

# **Council Meeting**

23 February 2010

**Booklet 1**

Recommendation Minutes

# **INDEX TO MINUTES**

Cabinet - 24 February 2010

## CABINET

23<sup>rd</sup> February 2010

Cabinet Members Present:-  
Councillor Blundell  
Councillor Mrs Dixon  
Councillor Foster  
Councillor Mrs Johnson  
Councillor Lee  
Councillor Noonan  
Councillor Sawdon  
Councillor Taylor (Chair)  
Councillor Williams

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

Employees Present:-  
S. Brake (Community Services Directorate)  
N. Clews (City Services and Development Directorate)  
F. Collingham (Chief Executive's Directorate)  
L. Commane (Finance and Legal Services Directorate)  
C. Edwards (Community Services Directorate)  
C. Forde (Council Solicitor and Assistant Director (Legal Services))  
M. Godfrey (Community Services Directorate)  
C. Green (Director of Children, Learning and Young People)  
J. Handley (Customer and Workforce Services Directorate)  
B. Hastie (Finance and Legal Services Directorate)  
J. Hayward (Children, Learning and Young People's Directorate)  
L. Knight (Customer and Workforce Services Directorate)  
J. McGuigan (Director of Strategic Planning and Partnership)  
B. Messinger (Director of Customer and Workforce Services)  
J. Parry (Assistant Chief Executive)  
M. Reeves (Chief Executive)  
K. Seager (City Services and Development Directorate)  
C. Sinclair (Customer and Workforce Services Directorate)  
C. West (Director of Finance and Legal Services)

Apologies:-  
Councillor Ridley  
Brian Walsh (Director of Community Services)

## **RECOMMENDATIONS**

### 106. **Declarations of Interest**

There were no declarations of interest.

107. **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 the item of business referred to in Minute 116 below relating to "Coventry Street Lighting PFI – Preferred Bidder Approval and Award of Contract" on the grounds that this item involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of that Act.

108. **2010/11 Council Tax and Budget Requirement**

The Cabinet considered a report of the Director of Finance and Legal Services which sought approval for the City's 2010/11 Council Tax and Budget Requirement. The Budget Report 2010/11 approved by Council on 8th December 2009 agreed a set of savings and expenditure proposals as the basis of the Council's revenue budget. That report was based on estimates of both the Government's Formula Grant allocation for the Council and the City's tax-base. These items have now been confirmed.

The report calculated the Budget Requirement and Council Tax level for 2010/11 and made appropriate recommendations to the full City Council. The figures were necessarily provisional due to the Police and Fire precepts not having been confirmed at the time of writing the report. Details of the precepts were confirmed at the meeting and revised figures were circulated.

The figures represented a Council Tax increase, from 2009/10 figures, of 2.40% for the City's Council Tax and 2.33% overall, taking into account the precepts from the Police and Fire Authorities. The Council's final Budget Requirement was £269,393,761. The report incorporated the impact of the Government's final Formula Grant settlement, the City's approved Council Tax-base and the revenue budget proposals approved by Council on 8th December.

It was noted that the recommendations followed the structure of resolutions drawn up by the local authority associations, to ensure that legal requirements were fully adhered to in setting the tax. As a consequence, the wording of the proposed resolutions was necessarily complex.

**RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend to the City Council:**

- (1) **That it be noted that at its meeting on 12th January 2010 the Council's Cabinet approved the following amounts as its Council Tax-base for the year 2010/11 in accordance with Regulations made under Section 33(5) of the Local Government Finance Act 1992:**
  - a) **88,578.0 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year;**

b)	Allesley	421.4
	Keresley	212.5

being the amounts calculated by the Council, in accordance with Regulation 6 of the regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate.

(2) That the following amounts be now calculated by the Council for the year 2010/11 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:

a) £ 808,209,761 being the aggregate of the amounts that the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act, other than any expenditure estimated to be incurred which will be charged to a Business Improvement District (BID) revenue account as set out in section 43(2)(a) of the Local Government Act 2003. (Gross Expenditure including the amount required for the working balance);

b) £ 538,816,000 being the aggregate of the amounts that the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act, other than any income estimated to be received which will be credited to a BID revenue account as set out in section 43(2)(b) or (c) of the Local Government Act 2003. (Gross Income including reserves to be used to meet the Gross Expenditure);

c) £ 269,393,761 being the amount by which the aggregate at (2) (a) above exceeds the aggregate at (2) (b) above, calculated by the Council in accordance with Section 32(4) of the Act, as its budget requirement for the year;

d) £ 152,129,205 being the net aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of Formula Grant (the sum of Revenue Support Grant and National Non Domestic Rates) [£153,025,914] and the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with the Act as amended by the 1994 Regulations (Council Tax Deficit) [£896,709] and pursuant to the Collection Fund (Community Charge) directions under Section 98(4) of the Local Government Finance Act 1988 (Community

