shopping

Successful city visitor destinations nearly always have a recognised retail offer which is not something that Coventry currently can boast.

International students can be seen on a regular basis arriving at Coventry train station carrying armfuls of shopping from day trips to Birmingham. This is lost revenue to the city.

With the BID in its second term there is the opportunity to work with the retail offer to enhance the experience and to create a strategy that develops a mix of key anchor retailers alongside a thriving independent community.

The retail offer could also benefit from building on the diverse nature of the city and ensure it has a broad appeal.

Identifying Coventry's Audiences

The ambition of the Strategy / Destination Management Plan is that Coventry will be attracting and retaining 2.3 million additional visitors by 2023. These visitors will change over the lifespan of the DMP and the ambition by 2023 would be that Coventry is recognised as a UK short break destination.

Key infrastructure developments and a strengthened product offer and event programme will see a diverse visitor audience travelling to Coventry for day and overnight trips.

At the beginning of the DMP journey it is helpful to categorise Coventry's potential and existing visitors into three groups.

- Day Visitors
- Overnight visitors
- Business visitors

Key audiences for the city are outlined in more detail below.

Day Visitors

According to the Cambridge model undertaken for Coventry in 2015, 92% of all visits to the city were made by day visitors. The visitor survey undertaken by NGI Solutions in 2016/17 indicated the average spend by these visitors was low at £27.77. Considering these visitors stay in the city for 5 hours, this is an hourly spend of just over £5.

However, due to the volume of these visitors, they are a significant market for the visitor economy and they should be treated as a priority, especially in the first 12 months of the Destination Management Plan.

Currently these visitors can be described as being local, either residents of the city or from within a one-hour drive-time. However, the connectivity of London by train in just over an hour could also attract London-based visitors for day trips.

The planned redevelopment of Coventry train station will provide a key impetus for the development of the day visitor market with an increase in the number of trains from Birmingham from 7 to 9 per hour and a new service to be implemented between Coventry and Nuneaton.

The challenge for this market is to increase engagement with the city and to encourage a greater number of day visits and spend. Another key challenge for the development of the day visitor market in Coventry is to break current habits. Research suggests that local residents are only coming in to the city for general sightseeing or to visit the Cathedral or Transport Museum (free), both of which are key attractors. This pattern is not generating opportunities for growth. Local audiences need to be encouraged to visit a wider range of attractions and understand more of what the city has to offer through the use of itineraries, maps and trails.

Investment in the new Water Park will bring a different visitor demographic and should encourage more people into the city, but improvements to the wayfinding of the city are needed. The work being carried out by Creative Tourist and work to implement a curated 'What's on Guide' for the city are vital tools to get local residents and day visitors to experience and spend more.

There is potential for a 'Coventry Card' to be an incentive for Coventry's local population to explore more of the city. This could create additional benefits to encourage residents to bring friends and relatives to Coventry. It would also provide a mechanism to track visitor movements and encourage people to try out less popular attractions as well as the attractor product.

The day visitor/local resident market could also be developed by the implementation of a Residents Festival. These have been popular in a number of areas such as Cheshire and York and have seen significant results for the host destinations.

Overnight Visitors

The city must aim to increase its overnight leisure visits. Given the high occupancy in peak periods this may depend on increased and improved accommodation stock. New brands will also play a role in marketing the city through their own promotion.

There is a healthy group travel use of the city's hotels though anecdotal evidence suggests that they don't spend money outside the confines of the hotels. Encouraging these visitors to visit the wider city must be a priority. City of Culture 2021 will be a catalyst to further develop the group travel market requiring targeted work with hotels, operators and travel markets. A highlighted issue has been the lack of city centre coach parking.

Many existing groups use Coventry as a stopping point and work could be done with attractions such as Warwick Castle, the RSC and Compton Verney for joint planning in order to make the city part of this offer.

The most obvious opportunity to deliver a greater volume of overnight visitors is to develop Coventry's SFR market (staying with friends and relatives.) This market is already substantial, with 1 in 4 overnight visitors staying with friends and relatives.

While the city should anticipate a surge in visits during the year of City of Culture, the city should be ensuring that this is already starting to happen prior to 2021. If every resident in Coventry encouraged one friend or family member to visit per year that would automatically

increase visitor numbers by 350,000 people. This is why encouraging local residents to visit the city is key to developing increased SFR numbers.

The SFR market becomes increasingly important when linked to Coventry's student population and high numbers of international students. Building on ideas to engage a day visitor market through work to encourage the local community to bring their friends and relatives to Coventry must be a priority. A specific campaign could be run with international students to encourage friends and family to visit the city, potentially in partnership with the universities, Birmingham Airport as well as London airports, given the travel time into Coventry.

Business Visitors

Business visitors stay longer and spend more than leisure visitors and therefore should be a priority for any destination. Coventry's average day business expenditure is £55.05 and overnight expenditure is £202.61. Overnight expenditure by business visitors is more than £30 higher than that of an average overnight visitor to the city.

Furthermore, very positively 60% of visitors would recommend Coventry for business and 82% would return again for leisure. As 1 in 4 of Coventry's business visitors come from within the Midlands this also makes them an ideal audience to encourage to return as leisure day visitors and to bring family and friends with them.

Recommendations to develop Coventry's Business Visitor offer are explored on page 5 of this document.

Destination Management Plan

This document supports the Coventry Destination Management Plan and should be used within the context of the plan. All information within this document is the property of Coventry City Council and the Destination Partnership. Any information within this paper should only be used with the permission of this group.

Appendix 1

Themes	Products	Headline Product
Iconic buildings & Architecture	3 Cathedrals, Spon Street, St Mary's Guildhall, Old Cathedral, Holy Trinity, Modernist to Medieval, New Cathedral, Coventry Market	Coventry Cathedral
Medieval History & Stories	Lady Godiva, Priory Undercroft, St Mary's Guildhall, Old Cathedral, Holy Trinity, Spon Street, Weaver's House, Parish Church of St John the Baptist, Charterhouse & Gardens, link to Battle of Bosworth & Richard III etc.	Lady Godiva
Home of the Bicycle, Car & Taxi	Coventry Transport Museum, 2Tone Taxi ride, MotoFest, cycle routes	Coventry Transport Museum
Family Fun	Coventry Transport Museum, Herbert Gallery & Museum, Lunt Roman Fort, Nativity film location tour, Water Park, Escape Rooms	Coventry Water Park
Conferencing in Coventry	Warwick Conferences, Ramada, Coventry University, Ricoh	Warwick Conferences
Sport	Ricoh Arena. International & Premiership Rugby; League 1 Football; Superleague Netball; Championship Rugby; International and Elite Ice Hockey; New Water Park; New 50m Pool; Dance & joining in – Mercurial Dance, Coventry University/PYF dance events with young people, Yoga in Parks New Cycle paths – Canal Basin, Daimler Building, Charterhouse Park, European City of Sport	Ricoh Arena
Music	Coventry Music Museum, Ska Music, Delia Derbyshire, Coventry Godiva Festival, The Enemy, Ricoh, Warwick Arts Centre, Tin Arts, Draper's Hall new music venue, Empire, Musical Journeys	Godiva Festival
Coventry City of Culture 2021	Build up programme, piloting new performance ideas, Theatre & Outdoor Arts – WAC, Belgrade, Shop Front, Talking Birds, Festival of Imagineers, Highly Sprung	Year-long programme
Independent Shopping	Coventry Market, Fargo Village, Spon Street	Fargo Village
Food & Drink – a taste of every nation 'Dip into Coventry'	Coventry Market, Cathedral Lanes restaurants, Multicultural Food Festival, Artisan food & drink at Fargo Village	Coventry Market

Coventry Tourism Strategy Delivery Structure and
Resources – Report 3

Delivered to Coventry City Council and City of Culture
Trust (DMP Steering Group) by NGI Solutions

Introduction

Coventry's Tourism Strategy / DMP highlights the priorities and work areas to drive the visitor economy forward over the next five years. Clearly success will depend upon the structures, partnerships and resources allocated to this. This report proposes the most practical and realistic delivery structure for the DMP and is based on feedback from stakeholder consultation and further refinement with Coventry City Council and the City of Culture Trust. Recommendations around resourcing future projects are also included.

Delivery Structure Context

Feedback during the consultation process has highlighted:

- There is a current lack of co-ordination between organisations who influence Coventry's visitor economy.
- There is no obvious lead organisation or contact who is seen to be driving the visitor economy.
- There are a number of special interest groups who act in isolation.
- There is a perceived and actual lack of resource and budget within the Council.
- There is scepticism about the Council's ability to quickly respond to opportunity and deliver.
- CVOne has had a negative impact on people's perceptions on what a delivery structure could look like.
- The city isn't yet effectively linking into the expertise that the West Midlands Growth Company can offer.

But:

- There is great energy and enthusiasm to develop Coventry's visitor economy and maximise the opportunity that Coventry 2021, and other major events, will bring to the city.
- There is a pool of talented individuals who are already in place that will support future developments.
- Coventry is surrounded by expertise and mature organisations who want to work with the city such as Shakespeare's England and West Midlands Growth Company. This interest is helpful and welcome but stakeholders are keen that Coventry retains its own identity and voice in wider regional and national partnerships.
- Coventry City Council already delivers a number of services that contribute towards Coventry's destination aspirations such as public realm improvements, signage and street cleaning, as well as the more obvious work around business tourism, event bidding and some business engagement.
- The City Council is set to reposition its destination and tourism offer, work and partnerships in line with an adopted Strategy/ DMP.
- Coventry City of Culture Trust is seen as a key organisation with momentum, resources and influence and much of the preparatory activity for Coventry 2021 will deliver against the Strategy / DMP priorities particularly around positioning.
- Inevitably, focus on 2021 is driving wider stakeholder's agendas as wider infrastructure developments and projects that support the delivery of the year-long event have a new energy and deadline.
- The Great Places and Cultural Destinations project led by the Coventry City of Culture Trust is already laying some great foundations for the DMP and demonstrating how a proactive partnership can work.

- The work of Creative Tourist based on the visitor profile research offers a clear road map to address the city's digital and web presence.

Therefore, when designing a structure to deliver Coventry's DMP over the next five years, the following principles should apply:

- The work and activity of existing organisations and groups that contribute towards the DMP need to be coordinated.
- Strong and politically astute leadership is imperative moving forward.
- The delivery of future activity needs to be nimble and agile in order to respond to opportunities and navigate bureaucracy.
- There is neither the desire nor resources to create a separate organisation to manage this.
- Partners need to be realistic about the resources available to support Coventry's visitor economy.
- Partners must have an appetite to work across boundaries, particularly at a regional and national level.
- There needs to be a step change in capacity and expertise to market the city both on and offline.
- Any future structure needs to consider the legacy of the organisations involved. There may be potential for the City of Culture Trust to take a greater lead in Destination Management post 2021 and build on the success of this and other events Coventry has, and will, attract.

Proposed Structure

Destination Partnership

It's proposed that the key organisations that impact upon the destination management of Coventry come together as a Destination Partnership (DP). Partnership has been identified as a key priority of the Strategy / DMP and the first year of this is especially critical. Key requirements to make this successful include:

- The Destination Partnership will meet regularly.
- The organisations involved will come to the table prepared to share information and resources and potentially funding to deliver against the action plan. Enrolment to the Destination Partnership should be based on the contribution organisations are able to make to the partnership and the benefits the combined contributions deliver back to their organisations and the city.
- Partners should agree an appropriate Chair for the DP and this, for the first year at least, should be considered for a remunerated position in order to get real focus and drive behind the partnership.
- The DP and the projects it agrees need to be administratively supported by a new post.

The recent creation of Coventry's Cultural Place Partnership supports this course of action and it is anticipated that the DP could report into the wider Partnership enabling a route for the City Council, City of Culture Trust, two universities and Coventry Sports Network (amongst others) to receive updates and advice on the wider visitor economy.

Following DMP Consultation, the following organisations / sectors are suggested to make up the DP based on the resources, skills, expertise and energy they already put into Coventry's visitor economy.

- Coventry City Council*¹⁵
- Coventry City of Culture Trust, including Great Places representation
- Coventry Business Improvement District
- Coventry University and the University of Warwick / Warwick Conferences
- West Midlands Growth Company
- Coventry and Warwickshire LEP
- Industry Representatives depending on gaps on skills and expertise (e.g. accommodation, hospitality sector, sport, heritage and visitor attractions). Some of these sectors will need support in order to come together to represent their interests and work. For example, an initial collective approach to the travel trade would be a useful way to coordinate visitor attractions, potentially led by Culture Coventry, which could then lead to greater collaboration and a single sector voice at the DP.

Destination Partnership Manager

Strategic administrative support is essential to ensure the DP runs smoothly and remains focused. To achieve this, a Destination Partnership Manager role hosted by the City Council for the reasons outlined above, is recommended. It would:

- Manage the DP and support the Chair in driving the partnership and its agendas.
- Commission and oversee work on behalf of the partnership.
- Service the partnership.
- Develop relationships with key strategic and delivery partners such as Visit England and West Midlands Growth Company.
- Develop a digital partnership as outlined in the Digital Audit to deliver the new digital strategy.
- Drive forward and keep track of action plans and activity.
- Ensure that partner organisations are delivering against set actions and considering visitor needs in their plans and projects.
- Explore funding opportunities and partnerships.
- Review and update the Strategy / DMP with the support and input of DP members.
- Be the "voice" of tourism within the local authority, raising its profile and coordinating services when required.

As previously mentioned, it is essential that the significant City Council services that deliver areas identified in the Strategy / DMP are galvanised and coordinated while recognising that in many cases, it will be more effective to commission external delivery partners.

¹⁵ *Coventry City Council is key to the DP's success. It already has posts and resources dedicated to the visitor economy but also delivers a range of often "hidden" services such as licensing, waste collection and bigger infrastructure projects like the Water Park that are crucial to the delivery of many DMP projects. The Council is currently looking to source additional resource for delivery including a new senior destination post (see point below) that will be crucial to the Destination Partnership and the DMP delivery moving forward.

In addition, the recent Digital Audit has suggested that a Digital Partnership Support Officer role is also introduced to the Coventry City of Culture Trust to support the outcomes of the Audit. This would build capacity in the city and address the weaknesses around the city's overall destination web and digital presence.

Both Coventry City Council and the City of Culture Trust have been identified as lead partners on the Destination Partnership because of the influence, resources and ongoing work programmes. They are also regarded as the biggest champions of the benefits of developing Coventry as a destination for visitors and understand potential impacts and improvements the delivery of the Strategy / DMP will bring.

As the host of the Destination Manager post and the resources currently available, it makes sense that the City Council becomes the commissioning organisation for any work actioned by the Destination Partnership.

Appendix 1 of this report outlines the proposed structure for the Destination Partnership and identifies the role individual organisations could play alongside the wider coordination that will be achieved.

Resources

The most successful cities resource their destination management work via a broad range of funding including:

- Local Authorities
- national tourism funding via Visit England and Visit Britain (often in kind)
- private sector partnerships and contributions
- partnerships with other Destination Management Organisations
- transport operators
- grants and trusts e.g. Arts Council England and Heritage Lottery Fund
- commercial services, such as shops linked to Visitor Information Centres, merchandise, commission generation or delivery of visitor economy services to others.

Additionally, resource comes from organisations whose prime focus may not be the visitor economy but whose activity indirectly contributes to the development and vibrancy of the overall destination. These include:

- Local Enterprise Partnerships
- Business Improvement Districts
- Universities
- The wider business sector who recognise the benefits of the place being developed and promoted positively

Budgets range from the hundreds of thousands to over £8 million per destination and there is no one model that is replicated across the country, both in terms of structure and resources.

For example, NewcastleGateshead Initiative has a four-pronged approach to its funding mix: local authority, contributions from partners in the destination, grant funding and a trading arm delivering a consultancy service. Destination Bristol have a wider portfolio running two Business Improvement Districts, a Cultural Destinations project, developing commercial revenue opportunities and a small amount of local authority funding. Marketing Manchester is part funded by Manchester Airport. Marketing Cheshire has focussed on leading and delivering several Discover England projects as well as providing marketing services to

Cheshire businesses. Funding models for destinations develop over time on a place specific basis.

In the case of Coventry, the city will need to invest in itself to lever additional resources. The positive example of Great Places and Cultural Destinations was made possible by City Council support with match funding of £50,000 for Great Places and £30,000 Cultural destinations. This in turn enabled Culture Coventry, the Coventry City of Culture Trust and partners to secure £2 million new investment in the city for product development, marketing and strategic work around culture, tourism and local engagement with heritage. The Great Places programme in particular offers a strong start to the Strategy / DMP for the next two years and there will be the opportunity to attract similar resources in the future, based on projects in the Strategy.

There are budgets over £500,000 in Great Places and Cultural Destinations for marketing, training, trails, mapping and cultural destination events such as the Cathedral Lighting Commission and Shop Front Festival. There is support for resident engagement in the heritage offer of the city. However, the Strategy proposes new pieces of work which will require new funding.

Going forward there are several routes for financing future activity:

Local:

- The City Council has had dwindling resources both in terms of its destination team and its budget. However, growth plans linked to 2021 will see (as previously mentioned) the reinstatement of key human capacity at a strategic level and the potential to present a business case for further visitor economy investment. Ideally the City Council as commissioning body would have a core cash budget of circa £100,000 to £150,000 minimum to provide leverage and delivery of its own programmes. This will be essential if Coventry is to engage with national programmes such as Discover England and to deliver essential work like an accommodation study.
- Coventry City of Culture Trust will have overall marketing and PR budgets – in part supported through the City Council. Subject to meeting fundraising targets the Trust plans to build marketing budgets of around £3 million for 2018 to 2021 – on a scale never seen in the city. Work to resolve twin websites for destination and cultural events will be a key contribution to resources going forward. The Digital capacity work by Creative Tourist has identified the need for around £110,000 investment in digital and web capacity work to be funded through a mixture of Great Places, City of Culture and other resources. This is an initial sum and clearly ongoing resourcing requirements will be a key focus for the destination partnership.
- The Cultural Destinations and Great Places programme has resources for marketing and product development in 2018 and 2019.
- The Coventry Business Improvement District has a budget of around £400,000 a year and could play a particular role in engaging city businesses and developing the independent shopping and food and drink offer.
- Whilst the visitor economy isn't core business for universities there are ways that they might engage through the Place Partnership. Warwick Conferencing also has promotional spend in the city and could input to a business conferencing and events

review. The universities have the largest budgets for marketing in the city although these are targeted and not directly aimed at visitors (although it is assumed the more students they attract, the more VFR visits the city will benefit from.)

Regional:

- Whilst the Coventry and Warwickshire LEP has culture and tourism as a priority, it has limited revenue budgets but might be capable of investing in key projects that support infrastructure, such as an accommodation study. It has funding for project proposals from cultural and tourism organisations to develop its funding pipeline.
- The West Midlands Growth Company has received support from West Midlands Combined Authority and Visit Britain and should be a partner for projects. It may be possible for Coventry to benefit from their national funding from Visit England's Discover England fund and to partner with future bids that give a strong Coventry voice in Midlands packaging.
- Birmingham Airport has supported the City of Culture Trust up to 2018 and could be a major partner in the Destination Management Plan. In kind support might also be sought from rail operators and airlines.

National:

- Coventry could apply for future rounds of Discover England funding particularly linked to City of Culture although one of this fund's main criteria is cross boundary working / partnerships and so wider thinking around potential projects that support Coventry's product should be a priority for the Destination Partnership.
- Visit Britain have recently submitted proposals for a Tourism Sector Deal to the government as part of the consultation on the Industrial Strategy. A strand of this is the creation of Tourism Action Zones that will "build quality tourism products that meet visitors' needs and expectations, extending the tourism season and fixing localised transport issues to improve the visitor experience". It is likely that DCMS (who awarded City of Culture 2021 to Coventry) will be developing this proposal and a case should be made to align Coventry as a Tourism Action Zone and City of Culture.
- Additionally, DCMS has invited Coventry to put forward proposals for accelerating capacity and city readiness. If resources follow, there is the potential to cover a significant proportion of the DMPs project activity in 2018/19.
- The Destination Partnership should also follow the work of the Cultural Cities Consortium who has recently launched an enquiry into the resources available to fund culture in cities. Whilst only at enquiry stage, this will hopefully produce some valuable learning and suggest innovative funding solutions for the future which could be used for the City of Culture legacy and DMP projects post 2022.
- With City of Culture there is a unique opportunity to bring national partners on board such as the BBC, Tate and others who bring their own marketing collateral to the city. Whilst this won't necessarily be cash budget, it is an important part of the mix. The BBC Biggest Weekend is an example of this kind of partnership, achieving a TV audience reach alone of over 15 million.

Taking the approach of Great Places, the Destination Partnership might set targets for a tourism- related investment, such as a Great Places 2 that could be built up via a range of projects once the Destination Partnership agrees the priorities. Projects such as the resident's festival may be eligible to apply for Arts Council England funding. Alternatively, the Partnership could decide to source funding on a project by project basis.

Not all of the funding sources listed above will be viable or appropriate for Coventry but by building up a mixed portfolio of funding and using existing resources as leverage (something the city has already demonstrated it is quite adept at) a substantial fighting fund could be established to deliver the DMP and Digital Audit work areas and activity.

Destination Management Plan

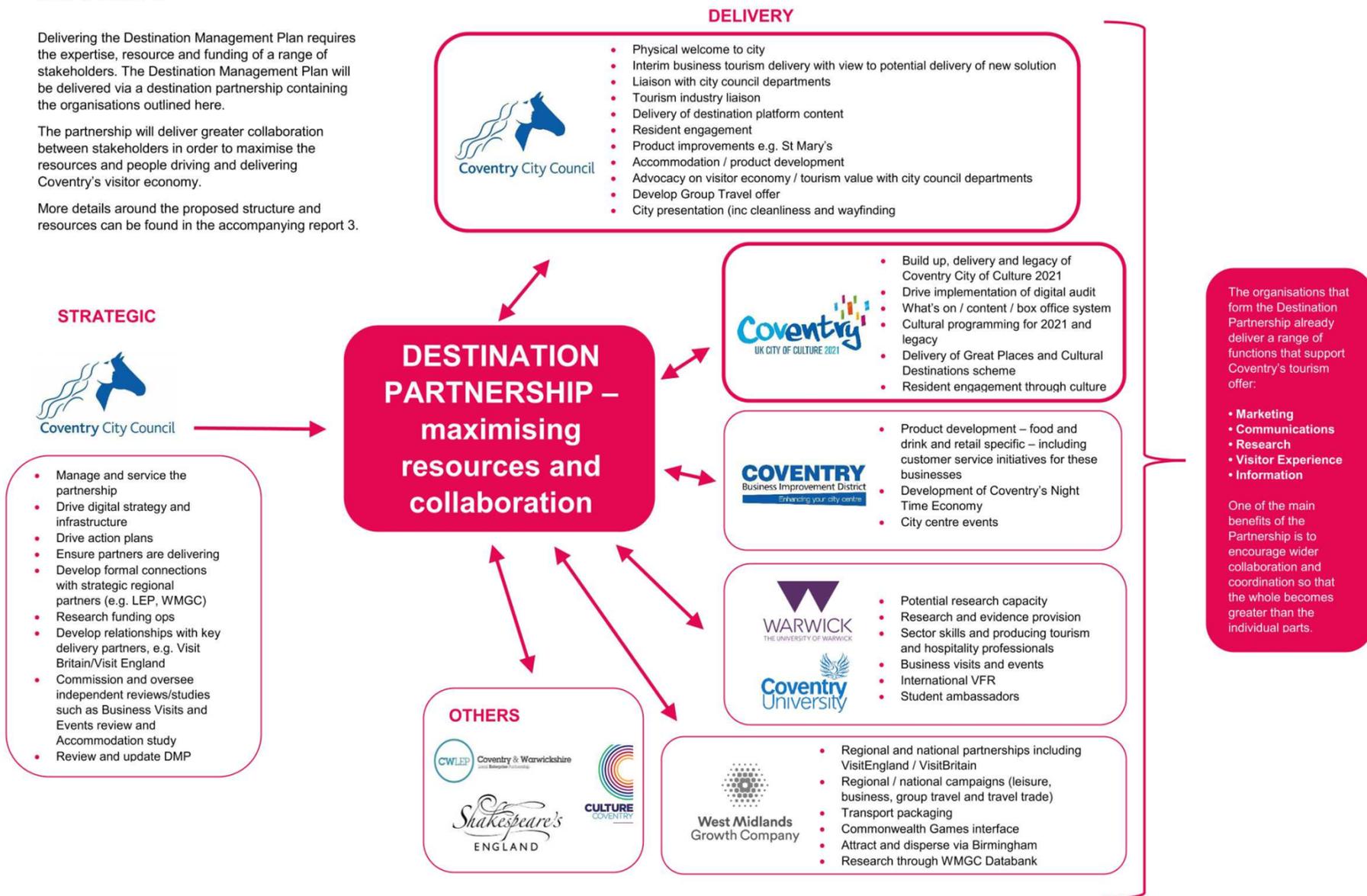
This document supports the Coventry Destination Management Plan and should be used within the context of the plan. All information within this document is the property of Coventry City Council and the Destination Partnership. Any information within this paper should only be used with the permission of this group.

