

COUNCIL OF THE CITY OF COVENTRY

27 June 2006

PRESENT

Lord Mayor (Councillor Ahmed)

Deputy Lord Mayor (Councillor Batten)

Councillor Adalat	Councillor Kelly
Councillor Arrowsmith	Councillor Kelsey
Councillor Asif	Councillor Lakha
Councillor Bains	Councillor Lee
Councillor Benefield	Councillor McNicholas
Councillor Mrs Bigham	Councillor Matchet
Councillor Blundell	Councillor Mulhall
Councillor Charley	Councillor Mutton
Councillor Chater	Councillor Nellist
Councillor Cliffe	Councillor H. Noonan
Councillor Clifford	Councillor M. Noonan
Councillor Crookes	Councillor Miss Reece
Councillor Mrs. Dixon	Councillor Ridge
Councillor Duggins	Councillor Ridley
Councillor Field	Councillor Mrs. Rutter
Councillor Foster	Councillor Sawdon
Councillor Gazey	Councillor Skinner
Councillor Mrs. Griffin	Councillor Skipper
Councillor Mrs. Harper	Councillor Taylor
Councillor Harrison	Councillor Townshend
Councillor Harvard	Councillor Mrs Waters
Councillor Ms. Hunter	Councillor Williams
Councillor Mrs. Johnson	Councillor Windsor

Apologies:

- Councillor Mrs Lancaster
- Councillor Mrs Lucas
- Councillor Maton
- Councillor Ms McKay
- Councillor O'Neill
- Councillor Patton

13. Minutes

The minutes of the Extraordinary meeting held on 16th May 2006 were signed as a true record subject to clarification that the meeting had been convened following a requisition signed by five Councillors, and that, in accordance with the City Council's Constitution, the requisition became the main item of business for that meeting.

The minutes of the meeting held on 18th May 2006 were signed as a true record subject to Councillor Harrison's name being added to the list of attendees.

14. **Non-Election of Councillors**

The Lord Mayor referred to the following Councillors who were not re-elected at the local elections on 4th May 2006:

Councillor Malkiat Auluck was a member of the City Council for 4 years representing Foleshill Ward. He was a member of Scrutiny Board 3 and Area Forum (North).

Councillor Jacqueline Basu was a member of the City Council for 2 years representing Upper Stoke Ward. She was Deputy Chair of Scrutiny Board 3 and a member of Area Forum (South East).

Councillor Suleman Byhat was a member of the City Council for 2 years representing St Michael's Ward. He was a member of Scrutiny Board 4, Planning Committee and Area Forum (South Central).

Councillor Sheila Lacy was a member of the City Council for 2 years representing Westwood Ward. She was a member of Scrutiny Board 1, Planning Committee and Area Forum (South West). She was also Deputy Lady Mayoress in 2002/2003.

Councillor Val Stone was a member of the City Council for 10 years representing Longford Ward. She was a member of various committees over the years, but more recently Scrutiny Board 4 and Area Forum (North East).

Members expressed their thanks to the Councillors for their contribution to the work of the Council and wished them well for the future.

15. **Birthday Honours**

The Lord Mayor referred to the following awards made to Coventry citizens in the Queen's Birthday Honours List:

- **MBE:** To Mrs Linda Ash-Dewis from Potters Green for services to young people in Hillfields and Foleshill.
- **MBE:** To Mr John George from Walsgrave for his services to public transport and charitable fundraising.
- **MBE:** To Mrs Davinder Pangli for her services to the community of Coventry and Warwickshire as well as being a Magistrate.

Members noted that letters of congratulations had already been sent, on behalf of the City Council, to all recipients.

16. **Death of Former Lady Mayoress**

The Lord Mayor referred to the recent death of Mrs Dorothy McLatchie, wife of former Councillor Tom McLatchie. Dorothy, who was Lady Mayoress in 1980-81, served the City with great dignity and dedication.

Members noted that a letter of condolence had been sent on behalf of the City Council to Mr McLatchie and his family.

17. **Death of Councillor Mrs Waters's Mother**

The Lord Mayor referred to the recent death of Councillor Mrs Waters's mother.

Members noted that a letter of condolence had been sent on behalf of the City Council to Councillor Mrs Waters and her family.

18. **Future Council Meetings**

As this was the first meeting under the chairmanship of Councillor Ahmed, he requested that during the course of the year, members should conduct themselves in an appropriate manner treating each other with dignity and respect.

In addition, in order not to duly lengthen meetings, he also asked that during debates, Councillors did not repeat points made by previous speakers and that Councillors should ensure that interruptions on points of order or points of clarification were not used as a means of disrupting the speaker.

