

**Time and Date**

2.00 pm on Tuesday, 24th June, 2014

**Place**

Council Chamber - Council House

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**(Council Chamber Seating Plan attached)**

1. **Apologies**
2. **Minutes of the Annual Meeting of Council held on 5th June 2014** (Pages 7 - 36)
3. **Exclusion of the Press and Public**  
To consider whether to exclude the press and public for the item of private business for the reasons shown in the report.
4. **Coventry Good Citizen Award**  
To be presented by the Lord Mayor and Judge Griffith-Jones, Honorary Recorder
5. **Correspondence and Announcements of the Lord Mayor**
6. **Petitions**
7. **Declarations of Interest**

**Matters Left for Determination by the City Council/Recommendations for the City Council**

8. **Local Government Pension Scheme - Statement of Policy** (Pages 37 - 48)  
From the Cabinet, 13<sup>th</sup> May 2014
9. **Pay Policy Statement** (Pages 49 - 58)  
From the Cabinet, 13<sup>th</sup> May 2014

**It is anticipated that the following matters will be referred as Recommendations from Cabinet, 17th June 2014. In order to allow Members the maximum opportunity to acquaint themselves with the proposals, the reports are attached. The relevant Recommendations will be circulated separately.**

10. **2013/14 Revenue and Capital Outturn** (Pages 59 - 84)  
Report of the Executive Director, Resources
11. **Coventry and Warwickshire Gateway - Section 106 Planning Agreement**  
(Pages 85 - 118)  
Report of the Executive Director, Place
12. **European Regional Development Fund (ERDF) Open Call for Projects**  
(Pages 119 - 130)  
Report of the Executive Director, Resources

#### **Items for Consideration**

13. **Scrutiny Annual Report 2013-14** (Pages 131 - 152)
14. **Community Governance Review - Petition** (Pages 153 - 162)  
Report of the Executive Director, Resources
15. **Annual Report from the Leader to the Council on Key Decisions made under Special Urgency** (Pages 163 - 166)  
Report of the Executive Director, Resources
16. **Serious Case Review Report into the Death of Daniel Pelka - Progress Report from Education and Children's Services Scrutiny Board** (Pages 167 - 172)
17. **Question Time**
  - (a) Written Question – There are no written questions
  - (b) Oral Questions to Chairs of Scrutiny Boards/Chair of Scrutiny Co-ordination Committee
  - (c) Oral Questions to Chairs of other meetings
  - (d) Oral Questions to Representatives on Outside Bodies
  - (e) Oral Questions to Cabinet Members and Deputy Cabinet Members on any matter
18. **Statements (if any)**
19. **Debates**

To be moved by Councillor Gannon and seconded by Councillor A Khan:

“This Council notes that:-

1. The number of people using Foodbanks provided by the Trussell Trust alone has increased from 41,000 in 2010 to more than 500,000, of whom one third are children;
2. Over the last three years, prices have risen faster than wages;
3. The assessment of the Trussell Trust that the key factors in the increasing numbers of people resorting to Foodbanks are rising living costs and stagnant wages, as well as problems including delays to social security payments and the impact of the under-occupancy penalty

and Council calls on the Government to take action to reduce dependency on Foodbanks”

### **Private Business**

**It is anticipated that the following matter will be referred as a Recommendations from Cabinet, 17th June 2014. In order to allow Members the maximum opportunity to acquaint themselves with the proposals, the report is attached. The relevant Recommendations will be circulated separately.**

**20. European Regional Development Fund (ERDF) Open Call for Projects**  
(Pages 173 - 202)

Report of the Executive Director, Resources

(Listing Officer: A Williams, tel: 024 7683 3731)

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Chris West, Executive Director, Resources, Council House Coventry

Monday, 16 June 2014

Note: The person to contact about the agenda and documents for this meeting is Carolyn Sinclair/Suzanne Bennett 024 7683 3166/3072

Membership: Councillors F Abbott, N Akhtar, M Ali, A Andrews, M Auluck, R Bailey, S Bains, L Bigham, J Birdi, J Blundell, R Brown, K Caan, D Chater, J Clifford, G Crookes (Chair), G Duggins, C Fletcher, D Galliers, D Gannon, A Gingell, M Hammon, L Harvard, P Hetherington, D Howells, J Innes, L Kelly, D Kershaw, T Khan, A Khan, R Lakha, R Lancaster, J Lepoidevin, A Lucas, K Maton, J McNicholas, C Miks, K Mulhall, J Mutton, M Mutton, H Noonan (Deputy Chair), J O'Boyle, E Ruane, R Sandy, T Sawdon, B Singh, D Skinner, T Skipper, H Sweet, K Taylor, R Thay, S Thomas, P Townshend, S Walsh and D Welsh

**Please note: a hearing loop is available in the committee rooms**

If you require a British Sign Language interpreter for this meeting  
OR if you would like this information in another format or  
language please contact us.

**Carolyn Sinclair/Suzanne Bennett**  
**024 7683 3166/3072**

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However, by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If you have any queries regarding this, please contact the Governance Services Officer at the meeting.

Cllr Sweet	Cllr Miks	Cllr Harvard
Cllr Clifford	Cllr Howells	Cllr Bains
Cllr Skipper	Cllr Walsh	Cllr Thay
Cllr Fletcher	Cllr Duggins	
Cllr A. Khan		
Cllr Maton		

	<b>Lord Mayor Cllr Noonan</b>	
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Cllr Skinner	Cllr Crookes	Cllr Birdi
		Cllr Lepoidevin
Cllr Hammon		Cllr Bailey
	Cllr Taylor	Cllr Sawdon
		Cllr Andrews
		Cllr Blundell

Labour - 43  
Conservative - 11

			Cllr M Mutton	Cllr Ali	Cllr Brown	
	Cllr Akhtar	Cllr Caan	Cllr Thomas	Cllr Singh	Cllr Innes	Cllr Bigham
Cllr Lucas	Cllr Townshend	Cllr Gannon	Cllr Ruane	Cllr Kershaw	Cllr Gingell	Cllr Abbot

Cllr Welsh	Cllr Chater	Cllr Mulhall	Cllr T Khan		
Cllr O'Boyle	Cllr Lakha	Cllr Auluck	Cllr J Mutton		
Cllr Hetherton	Cllr Lancaster	Cllr Mc Nicholas	Cllr Galliers	Cllr Sandy	Cllr Kelly



**ANNUAL MEETING OF  
THE COUNCIL OF THE CITY OF COVENTRY  
5<sup>th</sup> June 2014**

**PRESENT**

Lord Mayor (Councillor Crookes)  
Deputy Lord Mayor (Councillor Noonan)

Councillor Abbott	Councillor A. Khan
Councillor Akhtar	Councillor T. Khan
Councillor Andrews	Councillor Lakha
Councillor Auluck	Councillor Mrs. Lucas
Councillor Bailey	Councillor Maton
Councillor Bains	Councillor Miks
Councillor Mrs. Bigham	Councillor Mulhall
Councillor Birdi	Councillor J. Mutton
Councillor Blundell	Councillor Mrs. M. Mutton
Councillor Brown	Councillor McNicholas
Councillor Caan	Councillor O'Boyle
Councillor Clifford	Councillor Ruane
Councillor Duggins	Councillor Sandy
Councillor Fletcher	Councillor Sawdon
Councillor Galliers	Councillor Skipper
Councillor Gannon	Councillor Taylor
Councillor Gingell	Councillor Thay
Councillor Hammon	Councillor Thomas
Councillor Harvard	Councillor Townshend
Councillor Hetherton	Councillor Walsh
Councillor Kelly	Councillor Welsh
Councillor Kershaw	

**1. Apologies**

Apologies for absence were received from Councillors Chater, Howells, Innes, Lancaster, Lepoidevin, Singh, Skinner and Sweet.

**2. Correspondence and Announcements of the Lord Mayor**

There were no announcements.

**3. Election of Chair of the Council**

It was moved by Councillor Bailey and seconded by Councillor Auluck that Councillor Hazel Margaret Noonan be elected as Chair of the Council (being the Lord Mayor of the City) for the ensuing year.

**RESOLVED that Councillor Hazel Margaret Noonan be elected as Chair of the Council for the 2014/15 municipal year, having made the declaration of office prescribed by the Local Government Act 1972 (as amended) and having been invested with the Lord Mayor's Chain of Office and Robe.**

4. **Official Badge of the Lord Mayor's Consort**

The retiring Lady Mayoress, Mrs Shirley Crookes, invested Mr Christopher Noonan with the Badge of Office of the Lord Mayor's Consort

5. **Lord Mayor's Address**

The Lord Mayor, Councillor Noonan, addressed the City Council.

6. **Vote of Thanks to the Retiring Lord Mayor**

A vote of thanks for the retiring Lord Mayor, Councillor Gary Crookes, was moved by Councillor Blundell, seconded by Councillor Sawdon and supported by Councillor Mrs Lucas.

Councillor Crookes responded to the vote of thanks.

**RESOLVED:**

(1) **That the warmest thanks of the Council were due and were thereby given to Councillor Gary Crookes for the zeal and impartiality with which he has discharged the arduous duties of the office of Lord Mayor during the year 2013/14 and to Mrs Shirley Crookes as Lady Mayoress.**

(2) **That a copy of this resolution, under the common seal, be presented to Councillor Gary Crookes.**

7. **Medallions for the Retiring Lord Mayor and Lady Mayoress**

The Lord Mayor, on behalf of the City Council, presented to Councillor Crookes and Mrs Crookes, Lord Mayor and Lady Mayoress during 2013/14, medallions inscribed with their names.

8. **Election of Vice Chair of the Council**

It was moved by Councillor Taylor and seconded by Councillor Kershaw that Councillor Michael Hammon be elected as Vice Chair of the Council (being the Deputy Lord Mayor of the City) for the ensuing year.

**RESOLVED that Councillor Michael Hammon be elected Vice Chair of the Council for the 2014/15 municipal year, having made the declaration of office prescribed by the Local Government Act 1972 (as amended) and having been invested with the Deputy Lord Mayor's Badge and Robe.**

9. **Election of the Leader of the Council**

It was moved by Councillor Townshend and seconded by Councillor Gannon that Councillor Ann Lucas be elected as Leader of the Council.



10. **Composition of the Cabinet and Allocation of Executive Functions within the Cabinet**

The City Council received a report of the Leader, Councillor Ann Lucas, which confirmed the composition of the Cabinet and the allocation of executive portfolios/functions within the Cabinet (detailed below)

**CABINET PORTFOLIOS**

<p>The Leader (Policy and Leadership)</p> <p>Cllr Mrs Lucas</p>	<p>Corporate Plan Scrutiny External relations / public relations Image and reputation Partnership companies Liaison with Management Board Emergency Planning Regional Matters Risk Management Local Enterprise Partnership</p>
<p>The Deputy Leader (Policing and Equalities)</p> <p>Cllr Townshend</p> <p>Deputy Cabinet Member</p> <p>Cllr Fletcher</p>	<p>Community Safety Community Cohesion Refugees and Asylum Seekers Welfare Advice Services Public Protection and Licensing Democratic Services (incl. Lord Mayor's) Equalities Legal Services Training (Members) Neighbourhood Services Constitutional Matters + Political Management Delivering A Programme for Action Deputising on Leader items Domestic Violence and Sexual Exploitation Local Policing</p>
<p>Cabinet Member (Strategic Finance and Resources)</p> <p>Cllr Gannon</p>	<p>Strategic Finance including Budget Setting External Resources Operational Finance incl. Revenues and Benefits Service Transformation Procurement Value for Money Medium Term Financial Strategy Corporate Service Performance, Policy and Quality Human Resources e-Government Key Staff Recruitment and Retention Information Technology and Customer Services Health and Safety Single Status Operational Property Catering Fuel Poverty</p>

<p>Cabinet Member (Children and Young People)</p> <p>Cllr Ruane</p>	<p>Children and Families Children and Young People's Social Care Young People Youth Offending Service Safeguarding *S19 Children Act 2004 Lead Member Fostering and Adoption</p>
<p>Cabinet Member (Education)</p> <p>Cllr Kershaw</p> <p>Deputy Cabinet Member</p> <p>Cllr Chater</p>	<p>Post 16 Education and Training Schools Early Years Libraries Adult Education Higher and Further Education (incl. Universities)</p>
<p>Cabinet Member (Business, Enterprise and Employment)</p> <p>Cllr Maton</p> <p>Deputy Cabinet Member:</p> <p>Cllr McNicholas</p>	<p>Community Economic Development City Centre International liaison (including Lord Mayor's) Inward Investment Property (Commercial) Urban Regeneration Regional Housing and Planning **Transportation Tourism and Marketing Agenda 21 Climate Change Strategy and Development Carbon Footprint Green Travel Nottingham Declaration Energy Conservation and Renewal Sustainability Energy Policy</p>
<p>Cabinet Member (Public Services)</p> <p>Cllr Lancaster</p>	<p>Building Cleaning Highways and Lighting Licensing Policy (Hackney Carriage and Private Hire) Street Services (Ground Maintenance, Refuse, Street Cleaning) Waste Management Flood Management Building Services Environment</p>
<p>Cabinet Member (Health and Adult Services)</p> <p>Cllr Gingell</p> <p>Deputy Cabinet Member</p> <p>Councillor Caan</p>	<p>Social Care for Adults, Older People and People with Disabilities Carers Health Strategy and Policy Health Inequalities Local Health Economy Public Health Teenage Pregnancies Sexual Health Marmot</p>

Cabinet Member (Culture, Leisure, Sports and Parks)  Cllr A Khan	Archives Arts Heritage Museums Conservation Sport Parks Events
Cabinet Member (Community Development, Co- Operatives and Social Enterprise)  Cllr Abbott	Social Enterprise Strategy Mutuals Community and Third Sector Relations City Centre Management City of Culture Bid Community Centres Voluntary Sector

**RESOLVED** that approval be given to the appointment of the Deputy Cabinet Members as detailed above.

**11. Minutes**

The minutes of the ordinary meeting of the City Council held on 18<sup>th</sup> March and the Extraordinary Meeting held on 10<sup>th</sup> April 2014, were signed as true records.

**12. Return of Persons Elected as Councillors for the City on 22<sup>nd</sup> May 2014**

The return of Councillors elected for the following wards of the City on 22<sup>nd</sup> May 2014 was reported:

<b>Ward</b>	<b>Member</b>	<b>Year of Retirement</b>
Bablake	Jaswant Singh Birdi	2018
Binley and Willenhall	John Roderick Mutton	2018
Cheylesmore	Roger Maurice Bailey	2018
Cheylesmore	Richard James Brown	2015
Earlsdon	Michael Hammon	2018
Foleshill	Tariq Khan	2018
Henley	Kevin Barry Maton	2018
Holbrook	Ann Lucas	2018
Longford	Lindsley Harvard	2018
Lower Stoke	Phil Townshend	2018
Radford	Kieran Pascal Mulhall	2018
Sherbourne	Seamus Walsh	2018
St Michael's	David Welsh	2018
Upper Stoke	Sucha Singh Bains	2018
Wainbody	Gary Edwards Crookes	2018
Westwood	David John Skinner	2018
Whoberley	Bally Singh	2018
Woodlands	Julia Elizabeth Lepoidevin	2018
Wyken	Faye Abbott	2018

**13. Declarations of Interest**

There were no declarations of interest.

**14. Matters for Determination by the City Council**

The Council considered and approved the following documents which were tabled at the meeting:

- (i) Details of Licensing and Regulatory Committee, Planning Committee, Health and Wellbeing Board, Scrutiny Co-ordination Committee, Scrutiny Boards, Audit and Procurement Committee, an Ethics Committee and such other Committees as the Council considers appropriate to deal with matters which are neither reserved to the Council nor are executive functions as set out in the Constitution. This also includes the appointment of the Chair and Deputy Chair of those bodies.
- (ii) The size and terms of reference for those Boards and Committees (as set out in the Constitution).
- (iii) The allocation of seats to political groups in accordance with the political balance rules.
- (iv) The nominations of Councillors to serve on each Scrutiny Board, Committee and Cabinet Advisory Panel.
- (v) The nominations and appointments to outside bodies.
- (vi) The programme of ordinary meetings of the Council, Cabinet, Scrutiny Boards, Committees and Advisory Panels for 2013/14 including the date and time of the next Annual Meeting.

**RESOLVED that the City Council approve the allocation of seats, appointments and programme of meetings as appended to these minutes.**

**15. New Integrated Transport Authority Governance Arrangements**

The City Council considered a report of the Executive Director, Resources, which detailed changes to the governance arrangements of the West Midlands Integrated Transport Authority (ITA) and sought approval to the establishment of the Centro Members Joint Committee.

The Terms of Reference for the new ITA and Centro Members were appended to the report. Appointments to these outside bodies were made under Minute 14 above.

**RESOLVED that the City Council:**

- (1) Notes the changes to governance arrangements of the West Midlands Integrated Transport Authority, together with its Terms of Reference, as detailed in Appendix 1 of the report.**

- (2) Approves the establishment of the Centro Members Joint Committee with the Terms of Reference as detailed in Appendix 2 of the report.**
- (3) Delegates authority to the Executive Director, Resources, (in consultation with the Leader of the Council) to agree and enter into such documents as are necessary to give effect to Recommendations (1) and (2) above.**

Note: Item 18 entitled "If required, to consider any changes to the Constitution or any other matters arising from the Annual Meeting decisions and appointments" was not required

Meeting closed: 12.10 pm

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**COUNCIL**

**5<sup>th</sup> June, 2014**

**APPOINTMENTS – 2014/15**

**CABINET**

Appointed by the Leader (Report 7)

Non-Voting Representatives on Cabinet

Councillor Andrews

Councillor Blundell

**CABINET COMMITTEE (COVENTRY INVESTMENT FUND)**

Councillor Maton	(Cabinet Member (Business, Enterprise and Employment) (Chair)
Councillor Gannon	(Cabinet Member (Strategic Finance and Resources) (Deputy Chair)
Councillor Mrs Lucas	(Leader of the Council)



## LICENSING AND REGULATORY COMMITTEE

<b>CHAIR</b>	<b>DEPUTY CHAIR</b>
<b>Councillor Hetherton</b>	<b>Councillor Harvard</b>

Councillor Akhtar

Councillor Ali

Councillor Andrews

Councillor Bigham

Councillor Birdi

Councillor Chater

Councillor Crookes

Councillor Duggins

Councillor Galliers

Councillor Howells

Councillor J Mutton

Councillor O'Boyle

<b>Political Balance</b>	
Conservative	3
Labour	11

## PLANNING COMMITTEE

<b>CHAIR</b>	<b>DEPUTY CHAIR</b>
<b>Councillor Sweet</b>	<b>Councillor Kelly</b>

Councillor Bailey

Councillor Brown

Councillor Caan

Councillor Crookes

Councillor Innes

Councillor McNicholas

Councillor Miks

Councillor Sandy

Councillor Thomas

<b>Political Balance</b>	
Conservative	2
Labour	9

## ETHICS COMMITTEE

<b>CHAIR:</b>	<b>Councillor Hetherton</b>
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Councillor Andrews

Councillor Fletcher

Councillor Gannon

Councillor Mulhall

### **Independent Person**

Mr K Sloan

<b>Political Balance</b>	
Conservative	1
Labour	4

## **INDEPENDENT REMUNERATION PANEL**

### **5 Independent Members**

(Up to 5 to be appointed by the Executive Director, Resources after consultation with the Group Leaders)

## SCRUTINY

### Scrutiny Co-ordination Committee

#### Designated as the Crime and Disorder Committee

CHAIR	DEPUTY CHAIR
Councillor Skipper	Councillor Clifford

Councillor Blundell

Councillor Duggins

Councillor Innes

Councillor Sandy

Councillor Singh

Councillor Taylor

Councillor Thomas

Political Balance	
Conservative	2
Labour	7

#### Co-opted Members for Education Matters

Mr. R. Potter (Nominated by the Roman Catholic Church)

1 Vacancy (Nominated from other faith groups in the city)

Mrs. S. Hanson (Nominated by the Church of England)

Mrs. K. Jones (Primary Parent Governor Representative)

1 Vacancy (Secondary Parent Governor Representative)

## Finance and Corporate Services Scrutiny Board (1)

<b>CHAIR:</b>	<b>Councillor Sandy</b>
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Councillor Brown

Councillor Galliers

Councillor Hammon

Councillor Harvard

Councillor Kelly

Councillor Lakha

Councillor J Mutton

Councillor Sawdon

<b>Political Balance</b>	
Conservative	2
Labour	7

**Note: The Chair of the Audit and Procurement Committee (Cllr Galliers) has been appointed as a Member of this Board.**

## Education and Children's Services Scrutiny Board (2)

<b>CHAIR:</b>	<b>Councillor Innes</b>
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Councillor Akhtar

Councillor Bains

Councillor Bigham

Councillor Blundell

Councillor Clifford

Councillor Lakha

Councillor Lepoidevin

Councillor M Mutton

<b>Political Balance</b>	
Conservative	2
Labour	7

### Co-opted Members for Education Matters

Mr. R. Potter (Nominated by the Roman Catholic Church)

1 Vacancy (Nominated from other faith groups in the city)

Mrs. S. Hanson (Nominated by the Church of England)

Mrs. K. Jones (Primary Parent Governor Representative)

1 Vacancy (Secondary Parent Governor Representative)

### Business, Economy and Enterprise Scrutiny Board (3)

<b>CHAIR:</b>	<b>Councillor Duggins</b>
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Councillor Bailey

Councillor Bigham

Councillor Birdi

Councillor Mulhall

Councillor Skipper

Councillor Sweet

Councillor Walsh

Councillor Welsh

<b>Political Balance</b>	
Conservative	2
Labour	7



## Communities and Neighbourhoods Scrutiny Board (4)

### Designated as the Flood Management Committee

<b>CHAIR:</b>	<b>Councillor Singh</b>
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Councillor Auluck

Councillor Hammon

Councillor Harvard

Councillor T Khan

Councillor Miks

Councillor Mulhall

Councillor Skinner

Councillor Thay

<b>Political Balance</b>	
Conservative	2
Labour	7

## Health and Social Care Scrutiny Board (5)

### Designated as the Health Overview and Scrutiny Committee

<b>CHAIR:</b>	<b>Councillor Thomas</b>
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Councillor Ali

Councillor Clifford

Councillor Hetherton

Councillor Howells

Councillor J Mutton

Councillor O'Boyle

Councillor Skinner

Councillor Taylor

<b>Political Balance</b>	
Conservative	2
Labour	7

### Co-opted Member

1 Representative from Coventry Healthwatch

## AUDIT AND PROCUREMENT COMMITTEE

<b>CHAIR</b>	<b>DEPUTY CHAIR</b>
<b>Councillor Galliers</b>	<b>Councillor Bains</b>

Councillor Harvard

Councillor Sandy

Councillor Sawdon

Councillor Welsh

<b>Political Balance</b>	
Conservative	1
Labour	5

Labour Group Substitute – Councillor Singh

Conservative Group Substitute – Councillor Blundell

## **COVENTRY HEALTH AND WELL-BEING BOARD**

Councillor Lucas	Leader of the Council
Councillor Gingell	Cabinet Member (Health and Adult Services) – (Chair)
Councillor Ruane	Cabinet Member (Children and Young People)
Councillor Caan	One additional Councillor nominated by the Leader
Councillor Taylor	Conservative Group Representative

Executive Director, People	(Statutory Appointment)
Director of Public Health	(Statutory Appointment)
Coventry Healthwatch – 2 representatives	(Statutory Appointment)
Coventry and Rugby Clinical Commissioning Group – 2 representatives	(Statutory Appointment)
Voluntary Action Coventry – 1 representative	
Coventry University – Vice-Chancellor (or representative)	
Warwick University – Vice-Chancellor (or representative)	
NHS Commissioning Board – 1 representative	
West Midlands Police – 1 representative	
West Midlands Fire Service – Operations Commander Coventry	
Coventry and Warwickshire Partnership Trust – 1 representative	
University Hospitals Coventry and Warwickshire – Chief Executive or representative	

## **CHAIRS OF WARD FORUMS**

Bablake – Councillor Kershaw

Binley and Willenhall – Councillor J Mutton

Cheylesmore – Councillor Bailey

Earlsdon – Councillor Taylor

Foleshill – Councillor A Khan

Henley – Councillor Maton

Holbrook – Councillor Lucas

Longford – Councillor Harvard

Lower Stoke – Councillor Townshend

Radford – Councillor Mulhall

Sherbourne – Councillor Walsh

St. Michael's – Councillor Welsh

Upper Stoke – Councillor Bains

Wainbody – Councillor Sawdon

Westwood – Councillor Sandy

Whoberley – Councillor Singh

Woodlands – Councillor Hetheron

Wyken – Councillor Abbott

## **ADVISORY PANELS / PANEL TO BE RE-APPOINTED DURING 2014/15**

### **ADVISORY PANELS TO BE RE-APPOINTED**

#### **CORPORATE PARENTING BOARD (TO ACT AS THE CABINET ADVISORY PANEL FOR LOOKED AFTER CHILDREN)**

Councillor Ruane	Cabinet Member (Children and Young People) (Chair)
Councillor Kershaw	Cabinet Member (Education)
Councillor Innes	Chair of Education and Children's Scrutiny Board (2)
Councillor M Mutton	Labour Group Representative
Councillor Blundell	Shadow Cabinet Member for Education
Councillor Lepoidevin	Shadow Cabinet Member for Children and Young People
Councillor Skinner	Conservative Group Representative

## **CABINET MEMBER (POLICING AND EQUALITIES) - CONSTITUTIONAL ADVISORY PANEL**

### 2 Council Members on Ethics Committee

Councillor Hetherton      Labour Member on Ethics

Councillor Andrews      Conservative Member on Ethics

### 2 Group Secretaries (Labour Group representative to be appointed Chair)

Councillor Gannon      (Chair)

Councillor Bailey

### 1 Member from Controlling Group

Councillor J Mutton

## **CABINET ADVISORY PANEL – SCHOOL ORGANISATION**

**(NOTE: Councillors may not be Cabinet Members, one to be the Shadow Cabinet Member for Education)**

Councillor Clifford      Labour Councillor

Councillor Innes      Labour Councillor

Councillor Welsh      Labour Councillor

Councillor Blundell      Shadow Cabinet Member (Education)

3 Head Teachers      (1 x Primary, 1 x Secondary, 1 x Special)

3 Governors      (1 x Primary, 1 x Secondary, 1 x Special)

2 Voluntary Aided Sector (1 x Roman Catholic Diocese, 1 Church of England Diocese)

**(NOTE: Chair elected at each meeting and may not be an elected member)**

## **CABINET ADVISORY PANEL - COVENTRY LOCAL DEVELOPMENT PLAN**

Councillor Maton	Cabinet Member (Business, Enterprise and Employment) (Chair)
Councillor Sweet	Chair of Planning Committee
Councillor Lucas	Leader
Councillor Duggins	Chair of Business, Economy and Enterprise Scrutiny Board (3)
Councillor Kelly	Deputy Chair of Planning Committee

**NOTE: The Deputy Leader is invited to attend meetings of this Panel.**

## **CABINET MEMBER (POLICING AND EQUALITIES) ADVISORY PANEL - ELECTORAL ARRANGEMENTS**

Councillor Townshend	Deputy Leader & Cabinet Member (Policing and Equalities) (Chair)
Councillor Lucas	Leader and Cabinet Member (Policy and Leadership)
Councillor Duggins	Labour Councillor
Councillor O'Boyle	Labour Councillor
Councillor Blundell	Leader of Opposition
Councillor Andrews	Deputy Leader of Opposition



**CABINET MEMBER (POLICING AND EQUALITIES) ADVISORY PANEL - THE COVENTRY AWARD OF MERIT**

Councillor Townshend	Cabinet Member (Policing and Equalities) – (Chair)
Councillor Gannon	Cabinet Member (Strategic Finance and Resources)
Councillor Skipper	Chair of Scrutiny Co-ordination Committee (or their nominee)
Councillor Andrews	Shadow Cabinet Member (Policing and Equalities)
Councillor Noonan	Lord Mayor, ex officio
His Honour Judge Griffith-Jones	The Honorary Recorder

**CABINET MEMBER (POLICING AND EQUALITIES) ADVISORY PANEL – THE GOOD CITIZEN AWARD**

Councillor Maton	Cabinet Member (Business, Enterprise and Employment)
Councillor A Khan	Cabinet Member (Culture, Leisure, Sports and Parks)
Councillor Abbott	Cabinet Member (Community Development, Co-operatives and Social Enterprise)
Councillor Andrews	Shadow Cabinet Member (Policing and Equalities)
Councillor Blundell	Conservative Group Nominee
Councillor Noonan	Lord Mayor, ex officio
His Honour Judge Griffith – Jones	The Honorary Recorder (Chair)

The Coventry Member of the UK Youth Parliament

Chief Superintendent of Coventry (or nominee)

**CABINET MEMBER (POLICING AND EQUALITIES) ADVISORY PANEL - DISABILITY EQUALITY**

Councillor Abbott	Labour Group Nominee
Councillor Ali	Substitute for Councillor Abbott

## **CABINET ADVISORY PANEL - SPORTS VISION AND STRATEGY, TOURISM AND CITY WIDE EVENTS**

Councillor Abbott	Cabinet Member (Community Development, Co-operatives and Social Enterprise) – (Joint Chair)
Councillor Maton	Cabinet Member (Business, Enterprise and Employment) – (Joint Chair)
Councillor A Khan	Cabinet Member (Culture, Leisure, Sports and Parks)
Councillor Kershaw	Cabinet Member (Education)
Councillor Ruane	Cabinet Member (Children and Young People)
Councillor Innes	Chair of Education and Children’s Services Scrutiny Board (2)
Councillor Bigham	Labour Councillor
Councillor Duggins	Labour Councillor
Councillor Mulhall	Labour Councillor
Councillor Bailey	Conservative Councillor

**NOTE: Councillors Abbott and Maton will alternate the role of Chair.**

## **CABINET ADVISORY PANEL – REGENERATION AND INFRASTRUCTURE**

Councillor Lucas	Leader (Chair)
Councillor Gannon	Cabinet Member (Strategic Resources and Finance)
Councillor Maton	Cabinet Member (Business, Enterprise and Employment)
Councillor Duggins	Chair, Business, Economy and Enterprise Scrutiny Board (3)
Councillor Blundell	Leader of Opposition

## **ACL SHAREHOLDER PANEL**

Councillor Lucas	Leader (Chair)
Councillor Townshend	Deputy Leader (Deputy Chair)
Councillor Gannon	Cabinet Member (Strategic Finance and Resources)
Councillor Ruane	Cabinet Member (Children and Young People)
Councillor Kershaw	Cabinet Member (Education)
Councillor Maton	Cabinet Member (Business, Enterprise and Employment)
Councillor Lancaster	Cabinet Member (Public Services)
Councillor Abbott	Cabinet Member (Community Development, Co-operatives and Social Enterprise)
Councillor Gingell	Cabinet Member (Health and Adult Services)
Councillor A Khan	Cabinet Member (Culture, Leisure, Sports and Parks)
Councillor McNicholas	Deputy Cabinet Member (Business, Enterprise and Employment)
Councillor Chater	Deputy Cabinet Member (Education)
Councillor Caan	Deputy Cabinet Member (Health and Adult Services)
Councillor Fletcher	Deputy Cabinet Member (Policing and Equalities)
Councillor Blundell	Leader of the Opposition
Councillor Andrews	Deputy Leader of the Opposition

**NOTE: The Chair of Scrutiny Co-ordination Committee (Councillor Skipper) and the Chair of the Ethics Committee (Councillor Hetheron) are invited to attend meetings of this Panel.**



# Agenda Item 8

**Council – 24<sup>th</sup> June 2014**

**Recommendation from Cabinet  
13<sup>th</sup> May 2014**

**Coventry City Council**  
**Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 13 May 2014**

Cabinet Members:	Councillor Mrs Lucas (Chair) Councillor Townshend (Deputy Chair) Councillor Duggins Councillor Gannon Councillor Gingell Councillor Kelly Councillor Kershaw Councillor A. Khan Councillor Lancaster
Deputy Cabinet Members:	Councillor Howells
Non-voting Opposition Members:	Councillor Andrews Councillor Blundell
Other Members:	Councillor Fletcher Councillor Hetherton Councillor Skipper Councillor Thomas
Employees (by Directorate):	
Chief Executive's:	M Reeves (Chief Executive), F Collingham, N Inglis, J Moore
People:	D Haley, S Roach, A Simpson,
Place:	O Chittem, A Walster, R Young
Resources:	B Hastie, H Lynch, L Knight, N Sutaria, A West
Apologies:	Councillors Innes, McNicholas and Ruane

## **RECOMMENDATION**

### 173. **Local Government Pension Scheme - Statement of Policy**

The Cabinet considered a report of the Executive Director, Resources, which sought approval of the Council's statement of policy on the discretions contained within the Local Government Pension Scheme Regulations.

