

COUNCIL OF THE CITY OF COVENTRY

19th October 2010

PRESENT

Lord Mayor (Councillor Kelsey)

Deputy Lord Mayor (Councillor Mulhall)

Councillor Abbott	Councillor Lapsa
Councillor Andrews	Councillor Lee
Councillor Asif	Councillor Mrs Lepoidevin
Councillor Auluck	Councillor Mrs Lucas
Councillor Bains	Councillor Maton
Councillor Bailey	Councillor McNicholas
Councillor Mrs. Bigham	Councillor Mulhall
Councillor Blundell	Councillor J. Mutton
Councillor Charley	Councillor Mrs. M. Mutton
Councillor Chater	Councillor Nellist
Councillor Cliffe	Councillor Noonan
Councillor Clifford	Councillor O'Boyle
Councillor Crookes	Councillor Ridley
Councillor Mrs. Dixon	Councillor Ruane
Councillor Duggins	Councillor Sawdon
Councillor Field	Councillor Sehmi
Councillor Foster	Councillor Singh
Councillor Gazey	Councillor Skinner
Councillor Hammon	Councillor Skipper
Councillor Harvard	Councillor Mrs Sweet
Councillor Mrs. Johnson	Councillor Taylor
Councillor Kelly	Councillor Townshend
Councillor A Khan	Councillor Walsh
Councillor T Khan	Councillor Welsh
Councillor Lakha	Councillor Williams
Councillor Lancaster	

Apologies: Councillor Harrison

Public Business

67. Minutes

The minutes of the meetings held on 6th July and 14th September 2010 were agreed as true records.

68. Coventry Good Citizen Award

On behalf of the Council, the Lord Mayor and his Honour Judge Hodson, the Honorary Recorder, presented Father Brian Regan with the Coventry Good Citizen Award. His citation read:

"Father Brian Regan arrived at St Oswald's, Tile Hill, in 1994 full of enthusiasm which never waned throughout the next 15 years. He worked tirelessly for both the church and the community and affected the lives of many people in his various roles as teacher, pastor and friend.

He worked with many schools in the area, becoming a governor at Limbrick Wood, and will be fondly remembered for his 'thumbs up' sign enabling children to relate to him with ease and respect.

Father Brian's open and friendly personality helped him to reach out to people of the parish and the congregation soon doubled. He then set about renewing the fabric of the church and, mainly by his drive and determination, raised over £250,000. Part of these funds went towards the Parish Hall, which is now used by several organisations in the Tile Hill community.

Generations to come will continue to enjoy his church as a building and a place of worship but his real legacy will be with the people whom he has known and, especially, his congregation. He was there for them whenever they needed him, not only at times of joy and celebration but always when they were ill, in mourning, worried or frightened. The people of St Oswald's and Tile Hill will miss him because he made a difference to their lives and surroundings.

Father Brian deserves to be recognised as a Coventry Good Citizen."

69. Death of Betty Pattison

The Lord Mayor referred to the recent sad death of Betty Pattison, affectionately known as 'Miss Pat' of Pattison College.

Miss Pat was a recipient of the City Council's Good Citizen Award last November in recognition of her significant contribution to teaching of the performing arts for a number of years to Coventry's young people.

Members noted that a letter had been sent to her family expressing the Council's sincere condolences.

70. Death of Sheila King

The Lord Mayor referred to the recent sad death of Sheila King, regrettably another Good Citizen Award winner.

Sheila was a recipient of the city Council's Good Citizen Award in February earlier this year in recognition of her work and significant contribution to the wider community in the Wyken area.

Members noted that a letter had been sent to her family expressing the Council's

sincere condolences.

71. Congratulations to an Award Recipient

The Lord Mayor referred to the recent award received by Councillor Harjinder Singh Sehmi that celebrated British links with India. In recognition for his community work and achievements in politics, Councillor Sehmi had been presented with the Glory of India Award by the India International Friendship Society.

Members noted that a letter had been sent on behalf of the Council congratulating him on his achievement.

72. Petitions

Councillor Nellist had submitted a petition in relation to item 8.1 on the agenda headed "Project Transform – withdrawal from the PFI Procurement Process" which would be considered as part of this item.

