



Coventry City Council

Council Meeting

27 February 2007

Booklet 2

Recommendations

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CABINET

6th February, 2007

Cabinet Members
Present:-
Councillor Blundell
Councillor Foster
Councillor Mrs Johnson
Councillor H Noonan
Councillor O'Neill
Councillor Ridley
Councillor Taylor (Chair)

Non-Voting Opposition
Representatives present:-
Councillor Benefield
Councillor Duggins
Councillor Mutton
Councillor Nellist

Employees Present:-
J. Bolton (Director of Community Services)
R. Brankowski (Legal and Democratic Services Directorate)
F. Collingham (Communications and Media Relations Manager)
J. Glover (Finance and ICT Directorate)
M. Green (Head of Public Protection)
R. Hughes (Head of Corporate Policy)
P. Jennings (Finance and ICT Directorate)
S. Manzie (Chief Executive)
J. McGinley (Finance and ICT Directorate)
J. McGuigan (Director of City Development)
B. Messinger (Head of Human Resources)
J. Murphy (Finance and ICT Directorate)
K. Rice (Head of Legal Services)
A. Simpson (Children, Learning and Young People Directorate)
R. Snow (Head of Services for Schools)
C. West (Acting Director of Finance and ICT)

Apologies:-
Councillor Arrowsmith
Councillor Matchet

RECOMMENDATION

180. Continuing the Council's Performance Improvement – Proposed Organisational Changes

The Cabinet considered a report of the Chief Executive seeking agreement to proposals affecting all Directorates, designed to reflect the efficiency and effectiveness requirements of a modern local authority.

Since 2002 the Council has been developing its services very rapidly, in some cases tackling services which were seriously below standard, in other cases continuing a process of cutting edge development, and in some cases consolidating and maintaining standards. The Council has now been designated a 3* authority under the Government's CPA framework and the majority of its services are at least of a "reasonable" standard. A number e.g. services to older people, community safety and regeneration are amongst the most highly thought of in the country.

However, while the Council achieved the required efficiencies during 2005/06 in line with Government targets, the Council has further to go in terms of efficiency and effectiveness. In order to do this, the Council must give a lot of emphasis to forward planning, resource management and being clear about what citizens and service users want from the Council and at what cost. In doing this, the Council must make sure that it is not building in too much "overhead" i.e. it must be clear what tangible benefit every part of any structure contributes to better service outcomes and its costs. The Council needs to begin by examining how it makes best use of its resources, its people, its money and its assets. In addition to looking at how it deploys people, it also needs to analyse whether there is any overlap between the Council and other key partners in the Primary Care Trust, Whitefriars Housing Group, the Chamber of Commerce and the Local Learning and Skills Council. All the proposals within the report submitted, where they impact on staff, are subject to the Council's Security of Employment Policy.

The report began by posing the question of what sort of organisation did the council want to be, given that all organisations go through cycles and that, having got the Council to the point where it is a greatly improved service-delivery organisation (but still not perfect), it is necessary to examine what kind of organisation it will be in the future, taking account of some of the key indicators of successful service delivery organisation which are:

- Efficient forward planning of decision-making processes and service delivery
- Well-researched recommendations for action, based on options which include financial evaluation, impact measures and a business case
- A balance between costs of direct service delivery and vital work which supports it (there is no set formula here, but this balance needs to be constantly borne in mind)
- Systematic shared knowledge and information management to enable a range of people to do their jobs effectively e.g. planning applications, personnel records, traffic orders
- Well-organised procurement and commissioning of services whether provided directly by the Council or by the voluntary or private sector
- Effective project-management of services once decisions have been taken on how they are to be delivered

- Value for money i.e. services which are not only of a reasonable to excellent standard but are also provided at a price the Council is prepared to pay
- A well-managed, motivated and trained workforce engaged in design and delivery of services.

In addition to the requirements of effective forward planning and delivery set out above, the Council needs to ensure that its management structures support the requirements of the Council at this stage of its development. The proposed areas of change in the report submitted relate to the following:

- Chief Executive's Directorate
- Legal and Democratic Services
- Finance and ICT
- City Services
- City Development
- Research, Knowledge Management and Consultation (all Directorates)

It was noted that there is no "set time" for the changes proposed in the report. The requirements in relation to different Directorates, and the circumstances they are facing, mean that there will need to be detailed discussion about timing, and phased implementation is anticipated.

The report detailed the comprehensive consultation process (from the 17th November, 2006, to the 12th January, 2007) and summarised the key issues raised and the Chief Executive's responses.

The report then put forward new senior management structures affecting Chief Executive's, Finance and ICT and Legal and Democratic Services Directorates, proposals for City Services and City Development, and suggestions for research, consultation and knowledge management.

As regards financial Implications, the report indicated that, subject to subsequent job evaluations, the proposed changes are expected to result in a small net reduction in costs of approximately £9,000 per annum after pooling the existing available budgets. These include budgets for salaries and related costs in the Directorates potentially affected by the changes; a transfer of £76,000 from the existing budget for a Programme Office in Customer and Business Services and a transfer of £100,000 from the total of £200,000 set aside in the 2006/07 budget setting process for marketing the city and improving its profile. This sum will contribute towards the costs of the new posts of Deputy Director of City

Development and City Centre Regeneration Director, both of which will enable the Council to provide a much stronger focus on this work.

The costings do not include any savings from the centralisation of work on research and consultation. This is expected to reduce costs over time but it would be premature to put a figure to this until the detailed review work has been completed. An interim report on progress on the work on research and data will be brought to elected members by the end of December 2007.

Further costs will be incurred in accordance with the provisions of the Council's Security of Employment Agreement in relation to any redundancies/early retirements occurring as a result of these changes. These costs will be funded from within the reserve balances that have previously been set aside for the Council's restructuring proposals.

The report also dealt with Equality Impact Assessment and assessed the proposals in the light of an analysis of the impacts of services or policy on equality of opportunity on the basis of a person's race, gender, disability, sexual orientation, religious belief or age – or on relations between or within those groups and how this can then be addressed.

Finally, the report indicated that the pace of change for the implementation of its recommendations would vary from Directorate to Directorate. In general, timetables would be finalised following clearance of these proposals' consultation and in accordance with the demands and constraints in relation to each Directorate's functions. Job descriptions will be produced for each new post for evaluation. There is already underway the three-year review of Hay graded posts and the proposals in the report submitted would affect that review only in very limited respects.

At the meeting of the Cabinet, the Chief Executive indicated that work was still ongoing as regards the question of whether Risk Management would be best located with Procurement or Internal Audit and the matter would be determined before the report proceeded to full Council.

With reference to a question that Councillor Mutton had asked at the last meeting of full Council relating to a view, associated with the Bloomfield Report, that the City Council's comparatively small International Office tended to limit opportunities for accessing European funding, Councillor O'Neill undertook to provide him with a written answer outlining the other work being undertaken in the City Development Directorate to attract alternative sources of such funding.

RESOLVED that the City Council be recommended to

- (1) Delete the posts of Director of Finance and ICT, Director of Legal and Democratic Services, and Head of Corporate Policy.**
- (2) Create the posts of Director of Finance and Legal Services, Director of Customer and Workforce Services, Assistant Chief Executive, and Head of Procurement (with the Head of Legal Services undertaking the role of Monitoring Officer once these proposals are implemented).**

- (3) Agree that the Assistant Chief Executive will play the lead role in supporting the Scrutiny function.**
- (4) Agree the recommendations set out in Appendix F of the report submitted on changes to functions currently in the Chief Executive's Directorate in the Policy and Performance Service.**
- (5) Create a post of Policy and Research Manager with a remit to bring together overall management of the research, consultation and knowledge management function as well as the core function of co-ordinating the Council's regional liaison and activity, particularly between the Chief Executive and the City Development Directorate.**
- (6) Agree the deletion of the posts of Head of Public Protection and Head of Street Services and the creation of one post of Head of Street Services and Public Protection.**
- (7) Engage in further discussions about the future management arrangements of the Health Development Unit.**
- (8) Transfer the Environmental Health and Trading Standards Service into the new Street Service and Public Protection Unit.**
- (9) Adjust the title of Head of Customer and Support Services in City Services to Head of Performance and Support Services and transfer the Emergency Services Unit (ESU), the Emergency Planning Service and enhanced City Services policy and performance function into this unit.**
- (10) Transfer management accountability of six Area Service Officers to the Neighbourhood Management Service.**
- (11) Allocate officer responsibility for promotion of the city (to include co-ordination with major partner organisations) to the Director of City Development supported by the Communication and Media Relations Manager.**
- (12) Create the post of Deputy Director of City Development (approval for the advertisement of which was given in Minute 146/06 from the meeting of the Cabinet on the 12th December, 2006).**
- (13) Create the post of City Centre Regeneration Director (approval for the advertisement of which was given in Minute 146/06 from the meeting of the Cabinet on the 12th December, 2006).**
- (14) Consider the appropriate location and long-term structure for corporate management of Health and Safety following the outcome of the HSE review of Health and Safety.**



**Report to Cabinet 6 February 2007
Report to Council 27 February 2007**

Report of Chief Executive

CONTINUING THE COUNCIL'S PERFORMANCE IMPROVEMENT – PROPOSED ORGANISATIONAL CHANGES

1 Purpose of the Report

- 1.1 To seek agreement to proposals affecting all Directorates, designed to reflect the efficiency and effectiveness requirements of a modern local authority.

2 Recommendations

- 2.1 Members are asked to agree to:

- a) Delete the posts of Director of Finance and ICT; Director of Legal and Democratic Services and Head of Corporate Policy
- b) Create the posts of Director of Finance and Legal Services; Director of Customer and Workforce Services; Assistant Chief Executive and Head of Procurement (with the Head of Legal Services undertaking the role of Monitoring Officer once these proposals are implemented).
- c) Agree that the Assistant Chief Executive will play the lead role in supporting the Scrutiny function.
- d) Agree the recommendations set out in Appendix F on changes to functions currently in the Chief Executive's Directorate in the Policy and Performance service
- e) Create a Policy and Research Manager with a remit to bring together overall management of the research, consultation and knowledge management function as well as the core function of co-ordinating the Council's regional liaison and activity, particularly between the Chief Executive and the City Development Directorate.
- f) Agree the deletion of the posts of Head of Public Protection and Head of Street Services and create one post of Head of Street Services and Public Protection
- g) Engage in further discussions about the future management arrangements of the Health Development Unit
- h) Transfer the Environmental Health and Trading Standards Service into the new Street Service and Public Protection Unit
- i) Adjust the title of Head of Customer and Support Services in City Services to Head of Performance and Support Services and transfer the Emergency Services Unit (ESU), the Emergency Planning Service and enhanced City Services policy and performance function into this unit
- j) Transfer management accountability of six Area Service Officers to the Neighbourhood

- Management Service
- k) Allocate officer responsibility for promotion of the city (to include co-ordination with major partner organisations) to the Director of City Development supported by the Communication and Media Relations Manager
 - l) Create the post of Deputy Director of City Development
 - m) Create the post of City Centre Regeneration Director
 - n) Consider the appropriate location and long-term structure for corporate management of Health and Safety following the outcome of the HSE review of Health and Safety

3 Background

- 3.1 Since 2002 the Council has been developing its services very rapidly, in some cases tackling services which were seriously below standard, in other cases continuing a process of cutting edge development, and in some cases consolidating and maintaining standards. The Council has now been designated a 3* authority under the Government's CPA framework and the majority of its services are at least of a "reasonable" standard. A number e.g. services to older people, community safety and regeneration are amongst the most highly thought of in the country.
- 3.2 However, while the Council achieved the required efficiencies during 2005/06 in line with Government targets, the Council has further to go in terms of efficiency and effectiveness. In order to do this we must give a lot of emphasis to forward planning, resource management and being clear about what citizens and service users want from the Council and at what cost. In doing this we must make sure that we are not building in too much "overhead" i.e. it must be clear what tangible benefit every part of any structure contributes to better service outcomes and its costs. We need to begin by examining how we make best use of our resources, our people, our money and our assets. In addition to looking at how we deploy people we also need to analyse whether there is any overlap between the council and other key partners in the Primary Care Trust, Whitefriars Housing Group, the Chamber of Commerce and the Local Learning and Skills Council. All the proposals within this report, where they impact on staff, are subject to the Council's Security of Employment Policy.

What kind of organisation do we want to be?

- 3.3 All organisations go through cycles. Having got the Council to the point where it is a greatly improved service-delivery organisation (but still not perfect) we need to examine what kind of organisation we will be in the future. Some of the key indicators of successful service delivery organisation are
- **Efficient forward planning** of decision-making processes and service delivery
 - **Well-researched** recommendations for action, based on options which include financial evaluation, impact measures and a business case
 - **A balance between costs** of direct service delivery and vital work which supports it (there is no set formula here, but this balance needs to be constantly borne in mind)
 - **Systematic shared knowledge and information management** to enable a range of people to do their jobs effectively e.g. planning applications, personnel records, traffic orders
 - **Well-organised procurement and commissioning** of services whether provided directly by the council or by the voluntary or private sector
 - **Effective project-management** of services once decisions have been taken on how they are to be delivered.
 - **Value for money** i.e. services which are not only of a reasonable to excellent standard but are also provided at a price we are prepared to pay.

- **A well managed, motivated and trained workforce** engaged in design and delivery of services.

Attached at Appendix A is a diagrammatic representation of how planning for service delivery should work.

- 3.4 In addition to the requirements of effective forward planning and delivery set out above, the Council needs to ensure that its management structures support the requirements of the Council at this stage of its development. The proposed areas of change in this report relate to the following:
- Chief Executive's Directorate
 - Legal and Democratic Services
 - Finance and ICT
 - City Services
 - City Development
 - Research, Knowledge Management and Consultation (all Directorates)
- 3.5 Members should note that there is no "set time" for the changes proposed below. The requirements in relation to different Directorates, and the circumstances they are facing mean that there will need to be detailed discussion about timing and phased implementation is anticipated.

4 Consultation Process

- 4.1 A consultation draft of this report was issued on 17 November 2006 to all elected members, all employees and external partners, with a closing date of 12 January 2007. This date has been slightly extended for one or two specific people or groups. As part of the process I have met with a number of individuals on a one to one basis, either at my request or theirs. I have also met with some specific groups affected by the proposals eg Legal and Democratic Services, Corporate Policy staff and I have met with Trade Union representatives. By the time this report comes to Cabinet and Council I will have presented the proposals to all political groups. I have received at least 45 written consultation responses, some from individuals, some from teams eg Community Services Management Team, Public Protection Management Team. They have therefore been received from many more than 45 people.
- 4.2 The content of the consultation responses both written and face to face has varied considerably. Some comments have related to the big issues of principle eg the proposals to restructure the Chief Executive's, Finance and ICT and Legal and Democratic Services Directorate. Others have related to the position of specific small staff groups, or specific posts I have attempted below to give a fair summary of the issues raised, with reasons why I have accepted comments or not.
- 4.3 For Members' ease of reference I have cross-referenced comments in relation to the recommendations 2.1 a) to 2.1 n) so it is evident where the points of discussion are.
- 4.4 As background to all of my responses it is important to bear in mind that structural proposals are always about the stage of an authority/organisation's development at that time, which is why they periodically need changing. The organisational structures are but one part of that equation as success or failure rests not only on a sound management structure, but on the roles and actions of the people in that structure and the many staff who work within it. With the exception of the concerns of staff in the Legal and Democratic Services, some staff in Public Protection and some staff in CDD, the proposals overall have

met with broad support.

4.5 Consultation responses from the West Midlands Police, West Midlands Fire Service, Coventry Primary Care Trust and Henley College either said that they could not see any reasons for these proposals to have a negative impact on their objectives or supported the proposals. In particular the PCT:

- Welcomed the fact that the structure included the direct line management of the Joint Director of Public Health by the Chief Executive
- Welcomed the Scrutiny Support function being managed by the Assistant Chief Executive and the creation of a Performance and Scrutiny function
- Welcomed the focus on City Centre regeneration and growth of the city but wanted to ensure that there were early discussions about managing any NHS funding timelag behind this
- Noted the creation of a post of "Director and Customer Services and Human Resources" and looked forward to possible opportunities for joint working in this area.

4.6 The West Midlands Fire Service indicated that they were satisfied that the proposals to integrate Street Services and Public Protection into one unit would "not adversely impact upon our collaborative working in these areas". The Fire Service commented positively on the historically good relationships between the Fire Service and our Trading Standards and Emergency Planning Services.

5 Consultation Key Issues and Chief Executive Response

5.1 Creation of the posts of Director of Finance and Legal Services, Director of Customer and Workforce Services, Assistant Chief Executive and Head of Procurement (Recommendations 2.1a), b) and c))

5.1.1 It would be fair to say that the most impassioned responses, with some consistency of theme, relate to the proposals above. These broadly fell into three categories – those who are very much against the proposed disappearance of the Legal and Democratic Services Directorate in its current form (although there are supporters of that move too), those who have some concerns about the "standing" and priority given to the Scrutiny function and those who want to "beef up" the functions under the proposed Assistant Chief Executive, in particular seeing this role and this route as a way of giving more emphasis and drive to a number of functions seen as closely related to corporate governance. I will address each of these in turn.

5.2 Issues in relation to Legal and Democratic Services

5.2.1 The concerns about Legal and Democratic Services have come mainly (but not exclusively) from staff in the Directorate. They can be broadly summarised as follows:

- Concern about the loss of the Directorate itself because of the effort which has gone into its functions and identity in the last five years
- Concern about the proposed loss of the post of Director of Legal and Democratic Services itself because of 1) the perceived loss of capacity and senior level expertise 2) a perceived "downgrading" of the legal function particularly as it relates to corporate governance and 3) concern about how on the one hand the Management Board will receive legal advice direct in ongoing discussion at Board level and on the other, how the Council's most senior legal officer will be able to "map" developing issues across the

council. All these issues have been placed in the context of the council being a corporate body governed by statute.

- Concern about the proposed separation of the Legal Services and Democratic Services functions in two different Directorates.
- Concern about the level at which the Returning Officer and Monitoring Officer functions are held.
- Concern about the linking of legal services with finance and the linking of democratic services with HR and customer and business services.

5.2.3 All of these concerns are legitimate and understandable in the context of a local authority where there has always been a lawyer at Director level, previously known as City Secretary. Having listened carefully to the concerns raised, it is my view that the fundamental proposal to create Directorates of Finance and Legal Services, and Customer and Workforce Services remains not only sound, but important in the continuing development of the authority at this stage. But having listened to the thoughtful and helpful comments of a number of colleagues, particularly senior legal colleagues, I have added in a number of measures designed to help meet their concerns. These include proposals to enable:

- *The Head of Legal Services to sit on the Management Board*
- *The Head of Legal Services to have a dotted line relationship to the Chief Executive symbolising the post's direct access to the "head of the paid service" (This direct access would have existed anyway but it may give those people with concerns some reassurance).*

It is proposed that the Monitoring Officer function is held by the Head of Legal Services as is normal in many large and small local authorities and that although the day to day electoral functions will continue to be managed thoroughly by the Head of Democratic Services, the Returning Officer function will be held either by the Chief Executive or the Director of Finance and Legal Services – which one depends on the background and aptitude of the future Director of Finance and Legal Services. I was the Returning Officer for five and a half years at Redditch Borough Council, handling local, general and European elections in my time there. The Head of Legal Services would of course be called on to support any complex legal issues. The May 2007 elections will be handled at Returning Officer level by the current Director of Legal and Democratic Services.

5.2.4 For those who may still wish some reassurance about the proposal no longer to have a Director of Legal and Democratic Services, it is worth looking at what other metropolitan and unitary authorities do. While I have not researched every single metropolitan and unitary authority, on my behalf, colleagues have researched the vast majority. The picture of where legal responsibilities lie is very mixed and in some cases, in the time available it has not been possible to clarify it absolutely but the ones I quote here are where the position is clear. Examples of those who continue to have Directors of Legal Services at first tier ie Chief Executive and Director level include Wigan, Oldham, London Borough of Lambeth, Leicester (called Director of Corporate Resources) and closer to home, Dudley Metropolitan Borough Council. However metropolitan authorities for whom the most senior lawyer is at second tier eg Head of Legal Services, Assistant Director (Legal Services) or other title, include Sheffield, Wolverhampton, Sandwell, Newcastle, Liverpool, Trafford, Kirklees, Camden, Lewisham. Unitary councils with a similar model include Bristol, Medway, Nottingham, Telford and Wrekin, West Berkshire and York. In the vast majority of those examples the monitoring officer role is held by the Head of Legal Services or equivalent and this has often been the case for many years. There are a few authorities which have gone this route and changed back eg Portsmouth and Southwark. There are a

small number of authorities where the monitoring authority is not held by a lawyer at all. The point of including this information is to give members and those colleagues with concerns, reassurance that this type of structure is normal in many large authorities with the same functions as ourselves and with just as interesting a political environment.

5.2.5 There has been support from a range of people outside Legal and Democratic Services for the proposal to create a Finance and Legal Services Directorate, seeing it as a logical step forward in bringing together two major corporate services and on the other hand acknowledging the current arguments for a better link between HR and the majority of Customer and Business Services.

5.2.6 In summary, my proposals to move to a Director of Customer and Workforce Services (called Customer Services and HR in the consultation draft) and a Director of Finance and Legal Services stand and I have expanded on the reasons why in the paragraphs in Section 6 of this report.

5.3 Responsibility for Scrutiny, Role of Assistant Chief Executive and Creation of Head of Procurement

5.3.1 These two issues are closely related. There has been some concern expressed by the Chair of Scrutiny Co-ordination Committee that there might be some negative effects on the good progress being made in the development of the Scrutiny with the proposed changes to Assistant Chief Executive. Some of these concerns relate to whether the Assistant Chief Executive, who will carry some strategic responsibilities acting on behalf of the Chief Executive and will acquire management responsibilities for neighbourhood management, will have sufficient time available to support Scrutiny. At the same time a number of officers have expressed a view that it would be helpful (depending on their view) to add combinations of various functions to the currently proposed Assistant Chief Executive role. The ones which have been mentioned by different people are as follows:

- Service redesign (currently in Customer and business Services)
- Corporate leadership of Health and Safety
- Consultation
- Coventry Direct
- One stop shops
- Internal audit
- Risk management and insurance
- Project management
- Website and internet management
- Business continuity
- Emergency Planning
- ICT security

5.3.2 The rationales for adding these functions vary. While in the main these ideas are in the spirit of some of the rationales for the current proposals, they do not necessarily take into consideration the range and priorities of activity proposed for the Assistant Chief Executive. Some of the way in which some proposals have been expressed indicate that some colleagues believe that anything to do with corporate governance should be related to the Chief Executive in organisational terms (the proposition being that this can be through the role of Assistant Chief Executive). In my view, given the number of functions which could be described as "related to corporate governance" in an authority the size of ours, this is just not feasible in managerial terms. It has to be remembered that most very senior managers spend a not insignificant amount of their time working with elected members either with the

leadership of the council, with Scrutiny, briefing political groups or on individual complex casework. This particularly applies to the Chief Executive and the current Head of Corporate Policy role, and will continue to be the case for the Assistant Chief Executive, while it will be a differently oriented role to the current Head of Corporate Policy, particularly in the expectation that it will support the Chief Executive more in some of her externally facing work.

- 5.3.3 The report's original proposals referred to the Assistant Chief Executive providing a range of key strategic support services to Members and the Chief Executive to include policy and research, policy and scrutiny, forward planning and programme management as well as Community Safety, Communications and (with management responsibility for the Head of Neighbourhood Management) the important delivery service of Neighbourhood Management. Within that role it is imperative that the Assistant Chief Executive has the **opportunity a) (with the Chief Executive) to support the Council's leadership on key policy issues and b) to support Scrutiny, in particular working with the Chair of Scrutiny Co-ordination and other Scrutiny Chairs and attending Scrutiny Co-ordination Committee, and c) supporting the Chief Executive in some key management issues and external representational roles.** Given this I do not think it is possible or appropriate at this stage of the council's development to add too many other corporate governance roles to this one. However it is vitally important that the "axis" between Internal Audit, Value for Money, Risk Management, Performance Management, Health and Safety etc does continue to develop constructively across the various Directorates of the Council, as it has been doing in recent times, and certainly the Assistant Chief Executive will have a role in this. In some ways it is important however, that governance of the authority is "owned" (with clear lead responsibilities obviously) in many places in the authority.
- 5.3.4 It is vitally important that the Assistant Chief Executive can be visibly seen (with the Chief Executive, the Head of Democratic Services and the Council's most senior lawyer) as the champion of Scrutiny. These proposals are designed not to damage the good progress which has been made. Members of staff supporting Scrutiny expressed concern about whether the proposal to link Scrutiny with "Performance" might weaken their approach. I do not believe this will be the case, but would agree that regardless of the proposals in this report there needs to be further work on the developing role of Scrutiny in the light of recent Government thinking and local developments.
- 5.3.5 Of the proposals listed in the bullet points above (paragraph 5.3.1), I am therefore only proposing that management and accountability for the website and internet management should stay with the Communications function where it has been temporarily residing under the Assistant Chief Executive. The communications function will also play a major role in Consultation Strategy along with the Policy and Research function. Of the other proposals, I am recommending that Service redesign (possibly not by that name) will remain in Customer and Business Services, day to day corporate leadership of health and safety will be with the Head of Performance and Support Services in City Services, but with close working with the Chief Executive, along with Business Continuity and Emergency Planning. Coventry Direct, One Stop Shops Project management (related to ICT) and ICT security to be divided between Customer and Business Services (operational) and Risk Management (policies) and links to other Risk Management issues. Risk Management and Insurance could either be located with Procurement or with Internal Audit, to enable close working with the Finance and Legal functions in the Finance and Legal Services Directorate. Resolution of this issue needs further discussion. Health and Safety needs to be reviewed in line with any recommendations from the HSE following their recent review.

5.3.6 There has been virtually universal support for the proposal to create a Head of Procurement, with recognition of the increasing importance of the function and the links with the principles and practice of commissioning services across the authority. While there are a number of structural issues around this, which need to be resolved, there is no opposition to this move. There was one proposition which did not involve the creation of a Head of Service but proposed instead bringing the function into the Special Projects Finance Service. It is true that there are obvious links between the two functions, but given the volume of work within Special Projects Finance and the level of Procurement expertise we are seeking, I have not taken up this suggestion.

5.4 City Development and the City Centre (Recommendations 2.1k), l) and m)

5.4.1 The three key recommendations affecting City Development relate to the allocation at an officer level of lead responsibility for promoting the city to the Director of City Development, the creation of a Deputy Director for the Directorate and the creation of a post, in the report called "City Centre Regeneration Director" reporting directly to the Chief Executive. It would be fair to say that responses to this from people in the Directorate have expressed some reservations. Reservations have related to:

- Need for clarity of role for the Deputy Director to avoid confusion between her/his role and that of the Director and between their role and those of other officers in the Directorate who have previously taken the lead on issues
- Concern about whether there is a perceived "downgrading" of the Head of Service roles in that directorate compared to others – and a preference for a "fourth head of service post with a performance function" rather than a Deputy Director
- Concern that adding extra capacity at this senior level does not address workload challenges at the middle and more junior levels of some parts of the organisation eg planning and property.

However there has been a general welcoming of a senior post dedicated to tackling the redevelopment of the city centre and a recognition that a Deputy Director will provide more senior level capacity for both operational and strategic issues within the Directorate. Along with the creation of the Head of Procurement these are the key proposals for increasing capacity to move forwards on the city's agenda.

5.4.2 In response to the points made in the consultation, ultimately the Deputy Director post is about recognising that the Director of City Development post does differ from others in terms of the stakeholders with whom it is dealing and this has an impact on the balance of time available to that Director, particularly on the accountability, drive and impetus for operational service improvement in the Directorate. Both in promoting the city externally and working locally and regionally the Director of City Development is often in negotiation in a commercial environment to very short deadlines which require immediate responsiveness. That is not to say other Directors are not operating in challenging circumstances with very short deadlines but the volume and unpredictability of these in terms of peaks and troughs and key negotiations does give some key differences for the City Development Director.

5.4.3 In the body of the report I have clarified some key issues around these posts, including recommending a slightly different title for the city centre post.

5.5 Changes to the Chief Executive's Directorate including Reductions in Number of centrally based Equalities Posts (2.1 d) and e))

5.5.1 There have been a number of comments on the proposals in Appendix F relating to the functions in my own Directorate. These have included the following:

- ❖ Proposal that there should be two co-equal posts entitled Equalities and Diversity Officers rather than a more senior and junior one
- ❖ Proposal that the Equalities and Diversity Officers should be located with the Performance and Scrutiny functions to reflect the genuine efforts to make Equalities issues part of more mainstream service delivery
- ❖ Emphasis on the importance of having a mechanism to ensure the delivery of the Race Equality Scheme, Disability Equality Scheme, Gender Equality Scheme and associated action plans, and drawing attention to the formation of the new Commission for Equality and Human Rights
- ❖ Concerns about the linking of Scrutiny and Performance given possibility of potential links with Research, Consultation, Policy, Value for Money, Audit
- ❖ Seeking a further more fundamental review of Scrutiny given its increasing role, links to area, neighbourhood and community etc
- ❖ Welcome for the linking of HR and Customer and Business Services
- ❖ Welcome of the new Assistant Chief Executive role
- ❖ Support for the continued link of the Neighbourhood Management Service with the Chief Executive
- ❖ Questions about the role of the "Programme Office"
- ❖ Welcome to the transfer of the post of International Policy Officer to Regeneration Services and city work to the Lord Mayor.

5.5.2 I have sought to pick up most of these points in the body of the report. In particular I am accepting the proposition that the two Equalities and Diversities posts should be co-equal. I am not however intending to link them with the performance function but, as previously suggested with the Policy and Research function.

5.6 City Services Directorate (Recommendations 2.1 f), g), h),i),j) and n))

5.6.1 **Proposal to merge Public Protection and Street Services functions** –the comments which have been made on the City Services have come mainly (although not exclusively) from colleagues in the Public Protection service. While recognising some of the obvious links in operational terms between street services and themselves, understandably some of their concerns about general principles have been about whether Environmental Health and Trading Standards will in some way have a lower profile if they are not in a self-contained service unit. I believe that given the rising agenda of some regulatory issues this need not be the case. This is very much about streamlining management processes, not about reducing the importance of a function where the city has an excellent track record, partly because it has invested in the services. Clearly the winning of the Consumer Direct contract, even if it has had some early teething problems in implementation, bore that out. There has been some emphasis on the importance of having clear leadership of the trading standards function and its links with Coventry Direct given the importance of Consumer Direct.

5.6.2 Other important issues in the City Services proposals which have been raised are:

- **Leadership of the Health and Safety function** – currently led by the Head of Public Protection at Head of Service level. The structure of management of health and safety is currently under review separately and will be resolved separately from this report.
- **Bringing together Emergency Planning and the management of the ESU** – this has been supported, but with further requests to add in the Business Continuity function

currently located in Customer and Business services to create a "Civil Contingencies" function. This would seem to me to have some merit and I will use the opportunity of this restructuring to explore this option further

- **Transferring Area Services Officers to Neighbourhood Management** – this has been broadly welcomed, although signalling that the ASOs will need to continue to work closely with their colleagues in City Services even if they are located managerially in Neighbourhood Management
- **Health Development Unit** – since the publication of the consultation draft of this report, the Joint Director of Public Health has taken up post. In discussions with her it has become clear that it would not be appropriate for the HDU to be directly managed by her. This still leaves open the organisational position of the HDU. With apologies to the staff of the unit who may feel that this prolongs some uncertainty for them, I feel that the issue of their most appropriate location needs further discussion. Possible options could be – remaining with the current Public Protection functions in the restructured Street Services and Public Protection unit, moving to Community Services, or (less likely in the current financial circumstances of the PCT) moving to another part of the PCT. None of these would be undertaken without considerable further discussion with Members, staff and trade unions and other colleagues within the Council
- **Change in title from Head of Customer and Support Services to Head of Performance and Support Services** – this has not caused any major comment.

5.6.3 Further issues raised by colleagues on which I do not intend to recommend action at this time but may merit discussion at a later date are:

- Management responsibility for school catering services between City Services and DCLYP
- Management responsibility for Parks Services between City Services and Community Services
- Management location of postholder who looks after sponsorship opportunities in City Services between City services and Communications in the Chief Executive's Directorate.

5.7 Research and Data Management

5.7.1 Some reservations have been expressed about the proposal to have a Policy and Research Manager responsible for research and data management functions across the Council. Most of the reservations have come from colleagues in Community Services and Children, Learning and Young People's Services, while welcoming the proposal to have a steering group to work through these issues properly. These reservations are based on legitimate concerns such as:

- ❖ The importance of these functions to frontline services like schools and fears about the dilution of the services which have played an important role in service quality and improvement, response to inspection etc
- ❖ These services becoming too remote from the operational services to which they are most linked.

While I can understand these concerns and am anxious to reassure those expressing them, there can be no argument against having a single point of responsibility for these services across the council in terms of value for money, preventing duplication, fair distribution of resources etc and this is still the route I propose, including transferring the Partnership research post into the council structures. I have however made it clear that there is no intention to centralise all functions into one place. I would entirely accept that it is essential for at least a significant proportion of these services to be close to the operations they are

providing information for.

5.7.2 I do not therefore propose to change the proposal to have a Policy and Research Manager based with the Assistant Chief Executive

5.8 Other Issues Raised not Falling into the Categories Above

5.8.1 Other issues raised in the consultation and my response to them, are included below:

- **Climate Change** - One senior officer responder pressed the case for a senior level dedicated officer to lead the Council's work on climate change, in line with the Council's current discussions about including reference to tackling climate change in the Council's corporate objectives. I believe this is probably good advice but need to give some further consideration via the Management Board as to the best way of doing this, eg for example whether it would be a role best taken on at Director level by the Director of City Services for example. Councillors will be aware that it has recently been agreed that we should sign the Nottingham Declaration and officers are examining a range of ways in which we take this forward. Key issues raised were the impact of growth, innovation and research, micro-generation, developing part of the city as particular show cases for green issues, how we tackle green issues in major capital programmes, work on carbon neutrality etc.
- **Emphasis on the importance of developing local targets rather than Government led ones.** Councillors and officers would acknowledge the need to assert the importance of local indicators
- **Possibility of putting Community Safety with Neighbourhood Management.** This was discussed recently but for reasons of capacity and profile, I would prefer to leave Community Safety under the supervision of the Assistant Chief Executive where it can have close links with Neighbourhood Management, but not actually in the Neighbourhood Management Service.

6 New Senior Management Structures affecting Chief Executive's, Finance and ICT and Legal and Democratic Services Directorates

6.1 There have been recent changes to the overall management structure with the creation of the Children, Learning and Young People and Community Services Directorates. It is now also appropriate to review the other senior management structures within the Authority. Given the move towards greater value for money, particularly in the services which support the authority, it is timely to consolidate some of these and accommodate a new emphasis on the management of the authority. Key objectives of this aspect of the re-organisation are to:

- Recognise the importance of continuing the modernisation of the Council's services as commenced by Coventry Direct and demonstrating increases in efficiency and cost savings
- Enable the proposed Director of Finance and Legal Services to concentrate on the high volume and complex delivery of Revenues and Benefits and the delivery of the Medium Term Financial Strategy as well as increasing the positive links between Finance and Legal Services
- Enable the proposed Director of Customer and Workforce Services to concentrate on overall business transformation, customer services, cultural change and development to achieve cross Council success in delivering to customers
- Recognise that changes in the operation and style of local authorities mean that although sound high level legal advice is still a requirement, it is difficult to justify having a Director of Legal and Democratic Services with relatively narrow responsibilities in

- current management constraints
- Ensure that the Chief Executive is able to balance the strategic and operational management requirement of her role in terms of numbers of staff directly reporting to her.

6.2 Having taken into consideration the outcome of consultation, it is proposed to:

- **Delete the posts of Director of Finance and ICT; Director of Legal and Democratic Services; and Head of Corporate Policy**
- **Create the posts of Director of Finance and Legal Services; Director of Customer and Workforce Services, Assistant Chief Executive and Head of Procurement**
- **Assign the Monitoring Officer function to the Head of Legal Services and the Returning Officer function to the Chief Executive or Director of Finance and Legal Services after the 2007 elections.**

Legal and Democratic Services

6.3 For many years in a range of local authorities it has been traditional to have a Director of Legal Services, often with Democratic Services like elections and committee services linked to it. Increasingly in recent years this has changed with a growing trend for multi-functional Directors dealing with corporate and support services (with no requirement to be legally qualified) and the most senior legal officer being at Head of Service/Assistant Director level.

6.4 In Coventry we have continued to have legal services provided at the level of Director on the Management Board for the last five years since the current postholder was appointed. However, increasingly we are having to maximise management capacity at Director level, without increasing cost. The Legal and Democratic Services Directorate (along with Chief Executive's) is the smallest Directorate. Although the Legal and Democratic Services Directorate has some direct delivery functions eg Registrars, Land Charges and Elections it is relatively small and is the obvious area in which to make change, if we want to make moves which take the authority forward in terms of being fit to deliver modern services efficiently. It is therefore proposed to alter the distribution of functions to align Legal Services with Finance and related functions, and Democratic Services with Customer and Business Services and Human Resources. This is not a criticism of the work done by anyone in Legal and Democratic Services, where considerable changes and improvements have been made over the last few years. It is of course not the only possible structure, but the proposal is a recognition of the shift in gear the authority needs to make to continue a process of improving services and driving out more benefits versus costs. Legal Services and some aspects of the finance function frequently work closely together, particularly on major projects. Democratic Services is (usually) a service which relates to Members, officers and the public as internal and external customers, and there are some considerable opportunities available if it is linked with CBS and Human Resources. This does not prevent close links still existing between Legal Services and Democratic Services.

6.5 There are a number of people in Legal and Democratic Services whose jobs relate to providing a service to the Directorate e.g. administrative and business support. There will need to be a detailed examination of how these jobs should be distributed in relation to the new set-up, but there will be no hasty decisions taken and those in these posts will be involved fully in discussions about this. It is proposed that the Registrars Service and Records and Land Charges should remain with the Legal Service as part of the transfer of functions.

- 6.6 It is proposed that the Head of Legal Services should be allocated the role of Monitoring Officer and be a Member of the Council's Management Board.

Director of Finance and Legal Services

- 6.7 The post of Director of Finance and Legal Services would need to be able to undertake the S.151 function for the Council. This makes it unlikely (although not impossible) that any postholder would be a qualified lawyer. It will be a change for the Council not to have a lawyer at Director level. However, as set out in the report back of consultation views, nowadays many councils do not have a Director who is a lawyer. It is vital that the Council obtains good senior legal advice but this is quite possible from levels other than Director. Where highly specialist and legal advice is required we already buy this in externally.

Director of Customer and Workforce Services

- 6.8 The post of Director of Customer and Workforce Services would be a new one to the Council. It would include the current functions of Customer and Business Services, including ICT, Democratic Services and Human Resources. The principles behind this would be to:
- Ensure that there is a close connection between management and development of our workforce overall and the redesign of services to accommodate new ways of service delivery
 - To consolidate and increase the standards of service delivery in Consumer Direct and Coventry Direct and ensure achievement of targeted reductions in cost
 - To group together services all with a key focus on promoting customer service delivery across the Council
 - To ensure that the management of ICT and development of ICT is being managed through our outsourced provider as effectively as possible.
 - To ensure that services to Elected Members are properly linked into ICT, to other services to customers and we are doing all we can to assist Elected Members with caseload management.

Most important of all this Directorate would "spearhead" the drive towards the continued modernisation of the Council's services.

- 6.9 It is proposed to create a new post of Head of Procurement to give the right focus and strategic approach to procurement in an organisation with the huge turnover of the City Council. Although considerable progress has been made in applying a more professional approach to procurement the Council needs to give a higher level of priority to an area which has increased in importance and where a positive approach to procurement both as a single authority and with other councils can secure significant savings. This post would report to the Director of Finance and Legal Services. The procurement staff currently in the Customer and Business Services function would be managed by the Head of Procurement. The original link between Finance and ICT (including Customer and Business Services) has worked well in the inception and start up of Customer and Business Services including Coventry Direct and Consumer Direct but if the deeper service gains and council wide approach to customer services is to be achieved then it makes sense to link these services to the Human Resources function at Director level recognising the importance of the continued development of quality services delivered by the Council's workforce or other commissioned services.