Due to changes within the Local Government Pension Scheme Regulations 2013, the Council was required to formulate and publish a Statement of Policy in respect of the Local Government Pension Scheme. It was noted that particular attention needed to be drawn to the discretionary elements available to the Council.

The Policy Statement had been revised to reflect the changes to the Regulations. The main changes to the policy were set out in the report and, in summary, related to the following clauses:

- Clause 1 (Regulation 30)
- Clause 2 (TP Regulations 1(1) of Schedule 2)
- Clause 3 (Regulation 31)
- Clause 4 (Regulations 16(2)e and 16(4)d)
- Clause 6 (Regulation 17)
- Clause 7 (Regulation 16)
- Clause 9 (Regulation 100)
- Clause 10 (Regulation 9(3))
- Clause 11 (Regulations 91-95)
- Clause 12 (Regulation 72)

The Local Government Pension Scheme Regulations Statement of Policy would be effective from 1<sup>st</sup> July 2014.

**RESOLVED that the Council be recommended to approve the Local Government Pension Scheme Regulations Statement of Policy attached at appendix 1 of the report submitted.**

(Meeting closed at 2.30 pm)

Cabinet  
Council

13 May 2014  
24 June 2014

**Name of Cabinet Member:**

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

**Director Approving Submission of the report:**

Executive Director, Resources

**Ward(s) affected:**

None

**Title:**

Local Government Pension Scheme – Statement of Policy

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**Is this a key decision?**

No

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**Executive Summary:**

To present and seek approval for the Council's statement of policy on the discretions contained within the Local Government Pension Scheme regulations (Appendix 1).

**Recommendations:**

1. Cabinet recommends that the Council adopts the 2014 Local Government Pension Scheme Regulations Statement of Policy at Appendix 1.
2. Council is recommended to approve the 2014 Local Government Pension Scheme Regulations Statement of Policy at Appendix 1.

**List of Appendices included:**

Appendix 1 Local Government Pension Scheme Regulations Statement of Policy 2014.

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

Yes – on 24 June 2014



## **Report title: Local Government Pension Scheme Statement of Policy**

### **1. Context (or background)**

- 1.1 Due to changes within the Local Government Pension Scheme (LGPS) Regulations 2013 the City Council is required to formulate and publish a Statement of Policy in respect of the Local Government Pension Scheme. In particular attention needs to be drawn to the discretionary elements available to the Council.

### **2. Options considered and recommended proposal**

- 2.1 The policy statement has been revised to reflect changes to the LGPS Regulations 2013. The main changes in the policy are as follows:
- Clause 1 (Regulation 30) – change to reflect the removal of the reference to the Rule of 85.
  - Clause 2 (TP Regulations 1(1) of Schedule 2 – a new clause allowing the Council to have discretion when considering applications under the Rule of 85.
  - Clause 3 (Regulation 31) – reordered as was previously Clause 2 and change of reference from 10 years to £6,500 pa. However this discretion will not be exercised.
  - Clause 4 (Regulation 16(2)e and 16(4)d – represent a revision to the previous Clause 3 where employers can choose to make either a regular or lump sum Additional Pension Contribution to a members account up to £6,500pa. However this discretion will not be exercised.
  - Clause 6 (Regulation 17) – represents the former Regulation 25 A.
  - Clause 7 (Regulation 16) – represents the former Regulation 22 A.
  - Clause 9 (Regulation 100) – represents the former Regulation 83 A.
  - Clause 10 (Regulation 9 (3)) – reflects the changes in pension contribution bandings.
  - Clause 11 (Regulation 91-95) – formal recognition of the City Council's powers to recover pensions from former members of staff convicted of a relevant offence in connection with their employment.
  - Clause 12 (Regulation 72) – represents the former Regulation 57 A and acknowledges the change in job title of the specified person in respect of internal disputes. The specified person is the Assistant Director Human Resources and Workforce Services.

### **3. Results of consultation undertaken**

- 3.1 There is no requirement to consult on the LGPS Regulations Statement of Policy

### **4. Timetable for implementing this decision**

- 4.1 The LGPS Regulations Statement of Policy will be effective from 1<sup>st</sup> July 2014.

## **5. Comments from Executive Director, Resources**

### **5.1 Financial implications**

The Council's policies within the discretionary elements of the LGPS have the effect of avoiding the risk of any significant costs being incurred. Whilst there may be a possibility of decisions being made on compassionate grounds or in exceptional circumstances these are likely to be very rare and will be managed within existing service budgets accordingly. Under normal circumstances therefore, it is expected that there will be no significant financial implications. The exception to this is in circumstances where the Council is pursuing a significant reduction in staff numbers to achieve cost reduction through early retirement or voluntary redundancy. For members below pensionable age, this could potentially have large cost implications dependent on individual circumstances

### **5.2 Legal implications**

The City Council is required to formulate and publish a Statement of Policy in relation to the application of discretions within the LGPS.

## **Other implications**

### **6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

To assist the effective delivery of key objectives and corporate priorities the City Council must ensure a fair and objective system is in place for the application of discretions within the LGPS.

### **6.2 How is risk being managed?**

By adopting the revised LGPS Regulations Statement of Policy as attached at Appendix 1 the City Council would be compliant with the LGPS Regulations 2013.

### **6.3 What is the impact on the organisation?**

None

### **6.4 Equalities / EIA**

As a consequence of the Equality Act the City Council is committed to publishing information relating to salaries and pensions and how discretionary elements may be applied.

### **6.5 Implications for (or impact on) the environment**

None

### **6.6 Implications for partner organisations?**

None

**Report author(s):**

**Name and job title: Amanda Durrant – HR Business Partner (Employment Services)**

**Directorate: Resources**

**Tel and email contact: 024 7683 4396**

Enquiries should be directed to the above person.

<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Shokat Lal	Assistant Director	Resources	23/04/14	24/04/2014
Karen Mihajlovic	Senior HR Adviser	Resources	23/04/14	23/04/2014
Annette Mahoney	Pensions and Leavers Team Manager	Resources	23/04/14	24/04/2014
Lara Knight	Governance Services Team Leader	Resources	24/04/14	24/04/14
<b>Names of approvers for submission: (officers and members)</b>				
Finance: Phil Helm	Finance Manager	Resources	23/04/14	24/04/2014
Legal: Gill Carter	Senior Solicitor	Resources	23/04/14	24/04/2014
Director: Chris West	Executive Director	Resources	23/04/14	28/04/2014
Members: Councillor Gannon	Cabinet Member (Strategic Finance and Resources)		28/04/2014	28/04/2014

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[www.coventry.gov.uk/councilmeetings](http://www.coventry.gov.uk/councilmeetings)

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# The Local Government Pension Scheme Regulations Statement of Policy

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April 2014

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Under Regulation 60 of the Local Government Pension Scheme (LGPS) Regulations 2013 each employer must formulate, keep under review and publish their policies on certain discretions contained within the LGPS Regulations.

This Statement is applicable to all employees of Coventry City Council who are eligible to be members of the LGPS and, where applicable, deferred or pensioner members.

## **1. Regulation 30 – Members request for early payment of benefits**

### **Explanation**

From age 55, members who leave or have left local government employment have the right to apply for early payment of their retirement benefits subject to the consent of their employer. However, members aged 60 and over do not need their employer's consent.

The pension benefits must be reduced in accordance with guidance provided by the Government actuary. Employers may determine on compassionate grounds that the benefits are not reduced.

### **Coventry City Council's Policy**

- **Active Members (current employees) - The City Council will allow early retirements on the grounds of redundancy/efficiency of the service. This discretion will otherwise only be used in rare and exceptional circumstances.**

**It would need to be funded by a lump-sum contribution into the Pensions Fund by the City Council. Each specific request raised under this Regulation will be judged equally and fairly on its own merits.**

- **This discretion will be exercised by those officers nominated to approve existing severance packages.**
- **Deferred Members (Pre April 2014) – Early release of retirement benefits may be allowed in exceptional circumstances. The former employee must make an application in writing to the City Council. Each specific case will be judged equally and fairly on its own merits and where appropriate approved by the appropriate Cabinet Member.**
- **Waiver or reduction – Each specific case will be judged equally and fairly on its own merits and where appropriate approved by the appropriate Cabinet Member. Any cost would need to be funded by a lump-sum contribution into the Pension Fund by the City Council.**

**2 TP Regs 2 of Schedule 2 - The rule of 85 for members drawing benefits between age 55-59.**

**Explanation**

The rule of 85 applies to those members who joined the LGPS before 2006 and allows them to retire earlier than their normal pension age, taking their pension benefits in full. Under the LGPS 2014 Regulations members may lose some of the rule of 85 protections if they wish to access their benefits and they are aged 55-59. An employer may resolve to reinstate the protection which would have cost implications.

**Coventry City Council Policy**

Each specific case will be considered on the grounds of efficiency of the service, having fully considered service delivery and financial costs.

**3. Regulation 31 – Award of Additional Pension of an active member**

**Explanation**

An employer may resolve to award a member additional pension of not more than £6,500 per year (as at 1<sup>st</sup> April 2014). An employer may make decisions on awarding additional pension for up to six months after termination of employment in cases of redundancy, in the interests of efficiency of the employing authority's functions or at the ending of a joint appointment because the other appointment holder has left.

**Coventry City Council's Policy**

**This discretion will not be exercised by the City Council in any circumstances.**

**4. Regulation 16(2)e & Regulation 16(4)d – Additional Pension Contribution (APC)**

**Explanation**

An employer may make either a regular or lump sum Additional Pension Contribution (APC) to a member's account. This may be part or whole funded.

**Coventry City Council's Policy**

**This discretion will not be exercised by the City Council in any circumstances.**

**5. Regulation 30(6) and Regulation 30 (8) – Flexible Retirement**

**Explanation**

A member who is aged 55 or over and with their employer's consent reduces their hours and/or grade can then, but only with the agreement of their employer, make a written application to the administering authority (West Midlands Pension Fund) for payment of all or part of their accrued benefits without having retired from that employment.

If payment of benefits occurs before normal retirement age the benefits can be actuarially reduced in accordance with guidance issued by the Government actuary.

The employer may choose to waive the reduction in whole or in part. If the employer chooses to do so, then the cost of waiving the reduction in whole or in part has to be paid to the Fund.

**Coventry City Council's Policy**

Each specific case will be judged equally and fairly on its own merits, having fully considered service delivery and financial costs. The Council will normally only approve the payment of benefits where there is no additional cost to the Council.

**6. Regulation 17 – Shared Cost AVC**

**Explanation**

Employers may resolve to establish and maintain a Shared Cost Additional Voluntary Contribution Scheme (SCAVC). Who can join, how much the employer and employee will jointly contribute and the type of benefits provided must be considered.

**Coventry City Council's Policy**

**Coventry City Council does not propose to introduce a Shared Cost Additional Voluntary Contribution Scheme.**

**7. Regulation 16 – Optional contributions during absence**

**Explanation**

Employing authorities have the discretion to extend beyond 30 days the period where a member can make a written request to make contributions. These contributions will cover a period of absence where pension contributions would otherwise not have been made.

**Coventry City Council's Policy**

**Coventry City Council will extend the period of 30 days in rare and exceptional circumstances or where it was beyond the member's control.**

**8. Regulation 22 – Re-employed and rejoining deferred members**

**Explanation**

Where a deferred member becomes an active member again, before becoming entitled to the immediate payment of retirement benefits in respect of former membership(s), he/she may elect to have former membership(s) aggregated with their current active membership. An election must be made in writing to the member's appropriate administering authority (West Midlands Pension Fund) before the expiry of the period of 12 months, beginning with the date that the employee again became an active member (or any such longer period as the employer may allow).

**Coventry City Council's Policy**

**Coventry City Council will extend the period of 12 months in rare and exceptional circumstances or where it was beyond the member's control.**

**9. Regulation 100 – Inward transfers of pension rights**

**Explanation**

A person who becomes an active member who has relevant pension rights may request their fund authority to accept a transfer value for some or all of their former rights. An election must be made in writing before the expiry of the period of 12 months beginning with the date that he/she became an active member (or any such longer period as his employer may allow).

**Coventry City Council's Policy**

**Coventry City Council will extend the period of 12 months in rare and exceptional circumstances or where it was beyond the member's control.**

## **10. Regulation 9 (3) - Contributions payable by active members**

### **Explanation**

Employing Authorities must review the contribution band to which they assign members each April, employers can also review band levels during the year

### **Coventry City Council Policy**

An employee's contribution percentage will be determined each pay period (e.g. each month's pay) based on the following:

a) The pensionable pay to be paid in the pay period will be multiplied by 12 to give an annual equivalent and the contribution rate for that pay period determined according to the relevant tables.

b) Any lump sums or retrospective arrears payments covering more than one pay period would be excluded from the calculation.

Employees will be notified of their pension contribution percentage on their payslip each month.

Details of the contribution rates can be found on the intranet by following the link [http://beacon.coventry.gov.uk/downloads/download/621/2013-14\\_contribution\\_bands](http://beacon.coventry.gov.uk/downloads/download/621/2013-14_contribution_bands)

Members of the pension scheme have the right to appeal the pension banding decision within 6 months of the change of contribution rate; in the first instance they should contact Employment Services so that the matter can be reconsidered.

If they are still dissatisfied with this decision they can make a written application to the specified person, appointed by Coventry City Council, to give a decision under dispute.

## **11. Regulation 91-95 Forfeiture of pension rights**

### **Explanation**

If a member is convicted of a relevant offence committed in connection with their employment the former Scheme employer may apply for a forfeiture certificate. A forfeiture certificate certifies that the offence was 'gravely injurious to the state' or is liable to lead to a 'serious loss of confidence in the public service'. Where issued the former Scheme employer may direct that the member's rights under the regulations are forfeited.

### **Coventry City Council Policy**

Coventry City Council will apply the provisions of regulations 91 to 95.

## **12. Regulation 7 – The Internal Dispute Resolution Procedure**

### **Explanation**

An Internal Dispute Resolution Procedure applies to active members of the LGPS and to others such as deferred and pensioner members, whose position may be affected by decisions taken by their former employer or LGPS administrating authority.

Responsibility for determinations under the first stage of the procedure rests with a “specified person” appointed by the employer. The employer must specify the job title and address of the person to whom applications should be directed.

**Coventry City Council's Policy**

**The specified person is:**

**Assistant Director Human Resources and Workforce Services  
Coventry City Council  
Earl Street  
COVENTRY  
CV1 5RX**



# Agenda Item 9

**Council – 24<sup>th</sup> June 2014**  
**Recommendation from Cabinet**  
**13<sup>th</sup> May 2014**

**Coventry City Council**  
**Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 13 May 2014**

Cabinet Members: Councillor Mrs Lucas (Chair)  
Councillor Townshend (Deputy Chair)  
Councillor Duggins  
Councillor Gannon  
Councillor Gingell  
Councillor Kelly  
Councillor Kershaw  
Councillor A. Khan  
Councillor Lancaster

Deputy Cabinet Members: Councillor Howells

Non-voting Opposition Members: Councillor Andrews  
Councillor Blundell

Other Members: Councillor Fletcher  
Councillor Hetheron  
Councillor Skipper  
Councillor Thomas

Employees (by Directorate):

Chief Executive's: M Reeves (Chief Executive), F Collingham, N Inglis, J Moore

People: D Haley, S Roach, A Simpson,

Place: O Chittem, A Walster, R Young

Resources: B Hastie, H Lynch, L Knight, N Sutaria, A West

Apologies: Councillors Innes, McNicholas and Ruane

## RECOMMENDATION

172. **Pay Policy Statement 2014/15**

The Cabinet considered a report of the Executive Director, Resources which set out the Council's annual Pay Policy Statement.

Local authorities were required by sections 38 and 39 of the Localism Act 2011 to produce an annual Pay Policy Statement, which must articulate the Council's policies towards a range of issues relation to the pay of the workforce, particularly the most senior staff (or chief officers) and the relationship of their pay to the lowest paid employees. The proposed annual Pay Policy Statement for 2014/15 was attached as an appendix to the report submitted.

**RESOLVED that the Council be recommended to approve the 2014/15 Pay Policy Statement attached at Appendix 1 of the report.**

(Meeting closed at 2.30 pm)

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Cabinet  
Council

13 May 2014  
24 June 2014

**Name of Cabinet Member:**

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

**Director Approving Submission of the report:**

Executive Director, Resources

**Ward(s) affected:**

None

**Title:**

Pay Policy Statement 2014/15

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**Is this a key decision?**

No

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**Executive Summary:**

Local Authorities are required by sections 38 and 39 of the Localism Act 2011 to produce an annual Pay Policy Statement. The statement must articulate the City Council's policies towards a range of issues relating to the pay of the workforce, particularly the most senior staff (or "chief officers") and the relationship of their pay to the lowest paid employees. The proposed annual Pay Policy Statement for 2014/15 is attached as appendix 1.

**Recommendations:**

1. Cabinet recommends that the Council adopts the Pay Policy Statement 2014/15.
2. Council is recommended to approve the 2014/15 Pay Policy Statement attached at Appendix 1.

**List of Appendices included:**

Appendix 1 Pay Policy Statement 2014/15

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

Yes - 24 June 2014

## **Report title: Pay Policy Statement 2014/15**

### **1. Context (or background)**

- 1.1 The Localism Act 2011 requires all local authorities to produce an annual Pay Policy Statement setting out the Council's policies regarding the pay and grading of the workforce which must be approved by full Council. The Pay Policy Statement is particularly required to highlight the relationship between the pay and remuneration of most senior staff (chief officers) and the general workforce. The City Council has clearly established policies and processes for the determination of the pay and grading of its employees and these are summarised in the proposed Pay Policy Statement.
- 1.2 The Pay Policy Statement also sets out (as required) the relationship between the highest and lowest paid. Guidance on the development of Pay Policy Statements states that authorities should explain their policy in respect of chief officers who have been made redundant and later reemployed or engaged under a contract of service, and also their approach to any shared arrangements in place. The City Council has no policy in relation to the re-employment or re-engagement of chief officers. No existing chief officers have been made redundant and subsequently re-employed or re-engaged and it is not anticipated this will occur in the future. No current chief officers are engaged on a shared basis.

### **2 Options considered and recommended proposal**

- 2.1 Council is recommended to approve the Pay Policy Statement for 2014/15 to ensure compliance with sections 38 and 39 of the Localism Act 2011.

### **3 Results of consultation undertaken**

- 3.1 There is no requirement to consult on the Pay Policy Statement

### **4. Timetable for implementing this decision**

- 4.1 The proposed Pay Policy Statement will be effective for the financial year 2014/15

### **5. Comments from Executive Director, Resources**

#### **5.1 Financial implications**

There are no specific financial implications of the recommendations in this report. The cost of individual decisions regarding the recruitment or termination of officers would need to be resourced from the Council's approved budget.

#### **5.2 Legal implications**

The City Council is required under sections 38 and 39 of the Localism Act 2011 to agree an annual Pay Policy Statement

**6. Other implications**

**6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

To assist the effective delivery of key objectives and corporate priorities the City Council must ensure a structured and objective system is in place for the determination of the pay and grading of employees.

**6.2 How is risk being managed?**

By adopting a Pay Policy Statement as attached at Appendix 1 the City Council would be compliant with sections 38 and 39 of the Localism Act 2011.

**6.3 What is the impact on the organisation?**

None

**6.4 Equalities / EIA**

As a consequence of the Equality Act and the National Joint Council (NJC) conditions of Service the City Council is committed to publishing equal pay information on an annual basis.

**6.5 Implications for (or impact on) the environment**

None

**6.6 Implications for partner organisations?**

None

**Report author(s):**

**Name and job title: Neelesh Sutaria – HR Business Partner**

**Directorate: Resources**

**Tel and email contact: 02476831559**

Enquiries should be directed to the above person.

<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Shokat Lal	Assistant Director	Resources	23/04/14	23/04/2014
Lara Knight	Governance Services Team Leader	Resources	23/04/14	24/04/2014
Karen Mihajlovic	Senior HR Adviser	Resources	23/04/14	23/04/2014
<b>Names of approvers for submission: (officers and members)</b>				
Finance: Phil Helm	Finance Manager	Resources	23/04/14	24/04/2014
Legal: Gill Carter	Senior Solicitor	Resources	23/04/14	24/04/2014
Director: Chris West	Executive Director	Resources	23/04/14	28/04/2014
Members: Councillor Gannon	Cabinet Member (Strategic Finance and Resources)		28/04/14	28/04/2014

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## **Appendix 1**

### **Coventry City Council – Pay Policy Statement 2014/2015**

#### **1. Introduction and Purpose**

Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011(“the Act”).

For the purposes of this statement, Chief Officers’ is defined within S43 of the Act.

#### **2. Pay Structure**

The Council uses the NJC Job Evaluation scheme and the nationally negotiated pay spine as the basis for its local grading structure. This determines the salaries of the vast majority of the non-school based workforce, together with the use of other nationally defined rates where relevant.

The posts of Chief Officers are evaluated in accordance with the Hay job evaluation scheme.

#### **3. Senior Management Remuneration**

The remuneration for Chief Officers are:

The Chief Executive falls within a range of £175,000 to £180,000 or as may be otherwise determined by the Council.

The remaining Chief Officer remuneration falls within a range of £75,517 to £124,295 or as may be otherwise determined by the Council.

#### **4. Recruitment of Chief Officers**

The determination of the remuneration offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. The Council’s policy and procedures with regard to the recruitment of Chief Officers is set out within the Council’s Constitution.

The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the Council’s Hay pay and grading structure. Chief Officers jobs are allocated to a salary range based on a number of factors including the level of knowledge, skills and experience required and the responsibilities and accountabilities associated with the position.

Where the Council is unable to recruit to a post, it will consider the use of temporary market forces supplements. Where the Council remains unable to recruit chief officers under an employment contract, or there is a need for interim cover for a Chief Officer post, the Council will consider engaging individuals under ‘contracts for service’.

The Council considers that decisions on large salary packages (£100,000 and above) should be subject to accountability and scrutiny. The Council considers that it would be preferable for scrutiny of these decisions to take place in committee rather than by full Council, and that the Audit and Procurement Committee is the appropriate forum. This committee is skilled and experienced in subjecting specific decisions to scrutiny, and will be able to test the strength of the explanations put forward for particular appointment/severance packages. The Council believes



that the Audit and Procurement committee will be able to do this better than full Council and make those decisions.

## **5. Increases and additions to Remuneration of Chief Officers**

The Council does not apply any bonuses or performance related pay to its Chief Officers.

As there were no local elections/referendums in 2013/2014 no fees were payable to the Chief executive as returning Officer and Counting Officer or any other relevant Chief Officers within the Authority.

## **6. Payments on Termination**

The Council's approach to discretionary payments on termination of employment of Chief Officers in a redundancy situation, is set out within the Security of Employment Agreement in accordance with the Discretionary Compensation Regulations 2006 which give all Councils the ability to determine redundancy payments. This Agreement sets out the processes to be used in cases of redundancy (for example consultation and redeployment possibilities).

The Council does not apply the added year's arrangements available under the Local Government Pension Scheme and therefore has no discretion over the pension benefit amounts payable to Chief Officers who are made redundant and who are entitled under the scheme regulations to be paid their pension benefits.

In some rare and exceptional circumstances, it may be more appropriate and in the Council's best interests to reach mutual agreement to end employment. Such reasons can include speed and minimising the risk of significant uncertainty and disruption. In reaching an agreement in a process of negotiation it is likely that the payment will be specific to the individual's circumstances.

The Council considers that decisions on large severance packages (£100,000 and above) should be subject to accountability and scrutiny. The Council considers that it would be preferable for scrutiny of these decisions to take place in committee rather than by full Council, and that the Audit and Procurement Committee is the appropriate forum. This committee is skilled and experienced in subjecting specific decisions to scrutiny, and will be able to test the strength of the explanations put forward for particular severance decisions. The Council believes that the Audit and Procurement committee will be able to do this better than full Council and make those decisions.

It is not envisaged that any Chief Officer who leaves the Council with a severance or redundancy payment will be considered for further employment with Coventry or for the hiring of their services in another capacity unless there are special circumstances.

## **7. Publication**

Upon approval by the full Council, this statement will be published on the Council's Website.

## **8. Lowest Paid Employees**

The lowest paid persons employed under a contract of employment with the Council are employed on full time [37 hours] equivalent salaries in accordance with the minimum spinal column point 5 which is currently in use within the Council's grading structure. As at 1 April 2014, this is £12,435. However the City Council has adopted the introduction of the Living Wage which increases the annual salary at spinal column point 5 to £14,759 per annum.

The City Council employs a small number of modern apprentices who are not included within the definition of "lowest paid employees" as they are employed under specific trainee contract terms.

The Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Council's workforce.

The current Council pay levels define the following rates of pay:-

- Chief Executive = £175,000
- Median employee = £20,400
- Lowest paid employee = £14,759

The current Council pay levels define the following pay multiples:-

- Chief Executive to lowest paid employee = **1:11.8** (1:14.2 – 2013/14)
- Chief Executive to median employee = **1:8.6** (1:8.7 – 2013/14)

As part of its overall and on-going monitoring of alignment with external pay markets, both within and outside the sector, the council will use available benchmark information as appropriate.