73. Declarations of Interest

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

Interests in Recommendations

Minute 81 – Debate – "This council totally opposes the decision of the Coalition Government to move the Bill to privatise Royal Mail"

Prejudicial Interest:
Councillor Welsh

Minute 74 – Modernising Drug and Alcohol Treatment Services in Coventry

(Councillor Welsh left the meeting during the consideration of this item)

Personal Interest:
Councillor Chater (Non-Executive Director of PCT)

Minute 78 – Formal Consultation in Respect of Staffing Reductions

Personal Interest:
Councillor Lakha (Close relative works for the City Council)

74. Modernising Drug and Alcohol Treatment Services in Coventry

Further to Minute 56/10 of the Cabinet, the City Council considered a report of the Director of Community Services which presented proposals for the re-commissioning of drug and alcohol treatment services jointly with Warwickshire. The purpose of re-commissioning services was to develop an integrated and recovery-focused drug and alcohol treatment system with improved cost efficiencies and choice for service users

through a joint procurement process with Warwickshire. The maximum value of the overall tender would be dependent on the outcome of the Government's Comprehensive Spending Review but was anticipated to be around £8 million per annum between the two authorities.

Drug services in Coventry were commissioned in line with government policy and funded largely through external grants, with current funding allocations directly linked to the number of drug users retained in treatment. The expansion of drug treatment since 1998 had significantly increased the number of drug users in treatment predominantly through methadone maintenance programmes which had successfully reduced crime and improved health outcomes.

Alcohol treatment services were funded predominantly from mainstream PCT and Local Authority budgets and had historically never had the same level of focus or funding as drug treatment services.

National policy had recently shifted towards 'recovery' with an emphasis on increasing the number of drug users successfully exiting the treatment system and being reintegrated into society. The funding formula for central government grant funding for drug misuse was being revised and it was anticipated to be partially, at least, based on the number of clients successfully completing treatment. It was expected that the government would launch a new drugs strategy in December 2010.

The current commissioning arrangements for treatment services were outlined in the report together with details of funding sources for treatment services in Coventry for 2010/11.

RESOLVED that the City Council:

- (1) Approve the commencement of an OJEU (Official Journal of the European Union) tender process for the provision of an integrated drug and alcohol treatment system as set out in this report.**
- (2) Delegate authority to the Director of Community Services in consultation with the Cabinet Member and the Associate Director of Community and Mental Health Commissioning within Coventry NHS to award the new contract at the conclusion of the tender process.**

75. Amendments to the Constitution – Corporate Rules for Contracts

Further to Minute 09/10 of the Standards Committee, the City Council considered a report by the Director of Finance and Legal Services which outlined the need for change to the existing Standing Orders and replace them with the proposed Rules for Contracts.

The Standing Orders and Administrative Procedures for contracts had been in place since 1998 and were attached as Appendix 1 to the report. It was proposed that these be replaced with the New Rules for Contracts which were attached as Appendix 2 to the report. Since 1998 there had been legislative changes and good practice procurement developments that were required to be incorporated to ensure the Council was achieving value for money and was legally compliant in how it procures works, goods and services.

A Procurement Board was established in December 2009, chaired by the Chief Executive, and supported by Assistant Directors from each Directorate. The Board had considered the proposed revisions to the Rules for Contracts and were recommending to Standards Committee that these revised rules be adopted. The Government had also published proposals to require central and local government to publish electronically all spend and tender documentation above £500. This would provide openness and transparency on all procurements for goods and services.

The significant changes to the current rules were:-

- (a) The threshold where Officers were required to go out to public tender had been set at £50,000 in line with case law in the European Court of Justice. In addition, competitive quotations would be sought for requirements between £10,000 and £49,999 from a minimum of 3 suppliers, 2 of whom must be local where available. This would further ensure opportunity, openness and transparency for lower value procurements.
- (b) The opportunity for Officers to use the single tender process had been removed and replaced by an "exceptions to Rules for Contracts" process. In exceptional circumstances, Officers will need to seek approval from the Director of Finance and Legal Services before starting negotiations without tendering.
- (c) The Rules for Contracts includes a summary of the approvals process, contractual requirements and required procurement routes to be followed, dependent on the value of spend. This showed that approval was required from the Procurement Board to proceed with any expenditure over £156,000.

It was anticipated that these changes would improve control of expenditure in the Council whilst still allowing officers to deliver value for money in their procurement.

