



Time and Date

2.00 pm on Tuesday, 16th February 2021

Place

This meeting will be held remotely. The meeting can be viewed live by pasting this link into your browser: <https://youtu.be/lac8EB1nnw>

Public business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes** (Pages 3 - 6)
 - (a) To agree the minutes from the meeting of Cabinet on 12th January 2021
 - (b) Matters arising
4. **2020/21 Third Quarter Financial Monitoring Report (to December 2020)**
(Pages 7 - 34)
Report of the Director of Finance
5. **All Electric Bus City and Enhanced Partnership Plan** (Pages 35 - 66)
Report of the Director of Transportation and Highways
6. **Review of Private Sector Housing Enforcement Policy 2018** (Pages 67 - 94)
Report of the Director of Streetscene and Regulatory Services
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

Julie Newman, Director of Law and Governance, Council House, Coventry
Monday, 8 February 2021

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 R Brown, K Caan, G Duggins (Chair), P Hetherington, A S Khan (Deputy Chair), K Maton, M Mutton, J O'Boyle, P Seaman and D Welsh

Non-voting Deputy Cabinet Members:

Councillors P Akhtar, B Gittins and G Lloyd

By invitation:

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

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

Lara Knight / Michelle Salmon

Governance Services

Tel: 024 7697 2642 / 2643

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

Agenda Item 3

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 12 January 2021
(This meeting was held remotely)

Present:

Cabinet Members: Councillor G Duggins (Chair)
Councillor A S Khan (Deputy Chair)
Councillor R Brown
Councillor K Caan
Councillor K Maton
Councillor M Mutton
Councillor J O'Boyle
Councillor P Seaman
Councillor P Hetherington
Councillor D Welsh

Non-Voting Deputy
Cabinet Members: Councillor P Akhtar

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

Other Non-Voting
Members: Councillor L Bigham
Councillor J Clifford
Councillor R Lakha
Councillor C Miks
Councillor K Sandhu
Councillor R Singh
Councillor C Thomas

Employees (by Service):

Chief Executive M Reeves (Chief Executive)

Deputy Chief Executive G Quinton (Deputy Chief Executive)

Communications N Hart

Finance B Hastie (Director of Finance), P Jennings

Law and Governance J Newman (Director of Law and Governance), M Salmon,
C Sinclair

Apologies: Councillor N Akhtar
Councillor B Gittins
Councillor L Lloyd

Public Business

60. **Declarations of Interest**

There were no disclosable pecuniary interests.

61. **Minutes**

The minutes of the meeting of Cabinet held on 15th December 2020 were agreed as a true record. There were no matters arising.

62. **The 2021/2022 Council Tax Base Report**

The Cabinet considered a report of the Director of Finance which established the 2021/22 Council Tax base for tax setting purposes. Appendices to the report provided: Tax Base Calculation for 2021/22 Tax Setting (Coventry); Tax Base Calculation for 2021/22 Tax Setting (Allesley); Tax Base Calculation for 2021/22 Tax Setting (Finham); Tax Base Calculation for 2021/22 Tax Setting (Keresley); and Grant payments to parish councils.

The Council Tax base was the measure of the taxable capacity of an area, for the purpose of calculating an authority's Council Tax. It represented the estimated number of Band D equivalent chargeable dwellings for the year. It also took into account the authority's estimated Council Tax collection rate.

This report did not set the actual level of Council Tax in Coventry, that would be set by Council at its meeting on the 23rd February 2021.

RESOLVED that the Cabinet approves:

- 1) **That the Council Tax collection rate for 2021/22 be set at 97.9%.**
- 2) **That, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amounts calculated by the City Council for 2021/22 shall be:**

a net tax base of 82,717.1 for the whole of the City Council area made up as follows:

Allesley Parish	330.0
Finham Parish	1513.9
Keresley Parish	309.2
All Other Coventry City Council Wards	80,564.0
	<hr/>
TOTAL	82,717.1

3) That the following grant payments should be made to parish councils to reflect the impact in 2021/22 of Council Tax reductions on their tax bases:

Allesley Parish	£990
Finham Parish	£3,292
Keresley Parish	£1,391
TOTAL	£5,673

63. Outcomes of the Fair Funding Consultations 2021-2022

The Cabinet considered a report of the Director of Education and Skills that set out the results of the consultation on proposed changes to the Fair Funding Scheme of Delegation ("the Scheme") and sought approval for recommended changes to the Scheme and the Fair Funding Formula. Appendices to the report provided: Fair Funding Consultation 2021-22: Summary of Responses; De-delegation levels approved for 2020-21; and Fair Funding Consultation 2021-22.

Under Section 48 of the School Standards and Framework Act 1998, Local Authorities (LAs) were required to have schemes of delegation which set out the financial controls and arrangements that would operate between schools and the LA. Any proposed revisions to these schemes and/or the Fair Funding Formula must be the subject of consultation and required approval by the Schools Forum.

The Department for Education (DFE) published the "Schools Revenue Funding 2021 to 2022: Operational Guide" which set out the school revenue funding arrangements for 2021-22.

The DFE introduced its National Funding Formula (NFF) for LAs in 2018-19, whereby allocations for LAs were determined under the NFF approach, but LAs retained control over how they chose to distribute that funding amongst their schools. In Coventry the decision since 2018-19 had been to mirror the NFF allocation for schools as far as possible. This had provided all schools with annual increases at least in line with the maximum per pupil funding increase set out in the NFF.

There had not been any significant changes to the operation of the local school funding formula for 2021-22; with the main changes aimed at providing flexibility to allow LAs to deliver the Funding Floor (a net +2.00% per pupil funding increase compared with 2020-21) as set out in the NFF details of which were set out in section 2 of the report. The report proposed to make some corresponding changes to the funding formula and sought approval of the Fair Funding Scheme of Delegation.

The consultation document was circulated on the 8th November 2020 to Head Teachers including Academy Head Teachers/Principals, Chairs of Governing Bodies, relevant Councillors, Trade Unions, Diocesan authorities, the Coventry Governors Association, members of the Schools Forum and Early Years Free Entitlement providers in the private, voluntary and Independent sectors. The consultation period ended after 2 weeks on the 22nd November 2020.

Stakeholder groups were briefed throughout the consultation period. These included Primary Finance representative head teachers and the Schools Forum. The consultation document also sought to act as an information document to school stakeholders regarding anticipated local budget pressures.

RESOLVED that the Cabinet:

- 1) Approves the recommended changes to the Fair Funding Formula and Fair Funding Scheme of Delegation, which are summarised in section 3 of the report.**
- 2) Delegates authority to the Director of Education and Skills, following consultation with the Cabinet Member for Education and Skills, to make any necessary amendments to the final detail of these recommended changes, in order to comply with the School Finance (England) Regulations 2020 once full detail of the schools funding settlement has been published by the Department for Education for 2021/22. Any changes will be made following discussion with the Schools Forum as appropriate.**

64. Outstanding Issues

There were no outstanding issues.

65. 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 2.11 pm)



Cabinet
Audit and Procurement Committee

16th February 2021
15th March 2021

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources - Councillor R Brown

Director Approving Submission of the report:

Director of Finance

Ward(s) affected:

City wide

Title:

2020/21 Third Quarter Financial Monitoring Report (to December 2020)

Is this a key decision?

No

Executive Summary:

The purpose of this report is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of December 2020. The headline revenue forecast for 2020/21 is for net expenditure to be **£33.3m** (£36.3m at Quarter 2) over budget before the application of COVID-19 emergency funding for local government. After the use of this grant, the net under-spend is **£0.5m** (£3.5m overspend at Quarter 2). At the same point in 2019/20 there was a projected underspend of £1.9m.

The position includes an underlying overspend of £9m within Children's Services although £6.7m of this has been attributed to the pandemic and funded from one-off Covid funding accordingly leaving a net overspend of £2.3m. Where financial pressures are anticipated to continue beyond the current financial year, they have been reflected in the forthcoming 2021/22 Budget Report. Underspends within Central Budgets and Housing and Transformation have helped to deliver the overall underspend position.

The Council has been able to stabilise its 2020/21 financial position both in terms of its business as usual services and the activity and impacts arising from the Covid pandemic. It is clear though that significant financial risk remains in relation to the future trajectory of Covid costs and funding. There remains a financial imperative to focus on the medium-term horizon and it is important for the Council to tackle the anticipated legacy effects of Covid.

The Council's capital spending is projected to be £231m and includes major scheme expenditure which ranges from investment in to the A46 Link Road, Coventry Station Masterplan, Whitley South infrastructure, Public Realm, Secondary Schools expansion and the National Battery Plant. The

impact of Covid has been relatively modest in terms of delays to progressing capital schemes and the Council is on track to exceed the high levels of programme spend achieved in 2019/20.

No recommendations were made by Audit and Procurement Committee in relation to the Quarter 2 report.

Recommendations:

The Cabinet is requested to:

- 1) Approve the Council's revenue monitoring position incorporating the application of Covid emergency funding.
- 2) Approve the revised forecast capital outturn position for the year of £231m incorporating: £4.3m net increase in spending relating to approved/technical changes, £23.9m net rescheduling of expenditure from 2021/22.

The Audit and Procurement Committee is requested to:

- 1) Consider the proposals in the report and forward any recommendations to the Cabinet.

List of Appendices included:

Appendix 1	Revenue Position: Detailed Directorate breakdown of forecast outturn position
Appendix 2	Capital Programme: Analysis of Budget/Technical Changes
Appendix 3	Capital Programme: Estimated Outturn 2020/21
Appendix 4	Capital Programme: Analysis of Rescheduling
Appendix 5	Prudential Indicators

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?

Yes - Audit and Procurement Committee, 15th March 2021

Will this report go to Council?

No

Report title:

2020/21 Third Quarter Financial Monitoring Report (to December 2020)

1. Context (or background)

- 1.1 Cabinet approved the City Council's revenue budget of £238.8m on the 25th February 2020 and a Directorate Capital Programme of £232.7m. This is the third quarterly monitoring report for 2020/21 to the end of December 2020. The purpose is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and to report on the Council's treasury management activity.
- 1.2 The current 2020/21 revenue forecast is for expenditure to be £0.5m under budget. This is after applying £33.8m of emergency funding received or due from Government for the purpose of managing the estimated cost of COVID-19 to the Council. The reported forecast at the same point in 2019/20 was an underspend of £1.9m. Capital spend is projected to be £231.1m, a £18m decrease since the previously reported Capital Programme for the year.

2. Options considered and recommended proposal

- 2.1 This is a budget monitoring report and as such there are no options.

Revenue Position - The revenue forecast position is analysed by service area below. The position shown for each service area assumes that all Covid costs are met from the emergency funding referenced above.

Table 1 - Forecast Variations

Service Area	Revised Net Budget £m	Forecast Spend £m	Total Over/(Under) Spend £m	Covid Impact £m	Non-Covid Forecast Variation £m
Adult Social Care	79.0	80.9	1.9	1.9	0.0
Business Investment & Culture	5.6	7.1	1.5	1.4	0.1
Children & Young People's Services	72.8	79.0	6.2	3.9	2.3
Contingency & Central Budgets	13.0	15.1	2.1	5.0	(2.9)
Education and Inclusion	14.3	14.3	0.0	(0.2)	0.2
Finance	3.2	4.8	1.6	1.5	0.1
Housing and Transformation	14.5	15.9	1.4	3.4	(2.1)
Human Resources	1.3	1.6	0.3	0.1	0.2
Legal and Governance Services	3.6	5.0	1.4	0.8	0.6
Directorate Management	1.4	1.5	0.1	0.0	0.1
Project Management & Property	(4.6)	(0.9)	3.7	3.5	0.2
Public Health	0.6	0.3	(0.3)	0.0	(0.3)

Streetscene and Regulatory	29.3	36.8	7.5	7.5	0.0
Transportation & Highways	4.3	10.3	5.9	5.3	0.6
Sub-Total	238.4	271.7	33.3	34.2	(0.9)
Covid Grant Shortfall				(0.4)*	0.4
Total	238.4	271.7	33.3	33.8	(0.5)

*Covid Emergency Funding will be applied at year-end as contributions of specific grant. It is currently estimated to be £0.4m less than applicable costs. The expected shortfall of Council Tax and Business Rates income in 2020/21, the latest estimate of which is £6m, is not included here but will become a pressure in 2021/22 in line with accounting convention.

2.2 An explanation of the major forecast variances is provided below. Further details are provided in Appendix 1.

Directorate - Covid-Related

Most of the variations reported at quarter 3 are as a direct result of the COVID-19 impacts across the City Council totalling c£34m. It must be stressed that the differentiation between Covid and non-Covid costs is subject to significant estimation uncertainty. These variations stood at £33m at Quarter 1.

Children and Young People's Services continues to account for a significant amount of the overspend caused by both the total number of placements and the average unit cost of those placements, as well as a continued reliance on agency staff to manage the increase in caseloads. During quarter 3, £2.8m of specific Contain Outbreak Management Fund grant has been used to reduce the total overspend from £9.0m to £6.2m, of which £3.9m is judged to be the result of Covid leaving a net overspend of £2.3m. The impact of the latest lockdown is as yet unknown.

A significant proportion of Covid impacts relate to income which has not been achievable under lockdown or which may not be achievable in subsequent months whilst recovery takes place. This includes c£3m potential rent losses and associated pressures in respect of the Council's commercial property portfolio and £5m in respect of significantly reduced car parking, bus gate and parking enforcement activity. Other lower but still significant Covid related income shortfalls are expected in other service areas including land charges, court costs, planning, commercial waste, parks, the Outdoor Education Service and other school traded services.

Covid has also resulted in expenditure pressures across a range of other services including; Adult Social Care costs of £1.9m including provider support, Personal Protective Equipment costs of £1.6m; provision of emergency mortuary capacity of £1.6m; waste disposal and safe working costs within Waste and Street Services of £1.5m; and the impact on the cost of housing rough sleepers during lockdown and expected activity increase in housing of £1.3m.

Directorate - Non-Covid

The Quarter 2 position also includes a number of variations which are separate from those attributable to Covid.

This overall non-Covid overspend in Children and Young People's Services is £2.3m. Significant spend pressures include the additional costs of looked after children placements as a result of delays in the delivery of Children's placement transformation, higher unit cost of placements partly attributable to the youth violence in the city, an increase in support packages for disabled children and the use of allowances to promote permanence outcomes for children.

Transportation and Highways is reporting a £0.6m non-Covid overspend due mostly to underlying Pre-Covid pressure in relation to car parking and bus gate enforcement income levels. A further net overspend of £0.6m within Legal and Governance Services relates mainly to the £0.25m cost of agency staff to cover vacancies within the Legal Services team, an underlying £0.2m cost of external legal fees for care proceedings and an underlying pressure of £0.1m in the Coroner's Service as a result of increased costs and volumes.

The Housing and Transformation underspend of £2.1m reflects a number of initiatives to provide cheaper and more suitable temporary accommodation and to reduce the unit costs (e.g. caradoc, acquisitions, market negotiations). This has prevented more homelessness cases arising and created a sustained reduction of households in temporary accommodation. The number of households living in TA has decreased significantly over the last 6 months from a high of 760 to an average of less than 550 each night during Quarter 3.

Contingency and Central Budgets

Quarter 3 Covid impacts incorporate a £1.9m estimated under-achievement of dividends and potential impairment of the Council's Collective Investment Funds (a treasury investment) and its long-term debtors totalling £3.1m. These will be subject to further review at the year-end.

Other than this, central budgets are forecast to underspend by £2.9m incorporating lower than budgeted borrowing and capital financing costs within the Asset Management Revenue Account and an underspend on the Council's superannuation budgets. The position shown is after funding Materials Recycling Facility development costs of £0.8m approved by Cabinet in August 2019. The position does not include the previously assumed over-achievement of Business Rates Pool income due to uncertainties nationally over potential business rating appeals being considered by the Valuation Office Agency.

Covid-Related Grants

The Government has announced a range of grant funding allocations to manage the financial impact of COVID-19 and deliver services to mitigate or address the effects of the pandemic.

Table 2: Covid Funding Allocations

	2020/21 Grant Value
Funds Council Expenditure	£000
Emergency Funding (4 tranches*)	(33,190)
Adult Social Care Infection Control Fund (4 Tranches)	(5,545)
Contain Outbreak Management Fund (initial 3 tranches**)	(4,459)
Sales, Fees and Charges Income Loss (2 tranches)	(3,602)
Test and Trace Support Grant	(2,041)
Covid Winter Grant Scheme	(1,293)
Community Testing (Lateral Flow Testing)	(606)

Hospital Discharge Scheme (2 tranches)	(959)
Adult Social Care Workforce Grant	(775)
Adult Social Rapid Testing Fund	(665)
Community Champions Funding	(499)
Emergency Assistance Grant for Food & Essential Supplies	(479)
Next Steps Accommodation Programme (CCC revenue element)	(401)
Re-Opening High Streets Safely Fund	(334)
Home to School Transport	(236)
Compliance and Enforcement (Surge) Grant	(222)
Clinically Extremely Vulnerable	(199)
Business Grants New Burdens Funding	(170)
Unaccompanied Asylum Seeker Children Funding	(60)
	(55,735)

* £2.8m of this amount was spent in 2019/20.

**Further tranches of the Contain Outbreak Management Fund totalling £4.5m are likely to be due by year-end.

This includes £33.2m in four allocations of overall emergency funding plus claims of £3.6m for sales, fees and charges income loss, the combined total of which will be used to manage the overall Council bottom line. The remaining grants are intended to address specific priority areas, the large majority of which will be utilised to deliver the purposes highlighted by grant determinations, subject to local requirements. Most of the funding has already been received for the current list of grants shown above.

2.3 Capital

The quarter 3 2020/21 capital outturn forecast is £231m compared with the original programme reported to Cabinet in February 2019 of £232.7m. Table 3 below updates the budget at quarter 3 to take account of a £4.3m increase in the programme from approved/technical changes, £23.9m of net rescheduling now planned to be carried forward into future years.

The resources available section of Table 3 explains how the Capital Programme will be funded in 2020/21. It shows 77% of the programme is funded by external grant monies, whilst 16% is funded from borrowing. The programme also includes funding from capital receipts of £11.1m.

Table 3 – Movement in the Capital Budget

CAPITAL BUDGET 2020-21 MOVEMENT	Qtr 3 Reporting £m
Estimated Outturn Quarter 2	249.1
Approved / Technical Changes (see Appendix 2)	5.9
“Net” Overspend (See Appendix 3)	0.0
“Net” Rescheduling into future years (See Appendix 4)	(23.9)
Revised Estimated Outturn 2019-20	231.1

RESOURCES AVAILABLE:	Qtr 3 Reporting £m
Prudential Borrowing (Specific & Gap Funding)	36.5
Grants and Contributions	177.2
Capital Receipts	11.1
Revenue Contributions and Capital Reserve	6.3
Total Resources Available	231.1

2.4 Treasury Management

Interest Rates

The Base Rate was maintained at 0.10% by the Bank of England in December 2020. The medium-term outlook is increasingly weak. Whilst the strict initial lockdown measures put in place to protect against COVID-19 were eased, subsequent waves of infections has prompted more restrictive measures on a regional and national basis, which means it is likely to be at least the first Quarter of 2022 before consumer demand returns to pre-pandemic levels. As a result, current forecasts predict the base rate will remain at 0.10% until at least the first quarter of 2024. However, further interest rate cuts to zero or possibly negative, cannot yet be completely ruled out.

