

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 9 July 2019

Present:

Members: Councillor G Duggins (Chair)
Councillor A Khan (Deputy Chair)
Councillor K Caan
Councillor P Hetherton
Councillor T Khan
Councillor K Maton
Councillor J O'Boyle

Deputy Cabinet Members Councillor R Ali
Councillor B Gittins
Councillor G Lloyd
Councillor D Welsh

Non-Voting Opposition Members: Councillor P Male (Substitute for Councillor A Andrews)
Councillor G Ridley

Other Members: Councillor J Blundell
Councillor R Brown
Councillor R Lakha
Councillor C Thomas

Employees (by Directorate):

People G Quinton (Deputy Chief Executive (People)),
D Ashmore, J Crawshaw, P Fahy, S Hall, N Hart

Place B Hastie, P Jennings, L Knight, J Newman

Apologies: Councillor A Andrews, J McNicholas, J Mutton, M Mutton,
P Seaman

Public Business

7. Declarations of Interest

There were no disclosable pecuniary interests.

8. Minutes

The minutes of the meeting held on 11th June 2019 were agreed and signed as a true record. There were no matters arising.

9. Re-commissioning of Homelessness Services

The Cabinet considered a report of the Deputy Chief Executive (People), which set out proposals for the re-commissioning of housing related support services.

Following extensive engagement with key stakeholders, the report made recommendations as to the requirements for the commissioned housing related support services, which would be effective from April 2020 to March 2025.

The Council's Housing and Homelessness Strategy (2019-24) set out Coventry's ambitious agenda and how through the four pillars of prevention, support for people, improved accommodation and greater housing supply, the council aims to tackle homelessness and continue to create a city fit for today and future generations.

In relation to prevention and support for homeless households, adopting the positive pathways approach to the delivery of services for people in housing need in Coventry was recommended. The key aim would be to ensure that the newly commissioned services were not only focussed on the delivery of services to households in crisis, but that prevention work would be fundamental in the delivery of these services.

The report indicated that the existing service arrangements were managed across several separate contracts with St Basils and Midland Heart currently providing services for 18-24 year old single people (excluding rough sleepers and ex-offenders) and all other homeless related services (including ex-offenders and rough sleepers) delivered by the Salvation Army. The current contract arrangements with the Salvation Army were due to end on 31st March 2019. A contract extension was negotiated with the Salvation Army until 31st March 2020. Talks were currently taking place with St Basils to look at extending their current arrangements until the new provision is in place. In total the current annual value of the contracts is £2.3m.

It was recommended that, to deliver housing centred support, there be four separate contracts commissioned in relation to complex needs including ex-offender provision; family floating support, young people's provision; and housing related floating support. Within these, there would be some specific elements that address the different stages within the positive pathway model. These contracts had been identified to meet the needs of adults with complex needs, older single people (25 years +), young people (18-24 years), and families.

Although the report also recommended that the contract be awarded for a period of up to 5 years with the option to extend for a further 2 years, the Deputy Chief Executive (People) indicated that it was now proposed that this be amended to award a contract for 3 years to the preferred suppliers together with the option to extend for a further 2 years + 2 years, subject to satisfactory performance and budget availability.

RESOLVED that, the Cabinet:

- 1. Approve to commission Housing Related Support Services as set out in Option 4 in Section 2.4 of the report submitted.**
- 2. Approve the proposed contract make-up for the housing related support services as set out in paragraphs 2.4.2 to 2.4.5 of the report submitted.**

3. **Delegate authority to the Director of Housing and Transformation to commence the Housing Related Support Services tender process with the new contracts being put in place by 1st April 2020.**
4. **Following the completion of the procurement process, delegated authority be given to the Director of Housing and Transformation and the Director of Finance and Corporate Services, following consultation with the Cabinet Member for Housing and Communities, to undertake the necessary due diligence, finalise the terms and conditions and award a contract for a period of up to 3 years to the preferred suppliers together with the option to extend for a further 2 years plus 2 years, subject to the satisfactory performance and budget availability.**
5. **Delegate authority to the Director of Housing and Transformation, following consultation with the Director of Finance and Corporate Services and the Cabinet Member for Housing and Transformation, to make variations to the terms of the contracts over the life of the contract term.**

10. **Maymorn Day Centre - Ceasing Weekend Services**

The Cabinet considered a report of the Deputy Chief Executive (People), which set out proposals to cease weekend services at the Maymorn Day Centre.

One of the core requirements of the Care Act 2014 is the provision of care and support that meets eligible social care needs. There are approximately 3,687 people living with dementia in Coventry and number are projected to increase by an estimated 35% by 2025 and 146% by 2050.

Maymorn Day Centre, situated in Everdon Road, Holbrooks is a City Council operated centre which provides day support to older people with dementia. The service operates 25 places Monday to Friday and 10 places available on Saturday and Sunday. Aside from the Christmas and New Year period, the service only closes on bank holidays.

