

**COUNCIL OF THE CITY OF COVENTRY**

**20th March, 2007**

PRESENT

Lord Mayor (Councillor Ahmed)

Deputy Lord Mayor (Councillor Batten)

Councillor Arrowsmith	Councillor Lee
Councillor Asif	Councillor Mrs. Lucas
Councillor Bains	Councillor Ms. McKay
Councillor Benefield	Councillor Maton
Councillor Mrs. Bigham	Councillor McNicholas
Councillor Blundell	Councillor Matchet
Councillor Charley	Councillor Mutton
Councillor Chater	Councillor Nellist
Councillor Cliffe	Councillor H. Noonan
Councillor Clifford	Councillor M. Noonan
Councillor Crookes	Councillor O'Neill
Councillor Mrs. Dixon	Councillor Patton
Councillor Duggins	Councillor Ms. Reece
Councillor Foster	Councillor Ridge
Councillor Gazey	Councillor Mrs. Rutter
Councillor Mrs. Griffin	Councillor Sawdon
Councillor Harrison	Councillor Skinner
Councillor Harvard	Councillor Skipper
Councillor Ms. Hunter	Councillor Taylor
Councillor Mrs. Johnson	Councillor Townshend
Councillor Kelly	Councillor Mrs. Waters
Councillor Kelsey	Councillor Williams
Councillor Lakha	Councillor Windsor
Councillor Mrs. Lancaster	

Apologies: Councillor Adalat  
Councillor Field  
Councillor Mrs. Harper  
Councillor Mulhall  
Councillor Ridley

**102. Minutes**

The minutes of the meetings held on 20th and 27th February, 2007, were signed as true records.

### 103. Retirement of Councillor Mick Noonan

The Lord Mayor reported that Councillor M. Noonan was not standing for re-election to the Council at this year's Municipal Election.

Members expressed their thanks to Councillor Noonan for his contribution to the work of the Council and wished him well for the future.

### 104. Petitions

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

- (a) Concern About Rising Anti-Social Behaviour in the Area Around Holyfast Road, Coundon Green, Norman Place Road and Adjoining Streets – 20 signatures presented by Councillor Williams.
- (b) Consideration of Traffic Calming Measures for Westhill and Holyfast Roads – 42 signatures presented by Councillor Arrowsmith.
- (c) Objection to Proposals to Introduce a One Way System on Tile Hill Lane – 346 signatures presented by Councillor Taylor.
- (d) Opposition to the Proposed Wallace Road Safety Scheme, dated January, 2007, and Request for a Total Review of the Scheme to Improve Safety and Parking for Everyone – 1,364 signatures presented by Councillor Gazey.
- (e) Concern at Proposed Plans for the Change of Use of 2 Sandy Lane, Radford, to Accommodation for the Homeless and a 24 Hour Drop in Centre – 48 signatures presented by Councillor Hunter.
- (f) Objection to the Application for a Change of Use of 2 Sandy Lane, Radford – 384 signatures presented by Councillor Skipper.
- (g) Support for a Fully Equipped Coach Station for the City of Coventry – 251 signatures presented by Councillor Bains.
- (h) Residents of Parkville Highway Express Concerns About the Heavy Traffic Still Using Parkville Highway Regardless of Weight Restrictions – 38 signatures presented by Councillor Clifford.

### 105. Declarations of Interest

The following Members declared interests in the matters referred to in the minutes indicated. The relevant minutes recording the decisions also record the appropriate actions that Members decided to take at the meeting indicated, having

regard to the National Code of Government Conduct and the City Council's Constitution:-

(a) **Interests in Recommendations for the City Council**

**Personal**

<b>Member</b>	<b>Minute No.</b>
Councillor Hunter	110
Councillor O'Neill	112
Councillor Patton	112

(b) **Interests in Debates**

**Personal**

<b>Member</b>	<b>Minute No.</b>
Councillor Chater	117
Councillor Sawdon	117

**Prejudicial**

<b>Member</b>	<b>Minute No.</b>
*Councillor Benefield	114
*Councillor Townshend	117

(NOTE: \* The Members indicated left the meeting during consideration of these items.)

106. **Exclusion of Press and Public**

**RESOLVED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for part of the item of business contained in Minute 120 below relating to "Street Lighting PFI Initiative – Outline Business Case" on the grounds that the item involves the likely disclosure of exempt information as defined in Schedule 12A of that Act, in particular Paragraph 3 of that Schedule.

107. **Question Time**

The appropriate Members answered questions 1 to 4 which were set out in the Questions Booklet, together with the supplementary questions put to them at the meeting. In respect of question 3 in the Questions Booklet, Councillor Mutton, who asked a supplementary question, requested that he be sent a formal response in writing by the Director of Legal and Democratic Services.

In respect of question 4 in the Questions Booklet, Councillor Nellist who asked a supplementary question, indicated that he would be pleased to receive a written response from the Cabinet Member (Community Services).

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

<b>Question Asked By</b>	<b>Question Put To</b>	<b>Subject Matter</b>
1. Councillor Kelly	Councillor Blundell	The costs involved with the cladding repairs (including scaffolding etc) to the Gilralter teaching block at Woodlands School
2. Councillor Asif	Councillor Foster	The public consultation results regarding artwork for the proposed new Ironmonger Square
3. Councillor McNicholas	Councillor Foster	Alleged political interference in the preparation of the Highway Maintenance Programme of Works 2007/08 and Provisional Programme 2008/09
4. Councillor Nellist	Councillor O'Neill	The cost to Coventry City Council of employing consultants
5. Councillor Nellist	Councillor Blundell	The accelerated opening of Woodway Park Academy
6. Councillor Nellist	Councillor Foster	Progress on proposal to extend kerb side collections to include plastics recycling
7. Councillor Windsor	Councillor O'Neill	Details relating to the City Council's use of bailiffs
8. Councillor McKay	Councillor Blundell	Funding of Hillfields Early Years Children's Centre
9. Councillor McKay	Councillor Arrowsmith	Traffic calming in St. George's Road
10. Councillor Mutton	Councillor H. Noonan	The PCT's independence from any political party

**RESOLVED** that in relation to questions 1, 7 and 9 above, a written response be submitted to all Members of the Council in accordance with Paragraph 4.1.24 of the Constitution.

