

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 12 December 2023

Present:

Members: Councillor G Duggins (Chair)
Councillor A S Khan (Deputy Chair)
Councillor L Bigham
Councillor R Brown
Councillor K Caan
Councillor J O'Boyle
Councillor K Sandhu
Councillor P Seaman
Councillor P Hetherington
Councillor D Welsh

Non-Voting Deputy
Cabinet Members

Councillor S Agboola
Councillor P Akhtar
Councillor G Hayre
Councillor A Jobbar
Councillor G Lloyd
Councillor S Nazir

Non-Voting Opposition
Members:

Councillor S Gray
Councillor P Male
Councillor G Ridley

Other Non-Voting
Members:

Councillor N Akhtar
Councillor R Lakha
Councillor C E Thomas

Employees (by Service Area):

Chief Executive Julie Nugent (Chief Executive)

Business, Investment and
Culture G Smailes

Communications N Hart

Finance B Hastie (Chief Operating Officer (Section 151 Officer)),
P Helm, T Pinks

Law and Governance J Newman (Chief Legal Officer), D Blackburn, A Chowns,
M Salmon

Apologies: There were no apologies

Public Business

47. Declarations of Interest

There were no disclosable pecuniary interests.

48. Minutes

The minutes of the meeting held on 7th November 2023 were agreed as a true record. There were no matters arising.

49. 2023-24 Second Quarter Financial Monitoring Report (to September 2023)

Cabinet considered a report of the Chief Operating Officer (Section 151 Officer) that had also been considered by the Audit and Procurement Committee at their meeting on 11th December 2023, that advised of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of September 2023. The net revenue forecast position after management action was a net overspend of £11.5m. At the same point in 2022/23 there was a projected overspend of £11.3m. Appendices to the report provided: Revenue Position: Detailed Directorate breakdown of forecast outturn position; Capital Programme: Analysis of Budget/Technical Changes; Capital Programme: Analysis of Rescheduling; Capital Programme: Analysis of Over / Under Spend, and Prudential Indicators.

Cabinet noted that the report had been considered by the Audit and Procurement Committee at their meeting on 11th December 2023 (their minute 34/23 referred) at which the report was noted, and it was agreed that there were no recommendations to be forwarded to Cabinet.

The Council continued to face budget pressure within both Adults and Children's social care, Housing, and Streetscene services. Other smaller but still significant overspends were also being reported in Project Management and Property and Transportation and Highways. Financial pressures were being caused by a combination of continuing high levels of inflation, increased service demands, difficult conditions within social care markets and recruitment difficulties in some services.

Recent months had seen a number of councils with social care responsibilities report large in-year budgetary difficulties and it was clear that there were systemic problems for the whole sector which represented a serious threat to its financial sustainability. The Council's position above included a number of largely one-off actions that had already been taken to reduce the overspend, which meant that the underlying position was higher than had been experienced in recent years. In response, the Council was implementing a range of measures, proposed at quarter 1, to address the pressure in order to manage down the overspend to a less severe level.

The Council's capital spending was projected to be £129.7m and included major schemes progressing across the city. The size of the programme and the nature of the projects within it continued to be fundamental to the Council's role within the

city. Inflationary pressures were also affecting capital projects. The assumption was that stand-alone projects that were already in-progress would be delivered as planned but that future projects that had not yet started may need to be re-evaluated to determine their deliverability within previously defined financial budgets.

The materiality of the emerging financial pressures, both revenue and capital, had renewed the imperative to maintain strict financial discipline and re-evaluate the Council's medium-term financial position. This was reflected in the Pre-Budget report which was considered at the same Cabinet meeting as this report.

RESOLVED that Cabinet:

- 1) Notes the consideration of the report by the Audit and Procurement Committee.**
- 2) Approves the Council's Second Quarter revenue monitoring position.**
- 3) Approves the revised forecast capital outturn position for the year of £129.7m incorporating £2.2m net increase in spending relating to approved/technical changes, £0.2m underspend and £35.9m of net rescheduling of expenditure into future years.**

50. Pre-Budget Report 2024/25

Cabinet considered a report of the Chief Operating Officer (Section 151 Officer) that outlined as a basis for consultation a set of new revenue budget proposals for 2024/25 to 2026/27 which represented changes to the Council's existing Budget. Consultation views were also sought on the potential level of Council Tax and Adult Social Care Precept increases for 2024/25. The final Budget proposals and the Council Tax and Adult Social Care Precept increases would be subject to Council approval in February 2024. Appendices to the report provided: Pre-Budget Proposals and Financial Position; Consultation on proposed changes to the Council Tax Support Scheme; and Equality impact assessments (EIA).