RESOLVED that the City Council approve the new Rules for Contracts in place of Standing Orders and the Administrative Procedures relating to Contracts for the supply of Works and Services (including consultancies) and amend part 4 of the Constitution as shown in tracked change in Appendix 3 to the report.

76. Amendments to the Constitution – Procedure Rules on Public Speaking at Planning Committee

Further to Minute 10/10 of the Standards Committee, the City Council considered a report of the Director of Finance and Legal Services and the Development Manager which had previously been considered by the Constitution Working Group at their meeting on 5th October 2010, which detailed proposed changes to the Planning Committee Procedures Rules on Public Speaking in Sections 4.10.1.3 and 4.10.1.4 of the Constitution and replace them with the proposed Procedure Rules on Public Speaking.

Appended to the report were the relevant parts of the existing Constitution (4.10). It was these that were proposed to be amended and replaced with the suggested changes to the Public Speaking procedures for Planning Committee. The changes were proposed to ensure the Planning Committee operated in a more timely and efficient manner which achieved best use of resources in terms of value for money, was legally compliant and was fair and transparent to all elected Members and the public.

The Constitution Working Group has suggested changes to the proposals so that the right balance was struck between timeliness and efficiency whilst allowing interested parties sufficient time to have their views heard by the Committee.

It was proposed:-

- (1) To amend the Planning Committee Procedure Rules on Public Speaking in Sections 4.10.1.3 and 4 of the Constitution such that:
 - (i) Members addressing Planning Committee in whatever capacity would be limited to a maximum of 5 minutes, with a further maximum of 2 minutes to summarise after all public speakers have spoken. All other speakers addressing the Committee (including petition spokespersons, applicants or their nominee) would be limited to a maximum of 3 minutes.
 - (ii) No more than one nominated speaker (apart from a Member) can speak either in support of or against an application and;
 - (iii) Speakers can only speak in respect of comments that have already been submitted in writing in respect of the application and;
 - (iv) A registered speaker wishing to have supporting information displayed to the Planning Committee during the meeting would be required to submit this to officers 24 hours before the start of the Planning Committee, and the content of the information to be displayed would be with the agreement of the Development Manager or nominee, and;
 - (v) Speakers would only be allowed one opportunity to address the Committee, irrespective of whether the application was deferred to a later Planning Committee. However, if material changes arise following the deferment, or there were exceptional reasons submitted by the speakers to address the Committee again, the Chair of Planning Committee had discretionary power to allow registered speakers an opportunity to address the Committee again, the Chair of the Planning Committee had discretionary

power to allow registered speakers an opportunity to address the Committee on the new issues and;

- (vi) No written or additional information shall be circulated to Members of the Planning Committee on the day of the Committee.

The Standards Committee considered the report and discussed in detail the proposed procedures rules and particularly only allowing one public speaker for one against on each application.

The Standards Committee requested that the City Council be informed that they approved all of the report proposals except (ii). Concern was raised by limiting the amount of public speakers to one for and one against an application. In addition, this proposal would require officers to identify who the public speaker(s) should be which would require the cooperation of all members of the public wishing to speak. Should this not be possible it was felt that a fall back position should be provided whereby prior to the Planning Committee, the Chair of the Planning Committee be able to assist in finalising the speakers. In view of this Standards Committee requested that the City Council give consideration to referring this proposal only back to the Constitution Working Group for further consideration.

Councillor Sawdon moved the following amendment which was seconded by Councillor Williams and carried:

"Council, in view of the confusion caused by the alterations to the proposed changes made by the Standards Committee, refers this report back to the Constitutional Working Group for further consideration."

RESOLVED that the Motion as set out above be adopted.

77. Moat House Community Trust – Appointment of Directors

Further to Minute 17/10 of the Cabinet Member (City Development), the City Council considered a report of the Director of City Services and Development that sought approval for the appointment of two non executive directors from the City Council to the Board of Moat House Community Trust.

Currently the City Council was represented on the NDC Board. The Council's representatives on the NDC Board were Councillor Lynette Kelly and Councillor Kevin Maton. This representation was agreed at Council on 20th May 2010. The NDC Board would continue until the March of 2011. Moat House Community Trust was being established as a company and its resident led Board had invited nominations for Director's who represent a range of skills and experience.