**108. Statement by the Leader of the Council**

There was no statement by the Leader.

**109. Adoption of Combined Skin Piercing Byelaws**

Further to Minute 201/06 of the Cabinet, the City Council considered a report of the Head of Public Protection, which sought approval for the adoption of a combined

set of byelaws to require the registration of cosmetic skin piercing and semi-permanent skin colouring activities.

The report confirmed that the City Council already had registration controls through byelaws that set hygienic standards in place for ear piercing, tattooing, acupuncture and electrolysis, made at various times between 1983 and 1987, but, these byelaws did not cover the practices of body piercing or semi-permanent skin colouring. An amendment made in 2003 allowed local authorities to adopt byelaws to require the registration of cosmetic skin piercing and semi-permanent skin colouring, which had been omitted from the existing legislation. It therefore closed the 'loophole' that prevented the registration of persons not carrying out ear piercing but carrying out body piercing only.

The report also confirmed that the process of adopting the byelaws included a requirement for them to be submitted to the Secretary of State for Health for confirmation. At least one calendar month before applying to the Secretary of State, a notice of intention to apply must be published in at least one local newspaper and a copy of the byelaws must be open to public inspection at the Council's offices, without charge at all reasonable times.

The report also indicated that Local Authorities were entitled to charge a reasonable fee (currently £83.30) to cover the administration of the registration process but the level of income generated would not be material.

It was noted that the, adoption of the byelaws would impose registration controls on businesses operating potentially outside the licence scheme and that legal action could be taken against businesses that fail to register or continue to operate in contravention of the registration conditions.

**RESOLVED that the City Council:-**

- (1) Approve the adoption of the byelaws set out in Appendix 1 to the report submitted.**
- (2) Request the Head of Public Protection to undertake the necessary advertising procedure as referred to above prior to making an application to the Secretary of State for Health for confirmation of the byelaws.**

**110. Response to Government Consultation Document "Allocation of Accommodation: Choice-based Lettings – Code of Guidance for Local Housing Authorities"**

Further to Minute 209/06 of the Cabinet, the City Council considered a report of the Director of Community Services, already considered by Scrutiny Board 4 at their meeting on 19th February, 2007, (their Minute 50/06 refers), which sought views on the draft response to the Government Consultation on the Code of Guidance for the operation of Choice-based Lettings schemes. The proposed response was attached as Appendix 1 to the report submitted.

The report indicated that the development of a system to allocate social housing (housing association tenancies) using a Choice-based Lettings arrangement was well advanced in the City, the Cabinet having given approval to the development in 2006. The Cabinet Member (Community Services) had approved the operational arrangements on the 6th February, 2007, and Scrutiny Board (4) had considered and endorsed them at their meeting on the 17th January, 2007, (their Minutes 33/06 and 45/06 respectively refer).

On the same day that the Scrutiny Board had considered the arrangements, the Government published for consultation a long-awaited Code of Guidance for the operation of Choice-based Lettings schemes. Responses to the document were invited by the 10th April, 2007.

The proposed Coventry Choice-based Lettings scheme ("Coventry Home Finder") was the product of a long development process involving the City Council and all partner housing associations operating in the City. It had been developed following investigation of best practice elsewhere in the country and according to the law as it currently stood.

Most of the Coventry scheme was in line with the ideas in the consultative code. There were some differences, however, and those were reported at the meeting of the Cabinet Member (Community Services) referred to above. In approving the document, the Cabinet Member noted that arrangements would be made for a formal response to the Consultation Document to be considered by the City Council and it was decided, therefore, to await the substantive document before making any changes to the proposed arrangements. It was also noted that a further report would be brought when the substantive document was published later in the year, if the Coventry scheme still differed from the arrangements described in the Code of Guidance.

It was noted that the Cabinet and Scrutiny Board (4) had endorsed the draft response at their meetings referred to above.

**RESOLVED that the City Council approve the draft response appended to the report submitted.**

**111. Response to a Government's Consultation Document - "Disabled Facilities Grant Programme: The Government's Proposals to Improve Programme Delivery"**

Further to Minute 210/06 of the Cabinet, the City Council considered a report of the Director of Community Services which set out a proposed response to this Consultation Paper, published by the Government in January, 2007. It was noted that the document had already been considered by the Scrutiny Co-ordination Committee at their meeting on the 21st February, 2007 (their Minute 195/06 refers). Responses to the Consultation were requested by 13th April, 2007.

The report indicated that Disabled Facilities Grants (DFGs) were means-tested mandatory grants awarded to people with disabilities who needed adaptations to their homes to make them more suitable for their occupation. The operation of the scheme was proving difficult for the City Council, and many other local authorities, because

demand exceeded available resources. A 'waiting list' of applicants for DFG's had built up and outside inspection agencies had been critical of the situation in the City. Consequently, a series of initiatives had been instigated to try and improve the situation and these were being reported to the Scrutiny Co-ordination Committee and to the Cabinet Member (Community Services).

It was noted that the DFG Programme had a complex funding arrangement. Government funding for housing capital work was now provided to local authorities through the Housing Investment Programme made up of two allocations. One allocation had to be used entirely to finance DFG work and, in 2006/07, had amounted to £1.008m. The second allocation could be used on other elements of housing capital work and in 2006/07, this amounted to £2.575m. In order to access the DFG allocation, 40% of the grant value had to be match-funded from the second allocation. Thus, at least £0.403m of the second allocation had to be allocated to DFG work to access the first.

Next year, although the DFG allocation would increase to £1.089m, the second allocation had reduced to £1.934. Thus, to access the DFG allocation, £0.436m of the second allocation must be spent on DFGs. Because of the demand for DFGs in Coventry, however, virtually all of the two allocations together were now expended on DFG work.