Long Term (Capital) Borrowing

The net long term borrowing requirement for the 2020/21 Capital Programme is £25.7m, taking into account borrowing set out in Section 2.3 above (total £36.5m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£10.8m). During 2020/21 the Council undertook £18m of borrowing from the West Midlands Combined Authority (WMCA) as part of the funding package of the UK Battery Innovation Centre. The Council has no immediate plans to take any further new long-term borrowing, however, this will be kept under review.

In November 2020, the Public Works Loan Board (PWLB) cut its lending rates by 1%. However, the ability to use this facility does not come without strings. The Treasury announced that from now on, Councils can only borrow from PWLB if finance directors “confirm that there is no intention to buy investment assets primarily for yield” in the three years following a loan. Finance directors will also need to submit a plan for capital spending and financing plans covering the forthcoming three years. Further restrictions mean PWLB will not lend to a council planning to buy assets for yield “regardless of whether the transaction would notionally be financed from a source other than the PWLB.” Failure to comply with the rules could lead to a council being banned from using the PWLB borrowing facility.

Interest rates for local authority borrowing from the Public Works Loans Board (PWLB) between 1st October and 31 December 2020 have varied within the following ranges:

PWLB Loan Duration (maturity loan)	Minimum 2020/21 to Q3	Maximum 2020/21 to Q3	As at the End of Q3
5 year	0.92%	2.10%	0.95%
50 year	1.52%	2.91%	1.60%

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

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

Short Term (Temporary) Borrowing and Investments

In managing the day to day cash-flow of the Council, short-term borrowing or investments are undertaken with financial institutions and other public bodies. As at 31/12/2020 the Council held £57m of short-term borrowing from other public bodies at an average interest rate of 0.95%. This borrowing was solely used to facilitate an up-front payment of the Council’s employer pension contributions to the West Midlands Local Government Pension Fund.

Returns provided by the Council’s short-term investments yielded an average interest rate of 0.32% over the last 12 months. This rate of return reflects low risk investments for short to medium durations with UK banks, Money Market Funds, Certificates of Deposits, other Local Authorities, Registered Providers and companies in the form of corporate bonds.

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

	As at 30th June 2020	As at 30th September 2020	As at 31st December 2020
	£m	£m	£m
Banks and Building Societies	0.0	0.0	0.0
Money Market Funds	37.0	67.8	35.0
Local Authorities	0.0	5.0	5.0
Corporate Bonds	0.0	0.0	0.0
Registered Providers	10.0	10.0	10.0
Total	47.0	82.8	50.0

External Investments

In addition to the above investments, a mix of Collective Investment Schemes or “pooled funds” is used, where investment is in the form of sterling fund units and non-specific individual investments with financial institutions or organisations. These funds are generally AAA rated, are highly liquid as cash, can be withdrawn within two to four days, and short average duration. The Sterling investments include Certificates of Deposits, Commercial

Paper, Corporate Bonds, Floating Rate Notes, Call Account Deposits and Equities. These pooled funds are designed to be held for longer durations, allowing any short-term fluctuations in return to be smoothed out. In order to manage risk these investments are spread across a number of funds.

Returns provided by the Council's pooled funds yielded an average interest rate of 4.22% over the last 12 months.

As at 31st December 2020 the pooled funds were valued at £28.3m, against an original investment of £30m. This is spread across the following funds: CCLA, Schroders, Investec, Columbia Threadneedle and M&G Investments.

Whilst the pooled funds continue to provide an annualised return, their capital value has decreased. This is mainly due to the impact of Covid-19. Normally, this would not be an issue unless the Council intended to disinvest from the funds (the intention is that the Council keeps these for the long-term) however, there is currently a statutory override for gains and losses on pooled investment funds held outside of a pension fund being taken to revenue. This was introduced in 2018 following a change to International Financial Reporting Standards (IFRS). At the time, the government felt it was inappropriate for revaluations to "impact on the balanced budget requirement or on the quantum of funds available to support delivery of services." But this override is time-limited and is due to expire in April 2023. If the override is not extended, then the Council will be required to offset these capital losses against the revenue budget.

Prudential Indicators and the Prudential Code

Under the CIPFA Prudential Code for Capital Finance authorities are free to borrow, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against Prudential Indicators relating to capital, treasury management and revenue issues. These indicators are designed to ensure that borrowing for capital purposes is affordable, sustainable and prudent. The purpose of the indicators is to support decision making and financial management, rather than illustrate comparative performance.

The indicators, together with the relevant figures as at 31st December 2020 are included in Appendix 5. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2020/21. Specific points to note on the ratios are:

- The Upper Limit on Variable Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at variable interest rates. At 31st December the value is -£58.3m (minus) compared to +£87.9m within the Treasury Management Strategy, reflecting the fact that the Council has more variable rate investments than variable rate borrowings at the current time.
- The Upper Limit on Fixed Interest Rate Exposures (indicator 9) sets a maximum amount of net borrowing (borrowing less investments) that can be at fixed interest rates. At 31st December the value is £300.5m compared to £439.5m within the Treasury Management Strategy, reflecting that a significant proportion of the Council's investment balance is at a fixed interest rate.

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 the Director of Finance and the Director of Law and Governance

5.1 Financial implications

Revenue

Further Government support has been announced in the third quarter to help the Council fund the extended and significant effects of Covid. The recent extension to and strengthening of restrictions will continue to affect the Council's financial position and this will need to be monitored closely for the remainder of the year. Financial implications could still emerge or worsen in several service areas and in estimates of the balance sheet impact. The Council has so far managed its 2020/21 financial position through the combination of general Covid funding plus a range of additional more specific Covid grants. However, it is likely that funding for Covid related impacts will fall away quite quickly in 2021/22 whereas some of the costs are likely to be longer term or even structural.

The Institute for Fiscal Studies' recent analysis of the Local Government Spending Review highlighted the potential for longer-run and indirect effects of the Covid crisis on the issues such as chronic ill-health and safeguarding issues, which need to be managed by the local authority sector in the future on top of pre-existing demand and cost pressures. In addition, the Council has expressed its intention to provide greater focus on areas which have been adversely affected under Covid such as domestic abuse, mental health and the local economy.

As a result, it is crucial for the Council to manage its Covid resources on a multi-year basis, maximising the use of specific and time-limited Covid grants in-year but managing more general and flexible funding to support Covid priorities running into next financial year. Government guidance issued more recently for the more restrictive funding streams is increasingly referring to the flexibility to carry resources forward to next financial year, indicating a recognition of the multi-year nature of the issue.

Risks and uncertainty remain into 2021/22 demonstrated most clearly by this year's headline £9m Children and Young People's overspend and some of the large reductions in a range of income sources. In addition to these risks, the challenge facing the Council will be how it emerges from the pandemic and its ability to maintain momentum in supporting the range of capital and project based developments on the horizon. Therefore, as well as safeguarding Covid funding to manage the continued impact of the pandemic there is now a focus on identifying any resources that become available to help pump-prime longer-term developments. The forthcoming Budget Report to outline will contain further details on this proposal.

In terms of the financial pressures resulting from Covid that have been identified to date the Council should be close to managing its 2020/21 position. The table below shows the current position indicating an unfunded Covid pressure of £0.4m.

	£m
Confirmed Covid Emergency Funding	(33.8)
2020/21 Pressures	34.2
Unfunded Balance	0.4

In addition, local government will be able to claim further grant to recompense it for part of its income pressures later in the year whilst further grant allocations (aligned with new responsibilities) continue to be announced and issued, the detail of which continue to be worked through. It is important to note that the 2020/21 position does not include the impact on the Council's Collection Fund (Council Tax and Business Rates) income. Accounting convention requires Collection Fund losses that arise in-year to be accounted for in the following year. The Council's 2021/22 Budget proposals incorporate forecast losses from 2020/21 and although the Government has provided some compensation for such losses, in Coventry's case it is clear that these losses will not be compensated in full.

As part of the quarter 2 monitoring report, Cabinet approved the Council's approach to managing its Covid grant funding by either putting in place programmes or specific measures specified by Government within its grant determinations or managing pressures from the additional expenditure incurred and income lost as a result of COVID-19 and/or balancing the overall bottom line as appropriate.

It is clear that the Council is facing a number of significant financial risks currently and looking forward: renewed pressure on children's budgets which total £9m this year; the prospect of permanent societal changes affecting its income base; unchartered impacts on its Council Tax and Business Rates environments; and the need to prepare its services for potential further pandemic events.

The forthcoming 2021/22 Budget report (based on the earlier Pre-Budget Report and the results of the Provisional Local Government Settlement) will establish a balanced Budget position whilst acknowledging the heightened financial risks facing the Council. The combination of uncertainty facing local government finance beyond 2021/22 and the continued (and potentially permanent) impacts of Covid mean that many of the fundamental elements of the financial plan are fluid at present meaning that medium term financial planning will continue to be challenging.

Capital

The Council's capital programme plans continued to be progressed despite the lockdown conditions in place during several periods this year. Although there was an impact on some areas of the programme (in particular some city centre public realm works) most schemes worked at or approaching full capacity. The programme continues to reflect major schemes that are being delivered over several years such as the UK Battery Industrialisation Centre, Whitley South Infrastructure, Public Realm and the Coventry Station Masterplan, all of which now have a very visible physical presence in the city. The current forecast programme, if achieved, will surpass the very large programme achieved in 2019/20.

The largest areas of rescheduling in the third quarter involve some of the strategic projects which will help to change the face of the city. The UK Central and Connectivity programme for the A46 Stoneleigh Junction scheme and delays associated approval from Highways England, and adverse weather for the lift of the new footbridge and canopy for Coventry Station Masterplan, has deferred contract payment as they are based on activity.

5.2 Legal implications

None

6. Other implications

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

The Council monitors the quality and level of service provided to the citizens of Coventry and the key objectives of the Council Plan. As far as possible it will try to deliver better value for money and maintain services in line with its corporate priorities balanced against the need to manage with fewer resources.

6.2 How is risk being managed?

The need to deliver a stable and balanced financial position in the short and medium term is a key corporate risk for the local authority and is reflected in the corporate risk register. Budgetary control and monitoring processes are paramount in managing this risk and this report is a key part of the process. The impact of Covid has represented a heightened level of financial risk over this period. The Council has sought to take a proportionate approach to supporting key sectors, partners and vulnerable groups ensuring that a fundamental safety net is provided but doing so in a financially sustainable way, ensuring that the Council can maintain legacy support within the broad financial envelope indicated by Government emergency funding announcements.

6.3 What is the impact on the organisation?

It remains important for the Council to ensure that strict budget management continues to the year-end. The Council continues to monitor any changes to the financial position represented by Covid and these have been reflected in the current Budget process.

6.4 Equalities / EIA

No impact.

6.5 Implications for (or impact on) climate change and the environment

No impact at this stage although climate change and the environmental impact of the Council's decisions are likely to feature more strongly in the future.

6.6 Implications for partner organisations?

No impact.

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

Paul Jennings
Finance Manager Corporate Finance

Service:

Finance

Tel and email contact:

Tel: 02476 977228

Email: paul.jennings@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Law and Governance	02/02/21	03/02/21
Helen Williamson	Lead Accountant Capital	Finance	29/01/21	29/01/21
Michael Rennie	Lead Accountant	Finance	29/01/21	29/01/21
Adam Stretton	Accountant	Finance	29/01/21	29/01/21
Names of approvers for submission: (officers and members)				
Barry Hastie	Director of Finance	Finance	02/02/21	03/02/21
Julie Newman	City Solicitor and Monitoring Officer	Law and Governance	04/02/2021	04/02/21
Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	01/02/21	02/02/21

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

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

	Revised Budget	Forecast Spend	Centralised Forecast Variance	Budget Holder Forecast Variance	Total Forecast Variance	Less Covid Impact	Net Forecast Variance
	£m	£m	£m	£m	£m	£m	£m
Adult Social Care	79.0	80.9	0.0	1.9	1.9	1.9	0.0
Business Investment & Culture	5.6	7.1	0.2	1.4	1.6	1.4	0.1
Children & Young People's Services	72.8	78.9	(1.9)	8.1	6.2	3.9	2.3
Contingency & Central Budgets	13.0	15.1	0.0	2.1	2.1	5.0	(2.9)
Education and Inclusion	14.3	14.3	(0.4)	0.4	(0.0)	(0.2)	0.2
Finance	3.2	4.8	(0.1)	1.7	1.6	1.5	0.1
Housing & Transformation	14.5	15.9	0.1	1.2	1.4	3.4	(2.1)
Human Resources	1.3	1.6	0.1	0.1	0.3	0.1	0.2
Legal & Governance Services	3.6	5.0	(0.1)	1.4	1.4	0.8	0.6
People Directorate Management	1.4	1.5	0.0	0.0	0.1	0.0	0.1
Project Management & Property Services	(4.6)	(0.9)	0.0	3.7	3.7	3.5	0.2
Public Health	0.6	0.3	0.1	(0.4)	(0.3)	0.0	(0.3)
Streetscene & Regulatory Services	29.3	36.8	(0.2)	7.8	7.5	7.5	(0.0)
Transportation & Highways	4.3	10.3	(0.0)	6.0	5.9	5.3	0.6
	238.4	271.7	(2.1)	35.4	33.3	34.2	(0.9)
						(0.4)	0.4
Total	238.4	271.7	(2.1)	35.4	33.3	33.8	(0.5)

Budget Holder Forecasts

Service Area	Reporting Area	Explanation	£m
Education and Skills	SEND & Specialist Services	The Qtr. 3 forecast for SEN Home to School Transport is projecting a £1.2M under spend for 2020/21. The forecast includes reduced spending during the Summer term due to Covid-19. As a consequence of social distancing some additional costs have been incurred from September 2020, however a government grant has been received which offset this during the Autumn term. It is expected that this funding stream will continue into Spring Term. A percentage has been built into the forecast to account for a slight increase in special school places from September 2020. SEND Support Services are forecasting an over spend of £0.1M which is fully offset by a centralised under spend.	(1.1)
Education and Skills	Education Entitlement	Plas Doly Moch is forecasting an over spend of £0.5M as a result of Covid-19. The centre is currently closed and is therefore not able to generate income via fees & charges. Government support has been accessed where possible and all expenditure has been reviewed to reduce spending. Avenues are currently being explored in relation to other forms of income generation. The Education Welfare service is forecasting an over spend of £125k. This is due to a reduction in income from Fixed Penalty Notices relating to non-attendance as a result of Covid-19. The budget for the Woodlands site is reporting an over spend of £45k because of reduced income from leisure activities due to Covid-19. Other traded services within Education Entitlement are forecasting over spends as a result of an expected reduction in school and / or parental income due to Covid-19. Work is ongoing to explore options to mitigate this, including the submission of a claim to the governments compensation scheme for lost sales, fees & charges.	0.8
Education and Skills	Employment & Adult Education	To date it has not been possible to deliver the outstanding £189k financial savings target set as part of previous budget setting processes to ensure we maximise ESFA grant funding against internal training programmes. Due to the impact of Covid-19 and the resulting switch to virtual learning Adult Education are forecasting a reduction in income generated via fees and charges. This is forecast to create a budgetary pressure of £64k. The Employment Service are forecasting an over spend of £279k but this is fully offset by a corresponding under spend against centralised salaries.	0.5
Education and Inclusion	Other Variances Less than 100K		0.1
Education and Inclusion			0.4
Children and Young People's Services	Commissioning, QA and Performance	The budget holder variance in Quality Assurance primarily relates to 3 particular areas, the growth of 3 positions within the Professional Support Service where the relevant funding is pending transfer; 2 related to the growth of the internal fostering service and 1 in relation to grant funding being received by the	0.4

		throughcare service. An income target related to training through safeguarding in education where it has been necessary to reduce the forecast income as a result of COVID-19, the shortfall and subsequent impact has been added to the COVID spend tracker. An overspend relating to an increase in agency costs across the service this is due to increased number of children who are LAC and those that have become subject to a CPP. The Quality Assurance service continues to recruit to and fill permanent vacancies to offset this overspend.	
Children and Young People's Services	Help & Protection	Help and Protection overspend relates in the main to agency staff who are covering vacant posts and those on maternity leave. Recruitment continues to be a priority for children's services. The increase also relates to 12 Social Worker posts within the Academy which are considered supernumery for the first 6 months before they move to a vacant post. This has been funded from the agency budgets as it will support Children's Services in reducing agency staff. However the immediate increase in demand and the impact of Covid-19 on staffing has prevented agency staff numbers from reducing creating additional financial pressure.	1.7
Children and Young People's Services	LAC & Care Leavers	There has not been a significant swing from Q2. The impact of Covid-19 continues to place pressure on the Placements budget due to an increase of over 10% in the number of looked after children since April, an increase in external placement unit costs and the need to protect children from the hidden harm they were exposed to during the Covid lockdown periods. Remands to custody as a consequence of youth violence are at the highest ever and there is a shortfall of £885k in the grant to offset this. Discharges from care have slowed as throughput by the courts has decreased. Other pressures include the need to use agency staff, the increase in support packages for disabled children and the use of allowances to promote permanence outcomes for children. The impact of the latest (January) lockdown is as yet unknown.	8.8
Children and Young People's Services	Children's Services Management Team	Overspends from budget removed in COVID activity top-slice, management turnover target not being met and additional staffing costs due to additional Academy team approved. Significant new resources for wider service pressures from £2.8m of Contain Outbreak Management Fund grant allocated in quarter 3.	(2.8)
Children and Young People's Services			8.1
Adult Social Care	Strategic Commissioning (Adults)	£0.2m underspend relates to Carers budgets. Work is underway to enhance the support offer to carers for the next 12 months. £0.7m underspend relates to transport following the suspension of day opportunities earlier in the year and also ongoing reduced capacity as result of COVID-19. £0.2m overspend relates to the PFI contract and a number of factors including reduced income from resident charges due to the impact of COVID on occupancy levels.	(0.7)

