

Public Document Pack

Coventry City Council

Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 6 October 2015

Present:

Cabinet Members: Councillor Mrs Lucas (Chair)
Councillor Abbott
Councillor Caan
Councillor Gannon
Councillor Kershaw
Councillor Lancaster
Councillor Maton
Councillor Ruane

Deputy Cabinet Members: Councillor Brown

Non-voting Opposition Members: Councillor Andrews
Councillor Blundell

Other Members: Councillor Bains
Councillor Duggins
Councillor Lakha
Councillor J Mutton
Councillor M Mutton

Employees (by Directorate):

Chief Executive's: M Reeves (Chief Executive), F Collingham,

Place: M Yardley (Executive Director), C Barclay,
K Seager

People: G Quinton (Executive Director), Y Corden,
S Giles,

Resources: C West (Executive Director), B Hastie,
P Jennings, L Knight, J Newman, K Reynolds

Apologies: Councillors R Auluck, A Khan, McNicholas,
Thomas and Townshend

Public Business

47. Declarations of Interest

There were no disclosable pecuniary interests.

48. Minutes

The minutes of the meeting held on 1st September 2015 were agreed and signed as a true record.

49. **Supply of Highway Materials**

The Cabinet considered a report of the Executive Director of Place, which sought approval of proposals to undertake a restricted tender process to set up a multi-supplier framework for a period of 4 years for the purchase of highways materials.

The Cabinet noted that Coventry City Councils' Highways Direct Labour Organisation (DLO) delivers circa £4.5m of work per year to the City's highways and footways funded from the annual Highway Capital Programme. In order to deliver these works, various materials would be required.

The Council currently had a framework for highway material supplies which commenced in 2011 and was due to expire in January 2016. 6 monthly further competitions are carried out with suppliers on the existing framework.

The Council has had a similar arrangement to those proposed for the last 4 years and these had been deemed to be successful. A re-procurement was required as framework agreements such as these are only permissible for a 4 year period.

Annual further competitions would be undertaken between the suppliers on each lot based on 100% price to ensure prices at the start of the agreement would not be over inflated and to ensure competition amongst the suppliers. This would result in re-ranking of the suppliers where prices are lower from an alternative supplier each year. Every year around the anniversary of the contract, each of the suppliers who have been appointed to the framework for the individual materials will be invited to re-submit their prices. They will then be re-ranked from lowest to highest price for that years requirements.

A Restricted tender process would be undertaken to procure a new framework before the existing arrangement expires early 2016. There would be 4 lots within the framework: coated roadstone, dry stone, sand and gravel and concrete mixes.

The report indicated that Sandwell Council was also considering a framework for Highway Materials, however, this would not be in place until June 2016. Coventry City Council had asked to be named on the Official Journal of the European Union (OJEU) adverts for this framework to enable the Council to access it in future if appropriate.

RESOLVED that the Cabinet:

- 1. Authorise a procurement process to set up a multi-supplier framework for 4 years for the purchase of Highway Materials.**
- 2. Delegate authority to the Executive Director of Place to agree the award of the contract(s) following a restricted tender process.**
- 3. Authorise the Council to enter into contract(s) with the successful suppliers for the 4 years.**

50. **Supported Accommodation for Young People Aged 16-24**

The Cabinet considered a report of the Executive Director of People, which set out proposals for the procurement of contracted supported accommodation services for young people aged 16-24.

Supported accommodation is the term given to the support the City Council provides to young people aged 16-24, including care leavers, young people who are homeless or at risk of homelessness, children in need, looked after children, young people at risk of or involved in offending, and teenage parents who are pregnant or have children. The City Council had a statutory duty to provide accommodation to persons under 18 who had been assessed as requiring accommodation under the Children Act 1989, or because they were owed a duty under the Children (Leaving Care) Act 2000 and duties towards homeless young people under the Housing Act 1996.

In 2013, following a lengthy three-stage consultation with young people, service providers, Housing, Social Care and a range of other stakeholders, the City Council tendered for seven contracts to meet the varying needs of these young people. A previous tendering exercise prior to this was interrupted by a legal challenge relating to a number of issues including the consultation process and equality impact assessment. As part of the 2013 tendering exercise, significant changes were made to the way supported accommodation was delivered in the city.

The budgets from Children's Services, Supporting People and Housing Services were pooled, creating an integrated service and single commissioning process. In addition, there was a single point of entry and brokerage created through the Council's Placements Team to ensure that all young people received the services they needed. Providers were no longer able to take young people on a direct access basis.

One lot was for a call-off contract designed to deal with fluctuations in demand. This lot was not awarded because no bids at an acceptable cost were made. The remaining contracts were implemented in December 2013 with capacity for 160 people in accommodation and 70 units floating support.