**Charge Surplus) [£0].**

e) £ 1,323.86  $\frac{(2) (c) - (2) (d)}{(1) (a)} = \frac{269,393,761 - 152,129,205}{88,578.0}$

being the amount at (2) (c) above, less the amount at (2) (d) above, all divided by the amount at (1) (a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year. (Average Council Tax at Band D for the City including Parish Precepts).

f) £ 5,000.00 being the aggregate amount of all special items referred to in Section 34(1) of the Act. (Parish Precepts);

g) £ 1,323.80 =  $\frac{(2) (e) - (2) (f)}{(1) (a)} = 1,323.86 - \frac{5,000}{88,578.0}$

being the amount at (2) (e) above, less the result given by dividing the amount at (2) (f) above by the amounts at (1) (a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of the area to which no special item relates. (Council Tax at Band D for the City excluding Parish Precepts);

h)	Coventry Unparished Area	1,323.80
	Allesley	1,332.11
	Keresley	1,330.86

being the amounts given by adding to the amount at (2) (g) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (1) (b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate. (Council Taxes at Band D for the City and Parish).

i)	<b>Valuation Band</b>	<b>Parts to which no special item relates</b>	<b>Parish of Allesley</b>	<b>Parish of Keresley</b>
		£	£	£
	A	882.53	888.07	887.24
	B	1029.62	1036.08	1035.11

C	1176.71	1184.10	1182.99
D	1323.80	1332.11	1330.86
E	1617.98	1628.14	1626.61
F	1912.16	1924.16	1922.36
G	2206.33	2220.18	2218.10
H	2647.60	2664.22	2661.72

being the amounts given by multiplying the amounts at (2) (h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

- (3) That it be noted that for the year 2010/11 the West Midlands Police Authority and West Midlands Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:

Valuation Band	West Midlands Police Authority	West Midlands Fire Authority
	£	£
A	66.30	31.89
B	77.35	37.20
C	88.40	42.52
D	99.45	47.83
E	121.55	58.46
F	143.65	69.09
G	165.75	79.72
H	198.90	95.66

- (4) That having calculated the aggregate in each case of the amounts at (2) (i) and (3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2010/11 for each of the categories of dwellings shown below:

Valuation Band	Parts to which no special item relates	Parish of Allesley	Parish of Keresley
	£	£	£
A	980.72	986.26	985.43
B	1144.17	1150.63	1149.66
C	1307.63	1315.02	1313.91

<b>D</b>	1471.08	1479.39	1478.14
<b>E</b>	1797.99	1808.15	1806.62
<b>F</b>	2124.90	2136.90	2135.10
<b>G</b>	2451.80	2465.65	2463.57
<b>H</b>	2942.16	2958.78	2956.28

**110. Transfer of the 16-19 Funding from the Learning and Skills Council to the Local Authority**

The Cabinet considered a report of the Director of Children, Learning and Young People, which sought approval of the proposals to manage the transfer of responsibility of 16-19 funding from the Learning Skills Council (LSC) to the Local Authority on April 1st 2010.

From April 2010, responsibility for securing sufficient education and training provision for all young people, including those aged 16-19 and 19-25 year olds with learning difficulties/disabilities, as well as juveniles in custody, was to pass from the LSC to local authorities. From April 1st, the Local Authority would become the commissioner of services from schools, colleges and other post 16 providers in order to deliver learning opportunities that equip young people with the skills that are relevant to the 21st century economy and environment.

In order to support local authorities and other key agencies to carry out their respective roles the government was consulting about a National Commissioning Framework. This outlined the responsibilities of local authorities, the Young People's Learning Agency (YPLA) the Skills Funding Agency (SFA) and Government Regional Offices. It also indicated how local authorities would participate in sub-regional and regional planning groups and, it had been agreed locally, that Coventry would join with Warwickshire to establish a sub-regional group.

