

**Time and Date**

2.00 pm on Tuesday, 9th July, 2019

Place

Committee Room 3 - Council House

Public business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes** (Pages 3 - 6)
 - (a) To agree the minutes from the meeting of Cabinet on 11th June 2019
 - (b) Matters arising
4. **Re-commissioning of Homelessness Services** (Pages 7 - 18)
Report of the Deputy Chief Executive (People)
5. **Maymorn Day Centre - Ceasing Weekend Services** (Pages 19 - 26)
Report of the Deputy Chief Executive (Place)
6. **Revenue and Capital Outturn 2018/19** (Pages 27 - 60)
Report of the Deputy Chief Executive (Place)
7. **Outstanding Issues**
There are no outstanding issues
8. **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

Nil

Martin Yardley, Deputy Chief Executive (Place), Council House, Coventry

Monday, 1 July 2019

Note: The person to contact about the agenda and documents for this meeting is Lara Knight / Michelle Salmon, Governance Services, Tel: 024 7697 2642 / 2643, Email: lara.knight@coventry.gov.uk / michelle.salmon@coventry.gov.uk

Membership:

Cabinet Members:

Councillors K Caan, G Duggins (Chair), P Hetheron, A S Khan (Deputy Chair), T Khan, K Maton, J Mutton, M Mutton, J O'Boyle and P Seaman

Non-voting Deputy Cabinet Members:

Councillors P Akhtar, R Ali, B Gittins, G Lloyd and D Welsh

By invitation:

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

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

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

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Public Document Pack Agenda Item 3

Coventry City Council

Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 11 June 2019

Present:

Members: Councillor G Duggins (Chair)
Councillor K Caan
Councillor AS Khan
Councillor K Maton
Councillor J O'Boyle
Councillor P Seaman
Councillor P Hetherton

Non-Voting Opposition Members: Councillor M Lapsa (substitute for Councillor A Andrews)

Other Members: Councillor P Akhtar
Councillor R Brown
Councillor J Clifford
Councillor B Gittins
Councillor G Lloyd
Councillor C Thomas
Councillor D Welsh

Employees (by Directorate):

Chief Executives M Reeves (Chief Executive)

People G Quinton (Deputy Chief Executive (People), D Ashmore,
N Hart

Place B Hastie, L Nagle, J Newman, M Salmon, A Walster

Apologies: Councillor J Mutton, G Ridley and M Mutton
Councillor A Andrews (substitute Councillor M Lapsa)
Councillor J McNicholas
Councillor R Ali
Councillor K Sandhu
Councillor R Singh

Public Business

1. Declarations of Interest

There were no disclosable pecuniary interests.

2. Minutes

The minutes of the meeting held on 9th April 2019 were agreed and signed as a true record.

There were no matters arising.

3. **Creation of a Public Spaces Protection Order for St Michaels and Surrounding Areas**

The Cabinet considered a report of the Deputy Chief Executive (Place) that sought approval to create a Public Spaces Protection Order (PSPO) that would assist Police Officers in predominantly keeping young people in the city safe. The Draft PSPO, a map outlining the area covered by the Order, results of the consultation, Partner Impact Statements and relevant supporting evidence, and an Equality and Consultation Analysis were attached as appendices to the report.

On the 12th February 2019, permission was granted by the Cabinet (minute 111/18 referred) for a public consultation on the possible creation of a PSPO for St Michaels Ward and adjoining areas.

The order was designed to address anti-social behaviour and criminal and sexual exploitation of young people and would provide useful powers for Police officers to address adverse behaviours in the designated area. It was quick and easy to use and could be enforced by simply informing someone that their behaviour was unacceptable and advising them to move on. An offence and further action only applied if they refused. It also had the added benefit of enabling the offender to accept a fixed penalty notice rather than appear in court and receive a criminal record if enforcement was necessary. The operation of the PSPO would be in line with Home Office guidelines.

The consultees and partners were overwhelmingly supportive of the proposed PSPO and the geographical area to be covered by this Order.

The report had also been considered by the Scrutiny Co-ordination Committee at their meeting on 17 April 2019 (their minute 68/18 referred) and a copy of a briefing note was attached to the report for Cabinet's consideration. Following consideration of the report and clarification on:

- How the order would be enforced and whether there were the resources and capacity to do so
- Definitions of anti-social behaviour and whether this would include peaceful protests
- How the effectiveness of the order would be monitored and the data that would be gathered to measure this
- The impact of existing PSPO's in the city
- Displacement of anti-social behaviour outside of the boundaries of the PSPO
- How the area for the PSPO was identified

The Committee requested a progress report in 6 months-time, including data, to monitor the effectiveness of the Order, and agreed that Cabinet be recommended:

- To accept the recommendations in the report
- To ensure there are regular meetings with ward members to share information regarding displacement outside of the PSPO area.

RESOLVED that:

- 1) **Accepts the recommendations made by the Scrutiny Co-ordination Committee that Cabinet:**
 - i. **Accept the recommendations in the report**
 - ii. **Ensure there are regular meetings with Ward Members to share information regarding displacement outside of the Public Space Protection Order area.**
- 2) **Approves the Public Spaces Protection Order for St Michaels and surrounding areas.**

4. **Authority for Attendance at Conferences**

(a) **Kiel Week and International City Forum 2019**

RESOLVED that the Cabinet approves the attendance of Andrew Walster, Director of Streetscene and Regulatory Services, to accompany the Lord Mayor at Kiel Week and International City Forum 2019 in Kiel, Germany from 21st to 24th June 2019

(b) **The Role of Cities in the Integration of Migrants and Refugees Conference**

RESOLVED that the Cabinet approves the attendance of Peter Barnett, Head of Libraries, Health Advice and Information Services, and Sunairah Miraj, Programme Delivery Manager for Migration and MiFriendly Cities Project Co-ordinator, to The Role of Cities in the Integration of Migrants and Refugees Conference in Antwerp, Belgium on 12th and 13th June 2019

(c) **15th German / Russian Sister Cities' Conference**

RESOLVED that the Cabinet approves the attendance of Councillor A S Khan, Cabinet Member for Policing and Equalities, to the 15th German / Russian Sister Cities' Conference in Dueren, Germany on 25th to 28th June 2019.

5. **Outstanding Issues**

The Cabinet considered a report of the Deputy Chief Executive (Place) that contained details of an outstanding issue item that was the subject of a report at this meeting.

RESOLVED that the Cabinet notes that the item listed, being the subject of a report at this meeting, could now be removed from the Outstanding Issues Report.

6. **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 2.35 pm)



Cabinet

09 July 2019

Name of Cabinet Member:

Cabinet Member for Housing and Communities – Councillor T Khan

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

All

Title:

The re-commissioning of Housing related support services.

Is this a key decision?

Yes

To agree the proposed structure and format for the re-commissioning of the housing related support services for the city which has the potential to affect all wards within the city as well as expenditure in excess of £1 million pounds.

Executive Summary:

This report follows extensive engagement with key stakeholders and makes recommendations as to the requirements for the commissioned housing related support services, effective from April 2020 to March 2025.

The Council's Housing and Homelessness Strategy (2019-24) sets 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 specific relation to *prevention* and *support for homeless households*, this paper recommends, adopting the positive pathways approach to the delivery of services for people in housing need in Coventry. The key aim is to ensure that the newly commissioned services are not only focussed on the delivery of services to households who are in crisis, but that prevention work is fundamental in the delivery of these services.

The existing service arrangements are currently 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 has been negotiated with the Salvation Army until March 31st, 2020 and we are currently in talks 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.

All new housing related support contracts will be in place by 1st April 2020.

Recommendations:

The Cabinet is requested to:

- 1) Approve to commission Housing Related Support Services as set out in Option 4 in section 2.4
- 2) Approve the proposed contract make-up for the housing related support services as set out in 2.4.2 to 2.4.5
- 3) Delegate authority to the Director Housing and Transformation to commence the Housing Related Support Services tender process with the new contracts being put in place by April 1st, 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 condition and 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.
- 5) Delegate authority to the Director Housing and Transformation following consultation with the Director of Finance and Corporate Services and the Cabinet Member for Housing and Communities to make variations to the terms of the contracts over the life of the contract term.

List of Appendices included:

Appendix 1 – Positive Pathway diagram

Background papers:

None

Other useful documents

Coventry city council's Homelessness review

Please contact the report author via the contact details provided at the end of this report.

Coventry city councils Housing and Homelessness strategy

https://www.coventry.gov.uk/downloads/file/30137/housing_and_homelessness_strategy_2019

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

1. Context (or background)

- 1.1 According to the Ministry of Housing, Communities and Local Government (MHCLG), there has been an increase in homelessness across all counts at a national level:
- rough sleeping nationally has increased 169% between 2009/10 and 2016/17;
 - local authority homelessness cases (annual) has increased 30% in the same period;
 - statutory homelessness acceptances have increased 48% in the same period.
- 1.2 The Government has recently introduced one of the most significant pieces of legislation relating to Homelessness namely The Homelessness Reduction Act 2017, which was enacted from 3 April, 2018. This legislation changes the focus of Local Authority responses to homelessness, from an assessment of whether statutory duties are owed, to a collaborative approach to homelessness prevention and relief.
- 1.3 According to the Coventry Joint Strategic Needs Assessment (JSNA) 2018, since 2013, Coventry is the fastest-growing city in terms of population growth outside of London and the South East, with a 2.18% year on year increase in population. Combined with continuing job growth, there is an on-going and increasing demand for housing. The Local housing plan has identified a need for an additional 42,400 homes by 2031, including a need for 12,000 additional affordable homes.
- 1.4 There has been a significant growth in the proportion of homes in Coventry that are privately rented, from around 11% at the time of the 2001 census, to 20% at the time of the 2011 census, and an estimated 25% by 2017. There has been a corresponding fall in owner-occupation, with the proportion of social housing staying relatively stable at 17%.
- 1.5 Coventry City Council no longer owns any 'council housing' after the stock was transferred to Whitefriars Housing Group in 2000. However, the Council still has strategic housing responsibilities and duties under homelessness legislation.
- 1.6 The Council's Housing Service provides housing advice, administers the 'Coventry Homefinder' choice-based lettings register and system (which advertises and prioritises available social housing in the city), and the Homelessness Prevention service. This team meets the new duties arising from the Homelessness Reduction Act 2017.
- 1.7 In addition to the statutory services provided by the Housing team, the Council also commissions accommodation and support services for homeless and ex-offenders in the city, covering some statutory duties but also services for those not owed the main housing duty by the Local Authority.
- 1.8 In 2017, Coventry was awarded funding and support to become a Making Every Adult Matter (MEAM) area. Very often, people with multiple complex needs (two or more of: homelessness; mental ill health; drug or alcohol misuse; and offending behaviour) are seen many times by different services, but this contact is often ineffective. MEAM aims to introduce systems change to meet the support needs of people with multiple complex needs in a more effective way
- 1.9 Existing service arrangements for the delivery of housing related support services 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. The current contract arrangements with the TSA end on the 31st March 2019 however an extension has been negotiated until April 1, 2020. The contract with Midland Heart will be ending as of 30th June 2019. Our commissioned service with St Basils will end on the 31st of October 2019 however we are currently agreeing an extension with St Basils to ensure continuity of provision until the new contracts are in place.

1.10 Current Arrangements are as follows:

- 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 previously made provisions for all families for the first 14 nights before transferring accommodation services to The Salvation Army; as part of the change note that came into effect 1st April 2019 the Salvation army became responsible for 120 families and their accommodation, With the council now taking responsibility for any families above the agreed 120. This arrangement was put in place as part of the extension negotiations.
- Support for families as per the change note (1st April 2019) stipulates that all families will be assessed regarding their support needs and the Salvation army will be responsible for supporting up-to 200 families, with a spot purchase arrangement in place for any additional families needing support.
- 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+).