Structure

Delivering the Destination Management Plan requires the expertise, resource and funding of a range of stakeholders. The Destination Management Plan will be delivered via a destination partnership containing the organisations outlined here.

The partnership will deliver greater collaboration between stakeholders in order to maximise the resources and people driving and delivering Coventry's visitor economy.

More details around the proposed structure and resources can be found in the accompanying report 3.





Cabinet

27th November 2018

Name of Cabinet Member:

Cabinet Member for Children and Young People - Councillor Seaman

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

None

Title:

Coventry Adoption Service Annual Report 2017/18

Is this a key decision? No

Executive Summary:

The purpose of this report is to inform the Cabinet about the work undertaken by the Adoption Service between April 2017 and March 2018.

The performance of Coventry Adoption Service is critical to delivery of high quality adoptive families that can meet the diverse needs of Coventry's looked after children.

The report summarises the activity of the service over the past 12 months. It highlights the transition of the elements of the adoption service to the Regional Adoption Agency – Adoption Central England (ACE). The report also considers the impact of service activity and support upon the timeliness of adoption for children including those who are BME, older children, and sibling groups.

Recommendations:

1. The Cabinet is recommended to accept the Adoption Service Annual Report 2017/18.

List of Appendices included:

Appendix 1 The Adoption Service Annual Report 2017/18

Background papers:

None

Other useful documents

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?

No

Will this report go to Council?

No

Report title: Coventry Adoption Service Annual Report 2016/17

1. Context (or background)

- 1.1 The purpose of this report is to inform the Cabinet about the work undertaken by the Adoption Service between April 2017 and March 2018. The performance of Coventry Adoption Service is critical to delivery of high quality adoptive families that can meet the diverse needs of Coventry’s looked after children.
- 1.2 The report summarises the activity of the service over the past 12 months. It highlights the transition of the elements of the adoption service to the Regional Adoption Agency – Adoption Central England (ACE). The report also considers the impact of service activity and support upon the timeliness of adoption for children including those who are BME, older children, and sibling groups.

2. Options considered and recommended proposal

- 2.1 The Cabinet is recommended to accept the Adoption Service Annual Report 2017/18 is accepted.

3. Results of consultation undertaken

- 3.1 There has been no consultations undertaken as this report is an annual statutory responsibility as per Adoption Regulations.

4. Timetable for implementing this decision

- 4.1 None, this is an annual report.

5. Comments from the Director of Finance and Corporate Services

5.1 Financial implications

- 5.1.1 There are no specific financial implications as a result of the recommendations in this report. A brief summary of the costs of the service in 2017/18 are included in the table below.

Area	Net Budget £000	Net Expenditure £000	Net Variance £000
Adoption Service	622	569	(53)
Adoption Allowances	1,358	1,238	(120)
Adoption Support Fund	0	2	2
Total	1,980	1,809	(171)

- 5.1.2 Adoption Staffing Team: For the first time in 2017/18 the Adoption Team costs were separated from the Family Placement Service ahead of the transition to the Regional Adoption Agency.

- 5.1.3 Adoption Allowances: Financial support can be paid to prospective adopters and adoptive parents to help secure a suitable adoption, where a child cannot otherwise be readily adopted or remain adopted for financial reasons.

5.1.4 Adoption Support Fund: This fund was available to provide therapeutic services and support for the child and the family. In 2017/18 we applied £94K of grant to support adoption activity meeting this criteria.

5.2 Legal implications

5.2.1 National Minimum Standards stipulate that the executive side of the local authority, receive written reports on the management, outcomes and financial state of the agency every 6 months; this includes the need to monitor the management and outcomes of the services in order to satisfy themselves that the agency is effective and is achieving good outcomes for children and/or service users and satisfy themselves that the agency is complying with the conditions of registration.

5.2.2 National minimum standards stipulate that the review must be at least undertaken annually.

6. Other implications

6.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

6.1.1 The Adoption Service, through ACE arrangements, contributes to the Council Plan by continuing to ensure the most vulnerable citizens of Coventry are protected and promoting their quality of life and life opportunities including health and education outcomes. The launch of ACE also helps to raise the profile of Coventry as the 7th regional adoption agency to go live and makes the most of Coventry's assets and resources.

6.2 How is risk being managed?

6.2.1 There is appropriate governance in place with ACE to ensure the shared adoption service arrangement continues to meet local need.

6.3 What is the impact on the organisation?

6.3.1 There are no proposed changes within the annual adoption report. However, there are identified areas of strength and weakness of the service and a service plan to continue to improve and deliver good outcomes for children.

6.4 Equalities / EIA

6.4.1 Adoption Services are delivered in line with the Adoption Service Statement of Purpose which takes into account and promotes equalities and diversity. Adoption Services will continue to be delivered in line with anti-discriminatory practices.

6.5 Implications for (or impact on) the environment

6.5.1 There are no implications or impact upon the environment.

6.6 Implications for partner organisations?

6.6.1 Adoption services are now shared with three other local authorities as outlined within the ACE governance. This includes the joint commissioning of services and working with voluntary agencies. This should ensure consistency and availability of services for all service users.

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

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People

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Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
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Lara Knight	Governance Services Co-ordinator	Place	6/11/17	6/11/18
Other members				
Names of approvers for submission: (officers and members)				
Finance: Rachel Sugars	Finance Manager	Place	5/11/18	5/11/18
Legal: Julie Newman	City Solicitor	Place	2/11/18	5/11/18
Director: John Gregg	Director	People	29/10/18	30/10/18
Deputy Chief Executive: Gail Quinton	Deputy Chief Executive	People	30/10/18	30/10/18
Cabinet Member	Councillor Seaman		1/10/18	1/10/18

This report is published on the council's website:

www.coventry.gov.uk/councilmeetings

Appendices

Coventry Adoption Service Annual Report 2017/18

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Annual Report of the Adoption Service 2017-2018 for Coventry City Council

Contents

1. Introduction
2. Service Activity
3. Service Performance
4. Adoption Support Services
5. Adoption Panel Report
6. Service Plan 20218-2019

1. Introduction

This is the Coventry City adoption service report for the period 2017-2018. It provides an overview of adoption activity and performance and includes a contribution from the Chair of the Adoption Panel.

Since the previous report, Coventry City Council has transferred elements of its adoption service to the Regional Adoption Agency, Adoption Central England (ACE), which came into effect from 1 February 2018. This is in accordance with national policy that all local authority adoption services are required to be part of a Regional Adoption Agency by 2020.

The Government's policy is underpinned by a number of aims:

- Decisions about placements are always made in children's best interests
- Service delivery has, at its heart, innovation and practice excellence
- Social workers are highly skilled professionals who make high quality, evidence based decisions and do not tolerate damaging delay for children in their care
- Adoption placement matches are made without unnecessary delay
- Adoptive families have access to an ongoing package of appropriate support based on assessment of need
- The voice of adopters and their children is at the heart of what we do.

These aims have underpinned the development of ACE that has a vision to:

To provide an innovative service to children and adoptive families and others affected by adoption. This is by offering lifelong support based on up to date evidence based practice and supported by modern technology.

As a local authority shared service based on a hub and spoke model, it will have a wider pool of adopters for children which should impact on the timeliness of placements. A greater strategic approach can be taken to adopter recruitment and adoption support including the provision of therapeutic interventions, which will be delivered and coordinated more consistently and effectively across the region.

Over the past year, the Coventry adoption service has made in progress in the following areas:

- Children’s social care redesign has led to children and young people experiencing fewer changes of social worker. This means that one social worker will be allocated to manage care proceedings and oversee adoption work
- Smooth transition of elements of the adoption service to the Regional Adoption Agency – ACE
- Robust and increased tracking arrangements for children pre-birth and post placement order
- An increase in awareness of Fostering to Adopt and operational arrangements to support the increase in Fostering to Adopt placements
- Completed a review of all adopters who were waiting in excess of a year for a placement and many of the adopters have now been matched with children.

2. Service Activity

Overall adoption performance:

	2013/14	2014/15	2015/16	2016/17	2017/18
Number of enquiries	128	136	161	183	156
Adopter applications received	49	37	35	38	33
Adopters approved (households)	47	38	20	55 (32 households)	49 (25 households)
Number of adopters matched				23 (14 households)	55 (29 households)
Number of children adopted	52	70	54	48	29
Number of children placed with adopters	68	53	52	40	34
Number of children	38	6	33	55	35

awaiting match					
Number of disruptions	1 child	4 children	6 children	2 children	0

In summary, during 2017/18:

33 Children – were subject of the decision that they “should be placed for adoption”. For 17 children this decision was reversed by the court at the conclusion of care proceedings

31 Children – were made subject to a Placement Order by the court

39 Children – were matched with prospective adopters

34 Children – were placed with adopters

29 Children – were made subject to an Adoption Order by the court.

Recruitment, Preparation and Assessment of adopters

Between 2 April 2017 and 24 October 2017 Coventry’s fostering service received 49 prospective adopter contacts. Between 1 February 2018 (when ACE went live) to 31 March 2018 ACE has received 107 prospective adopter contacts and 51 people (individuals not households) have attended information meetings. Enquiries were followed up with social worker contact and adoption information packs were sent out.

Improvements in the rigour of assessments are ongoing. There has been more use made of 2nd opinion visits, more challenge in supervision and in quality assurance during the panel/Agency Decision Maker (ADM) process. This has included quality assurance of matches with one high risk match in 2017 not recommended at panel and not approved by ADM. This work is continuing under ACE and a joint ACE, Maudsley Hospital and Bristol University project is currently collating research to provide practice guidance on assessment and support of adopters. Stronger and more bespoke support plans are expected in matching paperwork.

More emphasis is placed on the effects of trauma in adopter preparation training. Specific training for those in the adopter's support network was introduced in 2016 and Coventry increased the frequency of sessions in 2017

Family Finding

Family finders are identified for the following groups of children:

- Sibling groups
- Black and minority ethnic children
- Children who are disabled or have other additional needs
- Children who are aged five or over at time of placement

- Children who have been waiting for some time.

This year Coventry took part in the 'Finding me a Family' programme aired on Channel Four. The production team, Ricochet, worked alongside Coram, who facilitate children's activity days. Coventry was the chosen venue for this event, which took place on 15 July 18. Several adopters participated in the event, and two sets of adopters appeared on the programme. Children from Coventry were not represented at this event, but children from other local authorities attended and there was a potential link for one of the Coventry families.

Three children from Coventry attended an activity day in April 2017, in Northampton: one single child and a sibling group. Unfortunately there was no definitive match for the children, but subsequently they have all been placed for adoption.

Four children attended an activity day in May 2017, in Nottingham: one single child and a sibling group of three. Unfortunately there was no match for the three siblings and their plan subsequently has changed to one of long term foster care. A match for the single child was identified and has since been placed for adoption.

Since January 2015 Coventry has subscribed to Adoption Link. This is a web based search engine. This has been a useful tool for both adopters and social workers as they have been able to search, nationwide for children, and likewise search for families for Coventry children, who may not be able to be placed in the surrounding area, for example. Adopters are also added to Adoption Match. This has assisted with an improvement in the timeliness of adoption matches.

Matching

Coventry has made effective use of the research in respect of sibling adoption and has a good record of placing siblings together. Sibling assessments underpin and support decisions to place brothers and sisters together or apart and maintain contact. Staff and panel members have been trained in sibling assessments. This is reflected in the cohort of children adopted over 2014 - 2017 which included 26 sibling groups.

Case examples: In August 2017, two 4-year olds girls with complex and challenging needs were placed separately for adoption. Although the performance on the adoption score card will show delay, the team had to make sure that these placements were the 'right home' for the children. For one child the family finding was successfully found from an ACE exchange event. For the other child, a number of clinical supervision sessions helped to plan the transition move and after adoption support for the child. This demonstrates a child centred approach in Coventry, where the needs of the children override the need to pursue improved statistical outcomes.

On 31 March 2017, Coventry had 32 adoptive families who had been approved for over 12 months without a match. All of these families have now been reviewed and taken back to the Adoption Panel in line with regulation. Of these 32 families:

- 21 have now been matched or linked with a child/ren
- 3 families have now withdrawn
- 4 families have chosen to wait for a match at present due to family circumstances
- 1 family needs a full assessment due to changed family circumstances
- 3 families wait for a match.

The impact of improved practice in this area has meant that a higher number of children were matched for adoption in 2017/18 (39 children) than in 2016/17 (35 children). However, this has meant that the average number of days between adopter being approved and being matched (for those matched during year) has increased from 103 days in 2016/17 to 297 days in 2017/18. It is anticipated that this will significantly reduce in 2018/19 now that previous delays have been progressed and good practice continues.

Case example: One couple were approved in August 2015 and despite their strong application there seemed to be slow progress towards a match. The couple were matched in December 2017 and they plan to put in their adoption application soon.

An interagency placement occurs when a local authority places a child with an adopter approved by another agency (either local authority or voluntary adoption agency). A fee is paid to cover the cost incurred by that agency in recruiting, assessing, approving and family finding that adopter along with an element of for adoption support. Interagency placements are used for hard to place groups of children. It is anticipated that under the Regional Adoption Agency arrangements there will be a decrease in the use of interagency placement because the number and type of adopters has now increased across the 4 local authorities. There have been 6 (8 children; two sibling groups of two) interagency placements between 1 April 2017 and 31 January 2018 and 4 placements (4 children) between 1 February 2018 and 31 March 2018, since the new ACE arrangements have been in place. There were 10 placements for children from other local authorities placed with adopters assessed by Coventry.

Practice guidance has been issued to staff to raise awareness internally about foster for adoption and an unborn baby tracker has been developed to ensure pre-birth planning is robust. The LAC and Permanence Team co-work with the area social worker for any unborn children where care proceedings may be issued, to support effective pre-birth planning. There are several babies who were identified pre-birth for whom family finding began immediately and 2 foster for adoption placements where the baby was able to be discharged from hospital to their prospective adopters.

Case example: Baby A is a dual heritage female child and was placed in a fostering for adoption placement with a couple of a similar ethnic origin at four days at the time of being discharged from hospital. There were ongoing child protection concerns with her older half siblings who were due to be adopted by their foster carers so a separate placement was required from birth. The Adoption Order has since been granted.

Adopter feedback: This experience was very positive, although nerve-racking at times when dealing with legal matters. Nevertheless, we had a very positive adoption journey with our daughter and are now preparing to share our experience with other prospective adopters.

A workshop on transitions, for a child to be moved from a foster placement to their adoptive family, was held in autumn 2016 for staff, foster carers and adopters, and, as a result of this, playdates pre placement were introduced to help children and foster carers build up trust in adopters. Foster carers are also encouraged to stay in touch with children and adopters post placement.

3. Service Performance

National Performance Indicators	Government Target	CCC Three Year Average
A1 Average time between a child entering care and moving in with its adoptive family (days)	426 days	522 days
A2 Average time between a local authority receiving court authority to place a child and the local authority deciding on a match to an adoptive family (days)	121 days	204 days
A3 Children who wait less than 14 months between entering care and moving in with their adoptive family (number and %)	14 months	43.2%

The proportion of children who wait less than 14 months between entering care and moving in with their adoptive families was lower in 2017/18 (94 [34.0%]) than in the snapshot for year-end at 2016/17 (124 [46.8%]). Promisingly, more children were placed for adoption at year-end in 2017/18 (26) than at year-end in 2016/17 (21). For 11 of the 29 children who were made subject to an Adoption Order by the court in 2017/18, it took less than the government target of 426 days between the children entering care and moving in with their adoptive family. Overall, the timeliness of children being matched with prospective adopters once a Placement Order has been granted decreased to an average of 141 days YTD in 2017/18 from 170 days in 2016/17.

This increase in timeliness has taken place during a year of substantial changes to the service design and delivery across Coventry's Children's Services and the transition to ACE which is intended to improve practice for all children. The impact, and anticipated benefits, of the Children's Services redesign and regional adoption agency can only be evidenced over time.

There are a number of children who are more difficult to place for whom adoptive families have been secured. This includes an older sibling group that met the 426 day target and an older child whose adoption was quicker than those of a similar age. There has also been an increase in the number and proportion of Black and Minority Ethnic (BME) children adopted as a proportion of all children leaving care in 2017/18 (11 [4.7%]) than in 2016/17 (5 [2.0%]).

Since re-structure of Coventry's Children's Services, and the transition to ACE, a new tracking system has been implemented. This is robust and has been evidenced by the first fostering to adopt placement within 4 weeks of the new arrangements. This will lead to a more seamless approach for timely placement of children. Coventry Children's Services has a robust tracking system, including trackers for unborn children, pre-proceedings, during care proceedings and post-placement order, to ensure robust and timely care planning takes place to ensure early permanence without unnecessary delay.

Mirroring a national trend, there has been a slowing of the number of Placement Orders being secured. This is as a result of case law that requires local authorities to explore family options in greater detail before considering adoption. However, the number of decisions to progress a plan of adoption remains consistent and Coventry has a robust process for concurrent planning so that time is not lost should adoption become the child's plan.

There have been a number of foster carers wishing to adopt, or pursue a Special Guardianship Order, for children in their care. In 2017/18, 9 out of 29 children were adopted by their foster carer/s. These arrangements have sometimes caused delay to the adoption planning for the child because the foster carer's commitment to the assessment and subsequent completion has not been timely. Practice guidance has

been issued to staff to raise awareness and an adoption workshop was held on 17 April 2018 to ensure that the need for parallel planning in their circumstances is imperative to the child's outcomes.

Overall, service improvements have made it more likely that adopted children will achieve good permanent outcomes in the longer term. It is also positive that analysis demonstrates that adoption is considered for all children for whom this is appropriate and progressed wherever possible even if this takes longer than the national target. This ensures all children in Coventry have the most appropriate permanence plan.

4. Adoption Support Services

The Adoption Support Team offers a variety of activities/support for adopters. Social workers within the team run a bi-monthly 'Coffee Morning' which gives adopters an opportunity to meet with other adopters offering the chance to build friendships and share experiences. This is attended by a regular group of between five and ten adopters and their children (pre-school in term time, all ages in the school holidays).

Each year, in partnership with Warwickshire County Council, an Annual Adoption Fun Day is held. This is always an immensely popular occasion, a well-attended and enjoyable event.

Feedback from the adoptive parent of and four year old boy and a seven year old girl: "The Activity Day always goes on our calendar, as our kids have such a good time. This year we even remembered to join the balloon modelling queue straight away, so we must be old hands! Our son's Spiderman balloon seemed to start a trend. Living out of city, we rarely venture over to Coventry for events, so this is our annual chance to catch up with the team. Our daughter can never believe that all the children there are adopted like her, and she particularly enjoys the craft table. As we piled back into the car with sweets and handfuls of colourful creations, the kids looked ready for bed!"

Whilst the annual adoption day has provided 120 children and their adoptive families with an annual celebration over the past 10 years, recent innovations include Saturday workshops to help the family and friends of adopters understand the effects of trauma and the need for therapeutic parenting, an adopter to adopter mentoring scheme and consultation and clinics for staff supporting families in difficulty.

The service continues to develop a forum to gather views of adopted children and their parents. Coventry runs a monthly event in conjunction with a voluntary adoption agency, After Adoption. This scheme, Talk Adoption, ensures that feedback on

services is obtained and as a result services can be developed to meet the needs of children.

Adopters also have their own self-led support forum. The group hold regular meetings at which they focus on particular topics of interest to them. The forum plan is to meet to consider Attachment and Trauma in the Classroom, Pupil Premium and Transition to School. The Virtual School attended the first session in March 2018 to support the group. Ten adopters attended Adoption UK's conference this year. The theme there was also Attachment and Trauma in the Classroom. Adopters advise social workers that they also utilise online networking groups to explore relevant issues and exchanges of information, using this as a means of garnering additional support.

In February 2017, Coventry's mentoring group was set up in partnership with Warwickshire County Council. Mentors (who are adopters themselves) support adopters who are isolated or struggling with challenging children. The mentors are supervised by a counsellor who attends supervision meetings to give guidance and advice to the mentors. There are four mentors at present with plans to recruit more over the next year.

Adopters are sent bi-monthly newsletters containing any information about the service, updates of legislation, forthcoming training events (both in-house and external) and any other relevant opportunities.

Coventry social workers facilitate Family and Friends Workshops. This year there has been a great deal of interest in attending, which is very positive, as lack of family and friends support has previously been an identified issue in post adoption. The December event was attended by over twenty family and friends of adopters. Issues discussed cover, neglect and abuse, trauma, development, attachment and 'The Wall', which consider the 'gaps' in the foundations of early life that adopted children have experienced.

There are six social workers in the Adoption Support Team and one part time manager. Five social workers, and the team manager have now completed Dyadic Developmental Psychotherapy (DDP) at Level 1. Three social workers attend a bi-monthly regional peer support group which looks to 'develop their DDP skills to get together and share DDP ideas, experiences, dilemmas and questions.' One social worker has completed Theraplay Level 1 training. The continued development of professional practice is invaluable to social workers providing a responsive, educated and knowledgeable service within the Adoption Support Team. The skills base of the social worker team allows their support to sit alongside that of the therapeutic services being provided by psychotherapists/psychologists via the Adoption Support Fund. Adopters are re-assured that their social worker is experienced and knowledgeable, and can be supportive with the challenges that they are facing. Adopters have recognised the professional contribution the social workers have made in supporting them as evidenced in the below adopter feedback.

Adopter 1 feedback: “Just a note to let you know that our daughter has been offered a place at her first choice school, an amazing local comprehensive. That wouldn't have happened without your going the extra mile to get that paperwork in so we can't thank you enough. We have to go through it all again for her brother later this year but thankfully we appear to have the key document for him to hand which should make it easier.”

Adopter 2 feedback: “I want you to know how much I appreciate all that you have done, listening, supporting, making the CAMHS appointment, following up with the SEN officer. You have made a very stressful and difficult time less lonely. I am looking forward to moving on as a family. We have many months/years ahead repairing C's self-esteem and the damage caused however, at least I know he will feel safer now and that is so important. I am hopeful the DDP will go ahead, and am happy to wait for it to start as I know it will be beneficial.”

The continued aim of the team is to provide early intervention which will result in a reduction in the need for a higher level of therapeutic support and timely Adoption Support Fund applications where there is a need identified.

Adoption Support Fund

The use of the Adoption Support Fund (ASF), a central government funding stream, has enabled children to be kept with their families. Many families have struggled with the needs of very challenging children/young people and the support of the social worker and therapist has enabled the family to stay together and for improved outcomes to be achieved.

There has been a steady increase in the number of ASF applications since the fund became available in May 2015. During the year 2015/16 11 applications were made on behalf of families in Coventry. This increased to receiving £57,520 for services supporting 37 families requiring specialist therapeutic support in 2016/17. This has further increased to 53 applications and the total funding received was £124,701 in 2017/18.

The ASF has enabled therapeutic services to be delivered to adopted children and their families to stabilise placements through, for example, improving relationships, reducing child to parent violence and improving engagement with learning. A range of therapeutic interventions has been funded including DDP, Theraplay, Sensory Integration therapy, therapeutic parenting work and life story work.

5. Adoption Panel Report

During the period 1 April 2017 to 31 March 2018 there were 24 Adoption Panel Meetings.

The following matters were presented to the Panel for consideration:

	1 April 2017 – 31 March 2018
Prospective Adopter Assessments	19
Adoption Placements (matches)	28
Plan for adoption (relinquished child)	1
Adopter Resignations noted	3
Long term fostering matches	7
Reviews of waiting adopters	10
Adoption Disruptions brought to panel	1 (disruption occurred in 2016/17)

Panel Membership

The central list panel members over the year were:

Independent Chair

Independent member and Vice Chair x 2

Independent members x 3

Medical adviser

Elected member

Social work representatives x 4

The panel met as required on 24 occasions, once a fortnight. Panel required 5 panel members in attendance to be quorate, including at least one independent member and at least one social work representative. There was a reliable core group of members and usually 6 attended. The panel was representative of the diversity of the population. A number of panel members had personal experience of adoption and they brought significant understanding of the needs of children and young people who required adoptive placements. One panel member had personal experience of having been in care and there was also experience in social work, health and counselling. It was thought, however, that the panel would benefit from the input of a younger person with care experience and such an appointment was made in February 2018. This young man will join the ACE Panel as soon as all checks are received.