Both Coventry and Warwickshire local authorities have kept head teachers and college principals up-to-date with developments through already scheduled network meetings. Coventry and Warwickshire Local Authority 14-19 officers had a long history of working collaboratively in order to develop support packages and implementation processes to assist schools, colleges and training providers to deliver the 14-19 Reform agenda.

The proposed outline terms of reference for the Coventry and Warwickshire 14-19 Sub-Regional Partnership Board, the Young People's Learning Division briefing note on the handover of financial arrangements for 16-19 Funding and the Department for Children, Schools and Families note summarising the terms of the Learning Skills Council/Local Authority transfer grant were detailed in the appendices to the report submitted.

**RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend the City Council to:**

- (1) Agree to the creation of a Joint Partnership Board with Warwickshire, as outlined in section 2.2 of the report submitted.**



- (2) Agree to take responsibility for financial and audit requirements outlined in section 5.1 of the report, which includes taking responsibility from April 1st 2010 for LSC contracts totalling just over £39 million.**
- (3) Endorse the proposal outlined in section 5.2 of the report to carry out the new legal responsibilities stated in the 2009 Apprenticeship, Skills, Children and Learning (ASCL) Act.**
- (4) Approve the arrangements outlined in section 6.3 to complete the transfer of LSC staff to the LA from April 2010 within the Department for Children, Schools and Families (DCSF) funded transfer budget of £349,797.**
- (5) Endorse the six key priorities outlined in section 6 of the report.**

#### **111. Personal Care at Home - Consultation Response**

The Cabinet considered a report of the Director of Community Services which detailed the City Council's proposed response to the public consultation on proposals for regulations and guidance under the Personal Care At Home Bill, published by the Government on 25<sup>th</sup> November 2009. The Personal Care At Home Bill would amend the Community Care (Delayed Discharges etc) Act 2003 so as to remove the six week limit on the period for which personal care could be provided for free in a person's own home. The consultation questions sought views on the proposed regulations, guidance and funding allocation to support the Bill.

The Cabinet noted that the Health and Social Care Scrutiny Board (Scrutiny Board 4) had considered the report at their meeting held on 17th February 2010. A briefing note outlining their decision on this matter was circulated in advance of the meeting and is appended to these minutes.

The Bill followed proposals announced in the Shaping the Future of Care Together Green Paper, published in July 2009, to create a new National Care Service for social care. This Green Paper was based on the premise that the current system of social care funding was unaffordable, unsustainable and nationally inconsistent and proposed that fundamental changes were required to be made to the social care system, which represented a broad political consensus, including its funding mechanisms.

National demographic changes meant the number of older people and adults with disabilities who needed care would increase, as would the complexity of their care, while there would be fewer people of working age to support them. As well as increasing demand for services, improved health and wellbeing into later life resulting in increased life expectancy, combined with the rising expectations of an informed population meant the current system needed radical reform. A significant part of this whole-system reform must encompass the funding and charging systems between central government, local government, users of social care services and the public, including the benefits system.

A range of early stage proposals had been put forward, across the political

spectrum, to progress some of the Green Paper principles. This consultation considered the introduction of free personal care at home as the first and interim step in setting up a National Care Service. However the full scope and funding arrangements for a new social care system had not yet been developed and this proposal placed significant additional costs on local authorities and the taxpayer on the basis of one element of a possible new system.

The Personal Care At Home Bill stated that where appropriate, a council would provide a period of intensive intervention or re-ablement to build or re-build skills and functioning to support people's independence. Council's would also identify adaptations or interventions (e.g. assistive technology), which might be appropriate to reduce dependency. A community care assessment would then be undertaken to assess eligibility under Fair Access to Care Services (FACS). An individual assessed in the highest FACS Band, Critical, would then have an assessment of their personal care needs, and where they needed help with four or more activities of daily living, would be offered free personal care to support them in their own home.

**RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend the City Council to approve the consultation response.**

**113. Coventry Street Lighting PFI – Preferred Bidder Approval and Award of Contract**

The Cabinet considered a joint report of the Director of City Services and Development and the Director of Finance and Legal Services, which sought approval to proceed with the appointment of the Street Lighting Private Finance Initiative (PFI) Preferred Bidder and to permit employees to enter into the contractual documents on behalf of the Council for a 25 year PFI contract within an agreed set of parameters.