Adult Social Care	Internally Provided Services	Overspends on other pay and overtime which have been offset by underspends on centralised salary costs.	0.1
Adult Social Care	All Age Disability and Mental Health Community Purchasing	Residential and community provision has remained stable within Learning Disability services and tracking against forecast. Within Mental Health services we are continuing to see increasing demand for services, which is causing increased pressures on services. Adjustments are being made to the forecast to take these pressures into account, and these will be closely monitored over the coming months with further adjustments made as required	4.1
Adult Social Care	All Age Disability and Mental Health Operational	There remains significant pressures in Deprivation of Liberty Assessment demand leading to additional assessment costs. The all Age Disability Team has also seen increasing demand alongside staff turnover. Ensuring statutory need is met has been essential and has resulted in additional agency cost.	0.4
Adult Social Care	Adult Social Care Director	There are 2 significant variations which make up the budget holder variance. A £1.9m overspend due to specific COVID-19 related spend which will be resourced alongside other corporate Covid related expenditure as well as a £3.1m underspend representing the use of iBCF and other resources to manage the underlying Adult Social Care financial position. Whilst iBCF grant has been provided to assist with managing the position, it is unlikely to be sufficient to manage the longer term cost impact of the pandemic. The contributory factors that make up the overspend are reflected within the adjacent explanations.	(1.2)
Adult Social Care	Older People Community Purchasing	Residential placements have plateaued over the quarter, following a slight increase in the last quarter. The latest increase in Covid infections may be one reason for this. The residential and nursing numbers are being monitored monthly and forecasts adjusted taking into account demand profiles. Where possible we continue to promote the care of residents in their own homes or in Housing with Care.	(1.0)
Adult Social Care	Other Variances Less than 100K		0.2
Adult Social Care			1.9
Housing Services & Transformation	Customer and Business Services	COVID continues to be impacting on a number of service areas– particularly in Post & Fastprint with reduced levels of income which is offset to some degree by reduced postal costs.	0.2
Housing Services & Transformation	Housing and Homelessness	The service has worked on a number of initiatives to provide cheaper and more suitable temporary accommodation and to reduce the unit costs (e.g. Caradoc, acquisitions, market negotiations) whilst also preventing more homelessness, thus creating a sustained reduction of households in temporary accommodation. The number of households living in TA has decreased significantly over the last 6 months from a high of 760 to an average of less than 550 each night during Quarter 3. This work combined with	(1.4)

		the additional budget resource has resulted in a forecast of a Budget Holder underspend of £1.5m in 20/21. The underspend is despite incurring £1.25m of COVID-related expenditure. Had it not been for these costs, the Budget Holder underspend would have been £2.8m. However there is a risk of increased demand which could impact on the forecast.	
Housing Services & Transformation	Procurement	The Budget Holder forecast overspend relates to the following: cross-Council PPE of £1.7m - all relating to Covid 19 and under-achievement on both streams of rebate income of £74k - £60k of which is Covid related partially offset by underspends and other income totalling £54k.	1.7
Housing Services & Transformation	ICT & Digital	The current forecast position is largely a result of the following factors: some COVID-19 related pressures (circa £230k) , a general increase in demand for ICT kit and services and price increase (circa £210k) and a worsening income position from traded services (circa £200k). Management action is being taken to look to address these pressures although it is recognised that the COVID-19 situation has accelerated an already growing demand for ICT kit and services such as laptops, mobile phone and user accounts. The increase in unit price for equipment such as laptops is due to the global demand and some supply chain issues. Work is being done to re-baseline the organisations core requirement for ICT kit aligning closely with organisational design activity as a result of COVID-19. Unfortunately, the worsening position on income from traded services may be impacted further by the COVID-19 situation and the current national lockdown. This may result is an increased overspend by year end.	0.7
Housing Services & Transformation			1.2
Legal & Governance Services	Legal Services	The COVID-19 lockdown and related restrictions have had a negative impact on income streams within the Register Office and the Records & Land Charges services forecast at c£0.3m. Additionally, the pandemic has necessitated additional Legal agency staff and external legal fees for care proceedings estimated to be £320k. Other variations reflect a £250k cost of agency staff to cover vacancies within the Legal Services team, an underlying c£220k cost of external legal fees for care proceedings, and an underlying pressure of £100k in the Coroner's Service as a result of increased costs and volumes.	1.4
Legal & Governance Services			1.4
Finance	Revenues and Benefits	COVID-19 impact has resulted in a significant reduction in court cost income of around £800k due to the suspension of liability order applications, and an increase in off-site processing required to cope with extra demand of £40k. Other variations are due to a Housing Benefit subsidy pressure of c£0.8m due to an increase in the unit cost of supported exempt accommodation for which the council only receives partial subsidy payments for if the provider is not a registered social landlord. At the same time, the	

		Council has less opportunity to recover overpayments due to customers transferring to Universal Credit and the effects of COVID.	
Finance		Other Variances Less than 100K	(0.1)
			1.7
Business Investment and Culture	Sports, Culture, Destination & Bus Relationships	COVID pressures resulting from the closure of the sports Trust c£0.5m, and the Wave c£0.4m. The residual deficit is a net deficit whilst St Marys guildhall is closed for development c£0.2m	1.1
Business Investment and Culture	CCD Management & Support	COVID pressure is c£0.2m unachieved income relating to the sponsorship commercialisation target	0.2
Business Investment and Culture	Other Variances Less than 100K		0.1
Business Investment and Culture			1.4
Transportation & Highways	Traffic	The majority of pressures (c£5m) are due to a significant reduction in parking and enforcement income during the COVID-19 lockdown period, based on an assumed phased improvement in activity over the coming months which is unlikely to return to pre-COVID levels. Other variations are primarily due to the delayed implementation of a new fee structure for residents' parking permits.	5.3
Transportation & Highways	Highways	This is primarily the impact of DLO being stood down from April to June 2020 due to Covid 19 meaning that the service was unable to recover c£0.5m of its costs and overheads. This will be offset slightly from fees earned on external works in the latter part of the year	0.4
Transportation & Highways	TH Management & Support	Temporary management arrangements for senior posts	0.1
Transportation & Highways	Other Variances Less than 100K		0.2
Transportation & Highways			6.0
Streetscene & Regulatory Services	Streetpride & Parks	The pressures in this area are predominantly COVID related income losses of £0.4m due to the closure of parks and cancellation of events. There have also been a number of covid cost pressures totalling £0.4m for staffing, cleaning and additional vehicles to maintain safe working. Other pressures primarily include costs of Agency Staff and OT of £180k, higher fleet costs of £196k, Traveller Incursion works £86k, delayed implementation of the WMP Parking charges £120k offset by a number of smaller underspends totalling £138k.	1.3
Streetscene & Regulatory Services	Regulatory Services	This relates to reduced activity in Building Control and Regulatory Services which collectively are resulting in reduced income of over £0.1m.	0.1
Streetscene & Regulatory Services	Planning	Lower planning related activity is causing a loss of Income of c£0.4m due to Covid 19. The remaining c£0.2m relates to additional temporary staffing related	0.6

		and consultancy costs, largely offset by salary underspends.	
Streetscene & Regulatory Services	Waste & Fleet Services	<p>The main pressures are COVID related and include Waste Disposal £0.75m (increased tonnages & gate fees) loss of £0.6m Commercial Waste income, loss of £1.4m passenger transport income, Domestic Waste & Fleet pressures of £0.6m and £0.17m to ensure safe working, and loss of Taxi Licensing income of £0.2m</p> <p>The wider overspends primarily relate to a waste disposal of £0.2m, the cost of Christmas collections of £0.15m and £0.2m higher than budgeted vehicle costs, partially offset by a one off underspend on fleet financing costs of £0.6m, and an underlying upturn in commercial waste income in the latter part of the financial year of £0.4m.</p>	3.4
Streetscene & Regulatory Services	SSGS Management & Support	This pressure is almost entirely due to the Regional Mortuary facility costs which are being funded from the COVID 19 emergency resources.	2.0
Streetscene & Regulatory Services	Environmental Services	COVID pressures £135k relating to loss of income for Pest Control service during lockdown period, £124k agency & overtime cover for shielding staff and £27k reduced Fixed Penalty Notice income. Other variations relate reduced ESU income £53k.	0.3
Streetscene & Regulatory Services			7.8
Human Resources	Human Resources	Other Variances Less than 100K	0.1
Project Management and Property Services	Commercial Property and Development	This is primarily commercial rent loss resulting from the Covid-19 pandemic estimated at c£3m.	2.9
Project Management and Property Services	Facilities & Property Services	Security/holding costs of the vacant Fairfax Street building continue estimated at c£0.3m, the remainder being Covid related PPE and building compliance costs of c£0.35m	0.5
Project Management and Property Services	PMPS Management & Support	The commercial property acquisition target will under achieve by c£0.2m.	0.2
Project Management and Property Services		Other Variances Less than £100K	0.1
Project Management and Property Services			3.6
Public Health	Public Health - People	Reduction in budgeted contract costs	(0.1)
Public Health	Public Health - Lifestyles	Reduction in service delivery as resources moved to support COVID response	(0.1)
Public Health	Other Variances Less than 100K		(0.2)

Public Health			(0.4)
Ringfenced Funding	SEND & Specialist Services	This is predominately attributable to a significant increase in demand for external specialist placements for: primary and secondary SEMH (local provision is exhausted); specialist provision for LAC resident in other LAs; new and extended FE placements from Sept 2020 and unit costs increases throughout the system.	1.7
Ringfenced Funding	Schools	DSG: This under spend is a combination of £1.9m High Needs Unallocated Resource, £0.3m Growth Fund & £0.1m Early Years Adjustment.	(2.3)
Ringfenced Funding	Education Entitlement	DSG: The New Arrivals fund is forecasting an under spend of £38k due to a reduction in the number of pupils being admitted to schools due to Covid-19. There are other small under spends across a number of different budgets within Education Entitlement.	(0.2)
Ringfenced Funding	Financial Strategy	Technical adjustment to remove total of ringfenced variances from corporate position	0.8
Ringfenced Funding			0.0
Corporate & Contingency	Corporate Finance	Estimated Covid impact from a £1.9m under-achievement of dividends and impairment of the Council's Collective Investment Funds (a treasury investment) and its long-term debtors totalling £3.1m. This is offset by £2.9m lower than budgeted borrowing and capital financing costs within the Asset Management Revenue Account and an underspend on the Council's superannuation budgets. The position shown is after funding Materials Recycling Facility development costs of £0.8m approved by Cabinet in August 2019.	2.1
Contingency & Central			2.1
Total Non-Controllable Variances			35.4

Appendix 2

Approved / Technical Changes

SCHEME	EXPLANATION	£m
On-Street Residential Chargepoint Scheme Phase 3 & 4	The Office for Low Emission Vehicles (OLEV) has awarded Coventry City Council, a grant of £0.8m. The purpose of the grant is to install on-street charge points for local residents wishing to charge their plug-in electric vehicles.	0.8
Active Travel Fund tranche 2	Funding awarded from Department of Transportation in response to Covid-19 to deliver and improve cycle routes within the city.	0.2
Green Homes Grant	Approved at Cabinet Member Meeting on 21st October, new grant award in total £530,000 from BEIS Low income households towards the costs of energy efficient measures.	0.3
City of Culture	Additional Getting Building Fund Grant approved by emergency powers on 5 th August 20. This is part of an overall grant award to the Local Authority of £19.8m. £3.3m cashflow in 20/21 to aid the completion and complement the CoC programme including Fargo Village remodelling; Digital Gallery; Unique Visitors Centre etc	3.3
Mixed Recycling Facility	Removing Prudential Borrowing as CCC contribution (£300k) as should be funded from revenue. An overall increase of £1.5m to fund the £800k CCC contribution and £700k from other LA's as approved by Cabinet in August 2019	1.3
TOTAL APPROVED / TECHNICAL CHANGES		5.9

Appendix 3

DIRECTORATE	BASE BUDGET plus 20/21 RESCHEDULING £m	TOTAL APPROVED / TECHNICAL CHANGES £m	TOTAL OVER / UNDER SPEND £m	TOTAL RESCHEDULED EXPENDITURE £m	REVISED ESTIMATED OUTTURN QTR3 20-21 £m
PEOPLE	29.2	1.1	0.2	(8.1)	22.4
PLACE	222.6	19.7	0.1	(33.8)	208.6
TOTAL	251.8	20.8	0.3	(41.9)	231.0

Appendix 4

Rescheduling and Accelerated Spend

SCHEME	EXPLANATION	£m
Vehicles	Many of the vehicles that would have been replaced for the fleet replacement budget have now been purchased using grant funding via Highways England EV grant. There are also a number of Cleansing and Amenities vehicles that will not arrive by year end.	(1.8)
Whitley Depot Redevelopment	Delayed start of construction.	(1.5)
Growing Places	A reduction in uptake of the Duplex loans, due to the economic impact of the pandemic on businesses, has led to a decrease in the drawdown of the Growing Places fund in 20/21.	(1.6)
Highways Investment	Accelerated funding is needed to deal with unforeseen deterioration and the subsequent required repairs for 2 sections of the ring road. The Cabinet Member has requested repairs for an extra site and also increased repairs versus planned repairs to another site.	0.3
UK Central & Connectivity - Coventry South Package	The award of the main construction Contract for the A46 Stoneleigh Junction scheme was delayed from the original programme primarily due to the detailed design approval from Highways England (HE) taking longer than originally anticipated. HE approval was necessary as the scheme involves the re-construction of the slip roads on and off the A46, which is part of the Strategic Road Network managed by HE. The Contract was awarded in November 2020 and site mobilisation is underway. The delay in securing the HE technical approval did not hold up preparatory works such as environmental mitigation measures, vegetation removal and utility diversions, all of which progressed during 2020.	(11.3)
The Avenue Bowls Club	Due to the delay in the procurement of the Contractor and contracts delay in general, the project has slipped by at least a further 2 months since the previous forecast was provided. A true position probably won't be known for another month or so yet until the Contractor is on board and therefore this slippage could increase further	(0.9)
Coombe Park new Play Facilities	Planning has not been granted yet, so work is due to start next financial year	(0.2)

Coombe Abbey Car Park Remodelling	Planning has not been granted yet, so work is due to start next financial year	(0.2)
Coventry Station Masterplan	The slippage in Q3 can be attributed to the fact that programme has suffered some delay due to adverse weather. This has impacted on the Phase 1 footbridge lifts, which in turn has had a knock on impact on the adjacent Phase 2 station building works. Payment under the contract is issued against an activity schedule, hence the delay in expenditure. There has been some slippage in project management costs as a result of delays to invoicing and ongoing discussions regarding the level of rates within Network Rail's Asset Protection Agreement for Phase 2 of the project, which will be concluded in Q4. Finally the expenditure profile for the highways element of the works has slipped to reflect the fact that the DLO working area on Warwick Road is constrained by the station building works, which has resulted in reprogramming. These works will be completed in Q4.	(7.9)
Friargate	The Development Manager responsible for delivery of Two Friargate completed the tender exercise during Quarter 3 and the Local Authority has now entered into the contract. The successful tenderer was significantly below budget and forecasts have reduced accordingly. We are advised that the below anticipated tender price is reflective of current market conditions	(1.6)
Basic Need	The reason for the shift in forecast for the education capital programme (basic need), is due to several projects progressing quicker than previously anticipated. At Q2 there were many issues which could have caused major delays, i.e. Impact of Covid-19, winter weather, and programme slip due to struggles obtaining planning permission. Since then planning permission has been received for 2 major projects and appointed contractors which has expediated spend on these projects. Additional mitigations have been put in for potential programme slips to provide some future proofing, for example adding in temporary classrooms on several projects to ensure schools can operate in-case Brexit/Covid-19 has any impact on material availability over the project life.	5.1
City Centre South	Lower than anticipated expenditure on Coventry Point demolition and the Planning Application.	(2.0)
Mixed Recycling Facility	Equity slipped and part of wider review	(0.2)
City of Culture	Profile of cashflow to reflect progress of works across the programme	(0.1)
TOTAL RESCHEDULING		(23.9)

Appendix 5

Prudential Indicators

Indicator	per Treasury Management Strategy	As at 31st December 2020
Ratio of Financing Costs to Net Revenue Stream (Indicator 1) , illustrating the affordability of costs such as interest charges to the overall City Council bottom line resource (the amount to be met from government grant and local taxpayers).	14.16%	14.08%
Gross Borrowing should not, except in the short term, exceed the estimated Capital Financing Requirement (CFR) at the end of 3 years (Indicator 2) , illustrating that, over the medium term, net borrowing (borrowing less investments) will only be for capital purposes. The CFR is defined as the Council's underlying need to borrow, after taking account of other resources available to fund the capital programme.	Year 3 estimate / limit of £531.4m	£392.8m Gross borrowing within the limit.
Authorised Limit for External Debt (Indicator 5) , representing the "outer" boundary of the local authority's borrowing. Borrowing at the level of the authorised limit might be affordable in the short term, but would not be in the longer term. It is the forecast maximum borrowing need with some headroom for unexpected movements. This is a statutory limit.	£502.3m	£392.8m is less than the authorised limit.
Operational Boundary for External Debt (Indicator 6) , representing an "early" warning system that the Authorised Limit is being approached. It is not in itself a limit, and actual borrowing could vary around this boundary for short times during the year. It should act as an indicator to ensure the authorised limit is not breached.	£482.3m	£392.8m is less than the operational boundary.
Upper Limit on Fixed Rate Interest Rate Exposures (Indicator 9) , highlighting interest rate exposure risk. The purpose of this indicator is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the Council's overall financial position.	£439.5m	£300.5m
Upper Limit on Variable Rate Interest Rate Exposures (Indicator 9) , as above highlighting interest rate exposure risk.	£87.9m	-£58.3m
Maturity Structure Limits (Indicator 10) , highlighting the risk arising from the requirement to refinance debt as loans mature:		
< 12 months	0% to 50%	21%
12 months – 24 months	0% to 20%	3%
24 months – 5 years	0% to 30%	13%
5 years – 10 years	0% to 30%	7%
10 years +	40% to 100%	56%

<i>Investments Longer than 364 Days (Indicator 11)</i> , highlighting the risk that the authority faces from having investments tied up for this duration.	£30m	£0.0m
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Cabinet

16 February 2021

Name of Cabinet Member:

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

Director Approving Submission of the report:

Director of Transportation and Highways

Ward(s) affected:

All

Title:

All Electric Bus City and Enhanced Partnership Plan

Is this a key decision?

Yes - The proposals are likely to have a significant impact on residents or businesses living or working within two or more electoral wards in the City.

Executive Summary:

The Department for Transport (DfT) launched the All Electric Bus Town fund in February 2020, with £50 million in grant funding made available to allow one town or city within England to make the transition to a bus network operated fully by electric powered buses. The West Midlands Combined Authority, as the strategic transport authority for the West Midlands, submitted an Expression of Interest for Coventry. The EOI was developed by the City Council in partnership with Warwickshire County Council and Transport for West Midlands and covered all public bus services operating within the city and in surrounding areas of Warwickshire.

The DfT subsequently confirmed that the Coventry and Warwickshire bid had been shortlisted alongside a second bid from Oxfordshire County Council based on Oxford. In the Budget Statement on 25th November 2020, Government increased the amount of funding available for the All Electric Bus Town competition, and the DfT has confirmed, in writing to the WMCA Chief Executive, that the Coventry / Warwickshire proposal will be funded subject to the submission of a satisfactory Full Business Case.

The DfT has also confirmed that the WMCA will be the accountable body for the Coventry and Warwickshire scheme, as the strategic transport authority for the Coventry area, and that responsibility for the development and approval of the FBC is proposed to be devolved from the DfT to the WMCA. The FBC will be presented to the WMCA Board at its meeting on 19th March 2021 for approval.

City Council officers have taken a lead role in the preparation of the FBC. If successful, the bid will see around 297 new electric buses come into operation in Coventry over the next four years, meaning that by Winter 2025 every public bus service in the city will be operated by a zero-emission electric vehicle, supporting the Council's objectives of a green economic recovery

through the de-carbonisation of the city's transport network, with an estimated annual emissions saving of around 24,000 tonnes of carbon dioxide and 55 tonnes of nitrogen dioxide.