Cabinet  
Council  
Audit and Procurement Committee

17<sup>th</sup> June 2014  
24<sup>th</sup> June 2014  
14<sup>th</sup> July 2014

**Name of Cabinet Member:**

Cabinet Member (Strategic Finance & Resources) – Councillor Gannon

**Director approving submission of the report:**

Executive Director of Resources

**Ward(s) affected:**

City Wide

**Title:**

2013/2014 Revenue and Capital Outturn

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**Is this a key decision?**

Yes

The matter relates to financial matters in excess of £1.0m in one financial year

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**Executive summary:**

This report outlines the final revenue and capital outturn position for 2013/14, reviews treasury management activity during the year and sets out the final 2013/14 Prudential Indicators reported under the Prudential Code for Capital Finance.

Cabinet is recommended to approve a balanced revenue position. This incorporates a £4m dividend from the Council's investment in Birmingham Airport plus an underlying underspend of £7.2m across all service areas. It is recommended that this £11.2m is set aside to apply to fund proposals coming out of the Council's recent Ofsted Report and a range of other proposals that will increase the long-term resilience of the Council's financial position.

With this background, there have been two broad headline areas of overspending in 2013/14:

- High numbers and costs of looked after children continues to be a major issue for the Council. It is now recognised that planned savings from the Fundamental Service Review (FSR) in this area will not deliver savings anticipated previously and this has been reflected in 2014/15 budget setting plans.
- Higher than budgeted costs within Community Services adult social care budgets have continued. The A Bolder Community Services FSR has begun to deliver savings that will

manage this position but to a revised time-scale. This too has been reflected within 2014/15 budget setting.

In addition to the proposed contributions recommended below, the outturn position also incorporates a previously budgeted contribution of £4m into reserves in relation to Business Rates. This will help protect the Council from future Business Rate volatility and enable the release of on-going revenue expenditure budgets in this area. In total, reserve balances will increase from £74m to £83m.

The final Capital Programme position reflects £10.2m of expenditure rescheduled into 2014/15 and a significantly reduced level of prudential borrowing compared to that previously forecast.

**Recommendations:**

Cabinet is requested to:

1. Approve the final revenue outturn position balanced to budget.
2. Recommend that Council approve the proposed contributions of £11.2m into reserves and to fund capital expenditure incorporated within this position outlined in Section 2.3.
3. Approve the final capital expenditure and resourcing position, incorporating expenditure of £54.5m against a final budget of £64.7m, reflecting £10.2m expenditure rescheduled into 2014/15 as set out in section 2.5 and Appendix 5.
4. Approve the outturn Prudential Indicators position in section 2.6 and Appendix 6.

Council is requested to

1. Approve the proposed contributions of £11.2m into reserves and to fund capital expenditure incorporated within this position outlined in Section 2.3.

Audit and Procurement Committee is recommended to:

1. Consider the contents of the report and determine whether there are any issues which it wants to refer to the Cabinet Member (Strategic Finance and Resources).

**List of Appendices included:**

Appendix 1	Detailed breakdown of Directorate Revenue Outturn Position
Appendix 2	Final Capital Budget 2013/14
Appendix 3	Capital Programme: Analysis of Budget/Technical Changes
Appendix 4	Capital Outturn 2013/14 – Analysis by Directorate
Appendix 5	Capital Programme: Analysis of Rescheduling
Appendix 6	Prudential Indicators

**Other useful background papers:**

None

**Has it or will it be considered by scrutiny?**

No

**Has it, or will it be considered by any other council committee, advisory panel or other body?**

Audit and Procurement Committee – 14<sup>th</sup> July 2014

**Will this report go to Council?**

Yes – 24<sup>th</sup> June

**Report title:**

2013/2014 Revenue and Capital Outturn

**1. Context (or background)**

1.1 This report sets out the Council's revenue and capital outturn position in 2013/14 and performance against its Prudential Indicators for the year. The City Council set a revenue budget for the year of £268.4m and a Capital Programme of £60.6m.

1.2 This report shows the Council's financial position in relation to management accounts used to monitor performance through the year. The Audit and Procurement Committee will consider separately the Council's Statement of Accounts in July. The Statement of Accounts shows the financial position in a statutorily prescribed format including technical accounting adjustments that do not reflect how the Council's day to day finances are managed.

**2. Options considered and recommended proposal****2.1 Revenue Outturn Position 2013/14**

Table 1 below summarises the variation and outturn position – a balanced position overall.

**Table 1 Summary Outturn Position**

<b>Directorate</b>	<b>Net Budget £m</b>	<b>Outturn £m</b>	<b>Variance £m</b>	<b>Variance %</b>
Chief Executives	2.4	1.9	(0.5)	(21%)
Place	29.8	29.2	(0.6)	(2%)
People	162.0	164.9	2.9	2%
Resources	14.2	11.6	(2.6)	(18%)
Contingency & Central Budgets	60.0	60.8	0.8	1%
Resourcing of Net Budget	(268.4)	(268.4)	0.0	0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>

**2.2 Individual Directorate Positions**

A summary of the most significant year-end variations is provided below with the detail provided in Appendix 1:

**People**

The People Directorate is reporting a net over-spend of £2.9m. The two most significant pressures across the Directorate, which have been monitored continuously over the financial year, are Community Purchasing spend within Adult Social Care and the continued increased high levels of activity within Children's Social care.

The programme of change from the CLYP FSR has not delivered the expected reduction in activity and therefore savings targets have not been delivered. The number of Looked after Children and child protection cases remain high and have not decreased as had previously been assumed through the FSR. Additional corporate funding has been used to fund

additional social worker posts, within Children's Social Care to mitigate, in part, the continued pressures within Children's Social Care.

### **Place**

The Place directorate is reporting a surplus position of £0.6m. This represents a number of one-off credits, offsetting some on-going underlying operational pressures. Bus Lane enforcement income is the most significant surplus as contraventions have been significantly higher than expected. In addition, Carbon Reduction commitment (CRC) credits are no longer required to be purchased resulting in a one-off under-spend. These together with an earlier than expected delivery of some savings towards the Strategic Property FSR, managed spend reductions on Friargate related property, application of one-off grant monies to public health related spend and other management actions have contributed to the net underspend.

On-going operational pressures are however, still being experienced in three main areas. Commercial property rents are still yielding well below historic budgeted levels. Domestic Waste has overspent against its budget due to the requirement for additional collections, replacement bin costs and fleet running costs, & waste disposal costs have exceeded budgets due to further increased disposal tonnages being experienced.

### **Resources**

The Resources Directorate is reporting an underspend of £2.6m. This position is mainly attributable to significant one-off underspends in Revenues and Benefits, Human Resources and Workforce Services and the Transformation Office. Staffing restructures in Human Resources, Workforce Services and Business Improvement Teams have delivered planned in year underspends which will form part of the Resources savings plan on-going. There have been fewer than expected allocations from the Community Support Grant, a surplus in the Housing Benefit Subsidy Account and a planned reduction in external support for the Transformation Office which has delivered an under-spend. The Directorate will continue to look for ways to reduce the on-going pressures that remain, specifically in Post and Print and ICT.

### **Contingency and Central Budgets**

The windfall Special Dividend from Birmingham Airport of £4m and the underspend of £6.5m on the Asset Management Revenue Account represent the most significant movements within central budgets. The £11.2m contributions recommended in section 2.3 below will, if approved, be reflected in this area, resulting in the overall net overspend across central budgets.

## **2.3 Overall Revenue Position**

Due to the financial climate and with the expectation of significant future cuts in resources, officers have continued to work towards achieving a balanced position or better. To enable this, consideration of voluntary redundancy/early retirement cases and continued implementation of vacancy control is now business as usual in many areas across the Council. These actions have enabled a broadly balanced budgetary position across the Council's service directorates. The £4m dividend from the Council's shares in Birmingham Airport along with the underspend generated from the Asset Management Revenue Account (AMRA) have provided the resources to fund the year-end contributions proposed below. For those areas showing the most significant variations in 2013/14 (the AMRA underspend and overspends in both Children's and Adult's social care) budget re-alignments have been incorporated to address the headline issues as part of the 2014/15 budget setting process.

A total of 40 number of Equal Pay claims costing £74,000 have been paid in 2013/14 with only 1 claim now remaining outstanding. This means that the final overall cost of settled

claims is marginally over £7m, the vast majority of which was incurred prior to 2013/14. The Council's view is that the risk of further significant claims being received is now very low and the residual level of provision to pay for future claims has been reduced as a result from over £15m to £0.5m. Due to the capitalised nature of the provision – which spreads the cost over a number of years – its part reversal now does not affect the Council's 2013/14 outturn position reported here.

Redundancy and pension strain costs of £4.7m relating to 191 individuals have been accounted for in the 2013/14 financial year under the voluntary redundancy/early retirement programme funded from on-going budgets and reserves earmarked for this purpose. The overall level of ER/VR cases over the last 4 years now stands at around 1,000.

The final revenue outturn position offers flexibility to fund several strategically significant areas of expenditure and this report recommends that the following proposals are approved. The headline balanced revenue position is shown on the basis that all of these proposals are approved:

- £4m to fund the Ofsted Implementation Plan in addition to the additional funding approved in this area as part of 2014/15 Budget Setting.
- £2m to establish a reserve to balance the risk of non-payment of external investments
- £2m to establish one-off funding for the Council's leisure facilities spending, probably to be used to replace prudential borrowing of existing expenditure in 2014/15 which will enable on-going savings of c£0.4m in future years.
- £2.7m to fund capital expenditure in place of Prudential Borrowing and releasing an on-going revenue saving of £0.6m in future years.
- £0.5m to add to the Council's Early Retirement/Voluntary Redundancy reserve to enable the Council to continue to restructure and rationalise services in line with on-going funding reductions.

## 2.4 Reserves

The total reserve balance at the end of 2013/14 is £83m, an increase of £10m on the level of reserves at the end of 2012/13. The main increases have occurred within reserves established to help manage Business Rate volatility under the new localisation of Business Rates arrangements and the amount set aside for the Council's Ofsted Improvement Plan as part of this report's recommendations. The Council's General Fund Reserve has been maintained at £9.6m. The total reserve movement in 2013/14 is summarised in Table 2 and the main changes and reasons for holding balances are outlined below:

**Table 2 Summary of Reserve Movement in 2013/14**

	Opening Balance 1 <sup>st</sup> April 2013* £m	Movement In year £m	Closing Balance 31 <sup>st</sup> March 2014 £m
Other Earmarked Reserves	(34.8)	(15.2)	(50.0)
Capital Reserves	(5.6)	3.6	(2.0)
Insurance Fund	(4.1)	0.8	(3.3)
Schools Reserves	(19.4)	0.9	(18.5)
General Fund Reserves	(9.6)	0.0	(9.6)
<b>Total Reserves</b>	<b>(73.5)</b>	<b>(9.9)</b>	<b>(83.4)</b>

\*Overall opening balances are £1.1m lower than reported at 2012/13 outturn position following an adjustment resulting from compilation of the statutory 2012/13 Statement of Accounts.

**Earmarked Reserves £50.0m (£15.2m higher)** - Reserves held to assist the management of corporate and directorate budgets, primarily in respect of specific projects or commitments. The main balances and movements are:

- **£10.3m** (£1.8m higher) held as part of the funding models relating to the Street Lighting, Caludon and New Homes For Old Private Finance Initiative projects.
- **£6.4m** (£6.4m higher) Budgeted contributions set aside as future protection against Business Rates volatility, enabling on-going revenue savings.
- **£4m** (£4m higher) set aside for the Ofsted Improvement Plan in line with the recommendation in this report
- **£3.6m** (£1.1m higher) Relating to schools related expenditure centrally retained
- **£3.2m** (£2.5m higher) to support the existing plans for leisure facilities including the £2m recommended as part of this report
- **£2.8m** (£2.5m lower) to fund Early Retirement and Voluntary Redundancy decisions.
- **£2.8m** (£0.8m higher) of Coventry and Solihull Waste Disposal Company contributions set aside to deliver budgeted savings targets in future years.
- **£2.5m** (£0.1m higher) of specific grant funding for Public Health
- **£1.8m** (£0.5m higher) for jointly funded health and social care schemes
- **£1.3m** (£0.6m higher) set aside to smooth expenditure patterns for the vehicle purchase programme between years
- **£1.1m** (£0.5m higher) troubled families initiative grant funding

**Schools Reserves £18.5m (£0.9m lower)** - Held on behalf of individual schools for their own specific purposes.

**General Fund Reserve £9.6m (no change)** - The Council's General Fund Reserve held to manage unforeseen risks to the Council's overall financial position.

**Insurance Fund £3.3m (£0.8m lower)** - This is held to cover potential claims against the Council. We hold a separate insurance provision for known claims.

**Capital Reserves £2m (£3.6m lower)** – The remaining balance is earmarked to balance the risk of non-payment of external loans reflecting the £2m contribution recommended as part of this report.

## 2.5 Capital Outturn Position 2013/14

The capital outturn position for 2013/14 is shown in summary form below and in greater detail in Appendices 2, 3, 4 and 5:

**Table 3: Capital Outturn Summary**

Final Budget £m	Final Spend £m	Net Rescheduling Now Reported £m	Total Variance
64.7	54.5	(10.2)	(10.2)



The period 8 monitoring report to Cabinet on 11th February 2014 approved a revised capital budget of £66.2m for 2013/14. Since then there has been a net programme reduction of £1.5m giving a final budget for the year of £64.7m. The changes to the budget are analysed in Appendix 3. Since February, a total of £10.2m net rescheduled spending has arisen on directorate capital programmes (a scheme by scheme analysis is included in Appendix 5).

## Capital Receipts

Capital receipts arising mainly from the disposal of our property portfolio assets provide an important source of funding of the capital programme. The period 8 report reflected an expectation that the £5.9m target level of capital receipts would be achieved in 2013/14. At the end of the financial year this level of funding has been exceeded. In addition to the £8.5m capital receipts applied to fund capital expenditure in 2013/14, a further £2.3m capital receipts have been set-aside to repay prior years' prudential borrowing consistent with the Council's Medium Term Financial Strategy.

## Funding of the Capital Programme

The funding in respect of this capital expenditure of £54.5m is summarised below:

**Table 4. Funding**

	£m
Prudential Borrowing	2.3
Grants and Other Contributions	30.8
Revenue Contributions	12.9
Capital Receipts	8.5
<b>Total Resourcing</b>	<b>54.5</b>

## 2.6 Treasury Management Activity in 2013/14

### Economic Activity and Interest Rates

Annual economic growth has increased recently and stood at 2.7% at the end of 2013. The Office for Budget Responsibility has forecast similar growth for 2014. However, the main downside risk is that the pickup in domestic growth proves to be unsustainable, either because productivity and real incomes continue to disappoint or business investment does not recover as expected. In addition, the Eurozone has struggled to show sustainable growth. In the light of this the European Central Bank reduced interest rates to 0.25%. Of other indicators, CPI inflation fell from 2.8% (March 2013) to 1.7% (Feb 2014), the lowest rate since October 2009. In addition, the unemployment rate fell to 7.2% at the start of 2014, slightly above the Bank of England's threshold for considering the potential for interest rate rises. Within this broader context, the UK sovereign credit rating was maintained at AA+.

The UK base rate has remained at 0.5% since 2009, although there are now suggestions that rates might rise in increments from 2015 or 2016. Linked to this, market investment and borrowing rates for up to 12 month periods stood at less than 1% through the year.

Longer term rates, at which local authorities borrow from the Public Works Loans Board (PWLB), were:-

**Table 5: PWLB Interest Rates**

<b>PWLB Loan Duration (standard rates)</b>	<b>Minimum in 2013/14</b>	<b>Maximum in 2013/14</b>	<b>Average in 2013/14</b>
5 year	1.70%	3.00%	2.46%
20 year	3.71%	4.63%	4.32%
50 year	4.04%	4.46%	4.46%

Given the above rates it has continued to be cheaper for local authorities to use short rather than long term funds for financing.

### **Long Term Funding**

At outturn, the Capital Financing Requirement (CFR), which indicates the authority's underlying need to borrow for capital purposes, has reduced by £19.5m:-

**Table 6: 2013/14 Capital Financing Requirement (CFR)**

	<b>£m</b>
Capital Financing Requirement at 1 <sup>st</sup> April 2013	427.2
Borrowing to finance 2013/14 Capital Programme	2.3
PFI & Finance Leases liabilities	11.0
Provision to Repay Debt (Minimum Revenue Provision)	(14.7)
Provision to Repay Debt (Capital Receipts Set Aside)	(2.3)
Repayment of Transferred Debt	(0.7)
Reduction of Provision and other restatements	(15.1)
Capital Financing Requirement at 1 <sup>st</sup> April 2014	<b>407.7</b>

The CFR includes a reduction of £15m in respect of the Equal Pay provision which was capitalised in 2008/09, but is now no longer fully required.

No new long term borrowing was taken out during 2013/14, but £13m PWLB loans were repaid on maturity. However, some borrowing will be required in the future to support current capital expenditure plans and the need for any such borrowing will be kept under review in 2014/15. Within 2013/14, the movements in long-term borrowing and other liabilities were:-

**Table 6 : Long Term Liabilities (debt outstanding)**

Source of Borrowing	Balance at 31st March 2013 £m	Repaid in Year £m	Raised in Year £m	Balance at 31st March 2014 £m
PWLB	239.8	(13.0)	0	226.8
Money Market	59.0	0	0	59.0
Stock Issue	12.0	0	0	12.0
<b>sub total ~ long term borrowing</b>	<b>310.8</b>	<b>(13.0)</b>	<b>0</b>	<b>297.8</b>
Other Local Authority Debt	19.0	(0.8)	0	18.2
PFI & Finance Leasing Liabilities	54.5	(1.6)	11.0	63.9
Other	0.7	(0.1)	0	0.6
<b>Total</b>	<b>385.0</b>	<b>(15.5)</b>	<b>11.0</b>	<b>380.5</b>

This long term borrowing is repayable over the following periods:-

**Table 7. Long Term Borrowing Maturity Profile (excluding PFI & transferred debt)**

Period	Long Term Borrowing £m	Short Term Borrowing £m
Under 12 Months	35.5	10.0
1 – 2 years	39.9	0
2 – 5 years	13.8	0
5 – 10 years	15.9	0
Over 10 years	192.7	0
<b>Total</b>	<b>297.8</b>	<b>10.0</b>

In line with CIPFA Treasury Management Code requirements, Lenders Option, Borrowers Option Loans (LOBOs) with banks are included in the maturity profile based on the earliest date on which the lender can require repayment. The Council has £58m of such loans, £30m of which the lender can effectively require to be paid at 6 monthly or annual intervals, and £28m at 5 yearly intervals.

### Short Term In House Borrowing and Investments

The Treasury Management Team acts on a daily basis to manage the City Council's day to day cash-flow, by borrowing or investing for short periods. By holding short term investments, such as money in call accounts, authorities help ensure that they have an adequate source of liquid funds.

During the year minimal short term borrowing was taken out in order to meet day to day cashflow requirements. At 31<sup>st</sup> March £10m of temporary borrowing was outstanding with this being repaid on 27<sup>th</sup> May 2014. The average short term borrowing rate in 2013/14 was 0.4017%.

The bulk of the Council's cashflow requirements were met from its own cash and short term investment balances. During the year the council held significant short term investments, as set out in Table 8. The average short term investment rate in 2013/14 was 0.4854%.

**Table 8. In House Investments at 31st March 2014**

	<b>At 30<sup>th</sup> June 2013 £m</b>	<b>At 30<sup>th</sup> Sept 2013 £m</b>	<b>At 30<sup>th</sup> Nov 2013 £m</b>	<b>At 31<sup>st</sup> Mar 2014 £m</b>
Banks and Building Societies	53.8	54.7	41.7	17.8
Local Authorities	28.0	13.0	23.0	32.0
Money Market Funds	19.8	7.4	21.6	28.1
<b>Total</b>	<b>101.6</b>	<b>63.1</b>	<b>86.3</b>	<b>77.9</b>

In addition to the above in house investments, a mix of Collective Investment Schemes or “pooled funds” is used, where investment is in the form of sterling fund units and not specific individual investments with financial institutions or organisations. These funds are generally AAA rated, are highly liquid, as cash can be withdrawn within two to four days, and short average duration of the intrinsic investments. The intrinsic Sterling investments include Certificates of Deposits, Commercial Paper, Corporate Bonds, Floating Rate Notes and Call Account Deposits. However, they are designed to be held for longer durations allowing any short term fluctuations in return due to volatility to be smoothed out.

**Table 9: External, Pooled Investments as at 31<sup>st</sup> March 2014**

	<b>Date Invested</b>	<b>Cost £m</b>	<b>Value £m</b>	<b>Annualised Return %</b>
CCLA	Nov 2013	3.0	3.05	5.26%
Payden Sterling Reserve	Feb 2012	9.0	9.17	1.13%
Federated Prime Rate Cash Plus	Mar 2013	5.0	5.03	0.54%
<b>Total</b>		<b>17.0</b>	<b>17.25</b>	<b>1.39%</b>

In placing investments the authority manages credit risk within the parameters set out in the investment strategy, approved as part of the budget setting report. Central to this is the assessment of credit quality based on a number of factors including credit ratings, credit default swaps (insurance cost) and sovereign support mechanisms. Limits are set to manage exposure to individual institutions or groups. Whilst the fears of systemic banking failures may have receded, recent regulatory changes make it almost certain that unsecured and corporate investors would suffer losses in the event of a bank default. Credit risk remains an issue for local authorities.

### **Prudential and Treasury Indicators**

The Local Government Act 2003 and associated CIPFA Prudential and Treasury Management Codes set the framework for the local government capital finance system. Authorities are able to borrow whatever sums they see fit to support their capital programmes, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against a number of prudential and treasury indicators relating to capital, treasury management and revenue issues. These indicators are designed to ensure that borrowing entered into for capital purposes was affordable, sustainable and prudent. The purpose of the indicators is to support decision making and financial management, rather than illustrate comparative performance.

## Revenue Related Prudential Indicators

Within Appendix 6 the Ratio of Financing costs to Net Revenue Stream (Ref 1) highlights the revenue impact of the capital programme. This shows that the revenue costs of financing our capital expenditure as a proportion of our income from government grant and Council Tax. The actual is 12.80%, as against a 13.15% as forecast in the Treasury Management Strategy. This reflects a lower level of borrowing than anticipated to fund the Capital Programme and higher levels of investment balances.

## Capital and Treasury Management Related Prudential Indicators

These indicators, set out in Appendix 6, include:

- **Authorised Limit for External Debt** (Ref 5) ~ This represents the level of gross borrowing which could be afforded in the short term, but is not sustainable. It is the forecast maximum borrowing need, with some headroom for unexpected movements and potential debt restructuring. This is a statutory limit. Borrowing plus PFI and finance lease liabilities at £390.6m was within the limit of £464.7m.
- **Operational Boundary for External Debt** (Ref 6) ~ This indicator is based on the probable level of gross borrowing during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an indicator to ensure the authorised limit is not breached. Borrowing plus PFI and finance lease liabilities at £390.6m was within the boundary of £420.7m.
- **Gross Debt v "Year 3" Capital Financing Requirement** (Ref 2) ~ The Council needs to be certain that net external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) in the current year plus the estimates of any additional capital financing requirement for the next two financial years. The CFR is defined as the Council's underlying need to borrow, after taking into account other resources available to fund the Capital Programme. This indicator is designed to ensure that over the medium term, net borrowing will only be for a capital purpose. Gross debt is within the "year 3" or 2015/16 CFR limit.
- **Debt Maturity Structure, Interest Rate Exposure and Investments Longer than 364 Days** (Ref 8 - 10) ~ The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the Council's overall financial position. Treasury Management activity was within these limits. The Debt Maturity PI (Ref 9) indicates that there is a potential 14.8% of total debt that needs to be refinanced in 2014/15, compared to the PI limit of 15% in the 2013/14 Treasury Management Strategy. The potential refinancing need includes LOBO loans for which the lender effectively has a call option, which if exercised would require the Council to repay the loan. If these loans were required to be repaid, the City Council would look to refinance these at lower borrowing costs or through the use of investment balances in the first instance.

### 3. Results of consultation undertaken

#### 3.1 None

#### **4. Timetable for implementing this decision**

4.1 There is no implementation timetable as this is a financial monitoring report.

#### **5. Comments from Executive Director of Resources**

##### **5.1 Revenue**

The final revenue outturn picture for 2013/14 is a balanced position after contributions of £11.2m outlined in section 2.3. Large overspends have occurred within individual service areas, most notably adults and children's social care. Additional budgetary provision has been approved by members in both of these areas within the 2014/15 Budget Setting process to try and ensure that they do not continue to represent budgetary over-spends. It is important to be aware however that the Council will need to make significant investments in services for children following the recent Ofsted judgement and these could exceed the initial £4m contribution recommended within this report.

The Asset Management Revenue Account has delivered a significant saving compared to previous estimates attributable in large part to efforts to minimise the level of borrowing that the Council has required. A combination of later than anticipated capital spending profiles and higher than anticipated capital receipts (over several years) has enabled this saving to be generated. The underlying and on-going flexibility in this area of the Council's budget has been approved as a £5m saving in the 2014/15 budget. The measures that have helped to generate this saving will continue to be taken to help strengthen the financial position of the Council as a whole and will continue to be a very important feature of the Council's medium term financial planning.

With the exception of the Ofsted Improvement Plan element, the contributions set aside in reserves and to fund capital expenditure are also designed to strengthen the Council's financial position so that it is in a robust position to tackle the serious financial challenges of the next few years. Aside from the £4m dividend from Birmingham Airport, the under-spends that have funded these contributions represent less than 3% of the Council's net budget or 1% of its gross budget. Whilst the overarching aim of regular budgetary monitoring is to achieve a balanced position at year-end, the Council's continued achievement of modest underspends demonstrates the strength of its budget management processes and approach.

##### **5.2 Capital**

The application of grant funding, capital receipts and revenue contributions has been maximised resulting in a significantly reduced level of prudential borrowing compared to that forecast at Period 8 (£2.3m compared to £21.8m). Prudential Borrowing approvals not utilised for the 2013/14 programme will be applied in future years as capital spending is incurred.

##### **5.3 Legal implications**

There are no specific legal implications in relation to this report.

## 6. Other implications

### 6.1 How will this contribute to achievement of the council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The Council monitors the quality and level of service provided to the citizens of Coventry and the key objectives of the Council Plan. As far as possible we will try to deliver better value for money in the services that we provide in the context of managing with fewer resources.

### 6.2 How is risk being managed?

The need to deliver a stable and balanced financial position in the short and medium term is a key corporate risk for the local authority and is reflected in the corporate risk register. Budgetary control and monitoring processes are paramount to managing this risk and this report is a key part of the process.

### 6.3 What is the impact on the organisation?

The revenue and capital outturn position reported here demonstrates that the Council continues to undertake sound overall financial management. This will continue to be very important in the light of the massive challenges being faced with regard to the level of funding available to local government over the next few years.

### 6.4 Equalities / EIA

No specific impact.

### 6.5 Implications for (or impact on) the environment

No impact.

### 6.6 Implications for partner organisations?

None.

#### Report author(s):

**Paul Jennings**

#### Name and job title:

**Finance Manager – Corporate Finance**

#### Directorate:

**Resources**

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Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
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Phil Helm	Finance Manager	Resources	2/6/14	2/6/14
Ewan Dewar	Finance Manager	Resources	2/6/14	2/6/14
Rachael Sugars	Finance Manager	Resources	2/6/14	2/6/14
Martin Yardley	Executive Director Place	Place	2/6/14	3/6/14
<b>Names of approvers:</b> (officers and members)				

Finance: Barry Hastie	Assistant Director Finance	Resources	30/5/14	4/6/14
Lara Knight	Governance Services Officer	Resources	2/6/14	2/6/14
Legal: Carol Bradford	Legal Officer	Resources	2/6/14	3/6/14
Director: Chris West	Executive Director Resources	Resources	30/5/14	4/6/14
Members: Cllr Gannon	Cabinet Member (Strategic Finance and Resources)		2/6/14	4/6/14

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**Revenue Position: Detailed Directorate Breakdown of Outturn Position**

Appendix 1 details directorate Over and (Under) spends.