Assistant Chief Executive

- 6.10 It is clear that increasingly it would be helpful to have a designated post which would be able to represent the Chief Executive, either on a specific strategic issue, or when she is unavailable for whatever reason. One of the models followed in many authorities is to have an Assistant Chief Executive and this is the proposition in this report. Earlier in this report there is reference to this post's key roles in supporting Cabinet and Scrutiny. The Assistant Chief Executive's authority would be drawn from that of the Chief Executive and would have one major delivery service, Neighbourhood Management within its remit as well as Community Safety and importantly a range of key strategic support services to Members and the Chief Executive, to include policy and research including a small equality and diversity function (see Appendix F), performance and scrutiny including programme management and forward planning, in addition to the Chief Executive's Office. The existing post of Head of Corporate Policy would be deleted, and the current post of Head of Neighbourhood Management would report to the Assistant Chief Executive, continuing to emphasise the importance of Neighbourhood Management to the Council's overall development. The detailed proposals in Appendix F include proposals for some post changes and reductions in the area of equalities and performance.
- 6.11 The proposal to reduce the number of equalities posts may seem to go against the grain of the Council's commitment to tackling inequality and discrimination. But the proposal is about the direction of our effort as well as how we approach it in the most effective way from a value for money perspective.
- 6.12 In the last few years we have spent time on developing the Race Equality Scheme, Disability Equality Scheme and we are now working on a Gender Equality Scheme. There has also been significant effort in setting up systems and monitoring to ensure that the Council gets to Level 3 in the national Equality Standard. However, increasingly the Management Board want to reflect the reality that changes in achieving a fairer city with every individual able to fulfil their potential without barriers need to be made in every service through day to day service delivery, attitudes and culture. This does not mean that there should be no central dedicated resource. It is important that there is someone whose role it is to help the Council keep up to date in its knowledge of legislation and prompting the Chief Executive and senior managers to respond to it. But there is a reduced requirement for the kind of policy development work which has been required in the last few years, hence the proposal to reduce the numbers of staff. The usual Security of Employment arrangements would apply i.e. seeking to redeploy staff where possible and with redundancy as a last resort.
- 6.13 In parallel with the consultation period of this report work has already begun on a Next Steps paper in relation to Equalities, based in part on recent observation of practice in the Council, discussions with the Cabinet Member (Neighbourhoods, Health and Equalities) and Management Board and the ongoing national work of The Equalities Review (chaired by Sir Bob Kerslake, Chief Executive of Sheffield) and the Discrimination Law Review. As part of this discussion the Human Resources Service is also refocusing its approach to Equalities. The current Policy and Performance Manager, with other colleagues had already begun work on new outcome measures for Equalities. The key issue is the focus required by different services in Directorates to achieve more in terms of tailoring services to meet the diverse requirements of communities in the city and ensuring that we have a sufficiently diverse workforce to reflect that. See Section 12 on the Equality Impact Assessment.

6.14 **Recommendations**

(a) Delete the posts of Director of Finance and ICT; Director of Legal and Democratic Services and Head of Corporate Policy

(b) Create the posts of Director of Finance and Legal Services; Director of Customer and Workforce Services, Assistant Chief Executive and Head of Procurement

(c) Agree the recommendations set out in Appendix F on changes to functions currently in the Chief Executive's Directorate in the Policy and Performance service

(d) Following implementation of this structure, designate the Head of Legal Services as Monitoring Officer

7 City Services

7.1 City Services was set up as a Directorate in 2003 following the deletion of the Client Agency and Coventry Contract Services. The Directorate has been led by the Director, Stephen Pickering, and has achieved some key service improvements evidenced by key performance indicators in refuse collection, grounds maintenance and horticultural and highways maintenance. Even between 2002 and 2006 there has been a further structural development in the creation of the Highways Service from services in City Development and City Services. Building Services has also transferred to the newly set up corporate Property Service in City Development.

7.2 The initial phases of the Directorate's life were focussed on some very critical service issues including considerable investment by the Council in equipment and plant, to redress previous lack of investment. There has been extensive reorganisation of services and processes and considerably more direct involvement of the trade unions and workforce in discussions about changes taking place.

7.3 There are now a number of factors which point to the need for a readjustment of the senior management structure of the Directorate. These are:

- Need to develop the role of the Health Development Unit in close collaboration with the Joint Director of Health
- Possibility of closer integration of Street Services and related Public Protection function with increased recruitment opportunities.
- Existence of current capacity in City Services Customer and Support Services
- Opportunity to transfer Area Services Officers' managerial lines into Neighbourhood Management.

7.4 These changes have been fully discussed with the Director of City Services who is fully supportive of them. It is important to emphasise that no actions will be taken hastily in relation to the proposed changes in the City Services Directorate and a detailed timetable will need to be worked up.

7.5 Health Development – Paragraph 5.6.2 of this report refers to the developing position of Public Health in the city and the Health Development function. As set out in 5.6.2 there are already constructive discussions going on with Caron Grainger, the new Joint Director of Public Health about the direction of Health Development and its collaborative work with colleagues in the PCT and through the Health Theme Group of the Coventry Partnership, which means that the overall location of the Health Development Unit has yet to be decided.

- 7.6 Public Protection, Street Services and Customer and Support – it is proposed that, on a timetable to be agreed, the following changes would be made
- Grounds maintenance, Street Cleansing and Waste Services (Street Services) and Environmental Health, Licensing, Trading Standards, Animal Welfare and Bereavement Services (Public Protection) would be brought together under a single Head of Street Services and Public Protection
 - Emergency Planning, the Emergency Services Unit and the Corporate Health and Safety Team would transfer to the existing Customer and Support Services
 - Transfer the management accountability of the six Area Services Officers into Neighbourhood Management. This would resolve some uncertainty about lines of accountability which needs to be resolved.
- 7.7 These changes would mean that there would be three service units in the City Services Directorate each with a range and depth of direct delivery services. The new post of Head of Street Services and Public Protection would need to be evaluated.
- 7.8 The combination of these factors provides the opportunity to streamline the management of the City Services Directorate. It relies on the opportunity to recruit someone of the right level to a post managing Street and Public Protection Services. It would save the costs of one Head of Service (although please note other additional senior management costs in this report).

7.9 **Recommendations**

(a) Agree the deletion of the posts of Head of Public Protection and Head of Street Services and create one post of Head of Street Service and Public Protection

(b) Continue in discussions about the management of the Health Development Service with the Joint Director of Public Health

(c) Transfer the Environmental Health and Trading Standards Service into one Street Services and Public Protection Unit

(d) Transfer Emergency Services Unit (ESU), the Emergency Planning service and Corporate Health and Safety Team into the Customer and Support Service

(e) Transfer management accountability of six Area Services Officers to the Neighbourhood Management Service

8 City Development

- 8.1 A key part of the Council's vision for the city, currently being formulated for consultation, relates to the potential growth of the city and the regeneration of the city centre. This process is led at an officer level by the Director of City Development, who like all Directors, has strategic, project and operational responsibilities. Currently, as part of the management framework in City Development, there are three Heads of Service each with a range of strategic and operational responsibilities and two Project Champions. Members have been concerned for sometime about:
- i) The impact of wide strategic responsibilities on too few individuals and
 - ii) The continued importance of supporting operational performance within the Directorate
- 8.2 At the same time, however, there is the outcome of the 2005-06 Best Value review of Promoting Coventry. The conclusions of the review group were that there needed to be clearer leadership and responsibility for promoting Coventry, to its citizens, to the region, nationally and internationally. The Group's view was that, while the involvement of partner

organisations like the Chamber of Commerce, the two universities and CVOne is critical, leadership and co-ordination should come from the Council. This should come from the Leader of the Council at a political level and at a senior officer level from the Director of City Development, and at an operational level from the Council's Communication and Media Relations Manager.

- 8.3 In the light of concerns of members about the combination of strategy, delivery and some aspects of operational performance in City Development, and the allocation of the lead responsibility for co-ordination of promotion of the city, it is proposed that a new post of Deputy Director of City Development should be created, with the objective of:
- Providing another resource to lead major regeneration projects
 - Focus on operational performance in all three service units
 - Releasing time for the Director on co-ordination of promotion of the city
 - Spending more time supporting strategic transport issues, given its advancement up the political and environmental agenda.
- 8.4 Currently the Council has two project champions working successfully in the City Development Directorate on a number of major projects including the NDC and Swanswell. Members have clearly stated that one of their major priorities is the development of the city centre. They wish to recruit a City Centre Development Director to be located with the project champions in City Development but with a direct reporting line to the Chief Executive. This is in part to give a message to external stakeholders eg developers, of the importance of the city centre redevelopment, but also to reinforce cross Council influence on the development of the city centre.
- 8.5 **Recommendations**
- (a) Allocation of officer responsibility for promotion of the city (to include co-ordination of input by major partner organisations) to the Director of City Development**
 - (b) Creation of the post of Deputy Director of City Development (Post advertising already agreed by Members)**
 - (c) Creation of the post of City Centre Development Director (Post advertising already agreed by Members)**

9 Research, Consultation and Knowledge Management

- 9.1 This part of the report focuses on
- a) Forward Planning
 - b) Research and Information (including data analysis)
 - c) Consultation
 - d) Procurement (including commissioning) of research and consultation
 - e) Project Management
- 9.2 Officers have been considering for some time how to clarify and improve the Council's arrangements for research, data analysis and consultation. In 2004 a report was commissioned from an external consultancy RSM Robson Rhodes to review the way in which the Council organised information, consultation and research. This report's proposals draw on that work.
- 9.3 In parallel with this focus on the Council's arrangements for co-ordination of research, consultation and knowledge management, the Coventry Partnership and its component

partners have been considering how best jointly to manage the information required from partners to manage the "baselining", monitoring and delivery of the Partnership's Community Plan combined with the City Council and Partnership's Local Area Agreement. Many Members will also be aware that there is a Performance, Impact and Evaluation (PIE) Group within the Coventry Partnership, which advises the partnership on information/data And monitors progress and agreed targets and objectives between the Community Plan, Local Area Agreement and other Strategic plans.

- 9.4 Discussions which have taken place leading to this report, have indicated that there is often confusion between terminology so, to avoid this, the following definitions have been used:

Research *a methodical investigation into a subject in order to discover facts*

Research & Development *the work of investigating improved processes, products and services, and of developing new ones.*

Information *1. definite knowledge acquired or supplied about something or somebody
2. the collected facts and data about a particular subject.*

Data *Information, often in the form of facts or figures obtained from experiments or surveys, used on a basis for making calculations or drawing conclusions.*

NB Therefore, in this report the terms "information" and "data" are sometimes used interchangeably. Research and development involve the use of data. Much of the data used by any council will be about the perceptions and preferences of local residents and stakeholders so there is also a connection to the collection of this information through consultation.

- 9.5 Historically, councils' forward planning functions have tended to sit within a combination of corporate policy functions and the planning/economic development functions. In Coventry the corporate policy function has not had a focus on forward planning specifically except through support to elected members' forward thinking on policy and budget issues, and support to the Chief Executive and Management Board in planning for the future. Of course a major part of Democratic Services' work within Legal and Democratic Services has been to forward plan the Council's diary and programme of meetings, and Finance (with the Management Board) has led the budget setting process. In a report to Cabinet in 2005, Members gave their agreement to set up a **Programme Office** to begin the process of getting integrated forward planning in the Council. At the time it was proposed that this should be in Customer and Business Services. For a variety of logistical reasons, the service itself has not yet been set up, but during the delay, thinking amongst officers has developed, and it is now proposed to set this up under the proposed Assistant Chief Executive. The budget already exists for this function and there is some very constructive work already taking place between Special Projects, VFM and CBS on this issue. This will be further developed.
- 9.6 There is no doubt that, although forward planning takes place with varying degrees of success all the time, there needs to be more emphasis given to the combination of leadership and painstaking application to detail which good forward-planning requires. Because of the importance of the democratic decision-making process in local government, a significant component of that forward planning takes place in Democratic Services and that strong liaison must continue.
- 9.7 Research (covering information and data analysis, consultation etc) has in many councils, particularly larger ones, developed incrementally and has, as in the City Council, been

spread across services. However the result of this has been no single individual pulling all that together and difficulty in assessing exactly how much is being spent and with what return.

- 9.8 The Robson Rhodes report looked at information, consultation and research and how management of these issues operated. Their findings (many of which officers would agree with) were in summary that:
- *Information, research and consultation provision is fragmented across the Council and is not appropriately managed or led*
 - *There are capacity issues*
 - *There are issues about information – sharing and consultation – co-ordination with key external agencies/partners*
 - *Costs are not well understood and there is little systematic review of return or investment*

- 9.9 Their recommendations were that:-

Information should:

- *Be led and managed as a principal corporate asset and as a potentially powerful driver in organisational change and development processes*
- *Be business driven and not IT driven*
- *Be managed based on service redesign and operational need*
- *Be managed in such a way as to provide opportunities for working in different ways across the Council and with its partners*
- *Have clearly articulated linkages to projects being undertaken with Customer and Business Services*
- *A corporate research and consultation unit should be set up with*
 - *a locus for staff with social and economic research expertise to be*
 - *drawn together in one physical space*
 - *an emphasis on a professional and corporate approach to consultation activities*
 - *clear corporate leadership of the activities*
 - *forms of service level agreements*
 - *capacity to address support for elected members*
 - *abilities to lead on work for external partners e.g. Coventry large-scale survey work*
 - *an agreed budget specified and monitored*
 - *a need for and much greater analysis of costs and the return on investments.*

- 9.10 Currently there are a variety of research and data management functions across the Council. These include in the following services (but this is not by any means an inclusive list):

- Children's Services Research and Information
- Community Services
- City Development
- Corporate Policy

- 9.11 In addition to this there is one short term funded research post (also deputising for the Coventry Partnership Development Manager), within the Coventry Partnership structure reporting to the Chief Executive and two CRES researchers. However, having looked at the issues across the Council in preparation for this report, it is clear that the subject is complex as research and data collection is being done in a whole range of settings including in a number of business/service support teams within different services.
- 9.12 It is also clear that there are different types of data collection and analysis taking place, covering:
- Core demographic information about the city
 - "Outcome" information about particular aspects of services e.g. levels of educational attainment, successfully completed courses of treatment etc
 - "Input" information eg numbers of employees, levels of sickness absence, training courses etc.
- However collectively we do not make clear enough distinctions between what information is being collected and analysed by whom, and why. It is only when we can examine this, that we can assess the cost and value of the research and data we commission.
- 9.13 Officers who are not directly part of the specific research function commission research and analysis right across the council. The costs of this are within budget heads of individual services and projects and, as a result, there is only limited co-ordination of resources across Directorates.
- 9.14 An outcome of the incremental way in which resources directed towards research, data analysis and consultation have developed, is that some Directorates have very well-developed and extensively used research functions e.g. those in Children, Learning and Young People and Community Services, whereas other services across the Council have less well-organised resources. Given the importance of performance and outcome data to all services there needs to be more effective use of the resource available to the benefit of the council overall.
- 9.15 The small Coventry Partnership support team who report to the Chief Executive have a single dedicated post focused on performance, impact and evaluation of the Partnership's Community Plan and Local Area Agreement. But the Performance, Impact and Evaluation Group, which the post supports has led some interesting and innovative work on data Sharing and joint commissioning. All the major information and research users within the Partnership, principally the public and voluntary sector partners, led by a senior member of Warwick University, are agreed that collectively they could apply their resources jointly much more effectively than at present, in terms of their use of information. There has also been discussion of the potential advantages of locating the Research post with other research colleagues within the Council. She would have a specific role of co-ordinating data between the partners (as now) but it would be extremely advantageous to be able to access data within the Council. This will need to be consulted on with the Partnership but is the recommended course of action. Existing vacant posts would also enable the short-term funding deficit to be met to avoid losing the expertise which had been accumulated.

Proposals

- 9.16 There has now been some very valuable work to try and identify more systematically the research needs of all the partners to enable more cost-effective use of staff and more cost-effective purchasing arrangements. It is acknowledged by all the partners that steps need to be taken in a more tangible way, to ensure this way of working continues. It is clear from the scale of the recommendations in the original Robson Rhodes report, and what we

know of our current research, data and consultation activity, that it will take some time to be confident that we are achieving value for money in this area. It will take at least a year to establish with any confidence what type of research is being commissioned over an annual cycle and where the crossovers are between analysis taking place across the council or across partners in the city. There is no doubt that this will release savings opportunities over time, concentrated either in staffing arrangements or in the research (including consultation) commissioned both internally by council staff or from external organisations such as academic institutions or market research firms like MORI.

- 9.17 It would not be sensible to try and define at this stage exactly what the structures should be, without the knowledge I have described above but it is clear there will need to be oversight in one place. It is therefore proposed that one post is given the responsibility for this task, reporting to the Assistant Chief Executive, but working initially to a Steering Group of the Chief Executive, Director of Children, Learning and Young People, Director of Community Services, Director of City Development and the Chair of the Coventry Partnership Performance, Impact and Evaluation Group with a target of having more effective arrangements by the end of 2007.
- 9.18 It is also proposed to bring the Coventry Partnership research post, previously short-term funded, into the Council's structures immediately, subject to partner agreement. This will mean that that post can make the necessary links with all our public sector partner organisations (as the post-holder has already begun) in order to get greater clarity of data specification and collection, to meet the requirements of the Local Area Agreement, and to achieve better value for money for all partners.

9.19 **Recommendations**

- (a) Create a Policy and Research Manager with a remit to bring together overall management of the research, consultation and knowledge management function**
- (b) Transfer the Research and Strategy Officer post from the Coventry Partnership office into the Council's overall research structure but retaining a specific remit for partnership activity**

10 Proposal and Other Option(s) to be Considered

- 10.1 The proposals are as outlined in the report. Clearly alternative structural options are possible including leaving structures as they are. The changing demands on the Council do however, point to the need for some significant changes.

11 Financial Implications

- 11.1 Although there was a full briefing of key members on the financing arrangements behind the restructuring proposals, a view was expressed during consultation that more detail should be provided in the report, so I have done so in the paragraphs below. Subject to subsequent job evaluations, the proposed changes are expected to result in a small net reduction in costs of approximately £9,000 per annum after pooling the existing available budgets. These include budgets for salaries and related costs in the Directorates potentially affected by the changes; a transfer of £76,000 from the existing budget for a Programme Office in Customer and Business Services in line with the recommendations in paragraph 7.5; and a transfer of £100,000 from the total of £200,000 set aside in the 2006/07 budget setting process for marketing the city and improving its profile. This sum will contribute towards the costs of the new posts of Deputy Director of City Development and City Centre Regeneration Director, both of which, as described in section 6 of this report, will enable the Council to provide a much stronger focus on this work.

- 11.2 Any minor amendments to the initial proposals (e.g. following evaluation) that result in an increase in cost will be funded from within these resources and any remaining balance will be returned to centrally managed budgets.
- 11.3 The costings do not include any savings from the centralisation of work on research and consultation. As noted in paragraph 7.16 this is expected to reduce costs over time but it would be premature to put a figure to this until the detailed review work, described in section 7 of this report, has been completed. An interim report on progress on the work on research and data will be brought to Members by the end of December 2007.
- 11.4 Further costs will be incurred in accordance with the provisions of the council's Security of Employment Agreement in relation to any redundancies/early retirements occurring as a result of these changes. These costs will be funded from within the reserve balances that have previously been set aside for the Council's restructuring proposals.

12 Equality Impact Assessment

- 12.1 An equality impact assessment is an analysis of whether a service or policy has an adverse impact on equality of opportunity on the basis of a person's race, gender, disability, sexual orientation, religious belief or age – or on relations between or within those groups and how this can then be addressed. The Council has had a programme of assessments of the equality impact of different policies, led in Directorates. The proposals in this document across the board have been assessed in this light including the proposed reduction in the number of dedicated Equalities posts reporting through the proposed Assistant Chief Executive to the Chief Executive.
- 12.2 The possible risks to equality of opportunity or the Council's steps to increase equality have been assessed as follows:
- **Risk of reduction in capacity of Legal Service** leading to risk in legal judgement affecting equality.
Mitigation: Assessment of key legal risk areas in relation to equalities and ensuring of availability of legal advice on these issues.
 - **Risk of detrimental effect on Research and Data functions** leading to reduction in ability to tailor services to local communities.
Mitigation: Setting up senior level steering group to oversee work on research and data outlined in the report to prevent damage to the service. Objective of change is actually to provide more effective use of research and data to help provide services, with better value for money and more impact on service improvement to all communities.
 - **Risk of reduction in numbers of centrally located Equalities officers leading to reduction of Council's impact on equalities and diversity.**
Mitigation: Retention of two centrally located officers to ensure full information on legislative and policy requirements; taking forward of a corporate plan and more Directorate focussed plans to ensure practical progression of equalities; Equalities Champion (in addition to Chief Executive) to assist in keeping up pressure on change in Directorates. The whole purpose of these changes is to strengthen the impact of changes designed to improve equality and diversity in day to day services.
 - **Risk of disproportionate impact of restructuring changes on minority members of communities employed by the Council.**
Mitigation: Council policies on redeployment and redundancy

All the above risks have been identified overtly and lead officers will be assigned to ensure

that the mitigating actions are taken forward. In the case of the corporate and more directorate focussed plans, the named officer will be myself but there will continue to be Equalities indicators in the performance appraisal targets of myself and Directors.

13 Other specific implications

13.1

	Implications (See below)	No Implications
Neighbourhood Management	✓	
Best Value	✓	
Children and Young People	✓	
Comparable Benchmark Data	✓	
Corporate Parenting		✓
Coventry Community Plan	✓	
Crime and Disorder	✓	
Equal Opportunities	✓	
Finance	✓	
Health and Safety	✓	
Human Resources	✓	
Human Rights Act		✓
Impact on Partner Organisations	✓	
Information and Communications Technology	✓	
Legal Implications	✓	
Property Implications	✓	
Race Equality Scheme	✓	
Risk Management	✓	
Sustainable Development	✓	
Trade Union Consultation	✓	
Voluntary Sector – The Coventry Compact		✓

Neighbourhood Management

Under the proposals the Head of Neighbourhood Management would report to the proposed Assistant Chief Executive, rather than, as currently, to the Chief Executive. Area Services Officers currently line managed within City Services would be transferred to Neighbourhood Management.

Best Value, Comparable Benchmark Data and Finance

The proposals in the report are designed to achieve greater value for money by better use of resources across the Council, including better availability of research information to officers and Members, enabling them to take more informed decisions.

Coventry Community Plan and Impact on Partner Organisations

The effectiveness of the Council as an organisation contributes to the impact it can have as a key partner organisation in the city delivering the Community Plan.

Equal Opportunities, Human Resources, Race Equality Scheme

Consultation is taking place with individuals affected by these proposals. The implementation of the proposals will create a significant short-term workload for the Human Resources function and require significant consideration of equalities issues. The report proposes to reduce the number of officers working full time on equalities issues. Detailed implications of implementation of the proposals will be managed within a project plan and in a phased basis.

Children and Young People, Crime and Disorder and Sustainable Development

Many people working on the issues listed above will be affected by the proposals in this report. Ultimately its proposals are designed to achieve greater impact and value for money for the Council and the citizens of Coventry.

Health and Safety, ICT, Legal Implications, Property Implications and Risk Management

Implementing the proposals in this report will include due attention to health and safety, ICT, legal implications, property implications and risk management.

Trade Union Consultation

Trades unions have been consulted on in relation to these proposals and at the time of bringing back these formal recommendations the GMB, NUT and T&G have responded in writing. Their comments have covered the following points:

- Concern about the proposals in relation to Legal and Democratic Services and proposal to delete the post of Director of Legal and Democratic Services
- Proposal that there should be a Deputy Director for the Children, Learning and Young People's Directorate given the size of the functions carried in this Directorate (NUT)
- Agreement with proposal to transfer Area Service Officers into Neighbourhood Management (T&G)
- Requests for more information about issues related to public protection, and the current costs of externally provided legal advice
- Concerns about risks to employees trying to deliver day to day services and make the changes required to implement this structure.

Points about the Legal and Democratic Services changes have been responded to in Section 5 of this report. I will seek to provide more information about the current costs of externally provided legal advice and any issues related to public protection. The points

about consultation and assessing the risks to staff dealing with change, and having to do their "day job" are acknowledged.

14 Monitoring

14.1 Monitoring of these proposals will be undertaken by the Chief Executive and Cabinet.

15 Timescale and expected outcomes

15.1 Paragraph 3.5 refers to there being no "set time" for the changes proposed in this report. The pace of change will vary from Directorate to Directorate. In general, timetables will be finalised following clearance of these proposals consultation and if Members agree these proposals, in accordance with the demands and constraints in relation to each Directorate's functions.

15.2 Job descriptions will be produced for each new post for evaluation. There is already underway the three year review of Hay graded posts and the proposals in this report will affect that review only in very limited respects.

15.3 Outcomes and benefits of the proposed service changes will be to increase the opportunity for the achievement of the objectives set out in Paragraph 3.3, namely

- Efficient forward planning of decision-making processes and service delivery
- Well-researched recommendations for action, based on options which include financial evaluation, impact measures and a business case
- A balance between costs of direct service delivery and the vital work which supports it
- Systematic shared knowledge and information management
- Well-organised procurement and commissioning of services
- Effective project management of services
- Value for money

	Yes	No
Key Decision		
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	✓	
Council Consideration (if yes, date of Council meeting)	✓	

List of background papers

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Papers open to Public Inspection

Description of paper

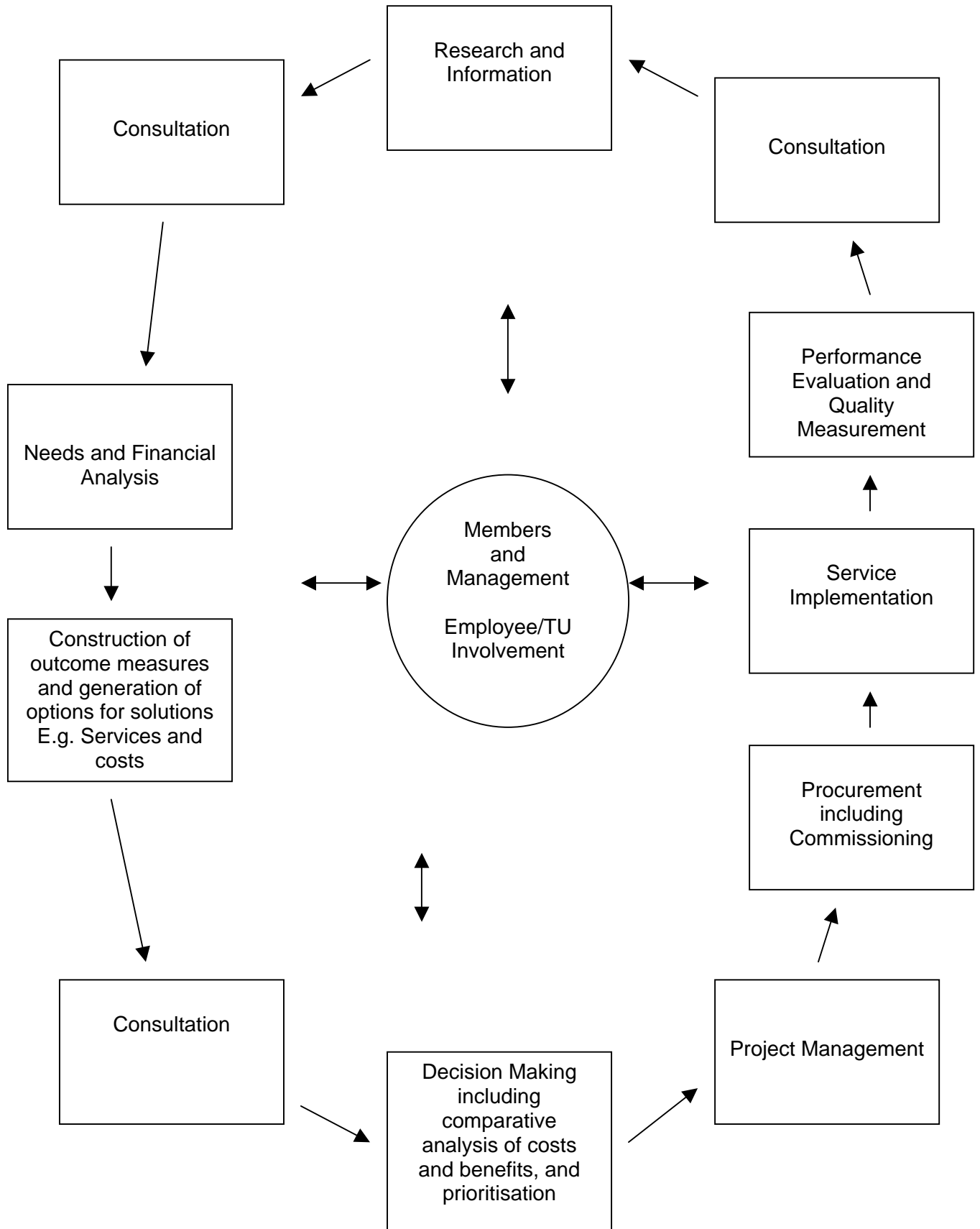
Location

None

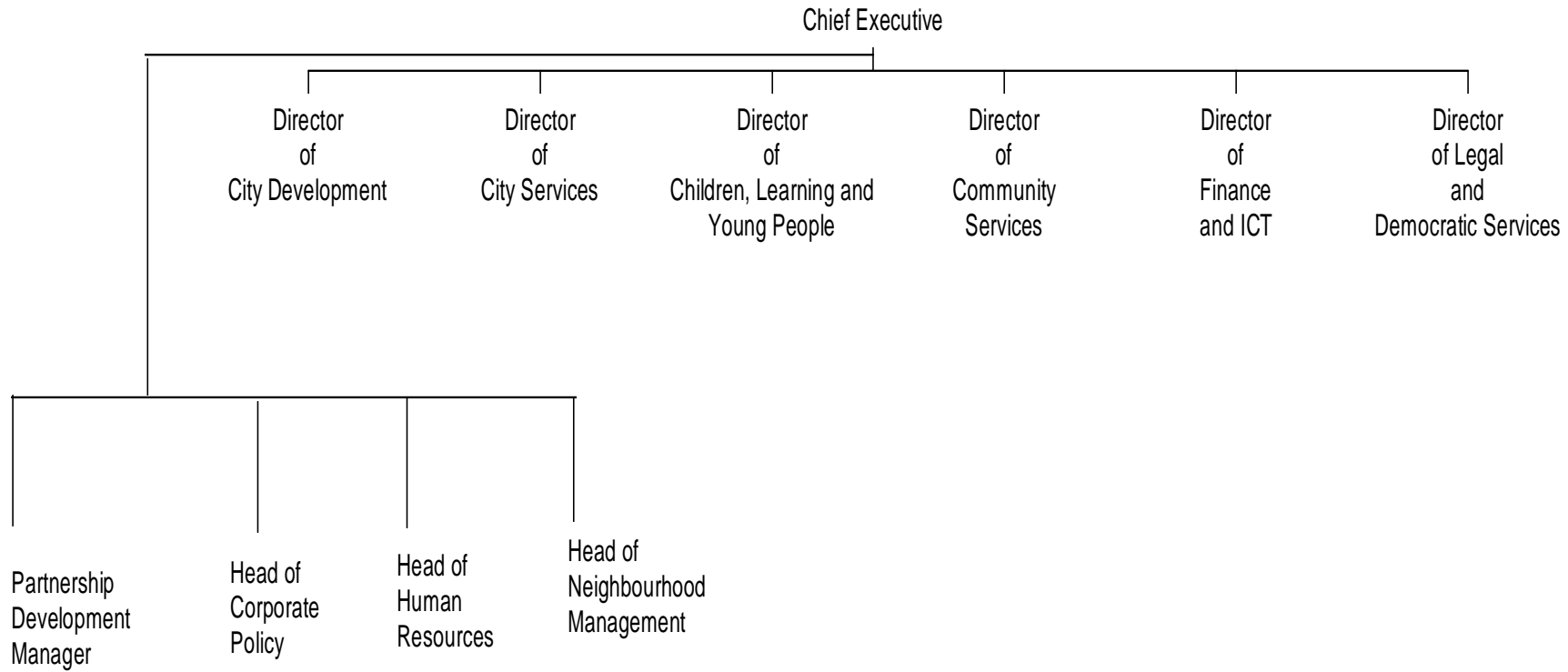
LIST OF APPENDICES

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Proposed senior management of the Council	C
Proposed structure of Finance and Legal Services Directorate	D
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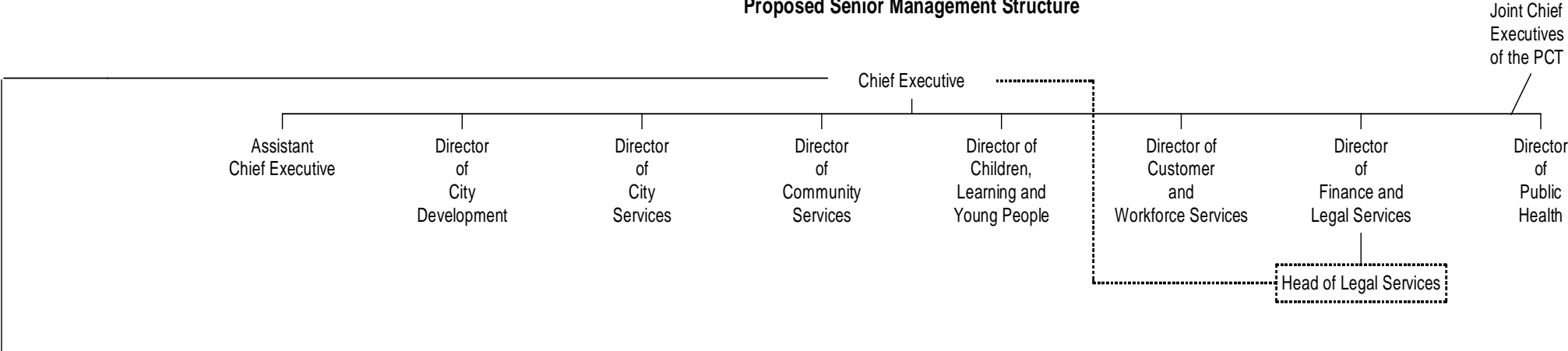
**COVENTRY CITY COUNCIL
IDEAL SERVICE DELIVERY MODEL**



Current Senior Management Structure of Council



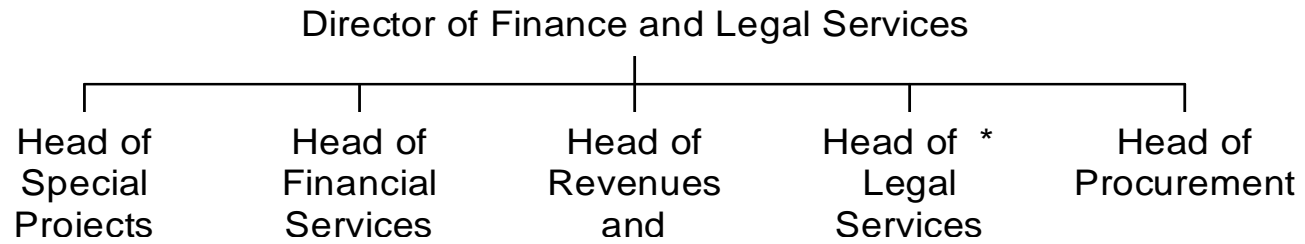
Proposed Senior Management Structure



Coventry
Partnership
Development
Manager

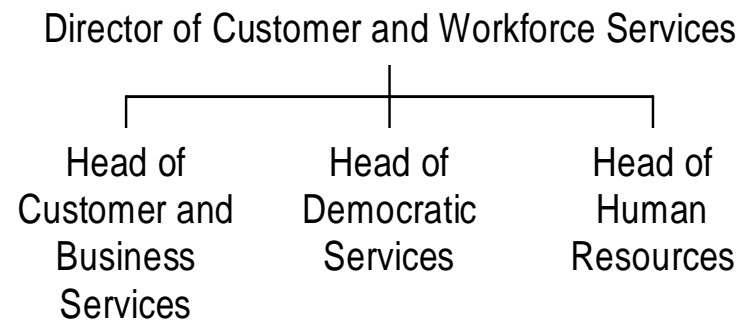
Management Board =
Directors, Assistant Chief Executive,
Head of Legal Services, Head of
Neighbourhood Management
Communications Manager

Proposed Structure of Finance and Legal Services Directorate



*Monitoring Officer

Proposed Structure of Customer and Workforce Services Directorate



Detailed proposals for Chief Executive's Directorate and Creation of Assistant Chief Executive

Background

1. Currently the Chief Executive's Directorate contains three service functions:

- Corporate Policy
- Human Resources
- Neighbourhood Management

This structure has been in place since 2002 (Neighbourhood Management then had the title of Area Co-ordination). In the main report it is proposed that a new post of Assistant Chief Executive be created.

2. It is proposed that the Neighbourhood Management function, still with a Head of Neighbourhood Management, would report to the new post of Assistant Chief Executive, rather than directly to the Chief Executive. It is proposed that the Human Resources function would become part of the Directorate of Customer Services and Human Resources and it is proposed that the post of Head of Corporate Policy be deleted.

3. This appendix sets out new approaches and the structure which would be under the Assistant Chief Executive's post. They are designed to reflect the current stage of development of the organisation, the impact of previous resource allocation and the need to review priorities and approaches. There are no detailed recommendations about related administrative support functions in this Appendix and any follow on proposals in relation to these functions will be picked up either in the Council wide review of administration or specifically as these proposals are implemented.

4. Currently the Corporate Policy Unit contains the following functions:

- Policy & Performance which includes equalities, performance management, policy planning and a small International function
- Scrutiny Support
- Community Safety
- Communications
- Value for Money
- Administrative and Business Support including the Chief Executive's Office

These all support Members, the Management Board and the corporate working of the authority, including work with partners.

5. It is proposed that the new Assistant Chief Executive's responsibilities would be to take key lead roles on supporting the Cabinet, being the Scrutiny champion, having some key management roles including Neighbourhood Management and Community Safety, the existing functions of Communications and Value for Money and the new or adjusted functions of Policy and Research, and Performance and Scrutiny in addition to the Chief Executive's Office and administrative and business support.

Equalities

6. Currently there are four posts dedicated to Equalities. Over the past couple of years they have been supporting the production of policies and legislative requirements such as the Race Equality Scheme, Disability Equality Scheme and supporting the council-wide Equalities Group and the Coventry Partnership Equalities and Communities Theme Group.

Performance and Planning

7. Currently there are five posts in the Performance and Planning function. One post holder is acting up, leading and managing this service. The service drives and co-ordinates the collection of inspection data returns across the Council, including our response to CPA processes etc, assists the Chief Executive in responses to complex complaints and supports the work of the Management Board. The service co-ordinates and puts together the Council's Best Value Performance Plan.

Scrutiny

8. The current Scrutiny function was moved from the Legal and Democratic Services Directorate to Corporate Policy in January 2006. There are three posts of Scrutiny Co-ordinator, all of which report directly to the Head of Corporate Policy who has been working closely with Scrutiny Board Chairs to increase the impact of Scrutiny.

Community Safety

9. The Community Safety function has both a strategic and an operational role, supporting the Community Safety Partnership for the city which will be increasing its responsibilities to include some partnership working on environmental issues affecting quality of life in neighbourhoods. There are no plans to alter any arrangements in Community Safety.

Value for Money

10. The Value for Money Team consists of two full time individuals with a programme of value for money reviews which is currently underway. There are no plans to change these arrangements.

International Office

11. Currently there are two posts, International Officer and International Assistant which have historically supported a mix of economic development, international liaison and administrative support functions. One of these posts has been held vacant pending this restructuring.

Administrative and Business Support

12. There are no specific plans contained with this report to change administrative arrangements. However, there may be changes in administrative arrangements as a consequence of:
 - Office moves which may bring some opportunities for streamlining administrative support

FINAL REPORT

- Overall review of administrative services across the Council
- Changes proposed in this report.

Any changes will be undertaken with full involvement from all those concerned.