The WMCA has also published a notice to make an Enhanced Partnership (EP) Plan for the West Midlands area, to which Coventry City Council, as a constituent authority of the WMCA, would need to be a signatory. Once made, this would enable an Enhanced Partnership Scheme to be established for the Coventry area requiring all future public bus services in the city to be operated by zero-emission buses, thereby enshrining the principles and objectives established by the All Electric Bus Town project.

Recommendations:

The Cabinet is requested to:

- 1) Authorise the Director of Transportation and Highways, following consultation with the Cabinet Member for Jobs and Regeneration and the Director of Law and Governance, to work with officers of Transport for West Midlands on the development of a Full Business Case for the All Electric Bus Town for submission to the West Midlands Combined Authority Board seeking £50 million in grant funding.
- 2) Support the Enhanced Partnership Plan for the West Midlands, recognising the benefit this could bring for the successful delivery of the All Electric Bus Town programme.
- 3) Authorise the Director of Transportation and Highways, following consultation with the Cabinet Member for Jobs and Regeneration and the Director of Law and Governance, to work with officers of Transport for West Midlands on the development of an Enhanced Partnership Plan and Scheme that would ensure that the benefit of the All Electric Bus Town investment would be maximised by ensuring the all future bus services operating in the city would be operated by zero emission buses subject to complying with the statutory preparation, notice and consultation on the Enhanced Partnership.
- 4) Authorise the Director of Law and Governance to negotiate, execute, seal and complete all necessary documentation to give effect to the above recommendations.

List of Appendices included:

Appendix 1 - Letter from Department for Transport to the WMCA dated 5th January 2021.

Appendix 2 - WMCA Enhanced Partnership Plan, November 2020.

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: All Electric Bus City and Enhanced Partnership Plan

1. Context

- 1.1 The Department for Transport (DfT) launched the All Electric Bus Town fund in February 2020, with £50 million in grant funding made available to allow one town or city within England to make the transition to a bus network operated fully by electric powered buses. The West Midlands Combined Authority (WMCA), as the strategic transport authority for the West Midlands, submitted an Expression of Interest for Coventry. The DfT subsequently confirmed that the Coventry and Warwickshire bid had been shortlisted alongside a second bid from Oxfordshire County Council based on Oxford. In the Budget Statement on 25th November 2020, Government increased the amount of funding available for the All Electric Bus Town competition, and the DfT has confirmed, in writing to the WMCA Chief Executive, that the Coventry / Warwickshire proposal will be funded subject to the submission of a satisfactory Full Business Case to the WMCA Board before the end of March 2021.
- 1.2 If successful, the bid will see around 297 new electric buses, with supporting charging infrastructure, come into operation in Coventry over the next four years, meaning that by Winter 2025 every public bus service in the city will be operated by a zero-emission (at tailpipe) electric vehicle. The bid includes buses operating by the main bus companies and those operating ring and ride and other local services.

2 Options considered and recommended proposal

All Electric Bus Town

- 2.1 In May 2020, the Council, in partnership with Warwickshire County Council (WCC) and Transport for West Midlands (TfWM), submitted an Expression of Interest (EOI) to the Government's All Electric Bus Town funding competition. As the strategic transport authority for the area, the EOI was submitted on the Council's behalf by the West Midlands Combined Authority (WMCA). The bid sought £49.99 million in Government grant funding to support the transport authority, the two local authorities and local bus operators to purchase a fleet of electric-powered buses to operate bus services within Coventry and neighbouring areas of Warwickshire.
- 2.2 A total of 19 EOIs were submitted and the Department for Transport (DfT) shortlisted the Coventry / Warwickshire proposal along with a proposal based on Oxford.
- 2.3 The DfT has confirmed that this will not be a competitive process, and that funding has been provisionally allocated for both the Coventry / Warwickshire and the Oxford proposals. The DfT wrote to the WMCA on 5th January 2021 confirming their intent to devolve responsibility for the development and approval of the Full Business Case (FBC) to the WMCA. In their letter, the DfT confirms that a maximum of £50 million in capital grant funding will be provided for the All Electric Bus Town programme in Coventry / Warwickshire, and that this sum will be paid to the WMCA before the end of March 2021 subject to the WMCA Board approving the FBC.
- 2.4 A working group has been established to oversee the FBC preparation involving the City Council, Transport for West Midlands and WCC officers as well as representatives from the bus companies operating services within the city. The aim is to seek formal approval of the FBC at the WMCA Board meeting on 19th March 2021.
- 2.5 Clearly, the landscape within which the bus industry is operating has changed significantly since the submission of the original bid, with the full impacts of the decline in bus patronage resulting from the COVID-19 pandemic and associated social and economic changes now beginning to be understood. What has previously been a very commercial bus network currently requires significant public funding support, and the ability of bus operators to invest

in new buses has been compromised. One local bus company, DeCoursey, has already ceased trading.

- 2.6 Notwithstanding these challenges, it is still considered appropriate that the opportunity to secure Government investment in the improvement of the local bus fleet operating within Coventry should be pursued, and the other local authority partners both remain supportive of the bid. In addition, bus operators are also supportive of the bid proceeding with the three largest bus operators within the Coventry and Warwickshire area having already reaffirmed their support.
- 2.7 Informal feedback from DfT officials has identified that the bid will need to demonstrate how the partners will promote modal shift within their area to capitalise fully upon the investment in new, clean, buses. This could include measures such as promotion and marketing, smart-ticketing, improvements to bus stops and service information, and bus priority measures such as the bus gates already in place in various locations across the city.
- 2.8 Therefore, it is recommended that the Council supports the development of the FBC for submission to the WMCA Board in line with DfT requirements, as set out in their letter to the WMCA (see Appendix One).

Enhanced Partnership Plan

- 2.9 The West Midlands Combined Authority (WMCA) has issued a notice to make an Enhanced Partnership Plan (EPP) following public consultation and this has successfully passed the statutory operator objection period. The EPP provides a strategic context for joint working between bus operators and local authorities that could be beneficial for the All Electric Bus Town scheme should the City Council and its partners be successful in the bid outlined above.
- 2.10 The EPP will, if approved, cover the entire WMCA area, excluding the areas within the existing Advanced quality Partnership Schemes (AQPS) for Birmingham and Wolverhampton city centres and Solihull town centres, and will provide the strategic context for contributing towards the nine strategic objectives set out in the *Strategic Vision for Bus* and the overall vision for a “world-class integrated, reliable, zero-emission, transport system providing inclusive travel for all across the West Midlands...”. The EPP provides the strategic context for future schemes that could set out operator requirements and the facilities and measures to be taken by partners to fulfil the objectives of the EPP. Such future schemes could include operator requirements for zero-emission buses and complementary measures, such as those proposed for Coventry through the All Electric Bus Town bid.
- 2.11 The EPP will be reviewed annually by the West Midland Bus Alliance through a Reference Group which includes representation from each constituent authority of the WMCA, including the City Council.
- 2.12 The benefit of the EPP for the City Council is that it provides a legislative framework for future improvements to bus travel within Coventry. An Enhanced Partnership Scheme (EPS) could then be proposed that would be a legally binding partnership between the Council, the WMCA, and bus operators covering requirements such as vehicle specification (including zero-emission requirements), branding, ticketing, measures to enhance bus service reliability, and improvements to bus passenger facilities within all or part of the city. An example would be for the All Electric Bus Town bid, where an EPS would require all bus operators operating within Coventry to use a zero-emission vehicle, with the Council and WMCA in turn committing to certain measures supporting the attractiveness and reliability of bus services.

3 Results of consultation undertaken

- 3.1 No public consultation has been undertaken on the All Electric Bus Town submission. Transport for West Midlands has undertaken consultation on the Enhanced Partnership Plan for the West Midlands with both the public and qualifying local bus operators.
- 3.2 The public consultation for the proposed EP Plan ran for 10 weeks from Monday 6th July to Sunday 13th September 2020. A total of 347 responses were received to the online questionnaire, with a further 14 responses received by email. Among the 347 responses received via the online questionnaire 68% of respondents either agreed or strongly agreed with the vision laid out in the EP Plan, 11% of respondents either disagreed or strongly disagreed with the vision in the EP Plan, and 17% neither agreed nor disagreed.
- 3.3 All qualifying local bus operators have been formally consulted and no objections were received to the EPP.

4 Timetable for implementing this decision

- 4.1 The timetable for implementing the All Electric Bus Town is dependent upon the timing of the funding award, but delivery is expected to take place between April 2021 and March 2025, with all buses operating in the city being electric buses by the end of 2025.

5 Comments from Director of Finance and Director of Law and Governance

5.1 Financial implications

The West Midlands Combined Authority will be the accountable body for the grant funding of £50 million. The remaining scheme costs will be borne by the bus companies, the WMCA, and Warwickshire County Council. The City Council will contribute towards the cost of measures to enhance bus services, such as bus gates and other similar measures on key corridors to improve the resilience, and attractiveness of bus services. These measures will be funded through existing project budgets, such as the Air Quality Action Plan grant for Foleshill Road and for Spon End and S106 contributions from developers, and therefore no additional budget is required from the City Council to successfully deliver this project.

5.2 Legal implications

The Enhanced Partnership Plan provides powers for the WMCA, and City Council, to enter into a legally binding Enhanced Partnership Scheme requiring the bus companies operating bus services within the city to do so only with electric, or zero emission, buses. The Bus Services Act 2017 sets out the legislative framework for the development of an EPP and its implementation.

The obligations that the City Council will take on under any Enhanced Partnership agreement all relate to existing functions in respect of which the City Council already has statutory powers.

6 Other implications

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

These proposals support the Council's core aims, as set out in the Council Plan, by:

- improving the quality of life for Coventry people – by creating an attractive, cleaner and greener public transport system operating within the city;

- creating an attractive, cleaner and greener city by investing in an enhanced, attractive zero-emission bus fleet to operate within the city, and;
- making the city more accessible for businesses, visitors and local people through the provision of more attractive bus services using zero-emission, modern, accessible vehicles.

6.2 How is risk being managed?

The most significant risks identified for this project relate to the current situation that the bus industry finds itself in, due to the significant reduction in patronage, and therefore passenger revenue, resulting from the impact of the COVID-19 pandemic. This has meant that a largely financially commercial bus network in Coventry has become more reliant upon public subsidy as an interim measure. This has in turn impacted upon the ability of the bus companies to continue with their previous levels of investment in new buses.

In response to this position, TfWM are identifying alternative models for the procurement of the new electric buses and these will be developed further and agreed with project partners prior to the submission of the full business case to the Government.

6.3 What is the impact on the organisation?

There is no impact on the organisation, as all resources required to deliver the All Electric Bus Town will be funded through the grant received from Government and from funding already received for specific infrastructure schemes.

6.4 Equality Impact Assessment (EIA)

The investment in a new, modern fleet of vehicles to operate the bus network in Coventry will improve access to bus services, and easier movement around the city, for all residents, as the new buses will be fully accessible in line with current design standards.

6.5 Implications for (or impact on) climate change and the environment

The All Electric Bus Town project will result in every bus operating public bus services within the city being zero-emission, which will have a beneficial impact upon climate change through a reduction in emissions from the bus fleet. It is estimated that the transition of the fleet to electric buses will result in an annual saving of around 23,996 tonnes of carbon dioxide, 55 tonnes of nitrogen dioxide, and 1 tonne of particulates. This will also complement the Local Air Quality Action Plan which was agreed by Cabinet at its meeting in July 2020 and which is currently being implemented.

6.6 Implications for partner organisations?

The All Electric Bus Town project will result in major investment in upgrading the fleet of vehicles operating bus services within the city of Coventry and adjoining areas of Warwickshire. This will also benefit the bus companies operating those bus services, by supporting them in advancing the investment in modern, zero-emission, buses to ensure that high quality services can be provided within the area.

The Enhanced Partnership Plan will also benefit partner organisations by providing the framework through which a formal EPS for standards on the electrification of the bus fleet can be developed.

Report author:

Name and job title:

John Seddon
Head of Transport and Innovation

Service:

Transportation and Highways

Tel and email contact:

Tel: 07590 443799

E-mail: john.seddon@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Law and Governance	15/12/20	14/01/21
Sunny Heer	Lead Accountant	Finance	15/12/20	16/12/20
Shamala Evans	AEBT Programme Manager	Transport and Innovation	15/12/20	17/12/20
Oluremi Aremu	Major Projects Lead Lawyer	Law and Governance	15/12/20	16/12/20
Names of approvers for submission: (officers and members)				
Phil Helm	Finance Manager	Finance	24/1/21	25/1/21
Colin Knight	Director of Transportation and Highways	-	24/1/21	25/1/21
Julie Newman	Director of Legal and Governance Services	Law and Governance	24/1/21	25/1/21
Councillor J O'Boyle	Cabinet Member for Regeneration and Jobs	-	26/1/21	27/1/21

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Department
for Transport

Deborah Cadman OBE
Chief Executive
West Midlands Combined Authority
16 Summer Lane
Birmingham
B19 3SD

Stephen Fidler OBE FCIHT
Director, Local Transport
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

Direct Line: 07917 636900
Email: Stephen.Fidler@dft.gov.uk

Web site: www.gov.uk/dft

5th January 2021

Dear Deborah,

I am writing to set out the details of a proposal to devolve responsibility for the development and approval of a full business case for Phase 2 of the All-Electric Bus Town (AEBT) competition.

All-Electric Bus Town programme objectives

The AEBT has a key role to play in meeting the Government's commitment to tackle air quality and reduce greenhouse gas emissions. As set out in guidance for Phase 1 the AEBT proposal has a number of key aims:

- To act as a pilot to understand what can be achieved when there is a real commitment to move all buses in a place to electric zero-emission;
- To understand the impact this can have on improving air quality and greenhouse gases in a place;
- To understand better the challenges of running a wholly electric bus fleet;
- To understand the impact that an electric fleet can have on running costs, patronage and passenger satisfaction;
- To support bus manufacturers in the development of zero emission bus technology.

Business case development and scheme assurance

The AEBT is an important pilot programme which will help to inform the Department's future work on decarbonising the bus fleet and delivering on the Prime Minister's commitment to deliver at least 4,000 zero emission buses. It is important that robust monitoring and evaluation is in place to ensure this can be used for future schemes. It is also vital that the programme delivers Value for Money. Therefore, the Department will need a number of assurances to enable business case development to be devolved solely to the WMCA:

- i. The business case will be developed in accordance with the key aims of the AEBT pilot proposal, with clear dated milestones stating when key work will be delivered;
- ii. The business case will detail how the AEBT fits with complementary transport policies driving progress to zero emission transport;
- iii. That the AEBT proposal has support of all local bus operators in the area (as per the original competition criteria);
- iv. That the WMCA has an appropriate governance framework to manage business case development and approval, as well as supporting effective oversight and management of the pilot;
- v. A plan for monitoring and evaluation of the pilot against its objectives must be included in the business case;
- vi. WMCA will follow HM Treasury's Green Book guide to developing a project business case and the Department's Transport Analysis Guidance (TAG) and Value for Money Framework. To calculate the VfM of the project, WMCA will either develop their own model to calculate the Benefit-Cost Ratio of their proposals or use the Department's Green Buses tool;
- vii. The business case will detail how the WMCA will comply with the 2010 Equality Act and the Public Sector Equality Duty. This includes considering impacts of the project on protected characteristic groups both at the business case stage and at the monitoring and evaluation stage;
- viii. That the business case can be developed and approved by the WMCA by 19th March 2021 at the latest and that by 31st March 2021 the WMCA will provide a clear delivery timetable for delivery of the electric buses and infrastructure to support them. This is contingent on the business case proving to be value for money;
- ix. The WMCA will keep the Department closely informed of progress with business case development, ensuring experts from the Department are content with the process that has been followed before WMCA approve the scheme; and
- x. That a maximum of £50m funding from DfT is available, and any costs above this will be funded by the WMCA.

Once the Department has received confirmation in writing that these are acceptable assurances and will be followed through the process, responsibility for the development and approval of a business case will be devolved to the WMCA.

Release of funding

A maximum of £50m in funding will be provided for the AEBT programme in Coventry. The funding will be provided as a single payment before 31st March 2021 (as a capital grant), with an understanding that this is used to deliver the project as set out in the business case. The WMCA will be solely responsible for meeting any expenditure over and above this maximum amount.

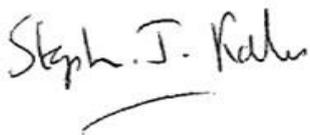
The Department recognises that this is a major place-based pilot unlike any other previous electric bus scheme, through which there may be challenges to overcome around legal, procurement and delivery elements. The department will want to work closely with the WMCA project team to offer support around any critical issues that emerge through the development of the business case. Ultimately any major deviation from the milestones WMCA outlines in

the full business case will need to be reported to the Department through the working group, and the Department retains the right to reclaim the money if it has concerns that the outcomes of the project will not be delivered.

This funding will be subject to a formal funding letter issued by the Department which will include provisions around timescales, monitoring, reporting and evaluation. The full business case will be expected to demonstrate that the AEBT programme will be compliant with State Aid laws if they apply and any equivalent successor regime in the UK.

We look forward to working closely with your team to deliver this scheme.

Yours sincerely

A handwritten signature in black ink that reads "Steph. J. Fidler". The signature is written in a cursive style with a horizontal line underneath the name.

Stephen Fidler

Copies to Laura Shoaf and Pete Bond, TfWM

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West Midlands Enhanced Partnership Plan

October 2020



West Midlands Combined Authority (WMCA) seeks to develop and promote a fully integrated transport system, where each public transport mode (rail, Metro, bus and demand responsive transport) contributes towards the overall objective of enabling all residents to have easy access to a range of services and facilities. Bus is central to this and an Enhanced Partnership offers a mechanism to help achieve the objective.

Drawing on Transport for West Midlands' Strategic Vision for Bus, this document fulfils the statutory requirements set out by the Bus Services Act 2017 of an Enhanced Partnership (EP) Plan for the West Midlands. Initially, this will facilitate the introduction of an EP Scheme for the first two Sprint corridors (A34 and A45) that have been prioritised to support the 2022 Commonwealth Games. However, over the Plan period, other potential EP Schemes may be put forward by Transport for West Midlands (TfWM), constituent authorities or bus operators and promoted through the West Midlands Bus Alliance.

Whilst significant progress in improving bus services is being achieved through the Bus Alliance and the Advanced Quality Partnership Schemes already in place in central Birmingham, Wolverhampton and Solihull, an Enhanced Partnership is considered the best way of ensuring that some of the more ambitious plans to transform bus travel are achieved. Amongst these are the Sprint bus rapid transit corridors, which will rely on investment both in vehicles (by operators) and infrastructure (by local authorities). The EP will place binding commitments on partner organisations to provide the necessary enhancements, as well as ensuring on-going provision of high-quality bus services.

In accordance with statutory requirements for an EP Plan, this document includes:

- Details of the area covered
- Factors affecting the local bus market
- A summary of passengers' experiences of using bus services and the priorities of users and non-users for improvements
- Trends in bus journey speeds and the impact of congestion on bus services
- Objectives that are sought for bus service provision
- Interventions needed to achieve the desired outcomes



Overview

The West Midlands has strong growth ambitions to improve productivity and the quality of life for everyone who lives and works in the region. The development of HS2, 2021 UK City of Culture in Coventry, and the 2022 Birmingham Commonwealth Games will help transform the region and drive investment, offering opportunities for the bus to play an important role in meeting existing and new travel demands.