<b>Chief Executive's</b>	£m	
Policy and Performance	(0.2)	Salary underspends due to vacant posts being held and maternity leave plus application of grant resources to Public Health related expenditure
Variations less than £100k	(0.1)	
<b>Total Variation</b>	<b>(0.3)</b>	

<b>Resources Directorate</b>	£m	
Post and Print	0.4	Overspend incurred in Post and Print due to increased costs of Multi Functional Devices (photocopiers, £280k) and Postage and to income shortfalls.
ICT Operations	0.4	Overspends on agency staff (£312k funded partly from salary underspends), Income shortfalls due to reduced demand from schools and increased costs of Telephony offset by underspends on other spend within ICT.
Resources Mgt Team & Overheads	0.3	One off in-year including legal fees relating to Arena issues.
Business Improvement Team	(0.1)	Salary savings due to vacant posts being held in year pending restructure
ICT Mgt	(0.1)	Underspends on ICT hardware and software budgets on Management team in order to fund pressures elsewhere in ICT.
Health & Safety	(0.1)	Salary savings due to vacant posts being held in year pending restructure
HR Recruitment	(0.6)	Over-achievement of rebate income from the Council's agency contracts with Reed and Pertemps. This income is offset by agency costs incurred throughout the Council in other directorates.
Talent & Skills Team	(0.8)	Underspend on staffing and professional fees on training pending implementation of Workforce Development restructure
Transformation Programme Office	(0.8)	Planned reduction in external support (£607k) and salary savings from holding vacant posts, pending revised structure, in year (£157k).
Benefits	(0.9)	Underspend on Community Support Grant (£800k) as a result of low demand of the grant throughout the year and a surplus on the Benefit Subsidy account (£300k) offset by an overspend on Benefit Administration as a result of reduced Benefit Admin Grant.
Variations less than £100k	(0.4)	
<b>Total Variation</b>	<b>(2.6)</b>	

<b>Public Health</b>	£m	
Variations less than £100k	(0.2)	
<b>Total Variation</b>	<b>(0.2)</b>	

People Directorate	£m	
LAC Services	3.9	The overspend is due to high looked after children (LAC) activity, resulting in high numbers of placements. LAC numbers have risen in 13/14 - on average there were 586 in the 12/13 financial year, rising to 624 for 13/14. This takes account of a significant increase in the last six months of 13/14. The number of Internal Foster placements has not increased in line with expectations resulting in the need to resort to the use of more expensive External Fostering placements. The average number of external fostering placements in 13/14 was 256, compared with 214 in 12/13. The average level of internal foster placements has dropped to 157 (in 2012/13 this was 171).
Mental Health & Learning Disabilities	1.3	Overspend of £1.4m due to continued high level of activity and support to young people with a Learning Disability, and increasing activity in Mental Health services. Partially offset by salary underspends across the service operational teams
Older People & Physical Impairment	1.2	Overspend of £1.3m due to continuing pressure on the budget arising from high service demand for older people being supported to live at home partially offset by salary underspends.
Child Protection	0.9	A combination of various pressures in children's social care ranging from: a) social work staffing levels due to high levels of agency staff covering vacancies, and high volumes of work b) legal costs driven by high activity levels (131 cases in 2013/14 compared to an estimate at quarter 3 of 111) and barrister fees c) discretionary payments to prevent children from becoming looked after, largely made up of housing costs for families who are homeless or in temporary accommodation, or for families awaiting benefits or with no recourse to public funds.
Strategy & Commissioning (CLYP)	0.4	There is a significant overspend on Supported Accommodation, this is due to high levels of spot purchasing of placements as a result of the timing of the new contract, and higher levels of demand for the service than anticipated.
Head of Group - Strategy, Commissioning & Transformation	0.2	Programme management costs to enable the delivery of the ABCS programme.
Business Performance (Social Care Targeted and Early Intervention)	0.1	The overspend relates to Looked After Children transport and is due to 5 out of city placements where costs for journeys over 20 miles are met by the Local Authority and not the external fostering agency. There is an increase in out of city external fostering placements due to demand, and the majority of in city capacity having been utilised.

Catering	0.1	The service continues to recover its direct costs and contribution to corporate overheads but is not forecast to meet FSR income targets for take up of school meals. This overspend has been partly offset by use of £81k residual School Meals Grant in 2013/14 only.
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<b>People Directorate (Continued)</b>	£m	
Adult Social Care Provider Services	(0.1)	Underspend due to vacant post savings across Provider services partially offset by overspend in Housing with Care schemes
Integrated Youth Support Service	(0.2)	The underspend of 0.2m on Youth Services is due to vacancies in this area pending the service restructure.
Learning & Achievement	(0.2)	Salary and running costs less than forecast combined with an over-achievement of income from schools.
Health Overview & Wellbeing	(0.2)	Underspend following the introduction of a local Health-watch in Coventry, as well as other savings on health related projects
Business Performance (Safeguarding, Performance and Quality)	(0.2)	The under-spend relates to salary underspends across the Business Support Service, Transport Bureau and Home to School Escorts.
Strategic Commissioning (Adults)	(0.9)	Underspend due to vacancies, savings on a number of contracts, early delivery of some aspects of ABCS savings as well as additional income and reduced costs on New Homes for Old
Strategic Management (Social Care Targeted and Early Intervention)	(0.9)	This is the financial strategy deployed to balance the directorate's bottom line including contributions from reserves, and utilisation of non-ring-fenced grant funding for existing expenditure. The variance against this relates to additional contributions from reserves, and additional savings identified throughout the year.
Early Years, Parenting & Childcare	(1.0)	DFE have confirmed that grant funding, for which provision was made, will not be clawed back, resulting in a one-off underspend of £0.4m. A further £0.6m of underspend across Early Years Nurseries and Children's Centres due to on-going vacancies and additional income received is also included.
Public Safety	(1.3)	Underspends due to staff vacancies held during Neighbourhood Working review, vacancies and additional income within public safety as well as reprioritisation and reduced spend on Community Safety initiatives
Variations less than £100k	(0.2)	
<b>Total Variation</b>	<b>2.9</b>	

Place Directorate	£m	
Waste & Fleet Services	1.0	This largely relates to higher waste disposal costs due to a significant increase in tonnages of waste disposed. Additionally, refuse collection is also overspent as a result of higher than budgeted sickness, fleet cost pressures and the additional cost of Christmas collections
Commercial Property	0.5	Rents achieved have again not been sufficient to achieve the targets which were set prior to the economic downturn
Maintenance	0.2	Under achievement of income against targets due to reducing business from schools, together with a one off write off of other income. Service has now restructured to be more competitive and early indications for 14/15 are that this trend is reversing.
Technical Services	0.2	High value projects managed by the project delivery team have been delayed until 14/15, resulting in reduced fees in year
Highways	0.2	Primarily relating to the delayed achievement of expected operational savings and a one-off refund of works costs
Building Sustainable Communities	(0.2)	Coventry is exempt from the Carbon Reduction Commitment scheme with effect from 13/14. Budgets have been adjusted from 14/15
City Centre and Development Resources & New Projects	(0.2)	Underspend generated from securing greater levels of grant, and reducing the burden upon Council resources.
Development Management & Planning Policy	(0.2)	Improvement in income due to work on big development schemes (e.g. Friargate).
PAM Management & Support	(0.3)	Early savings achieved from the Strategic Property review FSR.
Corporate Property	(0.3)	Largely the reduced cost of planned and reactive corporate property repairs as VfM challenge is escalated on Friargate related property, together with a one-off windfall from business rates appeals rebates
Cultural & Sport	(0.3)	Application of grant resources to Public Health related sports expenditure
Place Directorate & Support	(1.0)	Increase in Bus Lane Enforcement income and management actions within Place Directorate to offset pressures and achieve corporate savings targets.
Variations less than £100k	(0.0)	
<b>Total Variation</b>	<b>(0.6)</b>	

<b>Contingency and Central Budgets</b>	£m	
Recommended Outturn Contributions	11.2	Proposed contributions into reserves and to fund capital expenditure per this report's recommendations.
abc Savings	1.6	The final overspend is £0.5m higher than at period 8 due primarily to a one-off shortfall of £0.5m in the Commissioning and Purchasing Review to add to previously reported shortfalls in savings in the areas of Demand Management (£0.5m) and Headcount Reduction (£0.4m). The reviews for headcount reduction and commissioning and purchasing are now on track to meet their targets in 2014/15.
Inflation and Central Contingencies	(1.5)	The final underspend reflects additional one-off resources totalling £0.9m returned by Government in relation to amounts withheld previously for Academy funding and the capitalisation top-slice. This is in addition to under-spends on contingency budgets albeit at lower levels than anticipated at period 8.
Asset Management Revenue Account	(10.5)	The includes a final underlying under-spend of £6.5m plus the £4m special dividend from Birmingham Airport. The underlying under-send reflects the continuation of lower interest and debt repayment profiles and delays in incurring prudential borrowing within the Capital Programme. The ongoing element of this position has been built into 2014/15 Budget Setting.
Variations less than £100k	0.0	
<b>Total Variation</b>	<b>0.8</b>	

**Final Capital Budget 2013/14**

The table below presents the final approved capital budget for 2013/14.

<b>DIRECTORATE</b>	<b>APPROVED BUDGET PERIOD 8 £m</b>	<b>APPROVED / TECHNICAL CHANGES £m</b>	<b>FINAL BUDGET 13-14 £m</b>
People	15.2	(0.1)	15.1
Place	41.9	(1.5)	40.4
Resources	9.1	0.1	9.2
<b>TOTAL</b>	<b>66.2</b>	<b>(1.5)</b>	<b>64.7</b>

The table above shows a net reduction to the programme of £1.5m since Period 8. Changes in excess of £0.1m are explained in Appendix 3 below.

## Appendix 3

### Capital Programme: Analysis of Budget/Technical Changes

SCHEME	EXPLANATION	£m
<b>PEOPLE</b>		
Leased Equipment	Realignment of budget consistent with final spending and reflecting that leasing of smaller items of equipment is no longer cost effective.	(0.1)
<b>SUB-TOTAL – People</b>		<b>(0.1)</b>
<b>PLACE</b>		
Highways Enabling Works	Realignment of budget to reflect the costs of enabling works being accommodated within other capital programme schemes.	(0.9)
Property Repairs	Reclassified as revenue spend within existing budget approval.	(0.5)
Highways Investment	Reclassified as revenue spend within existing budget approval.	(0.1)
<b>SUB-TOTAL – Place</b>		<b>(1.5)</b>
<b>RESOURCES</b>		
Miscellaneous	Net addition to the programme	0.1
<b>SUB-TOTAL – Resources</b>		<b>0.1</b>
<b>TOTAL BUDGET / TECHNICAL CHANGES</b>		<b>(1.5)</b>

**CAPITAL OUTTURN 2013/14 – ANALYSIS BY DIRECTORATE**

The final capital outturn for 2013/14 is £54.5m compared to the final budget at outturn of £64.7m.

DIRECTORATE	FINAL BUDGET 2013/14 £m	OUTTURN 2013/14 £m	RESCHEDULED EXPENDITURE NOW REPORTED £m	TOTAL VARIATION £m
People	15.1	12.9	(2.2)	(2.2)
Place	40.4	32.9	(7.5)	(7.5)
Resources	9.2	8.7	(0.5)	(0.5)
<b>TOTAL</b>	<b>64.7</b>	<b>54.5</b>	<b>(10.2)</b>	<b>(10.2)</b>



## Appendix 5

### Capital Programme: Analysis Of Rescheduling

SCHEME	EXPLANATION	£m
<b>PEOPLE</b>		
Basic Need	Projects at a number of schools were revised due to negotiations over target costs taking longer than anticipated and the need to conduct value engineering processes.	(1.1)
Emergency Condition Fund	Anticipated demand for Emergency Condition Projects over the winter months did not materialise.	(0.2)
Early Years	Provision of additional 2 Year old places continues as a priority and it is anticipated that rescheduled spend into 2014-15 will be allocated to further schemes. Changes in management of the programme will support this.	(0.3)
Tackling Fuel Poverty	Due to changes in the Energy Companies Obligation funding regimes.	(0.3)
Siskin Drive	Delays due to legal proceedings and the need to obtain planning consent and undertake an environment survey prior to the tendering process.	(0.1)
Living Well With Dementia	Delays in getting work started on site have meant that the scheme has slipped to 2014-15. Changes in the way the ECO funding regimes works is also part of the delay, the works for this is already with Kier Services and will be completed in 2014	(0.1)
Miscellaneous	Net Rescheduling	(0.1)
<b>SUB-TOTAL – People</b>		<b>(2.2)</b>
<b>PLACE</b>		

Friargate Bridgedeck	The original cashflow was based on a January 2014 start on site. Works commenced in March 2014, following agreement of target cost, and therefore construction costs factored into 13/14 have been rescheduled to 2014/15, including the steel beam order which was estimated at c£1m. The forecast included for utilities diversion costs of £1m has been reduced to under £400,000, with the bulk of the costs still to be paid as we go through the statutory process	(1.5)
M40 Junction 12	Consistent with the RGF financial cycle, the value of this rescheduling will form part of a payment made to Warwickshire in July 2014.	(0.8)
Vehicle Replacement	Delays are due to revised vehicle specifications and build times together with a reassessment of in year vehicle replacement requirements.	(0.8)
Property Repairs	Several schemes, including Civic Centre 2 roof repairs and Central Library lift refurbishment have been rescheduled due to technical specifications, tendering delays and contractor lead times.	(0.6)
Heatline	Finalising of the last element of phase 1 will now be complete in 2014/15.	(0.5)
AT7 Centre	Some non-critical works have been rescheduled and the breakthrough works from the new to the existing building have been delayed to minimise the impact on users. Overall the scheme remains on track.	(0.4)
Highways Investment	Mainly due to the delay in delivery of the micro asphalt programme and three large resurfacing schemes.	(0.4)
Growing Places Fund	Some projects have progressed slower than anticipated. Officers are working closely with businesses to encourage the submission of applications/claims which are now coming in on a more regular basis.	(0.4)
Cycle Coventry	Surfacing works at Charter Avenue were delayed due to poor drainage. The Hearsall Common scheme was rearranged to accommodate other works being undertaken by Western Power and is scheduled to complete in May 2014.	(0.4)
South-West Coventry Junction Improvement	Works commenced on site earlier than originally anticipated.	0.3
Integrated Transport Programme	Rescheduling has arisen on one of the Safety Schemes which commenced later than anticipated in Mid-March.	(0.3)
Nuckle	Delays relating to legal negotiations around the signing of the Asset Protection Agreement together with less than expected project management costs being incurred in 13/14.	(0.3)
Hinckley Road Cycle Scheme	Start on site was delayed until March due to the need to rearrange work to accommodate Western Power laying a new HV cable over a period lasting several weeks.	(0.2)
Friargate Office Building	Due to a re-programming of the design & procurement approach for the Council's new office building. The appointment of a contractor was delayed until such time as the designs were more advanced – which has resulted in a reduced level of expenditure incurred in 13/14.	(0.2)
Parking Meters	Following objections to the initial proposals the scheme had to be amended and re-advertised before procurement.	(0.1)

Far Gosford Street	Delays negotiating compulsory purchase orders.	(0.1)
Coventry & Warks Enterprise and Business Growth	The demand from businesses for grant funding was higher than anticipated and with DCLG approval European Regional Development Fund grant funding was made available to facilitate those grants.	0.1
Miscellaneous	Net Rescheduling	(0.7)
<b>SUB-TOTAL – Place</b>		<b>(7.5)</b>

<b>RESOURCES</b>		
Strategic ICT	Ongoing and late finishing of projects make up the majority of re-scheduling together with delays relating to the network modernisation.	(0.5)
<b>SUB-TOTAL – Resources</b>		<b>(0.5)</b>

<b>TOTAL RESCHEDULING</b>		<b>(10.2)</b>
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## Appendix 6

### Summary Prudential Indicators

	Per Treasury Management Strategy 13/14 £000's	Actual 13/14 £000's
<b>1 Ratio of financing costs to net revenue stream:</b>		
(a) General Fund financing costs	35,302	34,353
(b) General Fund net revenue stream	268,414	268,414
General Fund Percentage	13.15%	12.80%
<b>2 Gross Debt &amp; Forecast Capital Financing Requirement</b>		
Gross debt including PFI liabilities	403,923	390,609
Capital Financing Requirement (forecast end of 15/16)	458,928	495,117
<b>Gross Debt to Net Debt:</b>		
Gross debt including PFI liabilities	403,923	390,609
less investments	-36,117	-95,381
less transferred debt reimbursed by others	-18,264	-18,264
Net Debt	349,542	276,964
<b>3 Capital Expenditure (Note this excludes leasing)</b>		
General Fund	60,241	54,484
<b>4 Capital Financing Requirement (CFR)</b>		
Capital Financing Requirement	458,928	407,736
Capital Financing Requirement excluding transferred debt	440,664	389,472
<b>5 Authorised limit for external debt</b>		
Authorised limit for borrowing	403,847	403,847
+ authorised limit for other long term liabilities	60,812	60,812
= authorised limit for debt	464,659	464,659
<b>6 Operational boundary for external debt</b>		
Operational boundary for borrowing	359,847	359,847

+ Operational boundary for other long term liabilities	60,812	60,812
= Operational boundary for external debt	420,659	420,659
<b>7 Actual external debt</b>		
actual borrowing at 31 March 2014		308,417
+ PFI & Finance Leasing liabilities at 31 March 2014		63,928
+ transferred debt liabilities at 31 March 2014		18,264
= actual gross external debt at 31 March 2014		390,609
<b>8 Interest rate exposures</b>		
Upper Limit for Fixed Rate Exposures	403,847	271,789
Upper Limit for Variable Rate Exposures	80,769	-58,753
<b>9 Maturity structure of borrowing - limits</b>	<b>upper limit</b>	<b>actual</b>
under 12 months	15%	14.8%
12 months to within 24 months	20%	12.9%
24 months to within 5 years	30%	4.5%
5 years to within 10 years	30%	5.2%
10 years & above	100%	62.6%
<b>10 Investments longer than 364 days: upper limit</b>	15,000	0



Cabinet  
Council

17<sup>th</sup> June 2014  
24<sup>th</sup> June 2014

**Name of Cabinet Member:**

Cabinet Member (Business Employment & Enterprise) – Councillor Maton

**Director Approving Submission of the report:**

Executive Director Place

**Ward(s) affected:**

Land situated outside administrative boundary – in Warwickshire

**Title:**

**Coventry & Warwickshire Gateway – Section 106 Planning Agreement**

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**Is this a key decision?**

Yes

*The agreement imposes potential financial liabilities on the Council in excess of £2M*

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**Executive Summary:**

In October 2012, Council approved the disposal of land around Coventry Airport to form part of a commercial development scheme known as The Coventry & Warwickshire Gateway.

A condition of the disposal required the developer to secure an acceptable planning consent for the proposed commercial development. An outline planning application for the proposed development was submitted by Coventry & Warwickshire Development Partnership LLP to Warwick District Council ref: W/12/1143 and Coventry City Council ref: OUT/2012/1791. The scheme covers both administrative areas, with the majority of the land falling within Warwick District and having some highway related matters within Coventry. At their respective planning committees both authorities resolved their intention to grant consent.

The Secretary of State for the Department for Communities and Local Government called in the application and a planning inspector was appointed to hold a public planning enquiry which commenced on the 21<sup>st</sup> April 2014 and was scheduled to last for 15 days. The evidence heard at the public inquiry is currently being considered by the inspector. As a number of significant impacts of the proposed development are mitigated by a section 106 planning agreement, a completed agreement will have a strong bearing on the Inspector's recommendation to the Secretary of State and on the Secretary of State's decision on the outline planning applications.

Planning requirements proposed by the local planning authority, seek to impose obligations on the landowners, of which Coventry City Council is one. These obligations require certain relevant works to be carried out and financial payments to be made during the development and prior to occupation of the development. These obligations are to be secured and documented by way of a legally enforceable section 106 planning agreement.

The purpose of this report is to outline the financial liability potentially being imposed on Coventry City Council and how the liability is intended to be indemnified by the Coventry & Warwickshire Development Partnership as developer for the scheme, underwritten by a bank guarantee and to be documented as part of the land agreement.

**Recommendations:**

**The Cabinet is requested to recommend that the Council:**

1. Approve that the Council, acting as landowner, enter into the Coventry & Warwickshire Gateway Section 106 Planning Agreement with Warwickshire County Council and Warwick District Council, provided that that all the financial liabilities imposed on the Council in that agreement are indemnified by the Developer in the land agreement and backed by a bank guarantee.
2. Delegate authority to the Executive Director, Resources and the Executive Director of Place, in consultation with Cabinet Member (**Business Employment & Enterprise**), to negotiate the final terms of the Section 106 Planning Agreement, the indemnity from the Developer and the Bank Guarantee and to conclude all necessary legal documents in relation to the Section 106 Planning Agreement.

**The Council is recommended to:**

1. Approve that the Council, acting as landowner, enter into the Coventry & Warwickshire Gateway Section 106 Planning Agreement with Warwickshire County Council and Warwick District Council, provided that that all the financial liabilities imposed on the Council in that agreement are indemnified by the Developer in the land agreement and backed by a bank guarantee.
2. Delegate authority to the Executive Director, Resources and the Executive Director of Place, in consultation with Cabinet Member (**Business Employment & Enterprise**), to negotiate the final terms of the Section 106 Planning Agreement, the indemnity from the Developer and the Bank Guarantee and to conclude all necessary legal documents in relation to the Section 106 Planning Agreement.

**List of Appendices included:**

Appendix 1 - Draft s106 agreement

**Background papers:**

None

**Other useful documents:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

Yes on the 24<sup>th</sup> June 2014

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## Report title: **Coventry & Warwickshire Gateway – Section 106 Planning Agreement**

### **1. Context (or background)**

- 1.1 To enable the planning inspector to report favourably on the current outline planning application an agreement on the planning contributions deliverable by the development is required. The obligations to carry out works and to make payments are to be recorded in a legally binding section 106 planning agreement (s106). To ensure the obligations are delivered the agreement is required to be between the local planning authority within which the land sits and the freehold owners of the land involved. Coventry City Council previously approved the retention of the freehold of the land and the grant a 999 year leasehold interest to the developer of the Coventry & Warwickshire Gateway scheme so that it could exercise some control over the form of development. For this reason, Coventry City Council as landowner, is required to sign the section 106 agreement with Warwick District Council as planning authority and Warwickshire County Council. As the Council will be retaining a legal interest, agreement to the obligations would potentially expose Coventry City Council to the financial and works obligations of around £12.5M contained in the agreement. This liability is in excess of the anticipated receipt from the land to be disposed on the 999 year lease.
- 1.2 The planning agreement outlines the obligations and liabilities imposed along with the timing of when the works and payments are due to be incurred. The proposed planning agreement is attached to the report, see appendix 1.

### **2. Options considered and recommended proposal**

#### **2.1 Not Sign the s106**

- 2.1.1 Should the Council decide that it isn't prepared to sign the s106 planning agreement now; this position would be reported back to the planning inspector and may affect his recommendation as to whether a planning consent for the Coventry & Warwickshire Gateway development should be granted.
- 2.1.2 Based on planning precedent, without a commitment from the landowner to take on the responsibility to fund and deliver the planning contributions being sought by the local planning authority, then it is believed that the planning inspector is unlikely to recommend approval to grant a planning consent.
- 2.1.3 As the Coventry & Warwickshire Gateway Scheme has the potential to deliver significant benefits to the Coventry and Warwickshire area creating a major financial investment providing business development and expansion opportunities for local and new companies along with the associated job creation, a refusal of the outline planning consent would be a substantial blow to the development jeopardising its delivery and at best producing significant delays to its commencement and at worst losing the benefits of the scheme altogether. The signing of the section 106 agreement does not guarantee that the planning inspector will recommend in favour of the scheme but improves the chances of a favourable outcome.

#### **2.2 Dispose of the Council's Freehold Interest**

- 2.2.1 As the planning agreement is required to be signed by the landowner, if the Council was prepared to sell the freehold of the land to the development partnership, rather

than granting them a 999 year lease as currently agreed, the substantial financial liabilities would then pass from the Council.

- 2.2.2 Selling the freehold interest would resolve the planning contribution issue however the reason why the Council was advised that it should retain the freehold of the land within the development area was to enable an element of control over the completed scheme to be retained.
- 2.2.3 The current development agreement between the Coventry City Council and Coventry & Warwickshire Gateway Partnership LLP seeks to control the type of office development proposed. It restricts the offices to be built to be used by companies wishing to use them for research and development purposes rather than available to all office users.
- 2.2.4 The reason behind the restriction is that the Council's focus for the development of general use office space over the next few years is Friargate and didn't want to promote other developments which could dilute its success, seeing Friargate as a key catalyst of growth for the city centre.
- 2.2.5 If the Council were to dispose of its freehold interest its ability to impose such restrictions on the development are significantly reduced and the enforceability of any covenant substantially weakened. Apart from the control over competing uses at Friargate, an outright freehold disposal would also mean relying on planning controls only, for any other form of development that the developer may seek to promote after transfer (e.g. housing, retail)

### 2.3 **Sign the s106 planning agreement with indemnities**

- 2.3.1 The planning agreement as proposed provides that the operative covenants, triggering the commencement of any payments, will not come into effect until there has been a commencement of development on the City Council's land. This is an important control for the Council as it effectively ensures that no payments or works are required to be made or undertaken until the Council has transferred the land to the development partnership enabling them to commence the development. The planning agreement also provides that the Council will not be liable whilst its only interest is in the freehold reversion following the grant of a long lease or leases in respect of the development site. The Council will, therefore, only incur liability in the event that the proposed long lease to the developer is disclaimed following the insolvency of the lessee or the lease otherwise determines leaving the Council in possession of part of the development site.
- 2.3.2 To protect the Council's financial liability generated by signing the proposed planning agreement the development partnership has offered to indemnify the Council against the payments and works required. The indemnity agreement is recommended to be incorporated within the development agreement which has been created to document the previously approved leasehold disposal to Coventry & Warwickshire Gateway Partnership LLP.
- 2.3.3 The indemnity proposed would be backed by a Bank guarantee. This ensures that the Council is not exposed to the risk of paying for any of the £12.5M s106 liabilities imposed in the circumstances that the development partnership goes into administration and the lease is disclaimed. As the developer's indemnity will be

backed by a bank guarantee, the bank would be required to step in and make any payments required at that time as part of the s106 planning agreement obligations.

2.3.4 It is intended that the bank guarantees would be provided in stages prior to each trigger date for the individual obligations. In that way the level of the guarantee will be commensurate with the risk to the Council and will fall away in stages as individual obligations in relation to the works or payments are discharged and confirmed by Warwick District or Warwickshire County Council.

2.3.5 In addition the planning agreement also provides that development cannot commence until a Deed of Adherence is signed binding the balance of the site. This means that development within the remainder of the site will also have to comply with the s106 planning agreement.

## 2.4 Recommendation

2.4.1 To facilitate the determination of the current outline planning applications the recommendation is to enter into the planning agreement as outlined in paragraph 2.3.

2.4.2 To agree either of the other options would either jeopardise the economic business investment in the area or reduce the control the Council wants to impose on the type of office development delivered, avoiding conflict with the city centre's strategically important scheme around the railway station, known as Friargate.

## 3. Results of consultation undertaken

3.1 No specific consultation has taken place around the issue of the s106 planning agreement. Clearly the appropriateness of the development has been publicly consulted upon both in terms of the original planning application and subsequently through the recent public inquiry. The principle of the development has also been discussed and approved by Cabinet and Council under public scrutiny.

## 4. Timetable for implementing this decision

4.1 The indemnity and bank guarantee agreed with the development partnership will form part of the development agreement, previously approved by Cabinet & Council, to document the transfer of the leasehold interest in the land. It is the intention of the parties that this agreement be signed ahead of the signing of the s106 planning agreement.

4.2 The rationale being that the indemnities and bank guarantee are in place protecting the Council's position prior to the signing of the s106 planning agreement.

4.3 A signed s106 agreement will be required to be presented to the planning inspector to inform his recommendation as to whether a planning consent should be granted for the scheme. The inspector is looking to report on the application as soon as possible. The decision on the applications will then be made by the Secretary of State.

## **5. Comments from Executive Director, Resources**

### **5.1 Financial implications**

As the £12.5M financial planning liability imposed on the Council, as part landowner of the development site, is to be indemnified by the developer backed by a bank guarantee, the liability is therefore payable by third parties and does not expose the Council to new financial risk. Without indemnity and guarantee, the obligations imposed by the agreement would exceed the expected capital receipt for the land that the Council is disposing on a 999 year leasehold basis. Other landowners will be obligated to the indemnity and guarantee through a deed of adherence.

### **5.2 Legal implications**

The Council will enter into the section 106 Planning Agreement as landowner under the power contained in section 1 of the Localism Act 2011.

A copy of the proposed Planning Agreement is annexed to this report as appendix1. External advice has been taken in relation to the draft form of the agreement.

The Development Agreement will contain the indemnity provisions from the Developer to the Council and the obligation to provide a bank guarantee to underwrite the indemnity. Work will not commence on Council land, and trigger the obligations, without the guarantee and indemnity being in place through the Development Agreement.

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

Although the majority of the subject site is located just outside Coventry City Council's administrative boundary, the economic effects of the investment in the business premises proposed providing business growth and job opportunities will help to create a prosperous Coventry encouraging a creative and vibrant city.

### **6.2 How is risk being managed?**

The risk is being offset by the appropriate wording in the planning agreement which provides the Council with the control over the commencement of the development and therefore the commencement of any financial liabilities.

In addition the indemnity secured from the development partnership, underwritten by a bank guarantee, will ensure that the Council is not exposed to the liabilities outlined in the planning agreement.

### 6.3 What is the impact on the organisation?

Due to the structure of the agreement and its link to the disposal of the interest in land outside of the Councils administrative boundary this report will only impact on the organisation in the way of helping to deliver a future capital receipt.

### 6.4 Equalities / EIA

As this report is specifically around the obligations to be entered into as part of a planning agreement leading to the potential disposal of a land interest it does not impact on the provision of services or Council policies, no Equalities / EIA is required to be undertaken.

### 6.5 Implications for (or impact on) the environment

Any impact relating to the future possible development resultant from the approval from the Council to enter into the s106 planning agreement has been considered as part of the outline planning application considered and will further be considered as part of any future detailed planning applications for the development.