Key Issues

13. There are a range of key issues which demand some changes to the existing arrangements in the Chief Executive's Directorate. These are the need to
 - Provide more emphasis on efficient forward planning of decision-making, service delivery and programme management
 - Be more focused on changing the culture of the organisation in terms of equality and diversity, and consequently less focused on policy production
 - Rebalance the time spent by the Chief Executive on operational and strategic issues (currently balancing too much in favour of the operational)
 - Have a sustainable management structure to consolidate and continue the increasing effectiveness of the Scrutiny process
 - Meet the overall objective of the Council to reduce expenditure

Key Proposals

Policy and Research (including policy and equality and diversity officers)

14. This function would include research and data analysis and consultation co-ordination across the Council and the co-ordination of the Council's regional liaison functions with Warwickshire and the West Midlands and a small policy and equality and diversity function.

It is proposed (subject to consultation with partners) that the research post currently located in the Coventry Partnership office should be immediately transferred into the policy and research function. As proposed in the report the first task of the new Policy and Research Manager would be to finalise the structures below the post. This will include increasing the value for money of the Council's expenditure on research and ensuring that research support is provided across the Council, which is currently not the case. I am proposing that for the purposes of this work the Policy and Research Manager reports to a steering group consisting of the Chief Executive, Director of Community Services, Director of Children, Learning and Young People and the Chair of the Coventry Partnership Performance, Impact and Evaluation Group.

It is proposed to reduce the number of posts dedicated to equalities in this part of the organisation from four to two. These would be different from the existing posts, one being, in effect, the source of expertise on equalities legislation and "the guardian" of the Council's response to it, and the other supporting the Coventry Partnership Equalities and Communities Theme Group and other key consultative groups and initiatives. Therefore the posts of Corporate Policy Co-ordinator, Race Equality Policy Officer, Independent Living Policy Officer and Senior Community Policy Officer would be deleted and replaced by two posts of Equalities and Diversity Officer and Equalities and Diversity Assistant, with the functions described above.

At this stage of the Council's development it is important to assess how to spread a focus on equalities and diversity actively across the Council and to determine the amount of resource to be spent on it. There are strong links both with Human

Resources and with the Partnership Boards supported by the Community Services Directorate, which focus on older people, people with learning disabilities, people with physical disabilities and sensory impairment and people with mental health issues.

I am proposing that we reduce the number of posts dedicated to equalities for two reasons. These would be two posts on a similar level. While some progress has been demonstrated in having a firm policy framework, there is still much to be done to change attitudes, and this needs to be firmly focused on work in service directorates and in the Human Resources service. The Council also needs to consider every aspect of expenditure and how it is deployed and four posts on this role at this stage of development are difficult to justify when the emphasis needs to be much more on proactive management to become a truly diverse organisation.

It is also proposed to create one Policy Officer post. This is to ensure that we have a generic, policy development post to work on cross-council issues. Currently some policy development is being done at a higher level than is always necessary e.g. by the Head of Policy and Performance, Head of Corporate Policy and Chief Executive. The provision of this one post will help to achieve a more appropriate use of resources.

Performance and Scrutiny

15. It is proposed that there will be a revised structure combining scrutiny, performance and a more intensive focus on forward planning, to be designated Performance and Scrutiny. It will consist of:

- Performance and Scrutiny Manager
- Scrutiny Co-ordinator (3 posts)
- Senior Performance and Planning Officer
- Performance and Planning Officer
- Programme Management Officer
- Information Assistant

The kind of planning which needs to take place in a more concerted way is the link between the published decision-making process, service developments and programmes e.g. ICT, and major capital projects. Currently we do not devote enough energy to this activity and we need to handle it more thoroughly. This will also link well with the Scrutiny planning process enabling Scrutiny support officers to understand where Scrutiny Members may be able to achieve greater impact depending on their opportunity to have an influence earlier in policy or service development. These proposals would involve some existing post deletions – see Appendix Fii).

International Support

- 16 A recent internal report commissioned from the University of Birmingham on how the City Council can maximise the opportunities available to the city through working with European partners e.g. on income generation for regeneration, transnational work on community cohesion etc, has commended the small but dedicated resource the Council allocates to international activity. However, within the Chief Executive's Directorate we have felt for some time that the mix of functions dealt with by the International Team is an odd one, in part encompassing economic development and in part supporting civic and international links via the Lord Mayor, twinning etc. It is proposed in recognition of this that one post should be transferred to the Regeneration

Team in City Development. The other post (currently vacant) will be deleted and part of the funding will be transferred to the Lord Mayor's office to support civic visits.

Executive Assistant, Chief Executive's Office

- 17 Over the last five years we have experimented with a range of structures supporting the Chief Executive. It is now proposed, with slightly adjusted organisational arrangements, to create a post of Executive Manager to work with the small PA team and the Assistant Chief Executive to support the Chief Executive in management of the authority and her other local, regional and national work. This would include the running and organisation of the Management Board currently undertaken within the Policy & Performance Team, but would also include much close working with the Chief Executive on policy, Member and other complex issues.

Recommendations

- 18 To delete and create the posts as set out in this document and illustrated in Appendices Fi) ii) iii) and iv).

Proposed Structures beneath Assistant Chief Executive



Details of Proposed Changes to Posts in the Chief Executive's Directorate

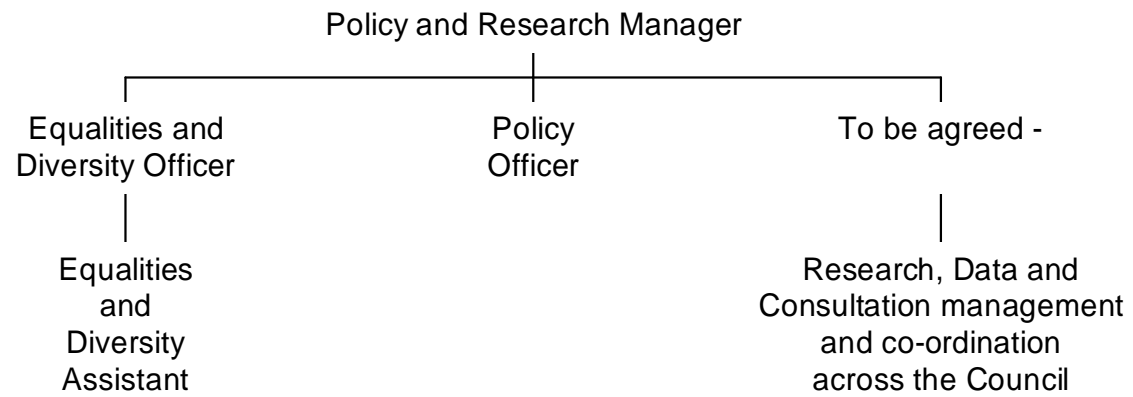
The following existing posts will be deleted:

- Head of Corporate Policy
- Policy & Performance Manager
- Corporate Policy Co-ordinator
- Race Equality Policy Officer
- Independent Living Policy Officer
- Senior Community Policy Officer
- Assistant Community Policy Officer
- Senior Performance & Planning Officer (1 post)
- Performance & Planning Officer (1 post)
- International Assistant

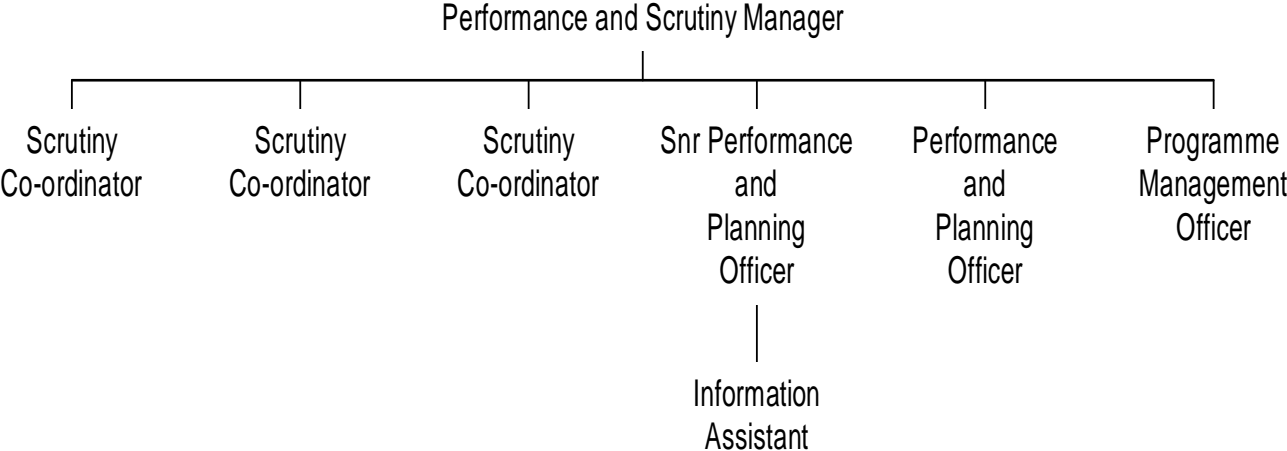
The following new posts will be created

- Assistant Chief Executive
- Executive Assistant
- Policy & Research Manager
- Equalities & Diversity Officer
- Equalities & Diversity Assistant
- Policy Officer
- Performance & Scrutiny Manager
- Programme Management Officer.

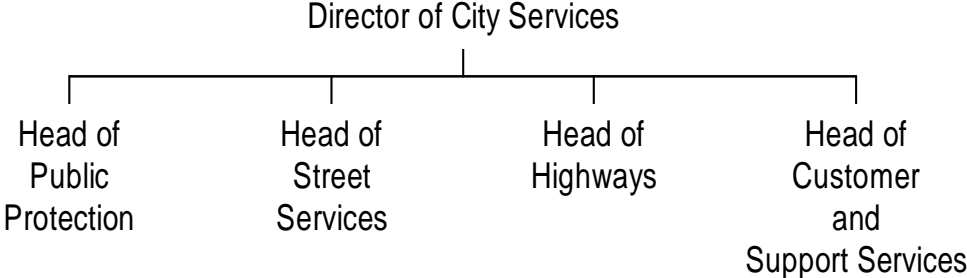
Proposed Policy and Research Initial Structure



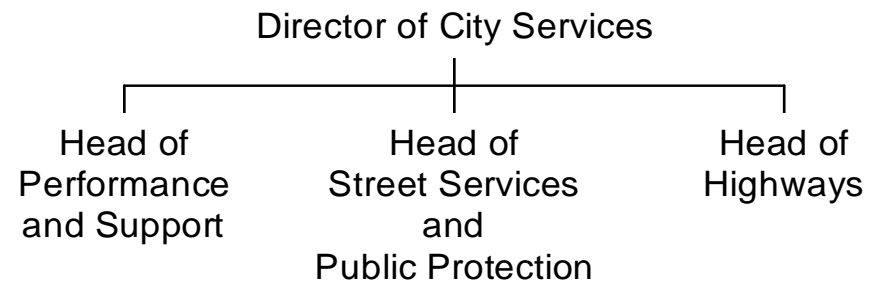
Proposed Performance and Scrutiny Structure



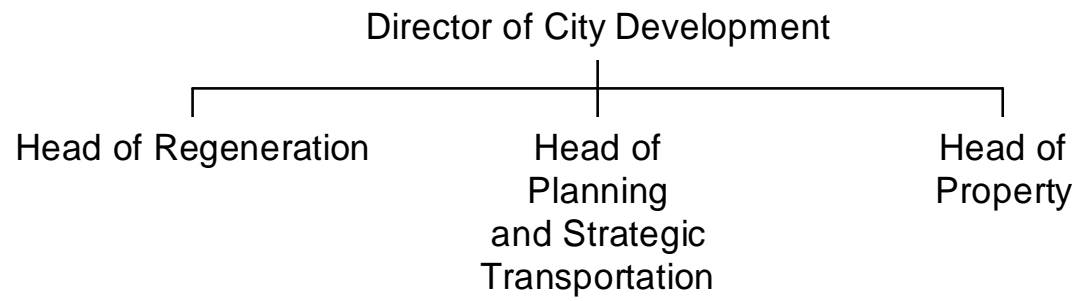
Current Structure City Services Directorate



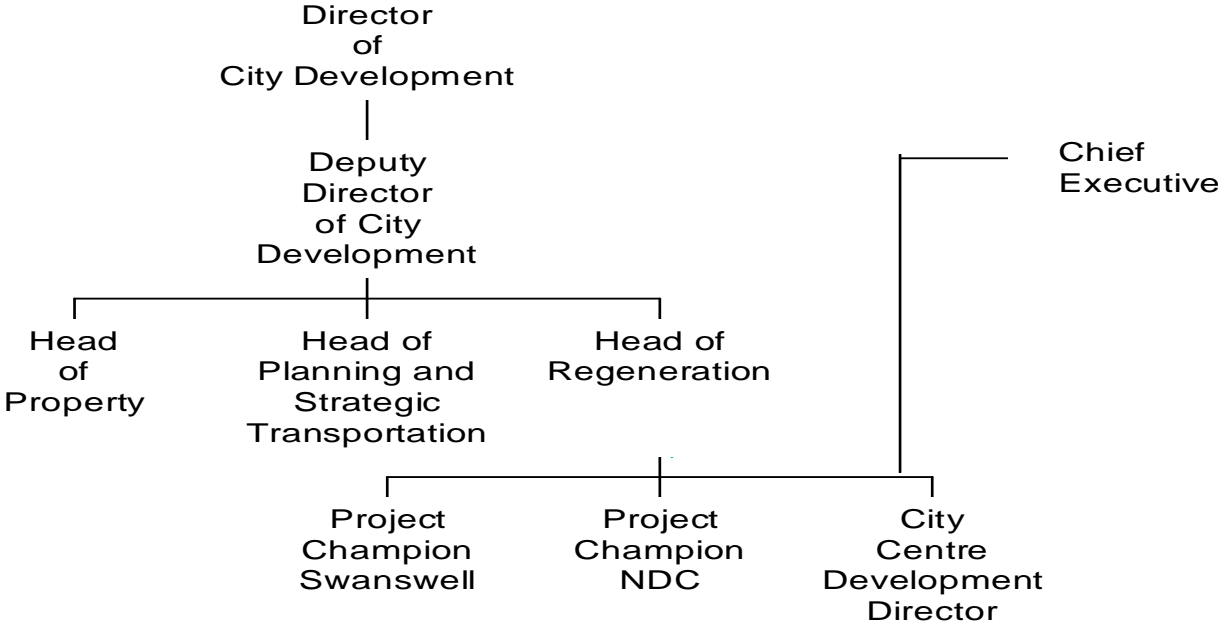
Proposed Structure City Services Directorate



Current Structure City Development Directorate



Proposed Structure - City Development Directorate



CABINET

13th February 2007

Cabinet Members
Present:-
Councillor Arrowsmith
Councillor Blundell
Councillor Foster
Councillor Mrs Johnson
Councillor Matchet
Councillor H Noonan
Councillor O'Neill
Councillor Ridley
Councillor Taylor (Chair)

Non-Voting Opposition
Representatives present:-
Councillor Benefield
Councillor Duggins
Councillor Mutton
Councillor Windsor (Substitute for Councillor Nellist)

Other Members
Present:-
Councillor Gazey
Councillor Mrs Harper

Employees Present:-
L. Bull (Community Services Directorate)
F. Collingham (Chief Executive's Directorate)
C. Green (Director of Children, Learning and Young People)
M. Green (City Services Directorate)
C. Hinde (Director of Legal and Democratic Services)
R. Hughes (Head of Corporate Policy)
L. Knight (Legal and Democratic Services Directorate)
S. Manzie (Chief Executive)
N. McChesney (City Development Directorate)
J. McGuigan (Director of City Development)
C. Pearson (City Development Directorate)
J. Russell (City Development Directorate)
C. Thomas (City Services Directorate)
J. Venn (Chief Executive's Directorate)
C. West (Acting Director of Finance and ICT)
L. Wroe (City Development Directorate)

RECOMMENDATIONS

191. Council's Response to the Regional Spatial Strategy Consultation

The Cabinet considered a joint report of the Chief Executive and the Director of City Development, which sought approval of a proposed response to the Phase II review of the Regional Spatial Strategy (RSS), which is required by 5th March 2007. The Cabinet noted that the RSS will have a fundamental influence on the medium to long term planning of Coventry and the sub-region as well as the region as a whole and that the Council's

response to the consultation options is of key importance. The Cabinet further noted that the report had been considered by Scrutiny Board 3 at their meeting held on 12th February 2007, and a briefing note detailing the Board's views was tabled at the meeting.

The 2004 Planning Act gave statutory status to Regional plans and redefined the Development Plan to incorporate both the strategic elements of the Regional Plan and more local issues, which will be determined via the Local Development Framework (LDF) particularly the Core Strategy. Furthermore plans prepared by the local planning authorities are required to be in accordance with the RSS. This means that the Council's Core Strategy must be in accord with the final approved RSS and in that context is fundamental to the Council's recent considerations of the vision for the City and how the Core Strategy helps to deliver this.

The Regional Plan for the West Midlands was approved in 2004 but, in approving the plan, the Government required reviews of some aspects the spatial strategy. Phase One related to the Black Country and Phase Two, which is now the subject of consultation, covers the issues of Housing; Employment; Strategic Centres; Offices; Regional Casinos; Waste; and Transport and Accessibility.

The consultation on the Phase 2 Review is based on the West Midlands Regional Spatial Strategy – Phase Two Revision which sets out a range of special options and asks a set of specific questions on each of the seven issues.

Following the consultation the Regional Planning Partnership will publish a Preferred Option which will be presented to Government in late 2007 with an Examination in Public in 2008. At the same time, work is proceeding on the Council's Local Development Plan Framework (LDF) and it is anticipated that the Core Strategy will be submitted for examination in 2008.

The Core Strategy is a mechanism for the delivery of the Council's vision for Coventry to be a growing accessible city where people choose to live, work and be educated and businesses choose to invest. Coventry's growth potential has already been recognised by Government as a New Growth Point and is, subject to further studies and the formal planning process, committed to the development of 9,000 new homes in the next ten years (i.e. 2016). The Core Strategy of the LDF will, following the necessary further studies, need to consider and identify specific areas of land to meet the RSS proposals. As part of this process it will be vital for the Council and its partners to deal with issues of climate change, seeking to achieve carbon neutrality in all new build, providing an appropriate range of housing from affordable through to aspirational and to take account of the consequences of demographic change in meeting Lifetime Homes Standards. An exercise The Council is about to undertake an exercise to engage with communities in the debate on options as to how, when and where these should be planned.

Whilst the West Midlands Regional Assembly (WMRA), as 'Regional Planning Body', has the job of producing the RSS and its reviews, it has to be approved, and can only be changed, by the Government.

The existing RSS is underpinned by the two principles of Urban Renaissance (developing Major Urban Areas (MUA's) [being Birmingham, Solihull, The Black Country, Coventry and

the North Staffordshire conurbation] in such a way that they can increasingly cater for their own economic and social needs— countering the unsustainable outward movement of people and jobs; and Rural Renaissance (meeting the economic and social needs of rural communities whilst enhancing the unique qualities of towns and villages and the surrounding countryside).

Fundamental to delivering the urban and rural renaissance that underpins the RSS is the 'step-change' in the distribution of housing growth across the Region. Since World War 2, new household growth has been generated in roughly equal proportions by the region's MUA's and the surrounding shires. However, prior to the current RSS, two-thirds of new housing development has been directed to the shires and one-third to the MUA's. The RSS seeks to reverse this de-centralising trend by re-directing housing growth, and along with it, economic growth, so that the MUA's take the larger share of future regional development. In the sub regional context, this focuses on growth in Coventry although Rugby is specifically earmarked as an overspill growth location as an alternative to less sustainable locations in Warwickshire in the event of Coventry being unable to accommodate potential growth.

In the Phase Two review, the WMRA has set out spatial options that outline future development choices or directions for the region until 2026, principally for housing growth and employment land but also on centres, waste and some specific aspects of transport policy. To develop these options the starting point was advice from the Strategic Authorities, often referred to as the "Section 4(4) authorities" (Unitary and County Authorities), as they have a legal right under S 4(4) of the 2004 Act to put forward the first detailed sub-regional proposals for the RSS. The WMRA brief asked how housing growth down to district level might be handled taking into account the household projections then just published by Government (the 2003 based projections) which indicated levels to 2026 up to 51% higher than the original 2004 strategy had assumed.

The Section 4(4) authorities in this Sub-region worked together, through the Coventry, Solihull, Warwickshire Forum (CSWF) to respond to the WMRA's brief. A robust technical response was agreed by the Forum and included a strategy for addressing growth in the sub-region. The joint submission indicated that Coventry should be the focus of growth within the sub-region and at the core of the North/South Growth Corridor. The joint submission recognised that there may need to be a release of some green belt land close to the core development area (North/South Corridor); balanced provisions of housing and employment; support for the defined centres within the sub region, and significant upgrading of public and other transport networks.

The Council made a second contribution through the West Midlands Planning and Transportation Sub Committee as part of the response on behalf of the Birmingham, Coventry and Black Country City Region (BCBCR) in a similar vein to the CSWF response.

The report submitted outlined a number of options identified within the consultation documents and the issues arising from each of these options. The report further indicated that, following the publication of the Phase 2 Options on 8th January 2007, a number of consultation events had been organised to engage with stakeholders and the Cabinet were advised of the main issues raised at the events. The Cabinet were also advised that a presentation was made to the Coventry Partnership who also participated in the

stakeholder consultation event, to ensure as far as possible that the City Council's and the Partnership response are aligned.

The Cabinet noted that although the City Council provided input to the earlier stage of the process via sub regional responses on behalf of the CSWF and the BCBCR, responses to the current options are also being considered by CSWF and the West Midlands Planning and Transportation Sub Committee (on behalf of BCBCR) on the 23rd February 2007 and that it is vital that the City Council views and aspirations, as set out in the report submitted, are fed into those responses.

The Cabinet acknowledged that, in responding to the options, there are a number of issues which need to be considered and they noted that studies are on-going that will identify, clarify and inform the preparation of the Core Strategy and that are essential to forming final decisions on the scale of growth that should be accommodated and the associated infrastructure requirements.

The economic and social importance of housing growth increasingly drives consumer led private investment in business expansion and public investment in infrastructure such as transport, health and education facilities. Consequently, the scale, rate and distribution of housing growth is the single most important factor in delivering the RSS's urban and rural principles through the 'step-change'.

In terms of housing levels, option 1 simply rolls forward the current RSS housing levels, ignoring the increased levels of housing demand indicated by Government's 2003 based household projections and as such it is no more than a base line. Option 2, which is broadly compatible with the New Growth Points aspiration, proposes that building rates in the city broadly maintain the level which is expected to be achieved next year. It is a 'halfway-house' between meeting future demand and the City's current delivery capacity with the result that Warwickshire towns would take the lion's share of new housing growth in the Coventry, Solihull and Warwickshire sub-region. As such the 'step-change' focusing growth in Coventry would not be achieved

Option 3 provides the focus on Coventry which is implicit within the CSWF's Section 4 (4) response but implies substantial increase in build rates in both the City and Warwickshire and pushes the scale and rate of housing development overall to significantly above that experienced in the past 5 years. It is proposed to be distributed to the more sustainable locations in the North/South corridor within Warwickshire, with less restraint in Warwick, but still with significant growth in or around Rugby. There is concern that this option assumes levels of infrastructure services and economic investment that could be beyond the capacity of existing delivery agencies

The Council believe that options 2 and 3 are not mutually exclusive and it would be possible to progress from option 2 levels, rates and distributions of new housing growth to those promulgated in option 3. It mainly depends on the degree of public infrastructure and private business investment that can be applied to the locations taking the growth. However, this investment is always limited and many places in the region and adjoining regions will be competing for it. Arguably, under both options, the scale of investment required to support increases in the size of Rugby town of 50% and 100% respectively would compete with Coventry's requirements to support housing growth between 24,000 and 44,000 respectively (and vice versa). The City's ability to attract jobs and employment

and retain graduates could also be challenged.

The issue in considering the Council's response is whether or not the approach of the RSS in distributing growth will deliver the strategy agreed by the CSWF and whether or not the scale of growth assigned to Coventry will deliver the Council's vision. Coventry has all the right things in place for growth, strong restructured local economy; young and growing population; development of the knowledge economy; two universities; and excellent communications. There is, therefore, the potential for the Coventry and the sub-region to benefit from the substantial investment which must be associated with any growth agenda.

The quality of the environment of the City and the strength of the sub regional economy will continue to be a key consideration. Whilst traditionally most development land in Coventry has been brown field there has been, until recent moratoriums, extensive release of green field sites in Warwick. In sustainability terms, it must be better for green field land to be developed for housing in the right locations, with access to jobs, transport and community services, than brown field land developed in the wrong locations. Similarly, it maybe inappropriate if all employment allocations are peripheral. Cross border proposals involving some defined urban extensions that focus on the existing North/South corridor could reduce travel and provide accessible and sustainable developments.

If the underlying principle of focusing growth in the MUA's is not maintained then the regeneration objectives will not be achieved. If the scale of growth assigned to Coventry relative to the surrounding districts in the sub-region and areas beyond is insufficient, then there would be real risks that Coventry could become a dormitory town sat between Birmingham and new town scale development on the east of Rugby and with a huge increase within the Milton Keynes and South Midlands Growth Area. If substantial growth also goes to Daventry, as some of the pressure is outward migration from London, it seems likely that this could undermine the regeneration of the City and the sub-region.

The consultation asks for responses to specific questions and these together with the recommended response were attached as appendix 1 to the report submitted. However it is important that in responding, the Council sets out its strategy and the underlying principles in achieving the vision for a growing sustainable community. In this context it was recommended that the Council:-

- (a) Confirm its continued support for the strategic approach of focusing development and regeneration on the Major Urban Areas including Coventry;
- (b) Confirm that growth must be employment led and that the strategy must be aligned with WMRES;
- (c) Emphasise that growth can only be delivered with the support for infrastructure provision in terms of improved communications, public transport and the growth in schools, medical services etc;
- (d) Emphasise that growth can and must provide the stimulus and opportunity necessary to improve the quality of life;

- (e) Emphasise that growth must act as the catalyst for developing sustainable communities and address climate change and quality of life issues;
- (f) Endorse the approach advocated by the CSWF that Coventry should be the focus of growth within the sub-region and at the core of the North/South Growth Corridor and that there may need to be a release of some green belt land close to the core development area (North/South Corridor); balanced provisions of housing and employment; support for the defined centres within the sub region, and significant upgrading of public and other transport networks;
- (g) Indicate that further joint working with adjacent authorities is essential, particularly those within the Warwickshire sub-region to undertake the necessary further studies to identify and address any potential infrastructure constraints to move towards achieving Option 3;
- (h) Emphasise that the housing strategy must make provision for housing for all sectors of the population and fully take into account predicted demographic changes;
- (i) Indicate its concern that Option 2 may not achieve the underlying strategic objectives of the Region or the sub-region or deliver the City's vision due to the level of housing provision being proposed elsewhere in the sub-region and notably in Warwickshire towns, particularly Rugby.

In addition, the Cabinet concurred with the comments raised by Scrutiny Board 3 in that the wording in relation to park and ride facilities be amended to incorporate a reference to the possibility of developing further such facilities in Coventry.

RESOLVED that the City Council be recommended to:-

- (1) Agree the proposed response to the consultation as detailed in Appendix 1 of the report submitted;**
- (2) Take a proactive role in influencing the sub-regional responses of the West Midlands Planning and Transportation Sub Committees and Coventry Solihull and Warwickshire Forum and the West Midlands Regional Assembly (WMRA) in the development of the preferred options in accordance with the recommendations in the report submitted.**

192. Council's Response to the Planning Gain Supplement Consultation

The Cabinet considered a report to the Head of Planning and Strategic Transportation, which sought approval for a proposed response to the Government's proposals for a new system of planning obligations and a consultation document that builds on proposals for a planning gain supplement, which was published in December 2005 and sought views on more detailed aspects of the scope of the new system and how planning obligations would operate if a planning gain Supplement (PGS) is introduced. The Cabinet further noted that the report had been considered by Scrutiny Board 3 at their

meeting held on 12th February 2007, and a briefing note detailing the Board's views was tabled at the meeting.

As part of the modernisation agenda there had been a number of options considered relating to how the planning system should seek to ensure that developers meet the costs of providing infrastructure necessary to serve their development and how Local Authorities manage the process of change. Agreements made under Section 106 of the Town & Country Planning Act 1990 (as amended) have to date been the principal source of funding, although guidance and case law has limited the extent of obligations that can be sought to that reasonably related to the development permitted. This has been interpreted widely and as well as infrastructure, extends to the provision of affordable housing. The Community Land Act in the 70's was the last attempt to introduce a tax that recognised the enhanced value arising from the grant of planning permission and/or allocations.

There have in the last few years been proposals for a tariff approach towards infrastructure contributions where Local Planning Authorities (LPA's), through the development plan process, would have been able to set tariffs whereby all development would be required to provide specified amounts towards infrastructure provision. The Barker Review into housing supply recommended that the supply of housing land should be increased significantly but also recommended that infrastructure provision should be funded by a gain supplement (or tax by any other name) based on the uplift in value arising from the grant of planning permission.

In December 2005 the Treasury and the then Office of the Deputy Prime Minister (ODPM) consulted on a proposal for a planning gain supplement (PGS) and a reduced scope of planning obligations statutorily defined. It is proposed that planning obligations relate only to those matters that need to be addressed in order for the environment of the development site itself to be sustainable, safe, of high quality and accessible and the provision of affordable housing. That consultation indicated that the PGS would be set as a "modest" proportion of the increase in land value arising from the grant of permission so that there remains an incentive to develop land. 'Modest' was not clarified or defined although it was indicated that there could be a differentiation between green field and brown field sites. It would be payable on implementation of the development and the developer would have to provide the necessary valuations to Customs and Excise to define the extent of any PGS. The developer would also have to provide notice of commencement to HM Revenue & Customs (HMRC) and penalties would be imposed or powers available to stop development proceeding if the necessary returns and funding had not been provided.

The Cabinet indicated that they did not support the proposals as outlined and believed that they would not meet the intended objectives of encouraging development and/or facilitating the provision of infrastructure.

At the pre-budget report 2006 the Government announced that it would move forward with the implementation of PGS if, after further consultation, it continued to be workable and effective. However the Government also indicated that PGS would not be introduced until at least 2009 and following further consultation. The 2006 pre-budget statement also indicated that 70% of PGS revenue would be recycled to a local level to enable Local Authorities to provide infrastructure for growth and the remainder revenues

would be ring fenced for strategic regional infrastructure. PGS would apply to both residential and non-residential development. A supporting technical document published with this latest consultation document discusses how the increase in land value that would form the basis of the PGS would be calculated.

The current consultation document summarised the main points raised by consultees to the earlier proposal and it acknowledged that the priority of all respondents was an efficient, transparent and relatively simple system giving confidence over infrastructure provision. It indicated that respondents were confused about the scope of a development site environment approach and that there were certain misconceptions, including a belief by local authorities that central government would control PGS funds and a failure of respondents to appreciate that PGS would provide a revenue stream to fund infrastructure in advance of development. Furthermore respondents had not appreciated that scaled back planning obligations would be reflected in the planning value of a development when calculating liability to PGS. It further acknowledged that detailed issues raised by respondents included concerns that the new arrangements would penalise efficient local authorities currently skilled at section 106 negotiations; result in a loss of flexibility; result potentially in some contributions falling in a gap between sections 106's and PGS; still result in protracted negotiation relating to affordable housing; and result in local authorities looking to widen the scope of 106's and refuse more applications.

The consultation document also included an overview of the current system of 106 obligations and identified key problems and deficiencies, which were detailed within the report submitted. The consultation document did however acknowledge that many of these problems have been addressed to some extent through recent guidance in circular 5/05; the Practice Guidance on Planning Obligations issued in August 2006; and the Audit Commission's Toolkit but indicated that the introduction of PGS gives rise to the need to redefine the scope of planning obligations.

The Governments proposals on which views are now sought relate to a series of specific questions, which were appended to the report submitted. The Cabinet noted that responses are required by 28th February 2007. The report submitted provided specific details of the proposals now put forward by the Government and the Cabinet further noted that the exact nature and scale of the obligation requirements could still be governed by tests of relevance to planning; direct relationship to the development; reasonableness; and proportionality (the current tests).

In respect of all other matters where finance is presently secured through section 106 agreements this would be replaced by the requirement for a developer prior to implementation of a permission to pay PGS to HM Revenue and Customs (HMRC). The PGS would be calculated as a levy based on the increase in land values arising from a planning permission. The developer would be required to self assess the increase in land values and submit this to HMRC who would then calculate the PGS (presumably from published scales) and the developer would have to pay this before the development could commence. The Local Authority could then expect to receive 70% of the PGS although it is not clear when.

From this PGS fund the Government would, in respect of the 30% not returned directly to local authorities in which the development lay, be able to provide the funding necessary to allow local authorities to meet the strategic infrastructure requirements of the

growth agenda.

In respect of affordable housing, the consultation acknowledged that there must be a clear legal and policy basis for affordable housing contributions so as to avoid delay. Local Development Framework's should make clear the link between housing need, planning policies and the developer contribution being made. The document indicates that the government would expect to consult further on how this link should be made explicit in draft regulations and circulars for implementing the new arrangements.

Affordable housing provision is proposed to remain within the remit of section 106 agreements and the consultation document illustrates a range of various alternatives for developer contributions towards affordable housing based on either a land valuation/build costs approach or the use of a formula developed by the local authority (a largely formula based approach is utilised in the Council's adopted Affordable Housing Supplementary Planning Guidance).

The views of stakeholders on the best common starting point for the value of contributions towards affordable housing will be sought. It is further indicated that the Government will also be carrying out a short research study to ascertain what values of contribution are currently being made by developers and what the implications of a common starting point for negotiations would be for a range of case study schemes. However there would be a presumption that contributions greater than the common starting point would not be sought unless they were justified within the LPA's planning policies contained in its Local Development Framework. It is envisaged that a reduction in contribution would be possible in certain instances – for instance if there were large remedial costs to address land contamination.

The consultation also included an extensive discussion of how to deal with transport infrastructure and acknowledged that applying the development site environment approach to the use of planning obligations to manage transport impacts of a development is complicated by the dynamic nature of transport and policy encouraging development to reduce the need to travel, especially by car and promoting more sustainable choices for people and freight. Views are sought on where planning obligations, highways agreements or where PGS and other revenues should be adopted. The discussion excluded management of major infrastructure projects such as ports and airports because of the Eddington transport review. It concluded that measures to implement travel plans and demand management measures directly related to the environment of the development site should remain within the scope of planning obligations but asks whether or not respondents agree or disagree.

In considering the response to this consultation it was appropriate to assess whether or not the objectives of the Government in introducing a two-tier system would be likely to be achieved. It is stated that the rationale for scaling back planning obligations is to improve the current system by reducing negotiation costs for developers and giving greater certainty around the costs of developers contributions required; and to ensure the two systems of PGS and planning obligations can operate alongside each other so that developers do not think they are paying twice and facilitating speedier agreements.

The consultation document indicated that the Government's objective is for a scaled-back system of planning obligations that provides for affordable housing as well as

providing direct impact mitigation measures resulting from the development.

Whereas at present when a proposal is considered the potential impacts are assessed and through planning conditions and or planning obligations the local authorities can require that the essential infrastructure to serve the development be provided or financial contributions be made to enable it, with appropriate agencies, to make the necessary provision, the proposal being consulted on would mean that the local authorities would only be able to negotiate planning obligations in respect of specific matters. In respect of all other contributions these would be replaced by the requirement to pay the PGS, assuming that there is an increase in land value between the existing use and the proposed use.

In practical terms the proposal for this two tier system does not seem to achieve the objectives identified and the consultation document highlights very clearly the difficulties in avoiding overlap or gaps between the systems. For local authorities, it provides considerably less certainty because under the current system at the point permission is granted there is clarity as to the total package of proposals including what infrastructure will be provided and what funding will be made available. The only potential benefit could be if the PGS fund is used to release monies in advance of developments to meet strategic infrastructure requirements arising from the growth agenda. However there is scope for this to be achieved within the present system and the local authorities then have greater certainty.

In reality, one of the most contentious debates in the existing system centres around affordable housing provision and those debates will continue. The approach that separates and requires that a developer pay PGS to address some impacts of their development may create further tension and protract the negotiation. For the developer there will not necessarily be the certainty when applying for planning permission as to the levels of PGS that may be in force when development commences up to 3 years later.

Furthermore whilst the technical paper on methodology suggests a simple approach the reality is likely to be more complex and, since site assembly costs are not permitted within either valuation, there is a prospect that difficult cases will be more difficult to deliver because of the uncertainty and costs of the elements.

The provision of community and social facilities are no longer provided within section 106 agreements. However the proposed approach does not address how to deal with the land upon which either the social and/or community facilities are to be physically located. The current regime of section 106 agreements allow local authorities to secure the provision of land either on or off-site that are owned by the developer or other parties for these obligations. This would change under the proposals and would require separate negotiations to take place between the developer/land owner(s) and the 'relevant public sector body' (whoever that may be) in order that sufficient and appropriate land is secured. It is not clear whether splitting the process in this way will, in reality, save time since the negotiations that currently take place within the section 106 arena will be displaced elsewhere.

The report submitted recommended that the Council further advise the Government that it remains of the view that the proposal will not assist in delivering the infrastructure required to deliver the growth agenda and that any failings of the existing

system can be and have already been addressed through recent publications

RESOLVED that the City Council be recommended to approve the proposed response to the consultation as detailed in the report submitted.

193. Council's Response to the Planning and Climate Change Consultation Documents

The Cabinet considered a report of the Director of City Development, which sought approval of responses on two recent consultation documents on sustainability issues recently published by the Government. The Cabinet noted that the report had been considered by Scrutiny Board 3 at their meeting held on 12th February 2007, and a briefing note detailing the Board's views was tabled at the meeting.

The Government brought out a package of consultation papers and measures to help deliver its ambition of achieving zero carbon development, which included "Planning Policy Statement: Planning and Climate Change" (a consultation paper which, when finalised, will form a supplement to Planning Policy Statement 1); "Building a Greener Future: Towards Zero Carbon Development" (a consultation paper); and "Code for Sustainable Homes" (a final document which aims to promote higher environmental standards).

With regard to the Planning and Climate Change consultation document, the proposed supplement contains guidance to local planning authorities on what steps need to be taken when making planning decisions to ensure that they contribute to reducing emissions and take into account the unavoidable consequences of climate change. It makes it clear that spatial planning has a significant role in helping to secure progress against national emissions targets. There is an expectation that planning authorities will incorporate the listed Key Planning Objectives and prepare spatial strategies that enable the delivery of the Government's Climate Change Programme; secure the highest viable standards of resource and energy efficiency in the provision of homes, jobs and infrastructure and in shaping the places where people live and work; deliver patterns of urban growth that assist in the development of sustainable transport, public transport and reduce the need to travel; sustain biodiversity; reflect the needs and interests of communities, and enable them to contribute to tackling climate change; respond to the concerns of business; and encourage competitiveness and technology.

The document also states that planning authorities should adhere to a number of principles in the preparation of spatial strategies. These include consideration of mitigation and improved carbon performance in the provision for new development; the consideration of decentralised energy supply from renewable sources; and the application of Sustainability Appraisal to shape strategies and policies in line with the Key Planning Objectives as set out.

In relation to planning applications, the proposed supplement says that, in the interim period before the development plan is up-dated to reflect the new policies in the PPS, planning authorities should ensure that proposed development is consistent with the policies in the PPS and avoid placing inconsistent requirements on applicants.

In determining planning applications, planning authorities should consider the likely

impact of the proposed development on existing or other proposed development and its renewable or low-carbon energy supply.

The consultation document on Building a Greener Future contained proposals for building regulation reforms to achieve the zero carbon target by 2016 for new homes, alongside measures to tackle energy use in existing stock.

Over time the Government aims to move towards zero carbon development across all sectors, beginning with low carbon development and ultimately zero carbon development. Thus, it proposes that a target of 10 years should be set for moving to zero carbon housing, progressing from a 25% improvement in energy/ carbon performance by 2010 to a 44% improvement by 2013 and then to net zero carbon by 2016. The Government states that local authorities have an overriding responsibility to ensure that new homes are planned and built in a way that helps its strategy to cut carbon emissions.

In describing the task, the Government quotes that 150 million tonnes of CO₂ were emitted in 2004, of which nearly half was energy usage in buildings and over a quarter came from energy used to heat and run our homes. It forecasts that trends in increased power usage for appliances will continue: in 2003, 53% of domestic carbon emissions came from space heating and 20% from water heating.