A corresponding private report, detailing commercially confidential and financial aspects of this proposal, was also submitted to the meeting (Minute 116 below refers).

As the Highway Authority, the Council were responsible for maintaining all lighting installations on the highway, some 38,000 assets in total, of which just under 32,000 were street lights with the balance including lit signs and bollards. The Council's existing lighting stock was predominantly old and continued to deteriorate due to an ongoing lack of adequate resources, both capital and revenue, to address the increased need for repairs and renewals. Consequently this led to a significant investment backlog. This outdated and life expired stock was also characterised by a significant proportion of lighting columns that provided poor quality lighting which did not comply with modern lighting standards. In addition to street lighting, the majority of the Council's illuminated signs and bollards were at the end of their useful life and required standardisation and modernisation.

In order to address the citywide obsolescence of the Council's street lighting infrastructure, the PFI project would provide the capital investment to stop the ongoing deterioration of street lighting assets. The PFI project would deliver a modernised city wide lighting renewals programme. This would include the replacement of around 28,000 lighting columns, all lanterns and illuminated signs and bollards along with the installation of a leading edge Central Management System (CMS). This system would significantly

reduce energy consumption and maintenance costs. The CMS would also protect the Council over the next twenty five years against the inevitable hikes in energy prices.

Not investing in the street lighting infrastructure was not a viable option. This was due to the historic under investment in the lighting assets. The majority of the Council's existing assets were older than their original design life and were in need of replacement due to a number of problems relating to; the structural integrity of columns; and mechanical and electrical failures. These issues posed an ongoing risk to the Council which, to address, would require significant investment.

Proceeding with this project would deliver several significant benefits for the residents of Coventry. The new improved lighting infrastructure would be managed by remote control via the CMS and would mean a more reliable, flexible and energy efficient system. In residential areas of the City, a white light solution would be installed which would give greater clarity and representation of colour and features, and would help people to feel safer on their streets at night. The technical solution proposed would reduce the Council's street lighting energy consumption and, therefore costs significantly, along with a significant reduction in carbon dioxide emissions. Environmental issues had been addressed in the project and the impact on the environment would be minimised through reductions in energy consumption and decreases in light pollution. The residents of Coventry would receive an excellent street lighting system with better lighting, improved service standards and the ability to be flexible with the Council's future needs. This would include the ability to protect the Council against increases in the price of energy, and the possibility of increases in the Council's carbon reduction targets. Taking all of these issues into account, the project would deliver better value for money for the people of Coventry at a cost that is similar to that which is already incurred for the Council's existing street lighting service.

The PFI would also assist in the achievement of a number of the Council's strategic objectives that are identified in the Sustainable Community Strategy.

The Department for Transport (DfT) had fully supported the project at all stages of its development. The Outline Business Case (OBC) sought approval for £64.3 million of PFI credits and the DfT approved this sum in their Endorsement Letter dated 4th January 2008. The PFI Credits would meet all of the costs of the capital investment made during the first five years of the contract period.

The Council would make an annual payment (the Unitary Charge) that would cover the costs of replacing and maintaining the street lighting installations. The report submitted outlined how the Council would fund this payment through a revenue income stream generated by the PFI credits; the existing street lighting revenue budgets and the affordability gap.

Based upon the Final Tender provided by Bidder Y, the budget required for the PFI is within the affordability envelope previously approved at Cabinet and Council and therefore, additional funding was not being requested. A Final Business Case (FBC) would be submitted to the DfT for approval, followed by financial close. It was planned that (subject to approvals being obtained) service delivery would commence in August 2010.

**RESOLVED** that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend the City Council:-

- 1. Approve the submission of the Final Business Case to the Department for Transport for final funding approval; and**
- 2 Subject to the approval of the Final Business Case by the Department for Transport, to:-**
  - (a) Let the contract to Bidder Y as the successful bidder to deliver the street lighting PFI project on behalf of the Council; and**
  - (b) Delegate authority to the Director of Finance and Legal Services to enter into the following contractual documents on behalf of the Council:-**
    - (i) Project agreement between the Council and Bidder Y**
    - (ii) The direct agreement between the Council, Bidder Y and funder.**
    - (iii) All other ancillary documents relating to the project to which the Council is a party.**
    - (iv) Permit the authorised signatory within Finance and Legal Services to issue the certificates required under the Local Government (Contracts) Act 1997 to confirm the Council's powers for entering into this contractual documents.**
    - (v) Grant an indemnity from the Council to the authorised signatory against any claim arising from the signature under the Local Government (Contracts) Act 1997 in respect of the project.**
    - (vi) Permit any changes to the above documents by the Director of Finance and Legal Services (in consultation with the Cabinet Member) provided any changes fall within the agreed parameters for all technical, legal and finance matters and specifically these are:**