### 6.6 Implications for partner organisations?

None

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#### Name and job title:

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Other members				

<b>Names of approvers for submission:</b> (officers and Members)				
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Nigel Clews on behalf of Martin Yardley	Executive Director	Place	29/05/14	29/05/14
Councillor L. Kelly	Cabinet Member (Business Enterprise and Employment)		29/05/14	29/05/14

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[www.coventry.gov.uk/councilmeetings](http://www.coventry.gov.uk/councilmeetings)

**Appendices**

**Appendix 1- Proposed s106 planning agreement**

**DATED**

**2014**

**(1) COVENTRY CITY COUNCIL**

**(2) WARWICK DISTRICT COUNCIL**

**(3) WARWICKSHIRE COUNTY COUNCIL**

**(4) COVENTRY & WARWICKSHIRE DEVELOPMENT PARTNERSHIP LLP**

**DEED**

made pursuant to section 106 of the Town and  
Country Planning Act 1990 relating to the Coventry  
& Warwickshire Gateway

Planning Applications reference OUT/2012/1791  
and W/12/1143

**Marrons Shakespeares  
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**File Ref: MET/903269.1**

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**BETWEEN:**

- (1) **COVENTRY CITY COUNCIL** of The Council House Earl Street Coventry CV1 5RR ("**Owner**");
- (2) **WARWICK DISTRICT COUNCIL** of Riverside House, Milverton Hill, Leamington Spa CV32 5HZ ("**District Council**");
- (3) **WARWICKSHIRE COUNTY COUNCIL** of Shire Hall Warwick CV34 4RR ("**County Council**");
- (4) **COVENTRY AND WARWICKSHIRE DEVELOPMENT PARTNERSHIP LLP** (registered number OC364656) whose registered office is at James House, Warwick Road, Birmingham, West Midlands B11 2LE ("**the Developer**")

**BACKGROUND:**

Pursuant to the Application the Developer has applied for the Planning Permission to be issued for the Development to be carried out on the Application Site and intends to carry out the Development.

The Application Site is principally situated in the administrative areas of the District Council and the County Council with a small part of the Application Site being situated in the administrative area of the City Council.

The City Council and the District Council have resolved to grant Planning Permission subject to conditions and to the completion of this Deed which secures planning obligations considered by the Councils as being necessary to make the Development acceptable.

The Secretary of State has called in the Application for his own determination pursuant to s.78 of the 1990 Act and the planning obligations contained herein are being entered into to apply them to the Development in the event that the Secretary of State grants the Planning Permission pursuant to such determination.

The Owner is the freehold owner of the Blue Land and enters into this Deed as owner of that land which will be bound by the planning obligations.

The Additional Land will be bound by the obligations in due course by virtue of the provisions in relation to the Deed of Adherence contained herein.

The planning obligations will be enforceable against the Blue Land by the Councils and following the entering into of a Deed of Adherence against the land the subject of that Deed by the Councils and the City Council as provided for in clause 4.2.

**IT IS AGREED:**

**1. DEFINITIONS AND INTERPRETATION**

1.1. In this Deed where the context so admits the following expressions shall have the following meanings:

"**1990 Act**" means the Town and Country Planning Act 1990;

"**Additional Land**" means the land shown coloured green on Plan 1;

**"Application"** means the planning application for the Development submitted to the City Council and given reference number OUT/2012/1791 and to the District Council given reference number W/12/1143 as amended prior to their determination;

**"Application Site"** means land shown edged red on Plan 1;

**"Appointed Individual/Body"** means an individual or body who shall be responsible for working with companies and the local labour force/population within 12 miles of the Application Site to help fill jobs and training vacancies within the Development with local people;

**"BCIS"** means the All-in Tender Price Index as published by the Building Costs Information Service on behalf of the Royal Institution of Chartered Surveyors to include any applicable local or regional weighting;

**"Biodiversity Offsetting Scheme"** means the scheme to be approved pursuant to paragraph 4.1 of Schedule 1;

**"Blue Land"** means the land coloured blue on Plan 1;

**"Bubbenhall Road/Rowley Road/Coventry Road/Stoneleigh Road Access Restriction Strategy"** means a strategy setting out detailed measures to provide for

- (i) the restriction of access for employees at the Development and heavy goods vehicles visiting the Development along Bubbenhall Road, Rowley Road, Coventry Road and Stoneleigh Road to the Development whilst allowing continued access for local residents and businesses
- (ii) the funding of costs in respect of the notification of revised access arrangements to customers of business premises within the area
- (iii) funding of any necessary infrastructure
- (iv) the prevention of employees of the Development parking vehicles in Baginton Village and other public roads near the Application Site whilst working at the Development;

**"Bus Infrastructure Works"** means the works to the public highway to allow for a high quality bus route between Coventry Railway Station, Pool Meadow Bus Station, Whitley Business Park and the Development;

**"City Council"** means Coventry City Council;

**"CIL"** means a tax or tariff or charge introduced by any of the Councils pursuant to the Community Infrastructure Levy Regulations 2010 or any subsequent legislation to fund the delivery of infrastructure known as the community infrastructure levy or known by any other name;

**"Commercial Unit"** means those buildings within the Development used or to be used as car showrooms or for any purposes within classes B1,B8,C1,A1,A3,A4,A5 or B2 of the Town and Country Planning (Use Classes) Order 1987;

**"Construction Ecological Protection and Mitigation Strategy"** means the strategy to be approved pursuant to paragraph 3.1 of Schedule 1;

**"Construction Works"** means infrastructure, construction and remediation works funded and tendered by the Developer/Owner on the Application Site;

**“Councils”** means the County Council and the District Council and following the cessation of any legal interests in the Application Site by the City Council shall also mean the City Council;

**“Countryside Park”** means all the areas shown coloured green on Plan 4;

**“Cycling/Walking Works Fund”** means the sum of £2,500,000.00 (Two million five hundred thousand pounds) (Index Linked);

**“Dedicated Commuter Service”** means a bus service provided for and tailored to the specific needs and working times of the employees employed in the Development;

**“Deed of Adherence”** means the form of deed contained in Schedule 3 to be entered into by all parties with a legal interest in the Additional Land so as to bind the interests in the Additional Land by the obligations contained herein;

**“Development”** means the development of the Application Site pursuant to the Planning Permission;

**“Employment and Training Strategy”** means a scheme required to be submitted pursuant to paragraph 1.1 of Schedule 1 and containing the details required by paragraph 1.3 of Schedule 1;

**“Exceedence Day”** means any day during a Monitoring Period on which the employees travelling to and from the Development by single car occupancy exceed the Modal Shift Target;

**“Expert”** means such expert as may from time to time be appointed for the purposes of resolving a relevant dispute in accordance with clause 11.2 of this Deed being an expert in the matter under dispute with not less than twenty years experience in the relevant field;

**“Framework Travel Plan”** means the travel plan for the whole Development which shall embrace the principles set out in the draft Framework Travel Plan contained in Schedule 5 and shall include detailed proposals for the provision of the Dedicated Commuter Services and subsidised bus travel passes and monitoring of modal split of employees between different modes of transport to and from the Development;

**“Implementation”** means implementation on the Blue Land of the Development by the carrying out of any material operation within the meaning of sections 56(2) and (4) of the 1990 Act provided that for the purposes of this Deed and this definition the carrying out of demolition of existing buildings and structures, termination or diversion of existing services or temporary diversion of highways, temporary construction, site preparation, investigation works, archaeological investigations, environmental site investigations, re-profiling of land, decontamination works or works and operations to enable any of the foregoing to take place shall not constitute a material operation and consequently shall not individually or together constitute implementation for the purposes of this definition or this Deed and **“Implement”** and **“Implemented”** shall be interpreted in accordance with this definition;

**“Index-Linked”** means the adjustment of the financial sums referred to in this Deed to be adjusted by Indexing from the date of this Deed to the date of payment;

**"Indexing"** means the recalculation of any amount specified in this Deed by applying the following formula:

$A \times B/C = D$  where:

A = the sum specified in this Deed in pounds sterling

B = the figures shown in the Relevant Index for the period immediately prior to the date up to which the sum concerned is to be indexed under the provisions of this Deed

C = the figure shown in the Relevant Index for the period immediately prior to the date of this Deed

D = the recalculated sum in pounds sterling applying under this Deed

B/C is equal to or greater than 1

provided that if the Relevant Index becomes no longer maintained the said formula shall be applied mutatis mutandis (so far as concerns periods after it ceases to be so maintained) by reference to such other publication or index as may be agreed from time to time with the Councils;

**"LA Co-ordinator"** means a person nominated by the Councils who will represent the Councils in respect of all matters relating to the implementation of the Framework Travel Plan and the Workplace Travel Plans;

**"Leaf Lane Works Contribution"** means the sum of £150,000.00 (One hundred and fifty thousand pounds) (Index Linked);

**"Logistics Park"** means the area referred to as Zone A on Plan 4;

**"Lunt Roman Fort Mitigation Payment"** means the sum of £100,000.00 (One hundred thousand pounds) (Index Linked);

**"Modal Shift Target"** means the target of no more than 65% of employees attending the Development doing so by means of single car occupancy;

**"Monitoring Period"** means the period of six months commencing with the date of the first monitoring of employees modes of travel pursuant to the provisions of the Framework Travel Plan and each consecutive six month period thereafter;

**"Occupation"** means any use of the buildings and land on the Application Site pursuant to the Planning Permission save for temporary occupation for the purposes of site preparation, infrastructure provision, construction or fitting out buildings or marketing and the words **"Occupy"** and **"Occupied"** and cognate expressions shall be construed accordingly;

**"Occupation Date"** means that date on which the Development is first Occupied;

**"Off Site Highway Contribution"** means the sum of £2,500,000.00 (Two million five hundred thousand pounds) (Index Linked);

**"Phase 2 Highway Works"** means those highway works shown in red on Plan 2;

**"Phase 3 Highway Works"** means those highway works shown in green on Plan 2;

"**Plan 1**" means the plan marked as such attached to this Deed at Schedule 4;

"**Plan 2**" means the plan marked as such attached to this Deed at Schedule 4;

"**Plan 3**" means the plan marked as such attached to this Deed at Schedule 4;

"**Plan 4**" means the plan marked as such attached to this Deed at Schedule 4;

"**Planning Permission**" means the planning permission for the Development to be granted pursuant to the Applications;

"**Public Transport Infrastructure Strategy**" means the strategy to be approved pursuant to paragraph 10.1 of Schedule 1;

"**Qualifying Building**" means a building within the Development occupied by one employer with more than twenty (full time equivalent) employees working in that building;

"**RCI**" means the Road Construction Tender Price Index as published by the Department of Business Enterprise and Regulatory Reform (or any successor thereof) to include any applicable local or regional weighting;

"**Relevant Index**" means the index ascribed to each contribution in Schedule 2 and in all cases in the event of an index ceasing to exist an alternative index agreed between the relevant parties;

"**Remedial Payment**" shall be a payment in accordance with the following formula in respect of each Exceedence Day during the period to which the Remedial Payment relates:

$(B/100) \times A \times C = \text{remedial payment}$

where: A is the number equivalent to the difference between 65% and the percentage by which the single car occupancy exceeds 65% (for example if the single car occupancy was 85% the number would be 20)

B is the number of employees present within the Development on that day

C is £0.10 (ten pence);

"**RM Approval**" means the approval of all matters reserved for approval by and pursuant to the Planning Permission in accordance with the Town and Country Planning (Development Management Procedure) (England) Order 2010;

"**RPI**" means the All Items Retail Prices Index as published by the Office of National Statistics (or any successor thereof) to include any applicable local or regional weighting;

"**Secretary of State**" means the Secretary of State for Communities and Local Government who will determine the Application;

"**SUDS**" means a sustainable urban drainage system to be provided within the Development;

"**Technology Park**" means the area referred to as Zone B on Plan 4;

"**TP Approval Contribution**" means the sum of £5,000.00 (Five thousand pounds) (Index Linked);

**“TP Co-ordinator”** means an individual or organisation whose responsibilities shall include the preparation, implementation, promotion, monitoring and review of the Framework Travel Plan and the Workplace Travel Plans relating to the Application Site;

**“TRO East Contribution”** means the sum of £20,000.00 (Twenty thousand pounds) (Index Linked);

**“TRO West Contribution”** means the sum of £17,500.00 (Seventeen thousand five hundred pounds) (Index Linked);

**“Whitley Common Open Space Payment”** means the sum of £40,000.00 (Forty thousand pounds) (Index Linked);

**“Working Day”** means a day (other than a Saturday Sunday or public holiday in England) when banks in London are open for business

**“Workplace Travel Plan”** means the plan in respect of each Qualifying Building containing details of targets, measures and monitoring to be implemented in order to encourage employees, contractors and visitors to that Qualifying Building to travel to and from the Development by means other than by private car and to minimise car usage (particularly single occupancy journeys) and to increase the use of public transport, walking and cycling to and from the Development substantially in accordance with the Framework Travel Plan;

- 1.2 The headings appearing in this Deed are for ease of reference only and shall not affect the construction of this Deed.
- 1.3 Unless the context requires otherwise the use in this Deed of any definition in the singular shall include the plural and vice versa and any reference to a gender shall include any other gender.
- 1.4 Unless the context requires otherwise references in this Deed to clauses, sub clauses, paragraphs, recitals, sub-paragraphs, annexures, appendices and schedules are references to those contained in this Deed and references to plans and drawings are references to plans and drawings annexed to this Deed.
- 1.5 The word "including" shall mean "including without limitation or prejudice to the generality of any description defining term or phrase preceding that word" and the word "include" and its derivatives shall be construed accordingly.
- 1.6 References in this Deed to statutes, bye-laws, regulations, orders and delegated legislation shall include any statute, bye-law, regulation, order or delegated legislation amending, re-enacting or made pursuant to the same.
- 1.7 In this Deed the expression "Owner" shall include its successors in title and following the entering into of any Deeds of Adherence shall include any owners of the land the subject of those Deeds and the expressions "City Council" "County Council" and District Council" shall include their respective statutory successors in function.
- 1.8 Any obligations of the parties to this Deed contained in this Deed which are or may be deemed to be obligations of one or more persons shall be joint and several obligations on the part of those persons unless the context otherwise requires.
- 1.9 Any covenant in this Deed not to do an act or thing shall be deemed to include an obligation not to permit or suffer such act or thing to be done by another person where knowledge of the actions of the other person is reasonably to be inferred and any

covenant to do an act or thing may be deemed to include an obligation to procure that the act or thing is done.

- 1.10 If any provision in this Deed shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be deemed thereby to be affected, impaired or called into question.
- 1.11 In the event of any conflict between the provisions of this Deed and any document annexed hereto as referred to herein, the terms, conditions and provisions of this Deed will prevail.
- 1.12 The Interpretation Act 1978 shall apply to this Deed.
- 1.13 Where any approval, consent, agreement or the like is required to be given or is requested pursuant to the terms of this Deed it shall be given or requested in writing and no party shall unreasonably withhold or delay any such approval, consent, agreement or the like and shall act expeditiously provided that nothing herein shall fetter the statutory rights, powers or duties of the Councils.
- 1.14 Unless the context otherwise requires, where this Deed refers to:
  - 1.14.1 any government body or other entity that publishes guidance, indices or any other document referred to in this Deed the publication or revision which is not within the control of the Councils; and
  - 1.14.2 any such guidance, indices or other document published by such an entity or body (in this clause "document"),if the relevant body or entity ceases to exist or the document is revoked or replaced the reference shall be deemed to be to the successor to the relevant body or entity and to the replacement document save where no such body, entity or document exists, in which case the reference shall be to such body, entity or document as the Councils acting reasonably shall determine or as may be determined pursuant to the dispute resolution provisions of this Deed.

## **2. STATUTORY POWERS**

- 2.1 This Deed is made pursuant to section 106 of the 1990 Act and the obligations herein constitute planning obligations for the purposes of the 1990 Act enforceable as provided for in clause 4.2.
- 2.2 To the extent that any of the obligations contained in this Deed are not planning obligations within the meaning of the 1990 Act, they are entered into by the County Council and the District Council pursuant to the powers contained in section 111 of the Local Government Act 1972, section 2 of the Local Government Act 2000, Section 1 of the Localism Act 2011 and all other enabling powers.
- 2.3 The Owner enters into this Deed with the effect of binding its interest in the Blue Land.

## **3. PROVISIONS FOR RELEASE AND ASSIGNMENT**

- 3.1 It is hereby agreed by the parties hereto that this Deed shall determine if the Planning Permission is quashed, cancelled, revoked, modified (without the consent of the Owner), or expires prior to Implementation except insofar as any obligation hereunder has been performed in whole or in part.

3.2 The Councils hereby covenant with the Owner that each shall upon reasonable request from the Owner certify compliance or partial compliance (as and if appropriate) with the provisions of this deed and if so requested by the Owner shall (as and if appropriate) execute a Deed of release or partial release from the relevant provision(s) of this Deed and (in the case of the District Council) shall place a note thereof on the Register of Local Land Charges.

#### **4. COVENANTS BY THE OWNER**

4.1 The Owner and the Developer hereby covenant with the County Council and District Council to carry out and comply with the obligations contained in Schedule 1.

4.2 The covenants contained in paragraphs 3,6,7,8,9,10,11. and paragraph 14.1.1 all of Schedule 1 shall be enforceable by the County Council and the covenants in paragraphs 1,2,3,4,5,6,9,11.4, 11.5, 12, 13 and 14.1.2 all of Schedule 1 shall be enforceable by the District Council (in respect of land within its administrative area) and following the grant of a leasehold interest in or a transfer to a third party of its land within the Application Site paragraphs 2,3,5,6,7,9,10,11.1, 11.3, 11.4,11.5, and 14.1.3 all of Schedule 1 shall be enforceable by the City Council (in respect of land within its administrative area)

#### **5. PROVISIONS RELATING TO THE ADDITIONAL LAND**

5.1 The Owner and the Developer covenant not to Implement the Development unless and until a Deed of Adherence has been completed in respect of all the Additional Land to the effect that all of the Additional Land is bound by the obligations in this Deed.

#### **6. COVENANTS BY THE COUNTY COUNCIL AND DISTRICT COUNCIL**

6.1 The Councils hereby covenant with the Owner (including for the avoidance of doubt successors in title) and any subsequent Owners of the Additional Land to observe and comply with the obligations on their respective parts contained in Schedule 2.

#### **7. SUCCESSORS IN TITLE**

7.1 The parties hereto agree that this Deed shall be binding upon the Blue Land (and in due course the Additional Land) and shall be enforceable against the Owner and its respective successors in title and those deriving title under them in respect of the Blue Land (and in due course the owners of the Additional Land) and that neither the Owner nor the owners of the Additional Land nor their successors in title nor those deriving title under them shall have any further liability under this Deed (but without prejudice to any rights in respect of any antecedent breach) in respect of any period during which the Owner or as the case may be any of their successors in title or those deriving title under them no longer have an interest in the Blue Land or the Additional Land (as the case may be) and neither the reservation of any rights in or the inclusion of any covenants or restrictions over the Blue Land or the Additional Land in any transfer of the Site or part thereof will constitute an interest for the purposes of this clause 7 and the City Council shall have no liability under this Deed in respect of any period when its interest in the Blue Land or the Additional Land is limited to an interest in the freehold reversion following the grant of a lease of such land for a term of not less than 50 years.

#### **8. COMMENCEMENT**

8.1 This Deed will take effect from the date hereof save for the obligations contained in the schedules to this Deed which will come into effect upon Implementation other than those contained in paragraphs 1, 3, 4 and 6 of Schedule 1 which will come into effect upon the date hereof.



## **9. EXCLUSIONS**

- 9.1 The obligations and restrictions in this Deed shall not be enforceable against either:
- 9.1.1 those persons who purchase any Commercial Unit for occupation by themselves or any chargee of such a person or any successor in title to any such person save that a tenant or occupier of an individual Commercial Unit shall be liable in respect of the obligations contained in paragraph 9 of Schedule 1 in respect of the Workplace Travel Plan relating to that Commercial Unit and paragraph 1 of Schedule 1 in respect of the Employment and Training Strategy in respect of that Commercial Unit; and
  - 9.1.2 any statutory undertaker who acquires any part of the Application Site or interest therein for the purposes of the supply of electricity, gas, water, drainage, telecommunication services or public transport services.
- 9.2 Obligations to perform or carry out works or activities on any part of the Application Site shall so far as the relevant obligation is a positive obligation to perform or carry out works or activities only be enforceable against the owners for the time being of that part of the Application Site.
- 9.3 The Developer enters into this Deed for the purposes of binding any interest it may have but will not incur any liability for any breach of the obligations contained in this Deed unless and until it enters into possession of any of the Blue Land or becomes a successor in title to the Blue Land and/or acquires any part of the Additional Land and executes a Deed of Adherence in respect of the same in the manner herein provided.

## **10. THIRD PARTY RIGHTS**

- 10.1 A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **11. DISPUTE RESOLUTION**

- 11.1 The parties hereby agree that in the event that any dispute disagreement or other substantive matter of contention shall arise between them as to the terms of this Deed and/or the performance of the powers duties and other functions of any of the parties under it:
- 11.1.1 the parties shall (save in case of emergency) first refer the said dispute to senior representatives of the parties in dispute who shall (within 10 Working Days of a notice from any party to the others) meet to attempt in good faith to resolve the dispute amicably on a full and final basis;
  - 11.1.2 in the absence of such resolution the parties shall then use such alternative dispute resolution mechanisms as may be appropriate in the circumstances of the case and having due regard to all relevant judicial protocols and other relevant guidance and advice and shall not unreasonably withhold or delay their agreement to such a procedure;
  - 11.1.3 the parties shall act reasonably in consequence of a decision made under an alternative dispute resolution process.

- 11.2 Any difference or dispute which shall arise between the parties in respect of any aspect of the Deed or the performance under it may be referred to an Expert in accordance with the provisions of clauses 11.3 to 11.8.
- 11.3 Any difference or dispute which shall arise between the parties in respect of the matters referred to in clause 11.2 shall first be dealt with in the manner provided in clause 11.1.1 and failing agreement between the senior representatives of the parties in dispute within ten Working Days of such a referral then any party to the dispute shall be entitled by a further notice ("**Dispute Notice**") to refer the difference or dispute to an Expert to be determined in the manner provided in the following sub-clauses of this clause 11.
- 11.4 The Expert shall be appointed by agreement between the parties to the dispute and failing such agreement being reached within ten Working Days of the service of the Dispute Notice then on the application of any party to the dispute by such one of the following as the parties to the dispute shall (subject to clause 11.5 below) agree to be appropriate having regard to the nature of the difference or dispute in question:
- 11.4.1 the President for the time being of the Royal Institution of Chartered Surveyors:
- 11.4.2 the President for the time being of the Institute of Civil Engineers; and
- 11.4.3 the President of the time being of the Law Society.
- 11.5 If within 20 Working Days after the service of the Dispute Notice the parties to the dispute have failed to agree which of the persons referred to in clause 11.4 is appropriate to appoint as the Expert then he shall be appointed on the application of any party to the dispute by or on behalf of the President for the time being of the Royal Institution of Chartered Surveyors.
- 11.6 The parties to the dispute shall be given an opportunity to make representations to the Expert in the manner and in accordance with directions given by him.
- 11.7 The decision of the Expert shall (save in case of manifest error) be final and binding on the parties to the dispute.
- 11.8 Except as otherwise provided in this sub-clause each party to the dispute shall bear their own costs of the referral to the Expert and the fees and expenses (if any) of the Expert shall be borne by the parties to the dispute in equal shares SAVE that the Expert may make an award of costs in such other proportions as the Expert may determine (including as to the fees and expenses of the Expert) and any such award shall be final and binding on all parties.

## **12. FURTHER PLANNING PERMISSIONS**

- 12.1 Nothing in this Deed shall prohibit or limit the right to develop any part of the Application Site in accordance with a planning permission, other than the Planning Permission, granted (whether or not on appeal) after the date of this Deed.

## **13. SERVICE OF NOTICES**

- 13.1 All notices, requests, demands or other written communications to or upon the respective parties hereto pursuant to this Deed shall be deemed to have been properly given or made if despatched by first class letter to the party to which such notice, request, demand or other written communication is to be given or made under this Deed and addressed as follows:

- 13.1.1 if to the Owner to the address set out above marked for the attention of the Chief Planning Officer;
- 13.1.2 if to the County Council to the address set out above and marked for the attention of the Strategic Director for Communities;
- 13.1.3 if to the District Council to the address set out above and marked for the attention of the Head of Development Services;
- 13.1.4 if to the Developer to the address set out above and marked for the attention of the Chairman

#### **14. INTEREST**

- 14.1 Where any payment or part payment which is due to be paid pursuant to this Deed is not paid on the date upon which the obligation to make such a payment falls due to be performed, then interest at two per cent above the base rate of HSBC Bank Plc from time to time calculated on a daily basis shall be paid by the Owners to the party to whom the money was due on and in addition to the outstanding balance of the payment from the date on which the payment or part payment became due to the actual receipt of the payment by the party to whom the money was due.

#### **15. COMMUNITY INFRASTRUCTURE LEVY**

- 15.1 If after the date of this Deed a CIL is introduced which is applicable to the Development then the Parties hereto will use reasonable endeavours to agree variations to this Deed with the intent that:
  - 15.1.1 the planning objectives secured by the planning obligations in this Deed continue to be delivered; and
  - 15.1.2 that the Development shall not become unviable because of the application of the CIL in respect of the obligations in Schedule 1 hereto

#### **16. THIRD PARTY LAND**

- 16.1 Nothing in this Deed creates or has any intention of creating any obligation to do anything on or secure consents or rights over any land outside the Application Site and which is out of their control or ownership save for publicly adopted highway as expressly required by this Deed.

#### **17. LEGAL COSTS**

- 17.1 The Developer shall upon completion of this Deed pay the Owner's, the District Council's and the County Council's reasonable legal costs in connection with the preparation and completion of this Deed.

**IN WITNESS** whereof this Deed has been executed by the parties hereto and is intended to be and is hereby delivered on the date first above written

## SCHEDULE 1: COVENANTS OF THE OWNER

### Employment and Training Strategy

- 1.1 Not to Implement the Development unless and until an Employment and Training Strategy has been submitted to and approved by the District Council and the Appointed Individual/Body has been employed.
- 1.2 To include within the Employment and Training Strategy details (in respect of both the construction and operational phases of the Development) regarding measures to target employment and training opportunities at local people, delivery mechanisms and timescales regarding the provision of such measures, targets in respect of the placement of local people in employment and training and review mechanisms.
- 1.3 The Employment and Training Strategy shall provide for the following:
  - 1.3.1 in respect of Construction Works, a requirement that the main contractor and their sub-contractors will submit to the Appointed Individual/Body details of how they will provide jobs, training and development opportunities for the local labour force living within 12 miles of the Application Site during the construction period of the Development;
  - 1.3.2 a target during the first 10 years of the construction phase to create for a member of the local labour force as a minimum one new full time permanent job for a period of at least 12 months or one new entrant training opportunity for a minimum of 52 person weeks for each £5 million of development cost with a mechanism for annual updates during the construction phase to be provided to the Appointed Individual/Body and the District Council (if they are not the Appointed Individual/Body) regarding achievement of this target;
  - 1.3.3 in respect of Construction Works, a requirement that the main contractor and their sub-contractors will submit to the Appointed Individual/Body details of how they will promote and encourage the availability of contracts and employment opportunities to the local supply chain and the local labour force;
  - 1.3.4 a requirement that the main contractor and their sub-contractors will submit annually during the construction phase to the Appointed Individual/Body and to the District Council (if they are not the Appointed Individual/Body) a list of local appointed sub-contractors, their addresses and the value of contracts awarded and a list of suppliers from the local area that have been engaged and the value of goods and services procured;
  - 1.3.5 a mechanism for the strategy to be reviewed during the construction phase in light of the above annual submissions with provision for the District Council input into such review if they are not the Appointed Individual/Body; and
  - 1.3.6 in respect of the operational phase a requirement that all occupiers as a condition of their leasehold or freehold purchase from the Developer/Owner notify the Appointed Individual/Body of new job or training opportunities arising from their company's operations on the Application Site, and that all occupiers employing more than 50 FTE persons on the Application Site be required to develop a local employment and training strategy for the local labour force living within 12 miles of the Application Site with the Appointed Individual/Body such strategy to be approved by the District Council.
- 1.4 To implement and comply with the approved Employment & Training Strategy at all times

### **Whitley Common Open Space Payment**

- 2.1 To pay the Whitley Common Open Space Payment to the City Council prior to the commencement of any construction works to the Whitley Junction, as shown on application drawing no. 11-0540-206C GA, carried out through Implementation of planning permission reference OUT/2012/1791 unless planning permission reference FUL/2013/2599 granted by the City Council on the 7 February 2014 in respect of the remodelling of this junction is implemented prior to the Implementation of permission reference OUT/2012/1791 in respect of this junction.