Within this overall framework, there are three main policy areas that can affect energy performance of new development: the planning system; the Code for Sustainable Homes; and building regulations. The Government envisages a complementary relationship between these policy areas. Planning deals with location design and reducing the need to travel. Building Regulations and the Code focus on the performance of the buildings themselves.

In December 2006, the Government also published its "Code for Sustainable Homes", the third part of its package of measures. This is not a consultation document, but a new national standard for sustainable design and construction of new homes. By integrating elements of the Code into new homes and obtaining assessments against it, developers will be able to obtain a 'star rating' for any new home that will demonstrate its environmental performance. Although the Code is voluntary for the time being, it heralds a progressive tightening of Building Regulations, referred to in "Building a Greener Future". The introductory pages of the Code itself also mention that the Government is considering making assessments under the Code standards mandatory in future.

Proposed responses on the consultation documents were set out in the appendices to the report submitted.

The Cabinet acknowledged that the Coventry Development Plan 2001 has policies that seek to provide more sustainable development in terms of locational policy and energy conservation and that, in January 2006, the Council committed itself to ensuring that from January 2008 all new build would make provision for onsite renewable energy and recycling facilities. During 2006, following approval by Planning Committee, consultation was carried out on a draft Supplementary Planning Document on Sustainability Assessments. That document was intended to promote best practice. Planning Committee will now be recommended to further revise this draft considerably, and undertake a further consultation, by aligning it with BREEAM (Building Research

Establishment Environmental Assessment Method) and Code for Sustainable Homes standards and by wherever possible quantifying requirements, including adopting "the Merton rule". The document will enhance the planning and development process in Coventry by ensuring that continuing growth will contribute to the city's commitment to tackling climate change.

The City Council is committed to tackling climate change and to making a major contribution to reducing greenhouse gas emissions for the city. In addition to the planning process, the City Council continues to promote many other initiatives that contribute to climate change, which were outlined in the report submitted.

RESOLVED that the City Council be recommended to approve the Council's response to the consultation documents as outlined in the Appendices to the report submitted.

194. Council's Response to the West Midlands Economic Strategy (WMES)

The Cabinet considered a report of the Director of City Development, which sought to secure agreement to the sub-regional response in respect of the West Midlands Economic Strategy (WMES) Review 2006-07 – Consultation on Policy Choices. Responses to the third in a planned five-stage review process had been requested by 28th February 2007. The Cabinet noted that the report had been considered by Scrutiny Board 3 at their meeting held on 12th February 2007, and a briefing note detailing the Board's views was tabled at the meeting.

The WMES sets out a vision for the region's economy. The purpose of the WMES itself being to provide a clear framework for achieving future economic prosperity in the West Midlands. It provides the framework for investment in economic regeneration throughout the West Midlands to raise the region's economic performance. It should set out the relative importance and priority attached to each of the challenges that need to be overcome, and the opportunities, which need to be grasped.

2 Advantage West Midlands (AWM) is charged by the Government to take the lead in the preparation and review of the WMES. However, the WMES is very much a strategy for the whole region and all the organisations – public, private, community and voluntary – involved in its economic development and regeneration. The Government requires Regional Development Agencies to fully review Regional Economic Strategies every three years, and undertake detailed consultation with key partners to ensure that there is widespread engagement and support of the strategy. The report submitted outlined the five key phases of the WMES, which commenced in March 2006, along with the timescale for each phase of the review.

The review of the WMES is needed because the region, as elsewhere, has seen changes within its economic circumstances and in the external economic environment in which it operates including the recent closure of MG Rover and closure of car manufacturing at the Peugeot plant in Coventry. The region is preparing the WMES in the face of a future backcloth of tight control on public spending and of ever-stronger global competitiveness and environmental challenges.

The data collected through Phase 1 highlighted the significant challenges that the

region's economy faces: the region has particularly low skill levels compared to the rest of the country, exhibits low amounts of innovation and Research and Development activity, has an economy skewed towards low productive sectors, and suffers from areas of intense deprivation with high levels of unemployment and economic inactivity. These factors lead to the regional economy underperforming significantly, creating a £10 billion output gap and without new interventions, this underperformance is predicted to continue and increase over the next 10 years.

The vision contained in the current WMES produced in 2004, sets the goal that by 2010 'The West Midlands is recognised as a World Class region in which to invest, work, learn, visit and live and the most successful in creating wealth to benefit all of the people'.

The policy choices set out in the report submitted and detailed in Appendix B do not fundamentally challenge this vision but are intended to provide a refreshed and structured approach to the revision of the WMES. They were provided in the form of a series of questions designed to help shape stakeholders' thoughts about the major issues facing the region, to stimulate thinking about the way forward and gauge opinions on the relative importance of different factors impacting upon the economic performance of the West Midlands. The choices presented in the consultation cannot be and are not exhaustive. However, they have been designed to focus debate around the bigger issues which will affect the future economic success of the region.

In parallel with the revision of the WMES, the West Midlands Regional Assembly is leading a partial revision to the Regional Spatial Strategy (RSS). Phase 2 of that revision is covering issues, which include housing, employment, transport and waste. An analysis on this including specific implications for Coventry had also been reported to the Cabinet (Minute 191/06 refers) and it was noted that work is ongoing, by all stakeholders, to ensure as much alignment as possible between the review of the WMES and the revision of the RSS which should ensure a consistent approach to urban renaissance between the WMES and the Regional Economic Strategy (RES).

The policy choices are divided into three areas:-

- (i) Issues and choices facing the region and the WMES the key themes of enterprise, innovation, skills, economic activity, quality of life, infrastructure, the role of places and sectors and how they impact upon economic performance;
- (ii) Broad questions about the type of RES the region would like to see. Should it focus on tackling need, promoting success, or a mix of both?
- (iii) Cross cutting questions about whether the strategy should particularly focus on any key sectors or geographies, or should it be a wide and holistic strategy?

The Cabinet noted that, as part of the Coventry, Solihull and Warwickshire Partnership (CSWP), a sub regional response had been developed as a result of a consultation exercise hosted and held by CSWP on 9th January 2007. The overall findings of the draft response recognise the importance of "Place" – Coventry and Warwickshire, as a distinct economic unit.

The report submitted recommended that the following issues are reinforced further in the final response to AWM on the RES:-

- (a) The WMRES should more explicitly recognise the challenges and opportunities that will arise as the country and our economy gears up to adapt to and tackle the consequences of climate change.
- (b) Strengthening the importance of the message that the sub regional economy plays a significant role as a distinctive unit in delivering improved economic performance.
- (c) AWM must position their economic strategy for the region to support the Government's proposals to focus growth and development on their proposed growth points. It would be explicitly acknowledged that the RES, and the use of AWM funds it supports, must be aligned with the investment priorities and expectations that Government will embed in the RSS.

The evidence base produced for the WMES review has highlighted that there are great variations in sub-regional performance. Coventry and Warwickshire are one of only three parts of the sub-region that are above or close to the national gross value added (GVA) average. The evidence base further acknowledges the spatial pattern of economic activity in the region that has been shifting away from Birmingham towards a Coventry and Warwickshire belt that encircles the conurbation.

Factors that contribute to the strong performance include a strong corporate commitment towards delivering the vision to regenerate the area and improve the quality of the location as a destination of choice. Awm financial investment to Coventry has influenced the level of growth and regeneration with schemes such as the Ricoh, Electric Wharf, Belgrade etc valuing £10million in the last 3 years. The city itself has a regeneration programme of £6.5 billion and for the period of the AWM corporate plan 2005–08, the sub region will secure an estimated £200 million share of the funding. This represents 20% share of AWM's total budget, a positive ratio when compared to the City's population share of 16%.

The City Council's approach to economic development in Coventry over the past ten years has in general been aligned to AWM. A twin track strategy of encouraging growth and investment in high value added and knowledge economy sectors alongside a continuing focus on narrowing the north and south divide that still characterises access to employment opportunities and other quality of life indicators amongst many of the City's residents. However, although Coventry compares well to the West Midlands region, it does not do so well in comparison to its neighbours to the south and east. The south east region in particular is continually spreading outwards and the WMES needs to recognise this dynamic, which will have particular impact on the Coventry and Warwickshire sub region in the first instance, before it begins to have an economic (and demographic) impact elsewhere in the West Midlands.

The sub-regional approach to strengthen the Council's commitment to "invest in opportunity" as well as "need" will provide the overall context for its emerging Local Area

Agreement, Economy and Enterprise 4th block strategy and the city's own Economic Development Strategy adopted in alignment with the Local Development Framework.

RESOLVED that the City Council be recommended to approve the Council's response to the West Midlands Economic Strategy (WMES) as detailed in the report submitted.

195. Consultation on the Model Code of Conduct for Elected Members

The Cabinet considered a report of the Director of Legal and Democratic Services, which sought approval to submit a response to the Department for Communities and Local Government in relation to its consultation paper on amendments to the Model Code of Conduct for Local Authority Members which it is currently undertaking. The deadline for submission of responses was 9th March 2007. The Cabinet noted that the report had been considered by both the Standards Committee and the Scrutiny Co-ordination Committee at their meetings held on 7th February 2007, and a briefing note detailing the Committees views was tabled at the meeting.

As part of the Modernisation Agenda for Local Government, a new Code of Conduct for Elected Members was introduced by the Government in November 2001. Legislation required that all authorities adopted the Model Code by no later than May 2002. Authorities that did not adopt the Code, had it automatically imposed upon them. The City Council adopted the Model Code, without alteration, in May 2002.

In 2005, the Government asked the Standards Board for England to undertake a review of the effectiveness of the Code of Conduct and to explore ways in which it could be improved or clarified. The Standards Board for England issued a consultation document to which the City Council responded in May 2005. The City Council's draft response was considered by both the Standards Committee and by Cabinet.

The Standards Board for England submitted its proposals for amendments to the Code to the Government and in December 2005, the Government accepted all the Standards Board's recommendations indicating that it would make the changes as soon as practicable.

The Local Government White Paper "Strong and Prosperous Communities", issued in October 2006 set out the Government's proposals to put in place a clearer, simpler and more proportionate Model Code of Conduct which will include changes to the rules on personal and prejudicial interest. In Ministerial statements, the Government made it clear that it was its intention to issue a consultation document on the changes to the Code towards the end of 2006 and that it intended that the new Code would come into operation for all authorities in May 2007. In the event, the Consultation Paper and draft revised Model Code were issued by the Department of Communities and Local Government on 22nd January 2007. A copy of the Consultation Paper and draft Model Code of Conduct was appended to the report submitted, along with a suggested response to the consultation paper.

Most of the points which were made in the City Council's submission to the Standards Board for England have been accepted by both the Standards Board and the Government. However, there are several areas where the Government's proposals run

counter to the City Council's views. The report highlighted in particular the new proposed provisions on behaviour outside of official duties and the creation of a new category of "public service interest".

The report outlined a number of issues and proposed responses in relation to proposed amendments to the Code of Conduct in respect of bullying; the disclosure of confidential information; conduct of individuals in private and public life; using official capacity to obtain advantage; Code of Recommended Practice on Local Authority Publicity; breaches in the Code of Conduct and their reporting; gifts and hospitality; personal association; personal interests; public service interests; and prejudicial interests.

RESOLVED that the City Council be recommended to approve the response to the consultation document issued by the Department for Communities and Local Government as detailed within the report and to delegate authority to the Director of Legal and Democratic Services to finalise that response in the light of the Council's views.

Report to

Scrutiny Board 3
Cabinet
Council

12 February 2007
13 February 2007
27 February 2007

Report of

Chief Executive and Director of City Development

Title

Regional Spatial Strategy: Consultation Documents

1 Purpose of the Report

- 1.1 The purpose of this report is to obtain approval to responses in respect of the Phase II review of the Regional Spatial Strategy (RSS). Responses have been requested by 5 March 2007. The RSS will have a fundamental influence on the medium to long term planning of Coventry and the sub-region as well as the region as a whole. Our contributions in responding to the consultation options is of key importance.

2 Recommendations

- 2.1 Scrutiny Board 3 is asked to consider the draft responses and forward comments to Cabinet for their consideration.
- 2.2 Cabinet is asked to consider the draft strategy and detailed response set out in the Appendix to this report, together with any comments received from Scrutiny Board 3, and to agree that a paper setting the context together with the draft strategy be put to Council to enable a response to the consultation papers to be made.
- 2.3 Council is asked to consider the comments of Cabinet and to agree the Council's response.
- 2.4 The City Council takes a proactive role in influencing the sub regional responses of the West Midlands Planning and Transportation Sub Committees and Coventry Solihull and Warwickshire Forum and the West Midlands Regional Assembly (WMRA) in the development of the preferred options in accordance with the recommendations in this report.

3 Information/Background

- 3.1 The 2004 Planning Act gave statutory status to Regional plans and redefined the Development Plan to incorporate both the strategic elements of the Regional Plan and more local issues which will be determined via the Local Development Framework (LDF)

particularly the Core Strategy. Furthermore plans prepared by the local planning authorities are required to be in accordance with the RSS. This means that the Council's Core Strategy must be in accord with the final approved RSS and in that context is fundamental to your recent considerations of the vision for the City and how the Core Strategy helps to deliver this.

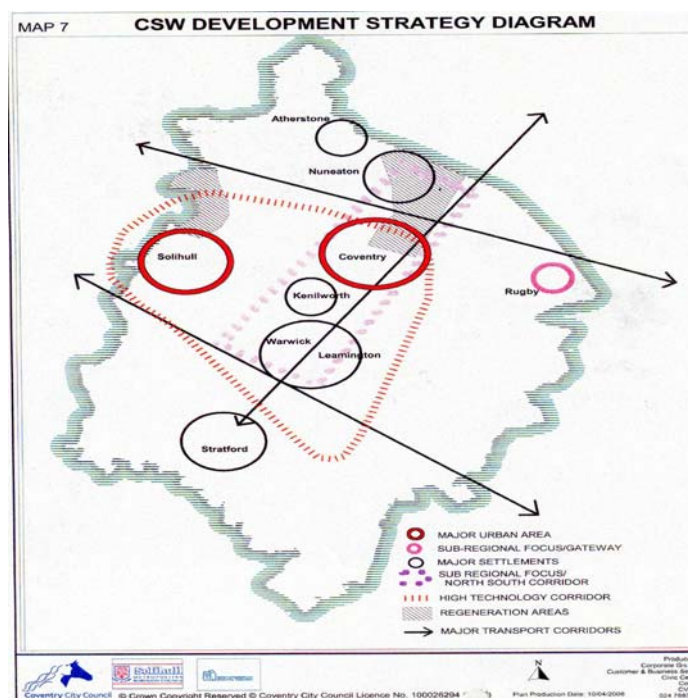
- 3.2 The Regional plan for the West Midlands was approved in 2004 but in approving the plan the Government required reviews of some aspects the spatial strategy. Phase One related to the Black Country and Phase Two, which is now the subject of consultation, covers the following issues: -
- Housing
 - Employment
 - Strategic Centres
 - Offices
 - Regional Casinos
 - Waste
 - Transport and Accessibility
- 3.3 The consultation on the Phase 2 Review is based on the West Midlands Regional Spatial Strategy – Phase Two Revision which sets out a range of special options and asks a set of specific questions on each of the seven issues.
- 3.4 Following the consultation the Regional Planning Partnership will publish a Preferred Option which will be presented to Government in late 2007 with an Examination in Public in 2008. At the same time work is proceeding on your Local Development Plan Framework (LDF) and it is anticipated that the Core Strategy will be submitted for examination in 2008.
- 3.5 The Core Strategy is a mechanism for the delivery of the Council's vision for Coventry to be a growing accessible city where people choose to live, work and be educated and business choose to invest. Our growth potential has already been recognised by Government as a New Growth Point and Coventry is, subject to further studies and the formal planning process, committed to the development of 9000 new homes in the next ten years (i.e. 2016). The Core Strategy of the LDF will, following the necessary further studies, need to consider and identify specific areas of land to meet the RSS proposals. As part of this process it will be vital for the city council and its partners to deal with issues of climate change, seeking to achieve carbon neutrality in all new build, providing an appropriate range of housing from affordable through to aspirational and to take account of the consequences of demographic change in meeting Lifetime Homes Standards. An exercise is about to be undertaken to engage with our communities in the debate on options as to how, when and where these should be planned.
- 3.6 Whilst the West Midlands Regional Assembly (WMRA), as 'Regional Planning Body', has the job of producing the RSS and its reviews, it has to be approved, and can only be changed, by the Government.
- 3.7 The existing RSS is underpinned by two principles:
- Urban Renaissance – developing Major Urban Areas (being Birmingham, Solihull, The Black Country, Coventry and the North Staffordshire conurbation) in such a way that they can increasingly cater for their own economic and social needs– countering the unsustainable outward movement of people and jobs;
 - Rural Renaissance – meeting the economic and social needs of rural communities whilst enhancing the unique qualities of our towns and villages and the surrounding countryside.
- 3.8 Fundamental to delivering the urban and rural renaissance that underpins the RSS is the 'step-change' in the distribution of housing growth across the Region. Since World War 2,

new household growth has been generated in roughly equal proportions by the Region's major urban areas and the surrounding shires. However, prior to the current RSS, two-thirds of new housing development has been directed to the shires and one-third to the major urban areas (MUAs). The RSS seeks to reverse this de-centralising trend by re-directing housing growth – and along with it, economic growth – so that the major urban areas take the larger share of future regional development. In our sub regional context this focuses on growth in Coventry although Rugby is specifically earmarked as an overspill growth location as an alternative to less sustainable locations in Warwickshire in the event of Coventry being unable to accommodate potential growth.

3.9 In the Phase Two review the WMRA has set out Spatial Options that set out future development choices or directions for the region until 2026, principally for housing growth and employment land but also on centres, waste and some specific aspects of transport policy. To develop these options the starting point was advice from the Strategic Authorities – often referred to as the “Section 4(4) authorities” (Unitary and County Authorities) as they have a legal right under S 4(4) of the 2004 Act to put forward the first detailed sub-regional proposals for the RSS. The WMRA brief asked how housing growth down to district level might be handled - taking into account the household projections then just published by Government (the 2003 based projections) which indicated levels to 2026 up to 51% higher than the original 2004 strategy had assumed.

3.10 The Section 4(4) authorities in this Sub-region worked together, through the Coventry, Solihull, Warwickshire Forum (CSWF) to respond to the WMRA's brief. A robust technical response, including a strategy for addressing growth in the Sub-region, was agreed by the Forum. The CSWF submission indicated that Coventry should be the focus of growth within the sub region and at the core of the N/S Growth Corridor. The joint submission recognised that there may need to be: -

- Release of some green belt land close to the core development area (North/South Corridor);
- Balanced provisions of housing and employment;
- Support for the defined centres within the sub region, and
- Significant upgrading of public and other transport networks



3.10 The City Council made a second contribution through the West Midlands Planning and Transportation Sub Committee as part of the response on behalf of the Birmingham, Coventry & Black Country City Region (BCBCR) in similar vein to the CSWF response.

Housing Growth Options

3.11 The RSS Spatial Options reflects the 2003 Government Household projections and the outcomes of the Barker Review with a requirement to build substantially more homes. Government projections predict that in 20 years time, with existing house building rates, it is likely that only 30% of today's young people could actually afford to get onto the housing ladder. The need to increase housing supply presents a number of key issues including how to:

- Balance housing growth and employment growth
- Maintain the Strategies of urban and rural renaissance

3.12 The Consultation document considers 3 options as "reference points" and the region could decide its Preferred Option is anywhere between 1 and 3 provided it had strong evidence to back it up. As this document states numbers should not be allowed to drive the Revision. It is important that the right type of houses are built in the right places, where people need them, whilst respecting the character of the community and environment where they are built. Undoubtedly the Government will be looking at the higher end of the spectrum which is for 575,000 additional households across the region by 2026. The options are essentially about how the anticipated number of households should be distributed throughout the region to continue to support achieve the step change advocated towards a more sustainable approach. The table attached as an Appendix indicates the distribution across the region.

3.13 In producing growth based on 2003 government household projections the RSS indicates that a large proportion of the growth (> 70%) is predicted to be one-person households. In calculating the figures an allowance of 3% has been made for vacant properties and assumptions have been made in respect of migration.

3.14 The Option 2 figures being considered for the Metropolitan area are now based on: -

- The latest updated information available on urban capacity.
- The opportunity for transformational change in the Black Country and the opportunity for them to be a New Growth Point.
- Allowing effective phasing of land release across the region to respond to the changed circumstances and higher government projections.

3.15 Coventry's share of the options are:

	Number of Households 2001	Number of Households 2006	Option 1 2001 – 2026 additional households	Option 2 2001 – 2026 additional households	Options 3 2001 – 2026 additional households
	122,353	127,000	19,000	24,400	44,000
Build Rate		847	760	960	1,760

The consultation acknowledges that for Coventry "Development at the levels set out in Options 2 and 3 could involve the release of peripheral Green Belt land".

Employment Options

- 3.16 The Consultation acknowledges the difficulties in forecasting employment land need and is asking for views on a proposal to include in RSS a requirement for a five year “reservoir” of readily available employment land based on past trends, coupled with the maintenance of a land bank of sites with development constraints which can help to top up and maintain reservoir through plan period. It proposes that in MUA's this be a minimum requirement and a maximum elsewhere. It acknowledges that an appropriate portfolio of employment land includes requirements for Sub Regional employment land, good quality land and local and other land. An allowance is also made for economic growth. It predicts that Coventry could require 310 – 340ha of employment land between 2001 and 2026. [The proposals at Jaguar Whitley bring forward 33ha and Jaguar Browns Lane is about 40 ha]
- 3.17 It acknowledges requirements for further regionally significant employment sites including potential demand for Regional Logistics Sites, Regional Investment Sites and need for additional Major Investment Sites. It is also asking for views on the investment priorities for the strategic centres, including the balance between ‘in centre’ and ‘out of centre’ office development, alongside a Regional hierarchy of centres for directing additional retail development.
- 3.18 The employment issue have to be viewed in the context of the parallel process being led by Advantage West Midlands (AWM) to review the Regional Economic Strategy (RES). AWM is carrying out a consultation on policy choices that ends on 28th February 2007. The choices being canvassed cover the key themes of enterprise, innovation, skills, economic activity, quality of life, infrastructure, the role of places and sectors. The Regional Assembly and AWM are working together to ensure that the spatial and economic strategies are fully aligned. There is a further report elsewhere in your agenda.
- 3.19 In respect of shopping the City Centre is defined as a second tier centre below Birmingham and the additional figures for retail floorspace in Coventry City Centre of 50,000m² by 2021 net are broadly in line with emerging work from our shopping consultants which suggest we need an additional 34,000m² of floorspace in the City Centre by 2016 with additional requirements beyond that to provide major new retailing and regenerate the City Centre. The estimates of our requirements for new additional office floor space up to 2021, 260,000 – 290, 000m² of which 140,000 – 160,000m² would be in the City Centre are assumptions based on a combination of supply and demand. However all of these predictions are dependant on the scale of growth and should be seen as minimum

Waste Options

- 3.20 The main principle underpinning the WMRA's approach to waste planning is that each waste planning authority (WPA) should in future identify sites to manage all the waste arising within their own area, or sub-region, (municipal, commercial & industrial, construction & demolition) and only the residues from those treatment processes should be land filled. Government targets for waste recycling means that there will need to be a variety of new facilities from small composting sites to large recycling and recovery plants.
- 3.23 Despite significant increases in waste recycling levels, there is a substantial requirement for new waste management capacity. WMRA thinks that potential sites for waste management should be protected from competing uses - particularly given that waste management activities are often suitable uses for, and located on, employment land. It is not proposing to specify the numbers of facilities but has developed 3 scenarios relating to the 3 levels of housing growth options, specifying the tonnages of municipal waste and commercial and industrial waste that WPAs should manage. WMRA proposes that RSS should allocate to each WPA a quantity of waste for diversion (to recycling/re-use) and a quantity of residual waste that remains to be managed by whatever means that might be appropriate e.g. landfill.

3.24 It is up to each Waste Disposal Authority (WDA) how they choose to manage the municipal waste arising in their area, which means re-using, recycled or recovering value from waste (such as energy) or, at the bottom of the 'waste hierarchy', land filling. Coventry, Solihull and Warwickshire are working together informally on a joint strategy in line with the Regional proposals.

Transport & Accessibility Options

3.25 This is very much a partial review of the Transport Section looking only at the areas highlighted by the Secretary of State for further consideration: -

- Strategic Park & Ride
 - Criteria are identified for site selection;
 - No sites are identified to serve Coventry. Memorial Park, North (existing) and East & West (proposed) are considered to be non-strategic.
- Regional Airports
 - The consultation suggest that policy for Coventry Airport should restrain capacity to no more expansion beyond 2m passengers per annum which was the position advocated at the recent Public Inquiry.
- Car Parking Standards
 - Should authorities work together to set more restrictive standards in some towns centres and heritage areas, and for some land uses?
- Road User Charging
 - How should this be reflected in regional policy in advance of the outcome of Gridlock and Growth and what policies would be appropriate in the Shire areas.

Responses from consultation events

3.21 Following the publication of the Phase 2 Options on January 8, a number of consultation events have been organised to engage with stakeholders. The Coventry event took place on 29 January at the Transport Museum and was attended by over 60 people including many Members and representatives of community sector with the environmental and disability groups well represented. The principal issues raised were:

- (a) in relation to the higher housing growth figures (i.e. over Option 2) the consequences for how much undeveloped land this could require both for housing and for employment, infrastructure and support services like education, retail community services etc
- (b) queries about the precise make up of the housing and employment figures and therefore impact on population and land requirements
- (c) improved transport (public and private) was a crucial element of growth and significant investment was required;
- (d) that it must be recognised that any new housing met the requirements of all sectors of the community and housing needs including specific requirements for lifetime homes.

3.22 A presentation has also been made to the Coventry Partnership who also participated in the stakeholder consultation event, to ensure as far as possible that the City Council's and the Partnership response are aligned.

3.23 As indicated in 3.9 and 3.10 the City Council provided input to the earlier stage of the process via sub regional responses on behalf of the CSWF and the BCBCR. Responses to the current options are also being considered by CSWF and the West Midlands Planning and Transportation Sub Committee (on behalf of BCBCR) on the morning and afternoon of 23 February respectively and it is vital that the City Council views and aspirations set out in this report are fed into those responses.

4 Proposal and Other Option(s) to be Considered

4.1 In responding to the Options there are a number of issues which need to be considered. Studies are on going that will identify, clarify and inform the preparation of the Core Strategy and are essential to forming final decisions on the scale of growth that should be accommodated and the associated infrastructure requirements. These are underway but not yet complete.

4.2 The economic and social importance of housing growth increasingly drives consumer led private investment in business expansion and public investment in infrastructure – transport, health and education facilities. Consequently, the scale, rate and distribution of housing growth is the single most important factor in delivering the RSS's urban & rural principles through the 'step-change'.

- Option 1 simply rolls forward the current RSS housing levels, ignoring the increased levels of housing demand indicated by Government's 2003 based household projections and as such it is no more than a base line.
- Option 2, which is broadly compatible with the New Growth Points aspiration, proposes that building rates in the city broadly maintain the level which is expected to be achieved next year. It is a 'halfway-house' between meeting future demand and our current delivery capacity with the result that Warwickshire towns would take the lion's share of new housing growth in the CSW Sub-region. As such the 'step-change' focusing growth in Coventry would not be achieved
- Option 3 provides the focus on Coventry which is implicit within the CSWF's Section 4 (4) response but implies substantial increase in build rates in both the City and Warwickshire and pushes the scale and rate of housing development overall to significantly above that experienced in the past 5 years. It is proposed to be distributed to the more sustainable locations in the north south corridor within Warwickshire with less restraint in Warwick but still with significant growth in or around Rugby. There is concern that this option assumes levels of infrastructure services and economic investment that could be beyond the capacity of existing delivery agencies

4.3 Options 2 & 3 are not mutually exclusive (i.e. they are 'options' not alternatives) and it would be possible to progress from option 2 levels, rates and distributions of new housing growth to those promulgated in option 3. It mainly depends on the degree of public infrastructure and private business investment that can be applied to the locations taking the growth. However, this investment is always limited and many places in the Region and adjoining regions will be competing for it. Arguably, under both options, for example, the scale of investment required to support increases in the size of Rugby town of 50% and 100% respectively would compete with Coventry's requirements to support housing growth between 24,000 and 44,000 respectively (and vica versa). The City's ability to attract jobs and employment and retain graduates could also be challenged.

4.4 The issue in considering the City Council's response is whether or not the approach of the RSS in distributing growth will deliver the strategy agreed by the CSW Forum and whether or not the scale of growth assigned to Coventry will deliver the Council's vision. Coventry has all the right things in place for growth – strong restructured local economy; young and growing population; development of the knowledge economy; two universities; excellent communications. There is therefore the potential for the Coventry and the sub region to benefit from the substantial investment which must be associated with any growth agenda.

- 4.5 The quality of the environment of the city and the strength of the sub regional economy will continue to be a key consideration. Whilst traditionally most development land in Coventry has been brownfield there has been, until recent moratoriums, extensive release of greenfield sites in Warwick. In sustainability terms, it must be better for greenfield land to be developed for housing in the right locations – with access to jobs, transport and community services – than brownfield land developed in the wrong locations. Similarly it maybe inappropriate if all employment allocations are peripheral. Cross border proposals involving some defined urban extensions that focus on the existing North/South corridor could reduce travel and provide accessible and sustainable developments.
- 4.6 If the underlying principle of focusing growth in the MUA's is not maintained then the regeneration objectives will not be achieved. If scale of growth assigned to Coventry relative to the surrounding districts in the sub region and areas beyond is insufficient then there would be real risks that Coventry could become a dormitory town sat between Birmingham and new town scale development on the east of Rugby and with a huge increase within the Milton Keynes and South Midlands Growth Area. If substantial growth also goes to Daventry as some of the pressure is out migration from London it seems likely that this could undermine the regeneration of the city and the sub region.
- 4.7 The consultation asks for responses to specific questions and these together with the recommended response are attached as appendix 1. However it is important that in responding the City Council sets out its strategy and the underlying principles in achieving the vision for a growing sustainable community. In this context it is recommended that you:
- confirm your continued support for the strategic approach of focusing development and regeneration on the Major Urban Areas including Coventry.
 - Confirm that growth must be employment led and that the strategy must be aligned with WMRES
 - emphasise that growth can only be delivered with the support for infrastructure provision in terms of improved communications, public transport and the growth in schools, medical services etc
 - emphasise that growth can and must provide the stimulus and opportunity necessary to improve the quality of life
 - emphasise that growth must act as the catalyst for developing sustainable communities and address climate change and quality of life issues
 - endorse the approach advocated by the CSW Forum that Coventry should be the focus of growth within the sub region and at the core of the N/S Growth Corridor and that there may need to be: -
 - Release of some green belt land close to the core development area (North/South Corridor);
 - Balanced provisions of housing and employment;
 - Support for the defined centres within the sub region, and
 - Significant upgrading of public and other transport networks
 - indicate that further joint working with adjacent authorities is essential, particularly those within the Warwickshire Sub region to undertake the necessary further studies to identify and address any potential infrastructure constraints to move towards achieving Option 3

- Emphasise that the housing strategy must make provision for housing for all sectors of the population and fully take into account predicted demographic changes
- indicate your concern that Option 2 may not achieve the underlying strategic objectives of the Region or the sub region or deliver the cities vision due to the level of housing provision being proposed elsewhere in the Sub Region and notably in Warwickshire towns, particularly Rugby.

5 Other specific implications

5.1

	Implications (See below)	No Implications
Best Value		√
Children and Young People		√
Comparable Benchmark Data		√
Corporate Parenting		√
Coventry Community Plan	√	
Crime and Disorder		√
Equal Opportunities		√
Finance		√
Health and Safety		√
Human Resources		√
Human Rights Act		√
Impact on Partner Organisations		√
Information and Communications Technology		√
Legal Implications		√
Neighbourhood Management		√
Property Implications		√
Race Equality Scheme		√
Risk Management		√
Sustainable Development	⊗	
Trade Union Consultation		√
Voluntary Sector – The Coventry Compact		√

Coventry Community Plan

The alignment and integration of the Community Plan and the LDF is essential and work from the outset has adopted a joint approach that will continue to contribute to the engagement of our communities.

Sustainable Development

The principles of sustainability underpin the strategy of the RSS and the responses now recommended

6 Monitoring

Monitoring and phasing will be essential parts of the growth agenda

7 Timescale and expected outcomes

7.1 It is expected that the WMRA will publish the preferred strategy and submit it for examination in 2008.

	Yes	No
Key Decision		√
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	√ 12 Feb 2007	
Council Consideration (if yes, date of Council meeting)	√ 27 Feb 2007	

List of background papers

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Papers open to Public Inspection

Description of paper	Location

Appendix 1

Housing Distribution

Table One: Potential Distribution of New Dwellings 2001 – 2026 gross figures

	Number of Households 2001 ¹	Option One Dwellings 2001-2026	Option Two Dwellings 2001-2026	Option Three Dwellings 2001-2026
Birmingham	390,792	70,800	83,600	92,000
Coventry	122,353	19,000	24,400	44,000
Black Country	438,869	379,400	499,900	5106,700
Solihull	80,930	11,000	15,000	18,000
Metropolitan Area Total	1,032,944	180,200	222,900	260,700
Shropshire	117,301	24,800	29,100	29,100
Bridgnorth	20,925	4,300	3,200	3,200
North Shropshire	23,149	3,900	7,000	7,000
Oswestry	15,656	2,900	4,200	4,200
Shrewsbury and Atcham	40,308	10,800	9,700	9,700
South Shropshire	17,262	2,900	5,000	5,000
Telford and Wrekin	63,738	24,000	30,000	36,000
Staffordshire	328,234	51,300	67,900	77,900
Cannock Chase	37,104	6,000	7,000	7,000
East Staffordshire	42,717	7,700	215,000	215,000
Lichfield	37,501	6,500	11,000	16,000
Newcastle-under-Lyme	50,738	7,200	7,500	7,500
South Staffordshire	41,971	5,000	5,000	5,000
Stafford	50,025	9,500	12,900	12,900
Staffordshire Moorlands	38,796	5,500	5,500	5,500
Tamworth	29,382	3,900	4,000	29,000
Stoke-on-Trent	103,196	15,000	21,000	21,000
Warwickshire	210,900	39,000	52,500	67,500
North Warwickshire	25,176	3,100	3,900	3,900
Nuneaton	48,683	10,000	13,100	15,600
Rugby	36,483	7,100	13,100	223,100
Stratford-on-Avon	47,202	7,200	9,300	9,300
Warwick	53,356	11,600	13,100	15,600
Worcestershire	223,048	31,100	47,300	62,300
Bromsgrove	35,167	3,800	4,700	7,200
Malvern Hills	30,070	3,600	6,300	6,300
Redditch	31,652	4,900	28,200	213,200
Worcester	39,060	7,200	211,800	216,800
Wychavon	46,819	7,600	11,600	14,100
Wyre Forest	40,280	4,600	4,700	4,700
Herefordshire	74,282	16,000	20,500	20,500
Shire and Unitary Authorities	1,120,699	201,200	268,300	314,300
Major Urban Areas ⁶	1,186,878	202,400 (53%) ⁷	251,400 (51%) ⁷	289,200 (50%) ⁷
Other Areas	966,765	179,000 (47%) ⁷	239,800 (49%) ⁷	285,800 (50%) ⁷
WEST MIDLANDS REGION	2,153,672	381,000	491,200	575,000

Notes:

1 Taken from Table KS20 "Household Composition" from the 2001 Census.

2 To accommodate housing growth may imply development in neighbouring districts.

3 Detailed distribution of this provision would be determined through a Black Country Joint Core Strategy. Indicative figures at present are:

Dudley:	21,000	Sandwell:	23,600
Walsall:	17,400	Wolverhampton:	17,400

4 Detailed distribution of this provision would be determined through a Black Country Joint Core Strategy. Indicative figures at present are:

Dudley:	23,800	Sandwell:	34,900
Walsall:	21,000	Wolverhampton:	20,200

5 Detailed distribution of this provision would be determined through a Black Country Joint Core Strategy. Indicative figures at present are:

Dudley:	25,400	Sandwell:	36,400
Walsall:	22,400	Wolverhampton:	22,500

6 MUAs include Metropolitan districts plus Stoke-on-Trent and Newcastle under Lyme.

7 The totals for the Major Urban Areas and the Other Areas are shown as a percentage of the total for the West Midlands region.

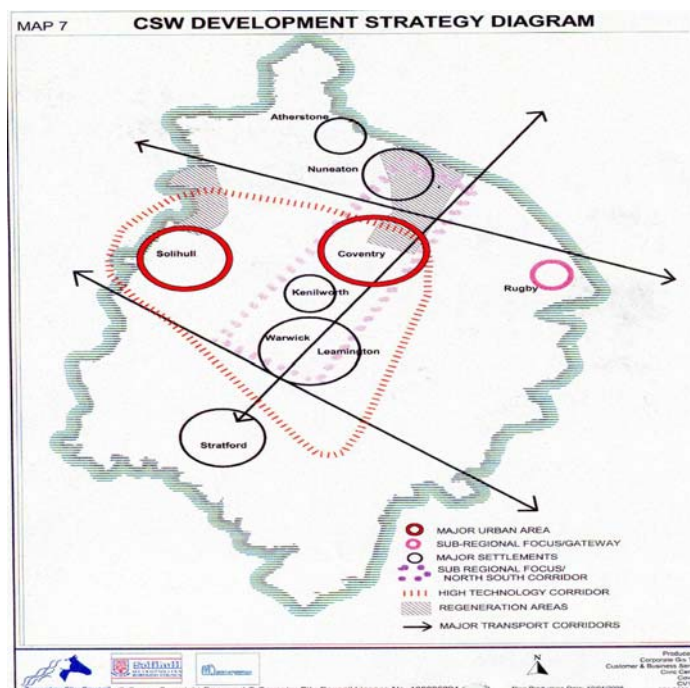
Totals may not add due to rounding.

APPENDIX 2: RSS Phase II : The Council's Response

Strategy and Underlying Principles

The City Council

- Confirms it continued support for the strategic approach of focusing development and regeneration on the Major Urban Areas including Coventry.
- **Confirms that growth must be employment led and that the strategy must be aligned with WMRES**
- emphasises that growth can only be delivered with the support for infrastructure provision in terms of improved communications, public transport and the growth in schools, medical services etc
- emphasises that growth can and must provide the stimulus and opportunity necessary to improve the quality of life
- emphasises that growth must act as the catalyst for developing sustainable communities and address climate change and quality of life issues
- endorses the approach advocated by the CSW Forum that Coventry should be the focus of growth within the sub region and at the core of the N/S Growth Corridor and that there may need to be: -
 - release of some green belt land close to the core development area (North/South Corridor);
 - Balanced provisions of housing and employment;
 - Support for the defined centres within the sub region, and
 - Significant upgrading of public and other transport networks
- indicates that further joint working with adjacent authorities is essential, particularly those within the Warwickshire Sub region to undertake the necessary further studies to identify and address any potential infrastructure constraints to move towards achieving Option 3
- Emphasises that the housing strategy must make provision for housing for all sectors of the population and fully take into account predicted demographic changes
- indicates your concern that Option 2 may not achieve the underlying strategic objectives of the Region or the sub region or deliver the cities vision due to the level of housing provision being proposed elsewhere in the Sub Region and notably in Warwickshire towns, particularly Rugby.



Housing

H1: What overall level of new housing development do you think is appropriate to plan for across the Region?

Option: One

Level of Demand: 381,000

Option: Two

Level of Demand: 491,200

Option: Three

Level of Demand: 575,000.

The options are reference points not fixed alternatives. The levels implied by Option 3 raise many issues including the appropriateness of the assumptions behind the 2003-based projections and the relationship to economic growth within the Region

H2: Can you suggest another level? There needs to be robust evidence to support it.

No as it would be inappropriate as, it needs to be recognised that these options are reference points, not fixed alternatives. More comprehensive research is necessary across the region if further intermediate options were to be contemplated

H3: For each of the Options do you think that the balance of development between the MUAs and other areas is acceptable? Please see Table One on page 24 and the section on housing distribution for a more detailed breakdown of the numbers to Local Authority level.