Moat House Trust was established as a charity with a wholly owned trading subsidiary Moat House Enterprises Ltd. Currently there were three trading business units:

- Moat House Works – a grounds and building maintenance business.
- Purple Patch Communications – a marketing and communications business offering design and print, website design and construction, copy-writing and publications planning.

- Moat House Café – the catering café concession within the Leisure and Neighbourhood Centre has recently been taken on by the Trust in a joint venture with Coventry Sports Trust.

Moat House Community Trust would be endowed with assets acquired through the NDC to manage on behalf of the community. These included:

- The Old Health Centre (previously the NDC offices). This was leased to Whitefriars for a 5 year period.
- The Old Presbytery and the St Patrick's Community Centre land.
- Moat House Business Centre – would open early in 2011 and offer serviced office, workshop and warehouse premises.

Together these trading activities provided an income stream to secure the viability of the Trust and provide a sound base to build up this social enterprise for the future.

The Trust had also secured resources to appoint a community development worker who would take forward the 'One Voice' Community Forum and the work on securing and managing Neighbourhood Agreements with public agencies operating in the NDC area. .

The Trust was established on the basis that it could have up to 15 directors, with at least half being residents of the area and the remainder to be appointed by the Board would be representatives of selected stakeholder agencies/organisations.

The Trust had requested the Council to make two nominations:

- Councillor Kevin Maton, a local Ward Councillor, with a professional background in social enterprise development, skills which would be important to the development of the Trust.
- Carl Pearson, Assistant Director, Economy and Community, who had been a Council advisor to the NDC Board for the last eight years and had been instrumental in helping develop the succession strategy and the Trust.

The report recommended that the Council agree to the request as part of its contribution to ensuring successful succession following the completion of the NDC programme. The City Council does not have to nominate directors to the Trust and could decline the invitation to nominate directors.

RESOLVED that the City Council nominate Councillor Kevin Maton for one place, and Carl Pearson, Assistant Director for Economy and Community for the other place.

78. Formal Consultation in Respect of Staffing Reductions

Further to Minute 65/10 of the Cabinet, the City Council considered a report of the Director of Customer and Workforce services which set out staffing and budget implications arising from the need to make financial savings over the next four years of up to £146 million. The report sought approval to commence consultation on a voluntary/compulsory redundancy programme and the implementation of management proposals.

As a result of grant reductions from Government, the Council would be required to make unprecedented financial savings, currently estimated at £146 million over the next four years. The Council was facing a projected significant budget deficit in 2011/12 and because a large proportion of Council spend (around 60%) goes on its pay bill, it was clear that it would not be possible to set a balanced budget without the proposal to reduce the number of Council employees. It was difficult to predict even the broad level of these savings with any degree of accuracy until after the Government's Comprehensive Spending Review (CSR) announcement on 20 October 2010 and subsequent announcements about a large number of grant funding streams.

The report indicated that every effort was already being made to identify non-staff cost reductions, including reviews of services, a vacancy freeze (recruiting only to the most essential posts), and by introducing a range of day-to-day cost saving measures including a reduction in the use of agency workers. However all of these measures would not generate enough savings to enable the Council to balance its budget. As employee costs were the Council's biggest expenditure, there was no alternative but to propose the reduction of post numbers to contribute to achieving the total overall saving. It remained very difficult to predict with any accuracy the overall number of post reductions that may be required until some time after the Comprehensive Spending Review. Estimates indicated that a planning assumption of around 1,000 posts should be used to guide human resource and financial strategies over the coming months.

In accordance with S188 of the Trade Union Labour Relations (Consolidation) Act 1992, the Council was required to enter into a formal minimum consultation period of 90 days where it proposes to reduce posts by more than 99 in a 90 day period. Consultation would be based on the reduction of post numbers through three specific management processes and would commence on 21 October 2010 and conclude on 19 January 2011. The report proposed the following:

- A voluntary/compulsory redundancy programme. Further information was detailed in the report.
- A reduction of management and supervisory posts in the organisation based on an organisational design model of no more than 6 tiers of management and spans of control of 1:5 to 1:10 or more, as appropriate to service need.
- Removal of posts currently funded through grant streams which will cease on 31 March 2011.

Staffing reductions would be achieved wherever possible through voluntary redundancy means. However, in the event that voluntary redundancy cannot achieve the necessary reductions then compulsory redundancies may be required.

The Cabinet indicated that the decision to remove posts that were grant funded was not being taken at this time, and that pending the outcome of the consultation the final decision would be taken during the budget setting process in 2011.