### **Construction Ecological Protection and Mitigation Strategy**

- 3.1 Not to Implement the Development until the Construction Ecological Protection and Mitigation Strategy has been submitted to and approved by the Councils.
- 3.2 The Strategy to be approved pursuant to paragraph 3.1 above will:
  - 3.2.1 relate to all of the Application Site including all common landscaped areas (including SUDS features) and common estate roads/footpaths and cycleways;
  - 3.2.2 contain detailed arrangements in respect of the protection during construction of protected and important species; and
  - 3.2.3 accord with the principles in relation to the construction period set down in the Ecological Reports (various dates) and Biodiversity Offsetting Report (dated November 2012) submitted in conjunction with the Application.
- 3.3 To implement the strategy as approved pursuant to paragraph 3.1 and to obtain prior approval to any changes to the strategy from the Councils.

### **Biodiversity Offsetting Scheme**

- 4.1 Not to Implement the Development until the Biodiversity Offsetting Scheme for the off site compensation as identified in the Biodiversity Offsetting Report dated November 2012 has been submitted to and approved by the District Council.
- 4.2 The scheme to be approved pursuant to paragraph 4.1 above will:
  - 4.2.1 identify receptor site or sites;
  - 4.2.2 include a management plan for the provision and maintenance of such offsetting measures for not less than 30 years from the date of Implementation; and
  - 4.2.3 include the provision of contractual terms to secure the delivery of the offsetting measures.
- 4.3 To implement the scheme as approved pursuant to paragraph 4.1 and to obtain prior written approval to any changes to the strategy from the District Council.

### **Lunt Roman Fort Mitigation Payment**

- 5.1 To pay the Lunt Roman Fort Mitigation Payment to the City Council prior to the commencement of the construction of any Commercial Unit on the Technology Park.

### **On Site Open Space and Common Infrastructure Management**

- 6.1 Not to Implement the Development prior to production of a site wide infrastructure design, management and maintenance strategy and to obtain approval thereof from the Councils prior to Implementation.
- 6.2 The strategy to be approved pursuant to paragraph 6.1 above will:
  - 6.2.1 relate to the Countryside Park and other common landscaped areas including SUDS features and common estate roads/footpaths/cycleways;
  - 6.2.2 contain detailed arrangements in respect of the design principles to inform the applications for RM Approval including who will be responsible for the implementation and maintenance of the various areas, details of the maintenance regime, and public access arrangements in respect of the Countryside Park which shall provide for public access in perpetuity; and
  - 6.2.3 accord with the principles set down in the Green Infrastructure Strategy, the Ecological Reports (various dates) and the Biodiversity Offsetting Report dated November 2012 submitted as part of the Application.
- 6.3 Not to carry out the Development without full adherence with the strategy approved pursuant to paragraph 6.1 and to obtain prior written approval to any changes to the strategy from the Councils.

### **Off Site Highway Contribution**

- 7.1 To pay the Off Site Highway Contribution as follows;
  - 7.1.1 £1,500,000 (One million five hundred thousand pounds) to be paid to the City Council prior to the completion of the Phase 2 Highway Works; and
  - 7.1.2 £1,000,000 (One million pounds) to be paid to the City Council prior to the completion of the Phase 3 Highway Works.

### **Cycling/Walking Works Fund**

- 8.1 To pay the sum of £2,500,000.00 (Two million five hundred thousand pounds) to the County Council in respect of the Cycling/Walking Works Fund prior to the Occupation Date.

### **Travel Plan & Travel Plan Co-ordinator**

- 9.1 To submit the Framework Travel Plan to the LA Co-ordinator and to obtain approval thereof prior to the Occupation Date.
- 9.2 To appoint the TP Co-ordinator prior to the preparation of the Framework Travel Plan and any of the Workplace Travel Plans and to maintain employment of a TP Co-ordinator until the expiry of a period of five years from the Occupation of the last building to be first Occupied unless otherwise agreed with the LA Co-ordinator.
- 9.3 To notify the LA Co-ordinator of the TP Co-ordinator's contact details (i.e. name, address, telephone number, email address) within seven days of their appointment and to notify the LA Co-ordinator of any subsequent changes to these details within 14 days of such changes occurring.

- 9.4 To notify the LA Co-ordinator of the date on which the final building within the Development is Occupied within 28 days of such Occupation taking place.
- 9.5 To submit a Workplace Travel Plan to the LA Co-ordinator in respect of each Qualifying Building and not to Occupy or permit Occupation of that building until the Workplace Travel Plan has been approved by the LA Co-ordinator.
- 9.6 To implement and comply with the Framework Travel Plan and the Workplace Travel Plans (including provisions relating to the monitoring thereof).
- 9.7 Within 28 days from the end of each Monitoring Period the TP Co-ordinator shall:
- 9.7.1 provide a report to the LA Co-ordinator identifying any Exceedence Days during that Monitoring Period; and
- 9.7.2 in the event of there being any Exceedence Days within that Monitoring Period identify details of any remedial measures to be actioned by the TP Co-ordinator to address the causes of the Exceedence Days.
- 9.8 To implement those remedial measures in full in accordance with a programme approved by the LA Co-ordinator following written confirmation by the LA Co-ordinator of the remedial measures referred to in paragraph 9.7.2 above (who shall secure approval for any remedial measures from the Councils before agreeing those with the TP Co-ordinator).
- 9.9 If monitoring undertaken at the end of four consecutive Monitoring Periods reveals that there have been in excess of 12 Exceedence Days in each of the four (4) consecutive Monitoring Periods representing a continued failure to meet the Modal Shift Target then subject to paragraph 9.10 below the Remedial Payments in respect of all Exceedence Days shall be paid to the County Council in respect of those Monitoring Periods.
- 9.10 Only one Remedial Payment shall be payable in respect of each Exceedence Day pursuant to the application of the above provisions.
- 9.11 To pay the TP Approval Contribution to the County Council in respect of each Workplace Travel Plan prior to the submission of that plan for approval.

## **Public Transport**

- 10.1 Prior to the completion of the Phase 2 Highway Works and prior to Occupation of not more than 9,300 square metres (100,000 square feet) of floorspace within the Technology Park to submit a Public Transport Infrastructure Strategy in respect of the Bus Infrastructure Works to the City Council and the County Council which shall:
- 10.1.1 set out the detail of the Bus Infrastructure Works and a programme for their implementation;
- 10.1.2 relate to the route shown on Figure 6 of the Transport Assessment dated August 2012 submitted with the Application or such alternative route including Pool Meadow Bus Station, Coventry Railway Station, Whitley Business Park and the Development as is agreed between the parties; and
- 10.1.3 cost a maximum of £5,000,000.00 (Five Million Pounds) Index Linked (exclusive of VAT).

- 10.2 To carry out the Bus Infrastructure Works in accordance with the programme set out in the approved Public Transport Infrastructure Strategy and in any event complete those works prior to the completion of the Phase 2 Highway Works and the Occupation of more than 100,000 square feet of floorspace within the Development.
- 10.3 To provide the City Centre Bus Service as detailed in Schedule 6 for a period of 10 years from the completion of the Phase 2 Highway Works subject to the caveat in paragraph 10.5 below.
- 10.4 To provide the Wood End Bus Service as detailed in Schedule 6 for a period of 10 years from the date on which at least 200,000 square feet of floorspace in the Development is Occupied subject to the caveat in paragraph 10.5 below.
- 10.5 The liability of the Owner in respect of the provision of bus services referred to in paragraphs 10.3 and 10.4 of this Schedule and the Dedicated Commuter Service shall not exceed £12,500,000.00 (Twelve Million Five Hundred Thousand Pounds)(Index-Linked) over the 10 year period referred to above being a gross figure with no account being taken of any offsetting income provided that the liability shall not cease until the Owner has provided written notice to the City Council and the County Council that it has expended £12,500,000 in respect of the provision of the said bus services and a written breakdown showing how the expenditure has been incurred.

## **11. Traffic Management**

- 11.1 To pay the TRO East Contribution to the City Council prior to the Occupation Date.
- 11.2 To pay the TRO West Contribution to the County Council prior to the Occupation Date.
- 11.3 To pay the Leaf Lane Works Contribution to the City Council as follows;
  - 11.3.1 £15,000 (Fifteen thousand pounds) to be paid prior to Implementation; and
  - 11.3.2 £135,000 (One hundred and thirty five thousand pounds) to be paid prior to the Occupation Date.
- 11.4 To submit the Bubbenhall Road/Rowley Road/Coventry Road/Stoneleigh Road Access Restriction Strategy to the Councils and obtain approval thereof prior to the Occupation Date or the completion of the link road between the Technology Park and the Logistics Park whichever is the sooner.
- 11.5 To implement the Bubbenhall Road/Rowley Road/Coventry Road/Stoneleigh Road Access Restriction Strategy as approved in accordance with the programme contained therein at all times following its approval.

## **12. Relocation of Existing Businesses**

- 12.1 To use reasonable endeavours to assist the occupiers of businesses currently located within the Application Site to relocate provided that this obligation shall not require the Owner to provide the occupiers with any financial assistance or subsidy.

## **13. Model Car Club and Electric Railway Museum**

- 13.1 To use reasonable endeavours to agree an agreement for lease or a lease of new premises within the Development with the Coventry Model Car Club and the Electric Railway Museum prior to Implementation.



**14. Monitoring Fee**

14.1 To pay a monitoring fee to the County Council and District Council prior to Implementation as follows:

14.1.1 £20,000 (TWENTY THOUSAND POUNDS) to the County Council

14.1.2 £20,000 (TWENTY THOUSAND POUNDS) to the District Council

14.1.3 £20,000 (TWENTY THOUSAND POUNDS) to the City Council

**SCHEDULE 2: COUNCILS' COVENANTS**

The County Council the District Council separately covenant with the Owner and the Developer as follows:

**1. Application of Contributions**

1.1 Unless otherwise agreed by the Owner to apply the contributions set out in column 1 below received by any of the Councils solely for the purposes identified in respect of that contribution in column 2 below and in the event of all or any of the contribution not being reasonably and properly expended for that purpose within the period as set out in column 3 below the Council in receipt of the payment shall repay the unexpended contribution to the payer of the contribution along with interest incurred thereon after the expiry of the period in column 3 within 28 days of receipt of a written request from the payer so to do.

**Council Covenants**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4 Relevant Index</b>
Whitley Common Open Space Payment	For the purposes of providing improved open space within the wards of Cheylesmore and Whitley to compensate for the open space lost as a result of the works to be carried out at Whitley Junction	Five years from receipt of payment of the contribution	BCIS
Lunt Roman Fort Mitigation Payment	The funding of restoration works to Lunt Fort and enhancement of on-site interpretation boards and highway directional signage in relation to Lunt Fort	Five years from receipt of payment of the contribution	BCIS

Column 1	Column 2	Column 3	Column 4 Relevant Index
	and landscaping and other works to open up views to the countryside to the north of the Fort		
Off Site Highways Contribution	<p>(i) £1,500,000 to be applied to works to the junction of the A45 and St Martins Road/Leamington Road</p> <p>(ii) £500,000 to be applied to works to the junction of the A45 and Kenilworth Road</p> <p>(iii) £500,000 to be applied to works to the junction of London Road/Humber Road/Allard Way</p>	Five years from receipt of each instalment of the contribution	BCIS
Cycling/Walking Fund Works	The provision of new cycling/walking routes shown in blue on Plan 3	Five years from receipt of payment	BCIS
Remedial Payment	Measures to assist in achieving the Modal Shift Target	12 months from receipt of each payment	BCIS
Travel Plan Approval Contribution	The involvement of the County Council in approving the Workplace Travel Plan to which the payment relates	No repayment	RPI
TRO East Contribution	Funding of a Traffic Regulation Order(s) for works to Rowley Road to the east of the Technology Park	Five years from the installation of the works sanctioned by the Traffic Regulation	BCIS

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4 Relevant Index</b>
	to restrict on street car parking and for the enforcement of such order(s)	Orders and referred to in column 2 of this table	
TRO West Contribution	Funding of a Traffic Regulation Order for works to Rowley Road and Baginton Village to the west of the Technology Park to restrict on street car parking and for the enforcement of such order	Five years from the installation of the works referred to in column 2	BCIS
Leaf Lane Works Contribution	The funding of traffic calming/improvement works in Leaf Lane and/or its locality if necessary to address traffic impact arising from the Development	Five years of receipt of each instalment of the contribution	BCIS
Monitoring Contribution	The monitoring of compliance with this Deed	N/A	N/A
Bus Infrastructure Works	N/A	N/A	BCIS
Bus services referred to in paragraphs 10.3 and 10.4 of Schedule 1	N/A	N/A	BCIS

2. To advise the Owner and the Developer of the contact details of the LA Co-ordinator within 28 days of the date hereof.

### SCHEDULE 3: DEED OF ADHERENCE

**THIS DEED OF CONFIRMATION** is made on            day            20

**BY**

[(1)

(2)            of [            ];

(3) [            ] of [            ] ("**Covenantor**")

#### **RECITALS**

- A        [            ] entered into an Agreement under section 106 of the Town and Country Planning Act 1990 on [            ] 2014 ("**Planning Agreement**") with, inter alia, the Owners of the site which is the subject of planning permissions ref [            ] and [            ] ("the Application Site") which contains obligations in respect of the Application Site.
- B        Land within the Application Site owned by [            ] ("the Additional Land") was not bound by the obligations contained in the Planning Agreement and in the agreement [            ] covenanted as landowner to ensure that the Additional Land is bound by the obligations in the Planning Agreement prior to implementation on the Blue Land of the planning permission to which the Planning Agreement relates
- C        The Covenantor has agreed to enter into this Deed of Adherence to confirm that its or their interest in the Additional Land is bound by the provisions of the Planning Agreement.

#### **NOW THIS DEED WITNESSETH**

##### **Planning Obligations and Operative Provisions**

1.        The words and expressions used in this Deed of Adherence shall (save where the context requires or where new definitions are referred to in this Deed of Adherence) have the meanings assigned to them in the Planning Agreement.

This Deed of Adherence is entered into pursuant to section 106 of the Act and creates planning obligations to bind the Covenantor's interest in the Additional Land and is enforceable against the Covenantor and its successors in title and those deriving title from it in respect of the Additional Land by the Councils being the local planning authority for the purposes of section 106 of the Act for the area within which the Additional Land is situated.

The Covenantor with the intent to bind its interests in the Additional Land undertakes to the Councils to observe and perform the obligations contained in the Planning Agreement as if they were set out in full in this Deed of Adherence subject to the provisions of the Planning Agreement which shall remain in full force and effect.

Save in respect of liability for any prior breach of this Deed of Adherence the Covenantor shall upon parting with all legal interest in the Application Site and/or the Additional Land be released from all obligations rights and duties under this Deed of Adherence and the Planning Agreement as provided for in the Planning Agreement.

**DELIVERED** as a **DEED** on the date of this document

## **SCHEDULE 4: PLANS**

Plan 1

Plan 2

Plan 3

Plan 4

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## Public report Cabinet Report

Cabinet  
Council

17 June 2014  
24 June 2014

**Name of Cabinet Member:**

Cabinet Member (Business, Enterprise and Employment) – Councillor Maton  
Cabinet Member (Public Services) – Councillor Lancaster

**Director Approving Submission of the report:**

Executive Director Resources

**Ward(s) affected:**

All

**Title:**

*European Regional Development Fund (ERDF) Open Call for Projects*

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**Is this a key decision?**

Yes as it has the potential to affect all wards within the City and expenditure is in excess of £1m

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**Executive Summary:**

Coventry and Warwickshire have been very successful in the current round of European Regional Development Fund (ERDF) in attracting external funding to the area. Under the ERDF Sustainable Urban Development Programme Coventry & Warwickshire (C&W) had a notional allocation of £12.5m and over the course of the programme, through demonstrating a clear understanding of ERDF priorities and an ability to deliver on time, to budget and profile, we have doubled that allocation and now have circa £25million of ERDF committed to the area. There is now an opportunity to bid for further funds, primarily aimed at existing projects.

The Coventry and Warwickshire Local Enterprise Partnership (CWLEP) partners have looked at the opportunity to bid for further funds and as a result the Council has submitted a number of proposals seeking ERDF.

The bidding round will be highly competitive and the Council is entering the process knowing that it is unlikely that it will be successful with all its proposals. However, building on its previous success and our extensive knowledge of ERDF gained over many years, we have positioned C&W with the Department for Communities and Local Government (DCLG) as a place that can deliver.

Decisions by DCLG on which projects and programmes across the West Midlands area have been successful in securing further funds will be made by 20<sup>th</sup> June 2014. Spend and delivery will need to have been made by 31<sup>st</sup> December 2015.

This report to Cabinet and Council is in advance of knowing the outcome of bids from DCLG, to seek approval from members, that if the Council is successful in securing ERDF, it can quickly move to become the accountable body for the additional ERDF, contract and mobilise the workforce accordingly to ensure delivery by 31 December 2015. Any delay in the decision making process will jeopardise the Council's ability to deliver the schemes within the timeframes set.

## **Recommendations**

### **Cabinet is requested to:**

1. Recognise the opportunity to bid for further ERDF as a significant part of the Regeneration of the City, and retrospectively confirm, its support to bid for further of ERDF for the projects listed in the report;
2. Recognise the potential financial contributions from the Coventry and Warwickshire Local Enterprise Partnership, Coventry University, Deeley, Barberry, and Centro in providing significant match funding towards bidding for further ERDF.
3. Delegate authority to the Executive Director Place, in conjunction with Cabinet Members (Public Services and Business, Enterprise and Employment) to agree the detailed works for schemes in Coventry city centre Public Realm Phase 2 and their implementation subject to the availability of funding; and
4. Agree to receive a further report at a subsequent meeting of Cabinet confirming what projects have been successful in securing additional ERDF.

### **Subject to being notified that it has been successful in securing additional ERDF, the Cabinet is asked to:**

5. Authorise the City Council to act as guarantor and delegate authority to the Executive Director Place in conjunction with the Executive Director Resources to enter into grant aid agreements with DCLG on ERDF terms and conditions for the following individual projects if they are successful in securing ERDF: Broadgate/Hertford Street, Belgrade Plaza and the International Transport Museum ;
6. Delegate authority to the Executive Directors for Resources & Place to agree the terms of contracts of the public realm works under recommendation 5.

### **Subject to being notified that it has been successful in securing additional ERDF, the Cabinet is asked to recommend Council:**

7. Authorise the City Council to act as guarantor and delegate authority to the Executive Director Place in conjunction with the Executive Director Resources to enter into grant aid agreements with DCLG on ERDF terms and conditions for the following individual projects if they are successful in securing ERDF: Gosford Street/University and Canal Basin/Bishop Street ;



8. Delegate authority to the Executive Directors for Resources & Place to agree the terms of contracts of the public realm works under recommendation 7; and
9. Approve the addition of relevant schemes to the Capital Programmes for 14/15 and 15/16.

**Subject to being notified that it has been successful in securing additional ERDF, Council is requested to:**

1. Authorise the City Council to act as guarantor and delegate authority to the Executive Director Place in conjunction with the Executive Director Resources to enter into grant aid agreements with DCLG on ERDF terms and conditions for the following individual projects if they are successful in securing ERDF: Gosford Street/University and Canal Basin/Bishop Street ;
2. Delegate authority to the Executive Directors for Resources & Place to agree the terms of contracts of the public realm works under recommendation 1; and
3. Approve the addition of relevant schemes to the Capital Programmes for 14/15 and 15/16.

**List of Appendices included:**

None

**Background Papers:**

None

**Other Useful Documents:**

1. International Transport Museum – Council Report of 14<sup>th</sup> January 2014  
([Click Here to Access Council Report](#))
2. Coventry City Centre Public Realm Phase 2 Update – Council Report of 23<sup>rd</sup> July 2013  
([Click Here to Access Council Report](#))
3. European Development Fund Accountable Body Report – Cabinet Report of 16<sup>th</sup> April 2013  
([Click Here to Access Council Report](#))
4. Coventry City Centre Public Realm Phase 2 – Council Report of 23<sup>rd</sup> October 2012  
([Click Here to Access Council Report](#))

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

Yes, 24 June 2014

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## Report title: European Regional Development Fund (ERDF) Open Call for Projects

### 1 Context (or background)

- 1.1 Coventry City Council in conjunction with the CWLEP has been extremely successful in securing external funding for economic regeneration.
- 1.2 All external funding requires there to be an accountable body, and in more cases than not the expertise and experience within the City Council has meant it has taken on the role of accountable body to act as guarantor to the funder for the grant in the unlikely event that it has to be repaid.

### European Regional Development Fund (ERDF)

- 1.3 The 2007 – 2013 ERDF programme for the West Midlands is allocated regionally across three priorities. Priority 1 is largely aimed at universities and research institutions while Priority 2 is aimed at offering support to businesses and generating business start-ups and Priority 3 has geographical targeting on Sustainable Urban Development. Under priority 3 CWLEP had a notional allocation of £12.5m and over the course of the programme through demonstrating a clear understanding of ERDF priorities and an ability to deliver on time to budget and profile the Council has doubled that allocation and now have circa £25million of ERDF committed to the C&W area.
- 1.4 The 2007 – 2013 ERDF programme covers expenditure up until December 2015 and is currently underspending across the West Midlands. As a result DCLG issued an invitation for current projects that were “performing well” to bid for additional funding. Projects needed to demonstrate additional impact and be completed by 31 December 2015. The closing date for bids was noon Friday 9 May 2014 and decisions on these extension projects will be made by Friday 20 June.
- 1.5 Projects summarised below requiring cabinet and council approval were submitted as part of the open call:
- 1.6 **Gosford St/University** - Coventry University have committed match funding to a scheme to transform the area between the Ring Road and the William Morris Building and underneath the flyover to create a campus fit for a modern successful University. This will complete the innovative and successful work started by the City Council three years ago to transform the streetscape and create a high quality pedestrian link between Broadgate and Far Gosford Street. High quality landscaping, paving and lighting will be delivered to improve the setting of the iconic new University buildings and to open up access to Whitefriars Monastery. The scheme also includes for some additional works for the previously approved Gosford Gate scheme to fully complete this key arterial route into the city centre.
- 1.7 **Canal Basin / Bishop Street** – The Bishopgate developer Barberry have committed to providing funds towards a set of physical improvements between the city centre and Canal Basin. The existing footbridge will be demolished, and replaced by a new at grade pedestrian crossing integrated with a reconfigured junction 1 (Foleshill Road) which will improve traffic flow. This scheme will complete a high quality pedestrian linking Broadgate to the canal basin and will also provide a key link in the Cycle Coventry network
- 1.8 **Broadgate /Hertford Street** - This project entails a package of public realm works, which will significantly improve pedestrian access between Hertford Street and Broadgate.

- 1.9 **Belgrade Plaza** – the public highway around Belgrade Plaza will be reconfigured to complement the existing landscaped area to create an attractive public space. The scheme will follow the successful design principles used elsewhere in the city centre, including the removal of the traffic lights. With the part demolition of the former Allied Carpets retail unit the pedestrian link between West Orchards and Lower Precinct shopping centre and the Belgrade Plaza will become more accessible. Deeleys are making a financial contribution and Centro have also pledged funds towards a new city centre wayfinding scheme. This will include new totems erected around the city centre to provide information to visitors regarding popular and lesser known tourist attractions, and make it easier to travel around the city through improved information on transport options, including walking and cycle routes and public transport.
- 1.10 **Coventry International Transport Museum** - The proposed extension to this project will deliver additional exhibition fit-out works (demonstrating excellence in transport production and sporting achievements), improvements to the conferencing areas, and enhancements to the wi-fi infrastructure. The extension will enhance the visitor experience, and help to increase the number of visitors the museum receives (including business tourists) and thereby stimulate wider impacts through increased visitor spending levels. Waste Recycling Environmental Limited (WREN) are providing £60,000 grant towards the extension of this project.
- 1.11 Additional smaller projects below £0.5m have also been put forward to extend business support schemes, improve Lidice Place public realm, and support the revenue costs of a number of other current ERDF projects. These do not require cabinet or council approval under the constitution.

## 2 Options considered and recommended proposal

- 2.1 **Option 1 - The City Council retrospectively approves the submission of bids and acts as accountable body for any secured ERDF** - The City Council has acted as lead applicant or accountable body for many European-funded projects since 1984 when the area first became eligible for such funding. In essence it means being responsible for monitoring the spend, submitting grant claims to DCLG for eligible expenditure and demonstrating that the grant has been spent in achieving the outputs of the project.
- 2.1.1 **Option 2 - Proceed without ERDF** - Without ERDF support the projects will either proceed or will be delayed. This call is the last opportunity to attract ERDF grant in this current programme, and in particular in respect of Public Realm projects as the current national thinking is that these types of projects will not be eligible for ERDF grant in the new programme 2014-2020.
- 2.1.2 If the Public Realm work were to be funded entirely by City Council funding and no ERDF, the overall impact of works undertaken would be diminished and it would only be feasible for the statutory duties to be funded such as maintenance of footpaths and highways. With increasing pressure on the Council's capital programme an opportunity would be missed to improve the public realm environment of the city centre.
- 2.1.3 The International Transport Museum and business support programme extensions would not proceed.
- 2.1.4 **Option 3 - Decline to take on the accountable body role** – The Council is already managing the accountable role in respect of projects in Appendix A. If the Council declines to take on the role of accountable body for any additional funds granted this

would not be favourably looked on by DCLG and in our view and would most likely result in DCLG withdrawing the applications for funding. DCLG need to be sure that the accountable body has a track record of successful delivery and are satisfied that the City Council will fulfil this role. In addition, the fewer accountable bodies that DCLG contract with, the lower the cost of managing the whole programme and the greater cohesion across the programme.

## **2.2 Recommended Proposal**

2.2.1 It is recommended that the Council moves forward with Option 1.

## **3 Results of consultation undertaken**

3.1 The New Jobs Strategy 2014 - 2017 is the Council's proposal for taking forward the economy of the city in the light of the changed circumstances experienced over recent years. ERDF matched against core funds for these projects is aligned to delivering the Jobs Strategy and the priorities of the CWLEP set out in their 4-year strategy based on the Local Economic Assessment and feedback from local businesses which include:

- Creating New Jobs
- Creating business growth
- Removing barriers to growth

3.2 The development of the ERDF projects has been completed with LEP partners and reflects the CWLEP's priorities most in need of public investment.

3.3 The CWLEP has undertaken a consultation exercise with local business to determine the priorities it should focus on. The proposals and projects here fully align to the proposed CWLEP Strategic Economic Plan and the new European Structural Investment Fund Strategy.

## **4 Timetable for implementing this decision**

4.1 The requests for additional funding were submitted Friday 9<sup>th</sup> May following an invitation to bid dated 31<sup>st</sup> March. Decisions will be made by Friday 20<sup>th</sup> June.

4.2 All projects are currently delivering what they have already been contracted to deliver with DCLG will continue to do so until decision on grant extensions are received and until Cabinet approval is given to engage in the additional activity.

4.3 All spend must take place by 31 December 2015.

## **5 Comments from Executive Director Resources**

### **5.1 Financial implications**

5.1.1 The Council are proposing to be the accountable body for all of the ERDF projects listed above. Whilst this is not unusual, the financial implications to the Council should be clearly understood.

5.1.2 The Council's financial contribution is from existing approved resources of £1.9m, £1.8m of which relates to the use of Coventry Investment Fund (CIF) monies, approved by

cabinet in July 2013. The remainder relates to the use of revenue budgeted salary as further match funding.

- 5.1.3 In the event that any of the above ERDF project bids or non-City Council match funding requirements are not successfully secured, the proposed works will need to be scaled down to match available resources.

## **5.2 Legal implications**

- 5.2.1 The Council will act as the accountable body for the ERDF projects on the terms of the EU and DCLG requirements. The Council will be issued with a grant offer containing terms and conditions. It is anticipated that based on other grant funding agreements entered into by the Council there will be provisions relating to repayment/clawback of the grant to DCLG in certain circumstances, the risk of such will be managed in accordance with 6.3.
- 5.2.2 For one of these projects, the terms and conditions will be devolved across to the Transport Museum Trust in a grant agreement. These will ensure appropriate conditions and obligations which are imposed upon the Council are passed to the grant recipients who receive the funding for delivering projects. The Council has power to act as guarantor under Section 1 of the Localism Act 2011 and in respect of the leisure function at the transport museum under section 19 of the Local Government (Miscellaneous Provisions) Act 1976.
- 5.2.3 A Joint Working Agreement will be established between Coventry City Council and Coventry University for the Gosford Street scheme. This agreement will secure the financial contribution from the University and set out the obligations in respect of the delivery of the Public Realm works to be undertaken by the Council obligations of the University in working with the Council VAT and other financial obligations.
- 5.2.4 Planning consent will be required for Broadgate, Belgrade and Gosford Street Schemes. The City Council will be the applicant under the Town and Country Planning Act 1990.
- 5.2.5 The remaining public realm schemes listed in Appendix A will be delivered under the Council's general highway improvement/traffic management powers under the Highways Act 1980 except in relation to any new or amended formal pedestrian crossings/traffic regulation orders/traffic-calming measures which will be implemented following a separate statutory notice/objection process under the Road Traffic Regulation Act 1984.

## **6 Other implications**

### **6.2 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

- 6.2.1 The City Council's New **Jobs Strategy 2014-17** highlights the importance of creating jobs which the city needs. All project extensions will support job creation within Coventry and be aligned with the following two objectives of the strategy:
- Secure job opportunities through investment – businesses and investors continue to recognise Coventry as the right place for them to invest and grow
  - Help people get jobs – pursuing prosperity so that in Coventry everyone who wants a job will have the opportunity to secure one that matches their skills.