Transport is key to economic growth, but traffic congestion can constrain this ambition. TfWM is supporting local authority partners and investing to develop a world-class integrated transport system that will allow seamless, convenient travel across the region, thereby reducing the need for journeys to be made by car.

In 2017/18, 71.9¹ million bus service miles were operated in the West Midlands by 26 bus operators. This represents the largest number of bus service miles for a metropolitan area in England (outside of London) and the largest commercially-provided bus network (66.5 million bus service miles). Some 5.4 million bus service miles operate with financial support from TfWM and local authority partners.

With its widespread coverage, bus plays a vital role across the region. The bus accounts for 4 out of 5 public transport journeys and remains the most important, adaptable and flexible mode, serving and supporting a better quality of life for West Midlands residents. The importance of the bus for access to employment is illustrated in Figure 1.

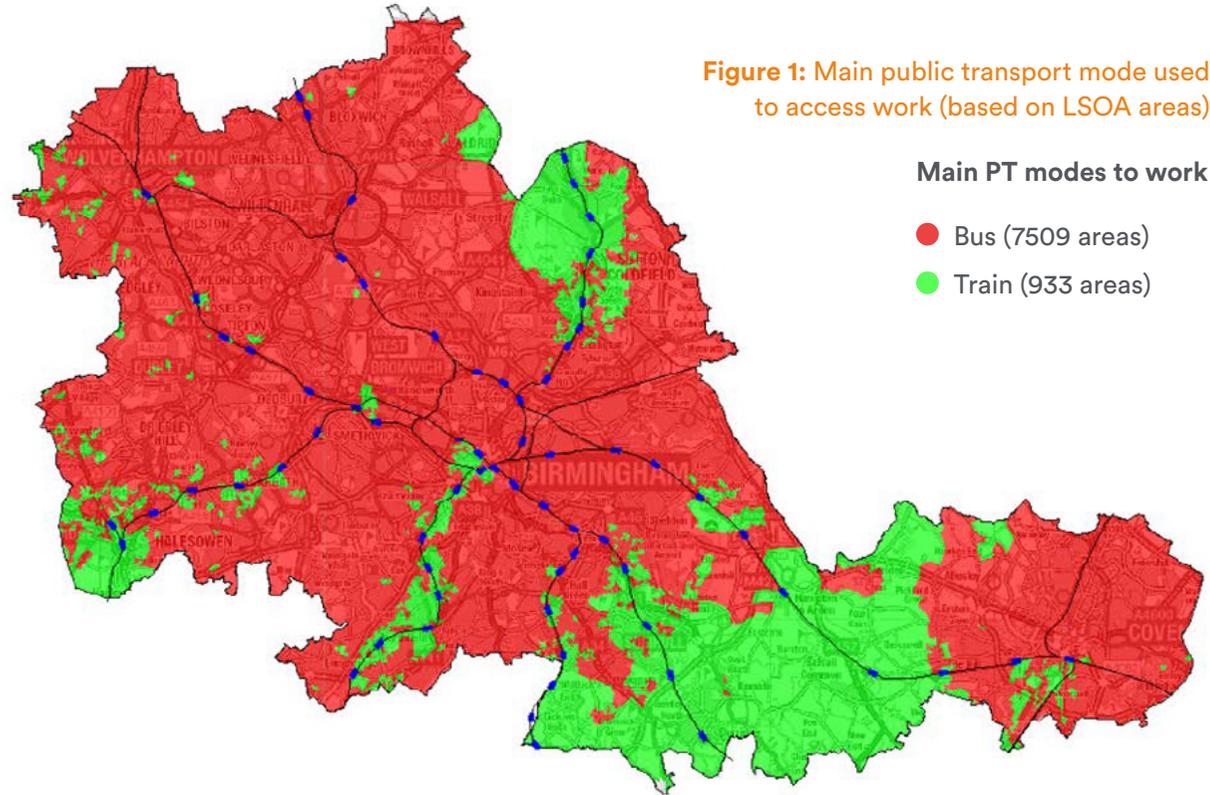


Figure 1: Main public transport mode used to access work (based on LSOA areas)

¹ DfT 2017/18, <https://www.gov.uk/government/statistical-data-sets/bus02-vehicle-distance-travelled>

Bus passengers' views

The 2018 Bus Passenger Survey, undertaken by Transport Focus, reported that overall satisfaction with bus travel in the West Midlands stood at 84%. While this demonstrates high levels of satisfaction, this was slightly below the levels in the equivalent metropolitan areas of West Yorkshire (85%) and Greater Manchester (87%) and somewhat lower than Merseyside and Tyne & Wear (both 91%).

66%
Bus driver
greeting/welcome



66%
Value for money
fare-payers only

82%
Journey time



84%
Overall journey



71%
Punctuality

84%
Availability of seating
or space to stand



74%
Interior cleanliness
and condition

Influences on bus travel

Across the UK, bus use has been in general decline, mainly due to growing car ownership and use. However, in recent years, some areas or specific bus routes have seen growth.

Research into changing patterns of bus use (illustrated in Figure 2) suggests that about a half of the reduction in bus patronage can be explained by changing customer needs, particularly due to changes in car ownership and economic circumstances and the availability and acceptability of alternatives to travel, such as online services. Much of the remainder of the reduction in bus patronage is explained by increases in bus journey times (linked to increasing traffic levels) and rises in bus fares. In contrast, there are some factors that have helped to increase bus use, attributable to population growth and reduced car use.

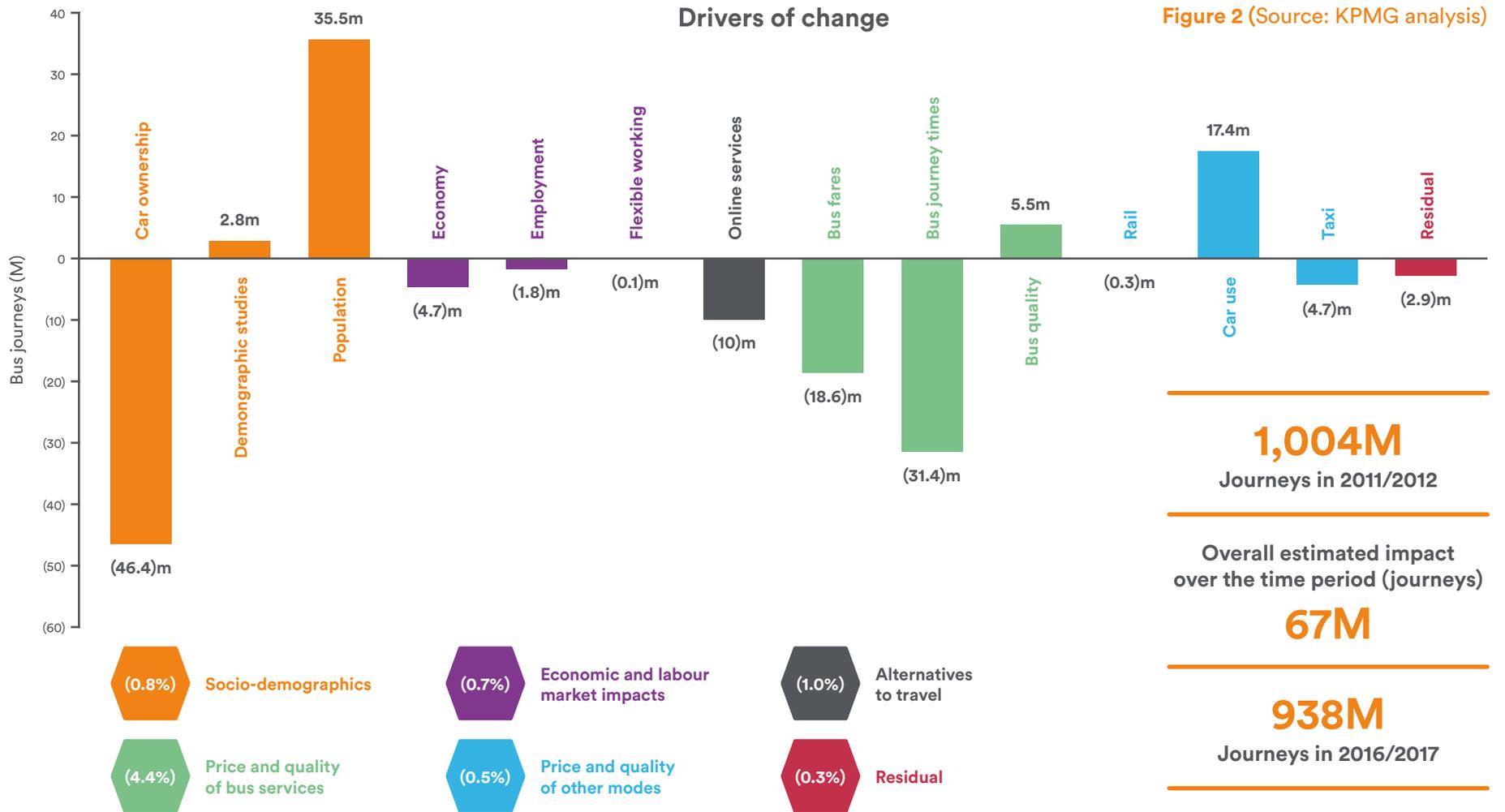


Figure 2 (Source: KPMG analysis)

Figures based on UTG member areas

Car ownership

In the West Midlands, over half of bus users have no access to a car and so rely on public transport for their travel needs. Where people have access to a car, their likelihood of using the bus reduces², from on average of 181 bus journeys per year to 55 (part access to a vehicle) and 14 (full access to a vehicle).

Figure 3: Car ownership in the West Midlands

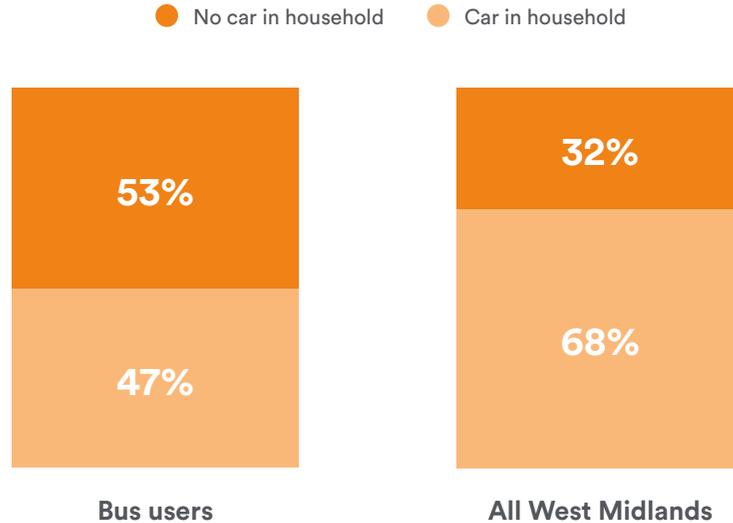


Figure 4: Car ownership usage and characteristics in the West Midlands



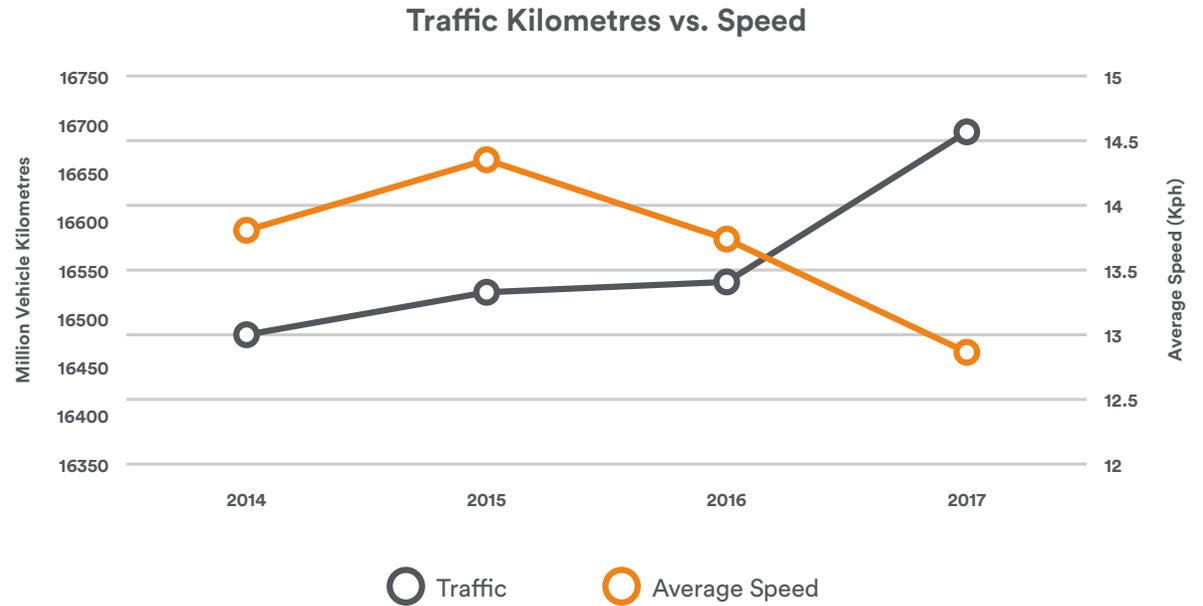
Car parking

In Birmingham city centre, the region's strategic economic centre, there are about 60,000 public and private non-residential car parking spaces available, both on-street and off-street. This is against an average weekday vehicle demand for parking spaces in the city centre of about 45,000 vehicles. This suggests an over-supply of parking, which undermines local and regional policies to see a shift towards reducing private car use and encouraging more sustainable forms of travel.

The high level of parking availability in Birmingham city centre also contributes to peak period traffic congestion and associated travel unreliability, together with problems of poor air quality.

Congestion

Traffic congestion is a significant challenge for buses, restricting their ability to reach their potential by increasing journey times and impacting negatively on service reliability. Since 2015, average traffic speeds have fallen as levels of traffic have increased. If congestion is unmanaged, it will continue to have detrimental impacts on people and businesses, increasing business costs, affecting productivity and reducing accessibility to labour markets, as well as being responsible for harmful emissions. Equally, if unchecked, congestion could worsen from increased travel demand resulting from development and population growth. Also, major infrastructure projects, such as HS2, might have impacts on bus services during their construction period.



Without addressing major sources of congestion, buses will continue to suffer delays, variability and increases in journey times and operating costs, leading to declining attractiveness of the service and thus fewer passengers. Bus operators are forced to respond to congestion in one of two ways – both with a similar outcome in terms of patronage decline. First, to maintain levels of service where congestion worsens, bus operators may need to run more buses, which adds to the costs of providing services. A second response is to operate services less frequently.

Congestion causes:

- **Journey time increases and variability** – whereby bus services become unreliable, with journey times varying from advertised timetables and overall journeys taking longer.

- **Decreasing accessibility** – slower average bus speeds lead to reduced accessibility, as fewer people can access places in a reasonable journey time.
- **Decreasing attractiveness of bus** – greater journey time variability and declining accessibility reduce the appeal of buses, meaning they are at risk of further patronage decline.
- **Higher bus operating costs** – a 10 per cent decrease in operating speeds leads to an 8 per cent increase in operating costs. If this is passed on to passengers through higher fares it results in a 5.6 per cent fall in patronage³.

Reduced use of the bus may lead to greater car use, creating further congestion.

One measure of the passenger experience is the real journey time incurred and the reliability of journey times. A tool to measure this has been devised and is shown in Appendix B, with some example journeys listed to highlight what it shows.

Accessibility analyses are another way of highlighting the relative ability of buses to provide services that people want. Such analysis shows that while 54.5% of residents could access at least three main centres within 45 minutes by public transport in October 2011, this had fallen to 44.8% in October 2017.

The impact of slower average traffic speeds on levels of accessibility is illustrated in Appendix A. For example, in the context of Birmingham between 2008 and 2018 increasing bus journey times resulted in 216,000 fewer people being within a 45-minute bus journey of the city centre.

³ The impact of congestion on bus passengers, Green Journeys, Professor David Begg

Air Quality

Air pollution in the West Midlands affects some 2.8 million people, reducing average life expectancy by up to 6 months, and is responsible for economic costs estimated at £860 million per year. It is estimated that road transport emissions account for around 1,460 premature deaths in the region each year, with 890 in Birmingham alone.

In all seven constituent authorities in the region, nitrogen dioxide (NO₂) and/or particulate matter concentration thresholds are currently exceeded (relative to EU limits). The authorities have been instructed by DEFRA to take local action. Birmingham City Council plans to implement a Class D Clean Air Zone, no earlier than July 2020.

Reducing bus emissions is an important vital part of the programme to improve people's health and quality of life by cleaning up the air in the West Midlands. The Mayor of the West Midlands and West Midlands Bus Alliance have committed to create the cleanest bus fleet in the UK, outside London. The aim is for the entire bus fleet in the West Midlands metropolitan area to meet at least Euro VI emissions standards by April 2021⁴, cutting harmful pollution from buses by up to 95 per cent.

Since 2015, over 350 new vehicles have entered service, older vehicles retrofitted to Euro VI standards, supported bus contracts specified as Euro VI standard, and orders placed for zero-emission buses (electric and hydrogen).

⁴ West Midlands Combined Authority Board
28 June 2019 <https://governance.wmca.org.uk/ieListDocuments.aspx?CId=137&MIId=221&Ver=4>

“Poor air quality is the largest environmental risk to public health in the UK” [DEFRA, 2017]



This section sets out the policy background to the EP Plan.

Strategic Economic Plan

The bus has a significant role to play in helping overcome the strategic challenges outlined in the SEP, with transport interventions that:



500,000 new jobs



20,000 more businesses



16,000 additional hectares of employment land



215,000 additional homes

- **Support an accessible network**
Addressing transport barriers (accessibility, availability and affordability) for excluded groups.
- **Deliver support that connects people to key employment and skills opportunities**
Ensuring growth is inclusive by helping the most vulnerable and isolated groups share in economic prosperity.
- **Ensure alignment with the Public Service Reform agenda and Local Industrial Strategy**
Targeting interventions which secure better for less from public services, improving the life changes and the health and wellbeing of local communities.