Option One: Balance of development in MUAs: 53% MUAs 47% other areas

Option Two: Balance of development in MUAs: 51% MUAs 49% other areas

Option Three: Balance of development in MUAs: 50% MUAs 50% other areas.

The City Council continues to support the strategic approach of focusing development and regeneration on the Major Urban Areas and of Coventry as the focus of the Warwickshire sub region. The lowering proportion of development within the MUAs, as set out, illustrates the difficulty of adhering to this approach as projected levels of households growth increase. In this sub region urban extensions need to be supported as a mechanism for delivering the objectives

H4: Do you think that the capacity of the construction industry, including house building, will be sufficient to meet the levels of house building set out in the housing Options?

Option One: Level of Household Growth Required 2001-2006, gross: 381,000, p.a.: 15,200

Option Two: Level of Household Growth Required 2001-2006, gross: 491,200, p.a.: 19,600

Option Three: Level of Household Growth Required 2001-2006, gross: 575,000, p.a.: 23,000

In Coventry's case, current levels of house building fall between Options 1 and 2. Based on monitoring of permissions and commencements the City Council believes that Option 2 is attainable. Option Three implies a doubling of current house-building rates, and indeed rates which are significantly higher than those achieved nationally in recent decades. These higher levels of house building, along with other infrastructure requirements, mean that the construction industry would have to expand considerably.

H5: What measures could be included in WMRSS policy to minimise these impacts?

The impacts can mainly be minimised by ensuring that housing and economic growth are linked in a sustainable way and through a complementary approach to economic development, housing growth and regeneration. Indeed, the impacts do not necessarily relate to numbers, but rather to how development is planned, designed and implemented.

It may be appropriate to identify a sequential or priority approach to development. This could be based on criteria such as: previously developed land; good public transport accessibility to and from MUAs; good access to local services; economic opportunity; social need; and environmental capacity. Urban extensions potential could provide more sustainable communities

H6: Table One and Table Two on page 24+25 show new housing development across all local authorities in the Region. What do you think about the overall balance of proposals under each of the Options?

The City Council believes that, outside the MUAs, new development should be immediately adjacent to the MUAs where it can continue to support the principles of Urban Renaissance provide it is designed in a sustainable manner.

H7: You may wish to consider specific parts of the Region, please set out below any comments you wish to make on any part of the Region. Please specify the area in which you are commenting.

The City Council would repeat the main thrust of the Coventry Solihull Warwickshire Development Strategy, set out in its submission of May 2006, of seeking to meet the higher housing growth levels in a manner supporting the principles of Urban Renaissance and with most of the housing development being focussed in Coventry and on a North/South corridor running from Nuneaton through Coventry to Warwick.

H8: In particular, do you think that Burton upon Trent should be a foci settlement, accommodating significant development on greenfield land?

No comment

H9: Do you think that the currently identified sub-regional foci of Worcester, Telford, Shrewsbury, Hereford and Rugby should fulfil this role, accommodating significant development on greenfield land?

The foci should not be used as arithmetic make weights. Urban extensions and new and expanded settlements should be considered. The City Council notes that Options 2 and 3 lead to increases in the size of Rugby of 50% and 100% respectively.

Affordable Housing & Housing Mix

H10: Do you think that the proposed approach where the WMRSS provides a Regional target and where Local Planning Authorities provide local targets through the Local Development Frameworks process is appropriate?

The City Council agrees that the RSS should provide a regional target consistent with the regional housing studies, as an expression of overall affordable housing need. It also takes the view that LDFs should provide local targets, since they are best placed to take account of the many variables affecting housing markets across the sub region.

H11: What would the implications be of having a District level affordable housing target (as a minima) in the WMRSS?

The City Council believes that such an approach would be over-prescriptive and lack flexibility. Targets for affordable housing would best be determined by the strategic authorities, housing market areas or by sub-regions through Housing Market Assessments.

H12: Do you have any other ideas on how levels of affordable housing delivery can be better directed by the WMRSS?

The delivery of affordable housing is basically related to the availability of public sector resources. However, additional points are that: (i) the consideration of affordable housing needs should be a part of wider Housing Market Assessments; (ii) there needs to be flexibility to respond to needs for affordable housing which are both higher or lower than expected; and (iii) that it may be appropriate to encourage particular delivery mechanisms in growth or regeneration areas, especially as provision on brownfield sites is likely to reduce as viability becomes increasingly difficult.

H13: Evidence from monitoring suggests that no more than 3,000 affordable houses, with subsidy, are likely to be built each year across the Region. Do you have robust evidence to support or contradict this view?

The proportions of affordable housing built per year in Coventry have tended to vary between 15 and 20% of all housing completions, thus supporting the pessimistic conclusion.

H14: Should the WMRSS identify those parts of the Region with a relatively high need for social housing where a lower threshold for negotiating Section 106 agreements with the private sector should be considered in LDFs?

In line with the earlier point about flexibility, this would be inappropriate and is a matter for LDF.

H15: Do you have any robust evidence on an appropriate housing mix within new developments that are needed in different parts of the Region?

Coventry has a Housing Need Survey and a Housing Demand Study in 2005 and has developed Affordable Housing SPG based on that in terms of tenure and mix

Managing Housing Development

H16: Options Two and Three imply release of land in the foci and other urban areas earlier than anticipated in the WMRSS – do you agree with this approach?

Early release of land is inevitable but there needs to be phasing if the integrity of the RSS is to be retained and markets are to be created/stimulated in the MUA's. This needs to be coordinated with priority towards infrastructure and good public transport infrastructure from and to the MUA's.

H17: It could be considered that the Government's growth agenda implies that the use of maxima targets for areas outside the MUAs is inappropriate – do you agree with this approach?

Maximum targets outside MUAs need to be retained to ensure continuation of the principles of Urban Renaissance. It may be useful to ensure that Local Planning Authorities set both maximum (and minimum) targets to ensure locally sensitive delivery.

H18: Do you think the use of minima targets for the MUAs is still appropriate?

Yes, as above

Employment Land

E1: Do you agree that future employment land requirements should be quantified in the WMRSS? If employment land is not quantified in the WMRSS, individual authorities will calculate

their own land requirements, the WMRSS would have general guidance on the type of methodology that could be used.

An indicative range of figures should be provided at the sub regional level and the figures set out in Table 3 of the options report but these should be led by the RSS policy objectives not past trends

E2: If the amount of employment land requirements is included, should it be broken down to Strategic Authority or district levels?

Strategic Authority Level District Level Comment

No comment.

E3: Do you agree with the principle of a reservoir of employment land?

Yes, provided that this is implemented in conjunction with a robust policy to protect and promote employment sites.

E4: What period of time should the reservoir cover?

5 Years 7.5 Years 10 Years Suggested Years

E5: Should employment land requirements in the MUAs be identified as maximum or minimum figures? i.e. should the reservoir figures identified in Table Three on page 38, act as maximum or minimum figures.

Depends on local circumstances. As far as Coventry, see E6.

E6: Outside of the MUAs should employment land figures be identified as maximum or minimum figures?

The figures should be expressed at a sub regional level which then enables LDF's (whether for MUA's or elsewhere) to consider needs to meet the travel to work area. Sustainability principles could lead to mixed-use urban extensions that straddle administrative boundaries. Regular reviews and on-going monitoring will be essential and policy should perhaps seek to prioritise brownfield redevelopments

E7: Should employment land requirements set out in Table Three on page 38, be adjusted to take account of:

- Number and type of households
- Anticipated changes in past trends
- Labour supply growth
- Population
- The need to provide a portfolio of employment sites
- Increased need for waste management facilities, see waste Options.
- Areas of deprivation and employment need
- Other Suggestions

Yes.

E8: Do you have any comments on Table Three? For example, you may wish to consider whether the figures are sufficient to meet the employment land requirements of a particular area or whether there would be any conflict with the policy objectives of the Spatial Strategy.

As previously indicated their should be sub-regional indicative land requirements, and a commitment to monitoring and regular review.

Protection of Employment Land

PEL1: Should the WMRSS give more guidance on the need to retain employment sites which can contribute to the portfolio of employment land?

The WMRSS should have clear policies that balance need and provision of employment and housing land

PEL2: Should the WMRSS identify the need to protect waste management sites from competing uses?

This is already covered by question PEL1.

Regional Investment Sites

RIS1: Do we fill the gaps in the provision of RIS?
Yes.

RIS2: If yes, what processes should be used for filling the gaps in provision? For example, the WMRSS could set the context for sub-regional studies which would consider gaps in provision.

Sub-regional studies should consider gaps in provision.

RIS3: Is there a need to change the policy on the control of uses on RIS? The current WMRSS policy restricts development to high-quality uses falling within use class B1 for example, offices and research and development facilities. In some parts of the Region high quality B2 (general industrial) uses are also permitted.

Policies on RIS should focus on appropriate major employment generators irrespective of use class and should focus on locational criteria in sustainable locations linked by public transport

Major Investment Sites

MIS1: Do you think that the WMRSS has adequate MIS provision? You should also consider the adequacy of MIS provision in the event that Ansty is not maintained as a MIS.

The changing global economy brings into question the continued validity and relevance of MIS policy which should be reviewed by RES. Flexibility, to allow occupation by more than one user, is the minimum change that is necessary to the policy.

MIS2: If no, what are the options for additional provision?

See answer to question MIS1.

MIS3: Should more flexibility be introduced to the MIS policy? For example: the current policy restricts occupation of a MIS to a single user. Do you agree that this should continue to be the case?

See answer to question MIS1. It is questionable whether sites of the magnitude of MIS are still required, or whether a more flexible approach to provision of RIS would fulfil the aim of MIS policy by proxy.

Regional Logistics Sites

RL1: Significant growth in logistic provision in the Region is anticipated. Should part of this growth be accommodated on RLS?

Yes a significant part.

RL2: If yes, how many RLS are needed?

The demand indicated in the RLS Study needs to be tested over time with an implementation programme allowing for 5 year reviews. An approach would be to start with the implementation of 2 sites at the first stage to give a choice & only have other sites coming forward when they are 75% full and/or when there is evidence of additional intermodal demand.

RL3: The Stage Two study recommends the following criteria for RLS. Do you agree?

- *At least 50 hectares of development land available.*
- *Good rail access. Defined as: a generous loading gauge which is capable of accommodating inter modal units on standard platform wagons, the ability to handle full length trains, available capacity to run freight train services and permits full operational flexibility.*
- *Has good quality access to the highway network. Defined as being served by the national motorway network or major non-motorway routes which show low levels of network stress (congestion) and allow reasonable vehicle operating speeds.*
- *A suitable configuration which allows large-scale high bay warehousing, inter modal terminal facilities, appropriate railway wagon reception facilities and parking facilities for all goods vehicles both those based on the site and visiting the site.*
- *A need for such facilities due to demand from the logistics market which cannot be met in the medium to long term by existing capacity.*
- *Located away from incompatible neighbours, allowing 24-hour operations no restrictions on vehicle movements has good access to labour. Defined as being a sub region of employment need, having reasonable levels of qualification at NVQ Level 1 and 2 and opportunity to improve qualification levels, being a net exporter of lower order labour, and having a competitive wage rate for relevant lower order occupations.*

Yes. Criterion 3 definitions of "low levels of network stress (congestion)" and " allow reasonable vehicle operating speeds" need to be clarified via LDFs and LTPs.

RL4: WMRSS Policy PA9 currently identifies Telford and North Staffordshire as being priority locations for RLS. A rail freight facility is already under construction in Telford which will play an important sub-regional role serving the west of the Region. No RLS provision has been made in North Staffordshire. Is North Staffordshire still an appropriate location for RLS provision?

No comment

RL5: Do you agree that these areas are the best broad locations for RLS provision?

- a) Based around the M6 Toll, A5, A38, West Coast Main Line (WCML) and Derby to Birmingham railway line transport corridors. Covers the administrative areas of the eastern part of East Staffordshire, Lichfield and Birmingham to the north of the M6.
- b) Based around the M6 Toll, M6, M54, A5, Stour Valley railway line, Cannock Branch railway line and the Wolverhampton to Telford railway line transport corridors. Covers the administrative areas of Wolverhampton, South Staffordshire (except the area to the west of Dudley), Walsall and Cannock Chase.
- c) Based around the M6 Toll, A5, M42, WCML, Derby to Birmingham railway line, and Whitacre and Nuneaton railway line transport corridors. Covers the administrative areas of Tamworth and North Warwickshire.
- d) Based around the M6, M69, A5, WCML and Rugby and Birmingham railway line transport corridors. Covers the administrative areas of Nuneaton and Bedworth, Coventry and Rugby.

It is agreed that locational it is essential that RLSs be located in close proximity to major regional transportation corridors and where direct links to the rail network can be achieved without prejudicing passenger train growth.

As regard location D, having regard to the West Coast Mainline capacity restraints it is highly improbable that any suitable sites could be found.

RL6: Should priority be given to the extension of existing RLS where there is spare capacity available at the existing rail freight terminal? Alternatively, where sites cannot be extended should satellite sites be considered? Satellite sites would utilise the rail freight infrastructure at an existing RLS. A pre-requisite for a satellite site would be the availability of spare capacity at the existing rail terminal.

Yes, priority should be given to the extension of existing RLS where there is spare capacity available at the existing freight terminal although this is limited. Satellite sites linked to an existing rail terminal might be considered so long as there are no adverse road traffic implications.

Strategic Centres

SC1: Do you have any comments on these levels of provision?

The figures set a broad framework only and given that they do not take into account the scale of growth it is recognised that further work is needed. The figures should be considered minimum and LDFs should determine appropriate levels of provision within the regional hierarchy of centres.

SC2: Do you have any comments on the assumptions included in the Regional Centres Study?

See SC1 above.

SC3: Do you have any comments on the suggested thresholds for referral to the RPB?

Development outside of strategic centres only should be required to be referred. With this caveat limits seem reasonable.

SC4: Should an upper limit for development in non-strategic centres be introduced in order to protect the role of the strategic centres?

LDFs will protect strategic centres.

SC5 Do you think that WMRSS policies should give priority to centres where people currently travel away for retail and leisure?

No this would be contrary to the principles and objectives of the RSS.

SC6: Do you think that WMRSS policy should support this regeneration approach?

In terms of sustainability and providing an appropriate range of centres across the region, support for regeneration of centres showing signs of weakness is appropriate.

SC7: Do you think that WMRSS policy should support this market led/opportunity approach?

Where strategic centres are healthy, very healthy or have aspirations to expand, it is largely a matter of concern to the LPA. The 'market' will decide the scale of investment, and hence development, each centre can support, so it will likely be sufficient to manage this development and investment using a suite of criteria-based policies.

Offices

O1: Do you have any comments on Table xxxx that will help the RPB to develop an office provision policy?

As with employment generally, figures should be indicative rather than prescribed maxima. This enables sufficient flexibility to adapt to changing demand / need for offices within strategic centres, and would also afford the potential for peripheral 'office park' type developments. It is important to offer a range of opportunities (including within centres, edge-of-centre, and out of centre) in order that potential investment is not lost to the region altogether.

O2: Do you think the Centres Study has identified the right levels of additional office floorspace/development?

No if as seems likely growth in the region moves towards Option 3

O3: If no, do you have any robust evidence that can support your comment and the development of the Preferred Option?

No

O4: Do you think this sequential approach to out of centre office development is the best approach?

In general, but the importance of offices to principal centres must not be underestimated. Flexibility should be built in to the policy to enable a select number of 'prestigious' out of centre office parks in sustainable locations where these can be linked to (for example parkway) rail stations in the MUA's

O5: Do you think WMRSS policy should set out maximum percentages for out of centre office development?

No, it should be a matter for local discretion

O6: If yes, what percentage would you suggest?

N/A

O7: Do you think that WMRSS policy should set out criteria for out of centre office development?

Yes.

O8: If yes, what criteria would you suggest?

To include the following; absence of more suitable in centre sites; accessibility to labour, accessibility to public transport, accessibility to training, high quality of local environment etc

O9: Do you have any additional comments about out-of-centre office development?

In order that investment is not lost to the region, through want of suitable premises / sites which are attractive to a variety of business models, it is considered that some limited provision should be made out of centre. A balance needs to be struck, however, between urban regeneration of existing strategic centres, and attracting new investment to the region as a whole in other locations. Peripheral office development should not be permitted of a scale that compromises urban regeneration objectives, particularly having regard to the MUA.

Regional Casinos

RC1: Should the guidance in the WMRSS for where regional and large casinos go be based on assessing the impact on Urban Renaissance?

Given the announcement of CAP no longer relevant as regional issue

RC2: Should WMRSS policy state that large casinos should in the first instance be in town and city centres?

Yes, although the fact that the sequential approach to town centre uses is now an established planning principle brings into question the added value of a 'casino specific' sequential test. It may be preferable to include large and regional casinos as an acceptable use for strategic (or other) centres in the first instance.

RC3: Should the guidance in the WMRSS on where Regional and large Casinos go be based on assessing the impact on Urban Renaissance, RC1, however add more specific local criteria both in terms of location and potential benefits?

Given the announcement of CAP no longer relevant as regional issue

RC4: If yes, what criteria would you suggest?

N/A

Strategic Park & Ride

SPR1: Do you agree that the criteria on page 73 are the right criteria?

Yes, but see SPR2.

SPR2: If not what else should be considered?

The potential for park and ride sites to be used as multi purpose areas should be considered. Intensifying their use can make more efficient use of the land, increase their profitability, and therefore the viability of operating services.

Other shared uses could include a car sharing site during the daytime, and if appropriate, for uses such as overnight lorry parking which does not necessarily conflict with peak usage times of park and ride. i.e. park and ride during the day and lorry parking in the evening/night.

SPR3: Do you agree that Strategic Park and Ride locations may be categorised as “Edge of Major Urban Area” and “External Town”?

Yes

SPR4: Are the broad locations identified on page 74 the right ones, or should others be considered?

Yes, but there should be a mechanism to review and update the list if opportunities for additional sites arise using "criteria" based approach below.

SPR5: Do you agree that the “Target Destinations” within the Region are the Centres identified in WMRSS Policy PA11?

Yes

SPR6: Is London the only “Target Destination” outside the Region that should be accessed by Strategic Park and Ride or are there others?

Difficult to answer as the term "Target Destination" is not defined. All major destinations on main line routes, e.g. those to London, could be considered to be target destinations, e.g. Milton Keynes. The destinations should be identified on the basis of existing journeys to areas outside of the region.

SPR7: Are there opportunities for Strategic Park and Ride in the West Midlands to provide access to “Target Destinations” outside of the Region?

Not in the Coventry area.

SPR 8: Which of the three approaches (Criteria Based, Location or Target Destinations) do you feel would best provide the guidance needed and why?

Criteria based because it is the most flexible and, due to the checklist of requirements, would help to prioritise sites and ensure that they would operate effectively.

Car Parking Standards

PS1: Does the West Midlands need to have regionally specific parking standards that are different to those set out in the national guidelines?

No. It is important that authorities have some consistency to remove unfair competition, i.e. being penalised economically for being "green". Each authority should draw up standards, based on PPG13 but appropriate to the characteristics of the area. The West Midlands is too diverse to have one set of standards.

PS2: Should regional parking standards be identified for land uses not included in national guidelines (PPG13: Transport) and if so which?

No, PS1.

PS3: Should some parking standards only be defined in Local Development Frameworks, and if so which?

Parking standards for all uses should be identified in LDF's.

PS4: Do you agree with these suggested criteria on page 76?

Yes. One of the keys to identifying a suitable standard is the availability of public transport. A range of criteria is essential to developing flexible and appropriate parking standards.

PS5: Should any other criteria be considered?

No

PS6: Do you agree with the principle of dividing the Region into settlement types?

No. This approach is too inflexible and simplistic.

PS7: Do you agree with the definitions of the settlement types on page 76?

No.

PS8: Do you agree with the 50% and 20% reductions?

No

PS9: Do you agree with the Local Accessibility approach on page 77?

No

PS10: Do you agree with the 50% and 20% reductions?

No

PS11: Do you agree with this Site Specific Accessibility approach on page 77?

Yes. Site specific accessibility audits are a useful and accurate tool to assess accessibility and therefore an appropriate parking standard. Only applicable/necessary for larger development sites.

PS12: Do you agree that site specific considerations should result in a 50% or 20% reduction in provision?

Again this is too simplistic, it should depend on a range of criteria such as the proposed use, individual characteristics of the site and the frequency and quality of public transport.

Road User Charging

RUC1: Do you agree that the existing regional policy for Demand Management should remain the same until more is known of the outcome of the TIF work and the wider implications?

Yes. There is a need to explore the options for demand management, however, the substantial TIF work should inform the process, but further studies in the Shire areas are required. It will be essential for the region to tackle issues of demand management.

RUC2: Should the existing regional policy be changed to remove the reference to local charging schemes in the more congested city centres, such as Birmingham and include reference to the TIF and potential national scheme?

Yes

Role of Airports

A1: Do you have any comments on the suggested policy revision (page 81)?

No

A2: What surface access modal split targets should be included in the WMRSS?

Depends on circumstances of each airport. A regional target would not be useful.

A3: Do you agree with the roles described on page 82 for each airport?

Yes

A4: Is the requirement for an 'Airport Development Document' an appropriate policy to include in the WMRSS?

No this is a matter for LDFs within the context of the White Paper.

A5: If an 'Airport Development Document' policy is not supported, then how else can the WMRSS manage the wider impacts of airport development?

See A4 above.

A6: Should the WMRSS include policies to deal with airport related cross-boundary planning issues?

Only at cross regional basis and other internal regional matters can be addressed by existing regional policy and coordinated LDFs

NB: There is an error in the body of the main report at para 3.24, which should read: -

"3.24 It is up to each Waste Disposal Authority (WDA) how they choose to manage the municipal waste arising in their area, which means re-using, recycled or recovering value from waste (such as energy) or, at the bottom of the 'waste hierarchy', land filling. Coventry, Solihull and Warwickshire are informally working together on a joint strategy in line with the Regional proposals."

Waste

Managing Your Own Waste

W1: Should the WMRSS set out the principle that each Waste Planning Authority, or sub region, should manage waste; in accordance with the Waste Hierarchy, and allocate enough land in its Local Development Documents to manage an equivalent tonnage of waste to that arising within its boundary, taking into account the appropriate growth in waste arising from the formation of new households and the diversion of Commercial and Industrial Waste from landfill?

In principle this would a useful approach but it needs to be recognised that capacity also needs to be considered and that some sharing of facilities across boundaries will be necessary and also in some cases to achieve economies of scale.

The principle of maximising waste self-sufficiency first by sub-region as far as possible (through a CSW Waste Management Strategy), and then within the WM Region, should be pursued as a policy objective within Revised RSS11. This will minimise the environmental and cost disadvantages of moving waste over long distances. It is recognised that on some occasions there will be a need for sharing facilities across sub-regional and county boundaries due to capacity constraints of certain sub-regions and / or because of the specialised nature of the facilities required.(Ref 5.6.3)

W2: If no, suggest an alternative approach;

W3: Should the basis on which WPAs identify sites be based on safeguarding and expanding suitable sites with an existing waste management use? However they need to be capable of meeting a range of locally based environmental and amenity criteria and have good transport connections.

Existing sites and capacity will need to be considered alongside new provision. New targets will be provided by the revision of Waste Strategy 2000 expected early 2007. The requirement for expanded and new waste treatment facilities will be higher.

W4: Should the basis on which WPAs identify new sites be based on the following criteria; Good accessibility from existing urban areas or major planned development; and good transport connections including, where possible, rail or water, and compatible land uses, namely,

- Active mineral working sites; or
- Previous or existing industrial land use; or
- Contaminated or derelict land; or
- Land within or adjoining a sewage treatment works; or
- Redundant farm buildings and their cartilage; and

- *Be capable of meeting a range of locally based environmental and amenity criteria and have good transport connections?*

Yes.

W5: If no, suggest alternative criteria below;

W6: Should waste management facilities be permitted on open land, including land within the Green Belt, where it is close to the communities producing the waste; and where there are no alternative sites; and where it would not harm the openness of land or the objectives of Green Belt.

Yes.

Municipal Waste

W7: Do you have any comments on the tables on pages 59-60?

For Coventry these figures are acceptable.

The sub-region currently has 230K tonnes / annum capacity, principally at the Waste-to-Energy Plant at Whitley in Coventry. By 2010 assuming recycling rates of 50% there will be sub-regional need for 500K tonnes/ annum capacity. The options to provide this additional capacity by waste-to-energy or equivalent are to:

- **expand the existing facilities**
- **provide additional facilities in Warwickshire and / or Solihull**
- **allocate sites for waste management treatment to reduce the bulk of waste being incinerated or**
- **a mix of these.**

However, whichever option or mix of options is decided upon by the 3 waste management authorities, the additional capacity required will not be available until well after 2010 due to the long lead-in times for such facilities to be planned and constructed. Interim arrangements will therefore need to be put in place largely resting on continuing use of landfill. The RPP is urged to incorporate strong strategic policies within Revised RSS11 which supporting the need for this level of Municipal Waste Treatment provision to be made within the CSW sub-region. (Para 5.6.4)

Commercial and Industrial Waste

W8: Should the WMRSS policy for Commercial and Industrial Waste be based on: low - the current levels of diversion of Commercial and Industrial Waste arisings from landfill in Waste Strategy 2000?

- **medium - policies that reflect the levels of diversion in the draft Revisions to the England's Waste Strategy?**
- **high - policies that reflects a higher rate of diversion, twice that of the draft Revisions to England's Waste Strategy, to anticipate a higher level of diversion arising from the increase in Landfill Tax and producer responsibility obligations?**

The table below illustrates W8, (to 2025 to reflect the England's Waste Strategy 2000).

Landfilling as a % of total Commercial and Industrial Waste	2002	2010	2015	2020	2025
a - low	42%	41%	40%	39%	39%
b – medium	42%	37%	36%	35%	35%
c – high	42%	35%	30%	25%	25%

b) the medium % is realistic

c) the high % is aspirational . At the moment the financial incentives and effective producer responsibility obligations are not there. It also needs a player who is not currently land filling.

There is an increasing demand to deal with and recycle this category of waste as close to the sources of creation as possible. There is a need to ensure that Revised RSS11 contains a policy encouraging the allocation of sufficient employment land to accommodate this specific need. Ref 5.6.7

Hazardous Waste

W9: Should the WMRSS include a policy which requires Waste Development Frameworks to safeguard existing sites for the treatment and management of Hazardous Waste?

There is a lack of knowledge regarding hazardous waste so it is difficult to give an informed answer. There is a need to safeguard existing sites and identify future sites. All existing sites are landfill and asbestos requires separate treatment cells.

Overriding the specific categories of waste is the need to ensure specific provision within each sub-region of a site for dealing with hazardous waste. Linked to that is the recommendation that a series of 'Waste Management Parks' are required by Revised RSS11 and allocated within sub-regional Waste Management Strategies and LDFs. Such sites will provide for the opportunity to deal with waste in a more integrated manner with the benefits of high quality environmental protection, integrated access arrangements and the opportunity for specialist and high technology employment. (para 5.6.8).

W10: If yes, should WMRSS policy state that Waste Development Frameworks in the Major Urban Areas give specific priority to identifying new sites for facilities, to store, treat, and remediate Hazardous Waste, including contaminated soils and demolition waste?

Yes. If the facilities are for a valid treatment and the facilities meet specific criteria.

W11: Should WMRSS policy state that Waste Development Frameworks for the non MUAs, identify new sites for the disposal of Hazardous Waste, including where necessary encouraging the creation of protective cells in landfills for stable Hazardous Waste?

Yes.

Construction and Demolition Waste

W12: Should the WMRSS encourage greater recycling of Construction & Demolition Waste through: a) maximising 'on-site' recycling; and

b) promoting 'urban quarries' in the MUAs where material from a variety of sites can be recycled to a high standard?

a) Yes

b) There would not be sufficient land for an urban quarry in Coventry but there could be for sites for recycling e.g. MRFs on employment sites. Efforts should be made to promote aggregate re-use.

In order to reduce the need for primary aggregates over the plan period the CSW sub-region intends to facilitate the increased use of secondary and recycled materials. This will require that:

- the sub-regional waste authorities identify within their Joint Waste Strategy and LDFs appropriate sites that are near the sources of waste and the end users
- development schemes maximise the use of construction materials that reduce the demand for primary aggregates where practicable
- existing railheads and handling areas used for recycled and primary aggregates are retained and safeguarded.
- The RPP is therefore Advised to incorporate policies within Revised RSS11 which enable these actions to happen.(Ref 5.6.6)

Landfill

W13: Should the WMRSS policy state that Waste Development Frameworks restrict the granting of planning permission for new sites for landfill to proposals which are necessary to restore despoiled or degraded land, including mineral workings, or which are otherwise necessary to meet specific local circumstances?

This would be desirable in terms of looking at priority for sites but surely location in relation to the source of landfill material is also critical. As landfill tax increases there will be a drop off in landfill applications.

Revised RSS11 provision should be minimised to meet the needs of the sub-region, and any strategically agreed overspill Regional needs, which cannot be met by waste-to-energy or equivalent facilities or are the result of residues from those facilities.(Ref 5.6.5)

W14: Should the WMRSS only support the allocation of new landfill sites in Waste Development Frameworks (WDFs) where they are supported by evidence of the depletion of existing landfill capacity, and a shortage of capacity in the plan period following a study of the existing sites with planning permission for landfill, but which do not have a waste management licence or permit from the Environment Agency?

Yes. However merit should be given to the need for different landfill voids and proximity to the main sources of landfill.

Agricultural Waste

W15: Should the WMRSS include a policy which requires relevant WDFs outside the MUAs to identify sites for the treatment and management of Agricultural Waste based on the premise that:

- *agricultural undertakings adopt sustainable waste management practices with regard to waste raisings and best agricultural practice in relation to any wastes treated or disposed of on a farm: and*
- *opportunities for necessary additional sustainable waste management capacity in rural areas for waste recovery or recycling should be based on:*

- *effective protection of amenity and the environment; and*
- *the proposed activity is appropriate to the area proposed?*

Yes

Managing Waste in New Development

W16: Should all Local Planning Authorities in the Region include a requirement in their local validation checklist for all Full or Reserved Matters planning applications for developments in excess of 10 dwellings or 1,000 sq. metres, or outline planning applications for sites in excess of 0.4 hectares of development to include a Site Waste Management Plan, without which they will not be registered as valid?

Yes. It should also include the construction phase.

W17: Should all Waste Planning Authorities in the Region include a requirement in their local validation checklist for all Full or Reserved Matters planning applications for waste management facilities to include information on annual throughput capacity in tonnages/ litres/ cubic metres (depending on the type of waste/facility), without which they will not be registered as valid.

Yes. The information will need to be verified.

W18: Should the WMRSS require all LDDs to have policies which require provision to be made in the design of all new residential and in commercial and industrial development for the segregated storage of waste and for on-site waste management to be part of the 'Design and Access Statements'?

Yes. It would be useful to include consultation with the local waste collection authority.

**Report to
Scrutiny Board 3
Cabinet
Council**

12 February 2007
13 February 2007
27 February 2007

Report of
Head of Planning and Strategic Transportation

Title
Changes to Planning Obligations a planning-gain Supplement consultation

1. Purpose of the Report

- 1.1 The purpose of this report is to consider responding to the Government's proposals for a new system of planning obligations and a consultation document that builds on proposals for a planning gain supplement published in December 2005 and seeks views on more detailed aspects of the scope of the new system and how planning obligations would operate if a planning-gain Supplement (PGS) is introduced.

2 Recommendations

- 2.1 Scrutiny Board 3 is asked to consider the draft responses and forward comments to Cabinet for their consideration.
- 2.2 Cabinet is asked to consider the draft response set out in the Appendix to this report, together with any comments received from Scrutiny Board 3, and to make the necessary recommendations to Council to enable a response to the consultation papers to be made.
- 2.3 Council is asked to consider the comments of Cabinet and to agree the Council's response

3 Information/Background

- 3.1 As part of the modernisation agenda there have been a number of options considered relating to how the planning system should seek to ensure that developers meet the costs of providing infrastructure necessary to serve their development and how Local Authorities manage the process of change. Agreements made under Section 106 of the Town & Country Planning Act 1990 (as amended) have to date been the principal source of funding although guidance and case law has limited the extent of obligations that can be sought to that reasonably related to the development permitted. This has been interpreted widely and as well as infrastructure extends to the provision of affordable housing. The Community Land Act in the 70's was the last attempt to introduce a tax that recognised the enhanced value arising from the grant of planning permission and/or allocations.

- 3.2 There have in the last few years been proposals for a tariff approach towards infrastructure contributions where Local Planning Authorities (LPAs), through the development plan process would have been able to set tariffs whereby all development would be required to provide specified amounts towards infrastructure provision. The Barker Review into housing supply recommended that the supply of housing land should be increased significantly but also recommended that infrastructure provision should be funded by a gain supplement (or tax by any other name) based on the uplift in value arising from the grant of planning permission.
- 3.3 In December 2005 the Treasury and the then ODPM consulted on a proposal for a planning gain supplement (PGS) and a reduced scope of planning obligations statutorily defined. It is proposed that planning obligations relate only to those matters that need to be addressed in order for the environment of the development site itself to be sustainable, safe, of high quality and accessible and the provision of affordable housing. That consultation indicated that the PGS would be set as a “modest” proportion of the increase in land value arising from the grant of permission so that there remains an incentive to develop land. 'Modest' was not clarified or defined although it was indicated that there could be a differentiation between green field and brown field sites. It would be payable on implementation of the development and the developer would have to provide the necessary valuations to Customs and Excise to define the extent of any PGS. The developer would also have to provide notice of commencement to HM Revenue & Customs (HMRC) and penalties would be imposed or powers available to stop development proceeding if the necessary returns and funding had not been provided.
- 3.4 Cabinet, as recommended indicated that they did not support the proposals as outlined and believed that they would not meet the intended objectives of encouraging development and/or facilitating the provision of infrastructure.
- 3.5 At the pre budget report 2006 the Government announced that it would move forward with the implementation of PGS if after further consultation it continued to be workable and effective. However the Government also indicated that PGS would not be introduced until at least 2009 and following further consultation.
- 3.6 The 2006 Pre Budget statement also indicated that 70% of PGS revenue would be recycled to a local level to enable Local Authorities to provide infrastructure for growth. The remainder of PGS revenues would be ring fenced for strategic regional infrastructure. PGS would apply to both residential and non-residential development. A supporting technical document published with this latest consultation document discusses how the increase in land value that would form the basis of the PGS would be calculated
- 3.7 The consultation document summarises the main points raised by consultees to the earlier proposal and it acknowledges that the priority of all respondents was an efficient, transparent and relatively simple system giving confidence over infrastructure provision. The report indicates that respondents were confused about the scope of a development site environment approach and that there were certain misconceptions, including a belief by local authorities that central government would control PGS funds and a failure of respondents to appreciate that PGS would provide a revenue stream to fund infrastructure in advance of development. Furthermore respondents had not appreciated that scaled back planning obligations would be reflected in the planning value of a development when calculating liability to PGS.
- 3.8 It acknowledges that detailed issues raised by respondents included concerns that the new arrangements would:

- Penalise efficient local authorities currently skilled at section 106 negotiations
- Result in a loss of flexibility
- Result potentially in some contributions falling in a gap between sections 106's and PGS
- Still result in protracted negotiation relating to affordable housing
- Result in local authorities looking to widen the scope of 106's and refuse more applications

3.9 The consultation document includes an overview of the current system of 106 obligations and identifies key problems and deficiencies as:

- Highly variable application. Due to differences in skills and capacity, there are wide variations between local authorities as to the size and type of contributions sought
- Lack of certainty for developers over what contributions will be required
- Lack of transparency
- Can cause delays to planning system
- Can lead to accusations of "buying and selling" planning permission, because contributions do not appear to be the key to making otherwise unacceptable development acceptable.

3.10 The Consultation document does however acknowledge that many of these problems have been addressed to some extent through recent guidance in circular 5/05; the Practice Guidance on Planning Obligations issued in August 2006; and the Audit Commission's Toolkit but indicates that the introduction of PGS gives rise to the need to redefine the scope of planning obligations.

3.11 The Governments proposals on which views are sought relate to a series of specific questions appended to this report by 28 February 2007. The Government's proposals now indicate that :

- the scope of planning obligations would be defined in proposed legislation adopting a new development-site environment approach:
 - a) the provision of affordable housing: i.e. necessary to contribute to the securing of the relevant proportion of affordable housing in a residential or mixed-use development, as required by the application of the Local Development Framework (LDF) policy to the site;
 - b) direct replacement/substitution: i.e. necessary to replace/substitute directly for the loss or damage to a facility or amenity caused by the development; or
 - c) development-site acceptability: i.e. necessary to make the development-site acceptable in terms of the following attributes:
 - connectivity to access points;
 - physical safety;
 - environmental quality;
 - biodiversity;
 - design or landscaping;
 - archaeological protection;
 - mix of uses; and/or
 - operational effectiveness (of the site and others functionally linked to it).

The exact nature and scale of the obligation requirements could still be governed by tests of relevance to planning; direct relationship to the development; reasonableness; and proportionality (the current tests).

- 3.12 In respect of all other matters where finance is presently secured through section 106 agreements this would be replaced by the requirement for a developer prior to implementation of a permission to pay PGS to HMRC. The PGS would be calculated as a levy based on the increase in land values arising from a planning permission. The developer would be required to self assess the increase in land values and submit this to HMRC who would then calculate the PGS (presumably from published scales) and the developer would have to pay this before the development could commence. The Local Authority could then expect to receive 70% of the PGS although it is not clear when
- 3.13 From this PGS fund the government would in respect of the 30% not returned directly to local authorities in which the development lay be able to provide funding to Local authorities necessary to meet the strategic infrastructure requirements of the growth agenda.

In respect of affordable housing the consultation acknowledges that there must be a clear legal and policy basis for affordable housing contributions so as to avoid delay. LDF's should make clear the link between housing need, planning policies and the developer contribution being made. The document indicates that the government would expect to consult further on how this link should be made explicit in draft regulations and circulars for implementing the new arrangements. Affordable housing provision is proposed to remain within the remit of section 106 agreements and the document illustrates a range of various alternatives for developer contributions towards affordable housing based on either a land valuation / build costs approach or the use of a formula developed by the local authority (a largely formula based approach is utilised in the Council's adopted Affordable Housing SPG).

The views of stakeholders on the best common starting point for the value of contributions towards affordable housing will be sought. It is further indicated that the Government will also be carrying out a short research study to ascertain what values of contribution are currently being made by developers and what the implications of a common starting point for negotiations would be for a range of case study schemes. However there would be a presumption that contributions greater than the common starting point would not be sought unless they were justified within the LPA's planning policies contained in its Local Development Framework. It is envisaged that a reduction in contribution would be possible in certain instances – for instance if there were large remedial costs to address land contamination.

- 3.15 The consultation also includes an extensive discussion of how to deal with transport infrastructure and acknowledges that applying the development site environment approach to the use of planning obligations to manage transport impacts of a development is complicated by the dynamic nature of transport and policy encouraging development to reduce the need to travel, especially by car and promoting more sustainable choices for people and freight. Views are sought on where planning obligations, highways agreements or where PGS and other revenues should be adopted. The discussion excludes management of major infrastructure projects such as ports and airports because of the Eddington transport review. It concludes that measures to implement Travel Plans and demand management measures directly related to the environment of the development site should remain within the scope of planning obligations but asks whether or not respondents agree or disagree.
- 3.16 The consultation moves on to consider the strategic approach required to consider the cumulative effects of development and discusses the benefits and disbenefits of two options:

	Within the scope of planning obligations	Outside the scope of planning obligations	Pros & Cons
Option A	Direct demand management plus transport provision allow access to and nearest transport network	All other road transport provision	+ Maximises the local authority's ability to manage cumulative impacts strategically. + Highly equitable – little danger of free riding + Increases simplicity of planning obligations from the site to the negotiations – Does not allow the incentivisation of developers to manage demand – Gives developers fewer direct levers to ensure development-critical transport infrastructure is delivered
Option B	Direct demand management plus transport provision to allow access to and from the site to the nearest appropriate transport network in terms of capacity (ie improvements / enhancements to accommodate additional trips generated by the development & to cease where existing road network can accommodate the existing demand)	Improvements required on the wider network beyond this and road transport provision not arising from specific developments;	+ Allows stronger incentivisation of developers to manage demand + Gives developers strong levers to ensure transport infrastructure is delivered – Reduces the local authority's ability to manage cumulative impacts strategically – Large danger of free riding – Reduce simplicity of planning obligations negotiations and possibility of delays

The consultation acknowledges that development should also be supported by other forms of transport infrastructure like facilities for walking and cycling, bus etc. It is suggested that the Government's preferred option is that for non-road forms of infrastructure, acceptable planning obligations should (consistent with the development-site environment approach) in future only cover the provision of items necessary to make the development accessible in terms of its on-site layout and connectivity to access points. Therefore, under this proposal, one might expect future contributions from smaller developments to include matters such as cycle paths from the developed site to existing networks or bus shelters and from much more major developments, new tram stops or piers. Finally in respect of transport the consultation contemplates that a single form of obligation to cover Section 278 works and planning obligations will be provided although this will be subject to views on workability.

