
12 January 2010

Name of Cabinet Member:

Cabinet Member (City Development) - Councillor Ridley

Director approving the report:

Director of City Services and Development

Ward(s) affected:

Henley

Title:

Financial guarantor of New Deal for Communities (NDC) Delivery Plan 2009/10 and Detail of the NDC Succession Strategy.

Is this a key decision?

Yes

To renew the commitment to act as guarantor for the NDC Programme for 2009/10, amounting to more than £0.5m, as outlined within the NDC Delivery Plan 2009/12.

Executive summary:

This report is seeking approval to act as guarantor for the New Deal for Communities (NDC) grant of £4,022,000 and for Cabinet to note the provisional allocation for 2010/11 of £2,724,000. In its capacity as accountable body the City Council is obliged to guarantee the NDC Programme on an annual basis following Government Office for the West Midlands (GOWM) approval. This paper details information of the Wood End, Henley Green, Manor Farm and Deedmore (WEHM) Partnership Delivery Plan for 2009-12.

In addition the report is also informing Cabinet of the Coventry NDC Succession Strategy, which is being put in place as the NDC programme comes to an end in March 2011. The strategy has been approved and signed off by key stakeholders, the NDC Partnership Board and Coventry City Council's Chief Executive.

Recommendations:

The Cabinet are asked to:

- (1) Continue to act as guarantor for funding for the 2009/10 NDC programme to the value of £4,022,000 as detailed in the NDC Delivery plan 2009 – 2012.
- (2) Endorse the Coventry NDC Succession Strategy

List of Appendices included:

- A. The WEHM Partnership (NDC) Annual Delivery Plan 2009 – 2012
- B. Coventry NDC Succession Strategy (Core Document)

Other useful background papers:

Coventry NDC Succession Strategy papers including Moat House Community Trust Business Plan and Thematic Succession Strategies. Full version available at NDC Office, Moat House Leisure & Neighbourhood Centre. Please contact: Adrian Coles 024 7662 2964

Has it or will it be considered by scrutiny?

No

Has it, or will it be considered by any other council committee, advisory panel or other body?

No

Will this report go to Council?

No

Page 3 onwards

Report title:

Financial guarantor of New Deal for Communities (NDC) Delivery Plan 2009/10 and Detail of the NDC Succession Strategy.

1. Context (or background)

- 1.1 The NDC resident-led partnership was established in 2001 to enable regeneration to take place in the Wood End, Henley Green, Manor Farm and Deedmore Road area of Coventry. A total of £54m was allocated to Coventry for the 10-year programme. The Delivery Plan (attached as Appendix A) contains fuller details of the projects achievements and future objectives of the Plan.
- 1.2 Coventry City Council (CCC) is the accountable body for the NDC grant and this function is carried out within Regeneration Services. Annual funding agreements are therefore technically between the Government (Department of Communities and Local Government) and Coventry City Council. The City Council is one of many partners and individuals on the NDC Partnership Board and also supports the NDC Partnership by acting as a deliverer for some projects, giving strategic advice and enabling the NDC to utilise the Council's Finance and HR Services.
- 1.3 As the accountable body, CCC has a duty to advise and provide support on the content of the Succession Plan and to consider the objectives and viability of each annual Delivery Plan. Coventry NDC have used this as an opportunity to reflect back on progress and achievements over the last 8.5 years, to set renewed vision and priorities and for partners to sign up to commitments for the area moving forward. DCLG require that both the NDC and Local Authority Chief Executive agree the succession strategy and all supporting documentation before they are submitted for approval to Government.

2. Options considered and recommended proposal

- 2.1 **Option 1 - Do nothing.** This option would mean a loss of £6.75M grant income to the City over the final 2 years of the programme. Large areas of work started in the WEHM area of Coventry would be left unfinished, and severe damage to the reputation of the City Council would ensue, not only with the residents and partner organisations in Coventry but also with GOWM and National Government. **This option is not recommended.**
- 2.2 **Option 2 - Financially guarantee the Coventry NDC Delivery Plan entitled 2009/12, which contains year 9 of a 10 year programme and details of succession activity and also to endorse the Coventry NDC Succession Strategy.** The continued guarantee of the NDC programme by cabinet enables financial resources available to Coventry to be maximised.
 - This is a 10 year programme working specifically in one of the most deprived areas of Coventry to tackle crime, education, employment, health, homes, and environment, transport and community issues, to 'close the gap' between the NDC area and the rest of the City and create what the residents call "a normal community".
 - The NDC Programme is primarily resident led, with residents sitting on all boards and taking an active role in all decisions relating to the area.
 - The partnership is committed to ensuring that the local community remains within the area and receives maximum benefits arising from the proposed Masterplan. This will transform the area by providing new housing and recreational space to make the NDC area a better place to live; this will be achieved in partnership with Whitefriars Housing