The ambition to deliver the Council's overall future strategy continued to be the focus of the Pre-Budget proposals. The strategy was contained within the "One Coventry Plan" which set out key priorities including: improving the economic prosperity of the city and region; improving outcomes and tackling inequalities within communities; and tackling the causes and consequences of climate change. Implicit within the plan was the Council's commitment to delivering a range of core services to everyone in the city.

The Council's financial plans were heavily dependent on both the allocation of Government grant resources and Government decisions which dictated councils' tax-based income streams. It continued to be the case that it was difficult to anticipate the key decisions that the Government would make on these matters and as a result, a number of key elements of the Council's financial plans were subject to some uncertainty with a degree of risk that the position presented in this report could be subject to change once the details of the local government financial settlement were published. The Provisional Local Government Settlement for 2024/25 was expected to be published in late

December 2023, again a very late point in the financial planning cycle, and this would provide a stronger indication of the likely position.

The Chancellor of the Exchequer set out the Government's Autumn Statement on 22nd November 2023. The Statement provided a one-year Department Expenditure Limit position for the Department of Levelling Up Housing and Communities (DLUHC). There was no clear indication of any additional resources beyond those already notified previously, which were in line with our current planning assumptions. The Council would need to assess the provisional local government finance settlement expected late December 2023, to confirm this position.

No announcement was made to allow increases in Council Tax or Adult Social Care Precept beyond what was previously announced (3% and 2% respectively). As a result, the report recommended that the Council should consult on the basis of increasing the Adult Social Care Precept by 2%, and the Council Tax for other services by just under 3%, an overall combined rise of just under 5%.

The financial gap identified in the report would require considerable service savings or additional income proposals to address it, some of which would affect services to the public. The report included proposals on which to consult, which collectively could form the basis of a balanced budget in 2024/25, albeit with financial gaps in future years. The outcome of the final Local Government Settlement would determine the extent of the options required to deliver a balanced budget. The Council was keen to avoid the need to reduce vital services and would seek to explore all possible avenues to do this, however there was currently a strong expectation that difficult decisions would need to be included as part of the budget proposals.

A Medium-Term Financial Strategy was intended to be presented alongside the final Budget Report in February 2024. This would include the current financial context facing the Council in relation to a continued high inflation environment and difficult market conditions within both adults and children's social care and pressures on temporary accommodation costs to meet our statutory duties in relation to preventing homelessness.

The proposals in the report were made as a basis for public consultation and the results of the consultation would be reflected in the final Budget Report in February 2024 and considered as part of the final decisions recommended in that report. Further work would be undertaken to confirm all the financial assumptions included, between now and the final Budget Report in February 2024.

An outline of the resources and the spending and savings proposals were provided in Section 2, within Table 1 of the report and on a line-by-line basis in Appendix 1 to the report. The financial proposals assume that the Council would approve an increase in Council Tax and Adult Social Care Precept by the maximum allowed.

Appendix 2 to the report contained details of proposed changes to the Council Tax Support Scheme. The report requested approval to conduct a public consultation on the proposed council tax support scheme. The budgetary challenges faced by the Council for 2024/25 required the Council to review all areas of discretionary

expenditure and potentially the option to reduce the amount of support provided through the CTS scheme for working age households.

The report included an indicative outline of the Council's prospective Capital Programme for 2024/25 based on current knowledge. This would be updated in the February 2024 Budget Report, reflecting the most up to date programme information available. The draft programme was based overwhelmingly on pre-existing decisions and patterns of expenditure.

RESOLVED that Cabinet:

- 1) Approves as a basis of consultation: the revenue spending and savings options in Section 2 of the report and Appendix 1 to the report and the broad Capital Programme proposals in Sections 2.6 to 2.8 of the report.**
- 2) Approves as a basis of consultation: the approach in relation to Council Tax and the Adult Social Care Precept in Section 1.8 of the report, including a Council Tax rise of just under 3% and an Adult Social Care Precept of 2%.**
- 3) Approves an eight-week public consultation period to commence on 13th December 2023 on a draft council tax support scheme based on the preferred option detailed in Appendix 2 to the report, in accordance with The Local Government Finance Act 1992 (as substituted by the 2012 Act).**

51. Commonwealth Games Legacy Enhancement Fund (CWGLEF) - Jobs, Skills, and Wellbeing Programme for Coventry

Cabinet considered a report of the Director of Business, Investment and Culture that advised on the use of the powers afforded under Paragraph 2.3.2 (c) of Part 3F of the Council's Constitution by the Director of Business, Investment and Culture, in consultation with the Cabinet Member for Education and Skills and Chair of the Business, Economy and Enterprise Scrutiny Board (3), to accept Commonwealth Games Legacy Enhancement Fund funding; and sought approval of the programme deliverables, outputs and outcomes as described in the report.