An existing member was appointed as a second Vice Chair in May 2017. After induction, the second Vice Chair successfully chaired the Panel on 3 occasions in the absence of the Chair.

Individual appraisals of Central List members took place over the year. Panel members were reliable and committed to attending meetings. Members raised relevant questions and provided advice, in particular, about support for adoptive parents and children, the numbers and ages of children who may be best placed with adopters and the introductory period and follow up contact with foster carers.

Panel members were invited to staff training on Adoption Disruptions and on Child Permanence Reports held in May 2017. Panel members also attended a Panel members' conference run by the West Midlands Adoption Consortium in October 2017. This included a very useful input on foetal alcohol spectrum disorder.

Panel advice at reviews of waiting adopters has been well established and was well received. Adopters and social workers have been able to use panel advice to update Prospective Adopters Reports and better evidence adopters' experience and capacity with a view to making a match. On one occasion, Panel did not recommend a proposed placement of a child with particular prospective adopters. The Panel's reasons were accepted by the ADM. Panel was appropriately challenging and child centred in its focus throughout the year.

Feedback to presenting social workers

Panel members were requested to make notes on the quality of the paperwork provided for panel's consideration.

The Panel Advisor compiles the feedback – this is then passed to the social worker who has presented the paperwork as well as their manager. Feedback is given on the strengths of the report as well as concerns regarding content and format. Feedback has included comments on matters such as the helpful inclusion of applicants' own written submissions in assessment reports, the need for Child's Permanence Report to include more information about the child's lived experience and the need for more robust APR support plans to include the continuing presence of foster carers in the lives of adopted children. Where Fostering for Adoption may have been appropriate for a child but does not appear to have been considered in the early planning stages this has also been raised.

Feedback to panel

Feedback questionnaires are given to applicants and carers on the day of attendance at panel. Feedback has been generally very positive regarding the panel process. Prospective adopters felt they were well prepared for panel and that questions were appropriate and sensitively asked. There has been feedback that

panel occasionally runs behind schedule causing delay for those attending which raises the anxiety of prospective adopters.

An information leaflet regarding Adoption Panel was provided and was available for applicants and attendees in the waiting room.

All presenting social workers were requested to complete questionnaires on their experience of attending Panel. In the event of concerns being raised, these are fed back to the next panel for reflection. There has been feedback that questions raised by panel are appropriate and that the experience is useful and informative for social workers. People occasionally wait for some time before their case is heard and this is something the panel is aware of. It is important to remain focused and time conscious. Comments on the temperature of the waiting room and the response from staff at reception desk have also been addressed. The Panel was moved to a new meeting room in Broadgate House in December 2017. The meeting room is much brighter and a waiting room is also provided.

Fostering for adoption

4 prospective adopter households were recommended with advice that they could consider Fostering for Adoption placements over the year and Panel queried the limited use of such placements. It appears that Fostering for Adoption is not always considered in the early permanence planning for children whose circumstances might lend themselves to such an arrangement. The Panel Advisor raised this with the ADMs and with the LAC/Permanency Team with a view to Fostering for Adoption being considered more routinely in early interventions.

Regionalisation

The Panel was informed periodically by the Panel Advisor on the progress of the regional adoption agency (ACE).

Panel members were invited to a consultation event regarding regionalisation developments in August 2017 and were invited to give feedback regarding the future organization of panels. Panel members expressed concern at the limited consultation and the new terms and conditions proposed. There was particular concern over the Panels being required to hear many cases at each meeting in shorter time frames. Panel members highlighted concern that this would impact on the ability of the Panel to challenge effectively and would discourage genuine participation of attendees. Individual members fed back their concerns to ACE leadership and these issues have also been taken up by the Panel Advisor with some compromise being reached.

Meeting with Managers and Agency Decision Maker

The Panel Chair met regularly with the Panel Advisor over the year.

Feedback to the Service

The Panel Advisor presented Learning from Coventry Adoption Panel to staff and managers across the service at presentations in December 2017 and January 2018. In January 2018 the Panel advisor raised the need for service wide training on Foetal Alcohol Spectrum Disorder and this is being now being considered by Training and Development. Further pointers for good practice in writing CPRs and APRs were produced by the Panel Advisor in March 2018.

Chair's Comments

The Panel worked very well over the year. It provided an important check and balance when considering the assessments of prospective adopters and adoption placements for Coventry's looked after children. It considered an adoption plan for one child.

The Panel has grown in confidence in its role and was able to challenge and support practice over the year. It played a part in promoting longer transitions for children moving from foster care to adoption and advocated and supported the use of play dates prior to moves.

This is the last annual report regarding the work of Coventry's Adoption Panel per se as it will no longer meet from April 2018. The Panels run by ACE will take its place. I believe it has been a very effective Panel with members who showed great commitment and consideration in supporting the adoption outcomes for Coventry's children.

6. Service Plan 20218-2019

Under the Adoption Regulations, the local authority retains its responsibility for the provision of the adoption service in its area. In partnership with ACE the local authority plans to improve and develop its adoption practice in the following key areas:

- Continue to foster strong, effective working relationships with ACE colleagues

- Effective pre-birth, pre-proceedings, care proceedings and post-placement order tracking to ensure timely permanence is achieved for all children, including those who are subject to an adoption plan
- An improvement in the Adoption Leadership Board (ALB) performance which is the nationally set government targets for adoption practice
- Further analysis of the ALB data to ensure that learning from children whose adoption took longer than the national average targets is collated and disseminated with the aim of improving the time taken between obtaining a Placement Order and matching panel
- To build upon the identified successes of the tracking process and increase the number of children placed in Fostering for Adoption placements
- Robust review and tracking of all children subject to a placement order to ensure family finding is undertaken with the urgency that is required
- Robust Adoption Support Plans including management oversight
- All children receive good quality Life Story Work and Later Life Letters (both of which are received by the adopters within 10 days of the Adoption order being granted).

The Local Authority engagement with ACE is underpinned by a Hosting and Partnership Agreement and through the governance arrangements and partnership working there is the opportunity to ensure that the best possible outcomes are secured for children in a timely way and that adoptive families receive high quality support when they need this.

Report Author: Jazmine Walker, Operational lead for LAC and Permanence

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Cabinet

27th November 2018

Name of Cabinet Member:

Cabinet Member for Children and Young People - Councillor P Seaman

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

All

Title: Local Offer and extension of Personal Adviser support to Care Leavers

Is this a key decision?

Yes – the proposals in the report will affect the whole city and are underpinned by legislation that puts ownership for decisions on the whole Council.

Executive Summary:

The Children and Social Work Act 2017 requires Councils to publish a Local Offer for care leavers. The Local Offer is a document that outlines the services and support that will be available to care leavers in the local area where they live when they leave care. It should include information about legal entitlements (rights) as well as any extra support that the Council might choose to give. Some of these will have direct cost implications to the Council.

Section one of the Children and Social Work Act 2017 lists the corporate parenting that local authorities must follow in supporting looked after children and care leavers. These are:

- To act in the best interests, and promote the physical and mental health and wellbeing, of those children and young people
- To encourage those children and young people to express their views, wishes and feelings
- To take into account the views, wishes and feelings of those children and young people
- To help those children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners
- To promote high aspirations, and seek to secure the best outcomes, for those children and young people
- For those children and young people to be safe, and for stability in their home lives, relationships and education or work
- To prepare those children and young people for adulthood and independent living.

These principles underpin Sections two and three of the Act. Section two of the Children and Social Work Act 2017 requires local authorities to consult on and publish a Local Offer for their

care leavers. Coventry City Council has carried out a range of consultation activity with care leavers to gain feedback on what they would like to see in the Local Offer. This Local Offer must be published by the end of 2018.

Section three of the Children & Social Work Act 2017 has introduced a new duty on local authorities, which requires them to offer Personal Adviser support to all care leavers up to age 25. This report highlights the financial implications of this requirement.

Recommendations:

The Cabinet is recommended to:-

- (1) Approve the proposed Local Offer as set out in this report and attached at Appendix A
- (2) Agree to the principles which will form part of the review of the housing allocations policy and to any consultation if required to ensure care leavers are suitably supported
- (3) Identify additional resource £130K within the budget setting process to fund the recommended care leaver offer.

List of Appendices included:

Appendix A – Draft Local Offer

Background papers:

None

Other useful documents:

Local Offer guidance: Guidance for local authorities
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/683703/Local_offer_guidance_final.pdf

Illustrative Local Offer https://consult.education.gov.uk/children-in-care/corporate-parenting-the-local-offer-and-personal-a/supporting_documents/Annex%20C%20%20Illustrative%20Local%20Offer.docx

Extending the PA duty to age 25 https://consult.education.gov.uk/children-in-care/corporate-parenting-the-local-offer-and-personal-a/supporting_documents/Annex%20D%20%20Extending%20the%20PA%20duty%20to%20age%2025.docx

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 – However, members of the Corporate Parenting Board have considered the contents of this report. As part of the implementation it has been agreed that the Corporate Parenting Board will receive updates on behalf of the Council on the Local Offer and this will be monitored by the Lead Member.

Will this report go to Council?

No.

Report title: Local Offer and extension of Personal Adviser support to Care Leavers

1. Context (or background)

1.1. When Children's Services were last inspected by Ofsted in March 2017 the experiences and progress of care leavers were rated as good. Coventry has a strong commitment to its care leavers which is shown through the prioritisation of care leavers for apprenticeships and the exemption of care leavers from paying Council Tax to the age of 21. The Children & Social Work Act 2017 increases the level of responsibility that local authorities have to care leavers both in terms of age range that support must be offered to and also the requirement to consult on and publish a Local Offer setting out support that the Council as a whole organisation will give to care leavers.

2. Options considered and recommended proposal

2.1. **Option 1** – Publish current offer to care leavers with no changes to what has previously been offered. This option would not meet with the legal requirement in terms of implementing the Children and Social Work Act which places requirement to consult with care leavers and review the Authority wide support being offered. Neither would it reflect the corporate parenting principles now enshrined in legislation.

2.2. **Option 2** – Approve recommended changes to local offer that do not have a direct financial implication. This would exclude paying Council Tax for care leavers outside of area, leaving the apprenticeship salary at current levels, and not pursuing free gym/sports activities. This option does not take into account a number of areas put forward from the consultation.

In addition, no changes to the capacity of Personal Adviser support would result in care leavers not getting the support they require and risk both a decrease in positive outcomes for care leavers and the reputation of the authority in future inspections.

2.3. **Option 3** –recommended option – approve recommended Local Offer and additional capacity to provide Personal Adviser support. The key additional changes are set out below:

- Ensure any changes to policy that could affect care leavers are evaluated for impact on care leavers
- Make sure that suppliers are directed to our equality, diversity and inclusion policy which promotes the importance of prioritising care leavers for opportunities and encourage them to sign up to the national care leavers covenant
- Provide mentoring opportunities for care leavers from Directors and senior managers within the Council
- Ensure suitable accommodation for care leavers is available. This will involve working closely with housing and the wider re-commissioning of supported accommodation and homelessness services
- Commit that no care leaver up to age of 21 will be placed in Bed and Breakfast accommodation
- Review the housing allocations policy to ensure that it is fit for purpose to meet the needs of care leavers. Review the policy to determine if it is appropriate to give care leavers priority access to social housing. Offer care leavers a 'second chance' in housing if their first move to independence does not work out
- Subject to the above review, Coventry will not find any care leavers intentionally homeless, where they are working with us to resolve their situation

- Pay the Council Tax for those care leavers who have been placed out of Coventry up to the age of 21
- All care leavers doing apprenticeships within Coventry City Council will be paid the national living wage
- We will do all we can to ensure all apprentices secure a permanent role at the end of their apprenticeship
- Ensure our Children and Adolescent Mental Health Services service runs to 25 for care leavers
- Give care leavers and a friend free access to sports, gym and swimming facilities in the city to participate in healthy activities
- Ensure we discuss with all Looked After Children at 16 years of age whether they have needs that might need some ongoing support beyond their 18th birthdays and involve Adult Social Care if this might be needed.

2.4. In terms of Personal Adviser capacity, Through Care is currently staffed to work with 300 care leavers based on each Personal Adviser working with 25 care leavers. This is the recommended maximum caseload for Personal Advisers and was agreed as part of the Children's Services redesign. Coventry is receiving new burdens money to help meet the increased number of care leavers being supported past 21, but this does not currently meet the full cost based on projected numbers. As a result of this the staffing levels within Through Care are being considered as part of the review of the Children's Services redesign which is currently taking place.

3. Results of consultation undertaken

3.1. Consultation has been undertaken via a national forum involving care leavers from Coventry who have indicated the support young people themselves feel they need. This has been followed up by both face to face consultation events and paper and online surveys with a broader section of Coventry young people which resulted in their desired support needs being identified as below:

- Care leavers not to be made homeless
- Providing quality accommodation
- Help our new place to feel homely
- Consistency with maintenance money for travel/support
- Exemption from Council Tax to age 21
- Coventry City Council establishing a link with a Bank/Building Society which would better enable us to open bank accounts etc.
- Social workers and Personal Advisers to be more assertive to get us in to education/learning/work
- Better communication between College staff/Personal Advisors/social workers
- Better grants if going to University
- Corporate parents should be able to offer/give more information about available jobs/apprenticeships
- Cross Council apprenticeships and work experience (not just Children's Services)
- More apprenticeships
- Making our mental health a priority
- Gym membership to help keep us healthy
- Mentoring group of Care Leavers Support Group to offer other care leavers support

Two care leavers have been part of the working group designing the draft Local Offer and worked with other care leavers to shape the final version of the Local Offer.

In addition to care leavers all Directors across the authority have been spoken to and committed to implement the Local Offer as relevant in their departments.

4. Timetable for implementing this decision

- 4.1 The Local Offer will be published in December 2018.
- 4.2 Any changes to staffing will be picked up as part of the annual review of Children's Services staffing to ensure that the staffing budget is deployed in line with activity.
- 4.3 Changes to Council Tax and pay for care leavers on apprenticeships will commence from the start of next financial year.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

There are a number of areas within the recommended offer that do not have direct financial implications. The areas where there are financial implications are detailed below:

- Paying Council Tax for care leavers up to the age of 21 outside of the city (within the city care leavers up to the age of 21 are exempt from Council Tax). This has an estimated cost of up to £20K per annum. This will be picked up as part of the overall allowances for care leavers administered within Children's Services.
- Paying Council employed apprentice's national living wage. The current cost is £35K based on 7 Care Leavers currently in post. It is assumed that any future posts set up within service areas will need to be resourced at the higher level from within existing staffing budgets. This is consistent with the current process for setting up / creating apprentice posts.
- Required changes to the Children and Adolescent Mental Health Service including financial implications will be captured as part of future re-commissioning work. Coventry City Council currently funds tier 2 services, whilst tier 3 and above are funded by the Clinical Commissioning Group.
- Work is ongoing to identify the best way to ensure that care leavers have free access to use gym / sports facilities. Officers will also explore how best to implement access for a friend in the short and medium term. Early indications suggest this could cost in the region of £75K per annum based on 300 care leavers.

The following table summarises the estimated overall cost to the council of the recommended care leaver offer

Item	Cost	Comments
Council tax exemption for care leavers out of city	£20K	Up to age 21
Apprenticeship national living wage for care leavers	£35K	Existing LAC apprenticeship posts
Changes to the CAMHS Service	NYQ	
Access for care leavers and friend to gym and sports	£75K	

activities in the city (estimate based on 300 care leavers)		
Total	£130K	

The recent extension of offer for all care leavers to have a Personal Adviser up to the age of 25, if required, has additional resourcing implications. The DfE has made a grant available for this new burden of £26K in 18/19 rising to £51K in 19/20. There are currently 12 PA posts, with the ability to take on a further 1-2 posts funded by grant. Assuming the stay on rate is consistent with the position since April 2018, the grant will be insufficient to cover the additional costs if caseloads remain at 25. This will be reviewed as part of an annual exercise to be undertaken in Children's Services to ensure that staffing budgetary resource is aligned with activity. We will also be reporting back to DfE in relation to this new burden to ensure they are aware that the resource allocated is insufficient.

5.2 Legal implications

The Children and Social Work Act 2017 has set out the need for a Local Offer to be made available for care leavers by the Local Authority. This is in line with the 'corporate parenting' obligations set out within the Children and Social Work Act 2017.

To ensure compliance with the new obligations, the Local Authority has carried out a consultation process, so as to seek approval and the subsequent publication of a Local Offer for care leavers.

To ensure compliance with the Children and Social Work Act 2017, there would need to be offered Personal Adviser support to all care leavers up to age 25. The Local Authority has evaluated the financial implications and expectations in providing this service.

With regards to allocations, the Localism Act 2011 gives local authorities the power to determine who qualifies for an allocation of housing, subject to certain specified classes of people. The Council is not legally required to prioritise care leavers; however it does have the power to include them in its allocation scheme. The care leaver must be eligible in relation to their immigration status as an allocation of housing cannot be made to anyone who is ineligible (s160ZA(1) HA 1996). Coventry City Council may only allocate accommodation in accordance with the provisions of the HA 1996 and its own allocation scheme. All allocations must be made in accordance with the allocation scheme. The Local Offer proposes changes to the scheme and therefore there is the requirement to consult under s166A(13) HA 1996. All registered providers of social housing and registered social landlords with whom the Council has nomination arrangements must be given the opportunity to comment on an allocation scheme before is altered in a way that reflects a change of policy. This should be for a reasonable period in order to allow for comment on the proposals. This report does not prejudice any future decision on the allocation policy as this will be subject to a wider review.

6. Other implications

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

This proposal would make proactive contributions in a number of areas for Council priority. At a direct level, the newly configured arrangements will have immediate and sustainable impact to outcomes for care leavers. The new offer would ensure that care leavers have

the support they need to successfully transition to adulthood. This will enable our children to be in a better position to make positive contributions to both their own lives and the wider neighbourhood in which they live.

Additionally, there would be long term benefits in the reduction in number of care leavers needing to access services into adulthood and therefore potential cost savings.

6.2 How is risk being managed?

A Transformation Programme Delivery Board meets on a monthly basis with representation from all Children's Services teams. The Project Team Manager reports to the Transformation Board at each monthly meeting sharing a Highlight Report which give updates on progress, identified risks and mitigation. Risks will continue to be identified through the implementation phase of the project, mitigations sought and impact managed through this process.

6.3 What is the impact on the organisation?

There are limited impacts for the organisation, the proposal would increase the whole Council's ownership of corporate parenting and therefore demonstrate strong leadership in this area.

6.4 Equalities / ECA

Consultation has taken place with all our care leavers. The outcomes of this consultation are being used to identify the support requested by the care leavers.

Care leavers have confirmed the offer they have received is a good offer for them and for future care leavers. In the consultation care leavers reported that they receive a good and supportive service.

No formal ECA has been undertaken. However, by publishing the Local Offer for care leavers the offer is open and transparent to all, with improved positive outcomes for care leavers

Whilst no formal consultation has taken place for the Local Offer to be finalised it has been communicated to staff and partners through a variety of ways to gather thoughts and feedback to gain their commitment.

6.5 Implications for (or impact on) the environment

None.

6.6 Implications for partner organisations?

Any impact on partner agencies as a result of these proposals will be minimal and is expected to be positive.

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Andrew Walster	Director Streetscene & Regulatory Services	Place Directorate		05/11/18
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Kam Kaur	Joint Commissioning Manager	People Directorate		05/11/18
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Director: John Gregg		People	04/11/18	05/11/18
Director: Peter Fahy		People	04/11/18	05/11/18
Members: Cllr Seaman				
Deputy Chief Executive: Gail Quinton		People	30/10/18	30/10/18

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

Appendices

Appendix A – Draft Local Offer

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1. Introduction

This leaflet tells you about all the support that is available to you as a care leaver. Becoming an adult can be a tricky time. Things like leaving school, finding a job, starting a relationship, setting up home and becoming a parent don't always happen in order. We know that it's a big step to move to living on your own. We want to make sure that you feel supported and know where and who to go to for advice and help.

Care leavers helped us design this local offer and we will continue to listen to your views to make sure the services we offer are what you need. We have written this leaflet with a group of care leavers.

To be able to get the support detailed in this leaflet, you must have been in care for at least 13 weeks between the ages of 14 and 16 (including your 16th birthday) or for 13 weeks after your 16th birthday. If you're not sure whether you have, then ask your Personal Adviser.

This leaflet is available online at www.coventry.gov.uk/careleavers you can email ThroughCareService@coventry.gov.uk to request a copy and your personal adviser will talk to you about it.

As a Local Authority we are your Corporate Parents, this may seem like a strange term but it means that Care leavers should expect the same level of care and support that others would expect from a reasonable parent. Through Care helps make sure that care leavers have the opportunities they need, which will include offering you more than one chance as you grapple with taking on the responsibilities of adulthood as we know that not everyone gets it right first time.

2. The support we must give you by law

Personal adviser

- From April 2018 care leavers have the right to a personal adviser up to the age of 25.
- The role of a personal adviser is to help care leavers prepare for independent living and to support them after they leave care.
- Personal advisers are responsible for ensuring that a Pathway Plan is developed and kept up to date for each care leaver.
- We will try and ensure that care leavers keep the same personal adviser where possible.
- Your personal adviser will see you at least once every two months and keep in touch with you between visits.

Pathway Plan

- We will prepare a Pathway Plan for all young people leaving care that sets out how we will help you to achieve the things you want to.
- We will start developing the Pathway Plan while you are still in care – around your 16th birthday.
- We must review your Pathway Plan at least every six months.
- We will ensure you are involved in preparing and reviewing the Pathway Plan.

Care leavers' rights

- You have a right to be involved in all decisions about when you leave care and your plans for leaving care.
- You must be able to let us know what you think of and how you feel about the services they receive.
- You have a right to access independent advocacy support if you want to challenge decisions about the care and support provided by us and we will ensure you have access to this. Currently you can do this through Barnardo's by ringing 02476 372596.
- You have a right to see the information we have has about you, including the records we kept when you were in care.

Leaving care before turning 18

- You can choose to leave care before you turn 18 but we do not encourage this due to you losing some of the benefits you are entitled to whilst in care. The Director of Children's Services must sign off all decisions to allow a 16- or 17-year-old to leave care.

- If you do choose to leave care before you are 18, we will ensure that you are in suitable accommodation and provide you with assistance to meet your needs in relation to education, training or employment as set out in your Pathway Plan.

Support to engage in education, employment or training

We want to make sure every young person leaving care has the support to achieve their goals in life.

The law says we must provide you with assistance with expenses linked with employment, education and training. In particular:

- We will provide you with a Higher Education (HE) bursary of at least £2,000 if you go to University.
- We will provide somewhere for you to stay during University holidays (or funding for this if you would prefer to make your own arrangements) if you are in HE or in residential further education.

3. Other support we offer

As a Council we want our commitment to you to run through everything we do therefore as well as specific support set out below we commit to:

- Ensure any changes to policy that could affect care leavers are evaluated for impact on care leavers.
- Make sure that, suppliers are directed to our equality, diversity and inclusion policy which promotes the importance of prioritising care leavers for opportunities and encourages them to sign up to the national care leavers covenant.
- Provide mentoring opportunities for care leavers from Directors and senior managers within the Council.

Accommodation

If you are aged over 18, your personal adviser will help you to find suitable accommodation. This might involve:

- Working with Housing Services to come up with suitable housing options for you, including supported accommodation if you are not ready or don't want to have your own tenancy.
- Giving you high priority access to social housing in accordance with our housing allocation policy.

- Supporting you in a housing crisis, including offering a 'second chance' if your first move to independence does not work out for you, backdating this to your 16th birthday.
- If this is what you and your foster carers want, supporting you to remain with your foster carers under what's called a 'Staying Put' arrangement. This can last until you are 21 **[Add link to Staying Put policy]**.
- Supporting you to access your setting up home grant that can be used to furnish your first property, this is £2,000.
- Supporting you with moving in to your property, this includes with removals and getting your first week's shopping
- We will provide advice about maintaining a tenancy, including avoiding rent or Council Tax arrears, paying bills etc. This will be both through your Personal Adviser and Independence courses run by Through Care.
- We will exempt you from Council Tax until you are 21 if you are living in Coventry. Or we will pay your Council tax until 21 if we have placed you out of city.
- Coventry will not find any care leavers who are working with us to resolve their situation intentionally homeless.
- All young people preparing to live independently will have the opportunity to spend time in a training flat.

Education, training and employment

We want you to succeed in your education, training and employment. We will ask you how you are doing and be ready to celebrate your achievements with you.