4 Proposal and Other Option(s) to be Considered

- 4.1 In considering the response to this consultation it is appropriate to assess whether or not the objectives of the Government in introducing a two tier system are likely to be achieved. In this latest consultation it is stated that the rationale for scaling back planning obligations

is to a) improve the current system by reducing negotiation costs for developers and giving greater certainty around the costs of developers contributions required and b) ensure the two systems of PGS and planning obligations can operate alongside each one another so that developers do not think they are paying twice and facilitating speedier agreements.

- 4.2 The consultation document indicates that the Government's objective for a scaled-back system of planning obligations that provide for affordable housing as well as providing direct impact mitigation measures resulting from the development. The consultation document aims to deliver a system that :
- Supports the overall aim of ensuring the right new development is delivered and accompanied by the right infrastructure; in the right place; at the right time; and in a way that gives developers confidence about delivery;
 - Supports wider Government objectives for sustainable development (for example by managing demand for transport and promoting sustainable modes of transport);
 - Is simple for developers and local authorities to understand and administer;
 - Allows the speedy processing of planning applications and implementation of decisions;
 - Is transparent and explicitly relates contributions to the grant or refusal of planning permission – i.e avoids the confusion often expressed by communities as to the weight apparently unrelated contributions when local authorities are determining applications; and
 - Allows the right balance to be struck in terms of achieving wider objectives for the levels of revenues raised by planning obligations and PGS in a way that is fair across different localities.
- 4.3 The effect of the new system would be that whereas at present when a proposal is considered the potential impacts are assessed and through planning conditions and or planning obligations the local authorities can require that the essential infrastructure to serve the development be provided or financial contributions be made to enable it, with appropriate agencies, to make the necessary provision. The Courts have defined parameters as to what can be reasonably required and there has been further recent advice from Government and the Audit Commission
- 4.4 The proposal being consulted on would mean that the local authorities would only be able to negotiate planning obligations in respect of the matters discussed in para 3.11 of this report. In respect of all other contributions these would be replaced by the requirement to pay the PGS, assuming that there is an increase in land value between the existing user and the proposed use.
- 4.5 In practical terms the proposal for this two tier system does not seem to achieve the objectives identified above. The consultation document highlights very clearly the difficulties in avoiding overlap or gaps between the systems. For local authorities, it provides considerably less certainty because under the current system at the point permission is granted there is clarity as to the total package of proposals including what infrastructure will be provided and what funding will be made available. The only potential benefit could be if the PGS fund is used to release monies in advance of developments to meet strategic infrastructure requirements arising from the growth agenda. However there is scope for this to be achieved within the present system and the local authorities then have greater certainty.
- 4.6 It is advocated that the proposal will reduce delays. In reality one of the most contentious debates in the existing system centres around affordable housing provision and those

debates will continue. The approach that separates and requires that a developer pay PGS to address some impacts of their development may create further tension and protract the negotiation. For the developer there will not necessarily be the certainty when applying for planning permission as to the levels of PGS then may be in force when development commences up to 3 years later.

4.7 In the development market there could be two effects:

- (a) to slow down the provision of land supply in the hope that PGS might be replaced by something else;
- (b) slowing down land supply because of the uncertainty about how gain will be valued and how that can be factored into negotiations for the acquisitions of interest to enable a site to be assembled.

Furthermore whilst the technical paper on methodology suggests a simple approach the reality is likely to be more complex and, since site assembly costs are not permitted within either valuation, there is a prospect that difficult cases will be more difficult to deliver because of the uncertainty and costs of the elements.

4.8 The provision of community and social facilities are no longer provided within S.106 agreements. However approach does not address how to deal with the land upon which either the social and/or community facilities are to be physically located. The current regime of S.106 agreements allow local authorities to secure the provision of land either on or off-site that are owned by the developer or other parties for these obligations. This would change under the proposals and would require separate negotiations to take place between the developer/land owner(s) and the 'relevant public sector body' (whoever that may be) in order that sufficient and appropriate land is secured. It is not clear whether splitting the process in this way will, in reality, save time since the negotiations that currently take place within the S.106 arena will be displaced elsewhere.

4.9 The Government asks for responses to a series of set questions and the draft responses are appended. However it is recommend that you further advise the government that you remain of the view that the proposal will not assist in delivering the infrastructure required to deliver the growth agenda and that any failings of the existing system can be and have already been addressed through recent publications

5 Other specific implications

5.1

	Implications (See below)	No Implications
Area Co-ordination		
Best Value		√
Children and Young People		√
Comparable Benchmark Data		√
Corporate Parenting		√
Coventry Community Plan		√
Crime and Disorder		√
Equal Opportunities		√

	Implications (See below)	No Implications
Finance	√	
Health and Safety		√
Human Resources		√
Human Rights Act		√
Impact on Partner Organisations		√
Information and Communications Technology		√
Legal Implications		√
Property Implications		√
Race Equality Scheme		√
Risk Management		√
Sustainable Development		√
Trade Union Consultation		√
Voluntary Sector – The Coventry Compact		√

Financial implications

The consultation now being undertaken clarifies how PGS will be assessed and the pre budget statement indicated that local authorities could expect 70% of the monies generated by schemes in their area to be allocated to them. It is still not possible to quantify the financial effects on the Council if the Government decide to introduce this two tier system but it is apparent that there will be administrative costs, and less certainty. Therefore the LPAs will not receive all of the PGS that derived from development within their own respective administrative areas and, as a result, would reduce monies available to provide the necessary infrastructure. This could have a negative effect on regeneration of brown field sites.

There is less certainty for the local authority as to the amount of funding receivable at the point that they grant planning local authorities permission. As indicated above the PGS would be payable on implementation but there is no indication when local authorities could expect to receive allocations. The proposal is that there will be payment to HMRC and it would seem that there is potential for dispute in respect of the self assessed tax and there is even a proposed arbitration body.

Whereas it is possible at present to negotiate the early release of funding whereas under the proposals the funding from PGS would not be received by HMRC until implementation of the development. The existing arrangements whereby S106 Agreements provide the principal source of funding for meeting the costs of infrastructure provision are relatively easier and faster to implement.

6 Monitoring

- 6.1 The document does not clarify how monitoring would occur but suggests liaison between local authorities and HMRC

7 Timescale and expected outcomes

7.1 The government has indicated that the PGS will not be introduced before 2009

	Yes	No
Key Decision		✓
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	✓ 12 th February 2007	
Council Consideration (if yes, date of Council meeting)	✓ 27 th February 2007	

List of background papers

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Papers open to Public Inspection

Description of paper	Location
None	

CONSULTATION QUESTIONS AND SUGGESTED RESPONSES

1. Do you agree that a criteria-based approach to defining the scope of planning obligations is the best way forward? If not, what approach would you recommend?

A criteria based approach seems the most appropriate although there is the scope, as has been seen with the present section 106 regime, for the Courts to redefine that scope.

2. Do you agree that the scaling back of planning obligations will not undermine the operation of EIAs for the reasons set out above?

Providing that any potential impacts can be mitigated either through Planning gain supplement, planning obligations or conditions there appears no conflict

3. Do you think that land for public or community facilities on large sites should be included in the scope of planning obligations in future, or excluded? How should "large" sites be defined?

Planning obligations should secure land and the funding required to provide essential public or community facilities necessary to create a sustainable development. The issue will be that large will mean different sizes for different public or community uses. For example a library may be appropriate to a scale of development and that scale will be different from the scale of development generating a requirement for a primary school or secondary school. This highlights the difficulties of trying to split into 2 regimes the consequences of meeting needs generated by developments or a series of developments. The existing regime is secure and definitive and is preferred. If greater certainty then LPA could be required in their LDF's to specify their local requirements for a roof tax.

4. Do you agree with the proposals to establish a clear statutory and policy basis for affordable housing contributions?

A clear policy base should be provided by a Local Planning Authority in their LDF and to assist further Local Authorities should be required to provide a statement which clearly indicates their approach. The question relates to the value of developer contributions rather than delivery arrangements of affordable housing. There are a large number of variables between different types of LPA, site characteristics and housing markets / needs. Thus, just one common basis of valuing contributions (eg purely by land value) isn't a reasonable expectation. The range of developers' contributions set out at a) to e) at Box 8 of the Consultation Document could form part of 'approved ' criteria -but under d) add 'including establishing (in consultation with stakeholders in their area) guide price levels for acquisition of different types and tenures of affordable housing by RSLs to enable affordability to be achieved '

5. Do you agree with the proposals to establish a common quantum for such contributions?

The approach of 'one size fits all' approach is not considered practicable but an 'approved list' of assessments that LA s could use - as 4.

6. Can you envisage any unintended consequences of the above approach?

A 'common quantum' would fail to distinguish between the different characteristics and nature of each LPA and the differing values and aff/hsg types etc required, It may become too rigid and result in affordable housing that didn't reflect PPS 3 nor take into account housing needs assessments

7. What common quantum would you recommend? What would be the impact of this option on a) development viability and b) affordable housing delivery?

See comments above to question 4

8. Do you agree that measures to implement Travel Plans and demand management measures directly related to the environment of the development site should remain within the scope of planning obligations?

yes

9. Which of the above options for developer contributions to transport infrastructure should the Government pursue in order best to balance the objectives of; managing demand for road transport; the need to ensure network improvements are provided in a timely manner; the need for transport impacts to be dealt with on a cumulative and strategic basis alongside other forms of infrastructure; and the need to create a scope for planning obligations which is sensible and consistent and does not lead to delay? Are there any other options?

Only Option B has the potential to provide a sustainable form of development but the strong preference would be to maintain the existing 106 approach and work to improve that rather than introducing a two tier system.

10. Do you agree with the proposal to define the new scope for planning obligations for non-road infrastructure as described above i.e. those contributions required to allow "accessibility to access points", but to exclude more strategic contributions or those which are better dealt with on a cumulative basis?

This demonstrates that there inevitably will be in the approach being proposed debates because there can be no clear division and inevitably there will therefore be a tension in negotiation and rather than speeding up the process and creating certainty the opposite is likely be the practical outcome because negotiations are deferred to a later date at which point the LPA's ability to negotiate will be weaker

11. Do you agree that in future all planning obligation contributions, including towards highways works, should if possible, be made under a single agreement, to which highways authorities would also be parties where relevant? Do you see any downsides to this approach?

Yes although would involve more parties in two tier local government system. There is risk that attempts to create a single source of negotiation / preparation of agreement on a multi agency basis could result in considerable delays to the planning process and hence development timetables running contrary to the idea of reducing time spent in negotiating / preparing S106s with risk of the development process slowing down.

12. Do you agree with the proposal to reinforce the current policy presumption that planning obligations should only be used where it is not possible to use a planning condition, but not to provide for this in legislation?

The role of conditions should be reinforced and it should be emphasised that obligations should not duplicate. Consideration should also be given to the potential to clarify the scope of conditions to make it clear that a condition could be attached to a permission that preclude implementation unless and until a planning obligation had been satisfactorily completed. This approach would be wholly consistent with the proposal for PGS to be payable on implementation and to provide the developer with greater certainty and speed up the process. Similarly conditions could require that affordable housing provision be made in accordance with adopted LDF policies.

Report to

Scrutiny Board 3
Cabinet
Council

12 February 2007
13 February 2007
27 February 2007

Report of

Director of City Development

Title

Planning and Climate Change: Consultation Documents

1 Purpose of the Report

- 1.1 The purpose of this report is to obtain approval to responses on two recent consultation documents on sustainability issues recently published by the Government. Responses have been requested by 9 March 2007

2 Recommendations

- 2.1 Scrutiny Board 3 is asked to consider the draft responses and forward comments to Cabinet for their consideration.
- 2.2 Cabinet is asked to consider the draft response set out in the Appendix to this report, together with any comments received from Scrutiny Board 3, and to make the necessary recommendations to Council to enable a response to the consultation papers to be made.
- 2.3 Council is asked to consider the comments of Cabinet and to agree the Council's response.

3 Information/Background

- 3.1 The Government has brought out a package of consultation papers and measures to help deliver its ambition of achieving zero carbon development. This includes
- "Planning Policy Statement: Planning and Climate Change", a consultation paper which, when finalised, will form a supplement to Planning Policy Statement 1;
 - "Building a Greener Future: Towards Zero Carbon Development", a consultation paper; and
 - "Code for Sustainable Homes", a final document which aims to promote higher environmental standards.

This report covers responses to consultation on the first two documents.

Planning and Climate Change

- 3.2 The proposed supplement contains guidance to local planning authorities on what steps need to be taken when making planning decisions (i) to ensure that they contribute to reducing emissions and (ii) take into account the unavoidable consequences of climate change. It makes it clear that spatial planning has a significant role in helping to secure progress against national emissions targets. There is an expectation that planning authorities will incorporate the listed Key Planning Objectives and prepare spatial strategies that
- enable the delivery of the Government's Climate Change Programme;
 - secure the highest viable standards of resource and energy efficiency in the provision of homes, jobs and infrastructure and in shaping the places where people live and work;
 - deliver patterns of urban growth that assist in the development of sustainable transport, public transport and reduce the need to travel;
 - sustain biodiversity;
 - reflect the needs and interests of communities, and enable them to contribute to tackling climate change;
 - respond to the concerns of business; and
 - encourage competitiveness and technology.
- 3.3 The document also states that planning authorities should adhere to a number of principles in the preparation of spatial strategies. These include consideration of mitigation and improved carbon performance in the provision for new development; the consideration of decentralised energy supply from renewable sources; and the application of Sustainability Appraisal to shape strategies and policies in line with the Key Planning Objectives as set out.
- 3.4 In relation to planning applications, the proposed supplement says that, in the interim period before the development plan is up-dated to reflect the new policies in the PPS, planning authorities should ensure that proposed development is consistent with the policies in the PPS and avoid placing inconsistent requirements on applicants.
- 3.5 In determining planning applications, planning authorities should consider the likely impact of the proposed development on existing or other proposed development and its renewable or low-carbon energy supply.

Building a Greener Future

- 3.6 This contains proposals for building regulation reform to achieve the zero carbon target by 2016 for new homes, alongside measures to tackle energy use in existing stock.
- 3.7 Over time the Government aims to move towards zero carbon development across all sectors, beginning with low carbon development and ultimately zero carbon development. Thus, it proposes that a target of 10 years should be set for moving to zero carbon housing, progressing from in 25% improvement in energy/ carbon performance by 2010 to a 44% improvement by 2013 and then to net zero carbon by 2016. The Government states that we have an overriding responsibility to ensure that new homes are planned and built in a way that helps our strategy to cut carbon emissions.
- 3.8 In describing the task, the Government quotes that 150 million tonnes of CO₂ were emitted in 2004, of which nearly half was energy usage in buildings and over a quarter came from

energy used to heat and run our homes. It forecasts that trends in increased power usage for appliances will continue: in 2003, 53% of domestic carbon emissions came from space heating and 20% from water heating.

- 3.9 Within this overall framework, there are three main policy areas that can affect energy performance of new development: the planning system; the Code for Sustainable Homes; and building regulations. The Government envisages a complementary relationship between these policy areas. Planning deals with location design and reducing the need to travel. Building Regulations and the Code focus on the performance of the buildings themselves.

Code for Sustainable Homes

- 3.10 In December 2006, the Government also published its "Code for Sustainable Homes", the third part of its package of measures. This is not a consultation document: it is a new national standard for sustainable design and construction of new homes. By integrating elements of the Code into new homes and obtaining assessments against it, developers will be able to obtain a 'star rating' for any new home to will demonstrate its environmental performance. Although the Code is voluntary for the time being, it heralds a progressive tightening of Building Regulations, referred to in "Building a Greener Future". The introductory pages of the Code itself also mention that the Government is considering making assessments under the Code standards mandatory in future.

4 Proposal and Other Option(s) to be Considered

- 4.1 Officer comments on the consultation documents are set out in the appendices. Scrutiny Board 3, Cabinet and Council are recommended to agree that these comments are passed onto the Government.
- 4.2 Members will be aware both that the Coventry Development Plan 2001 has policies that seek to provide more sustainable development in terms of locational policy and energy conservation and that, in January 2006, the Council committed itself to ensuring that from January 2008 all new build would make provision for onsite renewable energy and recycling facilities. During 2006, following the approval of Planning Committee, your officers consulted on a draft Supplementary Planning Document on Sustainability Assessments. That document was intended to promote best practice. Planning Committee will now be recommended to further revise this draft considerably, and undertake a further consultation, by aligning it with BREEAM (Building Research Establishment Environmental Assessment Method) and Code for Sustainable Homes standards and by wherever possible quantifying requirements, including adopting "the Merton rule". The document will enhance the planning and development process in Coventry by ensuring that continuing growth will contribute to the city's commitment to tackling climate change.
- 4.3 The City Council is committed to tackling climate change and to making a major contribution to reducing greenhouse gas emissions for the city. In addition to the planning process, the City Council continues to promote many other initiatives that contribute to climate change, including:
- Coventry's Agenda 21 Strategy (endorsed by the City Council in 2000), with annual action plans to support the commitment to a more sustainable city, including activities such as sustainable transport initiatives, energy efficiency and expansion of recycling opportunities;
 - the development of Air Quality Action Plans for specific sites in the city leading to wider geographical benefits, such as reducing congestion, management of traffic flows,

modernisation of bus fleets and expansion of Park & Ride facilities, thus helping to tackle air quality problems and reducing greenhouse gas emissions;

- the City Council's public commitment (in October 2006) to tackling climate change by becoming a signatory to the Nottingham Declaration on Climate Change, thus making a commitment to working (i) with central government to contribute, at a local level, to the delivery of the UK Climate Change Programme, as well as national and international targets for carbon dioxide reduction and (ii) with partners in the city across all sectors to develop a meaningful climate change strategy that will include targets and actions to address mitigation and adaptation;
- the provision in city schools of onsite renewable energy (for instance secondary schools Bishop Ullathorne and Whitley Abbey both have demonstration photo-voltaic systems, whilst Aldermoor Farm Primary has a ground source heat pump being installed, Allesley Primary is developing a wind power machine and Moseley Primary is establishing a green roof and installing a system of grey water recycling);
- an internal officer group which is currently developing a discussion paper to consider what further initiatives could be contemplated including the installation of on-site renewable energy systems for all new build on Council property;
- the Primelines project, aimed at producing a step-change in the quality of bus services across the City;
- working with schools and local groups to promote more environmentally-friendly and healthier routes to and from schools (Safer Routes to School);
- working with schools to provide cycle training;
- working with companies and developers to develop green travel plans for both business and residential sites; and
- helping to reduce landfill and generating electricity through the waste-to-energy plant.

5 Other specific implications

5.1

	Implications (See below)	No Implications
Best Value		⊗
Children and Young People		⊗
Comparable Benchmark Data		⊗
Corporate Parenting		⊗
Coventry Community Plan		⊗
Crime and Disorder		⊗
Equal Opportunities		⊗
Finance		⊗
Health and Safety		⊗
Human Resources		⊗
Human Rights Act		⊗
Impact on Partner Organisations		⊗
Information and Communications Technology		⊗

	Implications (See below)	No Implications
Legal Implications		⊗
Neighbourhood Management		⊗
Property Implications		⊗
Race Equality Scheme		⊗
Risk Management		⊗
Sustainable Development	⊗	
Trade Union Consultation		⊗
Voluntary Sector – The Coventry Compact		⊗

5.2 Sustainable Development

Planning Policy Statement 1: Delivering Sustainable Development sets out overarching planning policies on the delivery of sustainable development through the planning system. The Supplement focuses on a particular aspect of sustainability by showing how planning can contribute to the reduction of emissions and the stabilisation of climate change. Building a Green Future is more specific still, in setting out the key goal of achieving zero carbon new homes within a decade

6 **Monitoring**

- 6.1 Effective monitoring is an important pre-requisite in the achievement of the aims of the PPS Supplement. It will require additional monitoring activity in terms of monitoring performance against targets

7 **Timescale and expected outcomes**

- 7.1 The consultation periods finish on 9 March. The date of publication of final versions cannot be predicted.

	Yes	No
Key Decision		√
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	√ 12 Feb 2007	
Council Consideration (if yes, date of Council meeting)	√ 27 Feb 2007	

List of background papers

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Papers open to Public Inspection

Description of paper	Location
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Sus 1	CC4/6.01
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APPENDIX 1: PLANNING POLICY STATEMENT: PLANNING AND CLIMATE CHANGE CONSULTATION RESPONSE

The consultation document sets out 13 consultation questions. These are set out below (in summary), with answers where appropriate.

Q1 – Will the new policy and proposed practice guidance secure planning strategies that deliver reductions in emissions and shape sustainable communities that are resilient to the climate change now accepted as inevitable?

The Consultation Document is welcomed as giving climate change an important focus in the planning system. Planning is well placed to promote sustainable development and buildings that are more healthy and pleasant to occupy, by locational policies and also by encouraging developers to design in a way that addresses not just energy conservation and CO2 emissions, but also ventilation, drinking water conservation, the control of surface water, biodiversity, waste management and sustainable transport. Also welcomed is the proposal that planning policies must require a significant proportion of energy supply in new developments to come from on-site renewables. However, this raises the question of whether this should also apply to refurbishment of existing buildings.

Q2 - Do you agree with the objectives and decision-making principles for the preparation and delivery of spatial strategies.

Yes and also welcome that, where there are inconsistencies between development proposals and the PPS, there will need to be changes to the proposals, where practical, or planning permission could be refused.

Q3 - Do you agree that climate change considerations should be a key and integrating theme of the regional spatial strategy?

Yes: it is important to integrate climate change considerations at all levels

Q4a - Do you agree that the mitigation of climate change should be a key part of sustainability appraisal? Q4b - Do you agree with the approach of producing regional trajectories for the expected carbon performance of new residential and commercial development?

The mitigation of climate change should be a key part of sustainability appraisal. The requirement for CO2 trajectories in regional plans is helpful in providing overall targets for local planning authorities to work to and as a basis for more robust monitoring, although care should be taken with interpretation. There may also be value in doing local trajectories.

Q5 - Do you agree with the approach, in allocating sites, of giving priority those which are likely to perform well against the criteria set out in para 19?

The approach is agreed, but a balance needs to be taken in relation to other objectives. The proposal to identify criteria that should be taken into account when allocating land for development (such as due regard for the need to consider urban cooling, flood risk, reducing the need to travel by car and provision for biodiversity), in addition to the assumption that sites failing these criteria test should not be considered further, are welcomed.

Q6a - Do you consider that local planning authorities should consider allocating sites for supplying renewable and/or low-carbon energy.

Would presumably be based on appropriate criteria

Q6b - Do you agree that local planning authorities should ensure that a significant proportion of the energy supply of substantial new development is gained on-site or through a decentralised renewable or now-carbon energy supply?

Concern about practicalities

Q6c - Do you agree with the approach to setting this out in a development plan document?

Yes

Q6d - Do you agree that a standard 10% should be applied in the interim period before "a significant proportion" is tested?

The Council itself will be looking for opportunities to apply the "standard 10%".

Q7a - Do you agree that there should be a national strategy for regulating emissions from buildings?

Q7b - Is the proposed framework sufficiently flexible for authorities to make the best use of opportunities at different spatial levels?

The proposed Supplement rightly emphasises the complementary, not competing, roles of planning and the Building Regulations in the achievement of low carbon developments, and in particular, the opportunity for planners to maximise the benefits of landform, building orientation, layout and landscaping to minimise energy consumption in low-tech ways. However, there is a need be clear about the relationship, especially as it involves a widening of what the planning system is expected to deliver. If minimum constructional details to specified targets are required, then it is considered that these should be enshrined in the Building Regulations as minimum requirements. Planning promote sustainable location for developments and standards , whereas Building Regulations deal with such detail as the energy conservation, drainage, ventilation and waste disposal in buildings.[It is also likely that additional expertise will be needed in planning departments or within the local authority for assessing environmental performance.

Q8 - Do you agree with the approach of considering the environmental performance of proposed development over its lifetime?

The approach is supported

Q9 - Do you agree that annual monitoring should include performance against the carbon performance trajectories?

The requirement for CO² trajectories in regional plans is helpful in providing overall targets for local planning authorities to work to and as a basis for more robust monitoring, although care should be taken with interpretation and about local authorities ability to control outcomes.

Q10 – Do you consider that the scope of the proposed practice guide is appropriate?

Although this consultation document stresses a balanced approach and an understanding of social, environmental and economic impacts, some hard decisions will eventually have to be taken to achieve zero carbon development and the potential implications on regeneration and growth proposals need to be more fully explored and acknowledged.

Q11 – What opinions do you have about the Regulatory Impact Assessment?

None

Q12 – Would you change the impacts or add stakeholders to the Regulatory Impact Assessment?

No

Q13 – Do you agree with the assumptions made in the Regulatory Impact Assessment?

Yes

APPENDIX 2: BUILDING A GREENER FUTURE: TOWARDS ZERO CARBON DEVELOPMENT CONSULTATION RESPONSE

The consultation document includes 4 fundamental questions. These are set out below with answers, where appropriate.

Q1 – Are we right about the need for new housing to lead the way in delivering low-carbon and zero-carbon housing, and is it achievable in the timescale we have set out?

The document is welcomed as setting out the further steps required over the next few years to ensure that all new homes are built to minimise environmental impacts and in particular the contribution they make to climate change. The move towards national environmental standards in the zero carbon homes target is also welcomed, as it gives clarity of understanding for both developers and planning authorities, and removes the potential for developers to favour one area over another as determined by disparities in standards that have been set locally. Given the likely scale of housing development over the next decade it would seem appropriate to bite the bullet and introduce mandatory requirements through the building regulations. Achievement with timescales requires the commitment of all involved

[In addition, the approach to develop environmental technologies is welcomed, be it turf or solar panels on the roof, wind turbines in the garden or heat pumps below the cellar, as is the proposal that every new home will need to have an energy performance certificate which will set out its energy efficiency rating and include practical advice on how to cut carbon emissions. However, experience has shown that wind turbine on domestic properties may bring unacceptable noise nuisance that the Council would be obliged if complaints were received to respond to through statutory notices unless legislation is amended to acknowledge that the impact through noise is outweighed by the benefits.

Q2 – Have we got the assessment of costs and benefits right?

In considering costs and benefits, has the the role of embodied energy in building materials has been given enough emphasis. (For example, paragraph 2.37 seems to promote the use of concrete panels.) Zero carbon homes should not just be about future performance, but also the way houses are constructed

In examining the relative costs of construction, although it is recognised that incorporating higher environmental standards will have an impact on the capital outlay, such buildings are cheaper to run, which would make them affordable from the point of view of everyday running costs, rather than initial outlay.

Q3 – Have we got the balance right between the contribution of the planning system and that of building regulations? Are there other policy instruments we should consider? Are there ways in which we can design our policy instruments to achieve the same goals effectively?

To be taken seriously, relevant building regulations need to be mandatory. Otherwise, the balance seems reasonable. However, in order to make progress, there needs to be a framework which involves increased awareness by consumers and allows the construction industry to deliver. There is a potential to link energy performance certificates with green mortgages where home buyers could get top-up loans at preferential rates. In order to achieve the Governments ten year timetable for higher standards, so that all new homes

must be zero carbon within a decade, there may well be increased pressure to push for 'greener' development proposals, not just residential schemes.

Q4 – Are there significant solutions to climate change that our policy framework does not encourage and are there things we should be doing to address this?

Not aware of any



Report to

Scrutiny Board 3
Cabinet
Council

12 February 2007
13 February 2007
27 February 2007

Report of

Director of City Development

Title

West Midlands Economic Strategy (WMES): Consultation Documents

1 Purpose of the Report

- 1.1 The purpose of this report is to secure agreement to the sub regional response in respect of the **West Midlands Economic Strategy (WMES) Review 2006 - 07– Consultation on Policy Choices**. Responses to the third in a planned five stage review process, have been requested by 28 February 2007

2 Recommendations

- 2.1 Scrutiny Board 3 is asked to consider the draft response and forward comments to Cabinet for their consideration.
- 2.2 Cabinet is asked to consider the Coventry, Solihull and Warwickshire draft response set out in the Appendix A to this report, together with any comments received from Scrutiny Board 3, and to make the necessary recommendations to Council to enable a response to the consultation papers to be made.
- 2.3 Council is asked to consider the comments of Cabinet and to agree the Council's response.

3 Information/Background

The role of the WMES

- 3.1 The WMES sets out a vision for the region's economy. The purpose of the WMES itself is to provide a clear framework for achieving future economic prosperity in the West Midlands. It provides the framework for investment in economic regeneration throughout the West Midlands to raise the region's economic performance. It should set out the relative importance and priority attached to each of the challenges that need to be overcome, and the opportunities, which need to be grasped.
- 3.2 Advantage West Midlands is charged by Government to take the lead in the preparation and review of the WMES. However, the WMES is very much a strategy for the whole region

and all the organisations – public, private, community and voluntary – involved in its economic development and regeneration. The Government requires Regional Development Agencies to fully review Regional Economic Strategies every three years, and undertake detailed Consultation with key partners to ensure that there is widespread engagement and support of the strategy.

- 3.3 The review of the WMES is needed because the region, as elsewhere, has seen changes in its economic circumstances and in the external economic environment in which it operates. These changes include the recent closure of MG Rover and closure of car manufacturing at the Peugeot plant in Coventry. The region is preparing the WMES in the face of a future backcloth of tight control on public spending and of ever-stronger global competitiveness and environmental challenges.

The review of the WMES started in March 2006 and consists of five key phases: -

- Phase 1 – Building the evidence base (March – July 06). (i)
- Phase 2 – Developing the Policy Choices (Aug – Oct 06). (ii)
- Phase 3 – Consultation on Policy Choices (Nov – Feb 07).
- Phase 4 – Consultation of draft strategy (May – June 07).
- Phase 5 – Publication of revised WMES (Autumn 07).

- 3.4 The data collected through Phase 1 highlights the significant challenges that the region's economy faces. The region has particularly low skill levels compared to the rest of the country, exhibits low amounts of innovation and Research and Development activity, has an economy skewed towards low productive sectors, and suffers from areas of intense deprivation with high levels of unemployment and economic inactivity. These factors lead to the regional economy underperforming significantly, creating a £10 billion output gap (in other words, if the regional economy were to perform to levels similar to the UK average, it would be £10 billion richer). Without new interventions, this underperformance is predicted to continue and increase over the next 10 years.

4 The nature of the WMES policy choices

- 4.1 The vision contained in the current WMES produced in 2004, sets the goal that by 2010 'The West Midlands is recognised as a World Class region in which to invest, work, learn, visit and live and the most successful in creating wealth to benefit all of the people'.
- 4.2 The policy choices set out in Section 4 of this report (below) and in Appendix B, do not fundamentally challenge this vision but are intended to provide a refreshed and structured approach to the revision of the WMES. They are in the form of a series of questions designed to help shape stakeholders' thoughts about the major issues facing the region, to stimulate thinking about the way forward and gauge opinions on the relative importance of different factors impacting upon the economic performance of the West Midlands. The choices presented in the consultation cannot be and are not exhaustive. However, they have been designed to focus debate around the bigger issues which will affect the future economic success of the region

More background to the WMES review process and details of the policy choices is available at <http://www.advantagewm.co.uk/phase-3.html>

5 The Role of the Regional Spatial Strategy

- 5.1 In parallel with the revision of the WMES, the West Midlands Regional Assembly is leading a partial revision to the Regional Spatial Strategy (RSS). Phase 2 of that revision is covering issues, which include housing, employment, transport and waste. An analysis on this including specific implications for Coventry is being reported to this Cabinet separately. Members should note that work is ongoing, by all stakeholders, to ensure as much alignment as possible between the review of the WMES and the revision of the RSS. This should ensure a consistent approach to urban renaissance between the WMES and the RES.

6 Proposal and Other Option(s) to be Considered

- 6.1 The policy choices are divided into three areas
- (i) Issues and choices facing the region and the WMES the key themes of **enterprise, innovation, skills, economic activity, quality of life, infrastructure, the role of places and sectors** and how they impact upon economic performance.
 - (ii) Broad questions about the type of Regional Economic Strategy the region would like to see. Should it focus on tackling need, promoting success, or a mix of both?
 - (iii) Cross cutting questions about whether the strategy should particularly focus on any key sectors or geographies, or should it be a wide and holistic strategy?
- 6.2 Attached at **Appendix B** is a summary of key characteristics of the regional economy and the potential policy choices that are suggested within the consultation.
- 6.3 Members are advised that as part of the Coventry, Solihull and Warwickshire partnership we have developed a sub regional response resulting from a consultation exercise hosted and held by CSWP on January 9th.
- 6.4 The overall findings of the draft response recognises the importance of "Place" – Coventry and Warwickshire, as a distinct economic unit. A recent statement by Sir Sandy Bruce Lockhart indicates the Local Government Association thinking towards the importance of sub regional economies.

"The LGA published evidence recently illustrating our view that the economic level that matters most is sub-regional, and have further developed this work for publication at the end of this month. If the economy works at the level of the sub-region, that's where decisions about the economy should be taken. That gives the best fit with the issues. It give the best fit with real democratic accountability for hard decisions" - Local Government First, 18th January 2007

- 6.5 Members might wish to consider the following issues are reinforced further in the final response to AWM on the RES
- The WMRES should more explicitly recognise the challenges and opportunities that will arise as the country and our economy gears up to adapt to and tackle the consequences of climate change.
 - Strengthening the importance of the message that the sub regional economy plays a significant role as a distinctive unit in delivering improved economic performance.
 - AWM must position their economic strategy for the region to support the Government's proposals to focus growth and development on their proposed growth points. It would

be explicitly acknowledged that the RES, and the use of AWM funds it supports, must be aligned with the investment priorities and expectations that Government will embed in the RSS.

6.6 The Coventry Economy and that of wider sub region has seen a positive direction of travel and level of growth over the period of the current WMES (2005 – 8). The following indicators of economic prosperity reflect this picture.

Indicator	Coventry	Warwickshire	West Midlands
GVA per head (2004)	£17,609	£16,641	£15,325
Economic Activity Rate (April 05 – Mar 06)	77.1%	81.1%	76.8%
% of population with no qualifications (2005)	16.8%	13.4%	17.7%
% of population with NVQ2 or above (2005)	59.3%	68.1 %	59.6%
Vat registrations per 10,000 population (2004)	35%	43.9%	34.9%
Average Weekly Earnings of residents (2006)	£424.60	£478.20	£421.10

6.7 The evidence base produced for the WMES review has highlighted that there are great variations in sub-regional performance. Coventry and Warwickshire are one of only 3 parts of the sub region that are above or close to the national GVA average. The evidence base further acknowledges the spatial pattern of economic activity in the region that has been shifting away from Birmingham towards a Coventry and Warwickshire belt that encircles the conurbation.

6.8 Factors that contribute to the strong performance include a strong corporate commitment towards delivering the vision to regenerate the area and improve the quality of the location as a destination of choice. Awm financial investment to Coventry has influenced the level of growth and regeneration with schemes such as the Ricoh, Electric Wharf, Belgrade etc valuing £10million in the last 3 years. The city itself has a regeneration programme of £6.5 billion and for the period of the AWM corporate plan 2005 – 8, the sub region will secure an estimated £200 million share of the funding. This represents 20% share of AWM`s total budget, a positive ratio when compared to our population share of 16%.

6.9 The City Council's approach to economic development in Coventry over the past ten years has in general been aligned to AWM. A twin track strategy of encouraging growth and investment in high value added and knowledge economy sectors alongside a continuing focus on narrowing the north and south divide that still characterises access to employment opportunities and other quality of life indicators amongst many of our residents. Members will be aware however, that although we compare well to the West Midlands region, we do not do so well in comparison to our neighbours to the south and east. The south east region in particular is continually spreading outwards and the WMES needs to recognise this dynamic which will have particular impact on the Coventry and Warwickshire sub region in the first instance before it begins to have an economic (and demographic) impact elsewhere in the West Midlands.

6.10 The sub regional approach to strengthen our commitment to "invest in opportunity " as well as " need " will provide the overall context for our emerging Local Area Agreement, Economy and Enterprise 4th block strategy and the city's own Economic Development Strategy adopted in alignment with the Local Development Framework.

7 Other specific implications

	Implications (See below)	No Implications
Best Value		⊗
Children and Young People		⊗
Comparable Benchmark Data		⊗
Corporate Parenting		⊗
Coventry Community Plan	⊗	
Crime and Disorder		⊗
Equal Opportunities		⊗
Finance		⊗
Health and Safety		⊗
Human Resources		⊗
Human Rights Act		⊗
Impact on Partner Organisations	⊗	
Information and Communications Technology		⊗
Legal Implications		⊗
Neighbourhood Management	⊗	
Property Implications		⊗
Race Equality Scheme		⊗
Risk Management		⊗
Sustainable Development	⊗	
Trade Union Consultation		⊗
Voluntary Sector – The Coventry Compact		⊗

8 Monitoring

8.1 Please see section 3.3

9 Timescale and expected outcomes

9.1 Please see section 3.3

	Yes	No
Key Decision		√
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	√ 12 Feb 2007	
Council Consideration (if yes, date of Council meeting)	√ 27 Feb 2007	

List of background papers

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Papers open to Public Inspection

Description of paper

Location

Coventry, Solihull & Warwickshire Partnership
Draft Sub-Regional Response to the
West Midlands Economic Strategy Review 2006-07

The Partnership

CSWP was formed in 1994 as a strategic partnership of public, private, voluntary sector and education bodies. Its purpose is to promote the economic regeneration of the area in a sustainable way and to ensure that everyone has the opportunity to contribute to – and benefit from – the success of that endeavour. CSWP is the delivery arm for a number of strategic regeneration initiatives. These include the Connexions contract for Coventry and Warwickshire, a number of large Structural Fund programmes (e.g. CW2000) and – most importantly – the Coventry and Nuneaton Regeneration Zone and the CSW High Technology Corridor – both key delivery vehicles in the current West Midlands Regional Economic Strategy.

CSWP, at the request of its partners, has prepared this response to the Policy Choices Consultation. This response represents the collective views of our partners formulated via a sub-regional workshop hosted in January. This response is also supported by a number of individual responses from local partner agencies.

Context for the Response

The CSW sub-region has long been recognised as an ‘Engine of Growth’ for the region – a status, which was, reflected within our sub-regional economic regeneration strategy endorsed in 2002. Building on the framework provided by AWM and its four pillar the local strategy provided a guide to move forward economic development in the sub-region for the next 10-15 years, whilst always recognising the key contribution the local economy made at a regional level.

Our sub-regions contribution to the regional economy remains strong. It contributes over one-fifth of total regional income (GVA) and is more productive than most other areas of the region. In terms of many other key indicators of economic performance (skills, enterprise, economic activity, average wages etc), the three areas of the sub-region also perform well against the West Midlands average – particularly Solihull & Warwickshire. However, this success can often mask areas of particular need or deprivation, limiting the availability of funding across the sub-region as a whole to address these issues.

Consultation Response - Overall Observations (1)

CSWP and our partners welcome this early opportunity to comment and contribute to the evolving policy within the review WMES. Our comments have been structured around the general direction of the document, more detailed comments on themes and some general indication of the approach we would favour with regards to the future shape of delivery mechanisms.

In general, we would ask that AWM consider;

1. The Importance of Place

Place is an increasingly important concept within economic development and the current strategy has done little to recognise the importance of this concept. For example, there needs to be continued recognition of Coventry as a key conurbation within the West Midlands as well as recognising our network of market towns and rural areas which all make a valued contribution to the regional economy.