19. **Petitions**

RESOLVED that the following petitions be referred to the appropriate City Council body or external organisation:

- (a) **Requesting Chicane Gates junction of Delage Close and Dalwood Way** - 23 Signatures, presented by Councillor Mrs Bigham.
- (b) **Removal of Playground, Oak Farm, Binley** - 302 signatures, presented by Councillor Mrs Dixon.
- (c) **Keep Youth Centre (Tooth) Open** – 234 signatures, presented by Councillor Lakha.
- (d) **Stop Motorbikes driving through Tysoe Croft** – 13 signatures, presented by Councillor Lakha.
- (e) **Reinstatement of Bus Service in Finham, Fenside and Styvechale Areas** – 558 signatures, presented by Councillor Taylor.
- (f) **Vehicles driving on the green in Chesholme Road** – 22 signatures, presented by Councillor Clifford.
- (g) **Reinstatement of Bus Service around Hermes Crescent** – 34 signatures presented by Councillor Kelly.
- (h) **Opposing a Planning Application for a Day Nursery at 162 Belgrave Road** – 20 signatures, presented by Councillor Mrs Dixon.
- (i) **Opposing Telephone Mast at the Hoardings, off Longford Road** – 67 signatures, presented by Councillor Mrs Bigham.
- (j) **Protection of Established Environmental and Recreational Green Areas** – 14 signatures, presented by Councillor Gazey.

- (k) **Replacement of Benches Corner of Blackwell Road** – 114 signatures, presented by Councillor Asif.
- (l) **Fisher Road - Upgrade of Provisions and Services** – 41 signatures, presented by Councillor Asif.
- (m) **Footbridge on Durbar Avenue** – 120 signatures, presented by Councillor Asif.
- (n) **Requesting a Light Controlled Pedestrian Crossing across Stonebridge Highway opposite the BP Petrol Station** – 88 signatures, presented by Councillor Crookes.
- (o) **Improvements to Fisher Park** – 118 signatures, presented by Councillor Asif.

20. **Declarations of Interest**

The following Members declared interests in the matters referred to in the minutes indicated. The relevant minutes recording the decisions also record, where appropriate, the actions that the Members decided to take at the meeting indicated, having regard to the National Code of Government Conduct and to the City Council's Constitution:

Interests in Recommendations for the City Council

Prejudicial

Member	Minute Number
Councillor Kelsey*	26

Interests in Debates

Personal

Councillor Windsor	28
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Prejudicial

Member	Minute Number
Councillor Chater*	29
Councillor Sawdon*	29
Councillor Townshend*	29

* The Members indicated left the meeting during consideration of these items

21. **Question Time**

The appropriate Members answered questions 1 and 2 which were set out in the Questions Booklet, together with the supplementary questions put to them at the meeting. In respect of questions 3 and 4 in the Questions Booklet, Councillor Windsor, who put the questions, indicated that he would be happy to receive a written response.

The following Councillors answered oral questions put to them by other Councillors as set out below, together with supplementary questions on the same matters:

Question Asked By	Question Put To	Subject Matter
1. Councillor Townshend	Councillor Mrs Johnson	Equal Pay Claims
2. Councillor Skipper	Councillor Foster	Petition - elderly pedestrians to safely cross pelican/toucan crossing.
3. Councillor Skipper	Councillor Ridley	Foleshill Sports and Leisure centre
4. Councillor Nellist	Councillor Foster	Reduction of Residential Parking Schemes
5. Councillor Nellist	Councillor Blundell	Refused Freedom of Information request regarding the consortium of sponsors for the proposed Academy for Barrs Hill/Sidney Stringer Schools
6. Councillor Mutton	Councillor Taylor	England Flags on council vehicles
7. Councillor Field	Councillor Arrowsmith	Concerns of Valley Road residents
8. Councillor Field	Councillor Blundell	Proposals for Academies in the light of recent announcement regarding Government funding for schools in 2008
9. Councillor Waters	Councillor H Noonan	Cabinet Member Meetings
10. Councillor Lakha	Councillor Foster	Petition – Parking Restrictions
11. Councillor Chater	Councillor Foster	Income from Parking Enforcement
12. Councillor Chater	Councillor Foster	Roadworks on A45 during the Royal Show
13. Councillor Kelly	Councillor Arrowsmith	Luscombe Road
14. Councillor Kelly	Councillor Arrowsmith	Gating scheme petitions
15. Councillor Kelly	Councillor Foster	Recycling Schemes
16. Councillor Townshend	Councillor Taylor	Equal Pay Claims
17. Councillor Nellist	Councillor Taylor	Financial provision in the event of a claims employment tribunal being successful against this authority

RESOLVED that in relation to questions 1, 2, 4, 5, 10 and 13 above, a written response be submitted to all members of the Council in accordance with paragraph 4.1.24 of the Constitution.