We will support you to access and maintain education, training and employment by offering:

- Carers advisers based within Through Care to provide specialist advice and support with accessing education, training and employment
- Support with transport costs when travelling to training, school/college, apprenticeships or job interviews.
- Support to access your Further education Bursary
- Support to buy equipment, essential clothing, and books.
- Support should you choose to go to university e.g. accessing tuition fee and maintenance loans, travel costs at the start and end of term, paying you a higher education bursary of £2,000 and ensuring that you have suitable accommodation during vacations which we will pay for.
- We will provide ring-fenced opportunities for work experience, apprenticeships and employment in the local authority for you.

- All care leavers doing apprenticeships within Coventry City Council will be paid the national living wage
- We will do all we can to ensure all apprentices secure a permanent role at the end of their apprenticeship
- We will hold an annual celebration events where all your achievements will be celebrated.
- In addition your worker will celebrate your individual achievements in a personal way for example by taking you out for a meal when you finish your A-levels.
- Provide you with incentive money based on attendance in education or training.
- Support in learning to drive to increase your employment opportunities.

Health and Wellbeing

We will support you getting any support you need around your physical and mental health needs by offering:

- A health passport for you when you leave care which will give your health history.
- Signpost you to where you can get help to pay for prescription costs.
- Support you to register at health services when moving home.
- Ensure our CAMHS service runs to 25
- Give you and a guest free access to sports facilities in the city.
- Provide you with transports costs when attending hospital or doctors' appointments.
- We will support provide additional support to you if you are a young parent.
- We will discuss with you at 16 years whether you have needs that might need some ongoing support beyond your 18th birthday and will involve Adult Social Care if this might be needed.

Finances

We have a full financial support package for young people leaving care which is set out in Money Matters

http://www.coventry.gov.uk/downloads/file/17107/money_matters in addition to financial support we will also offer:

- Support with budgeting
- Support to access relevant money management courses.
- Support to access a Junior ISA.
- Support to open a bank account.
- Support to gain appropriate identification documents, such as a passport and/or provisional driving licence.
- Support to get NI number.

- Exceptional financial support in emergencies.

Relationships

As well as support from a Personal Adviser, we may be able to offer you additional practical and emotional support, such as through:

- Providing you with a mentor/peer mentor;
- Where appropriate, continuing to support contact with the 'Independent Visitor' you had while you were in care;
- Help to maintain or regain contact with people special to you or who cared for you in the past, like former foster carers or social workers.

Participation in Society

We want our care leavers to be active members of society, and to have all the chances in life that other young adults have. We can help you participate in society in the following ways:

- Providing information on groups and clubs you may wish to join
- Informing you about relevant awards, schemes and competitions you can enter, in line with your talents and interests
- Encouraging and helping you to enrol on the Electoral Register, so you can vote in elections
- Offering work experience with our councillors
- Informing you about voluntary work that we think you may be interested in
- Informing and possibly helping with the cost of leisure activities
- Giving you advice and helping you to challenge any discrimination you face as a care leaver.

4. Who can help?

Key contact numbers for:

- Personal adviser
- Care leaving team
- Housing advice
- Designated doctors/nurses

- Education, employment or training support
- Local authority leadership e.g. the Director of Children's Services, Lead Member
- Voices of Care

Other places you can go for help:

- Princes Trust
- The Rees Foundation
- Care Leavers' Foundation

Relevant universal services. This might include links to or contacts for:

- Health services such as sexual health clinics and drug/alcohol support
- Information about further or higher education
- Relevant youth clubs/groups/activities
- Parenting support groups
- Youth Offending Team
- Citizenship Advice Bureau

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Cabinet
Council

27 November 2018
04 December 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:

All

Title:

European Regional Development Fund 2014-2020 – Coventry Second Round Applications

Is this a key decision?

Yes, as it has the potential to affect all wards within the City and expenditure is in excess of £1m

Executive Summary:

The 2014-2020 European Structural Investment Fund (ESIF) Programme was launched in March 2015. The Programme will run until 2023 and in the first round, funding for projects running from January 2016 to December 2018, the Council was successful in acquiring £19.75m of funds to manage programmes under the Research and Innovation, Small Medium Enterprises (SME) Competitiveness, Low Carbon and Technical Assistance and Inclusive Labour Market themes.

These have added to the Council's strong track record in securing European funds in recent years and have secured in excess of £65m from the European Structural Funds since 2007.

However, the current EU funded Programmes are due to come to an end in December 2018 and the Council has submitted bids for Phase 2 programmes which run from January 2019 – December 2021 under the *Research and Innovation, Small Medium Enterprise (SME) Competitiveness, Low Carbon and Technical assistance themes*. Across all the bids the amount being bid for in the Phase 2 round is £10.03m, 39% of the £26m funding made available in this round of Calls.

The Council has already taken a leadership role in bringing partners together from across the Coventry & Warwickshire LEP area to develop projects and programmes that will lead to greater economic growth across the City and the sub region. The Council has an outstanding track record of securing, managing and delivering EU-funded programmes.

This report provides information on each of the bids and requests Members' approval for the Council to act as accountable body and guarantor for these funding programmes.

Recommendations:

Cabinet is asked to recommend that Full Council:

1. Approve (if successful) the drawdown of the grant funding, totalling £10.03m from ESIF to be utilised in delivering the City's priorities as set out in this report.
2. Delegates authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services and the City Solicitor and including consultation with the Cabinet Member for Jobs & Regeneration to negotiate final terms and approve entry into:
 - (a) the grant funding agreement to secure the ESIF funding with the City Council acting as the Accountable Body for the funding: and
 - (b) back to back funding agreement with such delivery partners as is deemed necessary to deliver the City's priorities as set out in this report.
3. Subject to the terms of any agreement with ESIF and the delivery partners being approved by the Deputy Chief Executive (Place) in accordance with the delegation above, authorises the Deputy Chief Executive (Place) to administer the grant agreement with ESIF and the agreements with the delivery partners in accordance with their terms.

Council is asked to:

1. Approve (if successful) the drawdown of the grant funding, totalling £10.03m from ESIF to be utilised in delivering the City's priorities as set out in this report.
2. Delegates authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services and the City Solicitor and including consultation with the Cabinet Member for Jobs & Regeneration to negotiate final terms and approve entry into:
 - (a) the grant funding agreement to secure the ESIF funding with the City Council acting as the Accountable Body for the funding: and
 - (b) back to back funding agreement with such delivery partners as deemed necessary to deliver the City's priorities as set out in this report
3. Subject to the terms of any agreement with ESIF and the delivery partners being approved by the Deputy Chief Executive (Place) in accordance with the delegation above, authorises the Deputy Chief Executive (Place) to administer the grant agreements with ESIF and the agreements with the delivery partners in accordance with their terms.

List of Appendices included:

None

Background papers:

None

Other Useful Documents:

[Economic Growth and Prosperity Strategy](#)
[Coventry & Warwickshire Strategic Economic Plan](#)
[Coventry & Warwickshire LEP Area ESIF Strategy](#)

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, 04 December 2018

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Report title: European Regional Development Fund 2014-20 – Coventry City Council Second Round Applications

1 Context (or background)

1.1 In March 2015, applications opened for the new programme of European Structural and Investment Funds (ESIF). The programme will run until 2023, and in the first round, funding for projects running from January 2016 to December 2018 were made available (Phase 1).

1.2 ESIF includes both the European Regional Development Fund (ERDF) and the European Social Fund (ESF). ERDF is designed to fund economic development projects, while ESF provides support to help people find sustainable employment.

1.3 An Enviably Track Record

1.4 The Council already manages and delivers a number of successful programmes and has been responsible for managing some £65m of EU funding since 2007 alone.

1.5 Across the existing Phase 1 programmes that have been delivered since January 2016, the Council is managing £9.34m of EU funds. Up to 30th June 2018, these have delivered:

- 611 SME assists
- 181 new business start-ups
- 466 new jobs created
- £8m of private sector investment.
- Carbon savings of 7,518 tonnes

1.6 Phase 2 Programme

1.7 Coventry City Council has submitted bids for ERDF Phase 2 for the current Programmes under the Innovation, SME Competiveness, Low Carbon and Technical assistance themes. This report provides information on each of these bids and requests Members' approval for the Council to act as accountable body for these funding programmes.

1.8 It should also be noted that the Employment and Skills services will be bidding for funds under future rounds of Calls, in particular for ESF grant associated with jobs, skills and training. Future reports will be brought detailing these opportunities.

2 Options considered and recommended proposal

2.1 The first option could have been to decline the opportunity to apply for ESIF funding but this was quickly discounted because the Council has an excellent track record of using European funding to run successful projects. There has been a total of £26m EU money available for Coventry and Warwickshire in this round of Calls and this is the primary source of economic development funding currently available.

2.2 An alternative option was to seek to join ESIF bids as a delivery partner rather than as lead bidder. This approach could provide some benefits in terms of reduced financial risk and programme management costs whilst still making EU funding available for some of the Council's activities. However, as a City there is not another appropriate partner with the track record to manage a large diverse programme like the one we are proposing. Therefore, this option has been discounted.

- 2.3 The recommended option is for the Council to act as lead applicant for ESIF projects, and to act as accountable body for this funding programme. This maximises the EU grant available, and also allows the Council to take a leadership role, working with key partners, in how ESIF projects are delivered. As previously mentioned, the Council has an excellent track record of managing grants of this type using them to create new jobs and economic growth for Coventry and Warwickshire. These bids will allow this work to continue in the new projects/programmes.

3 Summary of Bids

- 3.1 The total amount of funding available in the Calls for Phase 2 of ESIF for Coventry & Warwickshire has been £26m. The Council is bidding for £10.03m, 39% of the funding made available in this round of calls.
- 3.2 The bids have had outline approval from the Ministry for Housing, Communities and Local Government (MHCLG) for ERDF and full applications have been completed, of which CW Green Business has now been approved. The figures below may vary slightly during the final negotiation process.

3.3 *Coventry and Warwickshire Business Support*

- 3.3.1 This programme will build on the successful Coventry & Warwickshire SME Growth Programme, by supporting the development of sustainable new business start-ups and addressing barriers to growth faced by existing SMEs. The Programme will be delivered through an established partnership including Coventry City Council, CWLEP Growth Hub, CW Chamber of Commerce, Coventry University Enterprises, Coventry & Warwickshire Co-operative Development Agency and The Prince's Trust. The programme will assist 635 SMEs (including supporting the development of 200 new and young businesses), create 629 new jobs for the local economy and generate £8m of new private sector investment. A total of £4.78m of ERDF has been applied for.

3.4 *Coventry and Warwickshire Green Business*

- 3.4.1 This programme will build on the successes of the existing Coventry & Warwickshire Low Carbon Programme, and will support Coventry & Warwickshire SMEs to improve their energy efficiency levels, increase the adoption of renewable energy sources and enable the development of new innovative low carbon products and technologies. The programme will assist 215 SMEs, support 25 SMEs to collaborate with local universities, enable at least 10 new products to be launched, save at least 2,500 tonnes of GHG emissions and generate £2.35m of new private sector investment. A total of £3.21m of ERDF funding has been applied for.

3.5 *Coventry and Warwickshire Innovation Test Bed*

- 3.5.1 This programme will build on the successes of the Innovative Coventry & Warwickshire: Place Test Bed Programme by supporting Coventry & Warwickshire SMEs to develop and test new products and technologies. Warwickshire County Council and Coventry University Enterprises will act as delivery partners for this programme that will support 115 SMEs, generate 60 new jobs for the local economy, enable at least 15 new products to be introduced to the market and generate over £1.58m of private sector investment during its three-year duration. A total of £1.89m ERDF has been applied for.

3.6 **Coventry & Warwickshire ERDF and ESF Technical Assistance**

3.6.1 This project will provide funding to allow Coventry City Council, Warwickshire County Council and Coventry University staff to continue providing expert advice to other organisations in the process of applying for ESIF funding. We have applied for three-year extensions to existing projects, with the Council continuing to act as accountable body for this project, and has requested an additional £110k ERDF and £44k of ESF funding.

3.7 **Table 1 – Summary of CCC Partner Led Bids**

Programme	Jobs Created	SMEs Supported	Of which are new Businesses	Private Investment (£'m)	New Products to Market	ESIF Grant (£'m)
Business Support	629	635	200	8.0	-	4.78
Green Business	-	215	11	2.35	10	3.21
Innovation Test Bed	60	115	6	1.58	5	1.89
Technical Assistance	-	-	-	-	-	0.15
Total	689	965	217	11.93	15	10.03

4 **Results of consultation undertaken**

4.1 The ESIF bids have been developed by partnerships led by the Council. These partnerships bring together a broad representation of organisations working on economic development activities in Coventry and Warwickshire. This includes public and private sector partners, such as universities and third sector organisations. Partners involved in the development of the various ESIF applications include:

- Coventry and Warwickshire Chamber of Commerce
- Coventry and Warwickshire Co-operative Development Agency
- Coventry University Enterprises
- Coventry University
- The Princes Trust
- Warwickshire County Council

4.2 Each of these partners have had the opportunity to influence the ESIF bid in the relevant themes, allowing the views of a wide range of people and businesses from Coventry and Warwickshire to be considered in the project design.

4.3 The ESIF bids deliver against Coventry & Warwickshire's Strategic Economic Plan (SEP), which underwent a significant consultation process. They will also deliver against the Coventry & Warwickshire's ESIF Strategy, which again was developed after extensive consultation.

5 Timetable for implementing this decision

- 5.1 Should the ESIF bids be successful, the MHCLG issue Funding Agreements which will allow the Programmes to start on January 1st 2019. Once this is agreed, each delivery partner will be given a Grant Aid Agreement that sets out their contribution to project in terms of match funding and outputs, and sets out how much ESIF funding will be available to them. This process is expected to be completed late in 2018, in order that the programmes can start promptly.
- 5.2 The Programmes will run until December 2021. In previous EU funding programmes, the Council has successfully negotiated extensions of both time and funding on numerous occasions, so it is possible that the end date will be extended.

6 Comments from the Director of Finance and Corporate Services

6.1 Financial implications

- 6.1.1 The Council is proposing to be the accountable body for each of the five Second Round ESIF 2014-20 programmes as specified in the report, totalling £10.03m if approved. Whilst there is some financial risk, there is no immediate implication of being the accountable body. These schemes will bring significant economic benefit to the city. Grant risk is discussed further in Section 7.
- 6.1.2 The ESIF applications in this round will provide a total of up to £1.25m in grant funding towards the Council's staffing costs between January 2019 and December 2021.
- 6.1.3 Table 2 (below) illustrates that the total match funding provided by the Council for salaries and associated overheads is £2.49m for Phase 2 applications. This reflects current revenue budgetary provision for the 3 year grant programme period. In addition, Delivery Partners will be providing £1.96m in match funding over the same period, with SMEs providing £11.93m in contributions towards grant activities.
- 6.1.4 Of the £26.41m investment, £14.5m is capital and £11.9m is revenue. The Economic Development Service team will monitor this to ensure grant is fully maximised where possible.

6.1.5 Table 2 – Summary of Financial Profiles for Each Application (£m)

	ESIF Grant	CCC Match Funding	Delivery Partner Match	Match Funding From SMEs	Total
Business Support	4.78	1.66	1.12	8.0	15.56
Green Business	3.21	0.38	0.49	2.35	6.43
Innovation Test Bed	1.89	0.37	0.27	1.58	4.11
Technical Assistance	0.15	0.08	0.08	0	0.31
Total	10.03	2.49	1.96	11.93	26.41

CCC's match, which is already secured as part of the Council's commitment to the Economic Growth and Prosperity Strategy, is required at varying levels for the individual projects depending on the type of activity being funded, the source of funding, and the contributions from delivery partners. Should the level of available CCC match funding change for any reason, it will be necessary to find alternative match within the programmes in order to maintain the level of ESIF grant that has been requested.

6.2 Legal implications

6.2.1 The Council will act as the accountable body for the ESIF projects on the terms of the EU, MHCLG and DWP requirements. The Council will be issued with a grant offer containing terms and conditions. The terms and conditions will be devolved to any partners within the various programmes. These will ensure appropriate conditions and obligations which are imposed upon the Council are passed to the grant recipients who receive the funding for delivering projects. The Council has power to act as guarantor under Section 1 of the Localism Act 2011.

7 Other implications

7.1 How will this contribute to achievement of the Council Plan?

7.1.1 At its highest level the ESIF strategy delivers part of the Coventry & Warwickshire Local Enterprise Partnership's Strategic Economic Plan.

7.1.2 The ESIF programme will make a significant contribution towards delivering the outcomes of the Council's Economic Growth and Prosperity Strategy.

7.1.3 The CW Green Business Programme will reduce operating costs and encourage businesses to grow by helping to reduce energy bills, as well as support the development of new low carbon products. These activities will contribute towards the carbon reductions commitments within the Climate Change Strategy 2012.

7.1.4 Overall the ESIF projects aim to make a strong contribution to the Council's aims to promote the growth of sustainable Coventry economy.

7.2 How is risk being managed?

7.2.1 The Council will act as the accountable body for a total £10.03m of ESIF funding in this second round of Programmes and will be responsible for ensuring that the funding is spent in compliance with the programme's regulations, and this will include ensuring that partners use their grant correctly.

7.2.2 Managing these complex programmes with several partners does present some risk, but the Council has a good track record for maintaining and achieving significant financial controls and well established procedures for handling public funds and these will be applied to the ESIF projects in order to ensure that the best possible value is achieved for the EU's investment in the schemes. Risk will be managed using the following approach:

- i. **Grant Aid Agreements** will be issued to partners which will pass on the risk of any funding claw back to partners in the event of non-compliance on their part.
- ii. **Each Programme will establish an Operational Group of management-level representatives** from each of the delivery partners. These groups will be chaired by Council officers and will manage risk by ensuring that partners are on course to achieve their output targets and are keeping records correctly etc.

- iii. In addition, **each programme will be overseen by a single Strategic Board** chaired by the appropriate senior manager from the Council to ensure that risk is managed across all Programmes.
- iv. The accountable body function will be completed by the Council's Economic Development Service (EDS) within the Place Directorate. This is **a specialist function which is responsible for managing large economic development funding contracts**. The team has a great deal of experience in this area and is currently managing funds worth £100m+ and is highly regarded by the Government's Local Growth Team. The **Economic Development Service will be the specialist services delivering the business support services** from within the Council. With an enviable track record in delivery, both these service areas are highly competent in dealing with EU Funds.
- v. **All of the grant funding awards to businesses from the programme will continue to be considered by a Grants Panel**, chaired by a Council representative and including representation from key partners, who are expected to include Warwickshire County Council, the Chamber of Commerce and the Growth Hub. This Panel reduces risk to the Council by ensuring that grant awards are made independently and fairly.

7.3 What is the impact on the organisation?

7.3.1 HR Implications

To ensure successful delivery of these large projects and the Council's ability to provide an adequate accountable body function, additional staff resources may be required. Some staff are already in place for the existing externally-funded projects. Any new staff will be recruited on temporary fixed term basis.

7.4 Equalities / EIA

- 7.4.1 The ESIF projects are likely to have a positive equalities impact. Many of the interventions are designed to assist people from groups which may otherwise struggle to access support. For example, CW Business Support will run services designed to help Black and Minority Ethnic people, young people, lone parents and the disabled start new businesses.

7.5 Implications for (or impact on) the environment

- 7.5.1 Some of the projects will have a positive environmental impact. CW Innovation Test Bed and CW Green Business will help to support the development of new low carbon products and technologies, with the latter programme also helping businesses reduce their energy bills. Efforts will be made to ensure that each programme minimises any negative environmental impacts by encouraging project staff to use public transport and keep electronic records where possible.

7.6 Implications for partner organisations?

- 7.6.1 Securing this ESIF funding will allow the Council to part-fund the activities of a large number of important partner organisations working in business support. Funding will be passed on to partner organisations through these programmes, giving them focused funding for a three-year period to deliver significant and aligned outcomes for residents and businesses in Coventry & Warwickshire.

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Public report Cabinet Report

Cabinet

27th November 2018

Name of Cabinet Member:

Cabinet Member for City Services – Councillor Innes

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

All Wards

Title:

Taxi Licensing Matters

Is this a key decision?

'No – Although the matter may affect all Wards in the City, it is not anticipated that the impact will be significant'

Executive Summary:

Changes in legislation and technological advances have prompted a review of the requirements and processes undertaken for holders and applicants of driver, vehicle and operator licences within Coventry. Alongside this review a consultation has been undertaken to allow key stakeholders to share their views on proposed changes aimed to ensure that the processes undertaken by Coventry City Council in providing licences are robust and current ensuring that:-

- only “fit and proper” individuals hold a licence in Coventry
- licensing processes are upto date and accessible
- taxi services in Coventry meet the needs of their customers

In addition the report provides detail on the proposal to consult on a move away from age based vehicle licensing restrictions to a requirement based on emissions, in support of Local Air Quality Management (LAQM) requirements.

Following recent requests the report also provides details on the proposal to allow Pedicabs and Tuk Tuks to be licensed within Coventry and the approval to retain the current limit on the number of hackney carriage vehicle licences that can be issued.

Recommendations:

The Cabinet is recommended to:

1. Update and replace the existing Private Hire Operator Conditions of Licence to incorporate requirements around the use of automated systems including the provision to allow licences to be granted to operators based outside of Coventry subject to specific requirements.

2. Authorise the attachment of the conditions as set out in Appendix A to future private hire operators licences granted and;
3. Revoke all existing Private Hire Operators' licences and immediately renew them subject to the conditions set out in Appendix A
4. Authorise the implementation of changes to current processes for new and existing driver and vehicle licence holders following consultation with key stakeholders
5. Authorise the proposal to consult on a move away from age based vehicle licensing restrictions to a requirement based on emissions
6. Authorise the conditions as set out in Appendix D regarding Vehicle Conditions for licensing Pedicabs and Tuk Tuks
7. Approve the continuation of the existing limit on the number of hackney carriage vehicle licences at 859 in accordance with the recommendations in the recent hackney carriage vehicle unmet demand survey

List of Appendices included:

- Appendix A – Proposed new Private Hire Operators Conditions of Licence (amendments highlighted for clarity).
- Appendix B – Current Private Hire Operators Conditions of Licence
- Appendix C - Consultation document – proposed changes to current processes for new and existing driver and vehicle licence holders
- Appendix D - Proposed new Vehicle Conditions of Licence for Pedicabs and Tuk Tuks

Background papers:

None

Other useful documents:

1. Hackney Carriage Vehicle Unmet Demand Survey Report (CTS Traffic & Transportation Ltd in association with Social Research Associates) August 2018
http://www.coventry.gov.uk/downloads/download/1283/coventry_unmet_demand_report
2. 28 September 2011 Cabinet Report –
[http://democraticservices.coventry.gov.uk/Data/Cabinet%20Member%20\(City%20Services\)/201109281000/Agenda/03%20-%20Taxi%20Services%20Review.pdf](http://democraticservices.coventry.gov.uk/Data/Cabinet%20Member%20(City%20Services)/201109281000/Agenda/03%20-%20Taxi%20Services%20Review.pdf)

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?

No

Report Title – Taxi Licensing Matters

1. Context (or background)

1.1. Part 1 – Proposal – To update and replace the existing Private Hire Operator Conditions of Licence to incorporate requirements around the use of automated systems including the provision to grant licences to operators based outside of Coventry, subject to specific requirements.

- 1.1.1. Coventry City Council currently license 16 private hire operators of which nine use an automated system (such as an App) as their primary method of accepting and recording journeys undertaken. The use of these systems as part of the record keeping system is increasing.
- 1.1.2. The five larger Coventry licensed Private Hire Operators also accept bookings via mobile phone Apps. Central Taxis have 13,000 registered individual users of their App and the other 4 have several hundred registered individual App users.
- 1.1.3. It is likely that as technology advances more private hire operators (existing and new) will move to introduce or increase the use of automated systems. Consideration is therefore required to incorporate requirements regarding the use of these systems into Coventry City Council licensing policies and processes to ensure continued safety to the public and to allow Operators and drivers licensed by Coventry to remain competitive.
- 1.1.4. The increasing advances in technology mean that more information is now being sent and received remotely without the need to make personal contact or speak directly with service providers. Historically, with one exception it has been custom and practice to encourage private hire operators to have their business premises located in the city of Coventry. To allow for the changes in the way that businesses communicate with their service users and to let Coventry licensed drivers have access to this work via their Operators it is proposed to incorporate requirements into current conditions that cover Operators that use solely automated systems and / or have premises not located within Coventry.
- 1.1.5. It is proposed that any Operator utilising a solely automated (web based) system (whether located in Coventry or outside) would be required to provide remote access to their system to the council for all required information which would otherwise be available in a manual system.
- 1.1.6. In addition Operators with premises not located in Coventry would be required to have offices located within a reasonable distance to ensure that officers are able to obtain access to records quickly and efficiently where required.
- 1.1.7. Proposed changes to the conditions of the Private Hire Operators licences to cover the use of automated systems and locations of offices outside of Coventry can be found in Appendix A.