- 6.2.2 All these schemes will indirectly or directly provide jobs across the city and sub-region. The Jobs Strategy specifically acknowledges the importance of public realm improvements in creating new jobs in the city centre. Coventry's Sustainable Community Strategy sets out the ambitions for "a prosperous Coventry with a good choice of jobs and business opportunities for all the city's residents". One of its long-term outcomes is accelerating economic growth for the city and creating a more diverse range of businesses and employment.
- 6.2.3 The proposed extensions to the current Public Realm programme are closely aligned with one of the **CWLEPs core objectives**, which is to develop Strategic Infrastructure. It is also aligned with the CWLEP's Inward Investment objective, particularly as improved public realm will help to open up new employment sites (most notably the Friargate and City Centre South sites), and provide compelling reasons for companies to locate into the region.
- 6.2.4 The CWLEP recognises the importance of a successful Coventry city centre to the sub-region as a whole in its strategy. The proposed extension of the Public Realm Phase 2 is closely aligned with the "Unlocking Growth Potential" theme of the Coventry and Warwickshire Strategic Economic Plan (SEP), specifically by unlocking the potential for development on key new city centre employment sites.

### **6.3 How is risk being managed?**

- 6.3.1 Arrangements are in place within the Place Directorate to deliver the accountable body role ensuring that procedures are in place to manage risk for these five projects.
- 6.3.2 The financial risk associated with the ERDF sits with the Council. However the risk of claw back by DCLG and/or the EU is minimal so long as the expenditure is defrayed against eligible activity and in the permitted timeframe. This risk will be mitigated by the implementation of strict procedures for the project management of ERDF-funded work and ensuring that the risks for the two outside projects are devolved appropriately to the partner organisations. We will maintain close liaison with our monitoring officer in DCLG, and ensure that funding contracts awarded by the Council for the completion of infrastructure works place risk on the organisations which complete the works.
- 6.3.3 The Council has a good track record for maintaining and achieving significant financial controls and well established procedures for handling public funds and these will be applied to the ERDF projects in order to ensure that the best possible value is achieved for the EU's investment in the schemes. Therefore the view of officers is that risk of clawback for each scheme is minimal.
- 6.3.4 The Council has already put in place an External Funding Board, chaired by the Assistant Director Financial Management, with officers from both Place and Resources, whose role is to ensure that the Council satisfactorily carries out its legal responsibilities and manages the risks to the Council in holding these types of funds. The group sits alongside partnership decision making and strategy groups such as the CWLEP Board where investment policy is determined and spend proposals are approved.
- 6.3.5 The City Council's Resources & New Projects (RNP) Team is highly experience in dealing with external funding and will lead the programme management for all the various projects ensuring that suitable monitoring and governance arrangements are in place.
- 6.3.6 The individual projects will each have project officers/managers in place responsible for managing compliance with the funding requirements such as publicity, procurement and

for monitoring progress including making grant claims to DCLG. The highly experienced Planning, Transport & Highways division who have already successfully delivered Public Realm Phase 1 and parts of Phase 2 will continue to implement any successful public realm schemes.

- 6.3.7 The RNP Team will have regular meetings with all the projects to review overall progress and to liaise between them and the Governments Local Growth teams within DCLG and Department for Business Innovation and Skills (DBIS).

## **6.4 What is the impact on the organisation?**

### **6.4.1 HR Implications**

- 6.4.2 To ensure successful delivery of these large projects and the Council's ability to provide an adequate accountable body function, additional staff resources may be required and will be recruited through the council's authorised recruitment protocols. Staff are already in place for the existing ERDF-funded projects and they may be able to continue to carry out this function and take on the new projects.

## **6.5 Equalities / EIA**

- 6.5.1 Each of the infrastructure projects will undertake an Equality Impact Assessment as part of project development and impact.

## **6.6 Implications for (or impact on) the environment**

- 6.6.1 The large scale infrastructure projects will have an impact on the environment in the city centre. All businesses are now very conscious of energy costs. At the point of making investments in plant and machinery or indeed property the opportunity to reduce energy consumption per unit of output is invariably taken. The Far Gosford Street projects and the CTM are all aimed at improving the visual environment of the city centre.

## **6.7 Implications for partner organisations?**

- 6.2.1 The CTM project extension will help to increase the number of individuals visiting the museum and the improved conference facilities will provide an important income stream for the museum, and support increased levels of business tourism within Coventry.
- 6.2.2 Private sector developers and Coventry University stand to benefit from the proposed extension to the Public Realm Phase 2 programme. The proposed Gosford Street public realm improvements would significantly improve pedestrian access to Coventry University (hence the university committing funds of its own resources to the project). In addition, the public realm activities at the Canal Basin, Belgrade Plaza and Broadgate/Hertford Street would increase the attractiveness of these sites to private sector developers, and is likely to bring new employment land forward for development (again, this is reflected by the fact private sector developers have committed to provide some of their own resources to develop the first two sites in question).



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**Scrutiny  
Annual Report  
to Council  
  
2013/2014**

To be considered at the City Council meeting  
24 June 2014

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## Scrutiny Annual Report 2013/2014

### Introduction by Chair of Scrutiny Co-ordination Committee

The last year has seen many challenges facing local government and these have been felt as much in Coventry as anywhere else.

A quick glance at the scrutiny work programme for the year shows that it reflects the scale and breadth of the issues facing the city and I have been pleased to see how scrutiny has addressed them.

The scrutiny role is a challenging one. Scrutiny committees do not have any formal decision-making powers, but do have the authority to ask challenging questions of cabinet members, council officers and partner organisations to hold them to account for their plans and actions and to make recommendations about how to improve things for the people that live in, work in and visit Coventry.

This report summarises just a few examples of the work carried out by each of our scrutiny committees during the year. This has ranged from challenging the Council and partners about how we are responding to national economic challenges by supporting the creation of local jobs through business investment and procurement and helping local people affected by welfare reform, to reviewing the performance of organisations responsible for protecting and improving the health of local people, ensuring that the voice of the child is heard throughout our work with vulnerable children and responding to local concerns such as road safety.

I am pleased to present this review of scrutiny activity for the 2013/14 council year. I am grateful to all of the scrutiny chairs and committee members who have carried out this work and would like to take this opportunity to thank those local people, partners and officers who have made valuable contributions during the year.



A handwritten signature in black ink that reads "C. Fletcher". The signature is written in a cursive style.

Councillor Colleen Fletcher  
Chair, Scrutiny Co-ordination Committee 2013/14

## Scrutiny Co-ordination Committee

### Remit

In 2013-2014 the Committee was responsible for overseeing the Scrutiny function (including call-ins), considering cross-cutting issues and for the portfolios of the Cabinet Member (Policy, Leadership and Governance) and the Cabinet Member (Community Safety and Equalities). It was also designated as the as being the Board for oversight of crime and community safety.

### Membership

Councillors Councillors Abbott, Blundell, Clifford (Deputy Chair), Fletcher (Chair), T Khan, Sandy, Skipper, Thomas, Taylor.

Co-opted members for education matters: Mr R. Potter (Roman Catholic Church), Mrs S. Hanson (Church of England), Ms Kelly Jones (Primary Parent Governors) and 2 vacancies (Secondary Parent Governors and Other Faiths).

### Activities and outcomes

At the start of the year, Scrutiny Co-ordination Committee reviewed the priority issues that had been identified at initial meetings of the boards to ensure a balanced scrutiny work programme. This was particularly important in the context of changes to the remits of scrutiny boards, including a reduction from six to five.

No decisions made by Cabinet or Cabinet Members were called in for Scrutiny consideration during the year.

The Board also scrutinised a range of issues under its remit and papers from their meetings are available via the weblink on page 21.

### Examples of Scrutiny work undertaken by the Committee in 2013/14

#### Welfare Reform

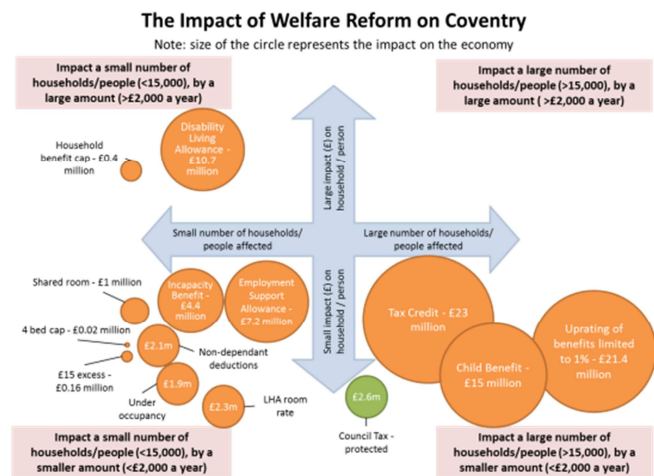


The government has introduced an unprecedented level of change through its programme of welfare reform and the Committee dedicated two of its meetings to reviewing the impacts on local people, communities and the city. Members heard evidence from Council officers and partners including Coventry Citizen's Advice Bureau, Coventry Law Centre, Department for Work and Pensions and

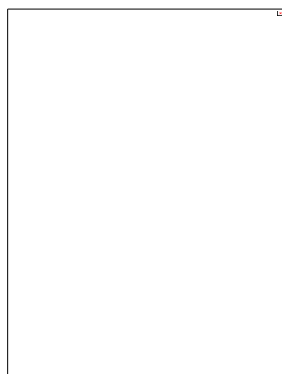
Whitefriars Housing about how local agencies are working together to address concerns and reviewed how the Council is administering Discretionary Housing Payments and the Community Support Grant Scheme.

Members welcomed the co-ordination of local activity taking place through the Coventry Partnership's Working Together on Welfare Reform Group and the in depth analysis of impacts that is helping plan for future need.

The Committee will continue to review the impacts of welfare reform in the next municipal year and in particular follow up actions and recommendations that they identified in relation to effect on people's wider health and wellbeing, impacts on disabled people, concerns relating to sanctions, the introduction of individual payments to households and the transition to Universal Credit.



## Houses in Multiple Occupation



Scrutiny Co-ordination Committee set up a task and finish group to look at options for addressing residents' concerns about Houses in Multiple Occupation (HiMOs). This was prompted by an increasing number of complaints made in the press and to councillors about these properties. Some of these concerns were directly linked to HiMOs, for example a high turnover of tenants, vacant properties at particular times of year and the quality and availability of family homes. Others such as parking issues and noise can occur in any type of housing.

Members on the Task and Finish Group, which included representatives of two residents groups, recognised that this is a complicated picture with lots of inter-related issues and no one easy solution. In addition, while shared houses may cause concerns for some people, they help meet a significant housing need for others unable to buy a property or rent on their own and these needs are increasing.

The Group were of the view that many of the concerns relating to shared housing stem from problems with absentee or less responsible landlords. They identified that additional work is required to further investigate issues related to the private rented sector, in particular to look at additional and selective licencing, landlords and letting agents.



The Group made three recommendations to Cabinet which were accepted about:

- carrying out further detailed investigation of the benefits of introducing an Article 4 Direction which would allow the council to manage HiMOs in neighbourhoods;
- exploring opportunities to work more closely with the universities and third sector organisations, particularly at the end of the academic year to promote re-use and recycling and reduce dumping; and
- better using existing enforcement powers across housing, environmental health and planning more effectively to manage issues caused by HiMOs and private rented sector houses, including waste and noise issues.

## Crime and Community Safety

The Committee is the designated crime and disorder committee with specific responsibility for overseeing work in this area. Members of the Coventry Community Safety Partnership attended two meetings of the Committee during the year for consideration of issues including the introduction of the Police and Crime Board and a review of 2013/14 performance.

Recorded Crime has been decreasing from a **peak in 1999** to **lowest level across 2013**  
(down by **40%** between the two periods)



Levels of Sexual offences and Domestic Violence across the same timeframe are relatively static; and making up ever increasing proportions of offences;  
(9% of all offences were domestic in 2013)

The committee heard about the links between crime and wider social issues that affect community safety. They were pleased to hear that overall recorded crime has continued to fall but were concerned about the numbers of sexual offences and domestic violence. They questioned partners on how effectively local organisations are working together to address the links between some of the causes and reviewed the priorities being considered for the Coventry Police, Crime and Community Safety Plan for 2014/15. The committee identified a number of issues that they will be keen to follow up including the importance of preventative work and how best practice in this area can be spread as widely as possible and issues relating to data sharing, particularly including how agencies share information when an issue that may have multiple causes is presented.

These will be reflected in the Committee's work next year, along with a check on progress with other related issues the committee considered during the year which included the Alcohol Strategy and the commissioning of domestic violence and abuse services.



## **Finance and Corporate Services Scrutiny Board (1)**

### **Remit**

In 2013/2014, the Scrutiny Board was responsible for the scrutiny of the portfolio of the Cabinet Member (Strategic Finance and Resources).

### **Membership**

Councillors Akhtar, Chater, Foster, Lakha, Miks, Sandy (Chair), Sawdon, Sehmi, Skipper

NB Councillor Thomas became a temporary member of the Board for two meetings during the period that Councillor Chater was made Acting Cabinet Member (Education).

### **Activities and outcomes**

The Board scrutinised a range of issues under its remit and papers from their meetings are available via the weblink on page 21.

### **Examples of Scrutiny work undertaken by the Board in 2013/2014**

#### **Procurement Strategy and Social Value Policy**

The Council's external spend amounts to some £300m per year and the delivery of an effective approach to procurement to maximise the outcomes from goods and services procured while reducing costs is a key priority. The Scrutiny Board reviewed progress against the Council's Procurement Strategy and challenged arrangements for monitoring, governance and compliance.

The Board was particularly keen to understand how the Council can use its buying power to deliver wider Council priorities. The Public Services (Social Value) Act requires public bodies in England and Wales to consider how procurement activity can improve the economic social and environmental well-being of the local area and the Board reviewed the draft Social Value Policy which was subject to public consultation. They explored how the policy could allow procurement activity to support local jobs and companies, including when subcontracting is involved and how it can address equality and diversity issues.

Procurement and access to public sector contracts in particular was also identified by representatives of the Chamber and Federation of Small Businesses at a meeting of the Business, Economy and Enterprise Scrutiny Board (3) which was scrutinising support to local small and medium sized enterprises. They made some positive comments about some of the approaches being taken by the City Council through its procurement activity such as improving access to tenders, breaking large contracts into smaller lots, not setting prohibitively high liability levels and the new e-tendering system operating across Coventry, Solihull and Warwickshire. The Board was recommended that the City Council and sector partners explore how the good practice that Coventry has developed can be promoted across other public sector bodies.

## Council Financial Position

The Council's financial position has remained a priority for Scrutiny and the Board has sought to ensure that the Council is managing its resources effectively in the context of the challenging financial climate.

The Board has reviewed progress against the Council transformation programme to ensure it is delivering the savings that have been built into the Council's budget and considered the progress of specific reviews.

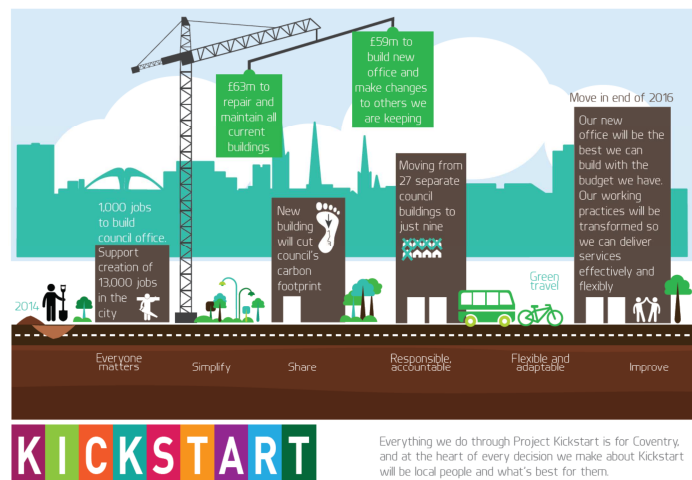


In considering the Council's Commercialisation and Income Maximisation Review, the Board looked at the revised charging policy to ensure that the Council was maximising income opportunities and using benchmarking information appropriately. They considered the Council's Medium Term Financial Strategy prior to it being approved by Cabinet and Council and made recommendations about improving the management of financial risks.

At its final meeting of the year, the Board reviewed the Council's Capital Programme. They were particularly concerned that the government had made no allocation of Basic Need Funding for the two financial years 2015-2017 which supports additional school places, which has been identified as a priority need for the city. They wanted to understand the reasons for this, what is being done to challenge this and the impact on both the school and the Council's finances.

## Kickstart

In June 2013 Full Council approved the Council rationalising its operational estate to start the Friargate business district in the City, with the aim of regenerating the City, transforming the Council and delivering savings. Between now and 2015 this will see the Council move from 27 buildings to nine and deliver financial savings while being the catalyst for transforming the way the Council works and deals with customers.



As well as oversight of the Council's finances, the Board scrutinises some of the key building blocks that are crucial to making the move successful including procurement, human resources, ICT and customer services.

During the year, the Board has particularly focussed on:

- the procurement arrangements for the new building to ensure that all opportunities are taken to promote employment for local people;
- plans being made to open the Council's single customer services centre in Broadgate House; the Board made recommendations, accepted by the Cabinet Member (Strategic Finance and Resources) that an equality impact analysis is carried out as soon as possible and that it addresses the needs of people with dementia as part of Coventry's aspiration to be a dementia friendly city;
- how the overall success of the Kickstart project is being tracked and the Board identified some of the measures that they would like to monitor on regeneration internal transformation and customers (including customer access to services; on-line systems that are fit for purpose, enabling people to do more for themselves and customer satisfaction).

## Education and Children's Services Scrutiny Board (2)

### Remit

In 2013/2014, the Scrutiny Board was responsible for the scrutiny of the portfolios of the Cabinet Member (Children and Young People) and the Cabinet Member, (Education).

### Membership

Councillors Abbott (Chair), Akhtar, Bains, Blundell, Clifford, Lakha, Lepoidevin, M. Mutton, Thomas.

Co-opted members for education matters: Mr R. Potter (Roman Catholic Church), Mrs S. Hanson (Church of England), Ms Kelly Jones (Primary Parent Governor) and 2 vacancies (Secondary Parent Governors and Other Faiths).

### Activities and outcomes

The Board scrutinised a range of issues under its remit and papers from their meetings are available via the weblink on page 21.

### Examples of Scrutiny work undertaken by the Board in 2013/2014

#### Adult Education and Employment

The Scrutiny Board asked the adult education service to report on the impact of increased fees on enrolment and how the service supports people into employment.



The Scrutiny Board congratulated the service for receiving a 'good' Ofsted result after its five day inspection in November 2013. The investigation identified some key strengths and noted the way that learners develop confidence, communication and interpersonal skills as part of the learning, which will enable them to progress onto further study or employment. The service shared their annual quality improvement

plan, which includes targets to address the areas for improvement that were identified by Ofsted in order to become an 'outstanding' provider.

There was wide discussion of this topic, with the Board questioning officers on the type and distribution of the 27 learning venues across the city, the planned destinations of learners on completion of courses, and how changes to the participation age will affect the service.

The service reported that the increase in fees has had some discernible impact on enrolments. For some types of courses the number of fee paying learners has dropped to 33% of the previous year's enrolment; however it was noted that this is reflected nationally due to the change in eligibility rules by the Department for Business, Innovation and Skills.

The Board was particularly interested in the links between the adult education services and wider social and economic issues. There was discussion about how adult education classes relate to the relatively new practice of social prescribing, where the medical profession prescribes activities to patients instead of, or to complement, traditional treatments. The Board also recommended that the service explores the links it has with the Job Strategy, to ensure that there is a coherent way in Coventry of supporting people into employment. The Jobs Strategy and wider employment issues will continue to be a priority for the Business, Economy and Enterprise Scrutiny Board (3) over the next municipal year.

### **Daniel Pelka Serious Case Review**

On 26<sup>th</sup> September 2013, the Board considered the Serious Case Review (SCR) report into the tragic death of Daniel Pelka. Due to the nature of the case there was understandable and significant public and media interest in this issue throughout the municipal year.

The meeting was an opportunity for the Board to question the members of the Local Safeguarding Children Board (LSCB) about issues identified in the SCR. Discussions included, among other issues: the progress and changes already made to services following Daniel's death, information sharing, schools' safeguarding protocols, the voice of the child and quality assurance. It was recommended that the Board receive reports on progress in three and six months.

The two update reports outlined the progress made on the 15 recommendations from the SCR and the Scrutiny Board questioned all partners involved on their specific progress. The Board identified a number of recurring themes over the three meetings that considered this issue, including:

- the implementation of domestic violence notifications going directly to schools and nurseries in the city,
- safeguarding training for school staff and school governors,
- progress towards implementing the Multi-Agency Safeguarding Hub and issues relating to working across organisations and systems, and
- information sharing, particularly across health services, to ensure that each professional has the full information necessary in order to identify any safeguarding concerns as early as possible.

The Board made recommendations where it was felt that further action should be taken and will continue to monitor the progress on the issues raised at these meetings through the LSCB's annual reports and through the Council's Improvement Plan for children's services.

### **Voice of the Child Task and Finish Group**

The voice of the child is an important central theme in children's social care and it is a constant priority of the Scrutiny Board. In 2013 the Voices of Care Council undertook a survey with children in care. In the under 12 age category 88% of those asked said that they did not feel that they were involved in the decisions made about them, and almost half of the respondents did not know or weren't sure

why they were in care. The results of the survey were discussed at the following Voices of Care meeting and the young people shared their views on the questions asked.

As a direct result of the issues raised at the Voices of Care meeting, the Scrutiny Board set up a Task and Finish Group to specifically consider the voice of the child. The group carried out a series of meetings with officers from different parts of the Council that are involved with how the voice of the child is heard. These meetings covered training, education, social workers, and Independent Reviewing Officers (IROs). The chair of the group then took the initial findings back to the Voices of Care Council to get their feedback and input.

There were many examples of good practice found in terms of the voice of the child and the group were keen to ensure that these examples were highlighted and also shared within the Council.

A number of consistent themes came out in the meetings:

- increased demand on the services and the resulting capacity issue mean that social workers and IROs are dealing with caseloads that are too high,
- consistency of practice was a problem in the majority of services, and
- the voice of the child is sometimes considered as an additional stage of a process, as opposed to the central focus.

The group made 15 recommendations that covered social work practice, training, life story work and communication. The group reported back to the Scrutiny Board about their findings, and the recommendations were accepted by the Cabinet Member (Children and Young People) on 8<sup>th</sup> April. The Cabinet Member asked that the recommendations be incorporated into the single improvement plan that is being developed for children's services.

## **Education**

The Board dedicated its December meeting to educational performance and held their meeting at Limbrick Wood Primary School.

The Board heard from the Coventry Teaching Schools' Network and Head Teachers from the Swan Alliance and Castle Phoenix Alliance and questioned them on how they were contributing to raising standards. They noted that there is no current national obligation for Teaching Schools to deliver any specific requirements in relation to children's safeguarding and asked for assurance that this is being addressed locally. A more detailed report to a future meeting confirmed that both of Coventry's alliances are talking a proactive lead in this area.

The Board also reviewed the recently published annual performance information for educational attainment, particularly looking at the progress being made by looked after children in Coventry. During the year, the Board also began to consider the significant challenges of increasing secondary school places in the city by 600 over the next 10 years, a subject to which it will return next year.

## **Business, Economy and Enterprise Scrutiny Board (3)**

### **Remit**

In 2013/2014, the Scrutiny Board was responsible for the scrutiny of the portfolio of the Cabinet Member (Business, Enterprise and Employment) and the Cabinet Member (Housing and Heritage).

### **Membership**

Councillors F Abbott, M Auluck, D Galliers, M Hammon, K Maton, T Skipper (Chair), K Taylor, S Walsh and D Welsh

### **Activities and outcomes**

The Board scrutinised a range of issues under its remit and papers from their meetings are available via the weblink on page 21.

## **Examples of Scrutiny work undertaken by the Board in 2013/2014**

### **Support for Business Investment in Coventry**

The Board dedicated a whole meeting to issues relating to business support in Coventry. Representatives from the Chamber of Commerce and the Federation of Small Businesses gave presentations outlining the current local business support arrangements. The Council's Economy and Jobs Manager also contributed.

The Board was particularly interested in what is being done to encourage new business start-ups and the growth of existing businesses, as well as the constraints/barriers are to carrying out this work.

It was suggested that local authorities could become "enablers of growth" through their planning systems, ICT infrastructure and access to finance. The positive work being undertaken in the authority with regard to procurement and small and medium-sized enterprises (SMEs) was emphasised; the way the new e-tendering system operates across Coventry, Solihull and Warwickshire was particularly noted for the ways it is improving access to tenders, breaking large contracts into smaller lots and not setting prohibitively high liability levels aids SMEs to bid for contracts. The Board felt strongly that this good practice could be rolled out to other public sector employers such as the NHS and Police and asked for this to be explored.

Helping to build capacity and innovation in SMEs should be a priority for local authorities and partners and there is a role for both of the universities in this area.

Lack of skills held by employees in the workplace was recognised as a barrier to growth. Apprenticeships need to be encouraged especially for SMEs and the concern that SMEs feel that about spending time and money training up an apprentice only for them to go to a large employer once they have finished their apprenticeship needs addressing. These concerns have been picked up in the Coventry and Warwickshire Local Enterprise Partnership, Strategic Economic Plan and the Council's Jobs and Growth Strategy for Coventry 2014-2017.

## City Centre

A leading expert on the retail industry and a co-author of the *Grimsey Review, An Alternative Future for the High Street* Eva Pascoe attended a board meeting to discuss the relevance to Coventry of the recommendations in the Grimsey Review.



Eva Pascoe from the Grimsey Team with Cllr Lynette Kelly (Cabinet Member Business, Enterprise and Employment), Cllr Tony Skipper (Chair of the Scrutiny Board) and David Cockcroft (Assistant Director City Centre and Development Services)

Representatives from the Chamber of Commerce, the Business Improvement District, the Federation of Small Businesses and the Local Data Company attended and helped inform a really useful discussion on where Coventry's city centre wants to be positioned in the future.

The Board recognised the challenges that are facing all city centres, the growth of on-line shopping resulting in large retailers withdrawing their presence from high streets being of particular relevance to Coventry as it has a higher than average number of voids. The City Centre Task Force also gave a presentation highlighting its work in this area.

City centres need to serve multiple purposes, incorporating retail, residential and leisure offers. The Board Members were keen for the Council to investigate ways of encouraging independent retailers to locate in the city centre and making it as easy as possible with flexible arrangements, short term tenancies and without the retailer incurring huge outlays in the process.

The discussion generated interesting ideas about how the Council can engage residents more in how the future of the city centre could look and this work will be picked up in future community involvement work.

The item generated a lot of press coverage and it was very positive to be able to showcase some of the work the Scrutiny Board has been undertaking.



## Tourism Strategy

The Board held two meetings concerned with the need for a strategy to incorporate the promotion of business, conference and leisure tourism in the city. The initial meeting resulted in the Board Members recommending that the city needed a Tourism Strategy with a clear vision statement for Coventry.



Tourism cuts across many strategic themes such as regeneration, inward investment, culture and enterprise and so this is a key area of interest for Scrutiny Board members. *An Emerging Vision for Tourism Coventry 2014-2024* has been produced with the vision that “by 2024 Coventry will be internationally recognised as a compelling tourism destination of distinction; renowned for its quality and depth of its visitor experience across its diverse cultural, heritage, sport and events offer”.

The emerging strategy has a clear vision and distinct objectives which were welcomed by the Board.

The Board made recommendations around the need for the establishment of a Destination Management Organisation (DMO) for Coventry especially if we are serious about applying for City of Culture status. The establishment of a DMO will emphasise the fact that tourism is a major contributor to the local economy and the Board reiterated their desire for the Coventry and Warwickshire Local Enterprise Partnership’s Strategic Economic Plan to reflect a commitment to tourism in the sub-region.

## **Public Services, Energy and Environment Scrutiny Board (4)**

### **Remit**

In 2013/2014, the Scrutiny Board was responsible for the scrutiny of the portfolios of the Cabinet Member (Energy and Environment) and the Cabinet Member (Public Services) including issues relating to energy, the environment, street services, waste management, highways and lighting.

### **Membership**

Councillors Andrews, Auluck, Bains, Fletcher, Hammon, T Khan (Chair), McNicholas, Mulhall and Thay

### **Activities and outcomes**

The Board scrutinised a range of issues under its remit and papers from their meetings are available via the weblink on page 21.

## **Examples of Scrutiny work undertaken by the Board in 2013/2014**

### **20 mph zones and limits**



The City Council has experienced increasing demand for the introduction of 20 mph zones and limits around residential areas and schools. To date, the Council has considered petitions as individual requests but has no adopted policy for dealing with requests outside of the safety scheme process or for prioritising them.

In the light of the lack of a policy or framework against which to consider such requests, the Cabinet Member (Public Services) asked the Scrutiny Board to consider this matter and make recommendations on how to assess and prioritise requests for 20 mph zones and limits.