22. Statement by the Leader of the Council on the Comprehensive Performance Assessment - Corporate Assessment

Councillor Taylor addressed the Council on the Audit Commission's report on the City Council's performance under the Comprehensive Performance Assessment system, which had awarded the Council an overall score of 3 out of the maximum possible score of 4. As a result, the City Council's CPA rating would go up to 3 stars in July 2006. Councillors Mutton and Benefield responded.

23. Corporate Plan 2006/07 – 2008/09

Further to Minute 20/06 of Cabinet, the City Council considered a report of the Chief Executive which sought approval for the Corporate Plan 2006/07-2008/09 (appended to the report submitted).

The report summarised the background to the Council's performance management framework and the role of the Corporate Plan in it, setting out how the Council would deliver its vision and objectives at a corporate level. It covered a three-year period and was updated annually.

The Corporate Plan showed proposed measures and targets for each Corporate Objective. It also showed proposed management objectives which set out how the Council must work if it was to put its policies into place. Each of these also had a number of performance measures and targets. A separate technical manual for managers set out the detailed methodology to be used for calculating each performance measure.

The measurement and review of performance at corporate level was based on a balanced scorecard which brought the corporate and management objectives together. The Corporate Objectives were shown under the heading of "Customers & Communities". The management objectives were grouped into three themes - "Money", "Improving The Way We Work" and "People". This approach recognised that the Council needed to have a sound financial base, effective processes and trained and knowledgeable Members and employees if it was to achieve its vision and corporate objectives.

The final published version of the Corporate Plan contained information about the CPA Corporate Assessment and Joint Area Review of Children's Services carried out in March 2006. This information had been embargoed by the Audit Commission and other inspectorates until the 23rd June, 2006, when the results of the inspections were formally announced, giving the Council three stars and describing it as "improving well" and having "significantly improved since 2002."

The Corporate Plan would assist the Council in achieving further improvements in its services and the way it works.

RESOLVED that Corporate Plan 2006/07-2008/09 be approved.

24. Performance Report 2005/06

Further to Minute 21/06 of the Cabinet, the City Council considered a report of the Head of Corporate Policy seeking approval for the Performance Report 2005/06 (appended to the report submitted).

The report indicated that the Local Government Act 1999 made it a statutory duty for councils to produce a Best Value Performance Plan (BVPP) by the 30th June each year. The minimum required content of BVPPs was specified by the Department for Communities and Local Government (DCLG).

Councils with a Comprehensive Performance Assessment rating of 2 stars and above were now only required to include the following information in their BVPP:

- Out-turn performance over the past year on all Best Value Performance Indicators (BVPIs)
- Targets for the current year and subsequent two years for all BVPIs
- A brief statement certifying that all individual contracts awarded during the past year which involve a transfer of staff comply, where applicable, with the requirements of the Code of Practice on Workforce Matters in Local

Authority Service Contracts.

In recent years, the City Council had produced its Best Value Performance Plan in two parts:

- (a) The *Corporate Plan*, which described the Council's Vision, Values and Corporate Objectives, a statement of Management Objectives to support these, and a series of performance indicators and targets for each objective. Some of these elements were previously a formal requirement for the BVPP. (The *Corporate Plan 2006/07 – 2008/09* is dealt with at Minute 23 above.)
- (b) The *Performance Report*, which meets the requirements referred to above. It also includes a range of other information, including an end-of-year summary of progress made against the objectives in the previous year's Corporate Plan.

The DCLG says that the Best Value Performance Plan should be "a means to an end and is less important than either the planning process that underlies it, or the planned improvements that result... It was important, therefore, that the plans were not prepared in isolation from authorities' business planning. All authorities should ensure that the improvement planning process that underlies the Performance Plan is integrated with authorities' corporate planning arrangements."

"One of the fundamental issues for authorities in preparing their Performance Plans is to ensure that it meets the needs of its intended audience.... Elected Members and officers with responsibility for delivering quality local services need to be aware of the authority's improvement priorities and how they will be addressed over the coming year..."

Although the legal requirements for BVPPs had changed, the Council's existing practice of producing a separate Corporate Plan and Performance Report had worked well and no significant changes to its format were proposed. As in previous years, a seminar for all Members about the Performance Report and Corporate Plan had been held prior to the meeting of Council.

The Performance Report would be subject to external audit by the Audit Commission (the Council's external auditors). This audit must be completed by the 31st December 2006, and the Council was then required to respond to any recommendations in their report within thirty working days of receipt.