1.2. Part 2 - Proposal – To implement changes to current processes for new and existing driver and vehicle licence holders following consultation with key stakeholders

- 1.2.1. The council recently consulted with key stakeholders on proposals to amend and update current process and policy concerning:-
 - a. The proposal to make it mandatory for all private hire taxis and hackney carriages to be able to accept non cash payment
 - b. The implementation of mandatory disability and child sexual exploitation refresher training for existing licence holders (drivers)

- c. The allowance for light transmittance (tinting) of windows for vehicles classified solely as executive vehicles
- d. The way that suitable levels of communication and numeracy are assessed for new driver applicants
- e. The way that applicants for new private hire driver licences are tested to confirm their knowledge and understanding of the area (road knowledge)

The consultation document can be found in Appendix C.

- 1.2.2. The consultation was sent to all Coventry licensed drivers, operators and proprietors alongside local disability and other representative groups. 268 responses were received.
- 1.2.3. The results of the consultation showed that proposals a. through to d. were generally supported with up to 83% of respondents indicating that they were not concerned with the suggested changes. It is therefore proposed that these changes are implemented as proposed.
- 1.2.4. Responses to the proposal (e.), to change the way that road knowledge is tested for new applicants of private hire driver licences received 212 responses with 50.47% of respondents indicating that they were not concerned with the suggested changes and 49.3% indicating concern, prompting further consideration.
- 1.2.5. The original proposal was to remove the requirement for new applicants of private hire driver licences to have to undertake and pass a road knowledge test. Considering the responses to the consultation this proposal has been amended with a new proposal to introduce a new test specifically designed for private hire drivers which must be undertaken and passed in order to gain a licence.
- 1.3. **Part 3 – Proposal - to consult on a move away from age based vehicle licensing restrictions to a requirement based on emissions**
- 1.3.1. Under the Local Air Quality Management (LAQM) system, local authorities are required to assess air quality in their area and designate Air Quality Management Areas (AQMA's) if they find the limit values for certain pollutants are being exceeded or are likely to be exceeded in the future. If an AQMA is declared, then the local authority must produce an action plan to improve air quality.
- 1.3.2. In Coventry, the levels of nitrogen dioxide (NO₂) were forecast to exceed the limit values within the stator timescale so a citywide AQMA was declared in 2009. Nationally 700 AQMA's have been declared, mostly because of high NO₂ levels. NO₂ is produced by burning fuel in air, the major sources of which are road vehicles but also domestic and commercial heating, and air travel.
- 1.3.3. In 2014, the European Union commenced legal action against the UK for failing to meet the limit values for NO₂ in 16 of 43 air quality zones, one of which is the West Midlands. The air quality directive required that each zone meets the limit value by the end of 2015 but most cities' plans show that compliance will only be achievable by 2020, or in the case of London, 2025.
- 1.3.4. The current policy for licensing taxi's is that no hackney carriage more than 10 years old (from date of registration) or private hire vehicle more than 6 years old (from date of registration) will be licensed. Exceptions are made where the condition of the vehicle is considered to be "exceptional", having regards to the condition of its bodywork and interior, mechanical condition and mileage.
- 1.3.5. Recognising the negative environmental impact that an ageing taxi fleet has and the need to improve air quality Coventry City Council intends to consult with various stakeholders on the proposal to replace the existing age policy with a policy that concentrates on vehicle emissions rather than age specifically.

1.3.6. The implementation of any change in policy will be phased to allow the taxi trade time to plan for vehicle replacements where necessary. The details of this phasing will also form part of the consultation and can be seen in 6.3.

1.4. Part 4 – Proposal - To implement new Conditions of Licence to allow Pedicabs and Tuk Tuks to be licensed

1.4.1. Following confirmation of the City of Culture 2021 there have been enquiries concerning the licensing of Pedicabs and Tuk Tuks in the City. As these vehicles do not conform to current conditions of fitness for vehicles it is proposed that separate conditions of licence for Pedicabs and Tuk Tuks are adopted (proposed conditions at Appendix D).

1.4.2. Coventry requires its licensed drivers to undertake several tests, including road knowledge, driving assessment and wheelchair assessment. As Pedicabs and Tuk Tuks are not envisaged, apart from the Railway Station, travelling outside the inner ring road and as these vehicles are not accessible to wheelchair passengers and are not driven in the same manner it is proposed that any drivers required to be licensed as drivers for Pedicabs and Tuk Tuks will not be required to undertake these tests and assessments and would be required to undertake training specifically identified for use with these vehicles. Subsequently any driver licensed to drive a Pedicab and / or Tuk Tuk would not be able to drive normal taxis unless the relevant application, tests and assessments were undertaken and passed.

1.4.3. Pedicabs and Tuk Tuks would be licensed as private hire vehicles and would only be permitted to accept pre booked fares received through a Coventry licensed private hire operator. In addition they would be required to only be fitted with electric or zero emission capability motors / engines. Pedicabs would be required to be fitted with an electric motor used either to power the vehicle unassisted, or to assist with pedaling.

1.5. Part 5 – Proposal - Approve the continuation of the existing limit on the number of traditional hackney carriage vehicle licences at 859 in accordance with the recommendations in the recent hackney carriage vehicle unmet demand survey.

1.5.1. On 28 September 2011 Cabinet Member (City Services) introduced a limit on the number of hackney carriage vehicle licences in Coventry at 859. A decision to continue a limit policy requires an unmet demand survey to be undertaken at maximum intervals of every three years as endorsed in the report dated 28 September 2011. In accordance with this requirement Coventry City Council has commissioned CTS Traffic & Transportation Ltd to undertake an unmet demand survey which has been published in August 2018.

1.5.2. The results of the survey did not identify any required changes to the current limit of 859 vehicles and can be found at:

http://www.coventry.gov.uk/downloads/download/1283/coventry_unmet_demand_report

2. Options and recommended proposals

2.1. To update and replace the existing Private Hire Operator Conditions of Licence to incorporate requirements around the use of automated systems including the provision to grant licences to operators based outside of Coventry, subject to specific requirements

2.1.1. To authorise the amendments to the conditions attached to the grant of private hire operator licences as set out in Appendix A; and to

2.1.2. Revoke all existing Private Hire Operators' licences and immediately renew them subject to the conditions set out in Appendix A.

- 2.2. **To Implement changes to current processes for new and existing driver and vehicle licence holders following consultation with key stakeholders by:-**
- 2.2.1. making it mandatory for all private hire taxis and hackney carriages to have the facility to accept card and contactless payment via an approved device
- 2.2.2. introducing mandatory Disability and Child Exploitation refresher training for all licensed drivers to be undertaken prior to the issue, renewal or re-grant of their licence
- 2.2.3. including light transmittance criteria requirements on the list of exemptions for vehicles classified solely as executive vehicles
- 2.2.4. removing the requirement for applicants of driver licences to have to undertake the current level 3 communication and literacy test and to incorporate numeracy and literacy testing within the driver training session
- 2.2.5. removing the requirement for new applicants of private hire driver licences to undertake the current road knowledge test and to introduce a new test specifically designed for private hire drivers which must be undertaken and passed in order to gain a licence
- 2.3. **To authorise the proposal to consult with key stakeholders on the intention to move away from age based vehicle licensing restrictions to a requirement based on emissions**
- 2.3.1. To implement a phased emission based condition for the licensing of hackney carriage and private hire vehicles with the following requirements:-

Date from	Currently Licensed Vehicles	New Vehicle Applicants
1 st January 2019	Only vehicles with an emission rating of Euro 3 or above to be renewed	Required to meet Euro 6 emission standards
1 st January 2020	Only vehicles with an emission rating of Euro 4 or above to be renewed	Required to have zero emission capability
1 st January 2022	Only vehicles with an emission rating of Euro 5 or above to be renewed	Required to have zero emission capability
1 st January 2024	Only vehicles with zero emission capacity to be renewed	Required to have zero emission capability

- 2.3.2. In addition to the requirements detailed in 6.31 all licensed vehicles will be required to be no older than 15 years from the first date of registration.
- 2.4. **To authorise new Private Hire Vehicle Conditions of Licence as set out in Appendix D. to allow Pedicabs and Tuk Tuks to be licensed**
- 2.5. **To approve the continuation of the existing limit on the number of hackney carriage vehicle licences at 859 in accordance with the recommendations in the recent hackney carriage vehicle unmet demand survey.**

3. Results of Consultation Undertaken

None

4. Timetable for implementing these decisions

- 4.1. Subject to approval of the recommendations this will commence forthwith unless subject to consultation.

5. Comments from Director of Finance and Corporate Services

5.1. Financial implications

Taxi Licensing is a ring fenced budget within the Place Directorate. The cost will be paid by the applicant driver. Any on-going impact will be addressed in future fee reviews.

5.2. Legal implications

The Council has powers to suspend or revoke, or refuse to renew an operator's licence on any of the following grounds:-

- (a) any offence under, or non-compliance with, the provisions of the Local Government Miscellaneous Provisions Act 1976;
- (b) any conduct on the part of the operator which appears to the council to render him unfit to hold an operator's licence;
- (c) any material change since the licence was granted in any of the circumstances of the operator on the basis of which the licence was granted;
 - (ca) that the operator has since the grant of the licence been convicted of an immigration offence or required to pay an immigration penalty; or
- (d) any other reasonable cause.

The Council also has powers to attach conditions to new or renewed operator's licences where it is considered reasonably necessary to do so. It does not have any powers to vary a licence once issued. An Operator aggrieved by the suspension or revocation of their existing licence, or by the conditions attached to the grant of a licence has a statutory right of appeal to the local Magistrates' Court.

6. Other implications

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

It will help to facilitate improvements in the taxi services available to the people of Coventry, which will contribute towards ensuring that people in wheelchairs are correctly & safely secured in hackney carriages and the taxi drivers licence skills are proficient; making the city a safer place.

6.2. How is risk being managed?

Through established reporting and governance arrangements.

6.3. What is the impact on the organisation?

None.

6.4. Equalities / EIA

Having Coventry City Council licensed drivers suitably assessed as to their driving capability and competence in using wheelchairs will have a beneficial effect on passengers and the general public in Coventry

6.5. Implications for (or impact on) the environment

None

6.6. **Implications for partner organisations?**

Improvements in taxi services will benefit partner and other organisations, in terms of improving the safety, availability and value for money of taxis in Coventry.

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PROPOSED CONDITIONS ATTACHED TO THE GRANT OF A PRIVATE HIRE OPERATOR'S LICENCE

1. Journey Records

- (i) The records required to be kept by the operator under section 56(2) of the Local Government (Miscellaneous Provisions) Act 1976, shall be kept in a bound book with consecutively numbered pages, or any other approved system (e.g. but not limited to computers and other automated systems such as computers or “Apps”).
- (ii) Approval to use a system other than a bound book shall be obtained from the Licensing Office, in writing and prior to installation taking place.
- (iii) The operator shall, in the record referred to above, enter or cause to be entered therein, before the start of each journey, the following particulars of every booking received:
 - (a) date on which the booking is made and, if different, the date of the proposed journey;
 - (b) time of booking;
 - (c) time job was allocated to driver;
 - (d) time of passenger pick-up (POB);
 - (e) name of hirer;
 - (f) point of pick up and destination;
 - (g) driver's unique call sign or name;
 - (h) where requested, any fare agreed or estimated for the journey;
 - (i) details of any sub-contractor used.
- (iv) All entries shall be made and maintained in a coherent and legible way using clear written English.
- (v) Paper records

All records shall be retained in their original state with any alterations made clearly identifiable.
- (vi) **Computer records and automated systems**

Where Data is inputted into a computer or stored within an automated system alterations or deletions are not permitted. Provisions should be in place to allow officers access to information immediately by producing a clear print out of all bookings received and / or via remote access. Where solely automated (web based) systems are used remote access must be provided to the Council for provision of all information which would otherwise be available through a manual or other system,
- (vii) Journey bookings may only be accepted from the business address stipulated on the operator's licence.
- (viii) All types of journey records shall be held and secured at the operator's business address and on their computer or automated system where used and shall be made immediately accessible at all reasonable times to an authorised council officer or police constable at that address.

2. Call Signs

The operator shall allocate one call sign only to each driver operated by him/her. The call sign shall be unique to the driver.

3. Records

- (i) The operator shall hold and retain a copy of the current local authority licence relating to any vehicle that is being operated and of any driver who is driving such a vehicle.
- (ii) In addition to the above, records shall be kept of the particulars of all proprietors, their vehicles and of drivers being operated. These particulars shall include the following:
 - (a) vehicle registration number;
 - (b) local authority licence plate number;
 - (c) colour, make and model of each vehicle;
 - (d) name and address of proprietor;
 - (e) the date on which the vehicle became available to the operator;
 - (f) the date on which the vehicle ceased to be available;
 - (g) current and continuous certificate of insurance or cover note relating to vehicle.
- (iii) Proprietor/vehicle records
 - (a) name and address of proprietor;
 - (b) local authority licence plate number;
 - (c) colour, make and model of each vehicle;
 - (d) name and address of proprietor;
 - (e) the date on which the vehicle became available to the operator;
 - (f) the date on which the vehicle ceased to be available;
 - (g) current and continuous certificate of insurance or cover note relating to vehicle.
- (iv) Driver records
 - (a) name and address of driver;
 - (b) driver's contact telephone number (if applicable);
 - (c) driver's unique call signs;
 - (d) photocopy of the driver's badge showing a true likeness.
- (v) The driver and vehicle records referred to above shall be held and secured at the operator's business address and shall be immediately available at the request of an authorised council officer or police constable at all reasonable times.

4. Complaints Record

- (i) The operator, on receipt of a complaint, shall document in a suitably bound book or on any other approved system the following information:
 - (a) name of driver(s) implicated in the complaint;
 - (b) badge number of driver;
 - (c) vehicle registration number;
 - (d) facts of allegation including complaints of dissatisfaction with service delivery or any alleged breach of contract with the operator;
 - (e) date complaint made;
 - (f) date investigation was completed;
 - (g) action taken;
 - (h) contact details of complainant.

- (ii) Prior to obtaining the above mentioned complaint details, the operator shall inform the complainant that on the request of an authorised council officer, or police constable, all relevant information may be made available for inspection in person and/ or on their computer or automated system where used and may be used as evidence at a later date.
- (iii) The complaint records referred to above shall be held and secured at the operator's business address and shall be immediately available at the request of an authorised council officer or police constable at all reasonable times

5. Storage/Accessibility of all Records

- (i) The operator shall keep all driver, vehicle, journey and complaint records for a period of not less than 12 months following the last date of entry. At the request of an authorised officer, or police constable, these records shall be made immediately available for inspection at all reasonable times.
- (ii) The operator shall provide to the Licensing Office, on the first day of each month, a current list of all licensed vehicles and drivers operated by him or her in the format required by the Licensing Office.

6. Managers

- (i) Operators shall be required to inform the Licensing Office, in writing, of the name, home address and contact telephone number of a manager prior to him or her commencing duties or as soon as is practicable thereafter. This person shall be available to be contacted at all reasonable times.
- (ii) A manager shall be over the age of 18 years and be fully conversant with the conditions attached to this operator's licence.

7. Premises

- (i) Public waiting areas and booking rooms shall be clean, adequately heated and ventilated during the hours of business and at all times shall comply with relevant health and safety requirements.
- (ii) The operator shall ensure, where a waiting area is provided for the use of prospective passengers, that adequate seating is available.
- (iii) The operator shall only operate from that business address disclosed on his or her current operator's licence application form or as disclosed under paragraph (v) below.
- (iv) The operator shall act within the terms of any deemed or express planning permission relating to the address he or she operates from.
- (v) Any change to an operator's current operating or home address must be disclosed in writing to the Licensing Office no later than 7 days before the change takes place.
- (vi) Appropriate public liability Insurance is required for premises which are open to the public.

- (vii) Operator's premises located outside of Coventry must have their offices within a reasonable distance to ensure that officers can access records quickly and efficiently

8. Convictions

Within 14 days of an operator being convicted or receiving a police caution for an offence he/she shall disclose to the council in writing details of the conviction or caution imposed on him/her (or if the operator is a company or partnership, any imposed on the company or on any of the directors or partners), during the period of the licence.

9. Notifying the Council of Material Changes

Any material change to your business must be communicated to the Licensing Office in writing prior to the change taking place. A material change may be defined as a change in any of the particulars disclosed on your current operator's licence application form.

10. Standard of Service

- (i) The operator shall ensure that when a licensed vehicle has been hired to be in attendance at an appointed date, time and place the hirer shall be informed, prior to acceptance of the booking, of any likelihood of delay in fulfilling the contractual terms.
- (ii) Where there is likely to be any delay in fulfilling a contract with a hirer the operator shall communicate to the hirer an accurate estimate of the time when a vehicle will be provided.

11. Lost Property

- (i) The operator shall deal with lost property in one of three ways:
 - (a) make every effort to return lost property which is found at either the operating premises or in any vehicle used to carry out a booking accepted by him/her or;
 - (b) hand lost property to the nearest police station as soon as is practicable thereafter or;
 - (c) after completing (a) above, dispose of lost property if perishable.

12. Transferring a Licence

This licence may not be transferred to another named individual, partnership or company. In the event of the death or bankruptcy of a personal licence holder or the insolvency, winding up or dissolution of a company or partnership licence holder this licence shall immediately become null and void. Any change in a named operator may only be effected by an application for a fresh operator's licence.

13. Appropriate Training of Staff on their Duties & Responsibilities to the Disabled Community

Staff working for operators taking private hire bookings must undertake training in order to understand their duties to disabled persons, so that they understand the issues of communicating with disabled persons and so that they can arrange an appropriate vehicle for those with a particular requirement or need.

CURRENT CONDITIONS ATTACHED TO THE GRANT OF A PRIVATE HIRE OPERATOR'S LICENCE

1. Journey Records

- (i) The records required to be kept by the operator under section 56(2) of the Local Government (Miscellaneous Provisions) Act 1976, shall be kept in a bound book with consecutively numbered pages, or any other approved system.
- (ii) Approval to use a system other than a bound book shall be obtained from the Licensing Office, in writing and prior to installation taking place.
- (iii) The operator shall, in the record referred to above, enter or cause to be entered therein, before the start of each journey, the following particulars of every booking received:
 - (a) date on which the booking is made and, if different, the date of the proposed journey;
 - (b) time of booking;
 - (c) time job was allocated to driver;
 - (d) time of passenger pick-up (POB);
 - (e) name of hirer;
 - (f) point of pick up and destination;
 - (g) driver's unique call sign or name;
 - (h) where requested, any fare agreed or estimated for the journey;
 - (i) details of any sub-contractor used.
- (iv) All entries shall be made and maintained in a coherent and legible way using clear written English.
- (v) Paper records

Alterations shall be made with one line through the data to ensure legibility. All data shall be immediately accessible and be recorded in permanent ink.
- (vi) Computer records

Data inputted into a computer must not be altered in any way unless there is a clear indication of the original entry. Provisions should be in place to immediately produce a clear paper print out of all bookings received.
- (vii) Journey bookings may only be accepted from the business address stipulated on the operator's licence.
- (viii) All types of journey records shall be held and secured at the operator's business address and shall be made immediately accessible at all reasonable times to an authorised council officer or police constable.

2. Call Signs

The operator shall allocate one call sign only to each driver operated by him/her. The call sign shall be unique to the driver.

3. Records

- (i) The operator shall hold and retain a copy of the current local authority licence relating to any vehicle that is being operated and of any driver who is driving such a vehicle.
- (ii) In addition to the above, records shall be kept of the particulars of all proprietors, their vehicles and of drivers being operated. These particulars shall include the following:

- (iii) Proprietor/vehicle records
 - (a) vehicle registration number;
 - (b) local authority licence plate number;
 - (c) colour, make and model of each vehicle;
 - (d) name and address of proprietor;
 - (e) the date on which the vehicle became available to the operator;
 - (f) the date on which the vehicle ceased to be available;
 - (g) current and continuous certificate of insurance or cover note relating to vehicle.
- (iv) Driver records
 - (a) name and address of driver;
 - (b) driver's contact telephone number (if applicable);
 - (c) driver's unique call signs;
 - (d) photocopy of the driver's badge showing a true likeness.
- (v) The driver and vehicle records referred to above shall be held and secured at the operator's business address and shall be immediately available at the request of an authorised council officer or police constable at all reasonable times.

4. Complaints Record

- (i) The operator, on receipt of a complaint, shall document in a suitably bound book or on any other approved system, the following information:
 - (a) name of driver(s) implicated in the complaint;
 - (b) badge number of driver;
 - (c) vehicle registration number;
 - (d) facts of allegation including complaints of dissatisfaction with service delivery or any alleged breach of contract with the operator;
 - (e) date complaint made;
 - (f) date investigation was completed;
 - (g) action taken;
 - (h) contact details of complainant.
- (ii) Prior to obtaining the above mentioned complaint details, the operator shall inform the complainant that on the request of an authorised council officer, or police constable, all relevant information may be made available for inspection and may be used as evidence at a later date.
- (iii) The complaint records referred to above shall be held and secured at the operator's business address and shall be immediately available at the request of an authorised council officer or police constable at all reasonable times.

5. Storage/Accessibility of all Records

- (i) The operator shall keep all driver, vehicle, journey and complaint records for a period of not less than 12 months following the last date of entry. At the request of an authorised officer, or police constable, these records shall be made immediately available for inspection at all reasonable times.
- (ii) The operator shall provide to the Licensing Office, on the first day of each month, a current list of all licensed vehicles and drivers operated by him or her in the format required by the Licensing Office.

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Staff working for operators taking private hire bookings must undertake training in order to understand their duties to disabled persons, so that they understand the issues of communicating with disabled persons and so that they can arrange an appropriate vehicle for those with a particular disability.

Proposed Changes to Taxi Licensing Processes

Introduction and Background

Changes in legislation and technological advances have prompted a review of the requirements and processes undertaken by both new applicants and current holders of taxi licences with Coventry City Council.

The purpose of the review was to ensure that the processes undertaken by Coventry City Council in providing licences to taxi drivers and operators working within the city are robust and current ensuring that:-

- Only “fit and proper” individuals hold a taxi licence in Coventry
- Licensing processes are up to date and accessible
- Taxi’s in the City meet the needs of their customers

Following the review a number of proposed changes have been identified and we are keen to have your view on them.

Online Applications

Coventry City Council currently process around 1,600 interactions each year from their office on London Road, Whitley.

A new online application is being developed to allow current and new taxi licence applications, bookings and payments to be made electronically reducing the requirement for applicants to visit the Taxi Licensing Office and making the application process quicker and easier.

The final changes will be accessible by this new system.

To share your views on the proposals please complete the attached survey.

Following closure any responses received will be considered prior to implementing any changes.

Should you wish to speak to somebody about this survey or require a paper version or other accessible communication method in order to complete it please contact:

taxilicensing@coventry.gov.uk

Paper versions are also available at the Taxi Licensing Office.

New Applicants (drivers and vehicles)

Road Knowledge Test

Historically applicants for Hackney Carriage and Private Hire driver Licences have been required to undertake and pass a road knowledge test to confirm their knowledge and understanding of the area. In 2009 the Department for Transport (DFT) issued revised guidance recommending that it was unnecessary for Private Hire (PH) vehicle drivers to have the same knowledge of their locality as Hackney Carriage (HC) drivers.

Following the increase in the use of satellite navigation systems and pre-payment methods it is proposed to change the way in which local knowledge is tested for new applicants of PH licences.

The Proposal

To remove the requirement for applicants of PH driver licences to undertake the current Road Knowledge Test. Local area knowledge will now be tested within the driver training session. This element would still require applicants to prove local knowledge with failure to reach the required levels preventing their application from progressing. HC drivers will still be required to undertake and pass the formal Road Knowledge Test.

Question

Do you have any concerns with the proposal to change the way that road knowledge is tested for new applicants of Private Hire driver licences?

Yes

No

If no, please tell us why. If you have any alternative suggestions please provide details.

Communication and Literacy

Current applicants of Hackney Carriage and Private Hire driver licences are required to undertake and pass a level 3 communication and literacy test equivalent to British Citizenship level. The ability for drivers to be able to communicate effectively with passengers and for service users to be confident that financial transactions will be carried out appropriately is considered vital and it is not therefore proposed to remove the requirement to demonstrate this ability. It is proposed to change the way in which this knowledge is tested for new applicants.