- The attached Delivery Plan (Appendix A) identifies projects to the value of £4,155,000. The resource available for these project totals £4,022,000. This means that the NDC programme is potentially "over-programmed" to the value of £133,000. This represents approximately 3.2%. This is not a financial risk to the Council because of the following factors:
 1. There is inevitably some slippage on the expenditure of projects. The original amount over programmed of £350,088 is now £133,000 due to underspends on projects; and
 2. If this slippage did not take place, then one (or a combination) of the following would take place: a) reductions to project allocations; b) attracting additional funding; c) a reduction in the final year allocation to compensate for an overspend in 2009/10.
- Succession is a key issue for the NDC and the NDC Partnership Board has agreed that Moat House Community Trust (MHCT) will become the approved succession vehicle to continue the work of the programme once funding falls out in 2011. MHCT is a resident led organisation supported by all stakeholders who, as an independent and trusted voice of the community, will be a catalyst for positive change by working in partnership with others to achieve a fair and prosperous future for the neighbourhood. The Coventry NDC Succession Strategy has been produced with a view to continuing the transformational change that has been achieved by the NDC programme, and the process has strengthened the resolve to safeguard the NDC legacy, whilst continuing the work where more needs to be done, with no call on the Council going forward.

This option is recommended.

- 2.3 Although the focus of this report is on financial risk management, it is important to identify achievements of the NDC programme and the objectives looking forward. Appendix A identifies these as part of the Delivery Plan. Appendix B identifies the Succession Strategy to build upon the successes of the NDC Programme and continue valuable work with the community going forward.

3. Results of consultation undertaken

- 3.1 Both the WEHM Partnership Delivery Plan and the Coventry NDC Succession Strategy documents have been approved by the NDC Partnership Board, which is resident led, and include all stakeholder partners. The Delivery Plan has also been approved by GOWM and DCLG. The Succession Strategy has been circulated for comment and input by a significant number of partners and Council directorates as well as GOWM prior to board approval. All stakeholder partners have signed off the strategy and it is currently with DCLG for approval.
- 3.2 The Cabinet Member (City Development) sits on the Partnership Board and the Heads of Neighbourhood Management and of Regeneration Services act as advisers and do the same.

4. Timetable for implementing this decision

- 4.1 The decision and recommendations set out in this report will be implemented as soon as possible. Implementation of the Delivery Plan throughout 2009/10 is monitored on a monthly basis by NDC, the Accountable Body team in Regeneration Services and by

GOWM. Implementation of the Succession Strategy is ongoing and is monitored at bimonthly Partnership Board meetings and monthly meetings with NDC, the Accountable Body team and GOWM.

5. Comments from Director of Finance and Legal Services

Financial implications

Finance Officers are considering the implications of a new directive from DCLG that would allow some of the 2010/11 NDC allocation to offset the exit costs associated with the closure of the NDC Programme, such as redundancy costs. We will be discussing these with NDC over the coming months to ensure that any exit costs are met within these resources.

Other financial implications include the loss of rental income as the programme ends and staff from both NDC and MHCT vacates the premises. This rental income of £70,000 will be managed with the commercial property budgetary control process and officers will be working to look at options to re let the office space accordingly.

It is imperative that financial allocations are adhered to, to avoid under or over spend this close to the end of the NDC programme.

The Succession Strategy requires no further financial commitments from the City Council.

Legal implications

With the emphasis of the programme changing in the final years to one of providing sustainable succession, via income producing assets, European rules on State Aid have had to be considered. The issue of State Aid has been investigated using Moat House Community Trust's (MHCT) legal advisors, Anthony Collins Solicitors and our own legal service.

GOWM are satisfied that all State Aid issues are covered.

6. Other implications

6.1 How will this contribute to achievement of the council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The NDC programme continues to contribute to the council's core aims, with some impressive results. NDC have achieved a 45.6% drop in domestic burglary compared to a 12.18% reduction to the city average, a 65% drop in antisocial behaviour compared to a 38% reduction for the city average; a 29.3% increase in pupils attaining 5 or more GCSE's grades A*-C, residents living on average 3 years longer and the Multi Agency Task team being shortlisted for a Regen West Midlands award, and being placed a creditable second place. In addition Moat House Leisure & Neighbourhood Centre was awarded first prize in the Regeneration category and an award in the Landmark category of the Forum for Construction Excellence Coventry & Warwickshire Awards. Further details on achievements can be found in Appendix A. The gap between the NDC area and the rest of the City is closing and although more work is needed, succession plans are in place to continue the programmes of work following the fallout of the grant in March 2011. The NDC outputs are aligned to those of the LAA, NDC have been involved in discussions with AWM and the HCA to attract additional funding to the area in order to kick start the housing redevelopment scheme during the economic downturn, this additional funding enabling the

scheme to potentially start on the ground in early 2010. This has been achieved by actively supporting the residents, and working in partnership to enable them to take the lead on the decision making affecting their community.