Approximately 12 months into the contract, a key provider contracted to deliver 81 beds, including 5 emergency beds, exited the contract by mutual agreement, and this, coupled with the inability to appoint to all lots during the original procurement process, resulted in the use of a number of short term contracts, spot purchasing and use of bed and breakfast accommodation on a temporary basis.

The experience of managing the service over the past 18 months, the fact that there was now a much clearer overview of the needs of this cohort of young people via the single point of access, and the loss of a provider, provided an opportunity to review the service models which would be needed for the remainder of the contracts and beyond.

The Cabinet acknowledged that supported accommodation was a challenging area for a number of local authorities and that some of the strategies put in place elsewhere include:

- A focus on prevention of homelessness, early intervention and maintaining young people in the community with support, thus diverting them from services;
- Robust assessment of young people's needs;
- Specialist provision for young people with complex needs;
- Services which operate within a co-ordinated pathway, where young people can move from high support through to lower support services (and back again, if necessary).

It was proposed to adopt these strategies for Coventry as appropriate. The new contracts would end at the same time as current contracts on 1st December 2017. It was noted that the reduction of the existing short term spot and block provision would release funding to invest in the services recommended and reduce expenditure by approximately £0.7m per annum to bring expenditure back within the £2.4m budget.

RESOLVED that the Cabinet approve the procurement of the following services:

- **A 20-bed assessment service;**
- **A 10-bed specialist service to meet the needs of those young people with complex levels of need and those that pose a risk to themselves and others;**
- **A 20-bed service that works with any level of need, but is able to manage significant number of young people with complex needs;**
- **A Positive Prevention Service and**
- **10 single units of accommodation, contracts for which expire on 31 March 2016.**

51. Public Consultation - Reductions in Grants to External Organisations

The Cabinet considered a report of the Executive Director of Resources, which sought approval for a period of public consultation in respect of proposals for the reduction of grant payments to voluntary, community and external organisations.

The Cabinet noted that the Council make grant payments approaching £9m in value every year to voluntary, community and other external organisations from its revenue budget. The Council had protected the cash value of many of these grants for a number of years despite the cuts to its own funding from central government since 2010. By 2017, the Council was expected to have suffered a cut of nearly 50% in its grant from Government since 2010 and an equivalent fall in its net budget of c25%. Given this and the continued expectations of further cuts over the next Spending Review period the Council took the decision in February 2015 to include a budget saving in its grants to external organisations rising to £1.2m by 2016/17.

The report set out in detail three options upon which the Council intended to undertake a period of public consultation and, in summary these were:

- Option 1 Do Nothing and Make the Required Savings in a Different Way – This would involve not making the planned savings from grant payments and plugging the resultant gap from other sources.
- Option 2 Proportionate Grant Funding Reduction for All Organisations – This would incorporate a 12.5% reduction in funding to all relevant grant funded organisations, irrespective of the size and nature of the organisation and whether they had already been expected to deliver savings or where there were plans in place to manage down or end grants awards in future years.
- Option 3 Targeted Grant Funding Reduction – This approach would result in grant payments being reduced to nil in a relatively small number of cases; some grant payments being protected at existing levels based on the degree to which they matched Council priorities; some grant payment being protected at existing levels due to specific circumstances; and remaining organisations receiving a cut of 30.7% in their grant funding.

The Council's preferred option was option 3 as this would reflect the financial and service realities that existed across all the organisations that the Council supported through grant funding. It would do this by taking account of those areas where the Council maintained a statutory responsibility, where it had previously agreed other savings targets, where a separately agreed robust financial model had been adopted or where grant funded areas were most closely aligned to Council priorities and strategic approaches.

It was proposed that a period of public consultation on the three option outlined be undertaken from 12th October 2015 for a period of 8 weeks. A further report would then be submitted to the Cabinet for consideration on 5th January 2016 detailing the responses received during the consultation and setting out final proposals.

RESOLVED that the Cabinet:

- 1. **Approve an eight week public consultation on the savings proposals within the report submitted.**
- 2. **Receive a further report at the 5th January 2016 Cabinet meeting detailing the results of the consultation and any final detailed grant reduction proposals.**

52. **Authority for Attendance At Conference**

RESOLVED that the Cabinet approve the attendance of an Elected Member (to be confirmed), Gail Quinton (Executive Director of Place) and Pete Fahy (Director of Adult Services) at the LGA National Adult and Children Conference to be held in Bournemouth from 14th to 16th October 2015.

53. **Outstanding Issues**

The Cabinet considered a report of the Executive Director of Resources, that contained the list of outstanding issues and summarised the current position in respect of each item.

RESOLVED that the Cabinet notes the dates for future consideration of matters relating to the outstanding issues items listed in the report.

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 2.25 pm)