The Proposal

To remove the requirement for applicants of driver licences to undertake the current level 3 communication and literacy test and to incorporate numeracy and literacy testing within the driver training session. This element would still require applicants to prove a required level of communication and literacy with failure to reach the required levels preventing their application from progressing.

Question

Do you have any concerns with the proposal to change the way that communication and literacy is tested for new applicants of driver licences?

Yes

No

If no, please tell us why. If you have any alternative suggestions please provide details.

Executive Vehicles

Currently all licensed PH vehicles are required to meet the following criteria in relation to the tinting of windows in order to be licensed:-

- The windscreen must permit 75% light transmittance
- The main front and rear side windows must permit at least 70% light transmittance
- The rear window / screen, and any other window (e.g. small quarter lights) must permit at least 40% light transmittance

Licensed PH vehicles classified solely as 'executive vehicles' used for chauffer work and similar can currently be granted exemptions to some PH licence requirements in recognition of the type of work undertaken. These include:-

- The requirement to display the rear licence plate and door stickers on the outside
- The requirement for the driver of the vehicle to wear an identity badge

The current restrictions on tinting of windows can be restrictive for executive vehicles.

The Proposal

To include the light transmittance criteria requirements for PH vehicles on the list of exemptions for vehicles classified solely as executive vehicles.

Question

Do you have any concerns with the proposal to include the light transmittance criteria requirements for PH vehicles on the list of exemptions for vehicles classified solely as executive vehicles?

Yes

No

If no, please tell us why. If you have any alternative suggestions please provide details.

Other Proposed Changes

Disability and Child Sexual Exploitation Training

Since 2002 new applicants for taxi driver licences have been required to undertake and pass a driver training course which includes awareness of:-

- Customer Service
- Licensing conditions and requirements
- Health and Safety
- Customer Service
- Disability
- Child Sexual Exploitation (CSE) (added in 2016)

Local issues in relation to disability and National concerns around CSE have required further consideration to be given to ensure that taxi drivers are fully aware of their responsibilities in these areas.

The Proposal

To introduce a mandatory Disability and Child Sexual Exploitation refresher training and assessment for all licensed drivers (private hire and hackney carriage) prior to the renewal or re-grant of their licence. Failure to undertake and pass the refresher training would prevent the application from progressing.

It is proposed that the refresher training would be undertaken as an online process with confirmation of successful completion required as part of the application process.

Question

Do you have any concerns with the proposal to introduce mandatory Disability and Child Sexual Exploitation refresher training as part of the licence renewal process?

Yes

No

If no, please tell us why. If you have any alternative suggestions please provide details.

Customer Payment Methods

In recent years advances in technology have reduced the amount of cash payment transactions that are undertaken. Historically the majority of taxis within the City have not been able to take payment for journeys by any other method.

Increasing numbers of online and app based services have meant that customers now have more options and the need to be able to make payment electronically in hackney carriages and private hire vehicles is regularly suggested and requested.

Currently the use of non-cash payment options in Coventry taxis is encouraged but optional. To ensure that taxi services in Coventry are up to date and accessible and meet the needs of service users this has been reviewed.

The Proposal

To make it mandatory for all private hire taxis and hackney carriages to have the facility to accept card and contactless payments via an approved card payment device.

Question

Do you have any concerns with the proposal to make it mandatory for all hackney carriage and private hire vehicles to have the facilities to accept non cash payments?

Yes

No

If no, please tell us why. If you have any alternative suggestions please provide details.

Thank you for taking the time to complete our survey.

Private Hire Pedicabs and Tuk Tuks Vehicle Proprietors Conditions of Licence**1. Introduction**

Pedicabs and Tuk Tuks permitted to be licensed in Coventry are motor assisted vehicles with three wheels, used for the purpose of carrying fare paying passengers.

As with all licensed taxi's these vehicles have to comply with Conditions of Fitness and are required to meet a minimum standard that must be maintained throughout the licensing period.

2. General Requirements

- a. Licensed vehicles must be of a design which has the driver/rider to the front and the passengers seated to the rear.
- b. Vehicles will have a minimum of three wheels and must be fitted with an electric (maximum 250 watts) or zero emission capability engine / motor (maximum 50 cc).
- c. If pedalled the vehicle must be fitted with an electric motor to either power the vehicle unassisted or to assist with pedalling (maximum 250 watts).
- d. Vehicles licensed by this authority will operate within the inner ring road and the Railway Station only.
- e. Pedicabs and Tuk Tuks are only permitted to accept pre booked fares received through a Coventry licensed Private Hire Operator and are not permitted to utilise hackney carriage ranks.
- f. The maximum number of passengers that can be carried in each vehicle will be assessed and determined by the Taxi Licensing Office and this number must be displayed on the licence plate issued by the Council to be fixed securely to the rear of the vehicle. This plate must also display the expiry date of the licence.
- g. Vehicles must be maintained in a sound, mechanical and structural condition and comply with all relevant legislation that affects the construction and use of such vehicles to include but not restricted to:-
 - a. Motor Vehicles (Construction and Use) Regulations
 - b. Road Vehicle Lighting Regulations
 - c. The Pedal Cycle (Construction and Use) Regulations 1983 and the Pedal Cycle (Construction and Use) (Amendment) Regulations 2015.
 - d. The Pedal Cycle (Safety) Regulations 2003.
 - e. The Pedal Bicycle (Safety) Regulations 2010.
 - f. The Electrically Assisted Pedal Cycle Regulation 19863 and the Electrically Assisted Pedal Cycle (Amendment) Regulations 2015.

3. Vehicle Testing

- a. All vehicles are subject to a mechanical examination prior to licensing and every 12 months thereafter. Any vehicle over 3 years old is required to undertake 6 monthly inspections.

- b. All inspections must be undertaken at Whitley depot or an alternative facility as appointed and authorised by the Council. Failure to secure a pass certificate will prevent a licence being issued or result in suspension of a licence (if at 6 monthly inspection).
- c. Where applicable a current MOT certificate will be required to be submitted with an application for a licence and annually thereafter on renewal of a licence.

4. **Maintenance of Vehicle**

The proprietor shall ensure that;

- a. The bodywork of the vehicle is in good condition and the paint work is clean and well maintained.
- b. Any roof covering is watertight.
- c. The condition, fixing and routing or positioning of electric cables and fitting, if any, are such that there is no risk of electrical fire or other incident.
- d. The vehicle is provided with an audible warning device such as a bell or a horn.
- e. Any door hinges, locks and handrails and any grab handles fitted to the vehicle are secure and sound, and not liable to injure any passengers, damage or soil their clothing or luggage.
- f. A suitable spare wheel and tyre is provided and readily available for use or an alternative temporary repair system is provided, together with the tools and equipment required to carry out any emergency replacement or repairs required to the vehicle.
- g. The vehicle is fitted with seatbelts to each seat. The seat belts shall be readily accessible for use by all passengers and must be maintained in a safe condition at all times.
- h. The fittings and furniture of the vehicle are clean and well maintained and in every way fit and safe for public use.
- i. Any internal linings of the vehicle are sound, clean and not liable to damage or soil passengers' clothing or luggage, and the floor is provided with a carpet, mat or other suitable, non-slip floor covering which is sound and clean.
- j. The seats are properly cushioned and covered by a water resistant material and that seat covers are in a sound and clean condition, which may be easily cleaned and dried.
- k. There shall be provided and maintained in the vehicle at all times a dry powder fire extinguisher of at least 1kg in weight and stamped EN3 or BSEN3 (which should be red in colour). The fire extinguisher must have a dial reader and be serviceable. A basic first aid kit must be carried which is CE, HSE, BSI, BS or DIN compliant.

5. **Insurance**

The proprietor or owner of the vehicle shall present, on application for a licence a valid vehicle insurance policy covering private hire for private hire use. This policy shall include details of;

- a. The proprietor or owner as the policy holder.
- b. Cover for any other persons who drive the vehicle who shall be named on the policy and be licensed Coventry private hire drivers.

6. Drivers

An applicant for a driver's licence for a Pedicab or Tuk Tuk shall;

- a. Undertake all the (relevant) requirements for a Coventry licensed private hire driver as stipulated in the Driver Information Document 044 plus any additional / amended requirements specific to the licensing of Pedicabs and Tuk Tuks.
- b. Meet the DVLA Group 2 medical standards (a medical examination form from the Council must be completed by the applicants own GP).
- c. Notify the Council of any medical condition which arises after the issue of the licence which may affect their ability to perform their duties.
- d. Not be permitted to drive any other type of private hire vehicle unless the relevant application, tests and assessments are undertaken and passed and the correct licence held.

7. Licence Requirements

Drivers of Pedicabs and Tuk Tuks must;

- a. be over 21 years of age
- b. hold a full DVLA driving licence

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Cabinet

27th November 2018

Name of Cabinet Member:

Cabinet Member for Housing and Communities – Councillor E Ruane

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

All

Title: Re-commissioning Homeless Services in Coventry

Is this a key decision?

Yes – homelessness is a city wide issue that effects all wards of the city and will result in spend in excess of £1m over the life of the contract.

Executive Summary:

Existing service arrangements are currently managed across several separate contracts with St Basil's and Midland Heart currently providing services for 18-24 year old singles (excluding rough sleepers and ex-offenders) and all other homeless related services (including rough sleepers and ex-offenders) delivered by the Salvation Army. These current contract arrangements end on the 31st March 2019.

This report seeks approval to retender for the city's homelessness services within a framework of principles and key requirements. It is proposed to split this across three 'lots' covering: Young Adults (aged 18-24); Adults and couples without dependent children aged 25+ (including rough sleepers, ex-offenders and those with multiple complex needs); and Families (including pregnant couples/ singles).

Since the existing contracts were let in 2014, demands on the city's homelessness services have increased significantly. This is particularly true for families as well as individuals who require support for multiple complex needs. This has placed substantial pressure on existing services and finances. There is therefore a need to review how services are provided going forward, especially for families and the principles and requirements of the new service highlight those changes. In summary these will include:

- A greater emphasis on support programmes for families with responsibility for accommodation and placements controlled fully by the Council;

- An enhancement in training and education services with a specific focus on households being tenancy ready and tenancy sustainment;
- The delivery of a new easily accessible hub service that can provide drop in support and a one stop shop for homeless services across multiple agencies;
- A specific emphasis on working productively with the Council and other partners to support homeless individuals and rough sleepers to address issues of substance mis-use, especially in public places with a view to exploring a fully supported and dedicated facility.
- A greater focus on on-going support and crisis management even after duty has been discharged. This is with a view to preventing re-presentation; and
- Diversify the provision of direct access and supported accommodation including making provision for a female only facility.

Due to the substantial changes in homelessness services brought about by increased demand and the introduction of the Homelessness Reduction Act there is a need to undertake further work and research around how the details of future service provision will operate. This is expected to include a change to how the Council provide services, especially to families and the provision of temporary and emergency accommodation. As a result, the tender process for the new service is expected to be published at the end of October 2019 with a view to awarding a new contract in January 2020.

As a result, this report also seeks delegated authority to negotiate a twelve month extension period with existing service providers to ensure a continuation of services is maintained to the city's most vulnerable households whilst the procurement exercise is undertaken. This is considered a necessary step to help manage risk, especially given the importance of the service area and vulnerability of households involved.

The delivery of new services as well as the short term extension of existing services will require extensive joint working across a wide range of council departments and service areas. It will also require a continuation and expansion of partnership working opportunities across the city through the Coventry Homelessness Forum and other relevant project groups and partnership boards.

Recommendations:

The Cabinet is requested to:

1. Approve the commencement of a procurement process (in accordance with the Public Contract Regulations) to secure a delivery partner(s) for the homelessness services offer as outlined in paragraph 1.4 of this report subject to the cost of the contract being in line with current budget commitments.
2. Following the completion of the procurement process, delegated authority be given to the Deputy Chief Executive (People) following consultation with the Cabinet Member for Housing and Communities to award a contract for a period of up to 5 years to the preferred suppliers together with the option to extend for a further 2 years subject to satisfactory performance and budget availability.
3. Approve in principle the extension of the existing services beyond 31st March 2019 to allow for more time to complete the tendering activity as a result of the complexity of the process subject to such contract extensions not being for more than 12 months.
4. Delegate authority to the Deputy Chief Executive (People) following consultation with the Cabinet Member for Housing and Communities to finalise the twelve month

extension of existing services beyond the 31st March 2019. The cost of the extensions will be in line with current budget commitments.

List of Appendices included:

None

Background papers:

None.

Other useful documents:

Draft Housing and Homelessness Strategy, Action Plan and supporting documentation.
<http://democraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=124&MId=11774&Ver=4>

Has it been or will it be considered by Scrutiny?

This report has not been considered by scrutiny. It is proposed to take a report through the Scrutiny process in early 2019 though to support the detailed development of the tender specifications

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

Report title: Re-commissioning Homeless Services in Coventry

1. Context (or background)

1.1 Background (or context)

1.1.1 Existing service arrangements are currently managed across several separate contracts. The first, and largest contract is managed by the Salvation Army. This was awarded following an open tender process in 2013/2014 for a 5 year period between the 1st April 2014 and 31st March 2019. The contract award was a marked change in how homelessness services were managed within Coventry and saw the amalgamation of 22 separate contracts into one Prime Contractor Arrangement.

1.1.2 The key responsibilities of the current contract include:

- Rough Sleepers (single homeless 16+) - including the delivery of night time rough sleeper walks, provision of emergency camp beds, floating support, operation of the statutory Severe Weather Emergency Protocol (SWEPE) and undertaking the annual rough sleeper counts required for central government;
- Direct Access Provision (single homeless 25+ and childless couples 25+) including the provision of direct access hostel provision and associated support services;
- Floating Support services (single homeless 25+, homeless families 18+, childless couples 25+, ex-offenders 18+);
- Temporary Accommodation for homeless families aged 18+ from the 15th night of being homeless. The Council currently makes provisions for the first 14 nights before transferring accommodation services to The Salvation Army;
- Ex-offender specialist accommodation and support services (ex-offenders 18+ on probation); and
- Specialist complex needs accommodation and support services (single homeless 25+ and ex-offenders 18+).

1.1.3 The second set of contracts (comprising two different contractual arrangements) cover services for singles and couples aged 18-24. These two contracts have previously been managed separately to reflect the internal management of services between children's and adult's services and the difference in service needs to those affected. This was changed structurally in September 2017 and the Council's Housing Options service now has full oversight on homeless matters for all households aged 18 and above. The later stages of this report will highlight that service provisions are to remain largely separate, however for the purposes of procuring and managing new services in the most effective and efficient way, they are being aligned with the wider homelessness service provision for the purpose of this contract approach.

1.1.4 The existing contracts for those aged 18-24 is a smaller contract both in terms of financial value and quantum of service users. It is currently delivered by 2 service providers, firstly Midland Heart who provide supported accommodation and secondly St Basils who provide family mediation services and floating support. These existing contracts have a different end date to those currently delivered by The Salvation Army, but arrangements have already been made to trigger an initial short term extension to these under delegated authority to 31st March 2019, therefore aligning them with The Salvation Army contract. Recommendation 3 of this contract seeks approval to further extend these contracts by up to 12 months to ensure the new services are tendered jointly with those for the wider homelessness services across Coventry.

1.2 Trends and Service Delivery

1.2.1 The Salvation Army Contract

1.2.1.1 Since April 1st 2014 demands upon this service have increased substantially, especially in the last 2 years of the contract. This has placed significant pressure on the ability to deliver the service within a cost effective and efficient manner.

Overall demand

1.2.1.2 The table below, highlights the uplift in the number of different service users within different elements of the service in both year 1 and year 4. Data for year 4 is used as an example as it represents the last full year of the contract for which data is available in full. Data for year 5 is not yet available as a direct comparison. It is important to clarify that this data is provided from The Salvation Army's databases and is reflective of individual cases. This means the data has been reviewed and adjusted to remove re-presenting households. This has a particular impact on single Homeless where re-presentation has been higher.

	Year 1 2014/15	Year 4 2017/18	% Increase
Families (including pregnant couples)	150	484	223%
Singles and Couples without dependent children	581	1,059	82%
Totals	731	1,543	1,543

Source: Data provided by The Salvation Army - Intake report from The Salvation Army ATLAS reporting system – October 2018.

1.2.1.3 Although the number of cases have increased in all areas, the key areas of pressure are related to the number of complex cases (i.e. those individuals with multiple complex needs and therefore greater support requirements) and the number of families. This has also been compounded with the length of time each household has remained within the service. By way of example, the number of families being managed at any one time has increased from approximately 50 when the contract was first let to in excess of 350 in summer 2018. In terms of single households (including couples without dependent children) it has also increased, from approx. 250 cases at any one time to approx. 300 case in 2017/18. Although the number of singles has increased this has been linked to the complexity of cases and is also influenced by the relatively quicker time to move households through the system and in some cases greater risk of re-presentation.

Complexity of cases

1.2.1.4 Typically, clients who are supported by The Salvation Army will have a range of needs including but not limited to drugs and/or alcohol problems, mental health problems, offending background, rough sleepers and homelessness. The exact nature of the individuals needs will often dictate what accommodation they are placed into. For example, not all cases will go directly into the specialised Complex Needs or ex-offenders accommodation. In this respect we have not only seen a significant rise in the actual number of cases but a substantial uplift in the proportion of overall cases reporting multiple complex needs from 1 in 20 cases to nearly 1 in 4. Due to the limited number of spaces in the specialist complex needs accommodation in the city, accommodation has had to be used flexibly to house those with complex needs, which may not be suitable for clients in those instances.

This has also placed pressure on the service provider's ability to deliver sufficient support to those who need it.

	Year 4 2017/18	Year 1 2014/15
Number of cases with an initial assessment of 3 or more complex needs	36 of 731	370 of 1543
% of total caseload	5%	24%

Source: Data provided by The Salvation Army - Intake report from The Salvation Army ATLAS reporting system – October 2018.

Reliance on B&B

- 1.2.1.5 Given the limited accommodation options available through the city and competing housing pressures making sustainable move on challenging, especially in the last 2 years of the contract, it is largely the increase in family demand on the service that has led to excessive use of B&B accommodation as a form of temporary and emergency accommodation throughout the city. Through a range of partnership opportunities The Salvation Army have already begun to address this, however this is an issue the new service approach will need to prioritise.

1.2.2 The St Basils and Midland Heart Contracts

- 1.2.2.1 In September 2017 the management of housing and homelessness services for 18-24 year olds was transferred into the Council's Housing Options Team, with responsibility for 16 and 17 year olds and care leavers up to the age of 21 remaining with children's services. This saw elements of the original contract separated across the 2 service areas but with the majority being transferred to the wider Housing Options service. As a result it is not possible to directly compare trends in service delivery since 2013.

- 1.2.2.2 Midland Heart are currently contracted to provide the first part of this service, providing 63 bed spaces of supported accommodation, which they do from the Foyer at Lower Holyhead Road. This is targeted towards service users within the 18-24 cohort, which are generally lower in number and average approximately 50 individuals at any one time. This figure has remained stable in recent years.

- 1.2.2.3 In addition St Basils are contracted to provide 45 units of floating support which is provided for singles within the 18-24 age bracket in other forms of temporary and emergency accommodation (such as B&Bs) or within their existing family home to help prevent homelessness through family mediation. These units are fully utilised on an annual basis.

1.3 Extension of existing service provision

- 1.3.1 The primary aim of this work stream was to appoint and commence delivery of a new service from 1st April 2019. Following initial targeted engagement with service providers and 3rd sector partners during the last 6-9 months, officers have been able to identify the primary principles for a new homelessness service to meet the needs of local people. These principles are not expected to change at this time and are set out below (Section 1.4).

- 1.3.2 Due to the substantial changes in homelessness services brought about by increased demand and the introduction of the Homelessness Reduction Act however there is a strategic need to undertake further work and research around how these services can be delivered in the most effective and efficient way. Without this additional work, there is a genuine risk that one or more of the lots will remain unlet or delayed due to the complexity of the service. This has been highlighted through the risk analysis that has supported this work.
- 1.3.3 The basis for this additional work will need to focus on the changes required to how the Council provide services, especially to families and the provision of temporary and emergency accommodation. It will also need to include further work to understand the support needs for service users, how these are commissioned and ensure there is no duplication with the work of the Council's Homelessness Prevention Team, who have been in post since April 2018.
- 1.3.4 Another key piece of work is to ensure that the in-house Housing Team, have the capacity and capability to manage a revised approach to how the Council procure temporary and emergency accommodation, especially in relation to family placements, with changes to system and processes being considered and amended as required.
- 1.3.5 Officers are therefore seeking delegated authority, following consultation with the Cabinet Member for Housing and Communities, to be able to negotiate a 12 month extension of the existing contractual arrangements with St Basils/Midland Heart and The Salvation Army to ensure continuous service arrangements are in place to support the households that require it and depend upon it.
- 1.3.6 The extension is not expected to last beyond 12 months and would be contained within existing budgetary commitments (detailed in the finance section below). Anything over and above this will result in a report being brought back to Cabinet and Council to detail a revised approach to the service.
- 1.3.7 The extension process will also bring with it a renewed focus on contract management, data collection and an opportunity to have greater influence over the procurement of temporary and emergency accommodation and family placements in particular. This will be supported by enhanced joint working across all sections of the Council alongside continued improvements in partnership working and knowledge sharing through the Coventry Homelessness Forum and other relevant project groups and partnership boards.
- 1.3.8 The tender process for the new service would then be published at the end of October 2019 with a view to awarding a new contract in January 2020 with delivery of the services commencing from April 1st 2020. This will help to ensure minimal disruption to ongoing service delivery.

1.4 Principles of new Service Requirements

- 1.4.1 As referenced above, there remains a priority need to continue developing a new tender specification to deliver the city's Homelessness services longer term. Subject to the approval of the recommendations contained within this report, this would see new service provider(s) commence delivery from April 1st 2020. This will ensure minimal disruption to service provision and ensure accommodation is managed and support services are provided to those who depend on it.

- 1.4.2 The new contractual approach proposes to bring together all sets of services highlighted above into 1 tender process. That process is intended to be supported by a single overarching specification that is then supported by 3 specific lots. These will be compiled as follows:
1. YOUNG ADULTS: to include 18-24 year old young adults – including single households and couples (where both people are within the age band).
 2. ADULTS AND COMPLEX NEEDS: to include single adults (aged 25+), couples (where at least 1 member of the couple is aged 25+), rough sleepers (18+), ex-offenders (18+) and those suffering with multiple complex needs (18+).
 3. FAMILIES: to include families (including households with dependent children and/or expectant mothers) (aged 18+)
- 1.4.3 The nature of this type of approach means there could be a single or multiple service provider(s) with which the Council will work, but that it should promote constructive, effective and efficient partnership working and service delivery.
- 1.4.4 As well as integral partnership working with local police services such as the CCG and NHS, local Registered Providers and a wide range of 3rd sector partners, the Council's contribution will bring together expertise from a wide range of service areas. This will include housing services, planning, finance, Benefit Services, legal, property services, transformation, community safety, customer services, adult and children's social care and public health. There will also be a need to integrate and respond to feedback from service users and those with lived experience. It will help deliver key actions within the emerging Housing and Homelessness Strategy and be truly reflective of a One Coventry approach.
- 1.4.5 It is important to note that following the transfer of service responsibility from Children's Services to Housing Options from September 2017, support and accommodation services for care leavers aged 18-24 will now be included within this new tender process. This reflects the Council's responsibilities to these individuals to support the provision of appropriate accommodation (which will expressly exclude the use of B&B accommodation within the Tender Specification) up to the age of 21 and on-going support and advice services thereafter. Relevant individuals aged 16 and 17 will continue to be managed as part of the Council's Children's Commissioning Services. This will be reflected within transfers of relevant budgets and the estimated cost of the newly commissioned service covered by LOT1.
- 1.4.6 The initial overarching principles of each lot have been informed by targeted consultation with service users, existing contract holders and other relevant stakeholders and groups. This is outlined further in Section 3 of this report. It has also drawn on a range of research and data collection relevant to the service areas. Much of this evidence is summarised within the background papers which support the Draft Housing and Homelessness Strategy.
- 1.4.7 The principles and key components are summarised as follows:
- 1.4.5.1 GENERAL REQUIREMENTS
- Deliver a high quality IT system that is fully compatible with the Council's IT services and supports appropriate data collection and analysis.
 - Ensure all supported and direct access accommodation is of a high standard and satisfies all legislative and regulatory requirements.
 - Demonstrate a clear commitment to partnership working across Coventry.

- Operate a fully inclusive service to meet the needs of all those who the Council have a legal responsibility to support.