1.11 The second set of current 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 & Homelessness Snow has full oversight on homeless matters for all households aged 18 and above.

1.12 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. Midland Heart who provide supported accommodation and St Basils who provide family mediation services and floating support.

1.13 The only specialist complex needs provision in the city has until now been provided by Midland Heart on a sub contract arrangement with TSA – as of 1st April 2019 Midland Heart have withdrawn from providing this provision including the 12 units of accommodation that they provided. A temporary arrangement has been put in place with 10 units of accommodation at Charnel lighthouse being allocated for those with multiple complex needs.

2. Options considered and recommended proposal

2.1 Option 1 – Do nothing

This option was discounted as the Council have statutory responsibilities to support households who are at risk of becoming, or already are homeless.

2.2 Option 2 – Long-term extension of existing contractual arrangements

As stated above, the existing circumstances around the delivery of homelessness services in Coventry has required putting in place a short-term extension, this having been deemed necessary in order to bring together further research and partner engagement to fully inform a newly commissioned service. This short-term extension has also allowed us enough 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 are not considered sustainable. As such, anything longer than the currently agreed 12 months would also risk negatively impacting on the long-term cost-effective delivery of temporary and emergency accommodation.

2.3 Option 3 – Bringing 'in house' of all homeless and housing related support services.

This would mean the Council directly providing many services which are currently delivered by commissioned service providers. This option would see the Council deliver all services including support.

This option is not recommended because the complex and specialist nature of providing good quality floating and accommodation-based support services especially for rough sleepers and ex-offenders and the availability of a range of direct access and supported accommodation requires expertise that partner organisations are better placed to provide.

2.4 Option 4 (recommended option) – To redesign and re procure all current housing and homelessness commissioned provision moving away from support only being available when a family or individual is in crisis.

The decision to pursue this option reflects the complex and specialist nature of providing good quality floating and accommodation-based support services and the availability of a range of direct access and supported accommodation which is already operated across the city by partner organisations.

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 which would exceed the available budget.

The Councils Housing and Homelessness Strategy (2019) uses the positive pathways approach to the delivery of services for households in housing need in Coventry. This approach is outlined at appendix 1 and is the framework that has been used in the development of the commissioning intentions for the proposed Housing Related support contracts.

There is therefore a need to review how services are provided going forward, especially for families and those with complex needs and the principles and requirements of the new service: In summary these will include:

- A Separation of Temporary Accommodation (TA) from support – currently you only receive support if you are in TA.
- Integrate the management of TA into our Housing Options Service.

- Support will be allocated based on need not on tenure type.
- We will embed the principles of the positive pathway model in all housing and homelessness functions and operational practise.
- We will effectively engage with key partners, stakeholders and service users in the city.
- Services are VFM and are delivered with-in our cash envelope.
- We will work to eliminate rough sleeping in Coventry.
- We will work to eliminate the use of B and B.

2.4.1 The key aim is to ensure that the newly commissioned services are not only focussed on the delivery of services to households who are in crisis, but that prevention work is fundamental in the delivery of these services.

The recommended option proposes that there will be four separate contracts commissioned (which are set out below) to deliver housing related support and that within these there are some specific elements that address the different stages within the positive pathway model. These contracts have been identified to meet the needs of the following groups: Adults with Complex Needs, Older Single People (25yrs +), Young People (18-24) and Families.

It should be noted that this commissioning does not include Domestic Abuse accommodation services or certain supported housing for young people as these have been commissioned separately.

Contracts 1 and 3 are made up of distinct service units but will be commissioned as single contracts; however, it is not envisaged that a single provider will necessarily deliver all of the elements within the contracts. We will welcome consortium bids, as well as bids where one contactor is the lead provider of the contract, with sub-contractor arrangements in place to deliver the different elements. Regardless of contracting arrangements, it will be a requirement for all parties / organisations who are part of the contract delivery to meet regularly with the commissioning team as part of quality assurance processes for the suite of contracts.

2.4.2 Contract 1: Complex needs including ex- offender provision.

Unit 1– Assertive outreach and direct access provision. This includes provision for rough sleepers, Severe Weather Emergency Provision (SWEP), Assertive Street Outreach, the annual rough sleeper count, as well as the provision of direct access beds for people with complex needs and for individuals owed a statutory housing duty by the council.

Unit 2 - Supported gender specific accommodation - There is a recognition that there is a significant need for gender specific accommodation options for females in the city as well as accommodation for males. Lot 2 is for supported accommodation with flexible support that can be reduced as part of someone’s journey and transition to an independent tenancy.

Unit 3 – Specialist ex offender provision - Lot 3 is for supported accommodation for ex-offenders with flexible support that can be reduced as part of someone’s journey and transition to an independent tenancy.

2.4.3 Contract 2 - Family floating support.

There will be 2 elements to the support, the first element focuses on early prevention and working with families at risk of losing their tenancies. A partnership approach to delivery will be required and there will be a focus on working with other statutory and voluntary sector services (including the family HUBs).

The second element of the contract focusses on floating support for families in TA with an emphasis on supporting families to move- on including developing the skills to maintain a tenancy long term.

2.4.4 Contract 3 - Young people's provision

Unit 1- Direct access and supported accommodation: Lot 1 is concerned with the provision for direct access beds for those YP with complex needs, those who are roofless and are in housing need. The lot also covers the provision of supported accommodation with flexible support that can be reduced as part of a young person's journey and transition to an independent tenancy.

Unit 2- Floating support for young people to develop skills and maintain tenancies. There will be 2 elements to the support, the first element focuses on early prevention and working with young people at risk of losing their tenancies. A partnership approach to delivery will be required and there will be a focus on working with other statutory and voluntary sector services. The second element of the contract focusses on floating support for Young people in TA and or transitioning from supported accommodation with an emphasis on supporting individuals to access and sustain an independent tenancy long term.

2.4.5 Contract 4: Housing related floating support – Older singles and complex needs.

This provision similarly to family provision is concerned with early prevention and supporting move on / tenancy sustainment, with the recognition that for some on-going support to maintain a tenancy may be needed. There will be 3 elements to the support, the first element focuses on early prevention and working with older singles or those with complex needs who are at risk of losing their tenancies. A partnership approach to delivery will be required and there will be a focus on working with other statutory and voluntary sector services.

The second element of the contract focusses on floating support for individuals in TA with an emphasis on supporting them to move- on including developing the skills to maintain a tenancy long term.

The 3rd element is the ability to be able to provide on-going light touch support where a need/ risk has been identified.

2.4.6 Universal Prevention: though we have committed to commissioning along all the stages of the positive pathway we are at this time not looking to commissioning specific services at part the universal prevention or more specifically information advice and guidance. At a future date if universal prevention in terms of homelessness is needed we will look to tender this provision separately or provide services in-house.

The nature of this type of approach means there may be multiple service provider(s) with which the Council will work that will promote constructive, effective and efficient partnership working and service delivery.

3. Results of consultation undertaken

3.1 The initial overarching principles of each contract specification have been informed by targeted engagement with service users, existing contract holders and other relevant stakeholders and groups. 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 and homelessness forum
- 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 recently commissioned services.

4. Timetable for implementing this decision

June 2019	Cabinet decision
August 2019	Publish OJEU and Invitation to Tender
September 2019	Tender returns
September 2019 – October 2019	Clarification, scoring and final decision
October 2019 – April 2020	Mobilisation
April 2020	New Contract start

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The MTFs included additional budget to enable a strategy to bring housing and homelessness into a more financially sustainable position. There is a total budget for Housing and Homelessness of £9.3M in 19/20, and £8.3M on an ongoing basis. There is also additional grant resource (prevention new burden, flexible homelessness) available of £1.3M in 19/20 (this excludes grants for specific projects e.g. Rough Sleeper). There is no information in relation to further grant allocations past 19/20.

The key components of the Housing and Homelessness Service funded from this budget are:

- the staffing team to discharge Prevention and HRA duty,
- top up costs for emergency accommodation (that cannot be met through Housing Benefit Subsidy grant), and
- the costs of providing *support* either through prevention, or for homeless households to ensure move on and sustainment of a permanent housing option.

The budget allocated for the recommissioning of the contract is an annual £2.3M (excluding any inflationary increase), and this will be met from the overall budget allocation for Housing & Homelessness.

Sufficient flexibility will be built into the contract structure and procurement process to deal with fluctuations and changes in levels of need over the contract term.

5.2 Legal implications

The Council will conduct the procurement using the most appropriate procedure under the Public Contract Regulations 2015 for the purposes of procuring the services described in this report. Tender documents will need to be published in accordance with the Council’s Rules for Contract and via the Official Journal of the European Union (OJEU).

As described in the main body of this report, the Tender has been divided into a number of individual lots. Tenderers will be invited to bid for one, some or all Lots. The highest scoring tenderer for the most economically advantageous option for the respective Lot will be recommended for award of that contract.

Contracts of the value set out in this report are regarded as key decisions under the Council's Constitution and as such require a decision needs to be taken by the Council's Cabinet. Additionally, as the value of the new contracts are expected to be over the EU threshold, the Contract must be advertised via the Official Journal of the European Union (OJEU) in accordance with the Public Contract Regulations (PCR) 2015.

Whilst there will be no Council staff affected by the Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE) as amended, it is yet unclear whether there will be TUPE implications for staff employed by the current providers. The Council should be made aware of any TUPE implications which will become clearer through the tender process.

6. Other implications

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

Council Plan objectives
<p>Make communities safer together with the police, to reduce crime and anti-social behaviour, by:</p> <ul style="list-style-type: none">• working with victims, offenders and neighbourhoods
<p>Improving the health and wellbeing of residents, by:</p> <ul style="list-style-type: none">• helping them lead healthier lifestyles• helping people to maintain their independence and supporting them when they need help
<p>Protecting our most vulnerable people, by:</p> <ul style="list-style-type: none">• keeping children and adults safe from harm• providing early intervention for families who need it• enabling people to exercise choice and control in their daily lives• improving services for people experiencing domestic abuse• preventing homelessness and helping people who do become homeless• reducing health inequalities by helping support people facing multiple and complex needs
<p>Supporting the regeneration of Coventry's economy, by:</p> <ul style="list-style-type: none">• adding social value
<p>Empowering citizens and encouraging active communities, to:</p> <ul style="list-style-type: none">• uncover and use their own assets to achieve their ambitions• share and improve local services• design and implement solutions that meet local priorities
<p>Make savings so that we can support frontline services, by:</p> <ul style="list-style-type: none">• leveraging additional funding through grants and bids

6.2 How is risk being managed?

The main risk is that we fail to meet the required timescales thus resulting in failure to award the new contract in time for 1st April 2020 start date.

To mitigate the risk, we have ensured that the re-commissioning process is seen as a priority. A project group has been set up to oversee the commissioning process, a timeline developed and we report into the Strategic Housing Board. We have also built into the process a 5-month mobilisation window to allow for slippages.

6.3 What is the impact on the organisation?

The commissioning manager will be required to manage the re-commissioning and procurement process and the mobilisation and subsequent delivery of the contract once awarded. Sufficient resources are currently in place to do this effectively.

6.4 Equalities / EIA

Owing to the nature of the services provided, service users from certain demographics are more likely to come into contact with the service.