As well as commenting on matters of detail, there were a number of fundamental principles that the report proposed for consideration. A summary of recommendations were attached as Appendix 1 of the report.

The report pointed out that the consultation document did not acknowledge that the majority of DFGs were now given to older people experiencing mobility problems, rather than younger families containing a person with disabilities. This had meant that demand had increased hugely but the funding regimes did not reflect that change. Many of the people to whom DFGs were awarded live in property with considerable equity in it. Again, however, this was not reflected in the current 'means test' that was applied.

Given the unsatisfactory nature of the financing arrangements, which saw the Council committing a disproportionate amount of capital resources to DFG work and still not achieving the targets set by the inspection bodies, it was suggested that a fundamental criticism of the consultation should be that it did nothing to address that problem and at times, its proposals could make the problem greater. Thus, for instance, to anticipate increasing the maximum level of grant from £25,000 to £30,000 immediately, and £50,000 in longer-term stages, was unhelpful when authorities were struggling to meet the existing financial commitment.

In other areas of home improvement policy, Government policy had moved away from grants altogether, and the expectation was that people use the equity in their homes to finance improvements. The Council was part of a West Midlands scheme known as 'Kick-start' that was piloting equity release loans. The thinking behind such schemes was that, even if an owner-occupier had owned property for just a few years, generally speaking, house-prices had increased at such a rate that, providing ways could be found to 'release' it, people could use the equity in their homes to finance

essential home improvements. It was suggested, therefore, that the response should also point out that equity release should be used to fund adaptations for people with disabilities.

Part of the difficulty of the present arrangements was that they were mandatory and very prescriptive. It was suggested, therefore, that the response should say that the mandatory and prescriptive framework of the legislation should be removed, enabling authorities to develop appropriate local solutions commensurate with what was feasible in the locality. That would enable local authorities that were rich in capital to develop grant schemes if they so wished, and for others to develop alternative schemes that they could finance.

The consultative document explored whether a 'charge' should be levied on the property, so that, when it was eventually disposed of, some repayment was made of the grant. It was suggested that the response should say that this should be a fundamental principle of any future grant scheme, if one was to be maintained. It would be important, however, if such an arrangement was introduced, to ensure that the implications were thoroughly understood prior to implementation, to avoid creating further delays in the system.

At present, there was not complete legislative unity between the DFG process for determining whether a grant should be made and the 'Fair Access to Care' arrangements for determining whether social care should be provided to an individual. It was suggested that the Council's response should argue that the eligibility criteria for DFGs should be brought completely in-line with the 'Fair Access to Care' arrangements. The advantages of such an alignment would also lead to DFGs being seen in the context of a whole system of care.

In the longer term, the need for adaptations would be greatly reduced if all new housing was constructed to 'Life-time Homes' standard, facilitating easier movement around the property for those less mobile. There had been discussion relating to whether the Building Regulations should be changed to require that. Instead, the Government had built the idea into a voluntary code for developers, entitled the 'Code for Sustainable Building'. The Code covered the various elements that contributed to the sustainability of a new building. There were nine categories and 'Life-time Homes' was one of four elements within Category 7 - 'Health and Well-being'. It was suggested that the response to the DFG Consultation Paper ought to argue that there should be a mandatory requirement placed on all developers to build to that standard.

As regards matters of detail to consider in response to the consultation document, the report suggested that, if the overall framework of a grant scheme was to be retained, the following aspects should be particularly supported:-

- The proposals to simplify the funding arrangements to councils so that there was one allocation, rather than two, as at the moment
- The recommendation to let all social housing that was adapted through a Choice-based Lettings route, so that people could see what was available and bid for it if they needed purpose built, or adapted, property.

- The recognition that grants ought to be available to help people to move to more appropriate accommodation, rather than just to provide adaptations to the existing home.
- The suggestion that the adaptations that were undertaken should include giving access to the garden and other outside areas beyond the living accommodation, within the framework of 'Fair Access to Care', and reflective of individual aspirations and agreed outcomes.
- The suggestion that the legal framework should be altered, so that work did not have to be procured scheme by scheme. This would allow better procurement. Larger contractors might be interested and equipment might also be better procured.
- The recognition that the existing mandatory application form required simplification as it was far too complex.
- The freedom to use individual budgets to deliver adaptations. However, it should be recognised that, in order to do this in a meaningful way, the process would have to be re-designed to allow for involvement of expertise early in the system in establishing a grant allocation.

It was suggested that the following aspects in the Consultation Paper should not be supported:-

- The suggestion that Home Improvement Agencies (HIAs) should be the basic delivery agent for DFGs. It was believed that HIA had a very important part to play and work in close partnership with its local agency, it was not considered that the problems of the existing legislative framework would be resolved if HIA took over the full housing adaptations service from the local authority.
- The suggestion that, as in Wales, a completely separate 'rapid response' agency to deal with urgent hospital-discharge cases should be created. It was considered that, if required, the local priority system for dealing with DFGs could deal with that element.
- The suggestion that independent occupational therapists should be employed and their cost charged to the grant. It was considered that it would be impossible to achieve consistency of approach if such an arrangement were introduced.

Generally, the report concluded that the consultation document did not go far enough in recognising that there were some fundamental system barriers within the mandatory DFG framework. If some of the changes suggested in the document were introduced, however, detailed work would be required to understand the impact and to ensure that they did not cause further delay.

It was further noted that a summary of responses to the consultation would be published by the 6th July, 2007.

It was confirmed that the Cabinet had noted that the Scrutiny Co-ordination Committee, at their meeting on the 21st February, 2007, had endorsed the draft response, with a request for the addition of a further point. In relation to the proposal the response argued that the existing grant system ought to be changed completely, the Scrutiny Co-ordination Committee asked that this should include the view that, if the Government decided to continue with the existing arrangements, the concept of a "maximum grant" was inappropriate. If an assessment showed that a more expensive scheme was required, it should be eligible for grant assistance. It was noted that the Cabinet had decided to endorse the draft response, with the addition of this further point.