1.4.5.2 YOUNG ADULTS

- Include a range of accommodation services to meet the needs of service users. This should include opportunities for female only accommodation and accommodation which meets the needs of care leavers.
- Include floating and focused support packages with a focus on understanding the root cause of homelessness and supporting households to be become tenancy ready and able to sustain a tenancy going forward. This should reduce the risk of representation.
- Support the homelessness prevention agenda for young adults.
- Provide a mediation service between young people and their family network with a view to sustaining the family home.

1.4.5.3 ADULTS AND COMPLEX NEEDS

- Include a range of accommodation services to meet the needs of service users. This should include opportunities for female only accommodation. It should also include dedicated facilities for ex-offenders and those with multiple complex needs.
- Make provisions for rough sleeper emergency accommodation to ensure that no one has to sleep rough on the city's streets.
- Include floating and focused support packages with a focus on understanding the root cause of homelessness and supporting households to be become tenancy ready and able to sustain a tenancy going forward. This should reduce the risk of representation.
- Maximise opportunities to align multiple complex needs provisions with the WMCA Housing First initiative.
- Be a key service provider in securing appropriate facilities and delivering an easily accessible hub service.
- Undertake regular rough sleeper walks and engagement.
- Complete the annual rough sleeper count and support returns to central government.
- Enact the SWEP protocol when appropriate.
- Work with the Council and other partners to explore the best ways to combat street drinking and drug taking in public places and work with partners to support homeless individuals and rough sleepers to address their issues. This could include an opportunity to explore a dedicated facility for street drinking and substance miss-use within a controlled and highly supported environment.

1.4.5.4 FAMILIES

- Include floating and focused support packages with a focus on understanding the root cause of homelessness and supporting households to be become tenancy ready and able to sustain a tenancy going forward. This should reduce the risk of representation.

1.4.5.5 TEMPORARY AND EMERGENCY ACCOMODATION FOR FAMILIES

Under the principles of the new tender proposals, temporary and emergency accommodation for families will be procured by the Council and placements will be made by the City Council until duty is discharged. The contract provider will deliver floating support to those families in emergency and temporary accommodation, where such support has not been arranged by the Council's Homelessness Prevention Team. As part of the existing contract, the Council already has responsibility for providing family accommodation for the first 14 nights after they present as homeless. As such, the changes in the new service proposals simply

extend this period. By enabling households to stay in a single place at a consistent address for longer durations this should improve efficiency in Housing Benefit, Housing Options and the support programme – focusing more on tenancy readiness and health and wellbeing instead of amendments to paperwork etc. This change will also enhance the customer experience by allowing families to be more settled for longer, which will be particularly important for supporting the family unit and managing access to key services such as schools and health care. This change will also give the Council full control over family placements and maximise the Council's ability to manage issues of safeguarding and family wellbeing. Furthermore it ensures the Council becomes the single negotiator of temporary and emergency accommodation across the city for the purpose of homeless families. Negotiations become more targeted and opportunities to deliver accommodation at more cost effective rates are widened.

1.4.5.6 Although there are clear benefits of returning the full placement and accommodation provision function to within the Council's control there are also risks and cost exposures that are important to consider. These include:

- Families who are not receiving benefits/full benefits (e.g. benefit cap and excess income);
- Accommodation costs that are non-recoverable through housing benefit; and
- Delay in introducing alternative accommodation options.

Officers have already commenced work on reducing these risks however. This includes:

- Leasing accommodation for smaller family units across various locations in the city.
- Working with partner organisations to identify possible short and medium term solutions for temporary accommodation such as refurbishing buildings earmarked for demolition for use as permanent / temporary accommodation.
- Negotiating more favourable rates with current providers of temporary accommodation for not only Housing but for other Council departments that require accommodation and for partners who will continue to provide placement for singles on behalf of the Council.

This is considered further in the financial sections below.

1.5 Housing First

1.5.1 The City Council is currently working with the WMCA around opportunities to deliver a Housing First initiative. This brings with it devolved funding from central government of just under £1.7m for Coventry over the next 3 years to deliver this service. Housing First is targeted towards entrenched rough sleepers and those with multiple complex needs. It aims to provide them with settled accommodation and wrap around support to help them adjust to a stable lifestyle away from the streets. It is expected that there will be some inevitable overlap and opportunities for partnership working within these services and the new homelessness commission – especially lot 2. The delivery of this service is subject to a separate Cabinet Paper that is currently scheduled for January 2019.

2. Options considered and recommended proposal

2.1 There are four options that have been considered as part of this report. The first forms the basis of the recommendation and seeks an initial short term extension of existing contractual arrangements to allow sufficient time to tender for new homelessness services under the principles set out in this report.

- 2.2 The second option would be to commission a long term extension of existing contractual arrangements. Although the existing circumstances around the delivery of homelessness services in Coventry require a short term extension, this is deemed sufficient to bring together further research and partner engagement to fully inform a newly commissioned service. It also allows sufficient time to fully gauge the impact of the new HRA and review the resource requirements necessary for the Council to successfully support homelessness services in Coventry. In addition, the existing service arrangements continue to experience a substantial uplift in service demand whilst the cost of delivering the service under current contractual arrangements is not considered sustainable. As such, anything longer than 12 months would also risk negatively impacting on the long term cost effective delivery of temporary and emergency accommodation.
- 2.3 The third option considered was the bringing 'in house' of all homeless services commissioned to service providers. Although the new service proposals include a degree of this by the Council taking full control of procuring and placing families within temporary and emergency accommodation, an option that would see the Council deliver all services has been discounted. As part of existing contracts with the Salvation Army, the Council already has responsibility for family accommodation for the first 14 nights after they present as homeless. As such, the changes in the new service proposals simply extend this transitional period therefore generating efficiencies in the service as well as an enhanced customer experience. This reflects the specialist nature of support services involved, especially for rough sleepers and ex-offenders and the availability of a range of direct access and supported accommodation which is already operated across the city by partner organisation. As such, these partners are already well positioned to deliver these services far more efficiently and effectively than the City Council would be able to do so, without substantial upfront investment.
- 2.4 The fourth option considered was to do nothing. This option was discounted as the Council have statutory responsibilities under a range of national legislation to support households who are at risk of becoming, or already are homeless.

3. Results of consultation undertaken

- 3.1 To support the consideration of this report, the City Council have undertaken a range of targeted consultation activity with partner organisations and other stakeholders involved in providing homeless services across Coventry. This has included:
- The development of '**The Coventry Homelessness Review 2018**' and '**The Coventry Context – Housing 2018**'. These documents support **the Housing and Homelessness Strategy (2019-2024)** and include a comprehensive review of statistics relating to housing and homelessness throughout Coventry. This helps identify the key areas of concern and detailed issues that require addressing through the delivery of the new services. Such matters feed directly into the Housing and Homelessness Strategy and its supporting Action Plan. The retendering of services is a key priority within this Action Plan.
 - The creation of the **Coventry Homelessness Forum**. In May 2018, the first Homelessness Forum for Coventry was held. This forum has subsequently met three more times and brings together representatives from numerous voluntary, public and private sector organisations who all have a vested interest in combatting homelessness across the city. The Forum provides an opportunity

to discuss key matters and share information. This has included targeted engagement on the delivery of homeless services in the city, seeking the views and opinions of stakeholders or emerging themes and priorities. It has also been supported by the creation of a partner SharePoint site where information is shared with all relevant stakeholders helping to facilitate informal views, opinions and discussion.

- **Targeted meetings and presentations.** Council officers have met with a number of relevant organisations and stakeholders to help inform the Homelessness Review and Strategy, which in turn have informed our position with regards the commissioning of new services. Such engagement has included:
 - meetings and discussions with existing service providers to understand both benefits and issues with the existing service provisions;
 - Registered Providers;
 - The Front Line Network;
 - Multiple Complex Needs Board and Operations Group;
 - CCG in relation to health care services for homeless households and the emerging re-tendering for relevant services;
 - existing service users – drawing on feedback through existing service providers but also the Making Every Adult Matter (MEAM) ‘Experts by Experience’ groups;
 - West Midlands Police Services; and
 - Maximisation of cross directorate expertise within the city council to ensure it is fully reflective and complementary to a range of existing corporate strategies and procurement exercises. Prime examples include the commissioned Drug and Alcohol Support Services and related strategy and the emerging Domestic Abuse and Sexual Violence tendering proposals.

4. Timetable for implementing this decision

- 4.1 Subject to the approval of the recommendations within this report, negotiations relating to the extension of existing contracts would commence immediately. This would be with a view to ensuring the necessary arrangements are in place from the 1st April 2019.
- 4.2 The tender process is then expected to be issued by the end of October 2019 with initial bids and proposals submitted to the city council by early December. It is expected that the successful applicant(s) will be appointed in January 2020 and that a transitional period will then commence between the existing and the new contracts. This will ensure the appropriate transfer of services and resources (where appropriate and necessary) to ensure the commencement of new service from April 1st 2020.

5. Comments from the Director of Finance and Corporate Services

- 5.1 Financial implications

This council has a significant financial problem in this area, which manifests itself in the gap between what we pay out for temporary accommodation compared with what we can recover through the Housing Benefit subsidy grant. At quarter 2 we

are reporting total expenditure across Housing and Homelessness of £8.6M, which equates to an overspend of £2.6M. The pre-budget report (also on the agenda) recommends additional resource to equate to an annual budget of £8.4M over the next 3 years. In addition there is grant funding of £2.1M available (17/18 to 19/20) largely linked to the prevention duty, and a report in relation to this was brought to Cabinet earlier in the year.

We are also aware of significant further financial risk that is currently being met by providers/partners. This relates to the cost of accommodation where the service user is not receiving housing benefit, either because they are benefit capped or have excess income. There is also a further cohort, under investigation, where it is unclear why housing benefit is not being claimed. Further to this, because of the growth in the use of hotel / bed & breakfast provision, providers are picking up some cost which is ineligible for housing benefit (e.g. food, heating and lighting). This would normally be cost met directly by the service user.

The prevention duty came into effect in April, and this has further increased activity, as service users are known to us longer, we have a longer period over which to make a housing duty decision, and as a result service users may be in temporary accommodation for longer. We are currently reviewing the delivery of the prevention duty to see how this can be alleviated earlier.

Notwithstanding the continued need to create permanent affordable housing, the key to reducing this significant financial pressure is having access to lower cost, more suitable, temporary accommodation, particularly for families, and having control over placement. This will enable us to pay less and maximise Housing Benefit subsidy grant. This is why our longer term aim is to take the placement of families back in-house, but we recognise that this needs to be done in a planned way to maintain stability across the system. This is alongside increasing access to appropriate temporary accommodation.

The budget for the Salvation Army contract is £1.89M per annum, and the budget for 18-24 years old is £0.33M. We will seek to extend the existing contracts within current budget parameters subject to inflationary increase if appropriate. In the case of Salvation Army we will need to be clear in relation to the level of activity for families that can be met within this resource. Alongside this, we will need to ensure that we build capacity within the internal service in relation to the placement of families. This will need to be a staged approach to enable the implementation of new temporary accommodation (refer to 'Options to improve the quality but reduce the cost of temporary accommodation' report on this Cabinet agenda), and any further level of family placement that will come in house from April to eventually build up to a fully in-house delivered service for placement of families to align with the retendered contract. Any additional budgetary requirements will be met from the overall budget identified for Housing and Homelessness as identified above.

Although bringing the placement of families in-house increases our control in relation to where we place families, it does also open us to further financial risk that is not currently being met by the City Council. We recognise however that this is not sustainable for the system whether met by us or partners, and we will be working through how we can reduce these costs, by ensuring service users meet the cost of ineligibles (e.g. food, heating etc.) and a targeted piece of work reviewing families who are not claiming benefits.

5.2 Legal implications

The Housing Act 1996, Homelessness Act 2002 and Homelessness Reduction Act 2017 place a statutory duty on Housing Authorities to ensure that accommodation and support will be available for people who are at risk of homelessness or are homeless. The services that are subject to re-commissioning will ensure that the City Council meets its statutory obligations.

The commissioning of these services exceed the applicable thresholds and as such will be subject to a competitive tendering process as required by the Council's Rules for Contract and the Public Contract Regulations 2015.

Given the legislative and market changes, there is a need to extend the current contract arrangements whilst the commissioning process is undertaken.

6. Other implications

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

- Citizens living longer, healthier, independent lives: the commissioning and delivery of homelessness services will ensure access to support and accommodation services that will help maintain health and wellbeing of service users both physically and mentally.
- Making Coventry an attractive and enjoyable place to be: these services will provide support and accommodation to local people who require it. It will help combat rough sleeping, especially within the city centre and ensure that realistic and genuine opportunities and alternatives to sleeping rough on the city's streets continue to be provided.
- Making places and services easily accessible: the delivery of new homelessness services will ensure efficient and effective services for different users. The new hub service element of the proposals will also ensure a one stop shop that is easily accessible for those who require drop in support.
- Developing a more equal city with cohesive communities and neighbourhoods: the services provided will be fully inclusive.

6.2 How is risk being managed?

The greatest risk to this process is that no organisations bid for the identified services. This risk has been identified and has informed the recommended approach to short term contract extensions. This will allow for an extended period of research and engagement to fully inform the new tender specification. This will also significantly reduce the risk of no bids being received.

Risk in relation to the short term costs of delivering the service have already been outlined in sections 1.4 and 5.1 of this report. These risks are considered manageable for the reasons outlined in those sections but will be consistently monitored to ensure appropriate management of budgets is maintained. They have also been captured within the current budget setting considerations.

6.3 What is the impact on the organisation?

This report clarifies how the City Council will continue to manage and deliver its homelessness services. This is a statutory function covered by national legislation.

6.4 Equalities / EIA

An Equalities and Consultation Analysis (ECA) has been carried out during the development of the Draft Housing & Homelessness Strategy 2019-24. This will be updated for the Final Housing & Homelessness Strategy following the public consultation. The re-commissioning of the Homelessness Services are a key component of the Action Plan that supports the Housing and Homelessness Strategy and are therefore intrinsically linked to this document and its relevant ECA.

In 2017/18 there were 557 households accepted as statutorily homeless. The majority (69%) of statutory homeless households had a dependent child or children and 50% were female lone parents. 63% of statutory homeless households were White, 17% were Black and 7% were Asian. 26% were under 25, 72% were aged between 25 and 64, and only 2% were aged 65 or over.

The implementation of the Homelessness Reduction Act in April 2018 means that the Council now has additional duties to prevent homelessness and to help to secure accommodation for all eligible households, regardless of whether they are in a 'priority need' category. This will increase the help given to single people and those without dependent children, especially single men, who have previously not been in a 'priority need' category.

Overall service users and providers will benefit from the new service. It is intended to address gaps previously identified and will ensure we cater for as many service users as possible without discrimination.

6.5 Implications for (or impact on) the environment

No identified impacts

6.6 Implications for partner organisations?

The current contract providers include: The Salvation Army, St Basils and Midland Heart. Other partner organisations are also involved in the service by way of sub-contracts, including Whitefriars Housing Group. The City Council will continue to engage with them as part of tendering the new contract and as part of extending the current contractual arrangements. All existing service providers have an entitlement to bid for the new services in accordance with the specification. All bids will be treated in a fair and equitable manner.

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Appendix 1 –



Cabinet

27th November 2018

Name of Cabinet Member:

Cabinet Member for Communities and Housing – Councillor Ruane

Director Approving Submission of the report:

Deputy Chief Executive People

Ward(s) affected:

All wards

Title:

Options to improve the quality but reduce the cost of temporary accommodation

Is this a key decision?

Yes

This proposal is likely to be significant in terms of its effect on communities living or working in an area comprising 2 or more wards or electoral divisions in the area of the City.

Executive Summary:

The Council has an increasing financial pressure as a result of the demand for housing from homeless households within the city. The majority of the forecast pressure of £5.1m (as reported at quarter 2 this year) relates to the increasing cost for temporary accommodation and the shortage of suitable and affordable permanent move on accommodation. Additional budget was allocated to support the increasing financial pressure at Budget Setting in 2018/19. The Pre-Budget Report includes an additional financial provision for housing and homelessness of £2.9m, £3.4m and £3.6m over the period from 2019/20 to 2021/22. Added to the amounts included in 2018/19 Budget Setting for three years (of £2.2m, £1.7m, £1.5m), this increases the additional budget (compared to the 2017/18 level) to £5.1m for each of these years.

The Homelessness Reduction Act 2017, implemented in April this year, has started to prevent and relieve homelessness, with 992 cases being closed since April from a total of 2162 approaches to the service (based on data at 29th October 2018). It is still too early to determine the long term impact on the number of households who then go on to make a full homelessness application where priority need would be considered alongside other criteria. Demand for the Housing and Homelessness service has been higher than forecast at the start of the year. Households that are homeless and meet the criteria for priority need, would be entitled to interim accommodation (under the Relief duty) up to 56 days earlier than under the previous legislation, increasing the number of households that the authority places in B&B if no other suitable accommodation is found. This will increase the financial cost pressure in the short term.

Currently the full cost of temporary accommodation is met by the Council or the Salvation Army. Housing Benefit (HB) can be claimed in most circumstances, however only a proportion of the

HB paid out by the Council can be claimed back as subsidy from The Department for Works and Pensions (DWP). The shortfall between the cost of accommodation and the HB subsidy claimed is a financial pressure for either the Council or the Salvation Army (if either HB cannot be awarded or there is only a partial award). In addition to the nightly room rate, the Council and Salvation Army currently meets the cost for utilities, but we would look for this to be passed onto the tenant going forward.

This paper presents an option to lease a high rise development to provide temporary accommodation for homeless households, mainly for small family units, with the tenant having responsibility for the utility costs. This step is to support the delivery of one of the actions from the draft Housing and Homelessness Strategy which is currently out for consultation, as agreed by Cabinet on 30th October 2018.

Recommendations:

Cabinet is asked to:

1. Approve the proposal to lease up to 102 properties at land at the site in the Private Report for a period of no more than 5 years for use as temporary accommodation for homeless households, whilst longer term permanent accommodation solutions are being developed.
2. Approve the use of existing funding to meet the annual lease costs, which exceed £1.5m over the life of the five year contract.
3. Delegate authority to the Director of Customer Services and Transformation following consultation with the Director of Finance and Corporate Services and the City Solicitor, in consultation with the Cabinet Member for Communities and Housing, to undertake the necessary due diligence and agree the detailed terms of the lease agreement with the developer.
4. Approve the use of capital funding to meet the costs for furniture within the accommodation, estimated to be £0.10m
5. Approve the use of city council funding to contribute towards the installation of a sprinkler system, and delegate authority to the Director of Customer Services and Transformation and Director of Finance to negotiate the most cost effective way of implementing this.

List of Appendices included:

None

Background papers:

None

Other useful documents

[The Implementation of the Homelessness Reduction Act 2017 Cabinet Report 6th March 2018](#)

[Draft Housing and Homelessness Strategy 2019-2024 Public consultation](#) – Cabinet Report 30th October 2019

Re-commissioning Homeless Services in Coventry – Cabinet report 27th November 2018

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?

No

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Report title: **Options to improve the quality but reduce the cost of temporary accommodation**

1. Context (or background)

- 1.1 The Council has a significant financial pressure as a result of the increasing demand and costs associated with emergency and temporary accommodation for households that have made a homelessness application. As at quarter 2 (September 2018) the predicted loss of HB subsidy for 2018/19 is £5.1m.
- 1.2 Research undertaken by Inside Housing (see Table 1) supports the increase in the demand and associated cost for temporary housing over the last 5 years.

Table 1: Coventry City Council expenditure on temporary accommodation

	2013/14	2014/15	2015/16	2016/17	2017/18
Council expenditure	£0.57m	£0.80m	£1.36m	£2.90m	£4.10m

Council responses to Inside Housing under Freedom of information Act

- 1.3 The Council agreed to provide an additional £2.7m for temporary accommodation costs as part of budget setting for 2018/19, £2.2m in 2019/20 and £1.7m in 2020/21. In addition to this resource a further £2.9m, £3.4m and £3.6m over the period from 2019/20 to 2021/22 as included in the Pre-Budget report for Housing and Homelessness to top up the budget to £5.1m for each year in line with the reported position for quarter 2.
- 1.4 The accommodation currently used to for temporary or emergency accommodation in the main is bed and breakfasts (B&B) or hotels. These establishments do not have suitable facilities required to support a household as well as the high nightly cost associated with using this type of accommodation. Some rooms may have a fridge or a microwave for use, but it is unlikely any other kitchen facilities would be provided.
- 1.5 A small number of households have been placed into private rented sector accommodation while permanent accommodation is sought for them.
- 1.6 Households placed into emergency or temporary accommodation (excluding hostels) do not currently contribute towards the nightly rates that are borne by the Council and Salvation Army, which could be as high as £100 per night.
- 1.7 Central Government has set a cap on the amount of housing benefit that can be claimed and utilised for rental costs in the private rented sector. This is referred to as the Local Housing Allowance (LHA) rate. For the Council to discharge their housing duty into the private rented sector, rental levels would have to be close to LHA rates for them to be sustainable for tenants in receipt of benefits.
- 1.8 The Council has been approached by the developers of a high rise block in the Henley Ward area of the city. They have been refurbishing the building having acquired 102 units within the 118 unit building. The freehold is owned by another company, who have provided the developers with a leasehold interest in the building. The top two floors are currently tenanted, but the developers are in talks to acquire these additional 16 apartments as well, so they will have control of the whole of the development and can refurbish all units to the same standard. The 17 storey building is made up of 4 one bed apartments and 4 one bed studios per floor.

- 1.9 This paper explores options in relation to utilising this accommodation to provide more suitable emergency and temporary accommodation at a more cost effective rate for the Council.
- 1.10 The Housing and Homelessness Strategy sets out a number of other initiatives that will be explored to increase the supply of housing, for example, new social and commercial models, a rent guarantee scheme with private sector landlords for permanent accommodation, focusing on reducing the cost and improving the quality of temporary accommodation. As initiatives develop the appropriate approvals will be obtained including formal member approval where required.
- 1.11 One initiative that is underway is to bring c30 properties identified ranging from 1-3 beds which were earmarked for demolition but can be refurbished and bought back into use for a period of 1-3 years (depending on the site). The Council's surveyors are undertaking an exercise to identify the properties we want to invest in to bring the properties back into use. The estimated cost for refurbishment is £0.2m, which can be approved under officer delegations and funded from capital receipts.

Table 2: Summary of the financial impact for the Whitefriars accommodation earmarked for demolition used as permanent accommodation

Properties	1 bed	2 bed	3 bed	Total
Capital investment (£k)	44.24	153.41	29.25	226.90
Annual rentals (£k)	38.29	115.94	20.00	174.23
Housing benefit subsidy (£k)	36.72	104.76	17.90	159.38
Net impact (£k)	1.57	11.18	2.09	14.85

- 1.12 The rent levels for these properties are likely to be social rents, lower than the local housing allowance rates that have been used for the analysis above. The net impact based on recovery of housing benefit is minimal for the number of properties at £0.01m per annum, compared to the current B&B accommodation costs estimated to be £0.53m, a saving of £0.52m. These properties could be used for temporary or permanent accommodation as a 12month tenancy could be offered to tenants to allow the Council to discharge its housing duty and then suitable accommodation found within Whitefriars or another Registered Social Landlords property portfolio before the end of the tenancy.
- 1.13 Depending on the report back by surveyors, the work on these properties could commence this year, with properties available for use in early 2019.

2. Options considered and recommended proposal

- 2.1 **Option 1 – Not recommended – Continue with current approach to temporary accommodation** - the Council could continue to utilise bed and breakfast accommodation to meet the temporary accommodation needs of households making a formal homelessness application under the main housing duty.
- 2.2 The current forecast financial pressure will continue to rise. New legislation that came into force in April 2018, Homelessness Reduction Act 2017, places an additional obligation on the Council to secure interim accommodation under the relief stage of the legislation where it has not been possible to prevent the household becoming homeless. This means the total cost of temporary accommodation is likely to increase as there may

be an additional requirement to provide accommodation for a period of up to 56 days, prior to the Council being able to assess if it owes the Main Housing Duty under Part 7 of the Housing Act 1996 (as amended).