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

A full ECA has been completed and there is no new or disproportional impact on any group or people with protected characteristics compared with the previous impact.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

There will be a potential positive impact on community and voluntary partner organisations in the city by providing the re-commissioning of services allowing them opportunity to bid and be directly involved in the delivery of homelessness services in the city.

The impact on the current providers could be negative in terms of loss of revenue, however they are able to tender for the new contracts.

Report author(s):

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Directorate: People

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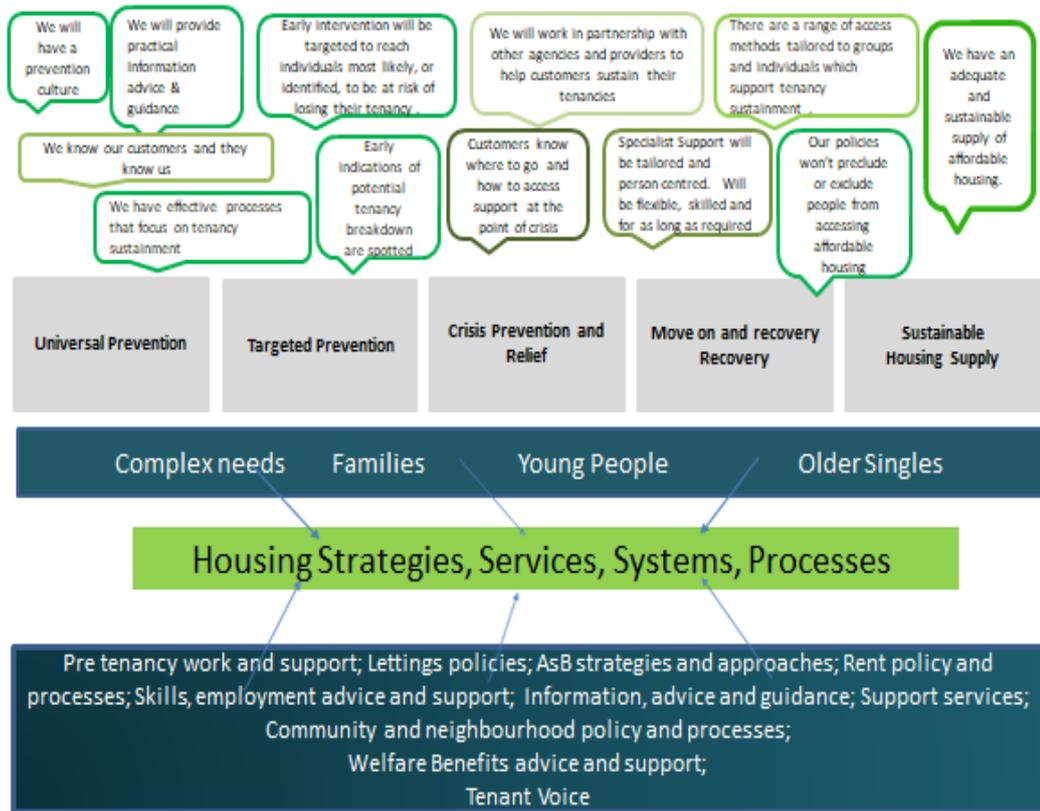
Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Co-ordinator	Place	17 May 2019	19 May 2019
Sophie Hall	Commissioning Manager	People	N/A	
Jim Crawshaw	Head of Housing	People	N/A	
James Harrison	Programme Manager	People	15 May 2019	17 May 2019
Oluremi Aremu	Major Projects Lead Lawyer	Place	28 th May 2019	28 th May 2019
Names of approvers for submission: (officers and members)				
Finance: Rachael Sugars	Finance Manager	Place	28 th May 2019	7 th June 2019
Legal: Julie Newman	City Solicitor and Monitoring Officer	Place	28 th May 2019	4 th June 2019 n
Director: David Ashmore		People	28 th May 2019	14 th June 2019
Cabinet Member: Councillor T Khan	Cabinet Member for Housing and Communities		28 th May 2019	28 th May 2019

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Appendix 1 – Positive Pathway Diagram

Positive pathway





9 July 2019

Cabinet

Name of Cabinet Member:

Cabinet Member for Adult Services – Councillor M Mutton

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

All

Title: Maymorn Day Centre – Ceasing Weekend Services

Is this a key decision?

No. Although this matter affects all wards in the City, the impact is not expected to be significant

Executive Summary:

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 3687 people living with dementia in Coventry and numbers 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 offers 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 has been low for a period of time, on Saturday there is now on average 3 places occupied whereas on Sunday the service has not opened for approximately 3 years due to no attendees.

Consultation with service users/ families and staff has taken place regarding the proposal to cease providing a weekend service. The rationale for no longer providing a weekend service is 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 and their families and carers. Their response confirmed that there is very little demand for weekend provision indicating that the proposed weekend closure would have minimal impact on service users.

Recommendations:

Cabinet is requested to:

1. Approve the ceasing of weekend provision at Maymorn Centre, Everdon Road, Holbrooks.

List of Appendices included:

None

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: Maymorn Day Centre – ceasing weekend services

1. Context (or background)

- 1.1 One of the core requirements of the Care Act (2014) is the provision of care and support that meets eligible social care needs.
- 1.2 There are approximately 3687 people living with dementia in Coventry and numbers are projected to increase by 35% by 2025 and 146% by 2050 (Source: Prince, M et al (2014) Dementia UK: Update Second Edition report produced by King's College London and the London School of Economics for the Alzheimer's Society). For Coventry that would result in around 5000 people by 2025 and 9070 by 2050.
- 1.3 A range of support services are available in the City for people with dementia including care home provision, housing with care and a range of support to assist people to remain in their own homes and to provide breaks for family carers.
- 1.4 Maymorn Day Centre, which is situated on Everdon Road, Holbrooks is a City Council operated day service for older people with dementia. The centre has been providing this service since 2008 when the decision was taken to create a 7-day week dementia day service following the closure of Jack Ball House and George Rowley Housing with Care and day service provision. Currently the service remains resourced for seven days a week, with the exception of bank holidays and the Christmas and New Year period.
- 1.5 The centre offers 25 places Monday to Friday with 40 people registered to attend and most people attending on more than one day during the week. These 40 people occupy 110 of 125 places available on weekdays. Over the previous 13 months, 22 referrals were received and accepted which indicates a consistent demand for weekday provision and the ability of the service to accommodate referrals that are made.
- 1.6 Although operating at a high level of occupancy from Monday to Friday the demand for weekend support has been low for a period of time, on Saturday there is on average 3 places occupied whereas on Sunday the service has not opened for approximately 3 years due to no attendees.
- 1.7 There are various reasons for this low weekend occupancy including that at weekends there is generally more family support available. Should the decision be made to cease the weekend provision then alternative support would be available through such means as one to one support. Specific arrangements would be managed on an individual basis following the outcome of assessment and support planning.
- 1.8 At the start of consultation, five service users attended on a Saturday and all and their families were informed of the proposal to close on Saturdays. Subsequently to this one service user has sadly died, and another has moved into residential care. This leaves three people on the books to attend on a Saturday, one of whom has not attended for some time. This is similar to the typical usage of recent years. Due to this low level of occupancy the Centre is extremely quiet on Saturdays and lacks the same stimulating atmosphere that is experienced on weekdays. The responses in respect of each of the five service users and families spoken to are included in section 3, table one, below.
- 1.9 A proposal has been previously made to cease the weekend and bank holiday provision as part of the Council's "A Bolder Community Services" programme in 2014, the rationale for this was to bring Maymorn in line with all other day provisions and that at the time the uptake for weekend places was poor. As an outcome of consultation, the decision was made to retain the weekend provision, this was mainly due to increasing numbers of people with

dementia and the fact that this was the only seven day day service for people with dementia in Coventry.

2. Options considered and recommended proposal

2.1 Option 1: Recommended Option:

Due the long standing low levels of occupancy Cabinet is recommended to approve the closure of the Maymorn Centre at weekends.

2.2 Option 2: Not Recommended

The Centre could remain open at weekends, but this would result in the Council continuing to resource a service that currently sees very few customers on a Saturday and none on a Sunday. Weekend demand is not considered likely to increase.

3 Results of consultation undertaken

3.1 Service users/families were made aware of the potential for ceasing the weekend service on 3 March 2019. Further consultation took place on 11 and 13 March 2019 involving the 5 service users/families the results of which are summarised in Table one below.

Table One: Service User/Family Consultation Responses

Service user	Response	Comment
1	Understanding of the change and has been aware of this for some time. Happy to have another day in the week instead of the Saturday.	Recently deceased
2	Was aware of the possibility that the Saturday could go. His mum has gradually deteriorated over the last 2 years and was doing 6 days but is now doing 3. Saturdays are important to him as he has a young family. However, his mum also has a carer who comes into the centre in the afternoons to support. Would possibly like to have some support on a Saturday at home but was not overly keen on this and it would need to be explored.	May move to weekdays due to number of staff required to support with moving and handling. Her son is accepting of the situation.
3	Was aware that the Saturday could possibly be going. His mum formerly attended an independent sector day centre and transferred over, when there was only doing 5 days but when started at Maymorn was doing 6. Understands reasons for the change but feels it is a real shame.	The service user's son has raised concerns if the weekend service provision were to close and is opposing the proposal. Should the decision be made to close the service at weekends an assessment will take place to ascertain alternatives ways to meet the needs at weekends.

4	Was aware that this was a possibility for some time. Mum lives in a Housing with Care scheme and has family support. Realise that mum does not really benefit from the Saturday due to the other service users who attend. Gets quite distressed as she realises not as many attending on the Saturday.	Has now moved into residential care so is no longer attending Maymorn.
5	The family realise the reasons why the Saturdays potentially may go. Mum attends 5 days a week but has not attended the centre for nearly 12 months now due to medical conditions and issues with moving and handling. If she returns to the centre would be happy with another day in the week.	There is no anticipated date of return. Standard procedure would be to cease the placement however due to the timing of the consultation, this decision has not been taken.

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

3.3 Staff and trade unions were also consulted over a 30 day period which ended on the 8 April 2019.

4 Timetable for implementing this decision

4.1 If approved it is anticipated that the weekend provision would cease by the end of October 2019.

5 Comments from Director of Finance and Corporate Services

5.1 Financial implications

The annual budget for the Maymorn is £348k, from which the cost of operating the Centre at weekends is approximately £55k per annum. Some costs of re-provision may be required for one of the existing attendees which will reduce the net saving.

In order to achieve closure of the weekend service Trade Unions have indicated that a one off buyout of existing weekend enhancements is required. This will reduce the savings for 2019/20 with full year effect expected to be realised in 2020/21.

5.2 Legal implications

Meeting social care needs of people with dementia is governed by the Care Act 2014. The legislative framework makes clear that the needs of people deemed eligible for care and support after assessment by Adult Social Care can be met in any appropriate way. It is no longer the case that local authorities are required to provide a set list of services. The provision of day services such as Maymorn is just one way in which the eligible needs of service users can be met.

For services whose focus is the provision of personal care, registration with the Care Quality Commission is required with associated oversight by the Commission. However, day services are not subject to this regime and therefore there are no implications in relation to notification to the Care Quality Commission of the proposal detailed in this report.

It may be necessary to make a change to the employment contracts of some employees following consultation

6 Other implications

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

This proposal would contribute to the Council's key objectives of continuing to support people with dementia, many of which have vulnerabilities and making the best use of our available resources.

6.2 How is risk being managed?

Risk is being managed through a day opportunities project group. The key risk identified has been the potential for unmet need. This is being addressed by offering alternative provision either at Maymorn during weekdays, one to one package or potentially in a separate facility.