Movement for Growth

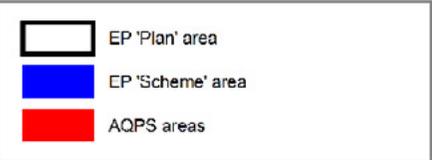
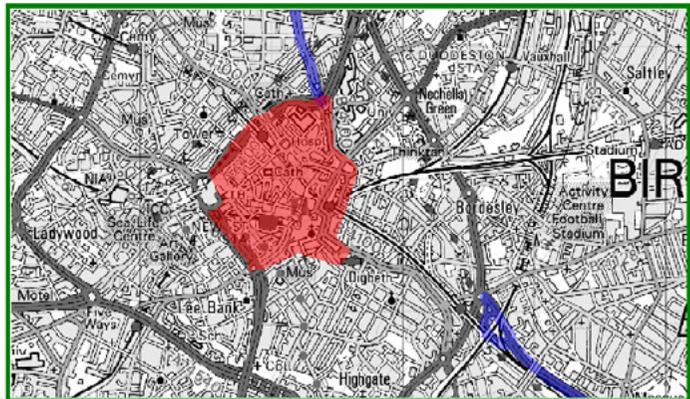
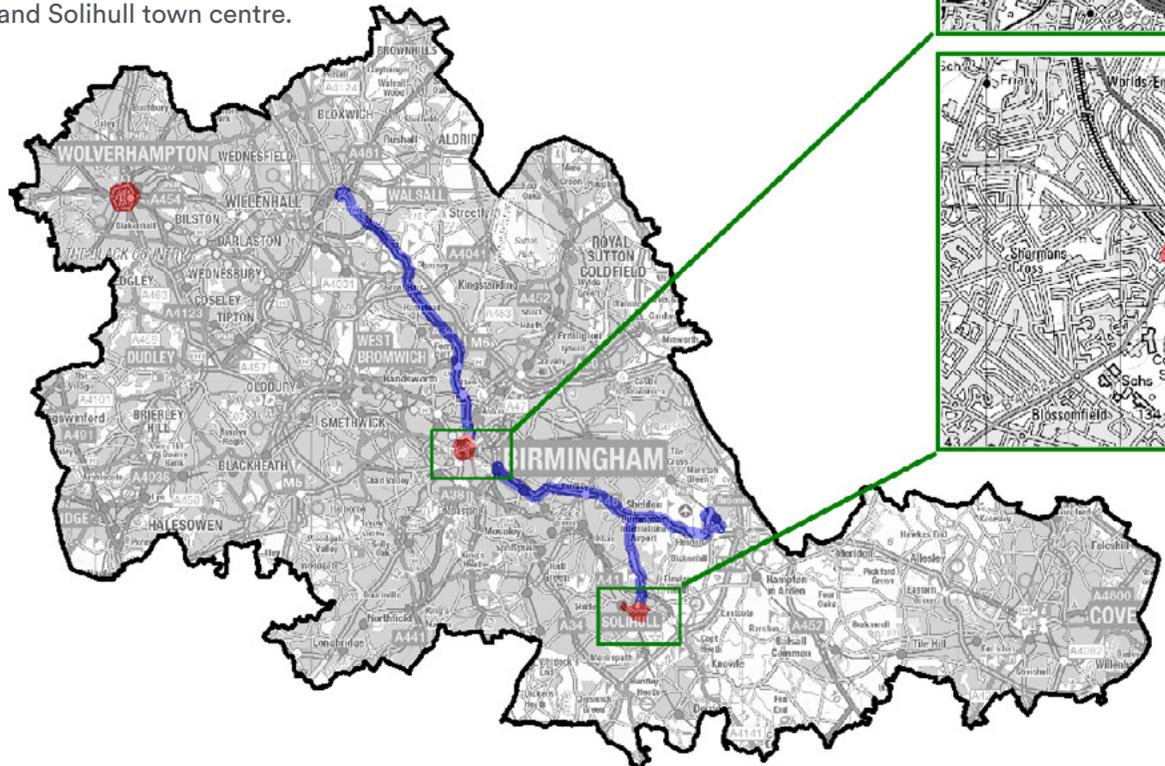
‘Movement for Growth’, the West Midlands Strategic Transport Plan, sets out improvements to the transport system to support the economic growth and regeneration of the region, support new developments and housing and improve air quality, the environment and social inclusion.



Map of Enhanced Partnership 'Plan' and 'Scheme' areas

Plan area

The EP Plan covers the entire area of the West Midlands Combined Authority (WMCA), excluding the areas within the existing Advanced Quality Partnership Schemes (AQPS) for Birmingham and Wolverhampton city centres and Solihull town centre.



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Objectives

The EP Plan provides the framework to contribute towards meeting the 9 objectives set out in the ‘Strategic Vision for Bus’:

- UK leading low emission bus fleet with zero emission corridors serving the most affected areas of air quality.
- Fully integrated bus network, including demand responsive and rapid transit services supporting interchange with rail, coach and Metro to form one network.
- Simple, convenient and easy to use payment options, including full capping, providing a network which is value for money and affordable for customers.
- Fewer private car journeys by making bus the mode of choice and creating better access to jobs and long-term change.
- Creating a safe, secure and accessible mode for all and tackling long-held barriers and perceptions.
- Accountable network performance management, tackling issues causing congestion and reliability problems.
- World-leading customer information, utilising 5G and all available technologies and platforms.
- All young people under 25 supported by discounted travel, as well as addressing barriers for excluded groups.
- Evolve a network to support a 24/7 thriving economy, connecting people to new and developing destinations and attractions.

The Plan provides the backdrop for specific EP Schemes that will detail actions and developments to be taken jointly by partners to deliver a marked improvement in bus services on certain corridors or in defined areas that will help meet the above objectives, particularly by speeding up bus journeys times and improving journey time reliability. Such schemes may be suggested and promoted by TfWM, constituent local authorities or bus operators.

The first EP Scheme to be introduced will support the implementation of two Sprint corridors, including improved infrastructure and the operation of high-quality buses, as follows:

- Birmingham Airport and Solihull to Birmingham City Centre (A45)
- Walsall to Birmingham City Centre (A34)

Ultimately, a network of Sprint corridors will be established across the West Midlands, as shown in Figure 5.

The Plan supports the key principles underpinning the provision of Sprint corridors, in respect of:

- Providing confidence to operators to invest in high quality vehicles
- Ensuring reliable journey time performance
- Managing access at certain stops
- Enhanced vehicle standards
- Enhanced vehicle environmental standards
- Vehicle, driver and customer service standards are enhanced and maintained
- Infrastructure is maintained and enforced
- Continued availability of inter-operable ticketing

- Ensuring incident conditions are managed effectively on a collaborative basis
- Providing a mechanism for sharing data and reporting on corridor performance

Strategic Vision for Bus

Outlining the role of bus in supporting the overall transport aspirations, ‘Strategic Vision for Bus’ sets out the following vision:

“A world-class integrated, reliable, zero emission transport system providing inclusive travel for all across the West Midlands, with excellent customer service and simple payment and ticketing options. Customers will be able to make easy and safe door-to-door journeys, benefiting from new innovative transport solutions that meets the needs of a modern and diverse 21st Century economy, reducing the reliance on private single occupancy car journeys.”

Governance

A Reference Group, comprising the following, developed this Plan:

- TfWM
- Constituent local authorities
- Bus operators
- Confederation of Passenger Transport
- Local Enterprise Partnerships
- Bus Users UK
- Transport Focus
- Birmingham Airport
- Neighbouring authorities (as observers)

The Group will be reconvened in the future if variations to the Plan are necessary.

The Enhanced Partnership is overseen by the West Midlands Bus Alliance and WMCA, who will also monitor progress made towards achieving the EP Plan objectives.

An EP Plan can only exist if there is at least one associated EP Scheme in place. Therefore, for as long as an EP Scheme is in place, a Plan must also be in place.



Small and medium-sized operators

The needs of small and medium-sized operators (SMOs) have been considered in the development of the Enhanced Partnership, with opportunities for all bus operators to participate throughout, either through individual discussions or through attendance at the Reference Group meetings. The Plan seeks to support improvements in all aspects of bus provision, regardless of the size of operators providing services. With the Enhanced Partnership Scheme area, smaller operators have been given extended periods to comply with the improved standards.

Competition

The Enhanced Partnership has been subject to the Competition Test as set out in Part 1 of Schedule 10 of the Transport Act 2000. The assessment, undertaken by TfWM and shared with the Competition and Markets Authority, concluded that there will be no adverse impact on competition.

The implementation of an Enhanced Partnership Plan and associated Scheme is aimed at delivering improvements to bus services for passengers in a deregulated environment. In particular, this will include improved quality of vehicles and emission standards (minimum standard of Euro VI). All operators in the Enhanced Partnership Scheme area will be required to make improvements in their fleet, which are considered proportionate in respect of the Climate Emergency declared by the WMCA. The Enhanced Partnership will not impact on competition, as operators will be free to amend and introduce services in the area, provided that the standards that apply to all operators are met.



Variations to the Plan

Consideration will be given to potential EP Plan variations highlighted either by one of the organisations represented on the EP Reference Group or an operator of qualifying local bus services. The proposer of a variation should demonstrate how this might contribute to achieving the objectives set out in the EP Plan and current local transport policies. Such requests should be set out in writing and submitted to busalliance@tfwm.org.uk.

On receipt of a valid request for a variation, TfWM will reconvene the EP Plan Reference Group, giving at least 14 days' notice for the meeting, to consider the proposed variation. If the proposed variation is agreed by all bus operator and local highway authority and TfWM representatives present, TfWM will make the EP Plan variation with the relevant local highway authorities. Stakeholders not represented at the meeting will be deemed to be abstaining from the decision.



If there is not full agreement of all stakeholders present, then the proposed variation will be put to the operator objection mechanism, but with a reduced objection period of 14 days replacing Part 2 of the Transport Act 2000 section 138L (2) (c). The proposed variation will be advertised on the TfWM website and emailed to operators of qualifying local services in the EP Plan area. If the proposed variation passes the operator objection mechanism, TfWM will make the EP Plan variation, subject to the approval of the relevant local highway authorities and TfWM.

Review of the EP Plan

Once the EP Plan is made, it will be reviewed by the EP Plan Reference Group at least annually. TfWM will initiate each review and it will take no longer than 6 months to complete.

As part of the review process, at least every 2nd year consideration will be given to the appropriateness of the milestone dates for the implementation of non-diesel vehicles, which will take into account changes in national and regional guidance and policy.

Depending on the outcome of the Outline Business Case⁵ assessment to consider the best future delivery model for bus services in the West Midlands from the Bus Services Act 2017, due to be completed in 2021, it may be necessary to review the EP Plan.

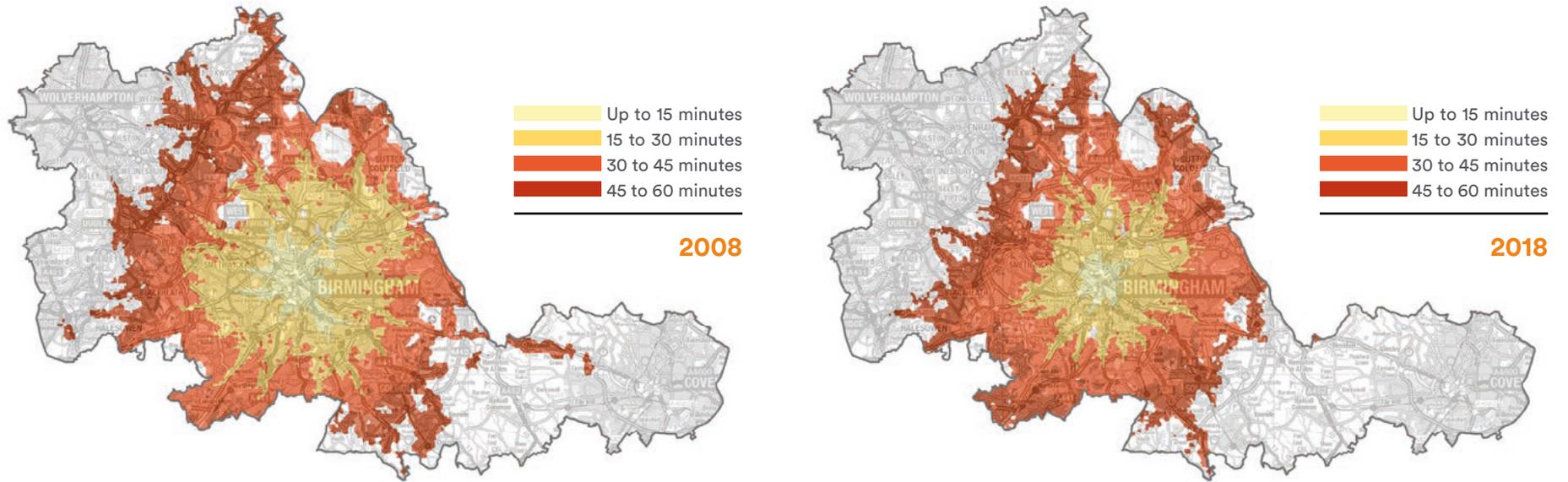
Revocation of the EP Plan

If, for some reason, it becomes necessary for the EP Plan to be revoked, the EP Plan Reference Group will be reconvened and follow the same process as outlined in the section 'Variations to the Scheme' (noting that the agreement will be for revocation and not variation).

If at any point in the future the EP Plan area is included in a Bus Franchising Area, the relevant requirements set out in this EP Plan document will cease to apply from the commencement date of the Franchising Scheme.

⁵ As approved by the WMCA Board at its meeting on the 28 June 2019: <https://governance.wmca.org.uk/ieListDocuments.aspx?CId=137&MIId=221&Ver=4>

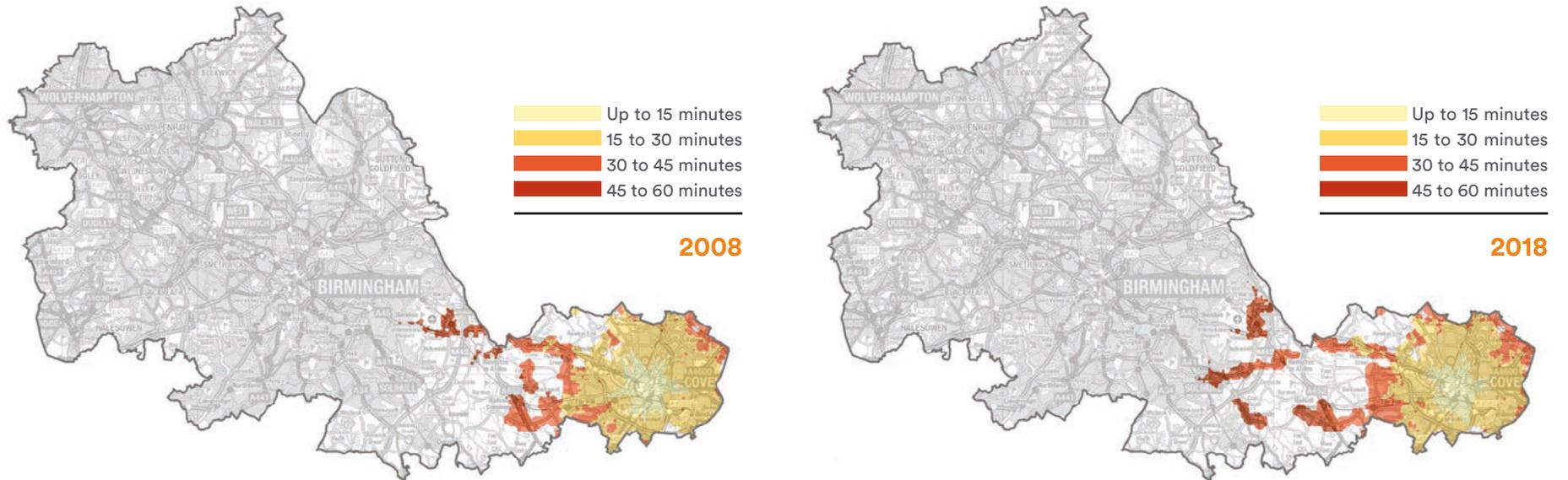
Figure A1: AM Peak Journey Times to Birmingham City Centre by Bus (2008 and 2018)



Population living within 60 minutes by bus from Birmingham: 1,511,350 in 2008, 1,287,810 in 2018.

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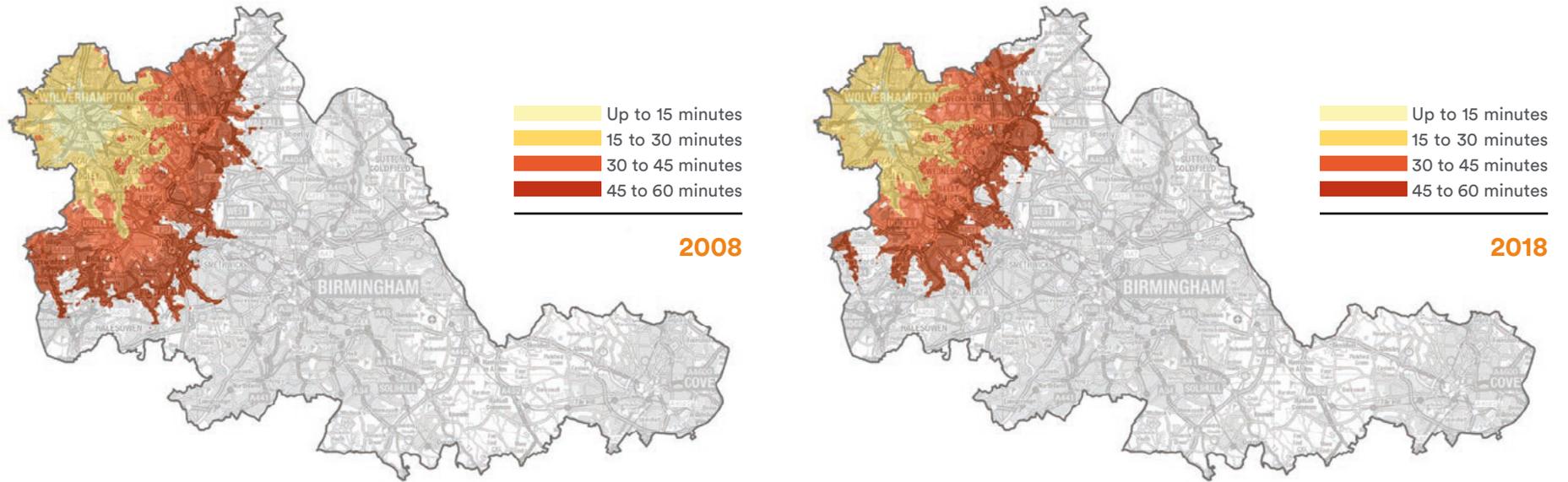
Figure A2: AM Peak Journey Times to Coventry City Centre by Bus (2008 and 2018)



Population living within 60 minutes by bus from Coventry: 288,603 in 2008, 295,594 in 2018. The increase is due to improved service provision to Solihull.

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Figure A3: AM Peak Journey Times to Wolverhampton City Centre by Bus (2008 and 2018)



Population living within 60 minutes by bus from Wolverhampton: 712,552 in 2008, 569,458 in 2018.

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Real Journey Time (RJT) is a measure of how long passengers allow for a bus journey. This is not just a slowly-extending timetabled journey time, but also the contingency they add for delay, as passengers seek to reduce the risk of significant lateness more than to minimising their total travel time. Research suggests the contingency typically added to make up the RJT is that needed to cover the 95th percentile journey time.

An online tool (www.realjourneytime.co.uk) can be used to measure RJT for many services in the West Midlands. The output of the RJT for a selection of routes (April 2019) highlights some of the poorest passenger experiences of RJT compared with timetabled journey speed (TJS).