The final published version of the Performance Report would contain information about the CPA Corporate Assessment and Joint Area Review of Services for Children and Young People which were carried out in March 2006. This information had been embargoed by the Audit Commission and other inspectorates until the 23rd June 2006, when the results of the inspections were formally announced, giving the Council three stars and describing it as "improving well" and having "significantly improved since 2002."

At the time of writing the report submitted, some information in the Performance Report was still being checked and finalised. Approval was therefore sought for the Chief Executive to make any further amendments necessary so that it could be published by the statutory deadline of the 30th June 2006.

RESOLVED that the Performance Report 2005/06 be approved and that authority be delegated to the Chief Executive to make any final minor amendments,

corrections or additions to it prior to its publication on the 30th June 2006.

25. Revenue and Capital Out-turn 2005/06 and Statement of Accounts

Further to Minute 23/06 of the Cabinet, the City Council considered a report of the Director of Finance and ICT setting out the final revenue and capital out-turn position for 2005/06 and seeking approval for the 2005/06 Statement of Accounts.

The report (which had also been considered at the meeting of Scrutiny Board 1 earlier that day) also reviewed treasury management activity during the year, including borrowing, lending and investments. In addition, 2005/06 out-turn Prudential Indicators were reported on under the Prudential Code for Capital Finance.

The report indicated that the City Council's budget had been approved by the Cabinet on the 22nd February, 2005. The last formal monitoring report to the Cabinet had been on the 7th February 2006, covering the position to Period 8. Management Board subsequently considered monthly revenue reports setting out the budgetary position to Period 10.

As regards the 2005/06 Revenue Out-turn position, there was a forecast under-spend of £0.7m at period 8 and this underlying level of under-spending had increased at out-turn. However, the Council needed to make one-off provisions in response to ongoing legal claims and the result of this was that the out-turn for 2005/06 was an over-spending of £3.9m. The over-spending was to be funded from unallocated corporate reserves.

The report outlined the summary variation and out-turn position, the situation relating to liabilities and claims and resource movements through budget realignment.

It then dealt with reserve requests (carry forwards) totalling £1.1m for 2005/06, some "repeat" reserve requests (carry forwards) which total £0.9m, the writing-off of the Hereward Debt, and reserve movement, showing a corporate reserve balance of £22m (including this year's reserve requests and the repeat reserve requests [total value £2.0m] referred to above) and a level of uncommitted corporate reserves of £8.6m.

As regards the 2005/06 Capital Out-turn, the position is summarised in the following table:

Final Budget	Final Spend	Variance	Rescheduling Now Reported	Overspend Now Reported	Previously Reported Variance
£110.5m	£107.8m	- £2.7m	- £6.8m	£4.1m	- £20.3m

The report analysed the position in detail (particularly re-scheduling and measures to minimise future levels of re-scheduling), and covered Funding of the Capital Programme and Capital Receipts (a total of £33.3m of which was used to fund part of the capital programme).

In summary, as regards financial implications, the final revenue out-turn for 2005/06 was an overspend of £3.9m, which is to be funded by unallocated corporate reserves, while the final capital outturn for 2005/06 was £107.8m against a final budget of £110.5m. The variance comprised net re-scheduling of £6.8m and net overspends of £4.1m. This variance could be managed and the re-scheduling of spend was not expected to result in any loss of resources.

The report then analysed treasury management activity in 2005/06, dealing with interest rates, long-term funding, temporary borrowing and lending, and external investments.

As regard the Prudential Code and Indicators, the report indicated that the Local Government Act 2003 and associated CIPFA Prudential Code for Capital Finance set the framework for the new local government capital finance system. From 2004/05, authorities had been able to borrow whatever sums they saw fit to support their capital programmes, subject to them being able to afford the revenue costs. The framework required that authorities set and monitor against a number of Prudential Indicators relating to capital, treasury management and revenue issues. These indicators were designed to ensure that borrowing entered into for capital purposes was affordable, sustainable and prudent. The purpose of the indicators was to support decision-making and financial management, rather than illustrate comparative performance.

The indicators, together with the relevant figures as at the 31st March 2006, were included in an appendix to the report submitted. This highlighted that the City Council's activities were within the amounts set as Performance Indicators for 2005/06, other than for the operational boundary for borrowing. Total gross long and short term borrowing, before taking account of investments, was £316.3m compared to the operational boundary of £313.9m. This was due to the high level of temporary borrowings at the 31st March 2006, reflecting cash-flow movements around the year-end. Once these were repaid in early April, the level of borrowing fell below the operational boundary. This indicator, which was set by the authority, was designed as an internal monitoring tool. This was reflected in the Prudential Code, which recognised that actual borrowing may, for day-to-day cash-flow reasons, vary around the operational boundary.