In April 2023, the Department of Culture Media and Sport launched the Commonwealth Games Legacy Enhancement Fund (CWGLEF). This was funding for the West Midlands Combined Authority Area with some of the funding ring-fenced for Birmingham City Council only - as the city host of the Commonwealth Games. A total of £67.9m in funding was available until March 2025. Commonwealth Legacy Fund funding was allocated across four funding pillars, these were: Inclusive Communities; Economy and Tourism; Culture and Heritage; and Wellbeing and Sustainability.

The West Midlands Combined Authority (WMCA) was the accountable body for CWGLEF. WMCA had chosen to use a mixture of funding modules to allocate funds under the four pillars, this included: competitive grant awards; competitive supplier awards; direct award contract; and WMCA in-house delivery and 'Double Devolution' to Local Authorities.

The Jobs, Skills and Wellbeing fund was part of the Economy and Tourism Pillar and totalled £5.75m. Coventry City Council's share of this was £801,714 and needs to be spent by 31st March 2025. This funding was 'double devolved' with Coventry City Council able to choose how the funding was spent (from a list of five pre-determined options).

Coventry City Council planned to use this funding to increase our capacity to provide employment and skills support to those most in need including: 16–29-year-olds, who were not in employment education or training (NEET), those aged 50+ and women who were in low paid work or economically inactive. This funding would provide support for a minimum of 300 Coventry residents with a minimum of 236 supported to engage in job searching following support.

RESOLVED that Cabinet:

- 1) Notes the use of the powers afforded under Paragraph 2.3.2 (c) of Part 3F of the Council's Constitution by the Director of Business Investment and Culture, following consultation with the Cabinet Member for Education and Skills and the Chair of the Business, Economy and Enterprise Scrutiny Board (3), for the acceptance of Commonwealth Games Legacy Enhancement Fund (CWGLEF) – Jobs, Skills and Wellbeing funding in the amount of £801,714.**
- 2) Approves the programme deliverables – target groups, outputs and outcomes as described above and set out in detail in paragraphs 1.6 - 1.10 of the report.**

52. **Review of Houses in Multiple Occupation (HMO) Additional Licensing Scheme 2023**

Cabinet considered a report of the Chief Legal Officer that had also been considered by the Communities and Neighbourhoods Scrutiny Board (4) at their meeting on 7th December 2023, on a review of Houses in Multiple Occupation (HMO) Additional Licensing Scheme.

Cabinet noted that the report had been considered by the Communities and Neighbourhoods Scrutiny Board (4) at their meeting on 7th December 2023. A Briefing Note was circulated that set out the Boards comments and the following recommendations, which Cabinet accepted:

The Communities and Neighbourhoods Scrutiny Board (4) recommend that:

- 1) Cabinet notes that the Communities and Neighbourhoods Scrutiny Board (4) are supportive of the Additional Licensing Scheme.
- 2) The Cabinet Member for Housing and Communities considers that work to renew the scheme, starts as soon as possible.

Additional licensing of Houses in Multiple Occupation (HMOs) was a discretionary power that was available to Local Authorities under the Housing Act 2004 and if introduced, could be applied to those HMOs which were not required to be licensed under the mandatory licensing powers.

The duty to licence HMOs under the mandatory scheme was introduced in July 2006 and following changes to the definition in 2018 required all HMOs occupied by 5 or more people to be licensed.

The provision of good quality housing for Coventry residents was a priority for the City Council and Additional Licensing of HMOs was therefore introduced on the 4th May 2020, requiring all smaller HMOs, including those properties converted into self-contained flats without building regulations approval (Section 257 HMOs) to be licensed.

The Additional licensing scheme could only run for a period of 5 years, during which time the Council must carry out a review in accordance with the requirements set out in the Housing Act 2004.

Given that the scheme was now over halfway in its inception the Council had carried out a review to fulfil the responsibility under the legislation to do so. The report set out the findings from that review. Appendices to the report provided: the Report on the Review of Additional Licensing Scheme 2023; Equality and Consultation Analysis Form; and HMO Licensing Review Infographic 2023.

RESOLVED that Cabinet:

- 1) Notes and accepts the comments and recommendations from the Communities and Neighbourhoods Scrutiny Board (4).**
- 2) Notes the results of the Review of Licensing of Houses in Multiple Occupation 2023 and its findings**
- 3) Requests that a future report be submitted to Cabinet setting out proposals for the future of the current additional licensing scheme.**

53. Outstanding Issues

There were no outstanding issues.

54. 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 2.30pm)