6.3 What is the impact on the organisation?

Nine staff currently receive additional remuneration for weekend working which would cease on implementation of the proposal, should it be approved. Trade Unions have indicated that a buy out of these terms and conditions will be required in order for the Trade Unions to agree to the changes in working conditions and arrangements as per the Single Status Agreement 2004. The possibility for a buyout is also contained within the City Councils constitution.

Should the decision be made to cease weekend provision the required negotiations with Trade Unions will continue with a view to enabling implementation by the end of October 2019.

The proposal will also result in two Grade 4 posts being deleted; therefore, the Security of Employment Agreement would apply to the two post holders.

6.4 Equalities / EIA

As only 9 staff and 3 service users are directly impacted, a full ECA has not been undertaken. There is little adverse equalities impact with respect to race, gender, age, disability or sexual orientation arising from the proposals.

This proposal has little statistical significance for the composition of Adult Services.

6.5 Implications for (or impact on) the environment

None.

6.6 Implications for partner organisations?

None.

Report author(s):

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Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
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Pete Fahy	Director of Adult Services	People	14.6.19	16.6.19
Ian Bowering	Head of Social Work (Prevention and Health)	People	14.6.19	17.6.19
April Dearden	Service Manager Internal Provider Services	People	14.6.19	17.6.19
Karen Mihajlovic	Senior HR Manager	People	14.6.19	14.6.19
Names of approvers for submission: (officers and members)				
Finance: Ewan Dewar	Finance Manager (People)	Place	14.6.19	18.6.19
Legal: Janice White	Team Leader – People Team	Place	14.6.19	18.6.19
Gill Carter	Team Leader - Regulatory		18.6.19	19.6.19
Director: Gail Quinton	Deputy Chief Executive (People)	People	17.6.19	25.6.19
Members: Councillor Mal Mutton	Cabinet Member Adult Services		17.6.19	17.6.19

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Cabinet
Audit and Procurement Committee
Council

9th July 2019
15th July 2019
3rd September 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: All

Title:

Revenue and Capital Outturn 2018/19

Is this a key decision?

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

Executive Summary:

This report outlines the final revenue and capital outturn position for 2018/19 and reviews treasury management activity and 2018/19 Prudential Indicators reported under the Prudential Code for Capital Finance.

The overall financial position includes the following headline items:

- A final revenue underspend of £1.0m which is required to be contributed to the Council's General Fund reserve.
- Overspends of £2.7m within Waste and Fleet Services and £3.0m relating to housing and homelessness issues, in large part from the cost of Housing Benefit payments for people and families who require housing in emergency accommodation.
- Offsetting underspends across a range of other services and in particular a £4m favourable position within central budgets including the Asset Management Revenue Account.
- Capital Programme expenditure of £147m which is £115m less than envisaged at the start of the year but nevertheless represents the largest programme in the modern era.
- Time-limited resources and some favourable budgetary movements in the final quarter which enable several recommended contributions to reserve balances as set out below. These are aimed at strengthening the Council's financial resilience and providing funding to take forward future commercial developments.
- An increase in the level of Council revenue reserves from £62m to £71m.

The underlying revenue position has improved significantly since Quarter 3 when an underspend of £1.8 was forecast. In particular this relates to improvements within Contingency and Central

budgets which are set out in the report. This has enabled the Council to identify several actions which will strengthen its existing financial resilience and help to introduce other proposals designed to identify savings proposals in future budgets. These proposals, put forward through the Director of Finance and Corporate Services, the Council's Section 151 officer, are reflected in the recommendations below and explained in section 5.1.

Recommendations:

Cabinet is recommended to approve:

1. The final revenue outturn underspend of £1.0m (section 2.1 and Appendix 1) which will be added to the Council's General Fund reserve.
2. The final capital expenditure and resourcing position (section 2.3 and Appendix 2), incorporating expenditure of £146.7m against a final budget of £175.9m; £26.5m expenditure rescheduled into 2018/19 and a net underspend £2.7m.
3. The outturn Prudential Indicators position in section 2.4.4 and Appendix 3.

Cabinet is requested to recommend to the Council:

4. Approval of reserve contributions of £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 exit costs.

Audit and Procurement Committee is recommended to:

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

Council is recommended to:

1. Approve reserve contributions of £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 exit costs.

List of Appendices included:

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

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

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

Yes - Audit and Procurement Committee 15th July 2019

Will this report go to Council?

Yes – 3rd September 2019

Report title: Revenue and Capital Outturn 2018/19

1. Context (or background)

- 1.1 This report sets out the Council’s revenue and capital outturn position in 2018/19 and performance against its Prudential Indicators for the year. The City Council set a revenue budget for the year of £234.4m and a Capital Programme of £262.5m.
- 1.2 The reported figures show the Council's financial position in relation to management accounts used to monitor performance through the year. The Audit and Procurement Committee will consider separately the Council's statutory Statement of Accounts.

2. Options considered and recommended proposal

2.1 Revenue Outturn

- 2.1.1 Table 1 below summarises the outturn position, an underspend of £1.0m. Local Government accounting rules require this underspend to be contributed to the Council’s General Fund Balance.

Table 1 Summary Outturn Position

Quarter 3 Forecast Variation £m	Service Area	Net Budget £m	Outturn Position £m	Variation £m	Variation %
(1.1)	Public Health	3.5	2.7	(0.8)	(23%)
0.1	Directorate Management	1.4	1.4	0.0	0%
0.4	Education & Skills	12.9	13.3	0.4	3%
0.3	Children & Young People	71.9	70.9	(1.0)	(1%)
0.0	Adult Social Care	74.4	74.4	0.0	0%
2.8	Customer Services & Transformation	9.2	11.2	2.0	22%
0.1	Place Directorate Management	1.4	1.3	(0.1)	(7%)
0.6	Business, Investment & Culture	7.5	8.0	0.5	7%
0.0	Transportation & Highways	4.4	4.2	(0.2)	(5%)
2.0	Streetscene and Regulatory	26.8	29.8	3.0	11%
(0.2)	Project Management & Property	(7.5)	(7.6)	(0.1)	(1%)
0.0	Finance & Corporate Services	7.0	6.3	(0.7)	(10%)
(6.8)	Contingency & Central Budgets*	21.5	17.5	(4.0)	(19%)
(1.8)	Total*	234.4	233.4	(1.0)	(1%)

*The position is shown after reserve contributions recommended in this report amounting to £10.4m

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

- Children and Young People - £1.3m favourable
- Customer Services & Transformation - £0.8m favourable
- Streetscene & Regulatory - £1.0m adverse
- Finance & Corporate Services - £0.7m favourable
- Contingency and Central Budgets - £2.8m adverse (after reserve contributions)

The reasons for these variations are explained at 2.1.3 below.

2.1.3 Directorate Positions

Contingency and Central (£4m Underspend)

The main areas of underspends have been the Council's budgets for redundancy and early retirement costs (£1.8m), projects related to Kickstart and sports development (£1.4m) and inflation contingencies (£0.8m). It is anticipated that the Council will be able to identify ongoing savings from several of these areas in the forthcoming 2020/21 budget process.

In addition, the Council has secured additional mostly time-limited resources amounting to around £8m made up of:

- additional dividends from its shareholdings in the Coventry and Warwickshire Waste Disposal Company and Coombe Abbey Park Limited (£2.5m);
- a surplus generated via the Coventry and Warwickshire Business Rates Pool (£1.3m);
- additional treasury management investment income (£1.5m);
- cost avoidance from the capitalisation of interest costs (£1.4m); and
- lower than budgeted pension costs linked to an early payment arrangement with the West Midlands Pension Fund (£1.3m).

Information regarding much of the value of these amounts emerged in the final quarter such that this represented a significant favourable swing since the reported quarter 3 position. However the recommended contributions to reserves (£10.4m) partly enabled by these windfalls have absorbed any impact on the bottom line.

People (£0.5m Overspend)

Despite showing an improved position at year end the People Directorate continues to face significant financial challenges in 2018/19 and beyond. A significant amount of work is underway to resolve recruitment problems to contribute to reducing the pressure created by agency covering vacancies. (The majority of agency is currently within Childrens Services where in the region of 39 posts are currently covered - this has reduced throughout the year). The largest individual pressure relates to the estimated cost of supporting families and individuals in temporary and supported accommodation (£3.0m) which is a result of high numbers of homelessness cases, and cases where insufficient Housing Benefit subsidy can be claimed from the government. This pressure is in addition to the £2.7m previously approved by members as part of the budget setting process. The Looked after Children (LAC) Population has risen significantly over the last year with average LAC numbers at 644 in 17/18 compared with 701 for 18/19. Despite this LAC Placements overall has underspent by £1m, which is a combination of additional budget resource, the transformation programme to deliver a lower average unit cost, and how the increase in LAC has impacted on placement type. There are continued pressures within Supported Accommodation placements for careleavers and a small number of recent cases which are attracting significant cost. Alongside this, continuing pressures within SEN transport of £0.4m are contributing to the overall position. 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 (£2.4m Overspend)

The Place Directorate has had a number of significant financial issues in 2018/19, contributing to an overall deficit of £2.4m. A number of trading or income earning services have experienced difficulty in achieving their budgeted income levels totalling £2.4m. Most notably Commercial Waste, whose costs have increased due to increased disposal, staffing and vehicle costs, have been unable in 18/19 to cover those costs or income growth plans from increases in new work or market price increases. They have a net pressure of £1.2m.

Other services that have seen income pressures include the following:

- Repair & Maintenance team, which has under delivered due to reduced workloads (£0.2m),
- Bereavement Services which has experienced a reduction in normal activity levels (£0.3m),
- Parking Enforcement income collection (£0.3m),
- Coombe Park parking income due to equipment failure (£0.2m), Pest control due to slower growth than planned (£0.1m) ; and
- CCTV who are still unable to fully recover assumed income levels (£0.1m).

All underperforming trading services are under review to ensure that relevant managers have plans in place to reverse deficits to make sure services can be run on a financially sustainable basis.

Some income earning areas are however, performing well and have generated in excess of budgeted income levels totalling £1.4m. This includes Planning Development (£0.4m) due to increased activity, Regulatory Services (£0.3m) due to the introduction of mandatory licensing for landlords, Commercial Property (£0.2m) due to some temporary rental income being earned, Occupier Support due to increased project work (£0.1m), Car Parking (£0.1m), and Bus Gate Enforcement due to increased PCNs in year (£0.3m).

Some services have experienced cost variations, the material ones being as follows: Waste disposal tonnages and gate fees were higher than planned with a £0.7m pressure. Domestic Waste overspent by £0.4m largely due to casual staffing costs caused by unavoidable staff shortages, and the cost of maintaining collections over the Christmas period. Legal advocacy work required above current capacity levels resulted in increased external counsel costs of £0.3m. These were partially offset by lower repair and maintenance costs on corporate administration buildings of £0.3m, higher recovery of historic overpaid Housing Benefit payments of £0.5m, additional grant monies generated in the Employment Service of £0.3m, and Streetpride cost reduction savings of almost £0.2m

2.1.4 Although the Council has reduced its employee numbers markedly in recent years the trend for large numbers of redundancy and early retirement cases (and cost) has slowed significantly in 2018/19. In 2018/19 this has meant around 30 individuals at a net cost of just over £0.1m compared with 300 cases at a cost of £3m in 2017/18.

2.2 Reserves

2.2.1 The Council's revenue reserve balance at the end of 2018/19 is £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 have reduced from £31.2m to £23.4m and reserve balances

belonging to or earmarked to support schools have increased from £24.3m to £26.4m. The total reserve movement in 2018/19 is summarised in the table below.