In moving the recommendation, Councillor Townshend proposed the following amendment which was seconded by Councillor Duggins:

"in the second line of the recommendation after "...that Council approve the commencement of consultation" insert "and implementation of", delete "on". Then after "the following management proposals", add "except for recommendation 3 where following consultation implementation will be decided at the budget report before Council in 2011".

The wording of recommendations 1 to 5 inclusive remained unchanged.

This amendment was carried giving rise to the following substantive motion:

"That Council approve the commencement of consultation and implementation of the following management proposals except for recommendation 3 where following consultation; implementation will be decided at the budget report before Council in 2011.

1. A voluntary/compulsory redundancy programme.
2. A reduction of management and supervisory posts in the Council based on an organisational design model of no more than six tiers of management and spans of control of 1:5 to 1:10 or more, as appropriate to service need.
3. Removal of posts funded by the grant streams listed in this report where those grant streams will cease in 2011/12 as shown in Appendix 1, subject to the final decisions being taken in the budget report in 2011.
4. The additional resources identified in section 5.1 are added to existing budgets to fund voluntary and early retirement costs.
5. Following the consultation the Chief Executive will consult with the Leader and the Cabinet Members for Strategic Finance and Resources and Corporate and Neighbourhood Services to review the outcome of the consultation and the way forward".

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

79. Project Transform – Withdrawal from the PFI Procurement Process

The City Council considered a report of the Director of City Services and Development which requested them to endorse the recommendation of the Project Transform Board to withdraw from the PFI procurement process on the grounds of value for money following the outcome of the independent engineering report which assessed the life span of the existing Energy from Waste plant and affordability of the PFI option versus the alternatives.

The petition submitted by Councillor Nellist on 6th July 2010 bearing 17 signatures on the subject of the PFI project would be considered as part of this item.

The decision to participate in a sub-regional procurement of a new residual waste treatment facility was taken by Council in October 2008 (Minute 71/08 refers). In addition to approving the PFI procurement process the Council also mandated officers to continually review all options for the future provision of residual waste treatment facilities in Coventry and the wider sub-region, to ensure that the PFI option represented the best value for money. This report and recommendations are the result of this review process.

The City Council noted that the same decision would be taken by Solihull Metropolitan Borough Council at their meeting on 12th October 2010. And Warwickshire County Council would be considering the implication of this decision at some point after 19th October 2010.

The Council, together with its Partners (Solihull MBC and Warwickshire CC), had long recognised the challenges facing it in terms of proving a sustainable and cost effective solution to its long-term residual waste treatment requirements.

At present, the Council's residual waste was treated at the existing energy from waste facility on the London Road. This facility was operated by the Coventry and Solihull Waste Disposal Company which was owned by the Council (two thirds shareholding) and Solihull MBC (the remaining one third shareholding). The facility was constructed in the mid 1970s. Over its period of operation it had been significantly up-graded to meet changing waste management needs.

In order to ensure that the Council had a long-term solution and due to the fact that any solution would take ten to twelve years to become operational, the Council in 2005, jointly with Solihull MBC commissioned an independent condition survey of the energy from waste treatment facility to determine its remaining economic life (as it was approximately 30 years old). The survey determined that the existing facility had a life of between fifteen and twenty years (i.e. until approximately 2020) with the minimal levels of on-going maintenance provided in 2005.

Over the next few years, the Council in response to the condition report continued to examine its options for delivering a sustainable long-term solution. In 2007, the Council and Solihull MBC commissioned external financial advisors to complete a financial options appraisal to determine the best financial solution for the Councils. This report considered the findings of the condition survey and benefits to the two shareholders of joint working with Warwickshire County Council (WCC) to develop a long-term solution. The study concluded that joint working between the three Councils would bring significant economies of scale. In addition, the study stated that a joint project, involving sub-regional working to develop a sustainable solution, would be very likely to attract Private Finance Initiative (PFI) credits from the Department for the Environment Food and Rural Affairs (Defra).

The three Councils therefore agreed in late 2007 to submit an expression of interest (EOI) to Defra for PFI credits to develop a sub-regional waste treatment solution. The EOI was formally submitted to Defra in March 2008 and was successful in gaining Defra support to proceed to the next stage of the process (the development of an Outline Business Case).