**RESOLVED that the City Council approve the draft response appended to the report submitted, with the addition of the further point proposed by the Scrutiny Co-ordination Committee as indicated above.**

**112. Wood End, Henley Green and Manor Farm – New Deal for Communities (WEHM-NDC) Regeneration Proposals**

Further to Minute 223/06 of the Cabinet the City Council considered a joint report of the Chief Executive, the Director of City Development, the Acting Director of Finance and ICT and the Director of Legal and Democratic Services, which outlined the major regeneration proposals for the Wood End, Henley Green and Manor Farm – New Deal for Communities (WEHM-NDC) area of the City and presented the outcome of negotiations between the Stakeholder Partners (Whitefriars Housing Group (Whitefriars), the Coventry New Deal for Communities (NDC) and the Council and the preferred developer (BKW); along with a proposed scheme of development and regeneration, which included associated contractual, commercial, financial, property and community implications.

It was reported that this major housing-led regeneration project had been in preparation for several years and that a number of reports had previously been submitted to the Cabinet on various aspects of the project. The report submitted also set out the key milestones since the Council became the accountable body for the NDC in March 2001.

It was reported that the Cabinet had noted that the proposed scheme would depend on a number of key inputs, including a contribution of 73% of the land within the Masterplan area by Whitefriars and 27% of the land by the City Council. This included two shopping centres at Broad Park Road and Dr Philips Centre, operational properties, the Neighbourhood Management Office; the Children's Services Office; the Adventure Centre; Deedmore School Site and other open space and leisure land. Other key inputs included use of Government Office for the West Midlands funding by NDC for Masterplanning and procurement (this aspect of grant support to NDC expired on 31st March 2007); and investment of approximately £350m by BKW, generated from the sale of approximately 2,400 new properties, which would be constructed on land provided by Whitefriars and the City Council. As a result of those inputs, it was expected that, in return for the land provided free of charge by Whitefriars and the City

Council, BKW would provide a redevelopment project over two phases, taking at least 15 years. This would involve the demolition of 1,907 properties, the provision of 1,000 new social housing units for rent, free to Whitefriars; 20 additional new social housing units on the Deedmore School site at a 50% discounted price to Whitefriars (or another Registered Social Landlord); 2,378 new properties for private sale, 138 properties for sale at a 50% discount to enable existing owner-occupiers to stay in the area, green space enhancements and play provision (as detailed in a Section 106 Agreement, to be negotiated as part of the planning process) new commercial retail centres, to replace those lost as part of the scheme, subject to overall scheme viability and a new and upgraded street scene (road surfaces, footpaths etc).

In addition, as part of the programme to regenerate the area, the City Council would contribute a capital receipt of at least £3.0m for the Deedmore School site (subject to DfES approval for building on a school site including playing field and statutory consultation) towards the cost of a new Broad Spectrum Special Primary School in the area; a Leisure and Neighbourhood Centre, (funded largely by the NDC) and 350 retained refurbished Whitefriars properties.

The report also indicated that it was expected that the stakeholders and BKW would also receive 'overage', (i.e. cash return from the increase in property values above those assumed at the commencement of the scheme). However, the extent and timing of the 'overage' would depend on the success of the scheme.

It was confirmed that, since October 2005, the stakeholder partnership and its retained consultants had been working intensively on contractual and commercial negotiations, specific aspects of which were detailed within the report submitted. The Project Board had been meeting monthly to oversee the project management, review the risk register and sought to resolve critical issues, both within the stakeholder partnership and between the stakeholders and BKW. The Council was a key stakeholder in this project, as was the owner of a significant amount of land and property, both within the WEHM-NDC area and extensive public open space, surrounding the proposed development. Whilst the development would deliver its main regeneration impact through housing renewal, it would further many other aspects of the Council's strategic purpose, including: leisure provision, public open space enhancement, environmental improvement, and community cohesion and well-being.

The development proposals supported the implementation of the Council's Housing Strategy, particularly its three core aims of achieving housing growth to support wider regeneration and economic investment; rebalancing housing markets to stem decline and to establish new and more stable communities; and improving pathways of choice for Coventry's people and to attract and retain newcomers.

In terms of central government and regional housing policy objectives contained in national planning guidance (importantly Planning Policy Statement 3) the Regional Spatial Strategy (Housing within the Major Urban Areas) and the Regional Housing Strategy (Urban Renaissance), the project presented opportunities to significantly contribute to widening the choice of housing types and tenures; introducing an improved mix and design of high quality homes across the housing market; and expanding the range of new purpose-designed housing for people who were vulnerable, or have disabilities in this part of the City.

The strategic need for physical, environmental and community regeneration in the WEHM-NDC area was evident, and the challenge was greater than public investment alone could meet. Private sector investment had the capacity to achieve the required transformational change into a viable and vibrant mixed community. This significant private sector investment, coupled with substantial government funding via the NDC programme, would greatly enhance social and community infrastructure.

The report submitted outlined 3 proposed options for the WHEM-NDC area, with the preferred option being Option 1. This proposal included the major redevelopment of the WEHM-NDC area to fulfil the commitment made to the community during Masterplanning consultation; to radically change the physical, environmental and socio-economic character of this disadvantaged area of the City; and to reverse the terminal decline of the area and create a sustainable mixed community.

It was proposed that the redevelopment be undertaken in two major phases over a period of about 15 years. It was anticipated that BKW would submit an outline planning application in late 2007 and that clearance and redevelopment would commence approximately two years later.

It was reported that the Cabinet had noted the contents of a leaflet outlining the phased development proposals, which, in summary, included the clearance of 728 homes in Phase 1 and 1179 homes in Phase 2; the construction of 1217 new homes for sale in Phase 1 and a further 1161 in Phase 2; 46 new homes for displaced homeowners in Phase 1 and 92 in Phase 2; 399 new homes for rental with Whitefriars in Phase 1 and 601 in Phase 2 and a further 20 new homes for rental on the Deedmore School site in Phase 1. In addition, there would be 357 retained private homes; 350 refurbished Whitefriars homes and a further 358 homes for rent.