Within the overall document, there needs to be a growing recognition of the role local partners and sub-regional strategies can play in delivering the overall regional objectives. Indeed, a more sub-regional flavour to the strategy would be welcomed. Amongst the aspirations for the new strategy, this approach would provide an opportunity to set out the distinctive strengths across our sub-region and create a positive focus on which to build. The sub-regions within the West Midlands are distinct economic units with unique contributions to make to the overall regional performance which needs to be recognised.

The strategy also needs to be more flexible in terms of dealing with the significant sub-regional variations, changing markets and other socio-economic conditions. There is a general need to move away from the one-size fits all approach to policy which the current strategy seems to have endorsed.

Overall, there needs to be a spatial dimension to the strategy, recognising the importance of place, and bringing out connectivity between the RES and the RSS, at a much more detailed level than in the current strategy.

The CSW Sub-Region therefore recommends that some places should be prioritised as a focus for activity (Question 7a/b) and important types of businesses should also be prioritised (Question 8a/b). However, the WMES should only set the broad parameters and priorities for this focussing of activity, and sub-regional partners should be allowed to apply these to their particular local issues and circumstances. It is recommended that these broad parameters focus on defining what constitutes an area of need and what makes a business type important to the region/sub-region

2. Autonomy & Delegation

Partners were agreed that whilst broad regional priorities were needed, this need to be combined with greater discretion to act locally to make the decisions in how projects & initiatives can be delivered most appropriately in our area. To enable us to do this, we would like to see more autonomy & delegation from AWM.

3. Investment in Success

Overall, there needs to be a much greater balance between need and opportunity within the revised WMES – the current strategy is far too focused in tackling need. We must be bold enough to recognise and invest in areas of success and growth opportunity.

Investing in success provides an opportunity to help companies and individuals exhibiting the qualities most needed to succeed. This will strengthen the regional economy, whilst allowing different strategies to be applied in different areas, so those areas can make their own unique contribution to fulfilling the outcomes of the new WMES.

Additionally, success must not be constrained geographically. There is a need to invest in success across a number of different sectors allowing innovative business to succeed regardless of locality or sector. This approach will also support the overall need for diversification across the region.

However, it remains important at a regional level to address need where appropriate and to allow the flexibility to address this need in innovative and new ways. Deprivation often occurs in dispersed and small pockets, meaning interventions need to have the flexibility to respond in a very targeted and localised manner.

The CSW sub-region therefore recommends that a balanced approach be taken and that the WMES should focus on all three proposed frameworks of Tackling Need, Spreading Success and Investing in Success (Question 11).

4. Build on the ‘Engine of Growth’

There needs to be a commitment in the revised WMES to looking beyond the existing sectors which are supported and recognise the changes in the economy & the emergence of the Knowledge Economy. If the sub-region is to achieve its ambitions and move towards similar levels of economic performance in as the South-East region, and if the West Midlands is going to reduce its £10bn output gap it is essential we invest in our existing strengths.

5. The Balance of Resources

Overall, the support which is provided through the new strategy should be significant and long-term. For example, it is important that we provide ongoing support after an enterprise has been started, and not just stop support once our output target has been reached. Given this need for longer-term support, it is important that this support is targeted on businesses with the greatest growth potential.

Therefore it is also vital that AWM work to ensure balance in the split between revenue and capital funding. Current allocations seem unbalanced and do not necessarily support one another in terms of project delivery.

6. Learn from Success

More overall transparency around the strategy would be welcomed in future. Ideally, more openness around approaches that have or have not worked in the previous strategy would be beneficial to inform future project development.

In terms of overall regional performance, more evidence needs to be presented on the overall productivity of sectors to determine which businesses are performing well and those who are not to enable support to be more appropriately targeted.

Consultation Response – The Policy Themes (2)

The WMES Policy Choices consultation identifies six major themes for particular comment – Enterprise, Innovation, Skills, Economic Activity, Quality of Life and Infrastructure. Our particular comments on these are detailed below, but sub-regional partners agreed that these were useful ways of capturing the key drivers of economic change and that all were important if we are to achieve the vision of being a world class region. In particular, partners highlighted the need to balance “supply” and “demand”. It is important and necessary to increase the skill base within the region’s population, develop an enterprise culture and increase economic activity rates – but these interventions will not be successful unless we also develop the business base, encourage and support new investment, and create the infrastructure and quality of life that enables and creates the opportunities for economic growth. Put starkly, there is no point in having a highly skilled population if there are no high skill jobs available in the region.

The CSW Region therefore recommends that all of the six broad themes are important and should be addressed through the revised WMES (Question 10). However, prioritisation within these broad areas is important and the sub-region recommends that Enterprise, Innovation and Skills be weighted as the most important.

A) Enterprise & Entrepreneurship

It was felt that no single policy choice suggested within the consultation document would be sufficient to address the enterprise challenge facing the region – instead a blend of a number of different elements is recommended.

Partners agreed that developing a culture of enterprise and entrepreneurship, along with a positive attitude towards enterprise, is essential and should be a long-term goal for the region. Moreover, this approach should not be constrained by any particular area or sector and we should be aiming to increase enterprise activity across the board. Particular focus need to be shown to removing the barriers facing the development of new enterprises, recognising that these will be different for particular areas or groups of individuals.

Additionally, a focus on working with young business to minimise their failure rates and maximise their growth potential is an importance policy choice that is missing from the consultation document.

Finally, the emergence of new Business Link activities on a regional level is also felt locally, to be an inhibiting factor in allowing the sub-region to respond locally to business needs. Consideration needs to be given to more than just a regional or national focus as these do not necessarily work locally.

The CSW Sub-Region therefore recommends that the policy surrounding enterprise should be based on Enabling (developing a culture and removing barriers), Focussing (targeting those businesses that are most likely to grow), and Supporting (provide long-term, significant support to those enterprises we are focussing on).

The CSW Sub-Region also recommends that the policy on enterprise should also focus on supporting young businesses and reducing closure rates, which is significant in its absence within the Policy Choices.

b) Innovation

As a sub-region we feel this is strongly linked to enterprise & entrepreneurialism. Again, we would want to see an approach which enables and develops the right culture and attitude towards innovation removing barriers to development of high-quality projects with a high chance of success.

Secondly, we feel on both a sub-regional and regional level there needs to be a better understanding and utilisation of business – university engagement, identifying best practice and building on models that appear most successful. A more strategic and important aspect on innovation and entrepreneurship is essential for the region.

c) Quality of Life & Infrastructure

Quality of life has long been recognised as a key enabler of the local economy – when positive it can pull both people and business into the area and within our own sub-region there are many positive aspects there to be exploited.

Again, our location within the emerging E³1 recognised for a number of strengths including the quality of its environment provides us with a local opportunity to continue to be a key driver within the regional economy. With appropriate focus on aspects of the environment and infrastructure we would welcome the opportunity to improve our relative performance further still.

Increasingly, environment and climatic issues are an important contributing factor to overall quality of life. There is a growing sectoral influence with opportunities to exploit and explore in environmental fields, bringing employment opportunities in new areas.

The Regional Spatial Strategy also plays a key role in determining the supply and demand for both housing and employment land across the region. With the demand for housing allocations ever increasing, this places further pressure on the supply of available land for future employment opportunities. There is a need for the RES and RSS to ensure complementarity in their policies to enable an adequate supply of land for the regions business base.

As housing numbers increase regionally, there is an opportunity to match local job opportunities with local people, reducing the dependency on travel to work by car and other forms of transport. Overall, there is a need to look carefully at infrastructure issues to ensure they remain an asset to doing business in the region and not a barrier.

d) Skills

Whilst sub-regionally we recognise skills are seen as a fundamental issue that need to be a strong priority within the new WMES, it was recognised that tackling skills alone is not sufficient. We would encourage a balanced approach to supply and demand by developing the right sectors and demand for skills. Regionally, skills-gaps are having an adverse impact of productivity and the evolving policy should seek to reverse this trend.

There also needs to be recognition & understanding that there is a subtle difference between skill & qualifications. The RES has been constrained to delivery focussed on achieving national targets or certain qualifications that are not in line with what employers necessarily want. There again needs to be flexibility to look at skills issues in the local area; either within certain target groups or sectorally based skills to meet local employer demand. One such option may be to allow unit based accreditation within the scope of new initiatives.

However, we recognise this is something which AWM cannot be expected to deliver on its own and welcome the opportunity to make links with other delivery agencies. There needs to be, at a regional level, the alignment of strategies owned by all the key agencies moving forward the skills agenda. AWM cannot be expected to act in isolation on this theme and joint working with the LSC and Job Centre Plus will be vital. Greater transparency around the Regional Skills Partnership is needed and adequate resource to translate its research into on the ground activity.

For example, opportunities to link with the national Skills for Jobs Programme due to be launched by the LSC and JCP in 2007 are imminent. The work being done to match unemployed residents with local employer vacancies and to provide on-going support to those beneficiaries will be invaluable to the local economy. Additionally, national targets set by the LSC will provide local context for work with both young people and adults to up skill the local community.

More specifically, programme to encourage greater graduate retention in the area and to encourage more business-start ups from graduates, will help to retain this important pool of skilled labour within the West Midlands.

Consultation Response – The Delivery Mechanisms (3)

Our partners would also encourage a more ‘themed’ based approach to supporting the economy, which is not so constrained by geographical boundaries.

Additionally, linking back to the idea of flexibility within the strategy, we feel sub-regionally that our approach and impact has been constrained by the current delivery mechanisms. For

example, innovation and high technology does not only occur in the High-Technology Corridor and likewise there are pockets of need and deprivation which fall outside of the Regeneration Zone. The WMES should ensure enough flexibility to change or work outside these strategic priorities should the situation and circumstances demand.

Partners would warmly welcome the opportunity to adopt a more flexible approach to the delivery mechanisms, based on broad strategic priorities at the regional level but with discretion to apply them to local issues and circumstances as need arises by a strong sub-regional partnership.

We would also welcome the opportunity locally to explore the link between 'Opportunity & Need' and how to exploit the linkages more effectively. Further flexibility on the delivery mechanisms may ultimately allow us to do this. Again, this would need to be supported by the overall request for flexibility in funding to make the connectivity between schemes more widespread.

Locally, partners have derived benefit from applying the 'Porous Zone' principles, which have seen a widening in eligibility to areas outside of the Zone's original and prescriptive boundaries. We would welcome the continuation of such flexibility in the future. This also applies to the evolving regional policy providing the opportunity to support nurturing and developing entrepreneurial activity wherever it exists in our sub-region and not in more prescriptive geographic areas.

Cabinet Report 13th February 2007

Review of West Midlands Regional Economic Strategy 2006/7

BROAD POLICY CHOICES

- If the WMES is to be specific in setting out choices and focussing attention, which of the **following approaches** should it focus on?
 - **Tackling Need:** focus on problem issues and draw them closer to the market (i.e. focus on economic inclusion, basic skills, etc.)
 - **Spreading the Success:** go with the grain of market development but accelerate and extend (i.e. identify issues that are not being optimised but have clear potential to improve)
 - **Investing in Success:** focus attention on preserving the high points of the region's economy and extending their reach (i.e. high growth sectors, future technologies, etc.)

- To what extent should the WMES seek to **prioritise important types of businesses** in the region? To what extent should the WMES continue to **prioritise manufacturing** as a distinct challenge facing the region?

- How should the WMES (supported by and supporting the Regional Spatial Strategy) address the **role of different places** within the region? Should **some places be prioritised** as a focus for activity?

- How should the WMES address the challenges and opportunities associated with **climate change**?

SPECIFIC POLICY AREAS

1) Enterprise

The Issues...

- Overall volume of start ups is low
- Distinct areas of under representation
- Enterprise is not bridging the wealth gap ; however
- Favourable overall attitudes to enterprise and entrepreneurship
- Durable businesses are emerging, but
- Dynamism, context and proposals are weak.



Policy Choices...

- Targeting **high value sectors** and/or those with high growth prospects
- Increasing new **business start ups across the board**
- Concentrating on those groups that are **under-represented** in enterprises
- Embedding a **culture of enterprise** and innovation
- Developing a more **positive set of attitudes** towards enterprise in society
- Promoting use of **information and communications technology** to increase productivity.

2) Innovation

The Issues...

- Very limited R&D investment across the board
- Too few businesses engage in innovation
- The WM is still relatively strong on harder innovation
- However, changes in sectoral patterns likely to adversely affect the region
- Supply of skills and enterprise are not favourable



Policy Choices...

- **More companies in high R&D** and innovation sectors
- Enterprise and **innovation in all companies**
- Greater **supply of economically valuable applied R&D**
- High profile **demonstrator pilots**
- Improving **access to knowledge** and new ways of working

3) Skills

The Issues...

- A poorly qualified region
- And some places are particularly affected
- Low proportion of 'knowledge workers' active in the WM labour market
- Significant skills gaps exist
- Demographic change will adversely affect the skills supply



Policy Choices...

- Focusing on **tackling basic skill levels**
- Developing a **knowledge rich workforce** by increasing number of graduates and higher qualified employees and stimulating demand
- Encouraging **businesses to up-skill** and make better use of their existing workforce
- Developing a **more cohesive skills infrastructure**
- Embedding a **culture of continual learning** and personal development

4) Economic Activity

The Issues...

- Low rates of economic activity, comparatively
- Particular problem for certain groups / locations
- Weak skills base – geographical distribution uneven
- A serious demographic challenge
- Role of migration



Policy Choices...

- Focusing on those with the **most challenging employment prospects**
- Creating **new forms of economic activity and enterprise** to attract people who are distant from the labour market to become engaged
- Ensuring '**work pays**' for people who are out of work
- Maximising opportunities from alternative sources of labour

5) & 6) Quality of Life and Infrastructure

The Issues...

- Pressure on transport networks
- Access to services is poor in many rural areas
- Growing demand for housing
- Around 15% of all households in the region live in housing that is either unfit or in disrepair
- The challenge of achieving development on derelict and previously developed land
- The region lacks in cultural and creativity terms, but it is a physically and culturally diverse region



Policy Choices...

- **Safeguard high quality of life** offered in region's rural areas
- Development of **cultural beacons** to improve the image of the region
- **Greening of region** by preserving open spaces and countryside
- Channel attention into developing and improving quality of life in the important **suburbs of major employment areas**
- Ensure **quality urban housing** to attract top managers and regenerate areas
- Links between **health, social and economic** aspects
- Tackle **congestion** and improve transport network
- Focus attention on **derelict and expensive to remediate brownfield land**

Report to

Standards Committee
Scrutiny Co-ordination Committee
Cabinet
Council

7th February 2007
7th February 2007
13th February 2007
27th February 2007

Report of

Director of Legal and Democratic Services

Title

Response to the Department for Communities and Local Governments Consultation on Amendments to the Model Code of Conduct for Local Authority Members

1 Purpose of the Report

- 1.1 This report asks the City Council to submit a response to the Department for Communities and Local Government in relation to its consultation paper on amendments to the Model Code of Conduct for Local Authority Members which it is currently undertaking. The report seeks the views of both the Standards Committee and Cabinet, so that they can make appropriate recommendations to the full Council. The deadline for submission of responses is Friday 9th March 2007.

2 RecommendationsFor Standards Committee:-

- 2.1 To recommend the Standards Committee to consider the draft response attached as Appendix 1.
- 2.2 To make such recommendations as the Standards Committee consider appropriate to Cabinet and the full Council to assist them in their consideration of the issues.

For Cabinet:-

- 2.3 To recommend Cabinet to consider the draft response attached as Appendix 1 to this report, together with any comments received from the Standards Committee.
- 2.4 To make such recommendations as Cabinet consider appropriate to full Council at its meeting on 27th February 2007.

For Council:-

- 2.5 To agree the response to the consultation document issued by the Department for Communities and Local Government, taking into account all comments received, and to delegate authority to the Director of Legal and Democratic Services to finalise that response in the light of the Council's views.

3 Information/Background

- 3.1 As part of the Modernisation Agenda for Local Government, a new Code of Conduct for Elected Members was introduced by the Government in November 2001. Legislation required that all authorities adopted the Model Code by no later than May 2002. Authorities that did not adopt the Code, had it automatically imposed upon them. The City Council adopted the Model Code, without alteration, in May 2002.
- 3.2 In 2005, the Government asked the Standards Board for England to undertake a review of the effectiveness of the Code of Conduct and to explore ways in which it could be improved or clarified. The Standards Board for England issued a consultation document to which the City Council responded in May 2005. The City Council's draft response was considered by both the Standards Committee and by Cabinet.
- 3.3 The Standards Board for England submitted its proposals for amendments to the Code to the Government and in December 2005, the Government accepted all the Standards Board's recommendations indicating that it would make the changes as soon as practicable.
- 3.4 The Local Government White Paper "Strong and Prosperous Communities", issued in October 2006 set out the Government's proposals to put in place a clearer, simpler and more proportionate Model Code of Conduct which will include changes to the rules on personal and prejudicial interest. In Ministerial statements, the Government made it clear that it was its intention to issue a consultation document on the changes to the Code towards the end of 2006 and that it intended that the new Code would come into operation for all authorities in May 2007. In the event, the Consultation Paper and draft revised Model Code were issued by the Department of Communities and Local Government on 22nd January 2007. The deadline for responses is Friday 9th March 2007.
- 3.5 A copy of the Consultation Paper and draft Model Code of Conduct is attached to this report as Appendix 2.

4 Proposal and other Options to be considered

- 4.1 A suggested response to the Consultation Paper is attached as Appendix 1. Elected Members and Members of the Standards Committee are asked to give their views on the proposed response and to suggest any amendments or alterations which should be made.
- 4.2 Most of the points which were made in the City Council's submission to the Standards Board for England have been accepted by both the Standards Board and the Government. However, there are several areas where the Government's proposals run counter to the City Council's views. In particular, your attention is drawn to the new proposed provisions on behaviour outside of official duties and the creation of a new category of "public service interest".
- 4.3 The paragraphs which follow in this section deal with the specific proposals and questions which are contained in the consultation document.

- 4.4 It is intended to add a specific provision to the Code making it clear that "bullying" is a breach of the Code. In the City Council's earlier response, it was made clear that the City Council does not believe that there was any need to introduce such a specific clause. The City Council felt that the present wording of the Code was more than adequate to deal with any such cases.
- 4.5 The first question that the consultation document raises is whether or not the proposed text on the disclosure of confidential information achieves the correct balance. The City Council welcomes this amendment to the Code of Conduct in the response to the Standard Board consultation document, the City Council made it clear that it very much supported the proposal that there should be a public interest defence for Members who believe they have acted in the public interest by disclosing confidential information. However, the City Council also made it clear that if any such "defence" were introduced, it should be made subject to a test of objectivity and the suggested wording in the amended Code seeks to achieve this.
- 4.6 Under the current Code, Members must not, in their official capacity or any other circumstance conduct themselves in a manner which could reasonably be regarded as bringing their office or the City Council into disrepute. In its consultation paper, the Standards Board for England was suggesting that this provision should be limited to activities undertaken in a Member's official capacity and would not extend to a Member's private life. This area was also highlighted in the recent case of the Mayor of London. The City Council did not agree with the Standards Board's proposed amendments. In its response, the City Council made it clear that Councillors, when they take up public office, take it upon themselves to observe the principles of conduct in public life. Members would, therefore, need to consider the possible consequences of actions taken in their private life as these may well have an impact on their role as a public representative. As the consultation paper makes clear, what is now being proposed is a far narrower interpretation than has previously been the case. It would seem that the Government concurs with the City Council's views, as it is intending to amend the relevant legislation, so that behaviour in a private capacity could be included within the remit of the Code of Conduct. However, the consultation document is proposing that it would only be where a Member has been convicted by a Court for something done in their private life which would fall within the provisions of the Code of Conduct. It is suggested that the City Council does not support such a position as, as was pointed out in the City Council's original response, there may well be occasions where a Member conducts herself/himself in such a fashion which falls below the standards of conduct normally expected of elected Members, but which may not be criminal in nature. In addition, even if criminal activity is involved, the proposed amendment would only apply where the Member had been convicted by a Court for that particular offence. It is suggested that the City Council supports the suggestion that where a Councillor commits a criminal offence before he/she is elected, that is convicted after election, then that offence should be capable of being taken into account under the Code of Conduct.
- 4.7 The consultation document also suggests some better wording for the provisions concerning Members using their official capacity to obtain advantage. It is suggested that these be supported.
- 4.8 The third question posed by the consultation document is as to whether there should be a reference in the Code of Conduct to the Code of Recommended Practice on Local Authority publicity. The purpose of the Code was to ensure that all Local Authority publicity complies with good practice and is designed to ensure that the proper use of public funds is safeguarded. The Code has been in existence for some 20 years and seems to have

worked well. It is suggested that the City Council does not support abolition of the Code, but does question whether adding a reference to it in the Member Code of Conduct would serve any useful purpose.

- 4.9 The consultation paper suggests that the current requirement that a Member who becomes aware of a breach of a Code of Conduct by another Member should report that, should be abolished. This proposal runs counter to the City Council's previously expressed views that this paragraph should be retained in full. This particular provision is a key part of the ethical framework for local authorities which ensures that all elected Members are aware of the obligations placed upon them. In relation to the suggestion that a provision be added prohibiting victimisation, then this is supported.
- 4.10 In relation to the declarations of gifts and hospitality, it is proposed that the acceptance of a gift or hospitality with a value of more than £25 would become a personal interest. The interest would continue for 5 years from the date of receipt of the gift or hospitality. However, unlike other personal interests, the revised Code provides that the interest does not need to be declared at any meeting at which the elected Member is present. It is suggested that the City Council does not agree with this proposal. A far better solution is to adopt the Model used by the City Council which is to require all Members to declare receipt of gifts and hospitality and for those declarations to be included in a register which is open to public inspection.
- 4.11 It is proposed that the references in the current Code of Conduct to a "friend" and "relative" be deleted and replaced with a reference to a person to whom a Member has a "close personal association". In its response to the initial consultation, the City Council stated that it did not believe that a definition of the term "friend" was either appropriate or even tenable. The City Council took the view that it would almost be impossible to define in any meaningful way what friendship is as it is such a subjective issue. The replacement of the term by that "close personal association" does not assist and the City Council would much prefer to have seen the issue dealt with by means of guidance rather than attempting a one size fits all definition.
- 4.12 The consultation paper is also suggesting a narrowing of the definition of the personal interest test. In its response to the Standards Board, the City Council have indicated that whilst it could see some merit in this suggestion, it did not share the view that that had been a particularly problematic part of the Code and was, therefore, not supporting the narrowing of this particular test.
- 4.13 The Government is proposing that a new category of "public service interest" should be created under this, where a Member is also a Member of another public body, then the declaration would only need to be declared at meetings where the Member speaks on the relevant issue. In its response to the Standards Board, the City Council pointed out the introduction of a new category of interest is only likely to cause greater confusion in the minds of the public. Given the need to ensure openness and transparency, and thus inspire confidence in local democracy, the City Council felt that there was no justification for new categories to be introduced.
- 4.14 The proposed amendments to the list of exemptions for prejudicial interests are to be welcomed as they provide greater clarity, as do the suggested revisions to the provisions in relation to Scrutiny Committees.
- 4.15 The Government is proposing to relax the rules in relation to prejudicial interests, where a Member has a "public sector interest". This will allow Members who are Members of another Authority, charity or lobbying body to attend meetings and to speak and vote on

issues relating to those bodies, unless the issue being discussed relates to the financial affairs of that body or some regulatory decision. In its earlier response, the City Council states that it felt that the creation of such a system would be a retrograde step. Having established that a prejudicial interest is one which prevents a Member from speaking or voting on an issue, and which requires them to leave the meeting, the City Council did not see how there could be some sort of a lesser prejudicial interest which allows a Member to remain and speak. The whole objective of requiring a Member to leave when they declare a prejudicial interest is so they cannot influence or participate in the decision making. To allow an elected Member to remain for some of the meeting goes against this objective and it is suggested that the City Council maintains its position that this new provision cannot be supported.

- 4.16 The City Council welcomes the suggestion that sensitive information can be withheld in certain circumstances if this would threaten the safety of an elected Member and/or their family.
- 4.17 The City Council also welcomes the suggestion that the language used in the Code should be designed to ensure gender neutrality. Anything that makes the Code more accessible and "user-friendly" is to be welcomed.

5 Other specific implications

5.1

	Implications (See below)	No Implications
Best Value		✓
Children and Young People		✓
Comparable Benchmark Data		√
Corporate Parenting		✓
Coventry Community Plan		✓
Crime and Disorder		✓
Equal Opportunities	√	
Finance		√
Health and Safety		✓
Human Resources		√
Human Rights Act	√	
Impact on Partner Organisations		✓
Information and Communications Technology		✓
Legal Implications	√	
Neighbourhood Management		✓
Property Implications		✓
Race Equality Scheme		✓

	Implications (See below)	No Implications
Risk Management		✓
Sustainable Development		✓
Trade Union Consultation		✓
Voluntary Sector – The Coventry Compact		✓

5.2 Equal Opportunities

The suggestion that the language of the Code be made gender neutral is to be welcomed.

5.3 Human Rights Act

The proposed amendments to the Model Code of Conduct incorporate lessons learned from introduction of the Human Rights Act legislation.

5.4 Legal Implications

It is a statutory requirement that a Member when taking up office must sign a declaration to abide by the Code of Conduct. When the new Code is introduced, then all Members will need to sign up to it.

6. **Timescale and Expected Outcomes**

- 6.1 Responses to the consultation paper are required by Friday 9th March 2007. It appears still to be the Government's intention to introduce the new Model Code by no later than May 2007. This would require the relevant Order to be made by Parliament during April 2007.

	Yes	No
Key Decision		✓
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	✓ 7 th February 2007	
Council Consideration (if yes, date of Council meeting)	✓ 27 th February 2007	

List of background papers

Proper officer:

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Papers open to Public Inspection

Description of paper

Location

Consultation Paper – "Consultation on Amendments to the Model Code of Conduct for Local Authority Members" – Department of Communities and Local Government



*Consultation on Amendments
to the Model Code of Conduct
for Local Authority Members*



*Consultation on Amendments
to the Model Code of Conduct
for Local Authority Members*

On 5th May 2006 the responsibilities of the Office of the Deputy Prime Minister (ODPM) transferred to the Department for Communities and Local Government.

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Introduction

The Local Government White Paper, *Strong and Prosperous Communities*, issued in October 2006, set out the Government's proposals to put in place a clearer, simpler and more proportionate model code of conduct, which would include changes to the rules on personal and prejudicial interests.

This announcement followed the Discussion Paper *Conduct in English Local Government: The Future*, issued by the then Office of the Deputy Prime Minister in December 2005, which set out the Government's response to the recommendations made by the Standards Board for England for amendments to the model code of conduct for local authority members. These recommendations followed extensive consultation by the Board in 2005 on amending the code, which attracted over 1,200 responses. We are grateful to the Board for the effort it put into its review and the detailed recommendations it formulated which have served as the basis of the current consultation.

Our Discussion Paper indicated that we welcomed the recommendations the Board presented. We agreed with the Board that amendments should be made to the code along the lines it proposed, including making the code clearer and more proportionate, but maintaining a rigorous approach to the identification of serious misconduct.

The decision to amend the code so as to make it more effective and proportionate formed part of the Government's wider review of the conduct regime applying to local authorities, which concluded that the regime should be amended along the lines suggested by the Committee on Standards in Public Life, ie that there should be a move to a more locally-based decision-making regime for the investigation and determination of all but the most serious of misconduct allegations, but with the Standards Board at the centre of the revised regime with a new strategic, regulatory role to ensure consistency of standards.

In advance of this current consultation, we consulted a number of key stakeholders informally on the detail of the proposals, as part of the Department's White Paper implementation plan. Our intention has been to inaugurate a new, more transparent and collaborative way of working with local government and other stakeholders. We are very grateful for the comments received from the LGA, ACSeS, SOLACE and ALACE, among others, which have assisted us in the shaping of these proposals.

This paper represents the Government's consultation on the detailed amendments needed to put our undertaking to amend the code of conduct into effect. There are four current model codes of conduct applying to various categories of local authority members. These were issued in 2001 and are as follows:

- The Local Authorities (Model Code of Conduct)(England) Order 2001
- The Parish Councils (Model Code of Conduct) Order 2001

- The National Park and Broads Authorities (Model Code of Conduct)(England) Order 2001
- The Police Authorities (Model Code of Conduct) Order 2001.

We propose to combine the current four individual codes referred to above into one consolidated code. A revised draft model code to put this into effect is enclosed at Annex A to this consultation paper. In consequence of providing a consolidated code, we have disappplied certain provisions in respect of particular types of authorities. The consultation paper provides an explanatory commentary on the proposed amendments set out in the revised draft code, and invites the views of consultees on the detailed proposals. We would welcome comments on the proposed model code, including in relation to the questions we have specifically identified in the paper. These are also listed separately at Annex B.

Please send any comments you may have on the paper to

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by 9 March 2007

Your responses may be made public by the Department for Communities and Local Government. If you do not want all or part of your response or name made public, please state this clearly in the response. Any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in your FAX cover sheet will be taken to apply only to information in your response for which confidentiality has been specifically requested.

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want other information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

If you have comments or complaints about the way this consultation has been conducted, these should be sent to:

Albert Joyce, Communities and Local Government Consultation Co-ordinator,
Zone 6/H10, Eland House, Bressenden Place, London SW1E 5DU; or by e-mail to:
albert.joyce@communities.gsi.gov.uk.

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Commentary on Detailed Amendments Proposed

(THE BRACKETED REFERENCES TO PARAGRAPH NUMBERS CORRESPOND TO THE RELEVANT PARAGRAPHS OF THE DRAFT MODEL CODE)

Unlawful discrimination

1. To delete reference to unlawful discrimination (paragraph 2(2)(a))

Paragraph 2(a) of the model code currently provides that a member must promote equality by not discriminating unlawfully against any person. However, an Adjudication Panel finding in January 2005 concluded that the Panel has no jurisdiction to make findings of unlawful discrimination. We need therefore to ensure that unlawful discrimination is not an issue on which a Panel may be required to make a determination, so the provisions in current paragraph 2(a) will be deleted.

We propose to replace paragraph 2(a) with a provision proscribing members from doing anything that would seriously prejudice their authority's statutory duties in regard to equality. We are also retaining the provision in the current rules requiring members to treat others with respect. These provisions should allow the code to continue to support the principles of fair treatment and respect for others, including behaviour and actions which could relate to equality issues.

Bullying

2. Add a provision specifically proscribing bullying (paragraph 2(2)(b))

Currently, paragraph 2(b) of the model code states that a member must treat others with respect. Paragraph 4 of the current code provides that a member must not bring his or her office or authority into disrepute. The code makes no specific reference, however, to bullying behaviour.

We propose to add a specific provision to indicate that members must not bully any person, ie that bullying of other members, officers or anyone else is a breach of the code of conduct. We wish to ensure that it is clear that bullying behaviour should play no part in members' conduct.

We have accepted the Standards Board's view that a specific definition of bullying does not need to be included in the code, and that this should be left to guidance by the Board, which will indicate, for example, the view we take that bullying can relate not only to patterns of behaviour, but also to individual incidents.

Disclosure of confidential information

3. To allow members to disclose confidential information where such disclosure is in the public interest (paragraph 3(a)(iii))

Paragraph 3(a) of the code currently provides that a member should not disclose information given to him or her in confidence or which the member believes to be of a confidential nature. There is no explicit provision allowing members to disclose information if this is in the public interest.

An Adjudication Panel decision in 2005 confirmed, as a matter of law, that paragraph 3(a) of the code of conduct fails properly to take into account Article 10(1) of the European Convention on Human Rights. The Panel found that in order to be compatible with Article 10(1), the code should be read so as to allow for the disclosure of information of a confidential nature where it is in the public interest to do so.

We therefore wish to provide that a member may make a disclosure of information given to him or her in confidence or which he or she believes to be of a confidential nature in the public interest provided the disclosure is in good faith and reasonable, and that the member has not breached any reasonable requirements of the authority, eg in the form of relevant local protocols or procedures. We propose that the Standards Board would issue guidance on how they would expect members to interpret this. We expect that such guidance would indicate that members should be able to disclose information in the following circumstances: where they reasonably believe that the disclosure will indicate evidence of a criminal offence, where the authority is failing to comply with its legal obligations, that a miscarriage of justice has occurred or may occur, that the health and safety of anyone has been endangered, or that the environment has been damaged.

We appreciate that it is important that the public interest test does not allow members to use the defence of public interest when merely seeking to make political capital through disclosure of properly confidential information. Our aim is to strike a sensible balance which is workable in practice between the need to treat certain information confidentially and to allow the disclosure of information in appropriate circumstances.

There may be scope for the provision on confidential information to be clarified further, so as to make clear that the rules on the disclosure of information cover information received by a member in his official capacity or which relates to the work of the council. This would ensure that a member would not be able to claim that although he did disclose information, he did not receive the information in his capacity as a member, which the current drafting might potentially allow him to claim.

Q1. Does the proposed text on the disclosure of confidential information strike an appropriate balance between the need to treat certain information as confidential, but to allow some information to be made public in defined circumstances when to do so would be in the public interest?

Behaviour outside official duties

4. Paragraphs 4 and 5

Paragraph 4 of the current code provides that a member must not in his or her official capacity or any other circumstance conduct himself or herself in a manner which could reasonably be regarded as bringing his or her office or authority into disrepute. In addition, paragraph 5 currently provides that a member must not in his or her official capacity or any other circumstance use his or her position as a member improperly to secure for himself or herself or any other person an advantage or disadvantage.

The Standards Board has recommended amending the code so that, in terms of a member's behaviour in private life, conduct which amounts to a criminal offence, as well as behaviour which would be regarded as criminal but for which a conviction has not been secured, could be regarded as bringing the member's office or authority into disrepute under the terms of the code.

Separately the decision by the High Court in the case of the appeal of the Mayor of London, in October 2006, cast some doubt on the ability of the code of conduct to proscribe behaviour of members in their private capacity. The judgement commented on the interpretation of section 52 of the Local Government Act 2000. This section imposes a duty on a council member to give an undertaking to observe the code of conduct 'in performing his functions'. The Court considered that section 52 limits the scope of the code so that conduct in a member's private capacity can only come within the scope of the code where it is established that there is a direct link with the member's office, eg if the member uses his office for personal gain.

The Court judgement gave examples of cases where it did not think that the code was able to apply. These included where a member shoplifts or is guilty of drunken driving. Such action will not now be caught by the code if the offending conduct had nothing specifically to do with the member's position as a councillor.

This is a narrower interpretation than we have previously applied to the code. Up to now we have assumed it was possible to take a wider view of what private conduct could be relevant, ie including actions not necessarily to do with the member's position as a councillor but which may affect the member's reputation and electors' confidence in him or her.

In response to this case, we have decided to amend sections 49 to 52 of the Local Government Act 2000 so that behaviour in a private capacity might be included within the remit of a code of conduct. This amendment is included in the Local Government and Public Involvement in Health Bill currently before Parliament.

If the amendments are enacted, Ministers are currently minded to provide that only private behaviour for which the member has been convicted by a court should be proscribed by the code of conduct, as referred to in paragraph 4(2), and not behaviour falling short of a criminal offence.

Q2. Subject to powers being available to us to refer in the code to actions by members in their private capacity beyond actions which are directly relevant to the office of the member, is the proposed text which limits the proscription of activities in members' private capacity to those activities which have already been found to be unlawful by the courts, appropriate?

Commission of criminal offence before taking office

5. Paragraph 4(2)

We agree with the Standards Board that in the circumstances where a member's behaviour has been found to be unlawful by a court, then the member may be perceived to have brought his or her office or authority into disrepute. We also consider that where a member committed the offence before taking office as a member but where he or she was not convicted until after becoming a member, then this offence should be capable of being taken into account when considering whether the member has brought his or her authority into disrepute. A new paragraph 4(2) implements this amendment.

Using or seeking to use improper influence

6. To amend paragraph 5(a) by adding 'or attempt to use'

Paragraph 5(a) currently provides that a member must not in his or her official capacity or any other circumstance use his or her position as a member improperly to confer on or secure for himself or herself or any other person an advantage or disadvantage. A literal interpretation of this provision might mean that it does not cover unsuccessful attempts by the member to use his or her position in this way. We believe that justice would be better served if provision was made for the code to proscribe members' attempts to use their position even where such attempts were not in the event successful. To this end, we have proposed that the paragraph should provide that the member should not either use or attempt to use his or her position to confer an advantage or disadvantage for himself or herself or anyone else.

7. Paragraph 5(b)(ii)

We have sought to simplify this sub-paragraph without losing any of the intended meaning of the original provision, and specific reference is added to clarify the intention that an authority's resources should not be used improperly for party political purposes.

Publicity code

8. To add reference at paragraph 5 to the need for the member to have regard to the guidance set out in the Government's local authority publicity code

We believe it would be a sensible complement to the code to make it clear that, in addition to providing in paragraph 5 that members should not use resources improperly for political purposes, they should also have regard to the Government's Code of Recommended Practice on Local Authority Publicity.

The Code of Recommended Practice on Local Authority Publicity (a copy of which can be found at <http://www.communities.gov.uk/index.asp?id=1133867>) is issued by the Government under the Local Government Act 1986 and was last amended in 2001. The Publicity Code provides instructions about the content, style and distribution of promotional activity and material produced by authorities, supplementing the basic requirement in the 1986 Act that authorities must not use their resources for political purposes.

It has been suggested by some that the Code of Practice on Local Authority Publicity is unnecessary and restrictive. We would be grateful to hear the views of consultees on the Publicity Code and whether or not they feel it is serving a useful purpose. If people feel it should be abolished, do they think it should be replaced by any other guidance, eg issued by local authority representative bodies?

The Publicity Code does not currently apply to the Greater London Authority, fire and rescue authorities and the national parks authorities, although the code of conduct does apply to these bodies. We would also be grateful therefore for views on whether and how it might be appropriate for the Publicity Code to apply in relation to the above bodies.

Q3. Is the Code of Recommended Practice on Local Authority Publicity serving a useful purpose? If the Publicity Code is abolished, do consultees think some or all of its provisions should be promulgated in a different way, eg via guidance issued by local government representative bodies, or should authorities be left to make their own decisions in this area without any central guidance? Should authorities not currently subject to the Publicity Code be required to follow it, or should the current position with regard to them be maintained?

Reporting breaches of the code and proscribing intimidation

9. To delete the duty in paragraph 7 of the existing code to report breaches of the code by other members, and add a proscription (at paragraph 2(2)(c)) on the intimidation of complainants and witnesses

Paragraph 7 of the current code provides that a member must, if he or she becomes aware of another member's breach of the code, make an allegation to the Standards Board of that breach.

We wish to delete the requirement to report other members' breaches of the code, which has been perceived by some as encouraging councillors to make trivial allegations.

At the same time, to protect members who do report serious misconduct from victimisation, we propose to add a provision at paragraph 2(2)(c) prohibiting a member from intimidating or attempting to intimidate a complainant or witness, people carrying out the investigation, support staff and others involved in the case, whether or not they are members, officers or members of the public. This would demonstrate to members that victimising complainants or witnesses will rebound on them by making the case against them more serious, since such intimidation would itself count as a breach of the code.

In addition, since it is the Government's policy to increase the proportion of cases to be investigated locally, it is important that officers who are required to handle such cases are free from inappropriate pressures from members.

Gifts and hospitality

10. Paragraphs 7(a)(vi) and 8(3)

Paragraph 17 of the code currently provides that in the case of the receipt of any gift or hospitality over the value of £25, members must notify the monitoring officer of the existence and nature of the gift or hospitality. There is no provision for such information to be made public in the register of members' interests.

We wish to reinforce the principles of accountability and openness of the conduct regime by requiring that information about gifts and hospitality should be included in the register of interests. We propose therefore to provide that the receipt of gifts or hospitality of over £25 in value should be an interest that should be registered as a personal interest. However, to ensure this provision is proportionate, we also propose that the requirement to disclose the personal interest to a meeting would cease after five years following the receipt of the gift or hospitality, although that receipt would remain on the register as a personal interest.

Q4. Does the proposed text with regard to gifts and hospitality adequately combine the need for transparency as well as proportionality in making public information with regard to personal interests?

Body influencing public opinion or policy

11. Paragraph 7(b)(iv)

To clarify the fact that the existing reference to a body whose purposes include the influence of public opinion or policy in which the member may have a personal interest, includes any political party.