2.2.2 The reserve balances include £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 redundancy decisions, £7.7m set aside to provide protection against the potential future loss of Business Rates income, £4.75m 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. The £5.4m Management of Capital reserve includes revenue reserves to fund future capital projects.

2.2.3 The Cabinet Member for Strategic Finance and Resources will consider an analysis of these balances and potential future spending commitments during 2019 and will bring recommendations forward as part of Budget Setting proposals or specific reports to Cabinet later in the year. It is also envisaged that Scrutiny Board 1 will undertake a detailed review of reserve balances this year in line with recent practice.

Table 2 Summary of Reserve Movements in 2018/19

	Balance at 31st March 2018	(Increase)/ Decrease	Balance at 31st March 2019
	£000	£000	£000
<u>Council Revenue Reserves</u>			
General Fund Balance	(4,702)	(5,575)	(10,277)
Adult Social Care	(4,798)	1,264	(3,534)
Public Health	(606)	(182)	(788)
Troubled Families	(486)	(609)	(1,095)
Leisure Development	(1,599)	265	(1,334)
Kickstart Project	(5,068)	3,790	(1,278)
City of Culture	(4,750)	0	(4,750)
Potential Loss of Business Rates Income	(3,414)	(4,321)	(7,735)
Redundancy and Early Retirement	(8,261)	(1,809)	(10,070)
Commercial Developments	0	(4,000)	(4,000)
Insurance Fund	(1,595)	(103)	(1,698)
Management of Capital	(6,332)	933	(5,399)
Private Finance Initiatives	(10,781)	612	(10,169)
Other Directorate	(7,194)	(2,295)	(9,489)
Other Directorate funded by Grant	(2,193)	629	(1,564)
Other Corporate	(5,298)	(3,291)	(8,589)
Total Council Revenue Reserves	(67,077)	(14,692)	(81,769)
<u>Council Capital Reserves</u>			
Useable Capital Receipts Reserve	(23,978)	2,511	(21,467)
Capital Grant Unapplied Account	(7,179)	5,285	(1,894)

Total Council Capital Reserves	(31,157)	7,796	(23,361)
<u>Schools Reserves</u>			
Schools (specific to individual schools)	(19,590)	(718)	(20,308)
Schools (related to expenditure retained centrally)	(4,742)	(1,342)	(6,084)
Total Schools Reserves	(24,332)	(2,060)	(26,392)
		0	
Total Reserves	(122,566)	(8,956)	(131,522)

2.3 Capital Outturn

2.3.1 The capital outturn position for 2018/19 is shown in summary below and in greater detail in Appendix 2:

Table 3: Capital Outturn Summary

Final Budget £m	Final Spend £m	Net Rescheduling Now Reported £m	Under- spends £m	Total Variance £m
175.9	146.7	(26.5)	(2.7)	(29.2)

The quarter 3 monitoring report to Cabinet on 13th February 2019 approved a revised capital budget of £173.8m for 2018/19. Since then there has 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 has arisen on directorate capital programmes. A scheme by scheme analysis is included in Appendix 2 and this is summarised in the table below.

Table 4: Summary of Rescheduling

Project	(Rescheduling) /Accelerated Spend £m	Explanations
UKBIC – Battery Plant and Equipment	(10.2)	Given the complexity of the technology and the international nature of suppliers, there were delays in procurement and placing orders
Coventry Station Masterplan	(3.6)	Due to the late withdrawal of the preferred bidder for the NUCKLE1.2 works, these works have had significant delays in the delivery. A full retender is required resulting in slippage of all associated costs on this project
Highways, Transport and Public Realm Programme	(3.5)	The two main areas of rescheduling are £1.2 For Highways investment (pothole funding received in the 4th quarter of 2018-19), and the Clean Bus Technology Fund of which £1.3m is grant for the purpose of retrofitting selective catalytic traps to buses operating in the city.
Sports, Leisure and Parks	(2.5)	The £1.1m rescheduling on Alan Higgs is due to some high cost items that were scheduled to be delivered in 2018/19 have been delayed, causing the programme to be 2 weeks behind. In addition the City Centre Destination Leisure

		Facility (The Wave) £1.0m delay in programme and reduction in the loan facility for Alan Higgs.
People Capital Programme (Schools and ICT)	(1.8)	Secondary School expansion has taken longer than anticipated in the planning stage
UK Central and Connectivity	(1.2)	Engagement with external stakeholders, the majority of the works associated within these packages covering South and North sector, are delaying the programme of works (£0.9m). VLR has seen a small (£0.3m) slippage due to the delay in track procurement
City Centre South and Friargate	(1.0)	Delays in planning application for City Centre South and reduction in costs for stamp duty from £1m to £0.6m has seen costs being pushed back into 2019/20 and or recycled back into their programmes.
Growth Grant Programme	(0.8)	This is a net movement on the Growth Programme which is being delivered by other organisations, covering a mixture of delays on construction and revised cashflow approvals.
Heatline	(0.7)	The change to the programme reflects that The Wave is funding its costs for the installation of Heatline, as approved by Cabinet in October 2017. These costs appear against the Destination Leisure Facility. The rescheduling is due to contract works not being finished as expected. Part of the delay is that Engie are working to the commissioning programme of the Water Park. In addition we are still finalising commercial negotiations in relation to a series of variations.
Others	(1.3)	Net movement
TOTAL	(26.5)	

Table 5: Over and Underspends in the Capital Programme

Project	Over/ (Under)spend	Explanations
Early Years and Broad Spectrum School	(1.1)	Significant value engineering in the Broad Spectrum school construction and additional investment for Modular Building and provided resources to be reinvested back into the School Capital Programme in future years
Investing In Sports Facilities	(0.1)	The creation of the Wave and the decommissioning of the old "Baths" at Fairfax street, reduced ongoing repairs and maintenance costs
Coombe Shares	(1.5)	Underspend against maximum trigger payment amount set aside to purchase Coombe Abbey Park Limited in addition to the initial purchase price.
Total	(2.7)	

2.3.2 The 2018/19 and future the Programme continue to maintain a significant investment in the City's Capital investment incorporating expenditure on the following key programmes and schemes:

- In December 2017, Cabinet approved the £80m investment in the UK Battery Industrialisation Centre following a successful bid to Innovate UK by a consortium of Coventry City Council, Coventry and Warwickshire Local Enterprise Partnership and Warwick Manufacturing Group. This new research facility on the outskirts of Coventry will play a key national role in the emerging battery industry and is due to open spring 2020. The project is progressing well and currently £55m has been claimed from Innovate UK. This includes the full drawdown of the building costs and large down payments on machinery. Given the complexity of the technology and the international nature of suppliers, there were delays in procurement and placing orders. In addition, the project is now in the process of being awarded additional external funding which has led to changes in machinery specifications. Extensive forecasting and analysis has been undertaken for the new budget and the finances are being robustly monitored by Coventry City Council.
- In September 2014, Coventry City Council approved the addition of £36.7m to its capital programme for the development of the City Centre Destination Leisure Facility – The Wave - on the existing Christchurch House and Spire House site. The Wave is scheduled to open shortly. Plans are also progressing on the 50m Swimming Pool at the Alan Higgs Centre and new bowling facilities within the city.
- In July 2016 the Council approved the site at Whitley South to be used to develop the expansion plants of JLR by developing the public infrastructure to accommodate the proposed Research & Development campus, accommodate a number of small medium enterprises together with a hotel and car show room. The contract for the construction is in place and works are progressing, with completion due in 2020.
- The Council has completed its investment in the new Friargate Joint Venture Company which will enable development of the Friargate business district within the city starting with the construction of a second building. The Council has also invested in the Binley Court property adding to its commercial property portfolio in 2018/19.

Connecting Coventry is a strategic transport programme of £620m investment in transport infrastructure in Coventry over the next 10 years. In 2018/19 £9.2m of spend has been incurred within the Programme including the A46 link road, Very Light Rail and Coventry Station Master Plan, currently funded from the Local Growth Deal. The primary source of funding going forward will be a mixture of WMCA – Devolution Deal, along with Local Growth Deal, DfT, Highways England and private investment.

- Highways and Public Realm. The City Council has continued to make significant investment in specific Public Realm schemes, a further £2.57m of Local Growth Deal funding has been secured and schemes are being designed currently to commence delivery in 2019-20. In October 2018, the Chancellor announced in the Budget that the Government was allocating a further £420 million of new money for local highways maintenance. Coventry City Council was allocated £1.226m and this additional resource was added to the Highways Investment programme to repair roads (including potholes), bridges and local highways infrastructure generally.
- City Centre South (CCS) is a major regeneration project covering the southern part of Coventry city centre, which will transform the area by redeveloping approximately

half (6.7 hectares) of the city centre retail core. WMCA funding is just under £100m, and the Council is investing in the form of properties and land worth £28m which are being transferred into a Special Purpose Vehicle for the development formed with a private developer. As part of this, the Coventry Point building will be demolished in 2019/20.

- On the 22nd December 2017 the City Council acquired 100% of the ordinary share capital of Coombe Abbey Park Limited (CAPL), the principal activity of which is the running of the Coombe Abbey Hotel. In 2018/19 the Council approved a loan to the company which has enabled investment in the Go Ape facility on the site.

2.3.3 The funding in respect of this capital expenditure of £146.7m is summarised in Table 6 below. The Programme has been resourced c54% from capital grants and where possible the use of these grants has been maximised to defer the Council's requirement for prudential borrowing in year. In 2018/19 £9m Basic Need funding has been applied which needs to be back-filled by capital reserves, capital receipts and prudential borrowing over the next few years.

Table 6: Capital Funding

	Funding the Programme £m	Available Resources £m	Resources Carried Forward £m
Prudential Borrowing	51.9	51.9	0
Grants and Other Contributions	79.7	73.4	(6.2)
Revenue Contributions	2.8	2.8	0
Capital Receipts	10.6	32.1	21.5
Capital of Management Reserve	1.8	7.2	5.4
Total Resourcing	146.7	167.3	20.6

2.4 Treasury Management Activity

2.4.1 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 EU exit means that this growth is below trend.

Interest Rate forecasts are dominated by the uncertainty surrounding EU exit but current forecasts indicate that there will be a very slow increase, with the next increase of 0.25% not being seen until March 2020.