Journey from >to	Service	AM Peak journey times (mins)			Performance measures	
		Timetable	Real journey time	Must add	Current (all day) % service punctual	Additional (AM peak) RJ Speed /TJ Speed
Bloxwich > Walsall	31/32	12	21	9	65%	57%
Cape Hill > Birmingham	82/87	21	25	4	76%	84%
Foleshill > Coventry	20	13	21	8	69%	62%
Great Bridge > Birmingham	74	59	68	9	63%	87%
Halesowen > Birmingham	9	63	73	10	74%	86%
Harborne > Birmingham	23/24	25	41	16	80%	61%
Keresley > Coventry	16/A	31	47	16	77%	66%
Maypole > Birmingham	50	31	46	15	58%	67%
Solihull > Birmingham	4	45	55	10	63%	82%
Walsall > Oldbury	4	41	50	9	76%	82%
Wednesfield > Wolverhampton	59	14	22	8	82%	64%
Willenhall > Walsall	529	19	27	8	61%	70%
Wolverhampton > Dudley	1	47	51	4	69%	92%

One approach to improving network performance is to reduce the amount of contingency that passengers need to allow for their journeys, particularly targeting the worst ones first.

THIS DEED IS DATED:

PARTY SEALS

(1) THE WEST MIDLANDS
COMBINED AUTHORITY
(WMCA) of 16 Summer Lane,
Birmingham, B19 3SD affixed
hereto in the presence of its
duly Authorised Officer

(2) BIRMINGHAM CITY
COUNCIL of The Council
House, Victoria Square,
Birmingham B1 1BB affixed
hereto in the presence of its
duly Authorised Officer

(3) COVENTRY CITY
COUNCIL of Council House,
Earl Street, Coventry, CV1 5RR
affixed hereto in the presence
of its duly Authorised Officer

(4) DUDLEY METROPOLITAIN
BOROUGH COUNCIL of
Council House,
Priory Road, Dudley, DY1 1HF
affixed hereto in the presence
of its duly Authorised Officer

(5) SANDWELL
METROPOLITAN BOROUGH
COUNCIL of Sandwell Council
House, Freeth Street, Oldbury,
B69 3DE affixed hereto in
the presence of its duly
Authorised Officer

(6) SOLIHULL
METROPOLITAN BOROUGH
COUNCIL of Council House,
Manor Square, Solihull, West
Midlands, B91 3QB affixed
hereto in the presence of its
duly Authorised Officer

(7) WALSALL
METROPOLITAN BOROUGH
COUNCIL of Civic Centre,
Darwall Street, Walsall,
WS1 1TP affixed hereto in
the presence of its duly
Authorised Officer

(8) CITY OF
WOLVERHAMPTON
COUNCIL of Civic
Centre, St. Peter's Square,
Wolverhampton, WV1 1SH
affixed hereto in the presence
of its duly Authorised Officer



Transport for West Midlands

Building a healthier, happier, better connected and more prosperous West Midlands.

16 Summer Lane, Birmingham, B19 3SD | 0345 303 6760
To request a copy of this document in a different format, please get in touch.



Cabinet

16th February 2021

Name of Cabinet Member:

Cabinet Member for Policing and Equalities – Councillor A S Khan
Cabinet Member for Housing and Communities – Councillor D Welsh

Director Approving Submission of the report:

Director of Streetscene and Regulatory Services

Ward(s) affected:

All

Title:

Review of Private Sector Housing Enforcement Policy 2018

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:

The provision of good quality housing for Coventry residents is a priority for the City Council.

The adopted Coventry Local Plan 2016 details how Coventry City Council will meet the future house building needs up to 2031. There is also a need to consider the city's existing housing stock and in particular the quality of homes provided via the Private Rented Sector (PRS).

Government have also legislated to provide local authorities with additional powers to tackle poor quality homes in the PRS. This report therefore seeks approval of the attached "Policy for Enforcing Standards in Private Sector Housing 2021".

The new powers available to the City Council from a variety of different pieces of legislation are detailed in the Policy at Appendix 1 to the report. If adopted this policy will act as a framework for all future housing enforcement activities.

Recommendations:

The Cabinet is requested to:

1. Consider and approve the amended "Policy for Enforcing Standards in Private Sector Housing 2021" attached as Appendix 1 to the report.
2. Authorise the Director of Streetscene and Regulatory Services to implement the policy as detailed in the report and delegate the power to the Strategic Lead for Regulation to issue, use, amend and enforce civil penalties and all other enforcement powers under the Housing Act 2004 (as amended), the Housing and Planning Act 2016 (and subsequent Regulations and Orders), the Consumers, Estate Agents and Redress Act 2007, Redress Schemes for Lettings Agency Work and Property Management Work (requirement to belong to a Scheme etc.) England) Order 2014, the Client Money Protection Schemes for Property Agents (Requirement to Belong to a Scheme etc.) Regulations 2019, and the Energy Performance of Buildings (England and Wales) Regulations 2012 as amended.

List of Appendices included:

Appendix 1 - Policy for Enforcing Standards in Private Sector Housing 2021 and appendices

Appendix 2 - Equality and consultation analysis form.

Background papers:

None

Other useful documents:

Housing Act 2004.

Housing and Planning Act 2016.

Tenant Fees Act 2019

Guidance on Tenant Fees Act 2019

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/819633/TFA_Statutory_Enforcement_Guidance_190722.pdf

Minimum Energy Efficiency Standards Guidance <https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance>

Electrical Regulations guidance <https://www.gov.uk/government/publications/electrical-safety-standards-in-the-private-rented-sector-guidance-for-landlords-tenants-and-local-authorities>

A guide to energy performance certificates for the marketing, sale and let of dwellings

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/671018/A_guide_to_energy_performance_certificates_for_the_marketing_sale_and_let_of_dwellings.pdf

Has it been or will it be considered by Scrutiny?

No

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

No

Will this report go to Council?

No

Report title: Review of Private Sector Housing Enforcement Policy 2018

1. Context (or background)

- 1.1. In recent years, the Government have introduced a patchwork of legislation designed to strengthen consumer protection for tenants and tackle rogue landlords.
- 1.2. This included new laws requiring letting and managing agents in England to belong to a redress scheme. These include providing protections for tenants against retaliatory eviction.
- 1.3. The Housing and Planning Act 2016, which introduced civil penalties, extended rent repayment orders and provided local authorities with powers to ban the most serious criminal landlords through the introduction of banning orders.
- 1.4. Civil penalties for certain housing offences came into force on 6 April 2017. A civil penalty can be imposed as an alternative to prosecution and the Council adopted its policy relating to this legislation in 2018.
- 1.5. The Government has recently introduced further powers to implement civil penalties under the following:
 - a) The Tenant Fees Act 2019
 - b) The Domestic Minimum Energy Efficiency Standards (MEES)
 - c) The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 under Section 122 & 123 of the Housing and Planning Act 2016
 - e) Consumers, Estate Agents and Redress Act 2007
 - f) Redress Schemes for Lettings Agency Work and Property Management Work (requirement to belong to a Scheme etc.) England) Order 2014
 - g) The Client Money Protection Schemes for Property Agents (Requirement to Belong to a Scheme etc.) Regulations 2019
 - h) The Energy Performance of Buildings (England and Wales) Regulations 2012 as amended
- 1.6. In order for the Council to use these powers, it must publish a policy setting out how it will implement these powers in relation to properties in the PRS.
- 1.7. Coventry City Council is taking this opportunity to review its policy and to set out how it will implement the powers given in the above legislation.
- 1.8. This will be managed within existing resources and compliments and supports the work carried out under additional and mandatory licensing schemes.
- 1.9. A copy of the revised policy is attached as Appendix 1 to the report.

2. Options considered and recommended proposal

- 2.1. **Do nothing** - This option is not recommended because this would prevent the use of the full suite of civil penalties in relation to PRS available to the City Council. This could affect the Council's ability to help protect the health, safety and welfare of tenants in Coventry.
- 2.2. **Approve the policy – This is the preferred option.** In order for the Council to proceed with implementing the powers provided under the Housing and Planning Act 2016 it must first have published a policy. Without this the Council is not able to use the powers relating to civil penalties for enforcing the Electrical Safety Regulations. Therefore, the Cabinet are requested to approve the policy for Enforcing Standards in Private Sector Housing and adopt the approach for dealing with the implementation of civil penalties under the Tenant Fees Act, Redress Schemes, Client Money Protection and Energy Performance legislation as detailed in the report.

3. Results of consultation undertaken

- 3.1. The enforcement measures open to the Council are set out in legislation and consultation is unnecessary for the Council to be able to use them.

4. Timetable for implementing this decision

- 4.1. The policy must be published first to allow the Council to implement civil penalties. The implementation can commence once the report has been approved and the policy is published. It is proposed that the policy will take effect from the date it is approved by Cabinet.

5. Comments from the Director of Finance and the Director of Law and Governance

5.1. Financial implications

The financial implications associated with the recommendation are limited to the employee costs associated with implementing the policy and any costs involved in publishing the policy document. These costs will be managed within existing resources.

Enforcement authorities will be able to retain the money raised through financial penalties with this money reserved for future housing enforcement in the private rented sector as set out in statutory guidance.

5.2. Legal implications

Tenant Fees Act

The Tenant Fees Act 2019 prevents landlords or agents from requiring tenants in the private rented sector in England, or any persons acting on behalf of a tenant or guaranteeing the rent, to make certain payments in connection with a tenancy.

The ban on tenant fees applies to new or renewed tenancy agreements signed on or after 1 June 2019.

On 1 June 2020, the Act applied to all applicable tenancy agreements regardless of the date when the agreement was entered into.

A breach of the legislation will usually be a civil breach with a financial penalty of up to £5,000. However, if a further breach is committed within five years of the imposition of a financial penalty or conviction for a previous breach, this will be a criminal offence.

Statutory guidance has been produced for enforcement authorities.

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (as amended)

With effect from the 1 April 2018, the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 were amended by the “MEES Regulations” – Minimum Energy Efficiency Standards.

As of the 1st April 2018 there is a requirement for any properties rented out in the private rented sector to have a minimum energy performance rating of E on an Energy Performance Certificate (EPC). The regulations came into force initially for new lets and renewals but extended to existing tenancies on the 1st April 2020.

From 1 April 2020 the prohibition on letting F and G properties will extend to all relevant properties, even where there has been no change in tenancy.

If the Council believes a landlord has failed to fulfil their obligations under the MEES Regulations, they can serve the landlord with a compliance notice. If a breach is confirmed, the landlord may also receive a financial penalty.

While most properties in the private rented sector meet this level comfortably, for some landlords this means that they will no longer be able to rent out their property if it has a rating of F or G.

Electrical Safety Standards in the Private Rented Sector

The Electrical Safety Standards (England) Regulations 2020 have been made under Section 122 of the Housing and Planning Act 2016 which provides that the Secretary of State may by regulations impose duties on a private landlord of residential premises in England for the purposes of ensuring that electrical safety standards are met during any period when the premises are occupied under a tenancy.

Landlords already have to keep the electrical installations in their rented properties safe and in working order. Most landlords already do this.

Under these Regulations, landlords must now get the electrical installation checked at least every 5 years by a properly qualified person. The electrical installation must be safe, and the landlord must give the tenant proof of this.

This is similar to the way landlords must carry out gas safety checks every year.

The date from which 'new specified tenancies must comply will be 1 July 2020 and there will be a nine-month transition period to 1 April 2021 for existing tenancies.

If a landlord does not comply with the requirements of the regulations, then the Council can serve a remedial notice requiring the landlord to carry out the necessary works or even do the works themselves if necessary. The Council also has the power to impose penalties of up to £30,000 if a landlord does not comply with their legal obligations under the Regulations.

The Council will not be able to undertake its role of regulating the PRS through the use of these powers unless it has approved and published its policy.

The regulatory function in relation to the policy will be carried out by the Regulation Service through officers exercising delegated powers. The one exception is the approval of the policy statement, which must be approved by Coventry City Council.

The Council is required to have regard to any current Government guidance when carrying out any regulatory activities under the Housing and Planning Act 2016 and the Tenant Fees Act 2019.

The Consumers, Estate Agents and Redress Act 2007 requires Estate Agents and the Redress Schemes for Lettings Agency Work and Property Management Work (requirement to belong to a Scheme etc.) England) Order 2014 requires letting agents engaging in letting agency or property management work relating to private accommodation to be a member of a redress scheme for dealing with complaints in connection with that work.

Such businesses must display:

- a statement that they are a member of a redress scheme
- the name of the redress scheme

Failure to comply can incur a fixed penalty charge.

The Client Money Protection Schemes for Property Agents (Requirement to Belong to a Scheme etc.) Regulations 2019 requires those who engage in letting agency or property management work to belong to an approved client money protection scheme. They must display or publish a statement indicating that the agent is a member of a client money protection scheme and providing the name of the scheme. A certificate issued by the scheme must be displayed at premises where a client visits, on the agent's website, and should provide a copy free of charge when reasonably requested. The agent should notify its clients within 14 days of any changes in membership including when membership is revoked. Failure to comply can incur a fixed penalty charge.

The Energy Performance of Buildings (England and Wales) Regulations 2012 as amended requires a seller or a landlord to obtain an Energy Performance Certificate (EPC) when selling or offering to rent a property. Before a property is marketed an Estate Agent or Letting Agent should take reasonable efforts to ensure a valid EPC has been obtained. The energy performance indicator of the building as shown on the EPC, for example, C, must be stated in any advertisements in the commercial media. Failure to comply can incur a fixed penalty charge.

6. Other implications

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

The Health and Wellbeing Strategy 2016-19 recognises that creating health, wealth and happiness requires more than simply managing people's health problems.

The health and wealth being of people can be improved if people have jobs, good housing, and are connected to families and communities.

The Council's Housing Strategy 2013-2018 affirms the Council's view that housing plays a crucial role in the economic growth of the City. The ambition for Coventry is *"to ensure decent homes, housing choice and support for Coventry citizens"* through various themes including:

- Increase the supply, choice and quality of new housing;
- Prevent and tackle homelessness;
- Strive for a healthier and more sustainable City by improving the quality and use of stock; and
- Encourage balanced, stable and sustainable communities.

The Housing Strategy links into the Council Plan and the Health and Wellbeing Strategy by contributing to the delivery of the key corporate priorities but also in supporting the local economy through ensuring communities have stable and safe places to live.

6.2. How is risk being managed?

If the Policy for Enforcing Standards in Private Sector Housing is not approved, the City Council will not be able to perform its full regulatory functions through the use of civil penalties under the Tenant Fees Act 2019, MEES, EPCs, Client Money Protection requirements, membership of a redress scheme and the Housing and Planning Act 2016.

The policy will inform decisions taken by regulatory services that will have an impact on the interests of private landlords, agents and tenants. The policy follows the principles of enforcement set out in the Council's overarching Public Safety and Housing Enforcement Policy 2017 and therefore reflects the need to respect the relevant rights given by the Human Rights Act.

Decisions of regulatory services are open to challenge through the First Tier Property Tribunal and in certain cases the Magistrates Court and beyond. The policy is designed to ensure our compliance with legislation and statutory guidance, minimising the risk of legal challenge.

6.3. What is the impact on the organisation?

The adoption of the policy should have limited impact on the organisation. There is no human resource, financial or ICT implications as cases which are likely to be subject to civil penalties will be investigated using current resources. There is a potential positive impact, in that any income received from civil penalties provides an opportunity to undertake further proactive work and statutory functions in relation to the Council's enforcement activities covering the PRS.

6.4. Equalities / EIA

The Policy for Enforcing Standards in Private Sector Housing makes links to the Council's Equality and Diversity Policies and an Equalities Assessment exists for regulatory activities. A specific Equalities Assessment has been completed for this report and is attached at Appendix 2 to the report.

6.5. Implications for (or impact on) climate change and the environment?

The review of the policy provides powers for the Council to address issues relating to minimum standards of energy efficiency that will contribute toward the climate change agenda.

6.6. Implications for partner organisations?

The Policy for Enforcing Standards in Private Sector Housing contributes towards the work of the Community Safety Partnership.

The effective operation of the policy by regulatory services has an impact on the quality and management of properties in the PRS and on the co-existence of rented properties with local residents and communities.

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

Adrian Chowns

Property Licensing and Housing Enforcement Team Manager

Service:

Regulatory Services

Tel and email contact:Email: adrian.chowns@coventry.gov.uk

Tel: 024 7697 2222

Enquiries should be directed to the above person.

Contributor/ approver name	Title	Service	Date doc sent out	Date response received or approved
Contributors:				
Davina Blackburn	Strategic Lead Regulation	Street Scene and Regulatory Services	19 th November 2021	20 th November 2021
Michelle Salmon	Governance Services Officer	Law and Governance	6 th January 2021	6 th January 2021
Names of approvers for submission: (officers and members)				
Cathy Crosby	Finance Officer	Finance	9 th November 2020	19 th November 2020
Mandeep Bajway	Legal Officer	Law and Governance	9 th November 2020	19 th November 2020
Gill Carter	Legal Officer	Law and Governance	1 st December 2020	1s December 2020
Andrew Walster	Director of Streetscene and Regulatory Services	-	20 th November 2020	1 st December 2020
Councillor A Khan	Cabinet Member for Policing and Equalities	-	11 th January 2021	14 th January 2021
Councillor D Welsh	Cabinet Member for Housing and Communities	-	11 th January 2021	14 th January 2021

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APPENDIX 1



**POLICY ON ENFORCING STANDARDS IN
PRIVATE SECTOR HOUSING 2021.**

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1. PURPOSE

This policy is intended to provide guidance for officers, businesses and members of the public on the principles and processes, which will apply when enforcement action is considered or taken in cases being investigated in the Private Sector. It also provides a background to the legislation and guidance on which it is based.

It is important for local authorities to have an enforcement policy to ensure consistency of approach among Council officers and for members of the public to know what to expect from the service. An enforcement policy also provides clarity if the Council takes legal proceedings or enforcement action is appealed against.

Our aim is to raise standards in Private Sector Housing throughout Coventry, working with owners, landlords, letting agents and tenants to achieve this. However, it is recognised that if the law is broken, then enforcement action may be necessary to protect the public and the environment.

2. INTRODUCTION

The Council has a responsibility to deal with unsatisfactory housing in its area and nationally, conditions in the Private Rented Sector (PRS) tend to be less satisfactory than in owner-occupied homes.¹

It is for this reason that enforcement forms the core function of the Council and whilst the teams work hard to develop a professional and constructive relationship with responsible landlords, the need to ensure that all properties meet minimum standards is paramount.

A firm but fair policy on enforcement in accordance with our published procedures is adopted with regular service of statutory notices in cases where informal action has proved ineffective or is inappropriate.

When conducting any investigations each case is judged on its own merits and in accordance with Coventry City Council's [Enforcement Policy](#), and the [CPS evidential and public interest tests](#).

Duties fall under three main headings as follows:

- 1) Undertaking inspections/audits and providing guidance to ensure that residential accommodation meets minimum legal standards. Taking formal action as necessary to secure compliance with statutory requirements;

¹ English Housing Survey 2016-17

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705821/2016-17_EHS_Headline_Report.pdf



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- 2) The administration and enforcement of the mandatory licensing of prescribed HMOs;
- 3) The administration and enforcement of the discretionary additional licensing of prescribed HMOs;

This policy sets out the Council's principles for enforcing and exercising its duties as a Housing Authority under the following Acts and Regulations made there under:

- The Housing Act 1985
- The Housing Act 2004
- The Building Act 1984
- The Environmental Protection Act 1990
- The Public Health Act 1936
- The Local Government (Miscellaneous Provisions) Act 1976 and 1982
- The Equality Act 2010
- The De-regulation Act 2015
- The Housing and Planning Act 2016
- The Tenant Fees Act 2019

3. Policy Statement

The Council considers the protection of public health paramount and when enforcing the law all assistance will be given to landlords to comply with legal requirements.