**Technical – to reflect the requirements of the Output Specification.**

**Financial - within the existing parameters approved at full Council on the 20 March 2007.**

**Legal – within the Standardisation of PFI Contract Version 4 (SoPC4) subject to any derogations from this being approved by the Department for Transport and Partnerships UK (PUK).**

## **Private Business**

### **116. Coventry Street Lighting PFI – Preferred Bidder Approval and Award of Contract**

Further to Minute 113 above, the Cabinet considered a joint report of the Director of City Services and Development and the Director of Finance and Legal Services, which sought approval to proceed with the appointment of the Street Lighting Private Finance Initiative (PFI) Preferred Bidder and to permit employees to enter into the contractual documents on behalf of the Council for a 25 year PFI contract within an agreed set of parameters. The report contained confidential financial and contractual details relating to the proposal.

**RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend the City Council:-**

- 1. Approve the submission of the Final Business Case to the Department for Transport for final funding approval and,**
- 2. Subject to the approval of the Final Business Case by the Department for Transport, to:-**
  - (a) let the contract to the Company identified within the report as the successful bidder to deliver the street lighting PFI project on behalf of the Council; and**
  - (b) Delegate authority to the Director of Finance and Legal Services to enter into the following contractual documents on behalf of the Council:-**
    - (i) Project agreement between the Council and the successful bidder.**
    - (ii) The direct agreement between the Council, the successful bidder and funder.**
    - (iii) All other ancillary documents relating to the project to which the Council is a party.**
    - (iv) Permit the authorised signatory within Finance and Legal Services to issue the certificates required under the Local Government (Contracts) Act 1997 to confirm the Council's powers for entering into this contractual documents.**
    - (v) Grant an indemnity from the Council to the authorised signatory against any claim arising from the signature**

under the Local Government (Contracts) Act 1997 in respect of the project.

- (vi) Permit any changes to the above documents by the Director of Finance and Legal Services (in consultation with the Cabinet Member) provided any changes fall within the agreed parameters for all technical, legal and finance matters and specifically these are:

**Technical – to reflect the requirements of the Output Specification,**

**Financial - within the existing parameters approved at full Council on the 20 March 2007.**

**Legal – within the Standardisation of PFI Contract Version 4 (SoPC4) subject to any derogations from this being approved by the DfT and Partnerships UK (PUK)**



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**To**  
Cabinet

Date: 23<sup>rd</sup> February 2010

**Subject**  
Personal Care at Home – Consultation Response to Proposals for Regulations and Guidance

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**1 Purpose of the Note**

- 1.1 To inform Cabinet of the Health and Social Care Scrutiny Board's comments following their consideration of a report regarding the 'Personal Care at Home' Government consultation on 17<sup>th</sup> February 2010.

**2 Recommendations**

- 2.1 The Board noted the draft response. Cabinet are asked to consider and decide whether to agree to incorporate the following comments of the Health and Social Care Scrutiny Board:
- i. The Board feels that there is no such thing as 'free personal care' - all care has to be paid for somehow, either by service users directly, or by national or local taxation.
  - ii. It is simplistic to propose that resources to fund these packages of care can be found from 'efficiency savings' and several years in to a succession of budgets set on the basis of annual efficiency savings, this may be unrealistic. If savings cannot be made, it may be necessary to increase the tax base. The debate then returns to the fact that most people want 'free personal care' but will not want to pay extra in tax.
  - iii. Notwithstanding the above the Board are troubled by use of the word 'unaffordable' in responses to the consultation questions - esp. Q1. Clearly if this is a national priority there needs to be a commitment to providing free care and a realistic debate about how this is funded, this may need to include a discussion locally and nationally about what services are and are not prioritised.

If the Cabinet agrees these, they should be incorporated into the final response to the Government as agreed at Council.

Peter Barnett  
Performance and Scrutiny Team  
Chief Executive's Directorate  
Tel: 02476 831172

22<sup>nd</sup> February 2010.