As regards the Statement of Accounts, the report indicated that the Accounts and Audit Regulations 2003 determined the preparation and presentation of the Council's Statement of Accounts. The Statement contained a summary of the Council's end-of-year accounts, including notes of explanation. The Council's auditors (the Audit Commission) will be auditing the Statement over the next few months.

As required by the Regulations, the Council had closed its accounts within a far shorter time-frame than had been required in previous years. The Council had met this challenging deadline but, as a result, had had to change some of its own practices, such as relying more heavily on estimated figures and not always being able to seek confirmation from its auditors as to their approach to certain technical accounting issues prior to preparation of the accounts.

One of the issues still being considered by the auditors was the treatment of the reconciliation between the capital financing requirement and the closing credit ceiling (also referred to as the 'A factor calculation'). Although the calculation for this had been signed off by the Council's previous auditors in its 2004/05 accounts, the Council was currently in discussion with its present auditors about this matter in the 2005/06 accounts. This was a highly technical matter and, whilst employees were confident that it had been treated correctly in the accounts, there was a possibility that the auditors may take a different view.

Another issue still being considered is the Group Accounts. These were the accounts that group together Coventry City Council's accounts with companies such as Coventry North Regeneration (CNR) and North Coventry Holdings (NCH). Again, these were technical areas, which the Council believed had been accounted for correctly. However, the auditors were still working on some of the issues and they may present a

different view.

The full Statement of Accounts attached to the report submitted provided a set of accounts for the financial year from the 1st April 2005 to the 31st March 2006, and a range of accompanying notes. The Statement was prepared in accordance with requirements of the Accounting Code of Practice (ACOP), which defined proper accounting practice for local authorities.

The report identified the following key elements of the Statement:

- The Consolidated Revenue Account or "CRA" (page 12) ~ This Account recorded how much the Council has spent and received for the day-to-day spending on its services (revenue expenditure and income). It also showed how that net expenditure had been funded – from the combination of Council Tax, National Non-Domestic Rates and Central Government Grant (the Revenue Support Grant). Total City Council spend for 2005/06, as shown in the CRA, was £386.2m.
- The Collection Fund (page 44) ~ The City Council was required to maintain a separate account that records the transactions the Council undertook in relation to the collection and distribution of Council Tax and National Non-Domestic Rates. In broad terms, this account showed income from Council Tax-payers, and expenditure on payments (called precepts) to the City Council, the West Midlands Fire and Civil Defence Authority and the West Midlands Police Authority.
- The Consolidated Balance Sheet (page 13) ~ This was a snap-shot of the Council's financial position as at the 31st March 2005. It showed the Council's assets, liabilities, and reserves and balances as at that date. At the end of 2005/06, the City Council's net assets were £562.2m.
- The Statement of Total Movement in Reserves (page 15) ~ This showed the opening balances on all of the Council's reserves, both capital and revenue at the beginning of the year (1st April, 2005), the movement during the year, and the total available at the end of the year. At the end of 2005/06, the City Council's revenue reserves were £60.1m.
- The Cash Flow Statement (page 16) ~ This showed actual cash received and spent by the Council as a result of revenue and capital transactions with third parties.
- Group Accounts (page 47) ~ These statements consolidate the City Council's accounts with those companies considered to be part of the Council's group. For 2005/06, those companies are North Coventry Holdings Ltd, Coventry North Regeneration and the Coventry and Solihull Waste Disposal Company.
- The Statement of Accounting Policies (page 61) ~ This explained the main accounting policies the City Council used to produce the figures in the accounts. The general principles applied are those set out in the Accounting Code of Practice.

In addition to the above statements, a number of explanatory notes were included as specified in the Accounting Codes of Practice.

Once the Statement of Accounts had been audited by the Audit Commission, any material changes made to it would be reported to elected members, informing them of those changes. This was required by the Accounts and Audit Regulations 2003.

The report concluded by indicating that, in terms of legal Implications, the City Council was required by the above Regulations to approve, and subsequently publish, certain financial information in a document known as the Statement of Accounts. The Director of Finance and ICT must also certify that the document presents fairly the financial position of the City Council at the end of the financial year. The Regulations required that the Statement was formally approved by elected members, by no later than the 30th June 2006.

The auditors' interpretation of the Regulations was that formal approval of the Statement was given by a non-executive committee. Therefore, the formal approval of the Statement by the City Council was being sought. It was a requirement of the Regulations that the person presiding at the meeting at which approval is given signs the Statement. This was reflected in recommendation 6 below. The audited Statement of Accounts would be published by the end of October to meet the statutory requirement.