All enforcement action will be proportional to the risk any situation presents and will always be in accordance with statutory Codes of Practice, Council procedures and protocols, and official guidance from central and local government bodies.

Reasonable effort will be made to ensure compliance with the law by a process of advice and education. Formal action will however be considered in the following circumstances:

- Where there is a strict liability to comply and a risk to public health exists
- Where there is a blatant or deliberate contravention of the law
- Where there is a history of non-compliance, or cooperation for an informal approach is not forthcoming
- Where action agreed as part of an informal process is not being progressed within agreed timescales

In safeguarding housing conditions and wider environmental issues arising from rented homes in Coventry, the Council will aim to work with responsible landlords to help them to reduce issues and raise housing standards. However, where appropriate and necessary, the Council will instigate appropriate enforcement action against landlords who fail to comply with their legal requirements.



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The Council will expect landlords to have a good understanding of the housing standards and management issues that should be met in privately rented accommodation; it would expect landlords to refer to the Council's guide to minimum property standards and to liaise with Council officers or other professionals to confirm the extent to which additional requirements apply to any addresses let out as HMOs.

4. HOARDING AND DILAPIDATED PROPERTIES

These are properties often occupied by vulnerable persons, sometimes with mental health issues or elderly people struggling to cope. There has been an increased awareness of the issue brought about by publicity and media exposure and a corresponding rise in the number of reports from neighbours and health visitors regarding issues of disrepair, lack of hygiene or accumulations within properties. While these properties are usually owner occupied, the Council has powers under legislation to take action where the situation is likely to cause harm or ill health to the occupier or where there is a wider health issue or where statutory nuisance may exist.

The cases that come to light are prioritised and referred to other agencies as necessary, particularly when there are safeguarding issues. Known cases are kept under review.

Enforcement action will be taken when necessary to protect public health, but the Council will primarily seek to provide signposting to assistance and engage with the relevant agencies to help them deal with any underlying issues.

5. ENFORCEMENT OPTIONS

Coventry City Council recognises and affirms the importance of achieving and maintaining consistency in approach to making decisions that concern regulatory enforcement action, including prosecution.

To achieve and maintain consistency, relevant guidance and policy is always considered and followed unless inappropriate in the circumstances.

In deciding upon enforcement options, the Council will have due regard to its overarching enforcement policy - Public Safety and Housing Enforcement November 2017 as well as having due regard to statutory guidance, approved codes of practice and relevant industry or good practice guides.

Generally, it is the Council's preference that landlords are first given the opportunity, wherever possible, to investigate any reported problems at their properties. The Council expects responsible owners to undertake necessary repairs and improvements without the need for the Council to instigate formal action.



There are a number of options available to the Council and it will depend on the circumstances of the case:

No Action – Where premises are found to be satisfactory

Informal Action – Informal action will be taken in relation to minor Category 2 hazards or where the Landlord is accredited by the Council through the Coventry Landlord Accreditation Scheme (CLAS)

In most cases, in receipt of a complaint regarding housing conditions at an address, the Council would expect the tenant to put the complaint in writing to the landlord to highlight the alleged deficiencies and request that the complaint be investigated, and remedial action taken as necessary.

Where the tenant has not received a satisfactory response then a visit may be made and an assessment carried out to determine which course of action is appropriate.

If, at the outset the initial complaint indicates that an immediate investigation by a Council officer is warranted then a visit will be made.

Where written advice is deemed necessary and is provided, suggested timescales will normally be included to undertake any specified works or actions. For defects that relate to moderate or minor Category 2 hazards, a Hazard Awareness Notice may be issued.

Formal Action – This action will normally be the first course of action following the inspection unless the landlord has provided the tenant with a satisfactory response or is accredited.

In cases where officers visit an address, whether this is a result of a landlord's failure to adequately resolve a highlighted issue or as part of an audit or other investigation, written or verbal advice may be deemed sufficient should the inspection highlight only minor deficiencies.

With regard to assessments made under the Housing Health and Safety Rating System [HHSRS] made under Part 1 of the Housing Act 2004, the Council would not normally take formal action if the identified defects equated only to minor or moderate Category 2 hazards.

The Council has a statutory duty to act in cases of Category 1 hazards and will exercise this duty where it is clear that the landlord has failed to provide the tenant with a satisfactory response or to address the concerns raised.

In deciding on the appropriate enforcement approach the Council will have regard to the Housing health and safety rating system (HHSRS) enforcement guidance: housing conditions

Guidance for local housing authorities about their duties and powers under part 1 of the Housing Act 2004.



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<https://www.gov.uk/government/publications/housing-health-and-safety-rating-system-enforcement-guidance-housing-conditions>

The enforcement options available to the Council under the Housing Act 2004 are set out in Appendix 1 to this Policy.

These are notices used when a landlord is failing to comply with housing or other health and environmental legislation. They normally require that necessary remedial action be taken at a specified property by the owner within a specified time period, which will vary depending on the nature and scale of the works.

For defects that give rise to Category 1 HHSRS hazards under Part 1 Housing Act 2004, the Council has a duty to take appropriate enforcement action to deal with that hazard. The Council will also normally seek to deal with any significant Category 2 hazards identified at an address, whether or not Category 1 hazards are also present.

In situations where a landlord fails to comply with a formal notice requiring remedial works, the Council may undertake these works in default of the owner and take steps to recover any costs incurred. This power may be exercised in addition to any prosecution proceedings taken for non-compliance with this notice.

Where there is a Category 1 HHSRS hazard present that is considered to represent an imminent risk of serious harm to the health and safety of the occupiers of a dwelling, the Council may serve an Emergency Prohibition Order or take Emergency remedial action. Such emergency actions would involve either the removal of certain defects giving rise to the immediate risk or the closure of all or part of a dwelling.

Failure to comply with a statutory notice can be a criminal offence and may lead to prosecution and/ or, where appropriate, the carrying out of work in default. As the Council relies heavily upon statutory notices to ensure compliance, it will view a breach of a notice as a serious matter.

The Council will normally charge where legislation permits the recovery of costs for serving statutory notices.

Civil Penalties

Coventry City Council has powers to issue civil penalties as an alternative to prosecution in respect of the following breaches.

- Failure to comply with an Improvement Notice (section 30 of the Housing Act 2004);
- Offences in relation to licensing of Houses in Multiple Occupation (section 72 of the Housing Act 2004);
- Offences in relation to licensing of houses under Part 3 of the Act (section 95 of the Housing Act 2004);



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- Offences of contravention of an overcrowding notice (section 139 of the Housing Act 2004);
- Failure to comply with management regulations in respect of Houses in Multiple Occupation (section 234 of the Housing Act 2004);
- Breach of a banning order (section 21 of the Housing and Planning Act 2016)
- Failure to comply with Regulation 3 of the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020
- Failure to comply with the requirement of the Tenant Fees Act 2019
- Failure to comply with the requirements of the Energy Efficiency (Private Rented Property) (England and Wales) Regulations (as amended) and the Energy Performance of Buildings (England and Wales) Regulations 2012

If a civil penalty is paid in respect of a breach Coventry City Council will not take any further enforcement action in respect of that breach. If a penalty is not paid, Coventry City Council may commence proceedings or take other enforcement action in respect of the breach.

Where there is a legislative option for the Council to choose the amount payable for a civil penalty, the Council's policy will be to charge the maximum permitted level. The charges will be available on the Council's website.

Where appropriate the Council will apply for RRO and support tenants who wish to apply for a RRO.

The Council's approach to determine appropriate penalty levels is set out in Appendix 2 for penalties issued in relation to Housing Act, Housing and Planning Act and The Electrical Safety Standards Regulations and Appendix 3 for penalties issued in relation to Tenant Fees Act offences, Appendix 4 for penalties issued in relation to the Electrical Safety Standards and Appendix 5 in relation to MEES and the requirements regarding EPC's.

Simple Caution

Coventry City Council has the power to issue simple cautions (previously known as 'formal cautions') as an alternative to prosecution for some less serious offences, where a person admits an offence and consents to the simple caution. Where a simple caution is offered and declined, Coventry City Council is likely to consider prosecution.

A simple caution will influence how Coventry City Council and others deal with any similar breaches in the future, and may be cited in court if the offender is subsequently prosecuted for a similar offence.

Simple cautions will be used in accordance with Ministry of Justice Guidance and any other relevant guidance.

Prosecution

When deciding whether to prosecute Coventry City Council has regard to the provisions of The Code for Crown Prosecutors as issued by the Director of Public Prosecutions.

Prosecution will only be considered where Coventry City Council is satisfied that it has sufficient evidence to provide a realistic prospect of conviction against the defendant(s).

Before deciding that prosecution is appropriate, Coventry City Council will have particular regard to the following public interest criteria:

- How serious is the offence committed?
- What is the level of culpability of the suspect?
- What are the circumstances of and the harm caused to the victim?
- Was the suspect under the age of 18 at the time of the offence?
- What is the impact on the community?
- Is prosecution a proportionate response?
- Do sources of information require protecting?

The Council expects that, in the public interest, enforcing authorities should normally prosecute, or recommend prosecution, where, following an investigation or other regulatory contact, one or more of the following circumstances apply. Where:

- a breach of the legislation resulted in a death
- the gravity of an alleged offence, taken together with the seriousness of any actual or potential harm, or the general record and approach of the offender warrants it;
- there has been reckless disregard of legislative requirements;
- there have been repeated breaches which give rise to significant risk, or persistent and significant poor compliance;
- the breach has been carried out without or in serious non-compliance with an appropriate licence or permission;
- a duty holder's standard of compliance is found to be far below what is required by law and to be giving rise to significant risk;
- there has been a failure to comply with a statutory notice; or there has been a repetition of a breach that was subject to a simple caution;
- false information has been supplied wilfully, or there has been an intent to deceive, in relation to a matter which gives rise to significant risk;
- officers have been intentionally obstructed in the lawful course of their duties.

In deciding on the public interest the Council will make an overall assessment based on the circumstances of each case and will consider all relevant circumstances carefully, including local and corporate priorities.

6. DECISION MAKING

Ultimately, it is for Coventry City Council to decide which option it wishes to pursue but as a general principle, local authorities should normally prosecute where an offence is particularly serious or where the offender has committed similar offences in the past.

Prosecution in serious cases demonstrates that the Local Authority will not hesitate to take formal action where needed and is likely to act as a strong deterrent both to the offender and other rogue landlords. A prosecution also enables the Local Authority to apply for a banning order following a successful conviction.

Coventry City Council has an enforcement matrix which is used to determine the most appropriate course of action in enforcement cases. The principle of the enforcement matrix is to provide a score based on a number of factors, both negative and positive. Bands are provided to reflect the score produced and the appropriate courses of action for dealing with the identified situation.

Bands	Score	Recommend Action
1	Positive to minus 10	Informal action Requirement to attend training Higher fees for licences
2	Minus 11 to minus 30	Revoke accreditation Reduce licence length
3	Minus 31 to minus 40	Formal investigation PACE interview Revocation of licence Revocation of accreditation Formal caution Civil penalty
4	Greater than minus 41	Prosecution or civil penalty

The enforcement matrix provides guidance to officers carrying out investigations and ensures that enforcement is being carried out in a fair, proportionate and consistent way.

Charging for Enforcement

If there is a statutory charging mechanism the Council will seek to recover the full costs of providing its services wherever that is possible in accordance with guidance provided by Government and its policies.

Charges are made for the serving of formal notices under the Housing Act 2004. If properties are rented in a condition that requires statutory intervention the City Council will endeavour to recover the costs incurred. Similarly the Council will adopt the highest penalties in the case of Civil Penalties in accordance with the guidance provided by Government and its policies.



Proceeds of Crime

Where appropriate the Council will consider the use of the Proceeds of Crime Act 2002. The Proceeds of Crime Act allows Local Authorities to recover assets that have been accrued through criminal activity.

7. MONITORING AND REVIEW

The Service will keep its regulatory activities and interventions under review, with a view to considering the extent to which it would be appropriate to remove or reduce the regulatory burdens they impose, where the Council has direct control of these matters.

Changes will be introduced into this document where necessary to accommodate new legislation, guidance and local needs.

The satisfaction of service users i.e. landlords, tenants and residents will be assessed through regular random sample customer questionnaires.

Application of the Policy

All officers must have regard to this policy and make decisions in accordance with the Council procedures when making enforcement decisions.

Maximum Levels

Coventry City Council takes the enforcement of housing conditions in the Private Rented Sector extremely seriously and proactively pursues enforcement action where it is considered to be necessary and appropriate.

There may be circumstances when the Council is dealing with offences that it considers will warrant a maximum penalty. This will be carried out in accordance with guidance provided by Government and the Council's policy.

Recording of the decision

A record of each decision and the reasons for the financial penalty will be made together with how the amount of the penalty was set and the reasons for imposing it.

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**Coventry City Council
Equality and Consultation Analysis (ECA) Form**

In line with the principles of decision making outlined in the City Council Constitution, the Council will ensure that its decision making is open and transparent, and that due regard is given to the Council's obligations and desire to promote equality of opportunity and equal treatment.

Form 1

This part must be completed and before formal consultation is undertaken and must be available during the consultation stage.

Author of this document: Adrian Chowns

Name of Service Area/Proposal: Regulatory Services – Review of Private Sector Housing Enforcement Policy 2018

Head of Service: Andrew Walster

Date of completion: January 2021

Background to the planned changes

1. What is the background to the planned changes? Why is this change being considered?

The Housing and Planning Act 2016 introduced, amongst other things, civil penalties for certain housing offences, which can be pursued as an alternative to prosecution in cases relating to properties in the Private Rented Sector (PRS).

In order for the Council to use these powers it must have published a policy setting out how it will implement these powers in relation to properties in the PRS. Such a policy was approved in 2018 and since that new powers have been introduced that now need incorporating into the policy document.

This report provides the details of those new powers and the policy has been amended to include them

2. Who do you need to consider as part of this ECA? **stakeholder analysis*

Landlords

Agents

Tenants in the Private Rented Sector

Residents living in the city.

Coventry City Council Equality and Consultation Analysis (ECA) Form

Pre-Consultation Engagement

This section refers to any activities that took place (such as briefings, meetings, workshops, scoping exercises etc) with stakeholders before the formal consultation period.

3. What engagement activities took place prior to formal consultation and what feedback (if any) was received in relation to equality issues?

There is no requirement to conduct a consultation exercise because the process for implementing civil penalties is set out in Government guidance which was developed as part of a national consultation exercise by the Ministry for Housing, Communities and Local Government (MHCLG).

Analysis of Impact

In this section please ensure that you consider the three aims of the general duty as they affect **protected groups**. These groups are:

Age
Disability
Gender
Gender reassignment
Marriage/Civil Partnership
Pregnancy/Maternity
Race
Religion/Belief
Sexual Orientation

The **three aims of the general duty** require that a public authority, in the exercise of its functions, must have due regard to the need to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The Policy will not have a negative impact on any protected groups as it not specific to:-

- Age
- Disability
- Gender
- Gender reassignment
- Marriage/Civil Partnership
- Pregnancy/Maternity
- Race

Coventry City Council
Equality and Consultation Analysis (ECA) Form

- Religion/Belief
- Sexual Orientation

The adoption of the new powers and the civil penalties will have a positive impact upon all groups. The use of civil penalties and other enforcement action detailed in the policy will enable the Council to take formal enforcement action against rogue landlords.

4. Outline below how this proposal/review could impact on protected groups positively or negatively, and what steps/mitigations (if any) could be taken to reduce any negative impact that has been identified.

Note – when identifying potential impacts below, please only include impacts that may exist over and above general impacts that may affect the wider community/population. (For example, a reduction in grant to Coventry Citizens Advice would affect all service users through a reduced level of first line advice being available to all – but it would affect the following groups more; age, disability, gender and race as they represent a larger proportion of the clients who use the advice service.)

The amendment of the policy for enforcing standards in private sector housing will enable the Council to implement civil penalties where a landlord or agent has committed a wider range of offences, providing a holistic approach to dealing with problems in the private rented sector. In doing so the Council will be improving the standard and management of properties in the private rented sector and sending out a positive message to landlords that it takes the issue of poor housing extremely seriously.

5. Are there any other vulnerable groups that could be affected? i.e. deprivation, looked after children, carers.

Also include any information about the health inequalities/Marmot implications of this proposal. Contact Caroline Ryder (caroline.ryder@coventry.gov.uk) or Hannah Watts (hannah.watts@coventry.gov.uk) in Public Health for more information.

Housing is a key determinant of health and cold, damp, unsafe homes impact on all groups but particularly the young and old. By improving standards in privately rented properties the occupants will potentially benefit from a direct improvement in health and be at less risk of accidents.

6. What are the gaps in evidence? Can this be addressed during the consultation stage?

In this section, re-state those protected characteristics for which there is no data available. In addition, outline if there are any plans to collect further data during the consultation stage (through surveys, on-site sampling etc). If it is unlikely that additional data will be available to inform this ECA, then include a commitment statement in this section along the lines of 'following on from this ECA, once the new service is implemented/commissioning process

Coventry City Council
Equality and Consultation Analysis (ECA) Form

undertaken, a specific requirement to collect and analyse relevant equalities data will be included in management information processes / service specifications*. *delete as appropriate*

- 7. What are the likely impacts of this project/review on staff from protected groups?** For further support please contact Andy Hyland (andy.hyland@coventry.gov.uk tel: 7683 3426)

Coventry City Council
Equality and Consultation Analysis (ECA) Form

Form 2

This section should be completed AFTER any consultation has been concluded.

Author of this document:

Date of completion:

Potential Impacts – further information

8. Referring to the information detailed in question 4 of ECA Form 1, state if the potential impacts have been confirmed. Also detail below any additional information about potential impacts that has been highlighted during any consultation.

Outcome of equality impact

9. Indicate which of the following best describes the equality impact of this project/review:

There will be **no** equality impact if the proposed option is implemented

There will be **positive** equality impact if the proposed option is implemented

There will be **negative** equality impact if the proposed option is implemented but this can be objectively justified

There will be both **positive and negative** impacts if the proposed option is implemented

Summary of ECA

Write a paragraph below which summarises the key aspects of this ECA.

This paragraph should be included in the Equalities/EIA section of any Cabinet/Cabinet Member Report.

**Coventry City Council
Equality and Consultation Analysis (ECA) Form**

Approvals from Director and Cabinet Member**Name of ECA Author: Adrian Chowns****Date: 8th January 2021****Director:** Andrew Walster**Cabinet Member:** Councillor David Welsh and Councillor
Abdul Khan**Please detail below any committees, boards or panels that have considered this analysis.**

Name	Date	Chair	Decision taken
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Next steps

Please send this completed ECA to the Insight Team as follows:

Wendy Ohandjanian (wendy.ohandjanian@coventry.gov.uk tel. 7683 2939)Jaspal Mann (jaspal.mann@coventry.gov.uk tel. 7683 3112)