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

Table 7: PWLB Interest Rates

PWLB Loan Duration (standard rates)	Minimum in 2018/19	Maximum in 2018/19	Average in 2018/19
5 year	1.70%	2.27%	2.00%

20 year	2.49%	3.10%	2.82%
50 year	2.36%	2.99%	2.66%

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

2.4.2 Long Term Funding - At outturn, the Capital Financing Requirement (CFR), which indicates the authority's underlying need to borrow for capital purposes, has increased by £39.8m:-

Table 8: 2018/19 Capital Financing Requirement (CFR)

	£m
Capital Financing Requirement at 1 st April 2019	400.5
Borrowing required to finance 2018/19 Capital Programme	51.9
PFI & Finance Leases liabilities	0.2
Donated Assets	(0.2)
Provision to Repay Debt (Minimum Revenue Provision)	(10.9)
Provision to Repay Debt (Capital Receipts Set Aside)	0.0
Repayment of Transferred Debt	(1.1)
Reduction of Provision and other restatements	(0.1)
Capital Financing Requirement at 1 st April 2019	440.3

No new long term borrowing was actually taken out during 2018/19, however, some borrowing will be required in the future to support current capital expenditure plans and the need for any such borrowing will be kept under review in 2019/20. Within 2018/19, the movements in long-term borrowing and other liabilities were:-

Table 9: Long Term Liabilities (debt outstanding)

Source of Borrowing	Balance at 31st March 2018 £m	Repaid in Year £m	Raised in Year £m	Balance at 31st March 2019 £m
PWLB	203.9	(7.3)	0	196.6
Money Market	38.0	0	0	38.0
Stock Issue	12.0	0	0	12.0
Other	0.4	0	0	0.4
sub total ~ long term borrowing	254.3	(7.3)	0	247.0
Other Local Authority Debt	14.3	(1.2)	0	13.1
PFI & Finance Leasing Liabilities	71.7	(2.7)	0.2	69.2
Total	340.3	(11.2)	0.2	329.3

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

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

Period	Long Term Borrowing £m
Under 12 Months	16.6
1 – 2 years	28.0
2 – 5 years	9.7
5 – 10 years	12.0
Over 10 years	180.7
Total	247.0

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

2.4.3 Short Term In House Borrowing and Investments - The Treasury Management Team acts on a daily basis to manage the City Council's day to day cash-flow, by borrowing or investing for short periods. By holding short term investments, such as money in call accounts, authorities help ensure that they have an adequate source of liquid funds. A total of £87.4m of short term borrowing was taken out during the year, with £42.4m still outstanding at 31st March 2019. This borrowing was all taken out with other local authorities & public sector bodies and was required to manage short term cash flow shortages towards the end of the financial year. During the year the Council held significant short term investments, as set out in Table 11. The average short term investment rate in 2018/19 was 0.73%.

Table 11: In House Investments at 31st March 2019

	At 30 th June 2018 £m	At 30 th Sept 2018 £m	At 31 st Dec 2018 £m	At 31 st Mar 2019 £m
Banks and Building Societies	22.3	13.0	6.0	0.0
Local Authorities	21.5	6.0	15.0	0.0
Money Market Funds	8.0	12.0	20.6	0.4
Corporate Bonds	4.0	5.0	3.3	6.9
Registered Providers	5.0	6.0	0.0	0.0
Total	60.8	42.0	44.9	7.3

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

Table 12: External, Pooled Investments as at 31st March 2019

	Date Invested	Cost £m	Value £m	Annualised Return %
CCLA	Nov 2013	12.0	12.58	4.77%
Schroder Income Maximiser	Aug 2018	4.5	4.16	6.28%
Threadneedle Strategic Bond Fund	Aug 2018	1.5	1.50	2.99%
Investec Diversified Income Fund	Aug 2018	4.5	4.48	3.99%
M&G Optimal Income Fund	Aug 2018	1.5	1.47	3.27%
M&G Strategic Corporate Bond Fund	Aug 2018	3.0	2.94	3.62%
M&G UK Income Distribution Fund	Aug 2018	3.0	2.90	3.29%
Total		30.0	30.03	4.30%

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

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

Revenue Related Prudential Indicators

Within Appendix 3 the Ratio of Financing costs to Net Revenue Stream (Ref 1) highlights the revenue impact of the capital programme. This shows that the revenue costs of financing our capital expenditure as a proportion of our income from government grant and Council Tax. The actual is 12.45%, as against 13.83% as forecast in the Treasury Management Strategy. This reflects a lower level of borrowing than anticipated to fund the Capital Programme and higher levels of investment balances.

Capital and Treasury Management Related Prudential Indicators

These indicators, set out in Appendix 3, include:

- **Authorised Limit for External Debt** (Ref 5) ~ This represents the level of gross borrowing which could be afforded in the short term, but is not sustainable. It is the forecast maximum borrowing need, with some headroom for unexpected movements

and potential debt restructuring. This is a statutory limit. Borrowing plus PFI and finance lease liabilities at £372.0m was within the limit of £513.2m.

- **Operational Boundary for External Debt** (Ref 6) ~ This indicator is based on the probable level of gross borrowing during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an indicator to ensure the authorised limit is not breached. Borrowing plus PFI and finance lease liabilities at £372.0m was within the boundary of £493.2m.
- **Gross Debt v "Year 3" Capital Financing Requirement** (Ref 2) ~ The Council needs to be certain that net external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) in the current year plus the estimates of any additional capital financing requirement for the next two financial years. The CFR is defined as the Council's underlying need to borrow, after taking into account other resources available to fund the Capital Programme. This indicator is designed to ensure that over the medium term, net borrowing will only be for a capital purpose. Gross debt is within the "year 3" or 2020/21 CFR limit of £486.5m.
- **Debt Maturity Structure, Interest Rate Exposure and Investments Longer than 364 Days** (Ref 8 - 10) ~ The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the Councils overall financial position. Treasury Management activity was within these limits. The Debt Maturity PI (Ref 9) indicates that there is a potential 22.2% of total debt that needs to be refinanced in 2019/20, compared to the PI limit of 40% in the 2019/20 Treasury Management Strategy. The potential refinancing need includes LOBO loans for which the lender effectively has a call option, which if exercised would require the Council to repay the loan. If these loans were required to be repaid, the City Council would look to refinance these at lower borrowing costs or through the use of investment balances in the first instance.

3. Results of consultation undertaken

3.1 None.

4. Timetable for implementing this decision

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

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The final revenue outturn picture for 2018/19 is underspend of £1m. This is calculated after taking account of recommended 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 exit costs. These proposals are designed to increase the Council's financial resilience ahead of the uncertainty that surrounds forthcoming changes to local government finance; respond to CIPFA's initial Financial Resilience Index results showing that the Council has comparatively low General Fund reserves; bolster the resources set aside to fund potential future restructuring costs; and provide a modest sum to pump prime potential future income earning investments or projects. Accounting regulations demand that the final £1m underspend is contributed to the Council's General Fund Balance, topping this particular reserve up to £10.3m (from £4.7m) which represents c4.5% of net

revenue budget in line with the Council's Medium Term Financial Strategy. This will still leave the General Fund reserve below the median % level compared with other metropolitan authorities (based on 2017/18 results) but nevertheless places the Council on a firm financial footing.

The Council continues to face some volatility in several service areas. Although both its Adults and Children's services have been delivered within budget in the year, overspends have occurred within individual services relating to housing and homelessness (temporary accommodation) and Waste Services. These are described in section 2 above.

The Council has already made budget decisions to fund housing and homelessness issues and to initiate a range of solutions designed to bring down these costs in future years. This will be a key focus on monitoring through 2019/20. Whilst some additional Waste Disposal costs have also been budgeted from 2019/20 onwards the level of the overspend in this area was unexpected and work is under way to understand and address the issues that have arisen. The first quarterly monitoring report in 2019/20 will provide an opportunity to provide an update on these areas.

Several service areas have reported modest budgetary underspends and in particular, Contingency and Central budgets has reported a £4m underspend in addition to identifying and delivering a range of one-off resources that have enabled the reserve contributions set out above. Work has begun to identify the level of budget provision that can be incorporated as savings within 2020/21 budget preparations. A large proportion of this improvement came from sources that were difficult to predict or impossible to rely upon when the Council last reported its financial position. These are set out in section 2. A number of them have come about as a result of background work to improve and support the Council's financial position over recent years and the view of the Director of finance and Corporate Services is that the Council should continue to keep a sharp focus on and set resources aside for, medium term decisions that strengthens its ability to generate income and make appropriate commercial investments to enhance its service offer.

The country is clearly facing some unpredictable political circumstances at present which have only added to what was an uncertain local government funding environment. It remains prudent to continue to plan for further reductions in government funding although how significant they will be (or whether they happen at all) is impossible to predict. Management attention will continue to focus on appropriate approaches to balancing the Council's budget beyond 2019/20.

On balance, although some areas of the budget are overspent, the Council remains in a robust financial position due to a range of ongoing measures. The Council continues to give a high priority to financial management at a senior level and strong corporate control continues to be applied allowing the Council to take advantage of tactical opportunities to protect its budget such as: central control of salaries, management of reserve balances and capital receipts for corporate use, implementation of staff reduction programmes and continued attraction of significant external funding. These actions have helped to contribute to continued achievement of underspends and demonstrates the continued strength of the Council's budget management approach.

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

Significant application of grant funding has been undertaken within the Capital Programme although some previously approved prudential borrowing has been applied within 2018/19. The level of Prudential Borrowing applied is likely to increase over the next couple of years as the relevant capital spending is incurred and as other sources of funding are exhausted. Although there has once again been a large amount of the programme pushed back to later years it is noteworthy that the council has achieved its highest amount of capital expenditure in the modern era. The Council is part-way through a programme of ambitious and innovative projects affecting the city centre skyline, transport infrastructure and local economic circumstances. It is important to recognise the complexity, size and dependencies of these projects when judging the degree of progress that has been achieved in the year.

5.2 Legal implications

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

6. Other implications

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

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

6.2 How is risk being managed?

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

6.3 What is the impact on the organisation?

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

6.4 Equalities / EIA

No specific impact.

6.5 Implications for (or impact on) the environment

None.

6.6 Implications for partner organisations?

None.

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Appendix 1 Revenue Variations

Appendix 1 details directorate forecast variances.

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

Directorate	Revised Budget	Forecast Spend After Action/ Use of Reserves	Centralised Forecast Variance	Budget Holder Forecast Variance	Net Forecast Variation
	£m	£m	£m	£m	£m
Public Health	3.5	2.6	(0.1)	(0.7)	(0.8)
People Directorate Management	1.4	1.5	0.1	(0.1)	0.0
Education and Inclusion	12.9	13.3	0.0	0.4	0.4
Children and Young People's Services	71.9	70.9	(4.4)	3.4	(1.0)
Adult Social Care	74.4	74.4	(0.7)	0.7	0.0
Customer Services & Transformation	9.2	11.2	(0.4)	2.4	2.0
Total People Directorate	173.3	173.9	(5.5)	6.1	0.6
Place Directorate Management	1.4	1.5	0.1	(0.2)	(0.1)
City Centre & Major Projects Development	7.5	8.0	0.0	0.5	0.5
Transportation & Highways	4.4	4.2	(0.2)	0.0	(0.2)
Streetscene & Regulatory Services	26.8	29.8	0.0	3.0	3.0
Project Management and Property Services	(7.5)	(7.6)	0.0	(0.1)	(0.1)
Finance & Corporate Services	7.0	6.3	(0.2)	(0.5)	(0.7)
Total Place Directorate	39.6	42.2	(0.3)	2.7	2.4
Total Contingency & Central Budgets	21.5	17.5	0.0	(4.0)	(4.0)
Total Spend	234.4	233.6	(5.8)	4.8	(1.0)
Resourcing	(234.4)	(234.4)	0.0	0.0	0.0
Total	0.0	(0.8)	(5.8)	4.8	(1.0)

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

Reporting Area	Explanation	£m
People Directorate	The Directorate underspend against its salary budgets and turnover target is mainly due to continuing high levels of vacancies in Children's Social Care which accounts for the majority of the £5.5m underspend. This is partially offset by a non salary overspend as a result of agency staff in Children's Social Care. It is expected that vacancy levels and agency costs will continue to reduce, which will reduce the centralised salary underspend and the budgetholder overspend.	(5.5)
Place Directorate	The vast majority of centralised variations are a direct result of vacancies held, either due to the inability to recruit, or whilst reviews are taking place. The gross surplus as a result of this is c£2.5m, however budgeted turnover targets of £2.2m mean that the net surplus is a lower c£0.3m	(0.3)
Total Non-Controllable Variances		(5.8)