The following additional recommendation was moved by Councillor Duggins, seconded by Councillor Mutton and carried:

"2.7 Request regular report back to Cabinet/Scrutiny Co-ordination Committee in respect of the Capital Programme for 06/07 and 07/08 to identify progress on measures contained in 8.5 (of the report submitted) designed to minimise future levels of rescheduling"

RESOLVED that the City Council:

- (1) Note that the final revenue out-turn for 2005/06 is an overspend of £3.9m, which is to be funded from corporate reserves.**
- (2) Approve the "repeat" reserve requests (carry-forwards) of reserves from years prior to 2004/05, as detailed in Section 5.3 of the report submitted.**
- (3) Note capital expenditure of £107.8m in 2005/06 against a final budget of £110.5m, a variance of £2.7m, as detailed in section 8 of the report submitted.**
- (4) Determine the resourcing of this capital expenditure as detailed in section 8 of the report submitted.**
- (5) Approve re-scheduling of £6.8m of capital expenditure, which can be managed and will not result in any loss of resources.**
- (6) Approve the Statement of Accounts for 2005/06 and to authorise the Lord Mayor to sign them on behalf of the City Council.**
- (7) Request regular report back to Cabinet/Scrutiny Co-ordination Committee in respect of the Capital Programme for 06/07 and 07/08 to identify progress on measures contained in 8.5 (of the report submitted) designed to minimise future levels of rescheduling.**

26. The Herbert Art Gallery and Museum Development

Further to Minute 27/06 of the Cabinet, the City Council considered a joint report of the Director of City Development, the Director of Community Services and the Director of Finance and ICT providing an up-date on the progress of the Herbert Art Gallery and Museum re-development scheme following the report to the Council on the 17th May 2005, and seeking approval to proceed with full implementation of Phases 2 and 3 of the scheme.

The report outlined the background and context, and fully described the scheme for the final stage of the redevelopment, creating a landmark building facing Coventry Cathedral and University Square. It comprised a 'Phase 2' and 'Phase 3' of development which had been determined to take maximum advantage of external grant funding opportunities. These two phases were inter-dependent, being part of the same design scheme and construction contract. This final stage of development (that is, both Phases 2 and 3) was scheduled to start on site in July 2006 and scheduled for completion in 2008, the construction of the building completing in January 2008, with exhibition fit-out being scheduled for completion in mid 2008.

The "Phase 2" building is a new extension from the Phase 1 building towards the Cathedral and University Square. It results in:

- The Coventry History Centre, which brought together the City Archives, the Local History collections currently based at the Central Library, and virtual (information technology) resources into a high-profile, easy-access, one-stop centre to promote and make accessible the heritage of the City and its people.
- A 'covered court' would house reception, tourist information and retail facilities. On the opposite side of this to the History Centre would be the History Galleries which use the Herbert's collections to tell the story of the City, particularly in the Medieval, Victorian and Twentieth Century periods. It was designed to appeal to people of all ages and to local people and visitors to Coventry.
- The high-profile frontage to the Cathedral and University was designed to attract people into the building and to make the Herbert a desirable venue for use by local businesses, the University, the City Council and others.
- On the floor above the History Galleries would be new gallery spaces designed for the programme of temporary exhibitions, including high-profile national and international touring exhibitions and spaces for local artists and makers to exhibit their work.

"Phase 3" is the refurbishment of that part of the existing building not included in Phase 1. It results in:

- Exhibitions of the Herbert's sculpture and visual arts collections
- An exhibition called "Elements", which was aimed at people with disabilities, focussing on sensory access to parts of the Herbert's natural history collections
- An exhibition called "Discover Godiva", which looks at various aspect of the Godiva story and is aimed at families with children

- An exhibition on the theme of Peace and Reconciliation, which dealt with both the City's international role and the City's communities
- Education spaces to enable the Herbert to increase the number of school groups using it
- Storage and conservation facilities for the museum collections including an 'Accessible Store' for some parts of the collection which could not be included in the exhibitions in the Phase 2 and 3 building.

The report then set out the final outcome of the Phase 1 Development and analysed Phase 2 and 3 issues relating to Coventry University, planning approval, removal of collections and staff from the site, asbestos removal, archaeological work, appointment of contractor, funding, and external grants.

Completing the redevelopment of the Herbert would provide the City with an art gallery and museum of regional significance and with a national reputation and of great benefit to local people. It would be a high-profile component in the City's attractiveness to visitors and to investors. It would provide modern facilities for access to, and display and storage of, the City's archives, art and museum collections. It would enable the City to receive high-profile art and heritage exhibitions that otherwise local people would have to travel to other cities to experience. It would provide excellent opportunities for local schools and be a source of pride for Coventry people, many of whom have contributed documents, artefacts and stories for inclusion in the History Centre and History Galleries or have been consulted in the creation of the displays.