Option 2 would be to do nothing, which would be a grave disappointment to all stakeholders and, more importantly, to the community within the WEHM-NDC area.

Option 3 proposed a moderate redevelopment of the area by selective clearance of sites, which could be parcelled off to various developers and the report submitted outlined the potential disadvantages of such an approach.

Whitefriars would implement this regeneration project, in conjunction with its selected building consortium developer BKW. The Council had been asked to support the project with land assembly using compulsory purchase powers and including Council owned land as previously identified.

It was noted that, in order for the project to proceed, the Council must satisfy itself that it had the powers to support the project with the inclusion of land at nil cost. The Council's powers for this were contained in the Local Government Act 1972, in particular the General Disposal Consent 2003. The disposal at nil value represented a disposal at less than best consideration, as the Council's property had an existing asset value of £494,517 and there was a limited amount of land that could potentially be developed in isolation. However, it was considered that the disposal could be justified under the General Disposal Consent 2003, which provided for such disposals to secure the promotion and improvement of the economic, social, or environmental well-being of

the area. The 'overage' provisions of the agreement with BKW would deal with any increase in development value subsequent to the disposal.

It was anticipated that the Council would receive 'best consideration' under the provisions of Section 123 of the Local Government Act 1972 for the disposal of the site of the former Deedmore School, which was not included with the tender disposal and had been the subject of separate negotiations between the Council and BKW.

It was confirmed that the Cabinet noted that the legal structure of the property transaction was complicated and that the Council had appointed external legal advisors (Mills and Reeve) to support them in the production of the documents to which the Council was a party. Mills and Reeve had given the Council a report on the interlinking of the documents and a resumé of risks.

The Council had considered its overall involvement in the project in terms of its financial and land inputs and was satisfied that, in so far as the Council's position was concerned, there was no state aid implication.

The report submitted outlined the various agreements required in order to proceed with the project, which included the Master Development Agreement; a Phased Development Agreement; a Stakeholders Agreement; a Direct Agreement; a Compulsory Purchase Agreement Indemnity Deed; and Section 106 Agreements. It was confirmed that the Cabinet had noted that all the documents were complex and that the Council had endeavoured to ensure that, whilst entirely supportive of the project, its contribution was limited to the identified land and financial contributions detailed.

It was also noted that the Cabinet had been further advised that a group of residents from the Henley Green area had made an application to have an area of land, which was incorporated in the Masterplan, registered as a 'Village Green' and that the Council was the 'Registration Authority' for this purpose, placing it under a duty to determine the application. In that capacity, it had appointed an independent barrister to act as an inspector at a non-statutory public inquiry due to be held from 7th to 15th June 2007.

It was confirmed that the Council, as the landowner, had engaged a specialist barrister to represent it at the Inquiry, to 'defend' the application, and that, if the application was granted and the land registered as a 'Village Green', it would become 'sterile' land in terms of any future use and would also substantially affect the proposed regeneration scheme. It was also noted that the developer would also be separately represented and had engaged specialist Counsel to 'defend' the application.

Once the Inspector had heard all the representations at the Inquiry, it was anticipated s/he would take some time to reflect and produce a report, with recommendations as to registering the land as a Village Green. That report would then form the basis of a report to the Planning Committee, in whose remit the decision finally rests.

A financial model that formed part of the Master Development Agreement had been constructed to determine whether the scheme was affordable and would provide

sufficient return to BKW to enable the project to proceed. The model included amounts derived from the sale of the new properties, against which were set the costs of the project. It was considered that, currently, the Phase 1 forecast financial model was viable on a total scheme value of £350m, after allowing for the reduction in Whitefriars' Phase 1 units, as explained in paragraph 8.6 of the report submitted.

It was also considered that at this stage, the financial model showed that Phase 2, which was forecast to commence in 8 to 10 years time, was not viable. It was difficult to determine the viability of Phase 2, given that its initiation was so far in the future, but it was anticipated that a successful Phase 1 would ultimately make Phase 2 viable as the scheme progressed. This would be dependent on the availability of land, which was currently subject to the 'Village Green' application, and sales values increasing faster than building costs.

A financial model would be used to assess viability of the scheme at several key milestones during its progress and that be constantly reviewed to detect any changes in assumptions that may affect the continued viability of the scheme. Further reports would be submitted at the appropriate stages.

The report submitted also highlighted a number of financial and related issues for Stakeholders which included Displaced Owners Scheme (DOS) equity share and rent loss; securing Phase 1 Financial Model Viability at Master Development Agreement stage; additional Right to Buy (RTB) properties; 'Overage' and land value; continuing Council project management costs; land to be redeveloped; ownership of redeveloped land on completion of scheme; land required for flood water balancing; the former Deedmore School site; and Asset and Development Values.

It was reported that the Cabinet had decided to endorse the recommendations contained therein.

Councillor Windsor moved the following amendment, which was seconded by Councillor Nellist and lost.

That the following be added to Recommendation 2.1 of the report: -

"excluding that area desired by local residents to be registered as a Village Green."

**RESOLVED that the City Council:-**

- (1) Approve the phased development scheme described in Section 5 of the report submitted.**
- (2) Note the contents of the Master Development Agreement (MDA) between the Developer (BKW) and Whitefriars Housing Group (WHG) which will be the principal contract governing the development.**
- (3) Authorise the execution of the Stakeholder Agreement between the Council, Whitefriars Housing Group and the Coventry New**