6.2 How is risk being managed?

Risks are managed on an ongoing basis through the following:

- All project expenditure claimed in NDC quarterly monitoring reports is assessed for eligibility against NDC guidelines and quality checked;
- A Financial Monitoring Officer from the City Council's Regeneration Programmes Team does a quality assurance check of performance management information at the end of each quarter;
- The Accountable Body and NDC Partnership manage strategic risks to the delivery of the programme through a risk management strategy;
- The NDC Team monitors the financial performance of the programme on a monthly basis; and
- NDC complies with the Council's financial standards.

There are potential future risks affecting Property, Staff, State Aid and Assets. These are included in the implications, and we are working with the NDC and relevant Council Departments to minimise any risks that may occur.

The main risk revolves around being able to purchase and refurbish an industrial unit to enable the development of an Enterprise Centre. MHCT wish to purchase and manage the unit and need to ensure that they do so within relevant timescales and within allocated budgets. Advice is being sought on issues regards planning and VAT; state aid implications have already been resolved

6.3 What is the impact on the organisation?

There will be no impact on the organisation during 2009/10. There will be impacts on staff, and property following the closure of the programme in March 2011, as explained in paragraph 5.

HR Implications - With the closure of the programme in March 2011 there are implications for the staff currently employed. Discussions with HR are required to determine any TUPE implications for staff transferring to the MHCT. Alternatively subject to meeting the necessary criteria the Council's Security of Employment Agreement will apply. Staff and Trade Unions will also need to be consulted.

Property Implications - Moat House Leisure & Neighbourhood Centre - Income to the centre will be reduced following the closedown of the programme. Asset Transfer – procedures to be put in place to allow the transfer of NDC Assets to MHCT at the end of the programme. This will be at nil cost to the City Council.

6.4 Equalities / EIA

An Equality Impact Assessment was due to be carried out in Dec 2008; it was postponed due to service pressures. However a full Impact Assessment is due to be completed by the NDC team by Jan 2010.

6.5 Implications for (or impact on) the environment

The Delivery Plan includes environmental improvement projects planned for 3 sites in the area incorporating refurbishment of Moat House Park and part funding of a new natural play facility in Manor Farm. Associated with the future housing redevelopment are environmental improvements to the surrounding Sowe Valley area which will include enhanced walkways and cycleways, better pedestrian links to the retail area of Riley Square, new planting, improved wildlife habitats

and the provision of play areas for a range of ages. Work with residents continues to identify, and where possible, rectify any problems. The Succession Strategy includes an environmental theme which prioritises the responsiveness of services to residents, along with the protection of and maximising the benefits of the physical environment of the WEHM area.

6.6 Implications for partner organisations?

The Succession documents have been circulated to all partner organisations and approved before being submitted to GOWM. These partners include Whitefriars Housing Group, Coventry PCT, West Midlands Police, Coventry Chamber Commerce and Job Centre Plus. Any implications from the succession strategy for the partner organisations have been addressed and accepted by those organisations. There are no implications to partner organisations from CCC underwriting the NDC Delivery Plan.

Report author(s):

A Williams

Name and job title:

Regeneration Resources & Governance Manager

Directorate:

City Services and Development

Tel and email contact:

024 7683 3731

Andy.williams@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor or approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Alison Scholes	Regeneration Contract & Monitoring Officer	City Services & Development	16/11/09	24/11/09
Adrian Coles	NDC Succession Manager	NDC	16/11/09	18/11/09
Helen Williamson	Lead Accountant City Development Finance	City Development Finance	16/11/09	19/11/09
Carl Pearson	Assistant Director City Development	City Services & Development	16/11/09	25/11/09
Lucy Hobbs	Regeneration Strategy & Resources Manager	City Services & Development	16/11/09	23/11/09
Other members				
Names of approvers: (officers and members)				
Finance:	Phil Helm	Finance & Legal	16/11/09	19/11/09
Legal:	Christine Ford	Finance & Legal	16/11/09	11/12/09
HR:	Jasbir Bilen	HR Services	16/11/09	20/11/09
Director:	Martin Yardley	City Services & Development	25/11/09	27/11/09
Members:	Cllr G Ridley	City Council	07/12/09	08/12/09

This report is published on the council's website:

www.coventry.gov.uk/cmis