Interests of family, friends and those with a close personal association

12. To amend reference in the current code to friends and family by adding reference to any person with whom the member has a close personal association (paragraph 7(c)(i) and elsewhere)

Paragraph 8 of the current code provides that a member must regard himself or herself as having a personal interest in a matter if a decision on it affects to a greater extent than other council tax payers, ratepayers or inhabitants of the authority's area, the well-being or financial position of himself, a relative or a friend. We wish to ensure that the definition of personal interest includes matters affecting a range of personal, business and professional associates, as well as people who would specifically be termed as 'friends'. Reference has therefore been added to any person with whom the member has a close personal association.

13. Definition of family and friends (paragraph 7(c)(i) and elsewhere)

With the inclusion of "close personal association" it is not thought necessary to keep the definitions of 'family' or 'friend' in the code. Guidance by the Standards Board will give assistance to members on these definitions.

Q5. Does the proposed text relating to friends, family and those with a close personal association adequately cover the breadth of relationships which ought to be covered, to identify the most likely people who might benefit from decisions made by a member, including family, friends, business associates and personal acquaintances?

Definition of personal interests

14. To replace reference in paragraph 8 to the inhabitants of an authority's area with provision that members should not be required to register an interest in a matter unless the interest is greater than that of the majority of the inhabitants of the ward affected by the matter. For parish councils the definition would apply in respect of the council's whole area (paragraph 7(c)).

Paragraph 8 of the current code provides that members have a personal interest if they would be affected by a matter to a greater extent than other council tax payers, rate payers or inhabitants of the authority's area.

We wish the code to allow members to be able more frequently to take part in council meetings which their communities expect them to participate in or on issues, in some cases, which they have even been elected specifically to address. We therefore wish to delete the current requirement that a personal interest arises where a decision on it might be regarded as affecting the member to a greater extent than other inhabitants of the authority's area, and replace it with a requirement that the personal interest arises only where the interest might reasonably be regarded as affecting the member to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward which is affected by the particular matter. The purpose is to reduce the

number of times a personal interest may arise on matters which are not of genuine concern to the public, as a result of the broad current test relating to the whole council's area, which in effect has meant in some cases that members have felt they have to declare interests which are in fact shared with a large number of people.

Narrowing the definition will provide a more locally-based focus, and reduce the number of personal interests which arise by requiring that an interest would arise only where the interest would be higher than most people in the local area affected by the matter. This should mean that an interest would not arise where interests are shared by a substantial number of inhabitants in the authority's area.

Where members, eg elected mayors and co-opted members, do not represent wards, the relevant test would be whether the issue affected the member more than the majority of people in the ward affected by the particular matter.

In the case of parish councils, which do not usually have wards, their areas are so small that we propose to apply the definition in respect of the council's whole area.

Disclosure of personal interests

15. Paragraph 8(4)

Under the current code, a member would technically be in breach of the code's provisions in respect of the personal interests of a relative even if he or she was unaware of any interest held by a relative. It would be sensible and more proportionate to amend the provision so that the rules on the disclosure of interests at a meeting in respect of a family member, friend or a person with a close personal association will only apply if the member is aware or ought reasonably to be aware of the interest held by that person.

Public service interests

16. To create a new category of 'public service interest', which arises where a member is also a member of another public body, and for the public service interest only to be declared at meetings where the member speaks on the relevant issue (paragraph 8(2) and 8(7))

Paragraph 9 of the current code provides that a member with a personal interest must disclose the interest at the commencement of the meeting or when the interest becomes apparent.

We wish to provide a definition of what is meant by 'public service interest', ie an interest which arises where a member is also a member of another public body, to which they have been appointed or nominated by the authority, or of which they are a member in their own right. Members would be required, as now, to enter any such interest they have in the register of interests.

However, instead of, as now, requiring that public service interests are declared at the start of any relevant business, we wish to require that such interests should only be declared at such time as the member speaks on a relevant issue. The aim of this is to avoid the current onerous requirement by which lengthy periods at the start of business on a particular issue can be spent by members in declaring their personal interests in the particular issue, even if many or all of those members have no intention to take part in the debate on that subject.

Prejudicial interests - List of exemptions

17. To simplify and amend the list of exemptions where members should not regard themselves as having a prejudicial interest (paragraph 9(2)(b))

Three new items have been added to the list of interests which are not to be regarded as prejudicial. This will mean that a member will not have a prejudicial interest where the matter relates to the authority's functions in respect of:

- Indemnities. This addition arises from the Standards Board's experience of cases where, for example, members have felt unable to vote in discussions on the issue by the authority of indemnities which might relate to themselves, as well as a number of other members of the council.
- The setting of council tax. We understand that some members have been concerned that in discussing this issue, prejudicial interests may arise for them because of their connection with an organisation funded from an operational budget which is being set by the council tax settlement. We consider that such an interest is likely to be too remote to be a prejudicial interest.
- Considering whether or not the member should become a freeman of the authority.

We also propose to amend the Local Authorities (Code of Conduct) (Local Determination) Regulations to allow a member to attend a hearing of a standards committee into his or her conduct in order to be able to defend himself or herself.

Q6. Would it be appropriate for new exceptions to be included in the text as additions to the list of items which are not to be regarded as prejudicial?

Overview and scrutiny committees

18. To provide that members are excluded from overview and scrutiny committees where they are scrutinising decisions, including decisions made by the authority's executive, which they were involved in making (paragraph 10)

Paragraph 11 of the current code does not allow a member to scrutinise a decision of a committee, sub-committee or joint committee 'of which he may also be a member'. It does not cover the position of a member who may not now be a member of the relevant committee but was a member at the time the decision was taken. We therefore wish to make an amendment to ensure that the proscription will apply where the councillor was a member at the time of the decision or action.

A further consequence of the current paragraph 11 provision is that a member is not allowed to scrutinise decisions where he or she is a member of the committee whose decision is being scrutinised, ie the proscription applies where he or she was not involved in making the decision, for example, because he or she was absent from the committee or where he or she became a member after the decision was taken. This can have the effect of debarring members from the scrutiny function in respect of decisions in which they had no involvement. We therefore propose an amendment to provide that members should only be debarred from involvement in the scrutiny function in cases where they are scrutinising decisions they were involved in making.

In addition, the rules do not currently refer to decisions made or action taken by the authority's executive. They therefore do not cover the case where a former member of the executive sits on a scrutiny committee to scrutinise decisions of the executive to which he or she contributed. We propose therefore that paragraph 10 is amended to indicate that the restriction will apply to former executive members who were involved in making the relevant decisions.

Participation in relation to prejudicial interests

19. To provide a clearer prejudicial interest test to apply for public service interests and where members attend to make representations (paragraphs 9 and 11)

Actions which a member should take where he or she has a prejudicial interest are set out in current paragraph 12.

We wish to provide for clearer and more proportionate rules to apply in respect of participation in council meetings for those who have public sector interests, ie who are members of another authority or a charity or lobbying body, and for those who are attending meetings to make representations.

We consider that the fact that an issue considered by one body may affect another body with which the member is involved does not necessarily mean that the member's judgement of the public interest will be prejudiced. In such cases, the public service interest should only be considered prejudicial where

- (a) the matter relates to the financial affairs of the body concerned, or
- (b) where the matter relates to the determining of any approval, consent, licence or permission (eg in respect of planning and licensing) in relation to the body.

Where a member has a public service interest and (a) or (b) do not apply, then no prejudicial interest would arise and the member may speak and vote at the meeting.

Any member (including a member with a public service interest to which (a) or (b) also apply), will not have a prejudicial interest where they attend a meeting to make representations, answer questions or give evidence, provided the committee agrees that the member may do so. After members have answered such questions or given such evidence, they must then withdraw from the room where the meeting is being held.

All members with a prejudicial interest, regardless of the category of interest, would still continue to be subject to paragraph 11(1)(c), ie the requirement that members should not seek improperly to influence a decision about the matter.

Q7. Is the proposed text, relaxing the rules to allow increased representation at meetings, including where members attend to make representations, answer questions or give evidence, appropriate?

Sensitive Information

20. To provide for sensitive information in respect of private interests not to be included on the register of interests where revealing it is likely to lead to the member or those he or she lives with being subject to violence or intimidation (paragraphs 8(5) and 13)

Paragraph 14 of the current code requires members to register all of their personal interests.

We wish to ensure that sensitive information, for example, where members are employed in areas of sensitive employment, such as certain types of scientific research, need not be made public if to do so would threaten the safety of the member and/or his family. A member who considers that the information which he or she would need to register is sensitive, will apply to the authority's monitoring officer for the interest not to be registered. If the monitoring officer is satisfied that the information is sensitive and the risk of intimidation of the member or those he or she lives with is real, the member may not include the sensitive information on the register of interests.

Consistent with the above, we also wish to amend paragraph 8(5), so that a member with an accepted sensitive interest should not have to disclose publicly the details of that sensitive information at a council meeting, although he or she will still need to disclose that they have a personal interest if this is the case in respect of a particular matter under discussion.

National Park and Boards Authorities – prejudicial interest

21. Delete sub-paragraphs (f) and (g) from paragraph 10(2) of the current National Park and Broads Authorities (Model Code of Conduct)(England) Order 2001

Paragraph 10(2)(f) and (g) of the current model code applying to the National Park and Broads Authorities makes provision in respect of matters for which a member may regard himself as not having a prejudicial interest. At the request of DEFRA, and following earlier consultation by them with the National Parks and Broads Authorities, we wish to delete provisions allowing interest in respect of matters relating to farming, land, certain charges or navigation not to be regarded as prejudicial interests for members in certain cases. This is to address criticism that these clauses have led to preferential treatment for some landowners and navigators, who, if it was not for the operation of the paragraph, would have been regarded as having a prejudicial interest.

Register of members' interests

22. Paragraphs 12 and 13

Opportunity has been taken to rearrange the position of various provisions within the code. Because the list of potential personal interests is now in paragraph 7, the paragraphs on the registration of personal interests have been simplified and shortened.

Gender neutrality of language

23. To amend the code throughout to ensure gender neutrality of language

To signal the fact that the principles of the code refer both to women as well as men, and promote a more inclusive approach, we propose to make the language of the code gender neutral and replace gender-specific language such as 'he', or 'him', with 'he or she', or 'him or her'.

Q8. Is there a better, more user-friendly way of ensuring the text is gender neutral, for example, would consultees consider that amending the wording to say 'you' instead of 'he or she' or 'him or her' would result in a clearer and more accessible code for members?

Annex A

STATUTORY INSTRUMENTS

[2007] No. [xxx]

LOCAL GOVERNMENT, ENGLAND AND WALES

The Local Authorities (Model Code of Conduct) Order [2007]

<i>Made</i> - - - -	xxx
<i>Laid before Parliament</i>	xxx
<i>Coming into force</i> - -	xxx

The Secretary of State for Communities and Local Government makes the following Order in exercise of the powers conferred by sections 50(1) and (4), 81(2) and (3), and 105(2), (3) and (4) of the Local Government Act 2000(a).

The Secretary of State has consulted in accordance with section 50(5) of that Act.

The Secretary of State is satisfied that this Order is consistent with the principles for the time being specified in an order under section 49 of that Act.

Citation, commencement, application and interpretation

1.—(1) This Order may be cited as the Local Authorities (Model Code of Conduct) Order [2007] and comes into force on [xxx].

(2) This Order applies—

- (a) in relation to police authorities in England and Wales; and
- (b) in relation to the following authorities in England—
 - (i) a county council;
 - (ii) a district council;
 - (iii) a London borough council;
 - (iv) a parish council;
 - (v) the Greater London Authority;
 - (vi) the Metropolitan Police Authority;
 - (vii) the London Fire and Emergency Planning Authority;
 - (viii) the Common Council of the City of London;
 - (ix) the Council of the Isles of Scilly;
 - (x) a fire and rescue authority;
 - (xi) a joint authority;
 - (xii) the Broads Authority; and

(a) 2000 c.22.

(xiii) a National Park authority,
and references to “authority” are construed accordingly.

Model Code of Conduct

2.—(1) The Secretary of State here issues a model code as regards the conduct which is expected of members and co-opted members of authorities and that code is set out in the Schedule to this Order.

(2) Subject to paragraphs (3) to (6), all the provisions of the model code in the Schedule to this Order are mandatory.

(3) The following provisions of the model code in the Schedule are not mandatory for authorities which are not operating executive arrangements—

- (a) sub-paragraph (b) in the definition of “meeting”;
- (b) the words “or its executive’s” and “, or area committees” in the definition of “meeting”;
and
- (c) paragraphs 8(6), 8(7)(b), 10, 11(1)(b) and 11(2).

(4) The following provisions of the model code in the Schedule are not mandatory for police authorities, the Greater London Authority, the Metropolitan Police Authority, the London Fire and Emergency Planning Authority, a fire and rescue authority and a joint authority—

- (a) sub-paragraph (b) in the definition of “meeting”;
- (b) the words “or its executive’s” and “, or area committees” in the definition of “meeting”;
and
- (c) paragraphs 5(b)(iii), 8(6), 8(7)(b), 9(2)(b)(i), 9(2)(b)(ii), 10, 11(1)(b) and 11(2).

(5) The following provisions are not mandatory for parish councils—

- (a) sub-paragraph (b) in the definition of “meeting”;
- (b) the words “or its executive’s” and “, or area committees” in the definition of “meeting”;
and
- (c) paragraphs 6, 8(6), 8(7)(b), 9(2)(b)(i), 9(2)(b)(ii), 10, 11(1)(b) and 11(2).

(6) The following provisions are not mandatory for a National Parks authority and the Broads Authority—

- (a) sub-paragraph (b) in the definition of “meeting”;
- (b) the words “or its executive’s” and “, or area committees” in the definition of “meeting”;
and
- (c) paragraphs 8(6), 8(7)(b), 9(2)(b)(i), 9(2)(b)(ii), 10, 11(1)(b) and 11(2).

Disapplication

3. Where an authority has adopted a code of conduct or such a code applies to it, the following shall, where applicable to the authority, be disappplied as respects that authority—

- (a) sections 94 to 98 and 105 to the Local Government Act 1972;
- (b) section 30(3A) of the Local Government Act 1974;
- (c) regulations made or code issued under section 19 and 31 of the Local Government and Housing Act 1989;
- (d) paragraphs 9 and 10 of Schedule 7 to the Environment Act 1995;
- (e) in section 17 of the Audit Commission Act 1998, subsections (1)(b), (3), (5)(b), (7) and (8) and in subsection (2), the words “subject to subsection (3)” and paragraphs (a) and (b);
- (f) section 18 of the Audit Commission Act 1998; and
- (g) any guidance issued under section 66 of the Greater London Authority Act 1999.

Revocation and savings

4.—(1) Subject to paragraphs (2) and (3), the following orders are revoked—

- (a) the Local Authorities (Model Code of Conduct) (England) Order 2001(a);
- (b) the Parish Councils (Model Code of Conduct) Order 2001(b);
- (c) the National Park and Broads Authorities (Model Code of Conduct) (England) Order 2001(c);
- (d) the Police Authorities (Model Code of Conduct) Order 2001(d).

(2) The Orders referred to in paragraph (1) continue to have effect for the purposes of and for purposes connected with —

- (a) the investigation of any written allegation under Part 3 of the Local Government Act 2000, where that allegation was made before the date when, pursuant to section 51 of that Act—
 - (i) the authority adopts a code of conduct incorporating the mandatory provisions of the model code of conduct in the Schedule to this Order in place of their existing code of conduct;
 - (ii) the authority revises their existing code of conduct to incorporate the mandatory provisions of the model code of conduct in the Schedule to this Order; or
 - (iii) the mandatory provisions of the model code of conduct in the Schedule to this Order apply to members or co-opted members of the authority under section 51(5)(b) of that Act;
- (b) the adjudication of a matter raised in such an allegation; and
- (c) an appeal against the decision of an interim case tribunal or case tribunal in relation to such an allegation.

Signed on behalf of the Secretary of State for Communities and Local Government

[Date]

Name
[Minister for]
Department for Communities and Local Government

(a) S.I. 2001/3575.
(b) S.I. 2001/3576.
(c) S.I. 2001/3577.
(d) S.I. 2001/3578.

SCHEDULE

THE MODEL CODE OF CONDUCT

PART 1

General Provisions

Interpretation

In this Code—

“meeting” means any meeting of—

- (a) the authority;
- (b) the executive of the authority;
- (c) any of the authority’s or its executive’s committees, sub-committees, joint committees, joint sub-committees, or area committees;

“member” includes a co-opted member;

“the authority’s monitoring officer”, in relation to parish councils, is construed as referring to the monitoring officer of the district council or unitary county council which has functions in relation to the parish council for which it is responsible under section 55(2) of the Local Government Act 2000; and

“the authority’s standards committee”, in relation to parish councils, is construed as referring to the standards committee of the district council or unitary county council which has functions in relation to the parish council for which it is responsible under section 55(2) of the Local Government Act 2000.

Scope

1.—(1) A member must observe the authority’s code of conduct whenever he or she—

- (a) conducts the business of the authority;
- (b) conducts the business of the office to which he or she is elected or appointed; or
- (c) acts as a representative of the authority,

and references to a member’s official capacity is construed accordingly.

(2) An authority’s code of conduct does not, apart from paragraphs 2(2)(c), 4 and 5(a), have effect in relation to the activities of a member undertaken other than in an official capacity.

(3) Where a member acts as a representative of the authority—

- (a) on another relevant authority, he or she must, when acting for that other authority, comply with that other authority’s code of conduct; or
- (b) on any other body, he or she must, when acting for that other body, comply with the authority’s code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

General obligations

2.—(1) A member must treat others with respect.

(2) A member must not—

- (a) do anything which may seriously prejudice his or her authority's ability to comply with any of its statutory duties under the equality enactments (as defined in section 33 of the Equality Act 2006);
- (b) bully any person;
- (c) in his or her official capacity, or any other circumstance, intimidate or attempt to intimidate any person who is or is likely to be—
 - (i) a complainant,
 - (ii) a witness, or
 - (iii) supporting the administration of any investigation or proceedings, in relation to an allegation that a member has failed to comply with his or her authority's code of conduct;
- (d) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the authority.

(3) In relation to police authorities and the Metropolitan Police Authority, for the purposes of subparagraph (2)(a) those who work for, or on behalf of, the authority are deemed to include a police officer.

3. A member must not—

- (a) disclose information given to him or her in confidence by anyone, or information acquired which he or she believes is of a confidential nature, except where—
 - (i) he or she has the consent of a person authorised to give it;
 - (ii) he or she is required by law to do so; or
 - (iii) the disclosure is—
 - (aa) reasonable and in the public interest;
 - (bb) made in good faith and does not breach any reasonable requirements of the authority;
- (b) prevent another person from gaining access to information to which that person is entitled by law.

4.—(1) A member must not in his or her official capacity, or any other circumstance, conduct himself or herself in a manner which could reasonably be regarded as bringing his or her office or authority into disrepute.

(2) The conduct referred to in paragraph (1) may include a criminal offence including one committed by the member before taking office but for which he or she is not convicted until after that date.

5. A member—

- (a) must not in his or her official capacity, or any other circumstance, use or attempt to use his or her position as a member improperly to confer on or secure for himself or herself or any other person, an advantage or disadvantage; and
- (b) must, when using or authorising the use by others of the resources of the authority—
 - (i) act in accordance with the authority's requirements;
 - (ii) ensure that such resources are not used improperly for political purposes (including party political purposes); and
 - (iii) have regard to any Local Authority Code of Publicity made under the Local Government Act 1986.

6. A member must when reaching decisions—

- (a) have regard to any relevant advice provided to him or her by—
 - (i) the authority's chief finance officer; and
 - (ii) the authority's monitoring officer; and

- (b) give the reasons for those decisions in accordance with the authority's and any statutory requirements.

PART 2

Interests

Personal interests

7. A member has a personal interest in any matter where—

- (a) it relates to—
- (i) any employment or business carried on by the member;
 - (ii) any person who employs or has appointed the member;
 - (iii) any person, other than a relevant authority, who has made a payment to the member in respect of his or her election or any expenses incurred by him or her in carrying out his or her duties;
 - (iv) any corporate body which has a place of business or land in the authority's area, and in which the member has a beneficial interest in a class of securities of that body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital of that body (whichever is the lower);
 - (v) any contract for goods, services or works made between the authority and the member or a firm in which he or she is a partner, a company of which he or she is a remunerated director, or a body of the description specified in paragraph (iv);
 - (vi) any gift or hospitality over the value of £25 received by the member;
 - (vii) any land in the authority's area in which the member has a beneficial interest;
 - (viii) any land where the landlord is the authority and the tenant is the member or a firm in which he or she is a partner, a company of which he or she is a remunerated director, or a body of the description specified in paragraph (iv);
 - (ix) any land in the authority's area in which the member has a licence (alone or jointly with others) to occupy for 28 days or longer;
- (b) it relates to his or her membership of or position of general control or management in any—
- (i) body to which the member is appointed or nominated by the authority;
 - (ii) public authority or body exercising functions of a public nature;
 - (iii) company, industrial and provident society, charity, or body directed to charitable purposes;
 - (iv) body whose principal purposes include the influence of public opinion or policy, including any political party; and
 - (v) trade union or professional association; or
- (c) a decision on the matter might reasonably be regarded as affecting the well-being or financial position of—
- (i) the member, one of the member's family or a friend, or any person with whom the member has a close personal association; or
 - (ii) any person who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
 - (iii) any corporate body in which such persons have a beneficial interest in a class of securities exceeding the nominal value of £5,000; or
 - (iv) any body listed in paragraphs (i) to (v) of sub-paragraph (b) in which such persons hold a position of general control or management,
- to a greater extent than the majority of—

- (aa) in the case of authorities with electoral divisions or wards, other council tax payers, ratepayers or inhabitants of the electoral division or ward, as the case may be, affected by the decision;
- (bb) in the case of the Greater London Authority, other council tax payers, ratepayers or inhabitants of the Assembly constituency affected by the decision; or
- (cc) in all other cases, other council tax payers, ratepayers or inhabitants of the authority's area.

Disclosure of personal interests

8.—(1) Subject to sub-paragraphs (2) to (7), a member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

(2) A member with a personal interest in a matter which is a public service interest, need only disclose to that meeting the existence and nature of that interest when he or she addresses the meeting on that matter.

(3) A member with a personal interest of the type mentioned in paragraph 7(a)(vi) need not disclose the nature or existence of that interest to the meeting if the interest was registered more than five years before the date of the meeting.

(4) In relation to a personal interest of a family member, a friend, or any person with whom the member has a close personal association, sub-paragraph (1) only applies where the member is aware or ought reasonably to be aware of the interest.

(5) Where, by virtue of paragraph 13, sensitive information relating to a member is not registered in the authority's register of members' interests (maintained under section 81(1) of the Local Government Act 2000), a member with a personal interest must indicate to the meeting that he or she has a personal interest, but need not disclose the sensitive information to that meeting.

(6) Subject to paragraph 11(1)(b), a member with a personal interest in any matter who has made an executive decision in relation to that matter must ensure that any written statement of that decision records the existence and nature of that interest.

(7) In this paragraph—

- (a) a member has a public service interest in a matter where that matter relates to—
 - (i) another relevant authority of which he or she is a member;
 - (ii) another public authority in which he or she holds a position of general control or management; or
 - (iii) a body to which he or she is appointed or nominated by the authority; and
- (b) "executive decision" is to be construed in accordance with any regulations made by the Secretary of State under section 22 of the Local Government Act 2000.

Prejudicial interests

9.—(1) Subject to sub-paragraphs (2) and (3), a member with a personal interest in a matter also has a prejudicial interest in that matter where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgement of the public interest.

(2) A member does not have a prejudicial interest in a matter where—

- (a) he or she has a public service interest in the matter, unless—
 - (i) the matter relates to the financial affairs of the body to which that public service interest relates; or

- (ii) the matter relates to the determining of any approval, consent, licence, permission or registration in relation to that body;
- (b) that matter relates to the functions of the authority in respect of—
 - (i) housing, where he or she is a tenant of the authority provided that those functions do not relate particularly to the member's tenancy or lease;
 - (ii) school meals, transport and travelling expenses, where the member is a guardian or parent of a child in full time education, or is a parent governor of a school, unless it relates particularly to the school which the child attends;
 - (iii) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where the member is in receipt of, or is entitled to the receipt of such pay from a relevant authority;
 - (iv) an allowance or payment made under sections 173 to 176 of the Local Government Act 1972 or section 18 of the Local Government and Housing Act 1989;
 - (v) an indemnity given under an order made under section 101 of the Local Government Act 2000;
 - (vi) considering the bestowing of the title of freeman on the member; and
 - (vii) setting council tax under the Local Government Finance Act 1992.

(3) A member does not have a prejudicial interest in a matter where he or she attends a meeting for the purpose of making representations, answering questions or giving evidence relating to the matter, provided the meeting agrees that the member may do so and after making representations, answering questions or giving evidence, the member withdraws from the room where the meeting is being held.

(4) In this paragraph, a member has a public service interest in a matter where that matter relates to—

- (a) any of the matters referred to in paragraph 8(7)(a); or
- (b) a charity, a lobbying or philanthropic body of which he or she is a member.

Overview and scrutiny committees

10.—(1) For the purposes of this Part, a member has a prejudicial interest where he or she is involved in the consideration of a matter at a meeting of an overview and scrutiny committee of the authority or a sub-committee of such a committee and that consideration relates to a decision made (whether implemented or not), or action taken by—

- (a) the authority's executive;
- (b) another of the authority's—
 - (i) committees or sub-committees; or
 - (ii) joint committees or joint sub-committees,

of which he or she is, or was at the time of the decision or action, a member and he or she was present for the consideration of that matter.

(2) But sub-paragraph (1) does not apply where that member attends the meeting of the overview and scrutiny committee for the purpose of answering questions or otherwise giving evidence relating to that decision or action.

Participation in relation to prejudicial interests

11.—(1) Subject to sub-paragraphs (2) and (3), a member with a prejudicial interest in a matter must—

- (a) withdraw from the room or chamber where a meeting is being held whenever it becomes apparent that the matter is being considered at that meeting, unless he or she has obtained a dispensation from the authority's standards committee;
- (b) not exercise executive functions in relation to that matter; and

- (c) not seek improperly to influence a decision about that matter.
- (2) A member with a prejudicial interest in a matter may, unless that interest is of a financial nature or of the type described in paragraph 10, participate in a meeting of the authority's—
 - (a) overview and scrutiny committees; and
 - (b) joint or area committees,to the extent that such committees are not exercising functions of the authority or its executive.
- (3) In this paragraph, a member has a public service interest in a matter where that matter relates to—
 - (a) any of the matters referred to in paragraph 8(7)(a); or
 - (b) a charity, a lobbying or philanthropic body of which he or she is a member.

PART 3

Registration of Members' Interests

Registration of Members' Interests

- 12.—(1) A member must, within 28 days of—
- (i) the provisions of an authority's code of conduct being adopted or applied to that authority; or
 - (ii) his or her election or appointment to office (where that is later),
- register in the authority's register of members' interests (maintained under section 81(1) of the Local Government Act 2000) any personal interest of the type mentioned in paragraph 7(a) or (b), by providing written notification to the authority's monitoring officer.
- (2) A member must, within 28 days of becoming aware of any new personal interest or change to any personal interest registered under in paragraph (1), register that new personal interest or change by providing written notification to the authority's monitoring officer.
- (3) Sub-paragraphs (1) and (2) do not apply to sensitive information in relation to which the member has made an application under paragraph 13.

Sensitive information

- 13.—(1) Where a member considers that the availability for inspection by the public of information relating to any personal interest which, but for this paragraph, must be registered in the authority's register of members' interests creates, or is likely to create, a serious risk that the member or a person who lives with him or her may be subjected to violence or intimidation (in this Code "sensitive information"), the member may, where the monitoring officer considers it appropriate, not include that sensitive information on the register of members' interests.
- (2) A member must, within 28 days of becoming aware of any change of circumstances which leads him or her to believe that information excluded from the authority's register of members' interests is no longer sensitive information, notify the authority's monitoring officer of this fact and register the information concerned in the authority's register of members' interests.

EXPLANATORY NOTE

(This note is not part of the Order)

The Order contains a model code of conduct as regards the conduct which is expected of members and co-opted members of relevant authorities in England and police authorities in England and Wales. Under section 51 of the Local Government Act 2000, each authority must adopt a code of conduct applying to its members and co-opted members which must incorporate any mandatory provisions of the model code. Under section 51(5) of that Act, where an authority

does not adopt such a code within six months of the Order coming into force, the mandatory provisions of the model code will apply to the members of the authority until it does.

Article 1 provides that this Order applies to relevant authorities in England and police authorities in England and Wales.

Article 2 provides that a model code is set out in the Schedule to the Order, and states which of its provisions are mandatory.

Article 3 revokes—

the Local Authorities (Model Code of Conduct) (England) Order 2001(a);

the Parish Councils (Model Code of Conduct) Order 2001(b);

the National Park and Broads Authorities (Model Code of Conduct) (England) Order 2001(c);

the Police Authorities (Model Code of Conduct) Order 2001(d).

These Orders continue to have effect in relation to allegations made before the date when the new code is adopted or applied to an authority.

The disapplication of certain enactments made by these Orders continues to have effect.

In the Schedule to the Order—

Paragraph 1 of the model code provides that the code applies whenever a member is acting in his or her official capacity, and that it does not apply in other circumstances unless otherwise indicated. Additionally, where a member is acting as a representative of his or her authority, he or she must continue to observe the authority's code, unless he or she is subject to another relevant authority's code, or unless (in relation to any other body) it conflicts with any other legal obligations.

Paragraph 2 provides that members must treat others with respect and not do anything which compromises the impartiality of those who work for the authority or bully anyone or intimidate persons involved in code of conduct cases.

Paragraph 3 provides that members must not without consent disclose confidential information they have acquired and must not prevent others from gaining access to information to which they are entitled.

Paragraph 4 provides that in a member's official capacity and in other circumstances, a member must not conduct himself or herself in a manner which could bring his or her authority into disrepute.

Paragraph 5 provides that a member must not in his or her official capacity or in other circumstances use his or her position improperly to gain an advantage or confer a disadvantage and that when using or authorising the use of the authority's resources, he or she must act in accordance with the authority's requirements and must not permit those resources to be used for political purposes.

Paragraph 6 provides that in reaching decisions a member must consider advice given by the chief finance officer and monitoring officer and must give reasons for decisions made.

Paragraph 7 provides a list of matters which constitute a personal interest in a matter.

Paragraph 8 provides that a member with a personal interest in a matter must disclose that interest at any meeting at which the matter is considered.

(a) S.I. 2001/3575.
(b) S.I. 2001/3576.
(c) S.I. 2001/3577.
(d) S.I. 2001/3578.

Paragraph 9 provides that a member with a personal interest also has a prejudicial interest if the interest could be regarded by a member of the public as so significant that it is likely to prejudice his judgement of the public interest. The paragraph provides that in the circumstances specified a member may regard himself as not having a prejudicial interest.

Paragraph 10 provides that a member who was involved in making an executive decision on a matter must not be involved in the overview and scrutiny committee's consideration of that matter, except in order to answer questions from that committee.

Paragraph 11 provides that a member with a prejudicial interest must, unless he has obtained a dispensation, withdraw from any meetings at which the matter is being considered, and must not improperly influence decisions in relation to the matter.

Paragraph 12 provides that a member must notify the monitoring officer of the personal interests and any change to those interests must also be notified.

Paragraph 13 provides that a member may notify the monitoring of any sensitive information the availability of which to the public creates, or is likely to create, a serious risk that the member or a person who lives with him or her may be subjected to violence or intimidation.

Annex B

Your views

We would welcome your views on the issues covered by this consultation paper and any other comments and suggestions you may have.

Questions

The specific questions which feature throughout the text of this paper are reproduced for ease of reference:

- Q1. Does the proposed text on the disclosure of confidential information strike an appropriate balance between the need to treat certain information as confidential, but to allow some information to be made public in defined circumstances when to do so would be in the public interest?
- Q2. Subject to powers being available to us to refer in the code to actions by members in their private capacity beyond actions which are directly relevant to the office of the member, is the proposed text which limits the proscription of activities in a member's private capacity to those activities which have already been found to be unlawful by the courts, appropriate?
- Q3. Is the Code of Recommended Practice on Local Authority Publicity serving a useful purpose? If the Publicity Code is abolished, do consultees think some or all of its provisions should be promulgated in a different way, eg via guidance issued by local government representative bodies, or should authorities be left to make their own decisions in this area without any central guidance? Should authorities not currently subject to the Publicity Code be required to follow it, or should the current position with regard to them be maintained?
- Q4. Does the proposed text with regard to gifts and hospitality adequately combine the need for transparency as well as proportionality in making public information with regard to personal interests?
- Q5. Does the proposed text relating to friends, family and those with a close personal association adequately cover the breadth of relationships which ought to be covered, to identify the most likely people who might benefit from decisions made by a member, including family, friends, business associates and personal acquaintances?
- Q6. Would it be appropriate for new exceptions to be included in the text as additions to the list of items which are not to be regarded as prejudicial?
- Q7. Is the proposed text relaxing the rules to allow increased representation at meetings, including where members attend to make representations, answer questions, or give evidence, appropriate?

Q8. Is there a better, more user-friendly way of ensuring the text is gender-neutral, for example, would consultees consider that amending the wording to say 'you' instead of 'he or she' or 'him or her' would result in a clearer and more accessible code for members?

Comments should be sent by e-mail or post by 9 March 2007 to:

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Our reference CH/AML
28th February 2007

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Dear Mr Tandoh

**Consultation on Amendments to the Model Code of Conduct for Local Authority Members
Response to the Department's Consultation Paper**

I set out below the response made on behalf of Coventry City Council in relation to the questions posed in the Department's Consultation Paper on amendments to the Model Code of Conduct. These comments were approved at a meeting of the full City Council on 27th February 2007. The consultation paper has been considered not only by the full City Council, but also has received detailed Scrutiny from the City Council's Standards Committee and the City Council's Cabinet.

The response follows the numbered questions set out in the consultation paper.

- 1. Does the proposed text on the disclosure of confidential information strike an appropriate balance between the need to treat certain information as confidential, but to allow some information to be made public in defined circumstances when to do so would be in the public interest?**

The City Council believes that the proposed amendments to the Code achieve this objective. The City Council are pleased to note that an objective test is being used in this regard rather than reliance on the subjective view of an elected Member. The City Council will also support the clarification of this provision so that it is made clear that these rules on disclosure cover all information received by a Member in their official capacity or which relate to the work of the Council.

- 2. Subject to powers being available to us to refer in the Code to actions by Members in their private capacity beyond actions which are directly relevant to the office of the Member, is the proposed text which limits the proscription of activities in Members' private capacity to those activities which have already been found to be unlawful by the Courts, appropriate?**



It is the view of the City Council that when an individual takes up public office, they take it upon themselves to observe the principles of conduct in public life. It is a fact that in modern society, Councillors will, therefore, need to consider the possible consequences of actions taken in their private life as these may well have an impact on their role as a public representative. There may well be occasions where a Councillor conducts her/himself in such a fashion which falls below the standards of conduct normally expected of Councillors, but which may not be criminal in nature. The City Council believes that the present wider ranging interpretation of this particular provision should continue and whilst it welcomes the Government's intention to amend the Local Government Act 2000, so that behaviour in a private capacity can fall within the remit of the Code. It does not agree that the Code should, at this stage, only cover private activities in which a criminal conviction may have been obtained. This could lead to a situation where there is a very real danger of similar behaviour being dealt with entirely differently simply because, for any number of reasons, a criminal conviction had not been obtained.

3. **Is the Code of Recommended Practice on Local Authority Publicity serving a useful purpose? If the Publicity Code is abolished, do consultees think some or all of its provisions should be promulgated in a different way e.g. via guidance issued by local government representative bodies, or should authorities be left to make their own decisions in this area without any central guidance? Should authorities not currently subject to the Publicity Code, be required to follow it, or should the current position with regard to them being maintained?**

It is the view of the City Council that the Code of Recommended Practice on Local Authority Publicity does indeed serve a useful purpose. It provides useful guidance to authorities and has stood the test of time. The City Council would not support its abolition. In the absence of any central guidance, the City Council believes there would be a potential fall in consistencies in practice and so, at the very least, some such national guidance should exist.

The City Council believes that if the Code is to be incorporated into the Code of Conduct, then it should be made to apply to all those bodies to which the Code of Conduct applies.

4. **Does the proposed text with regard to gifts and hospitality adequately combine the need for transparency as well as proportionality in making public information with regard to personal interest?**

The City Council very much supports the need for accountability and openness in the acceptance of gifts and hospitality. However, the City Council believes that this can be done simply by requiring that the registers of such gifts and hospitality maintained by local authorities are open to public inspection and/or published by them. It does not, however, believe that the acceptance of gifts and hospitality should be something which becomes a personal interest of a Councillor. The City Council believes it is non-sensical to categorise such items as a personal interest, but then absolve the Councillor declaring it from having to do so at any meeting which he/she attends.

5. **Does the proposed text relating to friends, family and those with a close personal association adequately cover the breadth of relationships which ought to be covered, to identify the most likely people who might benefit from decisions made by a Member, including family, friends, business associates and personal acquaintances?**

The City Council has always believed that the definitions of the term "family" and "friend" in the present Code was neither appropriate or tenable. The City Council, therefore, welcomes the move to delete these terms from the new proposed Code. However, the replacement with the term "close personal association" does little to assist. The term is not precise and is open to differing interpretations. Whilst the City Council welcomes the suggestion that the Standards Board for England will issue guidance on this issue, it would have preferred to have seen a far more definitive statement in the new Code.

6. Would it be appropriate for new exceptions to be included in the text as additions to the list of items which are not to be regarded as prejudicial?

The City Council believes it would be appropriate to include these issues in the current exemptions.

7. Is the proposed text, relaxing the rules to allow increased representation at meetings, including where Members attend to make representations, answer questions or give evidence, appropriate?

The City Council believes that the proposed relaxation of the rules is a retrograde step. Whilst mindful of the argument that those Members who are Members of another authority, charity or lobbying body are unable to attend meetings to make representations, the City Council does not believe this has been a huge problem in practice. Having established that a Member has a prejudicial interest, which prevents them from speaking or voting on an issue, and requires them to leave a meeting, the City Council does not see how there can be some lesser sort of prejudicial interest which allows a Member to remain and speak, but to leave before any vote is taken. The whole objective of requiring a Member to leave when they declare a prejudicial interest is so that they cannot influence or participate in the decision making process. To allow an elected Member to remain for some of the meeting goes against this objective and cannot be supported. The introduction of such a concept is only likely to lead to greater public confusion and the perception that Members who have such an interest are being put in a privileged position to advocate their particular views. The City Council would, therefore, suggest that this particular provision should not be pursued.

8. Is there a better, more user-friendly way of ensuring the text is gender neutral, for example, would consultees consider amending the wording to say "you" instead of "he/she" or "him/her" would result in a clearer more accessible Code for Members?

The City Council would welcome any wording which not only ensured gender neutrality throughout the Code, but also clarity in wording. Anything which results in the Code being more inclusive and understandable is to be welcomed. In its Code of Conduct for Employees, the City Council already uses the phrase "you", so this would ensure the two Codes are far more compatible.

By way of further comment, the City Council would add that whilst it welcomes the publication of the Consultation Paper, it regrets it has taken so long for the Government to develop these proposals. In a speech made by the Minister in October 2006, consultation on the Code was promised for November with a view to it being in place by May 2007. If it is still the Government's intention to introduce the Code by May 2007, this leaves very little time for any guidance to be issued by the Standards Board for England or training to be given to elected Members.

28th February 2007

The City Council also welcomes the changes to the Code which are designed to provide better clarification, such as the amendment proposed at paragraph 5(a) and the simplification of paragraph of 5(b)(ii).

Although not asked to specifically comment on the proposed change, the City Council regrets the deletion of the provision which obliges a Member, if they become aware of a breach of the Code by another Member, to report that to the Standards Board. It is the City Council's view that this paragraph should be retained in its present form. The City Council believes that this clause is a key part of the ethical framework for local authorities and which reminds all elected Members of the obligations placed upon them.

The City Council also welcomes the provisions which will allow "sensitive information" in respect of a Member's private interests to be withheld from the public register.

Yours sincerely

Chris Hinde
Director of Legal and Democratic Services