**Deal for Communities (or its successor body: Moat House Community Trust).**

- (4) Authorise the execution of the conditional Direct Agreement (DA) between the Council and BKW, relating to the contractual obligations for the sale of land and other matters connected with preparation to administer a Compulsory Purchase Order on behalf of BKW.**
- (5) Approve the sale to BKW of the site of the former Deedmore School at open market value on terms detailed in Paragraphs 6.4 and 9.15 of the report submitted, subject to Department for Education and Skills (DfES) consent.**
- (6) Approve the disposal to BKW of land and buildings at nil consideration in support of the regeneration objectives of the scheme, noting that this disposal is at less than best consideration, and is in accordance with the provisions of the General Disposal Consent (England) 2003.**
- (7) Approve the disposal of nine hectares of the land referred to above, which is currently held and managed as public open space, and follow the statutory process for such disposal contained in the Local Government Act 1972.**
- (8) Approve the use of land to the north of the WEHM-NDC area for floodwater balancing purposes, for the reasons detailed in Paragraphs 9.11 to 9.14 of the report submitted.**
- (9) Authorise, after appropriate consultations with existing leaseholders, the issue to BKW of a licence to undertake the works, to the satisfaction of the Environment Agency, relating to water balancing and flood mitigation on land to the north of the WEHM-NDC area, as referred to at 8 above.**
- (10) Authorise the reinvestment of Right To Buy (RTB) receipts, secured under the terms of the Stock Transfer Agreement between the Council and Whitefriars Housing Group, from new RTB applications in the NDC area for those properties included in Phase 1, so far as this is required to achieve the target number of replacement social housing units within the NDC area, as described in Paragraph 8.9 of the report submitted.**
- (11) Approve the proposed arrangements for sharing any future land value and/or 'overage' generated by the scheme, both between BKW and the stakeholders and between the three stakeholders, as set out at paragraph 8.10 of the report submitted.**
- (12) Approve the proposed Displaced Owners Scheme and the financial consequences for the stakeholders, including the**

**Council, as described at Paragraphs 8.2 to 8.5 of the report submitted.**

- (13) Note that it is intended to submit a further report relating to the need to make a Compulsory Purchase Order, upon an outline planning permission being obtained by BKW.**
- (14) Authorise the execution of the documents required to give effect to resolutions arising from this report, on behalf of the Council.**

### **113. Licensing Act 2003 – Consultation on Revised Guidance**

Further to Minute 225/06 of the Cabinet, the City Council considered a report of the Director of City Services which advised on the contents of a consultation document received from the Department of Culture, Media and Sport (DCMS) and proposed a response to the questions raised therein. The consultation document and proposed response were appended to the report. The report had also been considered by the Licensing and Regulatory Committee and Scrutiny Board 3, at their meetings held on 6th and 7th March 2007, respectively (their Minute 92/06 and 71/06 respectively refer).

The report explained that the Licensing Act 2003 required the Secretary of State to issue licensing guidance to licensing authorities on the discharge of their functions under the Act. The guidance was first issued in July 2004. Following this, the DCMS commenced a two-stage review of the Guidance, with the first stage focusing on providing clarification or additions to the Guidance on relatively uncontentious issues which were raised during the transitional period. This initial review resulted in the DCMS publishing supplementary guidance in June 2006.

The second stage of the review involved a consultation, which sought views on revisions to the guidance that the DCMS were proposing to make. The consultation document was published on 16th January, 2007 giving local authorities only 12 weeks to conduct their own consultation, draft a response and get approval through the political process.

It was confirmed that the Cabinet the Licensing and Regulatory Committee and Scrutiny Board 3 had endorsed the proposed response, and had not proposed any amendments.

**RESOLVED that the City Council approve the draft response appended to the report submitted.**

### **114. Coventry Development Plan 2001: "Savings" Policies**

Further to Minute 226/06 of the Cabinet, the City Council considered a report of the Director of City Development, which made recommendations as to which of the policies in the adopted Coventry Development Plan 2001 (CDP) should be "saved" until superseded within the Local Development Framework, which had resulted from the transition arrangements arising from the changes to the planning system being rolled out following the 2004 Act.

The report explained that the Planning and Compulsory Purchase Act 2004, which introduced the new planning system of Local Development Frameworks, provided interim arrangements whereby the Local Planning Authority (LPA) could "save" the policies of their existing development plan for a three-year period commencing on 28th September 2004. This concept related to the need for continuity during the change from the old to the new planning system. The Act also gave the Secretary of State power to make a direction to "save" policies beyond this three-year period. As progress on new-style plans had not been as quick as envisaged when the Act was passed, it became clear that the coverage of new planning policies across the country was small. Action was needed to ensure that relevant policies remained in force, thus avoiding a policy vacuum. Therefore, last year, the Government issued a protocol on the "saving" of development plan policies, which were detailed in the report submitted.

LPA's were expected to submit lists by 1st April 2007 to Government Offices of proposed saved policies along with their intentions for them, and a further list of policies they did not wish to save. The Government Offices would then assess the lists and the Secretary of State would direct accordingly. In the direction, the Secretary of State could agree with local authorities' recommendations or could decide to save a policy even where they had recommended deletion or alternatively decided that a policy would not be saved despite the local authorities' recommendation.

All policies within the CDP had been assessed against the criteria detailed within the report submitted, and the Local Development Framework Advisory Panel had considered recommendations. The Cabinet noted that the only possible decision in relation to these policies was to either save or delete, and that the option of amending or revising a policy was not possible. Amendments would need to take place through work on the Core Strategy and other Development Plan Documents through the statutory planning process. The effect of this exercise was to provide, with the Regional Spatial Strategy, the development plan until the Core Strategy was adopted, which was expected to be 2009. Policies had been recommended for saving where they met at least one of the specified criteria or where they could form part of the CDP's central strategy; express the priorities of the Coventry Community Plan; be allocation policies; conform with or expand on the Regional Spatial Strategy; or expand on national policy.

It was recommended that all of the existing Overall Strategy, Housing, Employment and Green Environment Policies should be saved. Policies recommended for deletion had generally been implemented; duplicate national guidance; duplicate other CDP policies or it was believed that there had been material changes in circumstances, which suggest they were no longer appropriate, and where greater flexibility was desirable.

Appendices to the report submitted detailed all CDP policies and recommendations as to whether they should or should not be saved.

**RESOLVED that the City Council approve the recommendations for "saved" and deleted policies for submission to the Government Office of the West Midlands.**

#### **115. Wide Area Network (WAN) Implementation Project Procurement**

It was noted that this item had been withdrawn from the agenda prior to the commencement of the meeting.