Although operating at a high level of occupancy from Monday to Friday, the demand for weekend support had been low for a period of time. On Saturday there was on average 3 places occupied, whereas on a Sunday the service was not opened for approximately 3 years due to no attendees. Consultation with service users / families and staff had taken place regarding the proposal to cease providing a weekend service. The rationale for no longer providing a weekend service was generally accepted, with one family currently expressing opposition to the proposal.

Coventry Alzheimer's Society were also consulted as a leading local charity that supports people with dementia, their families and carers. Their response confirmed that there was very little demand for weekend provision, indicating that the proposed weekend closure would have minimal impact on service users.

RESOLVED that, the Cabinet approve the ceasing of weekend provision at Maymorn Centre, Everdon Road, Holbrooks.

11. Revenue and Capital Outturn 2018/19

The Cabinet considered a report of the Deputy Chief Executive (Place) which outlined the final revenue and capital outturn position for 2018/19 and which reviewed treasury management activity and 2018/19 Prudential Indicators reported under the Prudential Code for Capital Finance.

The Cabinet noted that the Audit and Procurement Committee would also be considering the report at their meeting on 15 July, 2019.

The report indicated that the overall financial position included a revenue underspend of £1.0m, which was required to be contributed to the Council's General Fund reserve. At quarter 3, there had been a projected underspend of £1.8m and the report identified the underlying movements between quarter 3 and outturn, which had resulted in an overall underspend of £1.0m.

Headline overspends of £2.7m within Waste and Fleet Services and £3.0m relating to Housing and Homelessness, in large part from the cost of Housing Benefit payments for people and families in emergency accommodation were detailed in the report. There were offsetting underspends across a range of other services and in particular a £4.0m favourable position within central budgets including the Asset Management Revenue Account.

There had been a Capital Programme expenditure of £147m, which was £115m less than envisaged at the start of the year. The quarter 3 monitoring report to Cabinet approved a revised capital budget of £173.8m for 2018/19. Since then there had been a net programme increase of c£2m, giving a final budget for the year of £175.9m. Since February, a total of £26.5m net rescheduled spending had arisen on directorate capital programmes. The report provided a scheme by scheme analysis of rescheduling and accelerated spend.

The Council's revenue reserve balance at the end of 2018/19 was £81.8m, compared with £67.1m at the end of 2017/18. Balances generated from capital receipts and capital grants to fund future capital projects had reduced from £31.2m to £23.4m and reserve balances belonging to or earmarked to support schools had increased from £24.3m to £26.4m. The total reserve movement in 2018/19 was summarised within the report. The reserve balances included £10.2m set aside as part of the Council's three long-term Private Finance Initiative models. £10.1m set aside to fund costs arising from early retirement and voluntary redundancy decisions. £7.7m was set aside to provide protection against the potential future loss of Business Rates income. £4.75m was also set aside for the Council's contribution to the UK City of Culture and £3.5m to support the Adult Social Care Better Care Fund Model. In addition, the £5.4m Management of Capital reserve included revenue reserves to fund future capital projects.

In relation to Treasury Management Activity, the report indicated that, August 2018 saw only the second interest rate rise in over a decade as the interest rate was increased from 0.5% to 0.75%. This was against an economic backdrop where wage growth exceeded inflation resulting in real wage growth of 1.4% and the economy also grew by 1.4%. However, uncertainty surrounding the EU exit means that this growth was below trend. Interest rate forecasts were dominated by the uncertainty surrounding EU exit but current forecasts indicated that there

would be a very slow increase, with the next increase of 0.25% not being seen until March 2020.

Given the interest rates provided by the Public Works Loans Board, it continued to be cheaper for local authorities to use short rather than long term funds for financing. At outturn, the Capital Financing Requirement, which indicated the authority's underlying need to borrow for capital purposes, had increased to £39.8m. No new long term borrowing was actually taken out during 2018/19, however, some borrowing would be required in the future to support current capital expenditure plans and the need for any such borrowing would be kept under review in 2019/20.

Appendix 3 to the report detailed the capital and treasury management related prudential indicators.

RESOLVED that, the Cabinet:

- 1. Approve the final revenue outturn underspend of £1.0m (section 2.1 and Appendix 1) which will be added to the Council's General Fund reserve.**
- 2. Approve the final capital expenditure and resourcing position (section 2.3 and Appendix 2), incorporating expenditure of £146.7m against a final budget of £175.9m; £26.5m expenditure rescheduled into 2018/19 and a net underspend of £2.7m.**
- 3. Approve the outturn Prudential Indicators position in section 2.4.4 and Appendix 3.**
- 4. Recommend that Council approve reserve contributions of £4.6m to the Council's General Fund reserve to strengthen the Council's financial resilience, 4.0m to fund the costs of potential future commercial developments and £1.8m to strengthen the Council's reserve for early retirement and redundancy.**

12. Outstanding Issues

There were no outstanding issues.

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

There were no other items of public business.

(Meeting closed at 2.20 pm)