Service Area	Reporting Area	Explanation	£M
Public Health	Public Health - Migration	This underspend relates to the holding of migration grant income centrally which is funding costs of other services across the Council.	(0.7)
Public Health	Public Health Staffing & Overheads	The underspend relates to the early delivery of the future years grant saving.	(0.3)
Public Health	Public Health - Lifestyles	Overspend relates to one off project funding, resourced from underspend across other elements of the Public Health Grant.	0.1
Public Health	Other Variances Less than 100K		0.2
Public Health			(0.7)
People Directorate Management	Other Variances Less than 100K		(0.1)
People Directorate Management			(0.1)
Education and Skills	SEND & Specialist Services	The outturn for 'SEN' Transport includes a mid-year £0.2M budget transfer from Adults' Social Care. Demand was re-based in September 2018 identifying a 10% increase in volume compared to September 2017 (914 travellers compared to 830). In-year demand continued to rise between September and March 2019 to 970, which equates to a further 6% increase. Further cost pressures relate to mode of transport as the availability of in-house fleet minibuses has been exhausted, resulting in temporary commissioning of taxis. In addition individual taxis have been commissioned to reflect individual children's needs, specifically in relation to behaviour. The immediate impact of the release of the e-auction contracts has been included. It is noted that 82 additional special school places have been commissioned from September 2019 to reflect growth in demand which will add additional pressure to transport costs. Urgent work will now take place to examine the procurement system to secure best value solutions.	0.6

Education and Skills	Education Improvement & Standards	This under spend relates to historic pension liabilities and redundancy budget for maintained schools. We are not expecting any further commitments to be incurred against this area.	(0.3)
Education and Skills	Adult Education	To date it has not been possible to deliver 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	Other Variances Less than 100K		(0.1)
Education and Inclusion			0.4
Children and Young People's Services	Children's Services Management Team	The service has delivered savings as a result of service changes and review. These support the delivery of the Children's Services Transformation programme in the current and future years.	(0.3)
Children and Young People's Services	Help & Protection	The budget holder variance largely relates to the costs of agency staff covering vacancies across the service. This is more than offset by underspends across centralised salary budgets. There is also a small overspend forecast as a result of supporting families with no recourse to public funds. The overspend has reduced since Q3 due to available use of grant funding and a reduction in agency staffing levels.	1.7
Children and Young People's Services	LAC & Care Leavers	This budget holder variance partly relates to the costs of agency staff partly offset by underspends across centralised salary budgets. There is also an overspend on supported accommodation for LAC and care leavers of £1M, which is as a result of a higher number of former LAC being supported, and some high costs placement. 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 and the rise of children involved in gang related activity. There is also a pressure on the unaccompanied asylum seeker budget of £0.2M, where the grant is not sufficient to cover the full cost of supporting care leavers with unresolved immigration status. LAC Placements overall has underspent by £1M; this is linked to the Children's Transformation work to reshape LAC Placements, and despite increased LAC numbers, an overall lower placement unit cost.	2.0
Children and Young People's Services			3.4
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	1.6

		support the financial position. A review of internal processes and procedures is being undertaken to support management maintain effective monitoring of costs and pressures.	
Adult Social Care	Older People Community Purchasing	Underlying budget pressures increased in the final quarter of the year in part due to increased usage of planned home support placements. In addition market cost pressures continue to impact linked to National Living Wage increases. Management actions continue to ensure demand on social care is managed in the most cost effective way to reduce overall financial impact. Focused efforts to manage approved packages through the panel process continue. Utilising our Promoting Independence approaches will further support management of financial pressures. A review of internal processes and procedures is being undertaken to support management to maintain effective monitoring of costs and pressures.	1.2
Adult Social Care	All Age Disability and Mental Health Operational	Significant pressures in Deprivation of Liberty Assessments (DOLs) continues resulting in additional assessment costs. Both the Adult Disability Teams and Mental Health Teams have experienced staff turnover and incurred agency costs to cover statutory functions and meet the additional demands.	0.7
Adult Social Care	Internally Provided Services	The overspends on other pay, overtime and variable allowances are partly offset by underspends on centralised salary costs due to a number of vacancies. An overall overspend was due to additional costs relating to changes to holiday pay for casual staff	0.3
Adult Social Care	Older People Operational	Overall underspend with centralised salary underspends offsetting overspends on agency staff and other costs.	0.2
Adult Social Care	Adult Social Care Director	Use of government grant (IBCF Protecting Social Care) resources to manage Adult Social Care pressures	(3.1)
Adult Social Care	Other Variances Less than 100K		(0.2)
Adult Social Care			0.7
Customer Services & Transformation	Customer and Business Services	The overspend relates to significant pressures across housing and homelessness services, with the majority linked to temporary accommodation costs net of housing benefit subsidy	3.0
Customer Services & Transformation	ICT & Digital	The majority of this underspend relates to one off savings within the Data & Voice team through contract consolidation and zero base budget work which has been completed as part of the restructuring of ICT services. Additional cost/overspend on mobile phones has been mitigated as a result of the mobile phone switch out and ongoing replacement of all handsets.	(0.5)
Customer Services & Transformation	Transformation Programme Office	This underspend relates to a reduced requirement for external transformation support during this financial year	(0.1)
Customer Services & Transformation	Customer Services &	This underspend relates to early delivery of ICT restructure savings	0.1

	Transformation Management		
Customer Services & Transformation	Other Variances Less than 100K		(0.1)
Customer Services & Transformation			2.4
Total Budget Holder Forecast Variances - People			6.1

Place Directorate	Place		
Service Area	Reporting Area	Explanation	£M
Place Directorate Management	Other Variances Less than 100K		(0.2)
Place Directorate Management			(0.2)
City Centre & Major Projects Development	Sports, Culture, Destination & Bus Relationships	The largest pressure relates to the overspend in events of £460k in respect of the Godiva festival and the cancelled Ricoh music events. In addition, St Mary's Guildhall and Godiva café has a trading deficit of £160k	0.7
City Centre & Major Projects Development	Employment & Adult Education	This underspend relates to in year Grant project surpluses made including ESF projects Connect me, Routes, Ambition and Exceed.	(0.3)
City Centre & Major Projects Development	Other Variances Less than 100K		0.1
City Centre & Major Projects Development			0.5
Transportation & Highways	Traffic	This is primarily related to higher than budgeted income from car parking and bus gate enforcement, and a small underspend on street lighting. This has been offset by pressures in the Network Management Team relating to the use of agency cover and the cost of unrecoverable RTA damage to assets and the unfunded costs of growth to the asset estate	(0.2)
Transportation & Highways	Other Variances Less than 100K		0.2
Transportation & Highways			
Transportation & Highways			0.0
Streetscene & Regulatory Services	Planning & Regulatory Services	There have been changes in legislation in Mandatory Licensing, which together with increased Planning application activity has resulted in a significant increase in income received. This has been partly offset by	(0.8)

		overspends on salaries, agency and consultancy fees & barrister costs	
Streetscene & Regulatory Services	Streetpride & Parks	There have been a number of pressures across this division. Bereavement income is £346k lower than budget due to a fall in normal activity levels. The Arboriculture contractor failed meaning the contract had to be reproced, costing £123k more. In addition, Coombe Park car parking resulted in a pressure of £189k due to equipment failure (this has now been resolved). Fleet pressures across the service of c£220k were also experienced due to the need to spot hire to cover maintenance issues. Finally, agency staff required to cover frontline posts pending a review amounted to £231k, however this was more than offset by vacancy savings of £577k.	1.1
Streetscene & Regulatory Services	Waste & Fleet Services	<p>There have been a number of large variations in this area, most significantly a deficit of £1.2m in Commercial Waste which is as a result of a combination of increased costs of Waste Disposal, market related pay for HGV drivers, and other inflationary staff pay rises. The service has not been in a position to either increase its prices or gain sufficient additional business growth yet to cover the cost increases in 18/19. A review is underway to ensure costs can be reduced an income grown to achieve a balanced budget</p> <p>Other pressures include the costs associated with using casual staff to cover long term sickness, holidays and suspensions, Christmas collections and Fleet Charges in Domestic Waste (£382k),</p> <p>Increased cost of fuel, spot hires, vehicle parts and avoidable damage has also created pressure across the division.</p> <p>Other significant spend has been incurred on uncontrollable increases in both disposal gate fees and waste tonnages in excess of those budgeted for and have resulted in an overspend on Waste Disposal costs of £0.7m</p>	2.5
Streetscene & Regulatory Services	Environmental Services	The main pressure in this area continues to be CCTV and Community Safety with unfunded pay award pressures and an under-recovery of income totalling £165k. In addition, Pest Control and Animal Welfare has not yet grown its income sufficiently to reflect the additional capacity and investment in staff and vehicles but is expected to do so in 19/20.	0.3
Streetscene & Regulatory Services	Other Variances Less than 100K		(0.1)
Streetscene & Regulatory Services			3.0
Project Management and Property Services	PAM Management & Support	The service were allocated a £300k target in 18/19 for improved property rental streams. This has been achieved in full on an ongoing basis through	0.1

		acquisitions and lease regearing, but with a part year effect in 18/19.	
Project Management and Property Services	Commercial Property	Commercial property rents received over the year are slightly above budget, primarily due to the temporary additional rent being received for properties acquired to support the City Centre South development.	(0.2)
Project Management and Property Services	Facilities & Property Services	This primarily relates to reduced cost on corporate property repair and maintenance due to completion of fewer jobs in year and surplus made in the occupier support team. This has however been offset by an underperformance of the R&M teams trading position. The R&M trading service is being reviewed to prevent a repeat in future years.	(0.1)
Project Management and Property Services	Other Variances Less than 100K		0.1
Project Management and Property Services			(0.1)
Finance & Corporate Services	Legal Services	Primarily due to external Counsel expenditure in respect of advocacy work. The team has now been restructured which will allow more in-house advocacy and reduce external costs in future.	0.3
Finance & Corporate Services	Revenues and Benefits	Primarily due to improved recovery of overpaid housing benefit.	(0.4)
Finance & Corporate Services	Financial Mgt	This largely relates to the full year impact of a staffing restructure delivered in 2017/18, together with other savings delivered through a review of non-staffing expenditure. The service has a new savings target of £250k which this saving will help deliver	(0.2)
Finance & Corporate Services	Democratic Services	This relates to vacancy savings within Internal Audit in the lead up to a new structure being implemented, plus additional income from an increased number of school appeals services being requested from Governance Services.	(0.1)
Finance & Corporate Services	Other Variances Less than 100K		(0.1)
Finance & Corporate Services			(0.5)
Total Budget Holder Forecast Variances - Place			2.7
Contingency & Central Budgets	Corporate Finance		(4.0)
Total Budget Holder Forecast Variances - Contingency & Central Budgets			(4.0)

Appendix 2 Capital Programme Change and Analysis of Rescheduling

SCHEME	APPROVED CHANGES £m	(RESCHE DULING) / ACCELE RATED SPEND £m	(UNDERSPEND) / OVERSPEND £m	EXPLANATION
PEOPLE DIRECTORATE				
Condition	(0.3)			Reduced allocation from Grant Body
Devolved Formula Capital	0.9			Increase in Grant Allocation from DFE
Early Years 30hr Places			(0.1)	Contribution made from 2 Schools for the work carried out on the Modular Buildings Programme
Broad Spectrum School			(1.0)	value engineering during the construction phase
Basic Need - Secondary Expansion Programme		(1.8)		The projects to expand secondary schools have taken longer than anticipated in the planning stage and therefore, the spend is likely to be seen in Q1 and Q2 of 19/20.
ICT Programme		(0.2)		Variance relates to expected spend on two large projects that are currently in dispute. The payments for these were included in forecasts on the basis that we would be required to pay. However, the dispute/negotiations are still ongoing and therefore the payment was not required last financial year.
SEND		(0.3)		SEN Team are reviewing their strategy to meet the growing demand for places, therefore the SEN expansions programme has been delayed. Much of the planned expansions will be required to take place in the school holidays therefore, the spend has been rescheduled to Q1 and Q2 of 19/20.