#### **116. Street Lighting PFI Initiative – Outline Business Case**

Further to Minute 230/06 of the Cabinet the City Council considered a joint report of the Director of City Services, the Acting Director of Finance and ICT and the Director of Legal and Democratic Services which summarised the progress on the Street Lighting Private Finance Initiative (PFI) Project; set out the options appraised, and sought permission to submit an Outline Business Case (OBC) to the Department for Transport (DfT) by 30th March 2007. It was noted that Scrutiny Board (3) had also considered this report at their meeting held on 7th March 2007 (their Minute 74/06 refers). It was noted also that a corresponding private report, which detailed commercially confidential aspects, had also been submitted to this meeting and to the Cabinet ( their Minute 233 refers).

The report confirmed that the Government had announced in November 2005 that £600m in PFI credits would be available to address the continuing problems of deterioration in the street lighting stock. Interested councils were required to submit an 'Expression of Interest' (Eol) to the DfT by 24th February 2006. On 21st February 2006, the Cabinet and the City Council had approved the submission of the Eol to the DfT. The Council had also approved, in its Medium Term Financial Strategy, a budget allocation of £1.3m per annum from 2008/09 onwards (the affordability gap) along with an estimated one-off project development budget of £70 000 in 2006/07 and £0.430m in 2007/08 (their Minute 123/05 refers). On 26th July 2006 the DfT approved the Council's Eol for a Street Lighting PFI and granted £62.8m of credits for the project. On 20th February, 2007, the Council confirmed the re-phasing of the costs of the PFI of £1.3m per annum from 2009/10 onwards, due to a revised indicative procurement programme; and approved a revised project development budget of £1.1m (Minute 88/06 refers).

The next stage in the programme was to submit an Outline Business Case (OBC) to the DfT by 30th March 2007. The Council had completed a detailed affordability study and was now seeking credit approval from the Government (PFI credits) of £64.3m, an increase of £1.5m from the Eol stage, to cover inflationary increases owing to an assumed service commencement date of April 2009. It was expected that the DfT would agree to this increase in credit allocation. The report confirmed that the provision of street lighting services through a PFI Project would result in there being were no maintenance charges or energy costs over and above the Unitary Charge. The "affordability gap" (i.e. the amount over and above that which the Council currently expends on the service) currently remained the same as that reported to the Cabinet and the Council in February 2006, at the Eol stage (i.e. £1.3m per annum). This had already been incorporated in the Council's Medium Term Financial Strategy. One off project development costs were also required, for which an additional budget had been identified in this years (Policy, Priority and Resources) PPR process.

The report referred to the fact that the PFI process was quite prescriptive, with the development of the PFI contract taking approximately 18 months to negotiate from

the commencement of the procurement process when the Invitations to Submit Outline Solutions (ISOS) were issued, to start of contract. For the Coventry PFI, the ISOS was scheduled for issue in November 2007 with a service commencement date of April 2009. The detailed procurement programme for the Project was also appended to the report.

The report confirmed that the duration of the PFI would be 25 years, during which time responsibility for service provision would transfer to a private contractor who would undertake major capital renewal of the street lighting infrastructure and all ongoing maintenance responsibilities. The majority of the capital investment would take place in the first 5 years of the contract period and the report submitted outlined the works to be included within that period. It was anticipated that the project would result in the provision of substantially modernised public lighting across the whole of the City and the additional investment would replace old and obsolete equipment, which had or was reaching the end of its useful design life; provide additional lighting to unlit areas and provide a consistent and enhanced lighting quality across the City.

The proposal also included the replacement of illuminated traffic signs and other illuminated highway street furniture, ensuring a consistently high standard of provision is rapidly achieved and then maintained in the long term.

The report highlighted the fact that approximately 17,000 of the City's estimated 33,000 street lighting columns were beyond their original life expectancy of 25 years and that a further 9,400 did not meet the current European standard for lighting. In addition, it was estimated that up to 6,300 additional lighting columns may be required to meet the relevant standards. Many of the City's 4 000 illuminated traffic signs were also at the end of their useful life and required modernisation and standardisation. The capital investment to meet these requirements could not be found from the existing Council budgets. As time goes on, a higher and higher proportion of the existing street lighting inventory would also reach the end of its design life and need replacing.

Owing to increasing concern from recent lighting column structural survey reports, the Council had identified additional capital resources of £1.4m in 2005/6 and £1.4m in 2006/7 to fund the replacement of 1,000 columns per annum. In the financial year 2007/08, a provisional allocation was identified for a further £1.4m to be invested in street lighting infrastructure works. At the EoI stage, it was reported that, to continue this level of additional investment beyond 2006/7, it would take a further 28 years to replace the existing lighting only. However, it was recognised that this increased level of capital investment was unlikely to be sustained in the long term and an alternative long-term solution to lighting maintenance and funding needed to be found. To this end, the Council approved the EoI for the development of a PFI for street lighting, traffic signs and bollards in February 2006.

The report confirmed that the creation of safer and stronger communities was a central theme that ran through the Corporate Plan and the quality of street lighting provision, both in terms of road safety and personal security, was a key element in achieving this. The project also included the provision of a number of enhanced specification columns to enable CCTV and/or mobile 'Dome Hawk' cameras to be attached to them in order to monitor crime hotspots.

It was noted that work carried out during the development of this project had also sought to accommodate revisions to lighting codes of practice and increases in stock replacement and energy charges, whilst ensuring that the project remained value for money in terms of the benefits and costs. Just as importantly, the OBC had been developed to ensure that the additional annual revenue budget support required from the Council was kept to a minimum to ensure an acceptable and realistic level of service delivery throughout the entire PFI contract period.

It was pointed out that the PFI would enable a comprehensive investment programme to be undertaken to achieve the relevant modern standards and a long term service delivery arrangement would afford the opportunity for much of the cost to be met by Government grant. This option was preferable to Prudential Borrowing as this could only be utilised to improve the existing stock but would require the Council to fund all the costs of improvements.