To strengthen the basis for joint working, in December 2007, the three Councils agreed a two year memorandum of understanding to work together to develop joint solutions in all areas of waste management where this was mutually beneficial. It was also agreed that the project to develop a sub-regional residual waste treatment solution would be branded 'Project Transform'. At the same time the Councils agreed to the formation of a Members Advisory Panel, comprising 3 elected members from each authority. This panel had no decision making powers and was established to both support and challenge the development of Project Transform.

Following the approval of the EOI, the three Councils commenced the development of an Outline Business Case (OBC) for PFI credits. The three Councils entered into a joint working agreement on the 30th October 2009 which detailed how we would work together with Coventry City Council acting as lead authority.

Following the Council resolution in October 2008, officers have been working to better understand the alternatives to a PFI solution. This has included detailed financial work to assess the relative costs and benefits of funding the project using PFI, set against a variety of other financing options. These have been presented to elected members through a number of group meetings. The Council was mindful to work as quickly as possible to ensure that a decision on the future of the PFI scheme, now in procurement, could be made before significant investment from both the Councils and the private sector bidders in developing detailed PFI solutions at the next stage of the procurement process. However, the level of information required to inform a decision and the complexity of the work has, by its nature, taken time.

As work on the alternative options progressed, a number of factors further reinforced the need to assess the suitability of the PFI solution. These included:

- A changing landscape in relation to government funding post the general election including the implications of the imminent Comprehensive Spending Review (CSR) which will see significant reductions in local government funding. This would make the financing of a significant affordability gap of £4.5m per annum from 2015/16 much more difficult. The CSR also raises the risk that Defra funding for the project is withdrawn, requiring the Councils to establish an alternative to PFI in any event.
- In addition, the longer the existing plant can last without replacement, the longer the Council could delay the need to fund the affordability gap associated with a new facility and potentially benefit from payment of dividends from the existing CSWDC.
- The Regional Spatial Strategy has been abandoned, which means less certainty in terms of housing and waste flow projections, which would shape some of the key assumptions on the required size of a new residual waste facility.
- The limited ability to consider alternative technology options as part of the PFI procurement due to the bankability of a EfW solution compared with other forms of emerging and less tried and tested alternatives. Delaying the decision to rebuild a facility would provide more time to consider these alternatives and for them to mature, in advance of the eventual rebuilding of a facility.

The exploration of financial options concluded that an updated independent engineering report was required to demonstrate if the existing EfW had a longer life than previously envisaged. If the existing plant could last beyond 2020, there was a very compelling financial case for the Council to withdraw from the PFI project. In late June 2010, the new Labour administration in Coventry asked officers to commission an independent engineering report. The Council, jointly with Solihull, commissioned SKM consultants to carry out the engineering study of the existing facility. The aim of this study was to assess the remaining economically useful life of the existing EfW plant and the levels of investment required to maximise its life. The results of the study were received in September 2010.

In summary the results of the SKM study are:

- The survey did not identify any aspect that requires major capital investment which may warrant the building of a new plant now.

- Given reasonable levels of ongoing investment and maintenance this could allow the plant to last until 2040 (with further life beyond this).
- The levels of investment required are c£60m 2010-2040 – based on known and expected legislative requirements.

This assessment is different from the results of the earlier (2005) engineering study, on which the decision to proceed with the procurement of a new solution was based, and therefore has led to recommendations in Coventry and Solihull that it represents better value for money to continue to operate the existing facility and to withdraw from the PFI procurement for a new solution.

The 2010 engineering report provided assurance that the plant can last well into the future. Initial work indicated that the capital investment required to keep the plant operational between 2010 and 2040 (c£60m) is likely to be met from within the existing CSWDC business plan based on the historical levels of annual investment. This would mean that there was not an affordability gap associated with this option, making it the best option in financial terms for the Council.

From the perspective of our sub-regional partners, the withdrawal from the PFI offered Solihull MBC the opportunity to benefit from its existing shareholding in CSWDC and avoidance of the PFI affordability gap. There is the opportunity for Warwickshire CC to continue to work closely with both Coventry and Solihull to explore collaborative approaches to waste strategy. Specifically, there would be the opportunity for a meaningful dialogue to open between the CSWDC and Warwickshire County Council to explore cost effective solutions for waste disposal at the existing EfW, which would have significant surplus capacity post 2015 when current contracts end. This in turn secured contracts for the CSWDC going forward.