The City Council had already spent £2.333m on the second and third phases of the re-development in consultancy and design fees and preparatory work, such as the archaeological excavations and the removal of asbestos. If the development did not proceed, this money would have been expended with no tangible outcome.

£2.107m of external grant had been spent on the Phase 1 and 2 elements of the project and much of this would be at risk of being clawed back, given that grant funders had stated that they had supported each phase of the scheme on the basis that all phases would be completed.

A considerable amount of preliminary work had already taken place on the project in order not to delay the start, to reduce risks in the main construction project and to prepare the way for the contractor to start on site. This had included:

- The stripping-out of asbestos from walls, ceilings and floors in the existing Herbert building
- The removal of the main History exhibition ("Godiva City") and the museum collections to out-stores and specialist storage
- The relocation of staff to other office accommodation
- The removal of staff, archive collections and shelving from Mandela House

- Archaeological excavations on the Mandela House car park and the Peace Garden on Bayley Lane

The cost of reinstating the existing buildings and landscape and creating new displays of the art and museum collection had not been calculated in detail but this would be very considerable and without the benefit of external grant. In addition, the new Herbert was partly designed to address the problems of lack of storage space for the City's archive collections and storage and access solutions would need to be found to this problem if the collections currently stored outside Coventry were to be returned to the City.

The Herbert was currently a Registered Museum with regional status as a member of the West Midlands Museum Hub, which received funding from the Department of Culture, Media and Sport via the Museums, Libraries and Archives Council. If the Herbert remains mostly closed – as it is at present – with hardly any of its collections on display, the Museums, Libraries and Archives Council had made it clear that this would make it highly unlikely that the Herbert's Registered Status would be renewed in 2008/09. This would have considerable implications for the City Council, especially as Accreditation (the successor to Registration) had been proposed by the Audit Commission as an indicator for the Culture Block in the Comprehensive Performance Assessment for local authorities. It would also mean that the Herbert would be unable to retain its membership of the West Midlands Museum Hub. Hub funding in 2006/07 and 2007/08 amount to £725,000 per annum for education, access and community programmes run by the Herbert in the City. This would be lost if the Herbert was unable to retain its membership of the Hub.

At present, the Herbert was delivering a severely-curtailed service from the completed Phase 1 accommodation and from temporary accommodation. Any further delay in implementation risked inflationary increases in costs at the rate of approximately £50,000 per month and weakened the Council's commercial position in negotiating contracts with contractors and their supply chain. Therefore, it was essential to proceed with the construction contract without delay in order (a) to secure the contract at the tendered sum and (b) to progress the project to satisfy the funding agencies and to complete the project and return the Herbert to normal use as soon as possible.

Due to the nature of some of the capital funding and in order to secure the long-term future of the facility and services, management options for the Herbert had been subject to an appraisal by Lawrence Graham (solicitors) who specialised in leisure management options appraisal for the public sector. This was to be the subject of a separate report to a future Cabinet meeting.

RESOLVED that the City Council:

- (1) Approve the increased capital cost of the scheme of £18.435m including £521,000 in respect of the final cost of Phase 1 (to be funded from the overall scheme resources).**
- (2) Approve the associated addition of £2.428m to the capital programme to be funded by European Regional Development Fund (£1.68m – subject to confirmation by Government Office West Midlands which is expected before the date of the meeting), DCMS Wolfson Foundation (£150,000), the West Midlands Museum Hub (£178,000), City Council revenue/ English Heritage (£45,000), and Council Resources (either Corporate or Service) still to be identified (£375,000 – paragraph 2.6 of the report submitted).**

- (3) Approve expenditure on additional temporary posts for business support to deliver ERDF outputs and to be funded by an ERDF grant of £120,000.**
- (4) Subject to finalisation of ERDF grant approval, approve the appointment of Galliford Try Construction Limited as main contractor for construction of Phases 2 and 3 in the sum of £11,005,961 and to delegate authority to the Director of City Development, in liaison with the Director of Finance and ICT, to authorise any necessary contract increases within the sum set aside within the scheme for contingency/risk.**
- (5) Approve the contract increases for professional fees associated with the appointments of Pringle Richards Sharratt; Turner & Townsend; Gardiner & Theobald, Event Communications; and ISG as listed in paragraph 5.2.2 of the report submitted.**
- (6) Approve the additional temporary accommodation/storage costs of up to £172,000 per annum (up to £375,000 in total) to be dealt with within the existing Budgetary Control and PPR processes as outlined in paragraph 5.2.3 of the report submitted.**
- (7) Approve the ongoing revenue implications/costs of the Herbert redevelopment which will rise to £186,000 per annum ongoing by 2010/11 and will require additional revenue resources rising to £114,000 per annum in 2010/11 to be identified as indicated in paragraph 5.2.4 of the report submitted.**
- (8) Accept the project risks outlined in section 5.8 of the report submitted, the key ones being:**
 - That Heritage Lottery Stage 3 grant of £2.875m if not secured would have to be funded by the City Council.**
 - The Herbert Trust fails to secure re-financing of the £3m loan to meet its obligations to the Alan Edward Higgs Charity or to meet the ongoing servicing costs of the new loan from within its overall budget.**
 - Although all reasonable precautions have been taken in preparation for the construction of the project, there is an inherent risk of additional costs and delays arising from unforeseeable additional works that may affect the completion and opening of the project.**