Superfast Broadband		0.5		We have been negotiating on the Superfast Broadband project with a review to withdrawing any further investment due to other private investment streams covering the same infrastructure build. These negotiations took place and were finalised towards the end of FY 2018/19. This has resulted in an acceleration of funding to cover the total and final settlement amount for this project.
Miscellaneous	0.1			
SUB TOTAL - People	0.7	(1.8)	(1.1)	
PLACE DIRECTORATE				
Vehicle & Plant Replacement Leasing	(0.3)			Leasing of vehicles is removed from the programme as prudential borrowing is better value for money.
Heatline	(0.5)	(0.7)		The change to the programme reflects that the Water Park is picking up their costs for the installation of Heatline, as approved by Cabinet in October 2017. These costs appear against the Destination Leisure Facility. The rescheduling is due to contract works not being finished as expected. Part of the delay is that Engie are working to the commissioning programme of the Water Park. In addition we are still finalising commercial negotiations in relation to a series of variations.
Alan Higgs Centre - 50m Swimming Pool		(1.1)		The £1.1m rescheduling on Higgs is due to some high cost items (movable floor, retractable boom) that are not yet in the country, the project cash flow allowed for an early delivery of these high cost items (in financial year 2018/19) but due to storage and security issues the delivery of the items has been moved to the back end of the programme. The project is also two weeks behind programme.
Coombe Loan - Go Ape	0.7			Approved at Cabinet in October 2018, this is the first drawn down from the loan facility.

Capitalisation of Interest	1.4			This is in respect of the accounting policy referring to the prudential borrowing costs associated with schemes: City Centre Destination Facility, Whitley South and Salt Lane Car Park. Borrowing costs, in the form of interest expenses, are capitalised where the asset in question is a qualifying asset and takes a substantial period of time to bring into operation. Borrowing costs will only be capitalised on schemes for which expenditure is incurred over a period or more than 12 months, until the asset is operationally complete, and where a material level of capital expenditure is resourced by borrowing.
Investment in Sporting Facilities			(0.1)	Removal of investment in Fairfax Street Sports Centre as the new Wave Opens.
Coombe (Purchase of Shares)			(1.5)	As part of the CAPL share purchase in Dec 2017 CCC was required to pay an amount of up to £1.5m in addition to the initial purchase price of the shares. However this was dependent on the level of CAPL's earnings in the year after the purchase. Earnings did not reach the required level and as a consequence no further payment was required.
UKC&C - Coventry South Package		(0.7)		Work on the future phases of the A46 Link Road have been delayed due to a need to focus resources on progressing the Phase 1 scheme. Additional resource has been recruited by WCC to progress work on Phase 2 without impacting on the delivery of Phase 1. Work on the Park and Ride aspect of the package has been deferred pending the outcome of a study being undertaken by Midlands Connect on the Coventry to Leamington railway line, which could influence the scope of the park and ride study. TfWM work on the Tile Hill Station CP has also been delayed due to a need to liaise with other third parties regarding the land use options for the site identified as the preferred option for the car park.
UKC&C - Coventry North Package		(0.2)		The study brief for this work has taken longer than anticipated to prepare due to a need to liaise with

				WCC and the two District Councils to agree the scope, and to reflect ongoing discussions regarding the Nuneaton and Bedworth Local Plan. The brief is now ready for issue and this study will be commissioned soon.
UKC&C - Very Light Rail		(0.3)		Rescheduling due to the delay on the track procurement programme which means we are not in contract yet with an innovation partner and have therefore not been able to spend any of the allocated track budget. Furthermore, Dudley Metropolitan Borough Council (DMBC) did not reach their forecasted spend for the allocation towards Dudley Innovation Centre, consequently DMBC spend has been reprofiled for 2019/20.
Coventry Centre Regeneration - City Centre South		(0.4)		The majority of the rescheduling relates to consultants fees for the planning application. This expenditure was slipped into 2019/20 as a result of the Development Agreement negotiations continuing into late March 2019
Coventry Centre Regeneration - Friargate		(0.6)		Quarter three included an estimate for the cost of stamp duty (c£1m) prior to the Council entering into the Joint Venture. In reality, this was a cost funded by the Joint Venture as a result of acquiring the site. The Council picked up 50% of this cost as part of its agreed contribution towards the costs of running the Joint Venture.
Highways Investment		(1.2)		Of the £1.226m pothole funding received in the 4th quarter of 2018-19, £0.5m of resurfacing and footway improvement schemes are committed but will not be completed until early 2019-20. £0.4m of flood alleviation scheme support monies for Brookstray and Allesley schemes unable to be expended due to project formulation and delivery which is reliant on the EA process and management

Clean Bus Technology Fund		(1.5)		The Clean Bus Technology Fund grant is money received from central government for the purpose of retrofitting selective catalytic traps to buses operating in the city. This technology will lead to an improvement in air quality. The scheme is being delivered by the private company National Express Coventry. Coventry City Council will passport the grant to National Express upon application when they have installed the technology. National Express have suffered programme slippage through the need to retender for the work following their original supplier entering administration. The slippage from 2018/19 to 2019/20 is at no risk to Coventry City Council as the Government department that issued to the grant have accepted the slippage.
Early Measures Fund		(0.6)		Whilst the majority of the Early Measures programme is progressing to timetable, notably the engagement with schools, major employers and local communities in the Walsgrave corridor, the implementation of the proposed junction improvement at Ball Hill has been delayed, and the revised scheme is to be delivered in 2019/20. This delay has resulted from a need to review and revise the design, and the scope, of the original scheme in response to feedback received from the consultation with the local community. Consultation on the revised scheme has recently been held.
GD19 - Coventry Station Access		(3.6)		Due to the late withdrawal of the preferred bidder for the NUCKLE1.2 works, these works have had significant delays in the delivery. A full retender is required resulting in slippage of all associated costs on this project.
GD14 - A46 N-S Corridor (Stanks)		(0.4)		This project's construction start day has been delayed following issues with the procurement of the scheme delivery partner. The partner will provide a further updated schedule which is being presented at CWLEP Programme Delivery Board on 9th May.

GD32 - Warwick Arts Centre 20:20		0.2		The project has been able to accelerate Local Growth Fund expenditure, works have progressed well against programme.
GD36 - A452 Europa Way Corridor		(0.3)		The forecast for this programme of works was based on a preliminary estimate. The schedule of works has now been agreed, with an updated financial profile. The project is presenting to CWLEP Programme Delivery Board on the 9th May.
GD37 - Nuneaton Town Centre Transformation		(0.3)		The project revised its LGF grant profile to take into account the latest schedule of works, this was reported to CWLEP Programme Delivery Board January 2019 post Qtr 3 reporting. The project remains on track against its revised schedule.
Whitley South Infrastructure - Facility A and B (DLGG)		0.6		The accelerated spend is due to the need to order long lead-in items such as the steel for the bridge and to pay Severn Trent for diversion works which would otherwise hold up the scheme.
Public Realm Phase 5 - City of Culture		(0.3)		The Upper Precinct programme is slightly behind where anticipated due to delay in final design finalisation. The scheme is now on site and the programme will catch itself up in 2019-20.
Domestic Recycling With Nuneaton and Bedworth		(1.1)		Although the intention was to have ordered these vehicles and have received them last financial year, decisions on the required vehicle specifications hadn't been finalised in time to order them. As Nuneaton and Bedworth Recycling was a new contract, the vehicle specification was a new concept to us, so more time was needed ensuring the right specification had been identified before we procured them.
Kickstart Office		(0.2)		This is primarily due to hold up with the move by CITU to Southfields, the refurb work at Southfields and the subsequent refurb work at the council house.

Appendix 3

Growing Places		(0.2)		These funds relate to a lapsed Business Grant programme that ended in 18/19. The rescheduling is due to some businesses not claiming their full allocations. The funds will be reallocated in 19/20.
City Centre Destination Leisure Facility		(1.0)		The programme for the delivery of the Wave has been delayed, with an extension of time agreed with the contractor Buckingham.
Indoor Pitch Facility at Alan Higgs Centre (Loan)		(0.3)		The loan in relation to the construction of the indoor barn at the Alan Higgs Centre was approved on the basis of a maximum draw down of £1.5m , the total project was delivered for £1.2m.
Salt Lane		0.6		Payment of agreed additional costs associated with Archaeology works and progress on site to meet 3 August completion date.
Housing Venture		(0.2)		The slippage is due to Whitefriars not drawing down the monies set aside for the Housing Venture for the garage/infill plots.
Duplex Fund (loan)		(0.3)		The underspend is due to the delay in the scheme opening for business. This will happen shortly and these funds will be spent in 19/20
Battery Plant and Equipment		(10.2)		Delays in ordering machinery equipment and plans to change the overall total of the project cost.
Binley Court Acquisitions		(0.3)		The balance of these funds will be used to make repairs to known problems when acquiring the building (roof, lift and drainage), these works are currently being assessed and will be built into a future maintenance plan over the next 5 years
Loop Line (Loan)		(0.2)		Loan facility not utilised in 18/19.
SUB TOTAL - Place Directorate	1.3	(24.7)	(1.6)	
TOTAL CHANGES	2.0	(26.5)	(2.7)	

Summary Prudential Indicators

	Per Treasury Management Strategy 18/19 £000's	Actual 18/19 £000's
1 Ratio of financing costs to net revenue stream:		
(a) General Fund financing costs	32,423	29,184
(b) General Fund net revenue stream	234,452	234,452
General Fund Percentage	13.83%	12.45%
2 Gross Debt & Forecast Capital Financing Requirement		
Gross debt including PFI liabilities	460,277	371,991
Capital Financing Requirement (forecast end of 20/21)	506,203	486,455
Gross Debt to Net Debt:		
Gross debt including PFI liabilities	460,277	371,991
less investments	-30,000	-63,876
less transferred debt reimbursed by others	-13,050	-13,050
Net Debt	417,227	295,065
3 Capital Expenditure (Note this excludes leasing)		
General Fund	262,004	146,697
4 Capital Financing Requirement (CFR)		
Capital Financing Requirement	506,203	440,275
Capital Financing Requirement excluding transferred debt	493,153	427,225
5 Authorised limit for external debt		
Authorised limit for borrowing	445,408	445,408
+ authorised limit for other long term liabilities	67,745	67,745
= authorised limit for debt	513,153	513,153
6 Operational boundary for external debt		
Operational boundary for borrowing	425,408	425,408
+ Operational boundary for other long term liabilities	67,745	67,745
= Operational boundary for external debt	493,153	493,153
7 Actual external debt		
actual borrowing at 31 March 2019		298,488
+ PFI & Finance Leasing liabilities at 31 March 2019		67,737
+ transferred debt liabilities at 31 March 2019		13,050
= actual gross external debt at 31 March 2019		379,275
8 Interest rate exposures		
Upper Limit for Fixed Rate Exposures	445,408	298,060
Variable Rate		
Upper Limit for Variable Rate Exposures	89,082	-57,758

9 Maturity structure of borrowing - limits

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

	upper limit	actual
	40%	22.2%
	20%	9.5%
	30%	4.9%
	30%	5.4%
	100%	58.1%

10 Investments longer than 364 days: upper limit

	18,000	0
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