The key deadlines for the implementation of this decision are:

- Official notification of Project Transform bidders – 20th October 2010.
- Official notification of Project Transform stakeholders including Defra – 20th October 2010.

The decisions about when and how to replace the waste from energy plant at Whitley was an important one for the Council and has significant implications for the environment of the City and the Council's finances. In line with the Council recommendation in October 2008, officers have been working through the various financing options for a number of months culminating in the technical engineering report which confirms that the existing plant, with investment from the CSWDC at historical levels, can last up until at least 2040. This provided the technical evidence base that supports the financial case for withdrawing from the PFI.

The affordability benefits for the Council of withdrawing from the PFI and utilising the existing EfW were:

- Saving the affordability gap between our existing costs of waste disposal and those under the PFI at £4.5m per annum from 2015/16. The Council has set aside £0.5m in 2010/11, £1.5m 2011/12 and £2.5m 2012/13 in its Medium Term Financial Strategy to build up a fund to pay for these additional costs from 2015/16. The majority of this figure would no longer be required and can be used to assist the Council's financial position. There

was an element of the initial 2010/11 allocation of £0.5m that had been used to fund some of the Council's share of the alternative options work and the engineering report, which will reduce the saving available in 2010/11 only.

- Savings between 2010 and 2013 of c£1m of procurement costs.

Subject to Council approval, further work would now be required, working with Solihull Council, to ensure that the existing CSWDC continued to operate effectively. The decision to withdraw from the PFI offers the opportunity to work with CSWDC to review its governance arrangements and ensure that the company maximises its financial and service potential in the coming years. This included the opportunity to extract dividends from the company. Options and recommendations will be brought back to Members for approval in the near future.

The withdrawal at this stage before the invitation to submit detailed solutions from the selected bidders would be an appropriate time to withdraw and was a formal break point in the joint working agreement between the three authorities for Project Transform. This is before further significant costs are incurred by all the parties to continue with the competitive dialogue process.

RESOLVED that the City Council:

- (1) Withdraws from PFI procurement for a new sub-regional residual waste treatment facility and delegates to officers the authority to take all steps necessary to facilitate the withdrawal.**
- (2) Based on the Outline Business Case (OBC) forecast, notes the estimated costs avoided (the affordability gap) to Coventry of £4.5million per annum from 2015/16, achieved from not proceeding with the procurement of a new facility.**
- (3) Endorses the decision taken by Council on the approach of sub regional planning and organisation of waste disposal.**
- (4) Confirms the dissolution of the Project Transform Members Advisory Panel.**

80. Question Time

The appropriate Members provided a written response to all the questions set out in the Questions Booklet, together with an oral response to supplementary questions put to them at the meeting.

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

No	Question Asked By	Question Put To	Subject Matter
1	Councillor Sawdon	Councillor Mrs Lucas	Number of Scrutiny Co-ordination Committee meetings held/cancelled
2	Councillor Mrs Abbott	Councillor Noonan	Scrutiny Board 5 work programme
3	Councillor Foster	Councillor Harvard	Adoption status of Poundgate Lane
4.	Councillor Field	Councillor Bigham	Former playing fields at Lyng Hall School
5.	Councillor Lee	Councillor Townshend	Future of Canley Neighbourhood Centre
6.	Councillor Nellist	Councillor Harvard	Coventry & Warwickshire Council's joint 5 year contract with Balfour Beatty
7.	Councillor Welsh	Councillor O'Boyle	Emergency operation centre in Leamington
8.	Councillor Mrs Abbott	Councillor Kelly	Plas-Dol-y-Moch

81. Debate – Bill to privatise Royal Mail

Councillor Duggins moved the following motion which was seconded by Councillor J. Mutton and carried:

"This Council totally opposes the decision of the Coalition Government to move the Bill to privatise Royal Mail".

RESOLVED that the motion as set out above be adopted.

(Note: Councillor Welsh withdrew from the meeting during the consideration of this item).

82. Debate – Promoting more parish/community councils in the City

Councillor Sawdon moved the following motion which was seconded by Councillor Williams and lost:

"This Council would welcome a public debate on the issue of promoting more parish/community councils in the city"

RESOLVED that the motion as set out above not be adopted.

(Meeting closed: 6.50 pm)