27. Debate – Coundon Wedge and Sowe Valley

Councillor Batten moved the following amended version of the original debate, which was seconded by Councillor Mutton:

"This Council confirms its intention that both the Coundon Wedge and Sowe Valley be an integral part of Coventry in the future and therefore will not be subject to any development, except for the NDC project.

This will enable the people of Coventry to enjoy the experiences that these sites offer; and as such help to secure a balance between growth and green belt.

Finally, future Local Development Frameworks will reflect this objective as a principle foundation stone of that policy."

The following amendment was moved by Councillor Arrowsmith, seconded by Councillor Ridley and carried giving rise the following substantive motion:

"This Council confirms its intention to retain and protect Coundon Wedge and Sowe Valley as important green sites within Coventry in accordance with our current policies to protect green belt land. The City Council also recognises the value of promoting appropriate developments such as the NDC Masterplan, that off the prospect of improving quality of life and enhancement to the quality of greenspace to the benefit of local communities. A complete assessment of our brownfield sites and green spaces will be undertaken within the Local Development Framework, which is looking to roll forward planning policy beyond 2011.

This will enable the people of Coventry to enjoy the experiences that these sites offer and help to secure a balance between growth and green belt."

RESOLVED that the motion as set out above be adopted.

28. Debate – Thanking staff

Councillor Taylor moved the following motion, which was seconded by Councillor Cliffe and carried:

"This Council would like to thank its thousands of staff for their enthusiasm, hard work and dedication in providing the best possible public services for our customers. The Council is now being recognised regionally, nationally and even internationally for its work, and has won a number of awards over the past year. This Council recognises the many achievements of Council employees and is grateful to them for the raised profile and reputation now enjoyed by the Council thanks to these awards of recognition won by staff."

RESOLVED that the motion as set out above be adopted.

29. Debate – NHS Finance

Councillor Windsor moved the following motion, which was seconded by Councillor Nellist:

"This Council:

Is deeply concerned about recent announcements of shortfalls in NHS budgets, and the possible effect of services to our constituents and those living in neighbouring authorities.

Resolves to ask Scrutiny Board 4 to organise a special public hearing, inviting both the University Hospitals Coventry and Warwickshire Trust and the

Coventry Primary Care Trust senior management to attend, to specifically answer Members' concerns about the local NHS, related to those recent financial issues. That hearing should be organised in the next 3 months, and be timed to take place before any irrevocable decisions are taken by either Trust, so that Members, on behalf of their constituents, can be briefed in time to make representations to the Trusts on any proposals which those Trusts may be considering.

Decides to liaise with neighbouring local authorities about the potential impact of these recent announcements."

The following amendment was moved by Councillor Clifford, seconded by Councillor McNicholas and carried giving rise the following substantive motion:

"This Council

Is aware of recent announcements of shortfalls in NHS budgets nationally in spite of unprecedented levels of financial support from the Government

At the same time the Council congratulates the University Hospital Coventry and Warwickshire NHS Trust for achieving balanced financial accounts for the last 5 years while increasing the number of patients treated and the clinical excellence of the treatment given to such patients.

However, the Council recognises the financial challenges facing Coventry Primary Care Trust as a result of such increased levels of activities and recognises the possible affect of services to our constituents.

Recognises that Scrutiny Board 4 will continue to meet in public and arrangements are already in place to meet with Senior Managers from the University Hospital Coventry & Warwickshire Trust and the Coventry Primary Care Trust to attend to address Members' concerns, in addition Scrutiny Co-ordination Committee has agreed with the Chair of Scrutiny Board 4 to hold a seminar for all Members n NHS finance and arrangements for this have been put in place.

Scrutiny Board will continue to liaise with neighbouring Local Authorities about the potential impact of these recent announcements."

RESOLVED that the motion as set out above be adopted.

(NOTE: The meeting closed at 12.30 am)