The injection of substantial Government funding, if awarded, made the PFI option the more affordable solution.

The report confirmed that, owing to the complexity of PFI projects and the specialist skill and experience required to develop them, there was a need to appoint external financial, legal and technical advisors with the appropriate experience. It was intended, however, to assess the skills and expertise of the City Council's own staff before defining the precise role to be played by the external advisors.

All external advisors would be expected to work alongside the 'in-house team', providing those competencies and capacities not available within existing Council directorates. This complementary sharing of responsibilities would not only be more economic, but also enable the 'in-house' team to acquire specialist knowledge and skills for the future so that, in the event of any subsequent procurements, there was less dependence on external advisors. Following a tendering exercise involving three companies, Derek Rogers Associates were selected as they were considered to have the most significant experience in delivering Street Lighting PFI Projects.

It was noted that, during the development of the EOI, Deloitte had provided external financial advice to the project. On obtaining approval from the DFT to proceed to the development of the OBC, a competitive tendering process involving an evaluation of detailed proposals from two firms with specialist PFI Street Lighting experience and relevant financial expertise was undertaken by the project team. The proposals were evaluated against criteria, which focused on experience, quality, capacity and price and PricewaterhouseCoopers were appointed. A tendering procedure was undertaken to select legal advisers. Nine expressions of interest were received and, after a preliminary evaluation, five were invited to submit formal tenders and attend a meeting to present their proposals to a panel made up of representatives from the project team. Following this exercise, Hammonds were assessed as providing the most economically advantageous tender (MEAT) and were therefore appointed.

It was noted that the Cabinet and Scrutiny Board (3) had endorsed the recommendations contained in the report.

**RESOLVED that the City Council:-**

- (1) **Approve the submission of an Outline Business Case (OBC), to the Department for Transport (DfT) for funding approval, based on a Fast Track Solution, as outlined in Section 4.4.3 of the report submitted.**
- (2) **Approve the commencement of the procurement process for the Street Lighting PFI Project, subsequent to the approval of the OBC by the DfT.**
- (3) **Note that further reports will be brought to Cabinet and the Council seeking approval at the key procurement stages.**
- (4) **Approve the appointment of external advisors for this project, the cost of which is to be contained within the project development budget, (i.e. PricewaterhouseCoopers (PWC) as financial advisors, Derek Rogers Associates (DRA) as technical advisors and Hammonds as legal advisors) for the purposes indicated in Paragraph 4.6 of the report submitted.**
- (5) **Delegate authority to the PFI Street Lighting Project Board to approve any minor changes to the OBC.**

**117. Debate – National Health Service**

Councillor Nellist moved the following motion which was seconded by Councillor Windsor.

"This Council deplores the New Labour Government's market-based approach to the National Health Service and its use of private finance and privatisation which, coupled with underfunding, is threatening widespread loss of beds in the Coventry and Warwickshire area; and supports those groups, such as People United to Save Hospitals (PUSH), calling for a national trade union sponsored protest in the summer to pressurise the Government to fully fund the Health Service and to return the NHS to its founding principles".

**RESOLVED that the Notice of Motion be not adopted.**

**118 Debate – City's Improvements**

Councillor Lee moved the following motion, which was seconded by Councillor Taylor.

"This Council notes the City's continuing improvement since 2004, especially in Education, Social Services and Environmental Services. The Council recognises all the effort that has been put in at every level by the workforce and will continue to ensure that all support is given in striving to achieve a better Coventry, noting that this task will get more challenging as each year passes."

The following amendment was moved by Councillor Mutton, seconded by Councillor Duggins and lost.

"The Council welcomed the City's continuing improvement since the introduction of the modernisation and improvement plan in 2002. Including major regeneration schemes such as the Ricoh Arena, Phoenix Initiative, the Motor Museum and the beginning of schemes such as the Herbert Art Gallery, the Belgrade Plaza, the Swanswell and PrimeLines.

The Council recognises all the effort that has been put in at every level by the workforce and will continue to ensure that all support is given in striving to achieve a better Coventry, noting that this task will get more challenging as each year passes due to the excessive borrowing by the controlling group.

However, we remain concerned at the ongoing industrial unrest caused by the imposition of Single Status rather than through a negotiated process."

**RESOLVED that the substantive motion, as set out above, be adopted.**

## **Private Business**

### **119. Wide Area Network (WAN) Implementation**

It was noted that this item had been withdrawn from the agenda prior to the commencement of the meeting.

### **120. Street Lighting PFI Initiative – Outline Business Case**

Further to Minute 234 of the Cabinet and 116 above, which detailed related public aspects of this matter, the City Council considered the joint report of the Director of City Services, the Director of Finance and ICT and the Director of Legal and Democratic Services which summarised the progress on the Street Lighting Private Finance Initiative (PFI) project; showed the options appraised; and sought permission to submit an Outline Business Case (OBC) to the Department for Transport (DfT) by no later than 30th March 2007. The report detailed the proposed terms of contracts, along with the financial implications of the proposed development.

It was noted that the Cabinet and Scrutiny Board (3) had endorsed the proposed recommendations contained in the report.

**RESOLVED that the City Council:-**

- (1) Approve the submission of an Outline Business Case (OBC), based on a Fast Track Solution, as outlined in section 4.4.3 of the report submitted to the Department for Transport (DfT) for funding approval.**
- (2) Approve the commencement of the procurement process for the Street Lighting PFI Project, subsequent to the approval of the OBC by the DfT.**

- (3) Note that further reports will be brought to Cabinet and Council seeking approval at the key procurement stages.**
- (4) Approve the appointment of external advisors for this project, the cost of which is to be contained within the project development budget, that is, PricewaterhouseCoopers (PWC) as financial advisors, Derek Rogers Associates (DRA) as technical advisors and Hammonds as legal advisors for the purposes indicated in paragraph 4.6 of the report submitted.**
- (5) Delegate authority to the PFI Street Lighting Project Board to approve any minor changes to the OBC.**