- 2.3 There are a small number of households that have been in temporary accommodation for over 24 months, due to the lack of suitable properties available to discharge the Main Housing Duty, especially large family homes at an affordable rent level. This will continue to increase the cost of temporary accommodation, if we do not work towards securing suitable accommodation to discharge the Main Housing Duty.
- 2.4 This is not the recommended option.
- 2.5 **Option 2 Recommended– Lease temporary accommodation from the private rented sector**– The developers have asked the Council to consider taking a lease for the whole building to utilise the building for temporary accommodation, so they can recover the capital investment that have made in acquiring and refurbishing the site. However due to the occupancy of the top two floors this lease will be limited to 102 units as present but may increase to 118 should other units become vacant.
- 2.6 The rental levels for the units are based on LHA rate plus a small amount per week. This is lower than the Council currently pays for temporary accommodation, where costs range from £55 to £70 per night for a one bed room (£385 per week - £490 per week). Through negotiations, the developer has stated that they would provide a discount for the Council taking a lease for 102 units in the building.
- 2.7 The internal refurbishment has been based on the developers taking the building back to brick and rewiring the building to meet current standards. Each self-contained unit is refurbished to a good standard and includes a kitchen area with an electric oven and hob, separate bathroom with a shower, WC and washbasin, a seating area with table and chairs, sofa bed and then a bedroom with a double bed or two single beds and/ or a cot as required.
- 2.8 Due to the development being made up of smaller units (1 bed apartments and studios) the Council could only use the building to house singles, couples (including those pregnant with a child) or small family units with 1-2 children depending on the age of the children for temporary accommodation. To discharge duty under the Housing Act, the smaller family units may require access to a 2 bedroom property depending on the age of the children.
- 2.9 It may be possible to use the accommodation to house larger family units in apartments that are side by side, but in this instance, although there is a saving compared to B&B, it would be lower as we can only claim for HB subsidy for one unit, not two, if occupied by the same family. Although utilising the accommodation for larger families is not a desirable option, it would be a last resort while we explore and develop other suitable options for larger family units.

Table 3: Families in temporary accommodation

Pregnant	1 child	2 children	3 children	4 children	5+ children	other
25	120	82	61	41	31	10

Based on data from the Salvation Army Sept 2018

- 2.10 The information in Table 3, highlights the Council could utilise all 102 units available for smaller family units (singles/ couples who have one child or are pregnant), who may be currently in B&B while the Council reviews their homelessness application under the Main Housing Duty or finds suitable accommodation with at least a 6 or 12 month tenancy.

- 2.11 The lease would take into account that the developer would be responsible for all general maintenance, bills for the communal areas, an onsite Housing Officer/ Maintenance Officer who would be based on the ground floor 24/7, providing white goods and undertaking property inspections on a regular basis. The finer details of the lease need to be negotiated and agreed by both parties.
- 2.12 The Council will enter into a five year lease at an annual rental of £0.575m, subject to an option to break in favour of the Council on the third anniversary. In addition to this there is an assumed one off cost for furniture/ kitchen appliances/bedding estimated to be c£0.10m, the net cost during the lease period is included in Table 4. A further contribution will be required in relation to city council share of the cost towards a sprinkler system, which is subject to further negotiation and is dealt with as part of the private report. The payment of the annual rental under the lease will remain as a financial commitment by the Council to the landlord regardless of void periods and irrespective of the figures set out in the report. If the Council exercises the option to break at year three then the minimum commitment will be £1.73m in rental payments, prior to adjusting for housing benefit subsidy that could offset part of this cost. Table 4. This payment of the annual rental under the lease will remain as a financial commitment by the Council to the landlord regardless of void periods and irrespective of the figures set out in the report. If the Council exercises the option to break at year three then the minimum commitment will be £1.73m in rental payments, prior to adjusting for housing benefit subsidy that could offset part of this cost.
- 2.13 Officers are still negotiating the finer details of the lease and will seek to limit any liability on the Council through negotiations.

Table 4: Summary of the financial impact for leasing 102 units as temporary accommodation

Nature of costs	Net annual impact (exc one off)	Net costs over contract (5 years)
One off costs - capital		£0.10m
Ongoing costs	£0.32m	£1.60m
Total costs		£1.70m

Key - £ cost/ (income)

Costs over a 5 year period include the one off costs for furniture

The annual rental figure will be due even when the units are void due to tenants moving out. Housing benefit subsidy is based on assuming voids of 10% per annum.

The one off costs relate to initial outlay for furniture (£0.1m). We are negotiating with the developer to meet any ongoing costs for furniture through damage or wear and tear going forward. The cost for furniture includes a buffer to take account of ongoing replacement/ wear and tear and will only be utilised if required.

- 2.14 The building is electrically heated and each unit has a separate meter which is serviced by a pre-payment card. The proposal is to pass this cost onto the tenant in line with such costs being met in hostels and other private rented temporary accommodation.
- 2.15 The costs in Table 4, include an amount for support by the current Salvation Army contract to provide onsite support to tenants. The level of support required for the tenants in the building, who will be of low to medium risk may include a benefits review to ensure

tenants are receiving support they are entitled to, budgeting or money management, debt management and seeking financial assistance to support rent arrears, employment advice and training, help to search for a suitable property in private rented sector or bidding on the Home finder system for a social property, health and wellbeing support (registering for GP, attending school etc). Some of this support is currently provided by the in-house Housing and Homelessness team, so only additional support needs would be commissioned for the family units that require it. This requirement will be included in the new recommissioned contract going forward, so there is one provider for support for the different customer groups. Ways of providing more specialist support to individuals and families either directly or via referral from Salvation Army/ new contract provider will be developed.

- 2.16 As the building will be used as temporary accommodation, the Council will not receive Council Tax revenue for the residential units in the building. The estimated Council tax based on the full charge is £0.12m, but as the building has not been fully occupied for a number of years the council has not been receiving this level of income. Even if the building was used for permanent accommodation, it is likely most of the occupants would be entitled to Council tax support and possibly a single person discount, reducing the council tax revenue that may have been due.
- 2.17 Compared to B&B accommodation obtaining a lease for the 102 units, would save £1.22m per annum compared to B&B. This is the recommended option, funded from the additional resources already allocated towards temporary accommodation costs as part of budget setting for 2018/19.
- 2.18 The Council will conduct a Fire Assessment and a Health and Safety assessment with key partners and experts in the field to ensure necessary measures as recommended are implemented ahead of moving any tenants into the building, and will be a key condition of any lease arrangements. This includes the installation of a sprinkler system in the building. The estimated costs of this are included in the financials. The finalisation of the cost share is subject to negotiation under delegated authority.

3. Results of consultation undertaken

- 3.1 Workshops have taken place with private sector landlords to jointly consider the perceived barriers landlords may have towards accepting tenants who have previously been homeless or are entitled to benefits. The discussion with landlords explored ideas that could be implemented to reduce the risk for landlords and to encourage more availability of private sector properties for use by the Housing and Homelessness team.

4. Timetable for implementing this decision

4.1 Option 2 – Lease agreement

- Lease agreement negotiations undertaken and document drafted – November 2018
- Undertake a Fire Assessment for the building jointly with the Council, Fire Service and Whitefriars to ensure the necessary measures for fire safety are in place ahead of moving any tenants into the building –November-December 2018
- Undertake a Joint Health and Safety Assessment with the Council, Whitefriars and an independent Health and Safety Officer in this field, with the details of the report being considered ahead of moving any tenants into the building –November-December 2018
- Signing the lease – December 2018

- Final refurbishment complete for all units – December 2018
- Determine which tenants could move into this building for temporary accommodation.
- First properties available for use – on signing the lease agreement – mid December 2018/ January 2019
- Ensure the internal processes are in place to managing placements into the building and arranging for appropriate support from the Salvation Army or other partners as identified in individual Personal Housing Plans – December 19 – January 2019

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The Council has a legal obligation to provide temporary accommodation for homelessness households in priority need, with a local connection who have not made themselves intentionally homeless. The proposals in the report seek to reduce the current expenditure on temporary accommodation through provision of this more cost effective and suitable accommodation. Based on current expenditure levels, if the Council was to continue to rely solely on B&B for temporary accommodation this would equate to £1.54m per annum for the households that could be placed in accommodation under the proposed lease agreement. This proposal will save the Council £1.22m each year, compared to B&B.

It is proposed that the lease costs associated with this agreement will be met from the additional resources allocated towards temporary accommodation costs as part of budget setting. Over a 5 year period the financial exposure is estimated to equate to up to £1.70m excluding any contribution the city council makes towards the cost of a sprinkler system which is subject to further negotiation and is dealt with as part of the private report.

Installation of the sprinkler system will delay the properties being ready into the next financial year. The costs of the delay are made up of the lease payments (without any housing benefit subsidy offset), and the unrealised saving in relation to B & B estimated to be approximately £0.15M per month.

Lease costs will be payable quarterly in advance, from when we take occupation of the building (assumed to be incurred whilst fitting the sprinkler system). Officers have started to consider which tenants maybe suitable for this type of accommodation and the internal processes required to ensure we reduce the number of voids we have in the building at any time.

The one-off costs will be funded from capital receipts or prudential borrowing. If the Council chooses to fund the cost by prudential borrowing the total capital financing costs will be recovered from the wider business case.

5.2 Legal implications

5.2.1 The Council also has a general power to enter into leases under the powers of general competence contained in Section 1 of the Localism Act 2011 and S111 and S120 of the 1972 Local Government Act.

5.2.2 The 102 units due to be leased would be used for temporary accommodation only. The placement of individuals will be managed in-house by the Housing and Homelessness team, in the same way we place customers in B&B. The legal agreement in place will be between the Council and the landlord. Customers will sign an agreement when they move into the building in relation to the health and safety and the standards the landlord

requires the property to be kept in whilst they are there and details of any property inspections and checks that may take place.

5.3 Procurement and State Aid

5.3.1 The Council is a "*contracting authority*" for the purposes of Directive 2014/24/EC and the Procurement Regulations 2015.

5.3.2 This proposal is not subject to the Procurement Regulations 2015 as it is property transaction in which the Council is entering into. As a result the Procurement Regulations 2015 are not applicable in this case.

6. Other implications

As the accommodation is only temporary the impact on nearby schools and nurseries, GP surgeries should be minimal, as the children would continue to attend any educational establishment they were previously attending. Where tenants may not be Coventry residents, such as if they have left previous accommodation due to domestic violence or other such circumstances, there may be a small impact on local schools nurseries. It is only where individuals are placed into permanent accommodation that the school the children attend may be considered.

Should the Council not take on the lease for the building, the developer will seek another partner to occupy the building to recover the investment made in the building.

6.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

This will directly contribute to the Council Plan 'Locally Committed' commitment to improve the quality of life for Coventry people, protecting our most vulnerable residents through helping people who do become homeless.

6.2 How is risk being managed?

There have been concerns about the levels of anti-social behaviour within the area of the development previously and in the surrounding area. The developers are keen for the newly refurbished building to have a new lease of life and to be a key part of the community. The developers will remain as the management company responsible for the building and will undertake regular spot checks of the property externally and internally to protect their investment and ensure the safety of the tenants and residents in the surrounding area.

There will be an onsite presence in the form of Housing Officer/ Maintenance Officer available 24/7, to support and deal with any incidences.

All households who are placed into temporary accommodation undertake a risk assessment to understand any specific needs or requirements. This assessment will be undertaken by the Council's Housing and Homelessness team who will manage the placement of tenants into this building. The tenants selected to move into this high rise building for temporary accommodation would be assessed as low or medium risk to reduce the likelihood of any anti-social behaviour or other incidents.

6.3 What is the impact on the organisation?

This proposal will increase the availability of property to use meet the needs of households who require temporary accommodation. It will provide a more cost effective

and suitable solution for housing. The allocation of households to this property will be managed by the Housing and Homelessness team in Customer Services in line with current processes and should strengthen the Council's position if we choose to bring the placements of families into accommodation in house as part of the support contract recommissioning. The contract recommissioning work is still in progress, even if placements are not the responsibility of the Council, this will provide accommodation that could be utilised as part of the new contract.

6.4 Equalities / EIA

Homeless households will undertake a Housing Assessment and have a Personal Housing Plan (which details reasonable steps to be taken by the applicant and by the Council to prevent or relieve homelessness) and this must take into account the applicants individual circumstances – this will include any considerations due to protected characteristics which may determine what is 'reasonable' and also the type of accommodation which would be deemed 'suitable' in order to discharge the duties.

The allocation of households to the accommodation in this paper will be based on the current processes and will consider whether this type of accommodation would be suitable for the individual or household. Any decisions made should have due regard to the public sector equality duty.

6.5 Implications for (or impact on) the environment

The refurbishment programme will improve the sustainability of the building. Each unit will be separately metered and electrically heated so the tenant will have control over the use of power and the associated.

6.6 Implications for partner organisations?

The developers will work with local organisations including the Police, local GPs and schools to understand any potential issues in they need to be aware of and manage. A review of the property and the use of the building for temporary accommodation will be undertaken by key partners (Whitefriars and Salvation Army) to consider how the Council and developer can jointly work together to effectively manage the use of the building.

Report author(s):

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Graham Stephens	Head of Property	Place	24/10/18	25/10/18
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Other Members:				
Councillor O'Boyle	Cabinet Member for Jobs and Regeneration	n/a	06/11/18	07/11/18
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Members: Councillor Ruane	Cabinet Member for Housing and Communities	n/a	1/11/18	9/11/18

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Public report Cabinet

Paragraph 3
Schedule 12A of the Local Government Act 1972

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the financial and business affairs of any particular person (including the authority holding that information)

Cabinet
Council

27th November 2018
4th December 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:

Lower Stoke

Title:

Binley Court, Brindle Avenue, Coventry – Investment Acquisition.

Is this a key decision?

Yes – the proposals will have financial transactions in excess of £1m

Executive Summary:

This report is seeking approval for the freehold acquisition of an income producing office investment known as Binley Court.

It comprises a purpose built, two storey, 31,000 sqft, courtyard style office building with secured onsite car parking.

The office has recently been let on a floor by floor basis on new 10 year leases with break options at year 5 to Orbit Group Limited and Aptiv Services UK limited.

The commercial sensitive financial details of the proposal are contained within the private part of the report

The level of return generated is assessed based on the level of risk associated with the length of lease and the security of the income. The negotiated price has been validated by external property experts as providing 'market value' for the Council.

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:

That Cabinet is recommended to request that Council:

1. Approve the terms for the acquisition of the freehold interest in Binley Court (identified edged red on the plan in the Appendix) subject to the current tenancies. Details of the financial commitment are outlined in the private report.
2. Delegate authority to the Deputy Chief Executive (Place) advised by and in consultation with the Director of Finance and Corporate Resources and the City Solicitor to complete the necessary legal documentation”
3. Delegate authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Jobs and Regeneration, for any subsequent variation in terms.
4. Approve the adjustment of the capital programme to reflect the proposed capital expenditure incurred in the acquisition of the freehold interest in Binley Court.

Council is recommended to:

1. Approve the adjustment of the capital programme to reflect the proposed capital expenditure incurred in the acquisition of the freehold interest in Binley Court (identified edged red on the plan in the Appendix) subject to the current tenancies. Details of the financial commitment are outlined in the private report.
2. Delegate authority to the Deputy Chief Executive (Place) advised by and in consultation with the Director of Finance and Corporate Resources and the City Solicitor to complete the necessary legal documentation”
3. Delegate authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Jobs and Regeneration, for any subsequent variation in terms.
4. Approve the adjustment of the capital programme to reflect the proposed capital expenditure incurred in the acquisition of the freehold interest in Binley Court.

List of Appendices included:

Site plan

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?

No

Will this report go to Council?

Yes4thDecember2018

Report title: Binley Court, Brindle Avenue, Coventry – Investment Acquisition.

1. Context (or background)

- 1.1 The Council is currently looking at ways of increasing revenue income to support the provision of services it is seeking to deliver.
- 1.2 An opportunity has been presented to the Council to acquire an income producing, office property investment, within the Lower Stoke area of the City.
- 1.3 The two storey office building is constructed around a central open courtyard. The accommodation extends to 31,000 sqft (2,880 sqm). The building was formally part of the GEC Marconi office and factory premises at this location but is now the only remaining commercial building. The rest of the former site has been developed for housing.

The accommodation has a specification of:-

- Raised access floors
- Recessed lighting
- Combined Heating, Ventilation and Air Conditioning system
- 8 person lift
- Security gate and barriers
- 102 car parking spaces (1 per 304 sqft)

- 1.4 The offices are let to two tenants, both on new 10 year leases, with an tenant only 5 year break option:-
 - 1.4.1 The ground floor and central courtyard is let to Aptiv Services UK Limited. They are an electric engineering and design company, with major clients including JLR and Ford. It is an UK subsidiary of Delphi Automotive Plc. These offices will house their general business and administration functions. Initially 80 employees will be located at Binley Court. The majority of their employees have been relocated from offices in Leamington Spa. The tenant has undertaken a major refit of the office accommodation ahead of their occupation. Aptiv's rent is guarantee by Hellermann Tyton Limited – another subsidiary of Delphi Automotive Plc.
 - 1.4.2 The first floor is let to Orbit Group Limited. A registered housing provider who operate in Coventry as well as across the Midlands, East and South East. This is to be an administrative office bringing together 180 staff from offices around the region. They are also undertaking a major refurbishment of the office accommodation before occupying. Orbit's Creditsafe's rating is considered Low Risk.
- 1.5 The rent and service charge payable by the tenants is outlined in the financial section of the private report.

2. Options and recommended proposal

- 2.1 The income producing investment opportunity presented provides the Council with the ability to acquire a freehold tenanted office building, in an accessible location within the City, with good levels of secure onsite car parking.
- 2.2 Further investment by both tenants will further improve the quality of the office accommodation within the building.

- 2.3 Based on the purchasing cost, the anticipated return generated on the investment proposed is outlined in the finance section of the private report.
- 2.4 The price proposed to purchase the freehold interest and the level of return anticipated has been valued by, Lambert Smith Hampton, independent property agents acting for the Council in this purchase. They have confirmed that the price represents market value.
- 2.5 If the Council didn't proceed with the purchase of the interest, it would need to find alternative property to purchase to secure alternative income. The investment market is still very competitive at present and an alternative option which similar investment criteria is difficult to identify.

2.6 **Issues**

- 2.6.1 Under the terms of both leases there is a tenant only 5 year break clause. If the tenant wishes to exercise this option, they would need to give a minimum of 6 month's notice and pay a 6 month rent penalty.
- 2.6.2 If after 5 years the tenants exercised their options to break the intention would be to look to re-let the accommodation.
- 2.6.3 The basic configuration and layout of the property, its size and the secure onsite parking provides a good, flexible office property suitable for a variety of tenants. Although the building is located within a primarily residential area and not a business park the quality of the property provides strong optimism that the property would readily re-let.
- 2.6.4 Should the office market have altered dramatically and there were no realistic options to relet the building in 5 years time, consideration could always be given to converting the offices into residential accommodation. This option would be supported by the new housing which has been built around the site in recent years.
- 2.6.5 Any acquisition will be subject to the findings of a building survey.
- 2.6.6 Risks associated with investing in commercial property are being mitigated because the fundamentals of the building proposed to be acquired are sound in terms of a popular business location, the quality and flexibility of the accommodation along with a lease to a strong national business.
- 2.6.7 The return is substantially higher than that which placing the money on deposit because there is a pricing of the risk factored in.
- 2.6.8 Acquiring the freehold interest not only provides the Council with greater income but also the potential added flexibility, if required in the future, if commercial advantageous to redevelop the site.

- 2.7 **Recommendation** – To proceed with the purchase of the office investment.

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 acquisition of the freehold interest would be completed within 28 days of the decision.

5. Comments from the Director of Finance and Corporate Services

5.1 Financial implications

The commercially sensitive financial implications of this transaction are contained within the private report.

5.2 Legal implications

The Council's appointed external property investment agents, Lambert Smith Hampton have verified that the terms of the acquisition specified in this report represent market value for the acquisition of the freehold interest.

Section 120 (1) of the Local Government Act 1972 ("the 1972 Act") authorises the Council to acquire any land by agreement for the purposes of (a) any of its statutory functions or (b) for the benefit, improvement or development of its area. By virtue of Section 120 (2) of the 1972 Act the Council may acquire by agreement any land for any purpose for which they are authorised by the 1972 Act or any other Act to acquire land, notwithstanding that the land is not immediately required for the purpose: and until it is required for that purpose, it may be used for the purpose of any of the Council's function.

Officers within Legal Service (Place Directorate) will agree and complete the legal documentation effecting the acquisition of the freehold interest

6. Other implications

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

The purchase of the freehold interest and the net financial income benefits that flow 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. These are being managed through the independent assessment of the risk and return proposed including considering the strength of the business occupying the property and ability for them to pay the rent and service charge and through the provisions in the lease maintain the condition of the property during and at the end of the current lease.

6.3 What is the impact on the organisation?

The impact to the organisation will be minimal however it will generate additional work for officers within Place Directorate in dealing with the acquisition of the freehold interest.

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 freehold interest in the commercial office 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):

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Place Directorate

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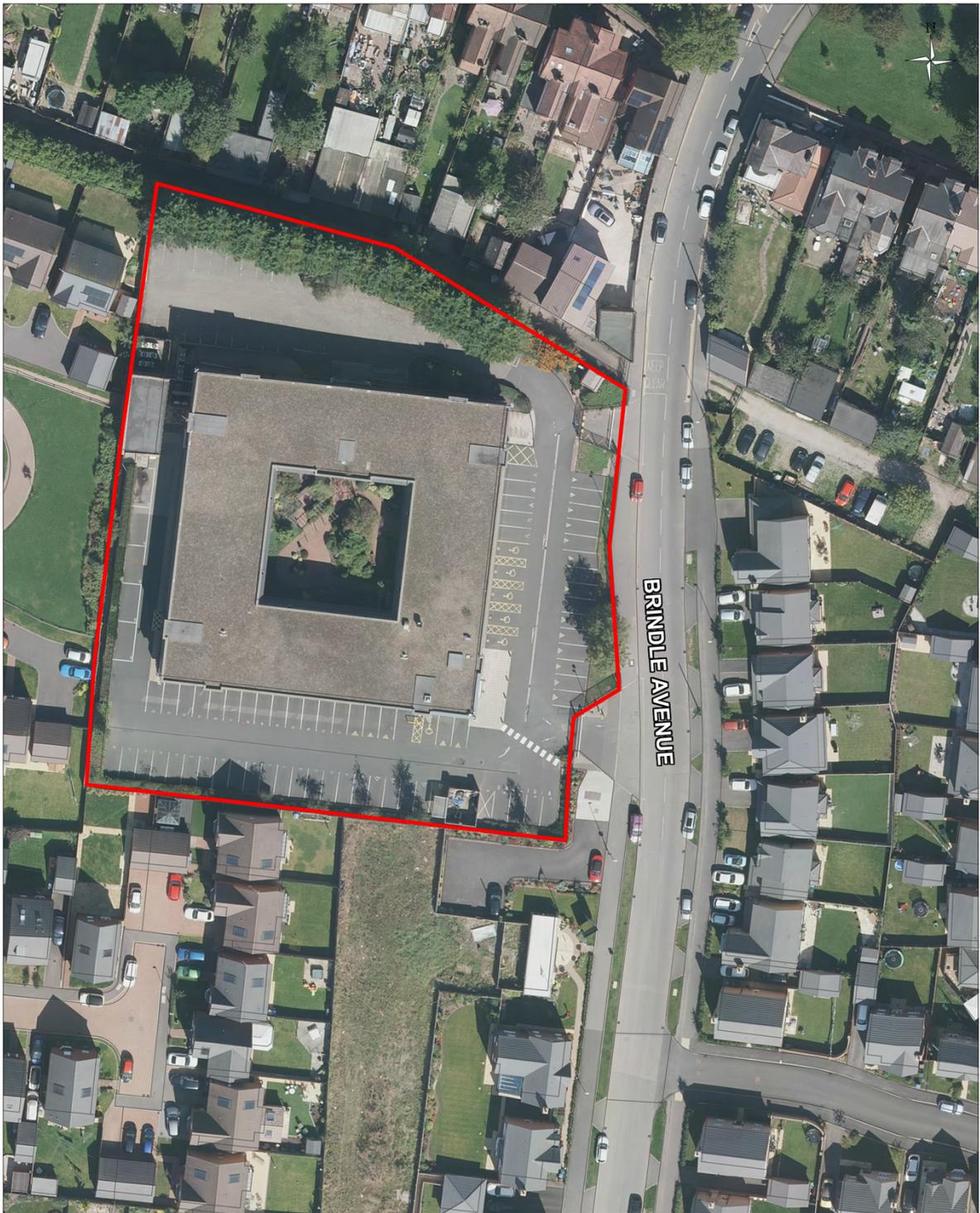
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Director: Martin Yardley	Deputy CEO	Place		
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This report is published on the council's website:

www.coventry.gov.uk/meetings

Location Plan - Binley Court



PLACE DIRECTORATE
 PROPERTY
 ONE FRIARGATE
 COVENTRY
 CV1 2GN
 Tel: 024 7683 2633



Title: Binley Court

Drawn By: LB
 Scale : NTS
 Date: 29/10/2018

Martin Yardley - Deputy Chief Executive, Place
 Richard Moon - Director, Project Management & Property Services

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