Between November 2013 and February 2014, a Task and Finish Group considered the need for a policy or framework against which requests for 20 mph zones or limits could be assessed. The Group reviewed information on the application of 20 mph restrictions in other local authority areas. They also devoted two of their meetings to hearing evidence from and asking questions of a number of organisations with an interest in the application and management of 20 mph zones and limits including: the 20's Plenty Campaign; Coventry Cycling Campaign; West Midlands Police; the Alliance of British Drivers; Centro; and Public Health.

The Task and Finish Group proposed a city wide approach to 20 mph restrictions and made recommendations about resourcing, objectives, prioritisation, monitoring and evaluation, consultation and engagement. The Cabinet Member (Public Services) accepted all nine of the recommendations and a detailed implementation plan is being drawn up for consideration early in 2014/15.

## **Flooding**

Flooding has been a regular item in the news this year and has had a major impact in communities across the country. While Coventry does not share the same levels of risk in relation to extreme the events that have affected some areas, the impact of local flooding can nevertheless have significant impacts on individuals, households and local communities.

The Scrutiny Board has been keen to ensure that the city has effective arrangements in place to identify and reduce risks, while also having the appropriate plans to respond to any flooding incidents that do occur.



River Flooding, Butt Lane

The Board questioned Council Officers on a range of issues in relation Council plans on Flood Risk Management, Surface Water Management and the provision of sandbags during flooding. Members of the Board recognised progress made during the year including the recruitment of officers with responsibility for flood risk management and work with designated flood risk partners.

The Board made recommendations about the application of the sandbag policy, the need for further work in promoting the responsibilities of landowners in maintaining watercourses and the development of examples of actions and interventions for different situations to help local people understand what kind of responses they can expect.

## **Energy and the Environment**

The Board examined a number of issues that affect the environment in the city. These included progress with the Heatline District Energy Network, the Council's Climate Change Strategy and the Switch and Save initiative.

The Council reviewed the priorities in the revised Climate Change Strategy and sought assurances about effective engagement with private sector landlords in relation to energy efficiency to help reduce fuel poverty, the effectiveness of planned actions in reducing flood risk, how climate change is being addressed in the school curriculum and the extent to which the Strategy's aim to develop a low carbon economy was contributing to the council's objective of creating jobs and growing the city's economy.



Councillors scrutinised the outcomes of the Coventry Switch and Save initiative, which had been run in the city following a successful bid to the Government's Cheaper Energy Together fund. Collective switching can take place when consumers get together to negotiate a group deal with their gas and electricity suppliers and Coventry's scheme was designed to enable as many Coventry residents as possible to achieve lower energy bills, with a specific focus on helping low income 'hard to reach' groups that might not ordinarily consider switching.

Tackling fuel poverty is a high priority for the Council and Councillors welcomed the efforts of staff and partner organisations to protect vulnerable people through this and other initiatives. However, they were particularly concerned at the costs of the national initiative which saw an investment of £231 for a saving of just £126 per switcher giving a very poor return on the £5m investment under Cheaper Energy Together. The Board asked the Chair to write to the Minister and Energy Regulator to express their concerns and set out how improvements could be made to any future initiatives.

## **Health and Social Care Scrutiny Board (5)**

### **Remit**

In 2013/2014, the Scrutiny Board was responsible for the scrutiny of health, adult social care and health inequalities, including the portfolio of the Cabinet Member (Health and Adult Services).

### **Membership**

Councillors Ali, J Clifford, C Fletcher, Hetherington, J Mutton, H Noonan, Sehmi, Thomas (Chair) and Williams  
Co-opted Member Mr D Spurgeon

### **Activities and outcomes**

The Board scrutinised a range of issues under its remit and papers from their meetings are available via the weblink on page 21.

## **Examples of Scrutiny work undertaken by the Board in 2013/2014**

### **New Health Structures**

Following the introduction of the Health and Social Care Act (2012) there has been considerable NHS organisational change both nationally and locally. The Board met with and scrutinised several of these new bodies over the course of the year.

The new Coventry and Rugby Clinical Commissioning Group, whose governance is led by local GPs, met with the Board on a number of occasions to discuss their establishment and developing plans to commission for improved health outcomes.

NHS England also attended a number of meetings to discuss their proposals for changes and improvements to primary care in the City. The Local Area Team of NHS England is responsible for commissioning all primary care in the City and a number of other specialist services.

The Board also welcomed a representative of the new patient and consumer champion for health and social care, Healthwatch to the Board from October. This body which replaces the predecessor Local Involvement Network used its statutory powers for the first time in March when it requested the Board's assistance in issues raised by patients requiring renal dialysis. This issue will hopefully be followed up by the new Board in 2014/15.

## Winter Pressure

The Board was aware of reports that in the Winter of 2012/13 pressures on hospitals services at the University Hospital site reached critical levels. Pressure on Accident and Emergency Services was the topic most commonly discussed in the media however, whilst investigating this issue the Board found the actual causes were more widespread.



The Board formally requested that University Hospitals Coventry and Warwickshire (UHCW) present their plans for avoiding a repeat of these circumstances, aware that the Department of Health had provided acute trusts with additional central resources for this purpose. UHCW presented a thorough analysis of the problems they had experienced previously and a comprehensive set of proposals to better manage all resources within the hospital, rather than simply changes to Accident and Emergency. The chaos experienced in some other similar hospitals was not repeated in Coventry despite high demands for care.

## Safeguarding

As well as receiving the Annual Report of the Coventry Safeguarding Adults Board in September, the Board also had the task of giving consideration to the Serious Case Review into the death of a vulnerable adult Mrs D died as a result of septicaemia following an accident, brief period of hospitalisation and a series of other interventions.

Serious Case Reviews are held in circumstances in which a number of different agencies failed to work together in the best interests of patients and the Scrutiny Board met with representatives of all of the agencies who took part in the Serious Case Review in December. The Board found that the recommendations in the Executive Summary were comprehensive and thorough. The Board will return at the appropriate time to this issue to ensure that the recommendations have been fully enacted.

## **Details of how to find out more about Scrutiny**

Agendas, reports and minutes for all Scrutiny meetings are on the Council's website at

[http://www.coventry.gov.uk/info/354/council\\_meetings](http://www.coventry.gov.uk/info/354/council_meetings)

More information on Scrutiny at Coventry City Council is available on the Council's website at [www.coventry.gov.uk/scrutiny](http://www.coventry.gov.uk/scrutiny) or from:

Scrutiny Team

Coventry City Council

Council House

Earl Street

Coventry City Council

CV1 5RR

Tel: 024 7683 1122

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Council

24 June 2014

**Name of Cabinet Member:**

Cabinet Member (Policing and Equalities) – Councillor Townshend

**Director Approving Submission of the report:**

Chris West, Executive Director Resources

**Ward(s) affected:**

All Wards

**Title: Community Governance Review - Petition**

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**Is this a key decision?**

No. However, this issue is reserved for deliberation at Full Council.

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**Executive Summary:**

At the Council Meeting on 3<sup>rd</sup> December 2013, the Council received a petition signed by 711 people requesting the creation of a parish council in the Finham area of the City. In accordance with the Local Government and Public Involvement in Health Act 2007, the Council is now required to conduct a Community Governance review for this area. The purpose of this report is to agree the terms of reference for the review together with the timetable.

**Recommendations:**

That the Council approve the terms of reference of the review and agree the required consultation process and timetable.

**List of Appendices included:**

Terms of reference for Parish Review – Appendix 1

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No – it is a matter reserved for full Council

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

## **Report title: Community Governance Review - Petition**

### **1. Context (or background)**

- 1.1 At its meeting on 3<sup>rd</sup> December 2013 the Council received a petition signed by 711 residents requesting the creation of a parish council for the Finham area of the City as shown on the Plan attached to Appendix 1.
- 1.2 In accordance with the Local Government and Public Involvement in Health Act 2007 (LG&PIHA 2007), the Council is required to conduct a review following the receipt of such a petition.
- 1.3 Creation of, or changes to, Parish Councils are governed by a process known as a Community Governance Review. This involves a review of the whole or part of the principal council's area for the purpose of making recommendations with regard to creating, merging or abolishing parishes, the naming of parishes, the electoral arrangements for parishes and grouping arrangements for parishes.
- 1.4 Under the LG&PIHA 2007 it is for councils to determine the terms of reference for the review, and this report sets out the proposed terms at Appendix 1.

### **2. Options considered and recommended proposal**

- 2.1 The LG&PIHA 2007 provides for a principal council to conduct a community governance review at any time. Government guidance states that councils will want to keep their community governance arrangements under review, particularly following a major change in the population of the community such as the impact of new housing developments on existing parish boundaries. It suggests that in the interests of effective governance, the council should consider the benefits of undertaking a review of the whole area in one go but recognises that this is not always warranted. A review may also be requested by petition, as in this case.
- 2.2 There are two options for the Council to consider in undertaking the review:
  - a) To respond solely to the petitioners' request, and consult on and investigate the establishment of a Parish Council in the Finham area of Coventry, or
  - b) To take this opportunity to undertake a wider review of the arrangements for community representation, reviewing the arrangements for Parish Councils in other areas of the City.
- 2.3 Due to other commitments at this time with the introduction of Individual Electoral Registration and the Parliamentary and Local Elections in May 2015, adequate resource is not available within the Electoral Services Team to conduct a full community governance review for the whole city. It is therefore suggested that the review should be restricted to the petition area. The petition area is part of Wainbody Ward and is polling district Pb and Pc totalling 3862 local government electors.
- 2.4 The specifics of how the Council undertakes the review are not mandated, but must take account of the views of local residents and consider the current arrangements for community representation, e.g. neighbourhood forums or residents' associations.
- 2.5 Under the LGPIH Act 2007 principal councils are required to consult both those local government electors in the area under review, and others which appears to the principal council to have an interest in the review. Other bodies might include local businesses,

local public and voluntary organisations – such as schools or health bodies. The principal council must take into account any representations it receives as part of a community governance review.

- 2.6 Once the results of the consultation exercise are received the Council is required to make recommendations as to:
  - a) whether a new parish or any new parishes should be constituted
  - b) whether existing parishes should or should not be abolished or whether the area of existing parishes should be altered or
  - c) what the electoral arrangements for new or existing parishes, which are to have parish councils, should be.
- 2.7 It may also make recommendations about:
  - a) the grouping or degrouping of parishes
  - b) adding parishes to an existing group of parishes or
  - c) making related alterations to the boundaries of a principal councils' electoral areas
- 2.8 In deciding what recommendations to make, the principal council must have regard to the need to secure that community governance reflects the identities and interests of the community in that area and is effective and convenient. The 2007 Act provides that it must also take into account any other arrangements (apart from those relating to parishes and their institutions) that have already been made, or that could be made, for the purposes of community representation or community engagement.
- 2.9 The recommendations must take account of any representations received, should be supported by evidence and demonstrate that the recommended community governance arrangements would meet the criteria set out in the 2007 Act. Where a principal council has conducted a review following the receipt of a petition, it will remain open to the council to make a recommendation which is different to the recommendation which the petitioners wished the review to make. This will particularly be the case when the petition recommendation is not in the interests of the wider local community, such as where giving effect to it would be likely to damage community relations by dividing communities along ethnic, religious or cultural lines.
- 2.10 In making its recommendations, the review should consider the information it has received in the form of expressions of local opinion on the matters considered by the review, representations made by local people and other interested persons, and also use its own knowledge of the local area. It may be that much of this information can be gained through the consultation which the council will have held with local people and also the council's wider engagement with local people on other matters. In taking this evidence into account and judging the criteria in the 2007 Act against it, a principal council may reasonably conclude that a recommendation set out in a petition should not be made.
- 2.11 Under the 2007 Act the principal council must both publish its recommendations and ensure that those who may have an interest are informed of them. In taking a decision as to whether or not to give effect to a recommendation, the principal council must have regard to the statutory criteria. After taking a decision on the extent to which the council will give effect to the recommendations made in a community governance review, the council must publish its decision and its reasons for taking the decision. It must also take sufficient steps to ensure that persons who may be interested in the review are informed of the decision and the reasons for it.
- 2.12 Draft terms of reference, outlining the approach to be taken for the Finham petition area are attached to this report at Appendix 1.

### **3. Results of consultation undertaken**

- 3.1 The receipt of the petition from local residents has triggered the start of the Community Governance Review. As set out above, consultation forms an important part of the review itself.

### **4. Timetable for implementing this decision**

- 4.1 The council is required to agree the terms of reference for the review and complete the review within 12 months of the start of the community governance review. The review begins when the council publishes the terms of reference for the review and concludes when the council publishes the recommendations made in the review. The terms of reference for the review are attached at Appendix 1 to the report and include a draft timetable for consultation and implementation of the recommendations.

### **Comments from Executive Director, Resources**

#### **5.1 Financial implications**

- 5.2 Assuming the review is restricted to the Finham petition area, the costs of communicating with electors are estimated to be approximately £4,000. There is sufficient budget and resource within the Electoral Services team to conduct the review. If the review is extended then due to the current commitments on the team with the transition to Individual Electoral Registration and preparing for the Parliamentary and Local Elections 2015 there would not be sufficient resource and additional resource would need to be provided.

- 5.4 If as a result of the Review, a new parish council is created, there will be financial implications for those residents within the parish area. Parish councils are entitled to levy a precept on each property in their area for the purposes of funding the parish councils' activities. Residents will be made aware of this implication during the consultation exercise.

#### **5.5 Legal implications**

Part 4 of the Local Government and Public Involvement in Health Act 2007 sets out the requirements for undertaking a Community Governance Review. When carrying out the review, the Council is also required to have regard to Guidance on community governance reviews issued by the Department of Communities and Local Government. Officers will ensure the review is carried out in line with these requirements.

### **6. Other implications**

#### **6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

Reviewing the City's governance arrangements is in line with the Coventry Sustainable Community Strategy - "developing a more equal city with cohesive communities and neighbourhoods".

#### **6.2 How is risk being managed?**

In conducting the review, the Council's Electoral Services Team will maintain a comprehensive risk register to monitor the progress of the review.

### 6.3 What is the impact on the organisation?

None arising from this report.

### 6.4 Equalities

In consulting with residents, the Council will ensure that it complies with its duties under the Equality Act 2010.

### 6.5 Implications for (or impact on) the environment

None

### 6.6 Implications for partner organisations?

During the consultation the Council will be consulting with residents within the Finham area, including local residents' associations and community groups. As part of the review, residents from outside the proposed Parish area will have an opportunity to comment, including representatives from Keresely Parish Council and Allesley Parish Council.

#### Report author(s):

#### Name and job title:

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Resources

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Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
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Martyn Harris	Electoral Services Officer	Resources	02.06.14	09.06.14
Adrian West	Team Manager – Members and Elections	Resources	02.06.14	16.06.14
<b>Names of approvers for submission:</b> (officers and members)				
Executive Director – Resources	Chris West	Resources	16.06.14	16.06.14
Legal: Carol Bradford	Legal Officer	Resources	16.06.14	16.06.14

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## **Community Governance Review – Terms of Reference for Review of Finham Area**

### **Background**

In December 2013, the Council received a petition bearing 711 signatures, requesting that the Council that the Council undertakes a Community Governance Review with a view to establishing a Parish Council in the Finham area of the City. The area is shown on the attached plan.

In accordance with the Local Government and Public Involvement in Health Act 2007 the Council is now required to conduct a Community Governance review for this area. The scope of the review and timetable are detailed below:

The Council will undertake the review in line with Part 4 of the Local Government and Public Involvement in Health Act 2007. The review will comply with the legislative requirements of the Act, have regard for the associated statutory guidance and will be conducted in accordance with these terms of reference.

### **Scope of the Review**

In response to the Petition, the review will consider whether the existing Governance arrangements in place for the Finham area of the City:

- Reflect the identities and interests of the communities in that area; and
- Are effective and convenient to local people.

When carrying out the community governance review the Council must also take into account other existing or potential community governance arrangements (such as local residents' associations, neighbourhood forums or other forums) in determining what parish arrangements to recommend.

The review will be conducted in two stages, to ensure as many residents and other bodies as possible have an opportunity to contribute to the process.

#### **Stage One**

As this review is in response to the specific request for the establishment of a Parish Council, the first stage of the review will consist of consultation with local government electors in the affected area. Residents would receive information from the Council, setting out the implications for residents of establishing a new parish area. The results of the consultation exercise and draft proposals would then be considered by full Council.

#### **Stage Two**

At this stage of the review, the draft proposals will be consulted on, and residents and other bodies would have opportunity to comment before any decision is made. During this stage, residents from outside of the area will also have the opportunity to comment generally through a general consultation exercise.

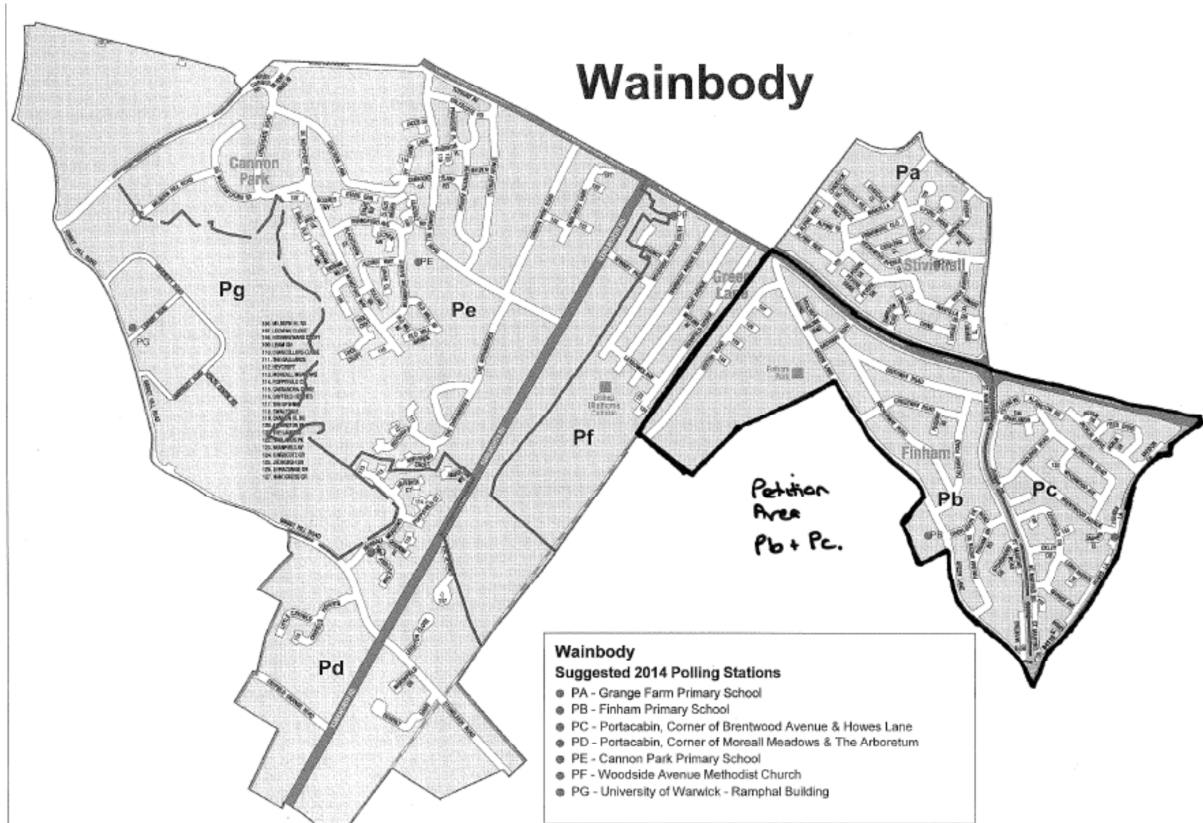
Following the consultation exercise, the results of the consultation and recommendations will be considered by full Council before making a decision about the establishment of a new parish council.

Appendix 1

Timetable for the Review

Stage 1	Description	Date(s)
	Council Meeting	24 June 2014
	Consultation meeting with Petitioners	
	Consultation with Local Government Electors	
	Deadline for consultation	
	Result of consultation compiled	
Stage 2	Council Meeting	14 October 2014
	Publication of draft proposals, in light of consultation with local government electors	
	Consultation meeting with Petitioners	
	Consultation exercise	
	End of consultation	
Stage 3	Council Meeting to agree final proposals	13 January 2015
	If the proposal is to create a Parish the following stages will need to take place	
	Prepare Order for Creation of Parish Council	January 2015
	Creation of Parish Council	April 2015
	Election to Parish Council	May 2015





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## Public report

Council Report

Council

24 June 2014

### **Name of Cabinet Member:**

Councillor Ann Lucas, OBE (Leader)

### **Director Approving Submission of the report:**

Executive Director, Resources

### **Ward(s) affected:**

None

### **Title:**

Annual Report from the Leader to the Council on Key Decisions made under Special Urgency Provisions

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### **Is this a key decision?**

No

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### **Executive Summary:**

The Leader must submit to the Council at the first ordinary meeting after the Annual Meeting a Report of Key decisions made in the previous year where the Special Urgency provisions were used. This applies where it is not practicable to give notice at least 5 clear days in advance before a Key decision is made.

The Leader is reporting that there were no such cases during the past year.

### **Recommendations:**

*That the City Council approves the Annual Report from the Leader on the use of Special Urgency provisions in the past year.*

**List of Appendices included:**

None.

**Other useful background papers:**

- The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012
- The City Council's Constitution

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

Yes – 24 June 2014

**Report title:**

The Annual Report from the Leader to the Council on Key Decisions made under Special Urgency Provisions

**1. Context (or background)**

- 1.1 Special Urgency provisions are used where it is impracticable to give at least 5 clear days' notice of the intention to make a Key Decision.
- 1.2 The Leader of the Council must submit an Annual Report to the Council containing details of each Key Decision taken during the period since the last report was submitted where the making of the key decision was agreed as urgent. The Council's Constitution requires that this report be presented at the first ordinary meeting of the Council after the Annual Meeting.
- 1.3 The Leader hereby reports that there were no cases in the past year where the Council did not give at least 5 clear days' notice before making a Key decision.

**2. Comments from Director of Finance and Legal Services****2.1 Financial implications**

None

**2.2 Legal implications**

The Leader must make this report to Council in order to meet statutory requirements and comply with the Council's Constitution.

**3. Other implications**

None

**4.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)**

This report is evidence that the Council has met its statutory requirements and given at least 5 clear days' notice of all Key decisions made in the past year.

**4.2 How is risk being managed?**

By presenting this Report to Council the Leader avoids any reputational risk that could arise from failure to meet the Council's statutory and constitutional requirements

**4.3 What is the impact on the organisation?**

None

**4.4 Equalities / EIA**

None

#### 4.5 Implications for (or impact on) the environment

None

#### 4.6 Implications for partner organisations?

None

**Report author(s):** Hugh Peacocke

**Name and job title:** Governance Services Manager

**Directorate:** Resources

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Other members				
<b>Names of approvers for submission:</b> (officers and members)				
Finance: Neil Chamberlain	Finance Manager	Resources	29 May 2014	29 May 2014
Legal: Carol Bradford	Locum Legal Officer	Legal & Democratic Services	28 May 2014	30 May 2014
Director: Chris West	Executive Director	Resources	28 May 2014	13 June 2014
Members: Councillor Mrs Ann Lucas, OBE	Leader		28 May 2014	9 June 2014

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Council

24 June 2014

**Name of Cabinet Member:**

Children and Young People – Councillor Ruane

**Scrutiny Chair Approving Submission of the report:**

Education and Children's Services – Councillor Abbott, (Chair of the Scrutiny Board 2013/14)

**Ward(s) affected:**

All

**Title:**

Serious Case Review Report into the Death of Daniel Pelka – Progress Report from Education and Children's Services Scrutiny Board

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**Is this a key decision?**

No

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**Executive Summary:**

Daniel Pelka was murdered in March 2012 by his mother and stepfather. Following their conviction in July 2013, and subsequent sentencing in August 2013, the Daniel Pelka Serious Case Review (SCR) report was published on Tuesday 17th September 2013.

In line with statutory guidance a SCR was commissioned to investigate and analyse the circumstances into Daniel's abuse and death. A SCR is held whenever a vulnerable child dies or is seriously injured or impaired and abuse or neglect is known or suspected to have been a factor.

The SCR report made 15 recommendations to local partners, covering domestic abuse, referral and assessment processes, training of staff, practice in schools and health as well as the requirement to disseminate messages to the Children's Workforce.

The extra-ordinary meeting of the Council which took place on 10<sup>th</sup> October 2013 passed a resolution requesting that it receive a 6 monthly update report from Education and Children's Services Scrutiny Board (2) on delivery against the multi-agency action plan agreed through the independent Local Safeguarding Children Board.

**Recommendations:**

1. Council is recommended to:
  - a) Note the work of the Education and Children's Services Scrutiny Board (2) carried out to date and endorse proposed future action.

**List of Appendices included:**

None

**Other useful background papers:**

Agenda and papers, including the Serious Case Review Overview Report, for the Education and Children's Services Scrutiny Board (2) meeting held on Thursday 26<sup>th</sup> September 2013  
<http://democraticservices.coventry.gov.uk/documents/s13038/Daniel%20Pelka%20Serious%20Case%20Review%20SCR.pdf>

Agenda and papers, including progress on the implementation of recommendations after three months, for the Education and Children's Services Scrutiny Board (2) meeting held on Thursday 16<sup>th</sup> January 2014  
<http://democraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=569&MId=9974&Ver=4>

Agenda and papers, including progress on the implementation of recommendations after six months, for the Education and Children's Services Scrutiny Board (2) meeting held on Thursday 27<sup>th</sup> March 2014  
<http://democraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=569&MId=9976&Ver=4>

Agenda and papers, including progress on council actions arising from the serious case review after six months, for the Education and Children's Services Scrutiny Board (2) meeting held on Thursday 3<sup>rd</sup> April 2014  
<http://democraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=569&MId=10137&Ver=4>

**Has it been or will it be considered by Scrutiny?**

The Education and Children's Services Scrutiny Board (2) has considered the Serious Case review and progress reports on the dates shown above.

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

Yes – 24<sup>th</sup> June, 2014



**Report title:**

Serious Case Review Report into the Death of Daniel Pelka – Progress Report from Education and Children's Services Scrutiny Board

**1. Context (or background)**

1.1 Following the publication of the Serious Case Review publication in September 2013, the Education and Children's Services Scrutiny Board (2) has considered progress reports from the Coventry Safeguarding Children Board. The extra-ordinary meeting of the Council which took place on 10<sup>th</sup> October 2013 passed a resolution requesting that it receive a 6 monthly update report from Education and Children's Services Scrutiny Board (2) on delivery against the multi-agency action plan agreed through the independent Local Safeguarding Children Board. This report summarises the activity of the Scrutiny Board and the progress made. The detailed progress reports considered by the board are available on the Council's website, links to which are provided on page 2 of this report, together with detailed minutes of the meetings.

**2. Options considered and recommended proposal**

2.1 The Education and Children's Services Scrutiny Board (2) has held three meetings to consider the SCR and progress against recommendations. Representatives of members of the Coventry Safeguarding Children Board (CSCB) were asked to attend the meetings and officers from Coventry City Council, Coventry and Rugby Clinical Commissioning Group, Coventry and Warwickshire Partnership NHS Trust, NHS England, University Hospitals Coventry and Warwickshire NHS Trust, West Midlands Police all participated. In addition to the Independent Chair of the CSCB, other independent safeguarding experts who had contributed to the SCR, analysis and progress monitoring also contributed to the meetings.

2.2 The Scrutiny Board considered the SCR In September 2013, shortly after it was published. The Scrutiny Board questioned and sought assurance from representatives of the CSCB about progress on a wide range of issues particularly focussing on: record keeping, information sharing and working arrangements between agencies; how incidents of domestic violence are being addressed in child protection; the effectiveness of quality and audit processes; how the voice of the child is heard; leadership and performance of the CSCB; and resourcing, particularly in children's social care. The Scrutiny Board asked for further clarification on a number of issues which were provided and published.

2.3 On 16<sup>th</sup> January 2014, the Scrutiny Board considered a progress report on implementation of recommendations from the SCR. They again questioned representatives of the CSCB on progress against the original recommendations and the issues raised at the previous Scrutiny Board meeting in September. They returned to issues including changes in the way domestic violence is now being dealt with and plans for the development of a multiagency safeguarding hub, information sharing between agencies and how improvements are being monitored and evidence. The Scrutiny Board raised concerns about: the availability of and access to safeguarding training for school staff and governors; arrangements for communicating domestic violence alerts to schools and nurseries; and the government's rejection of funding approved by the Coventry Schools Forum to support safeguarding work. The Scrutiny Board identified the issues that it particularly wanted addressing by the CSCB at the next review meeting.

- 2.4 On 27<sup>th</sup> March 2014, the Scrutiny Board considered a progress report on implementation of recommendations at six months, together with the deeper analysis that had been completed at the request of the Minister for Children and Families. The independent authors of the both the progress and deeper analysis reports attended to answer questions. Again, the Scrutiny Board reviewed progress and outstanding issues in relation to joint working between partners on a range of issues. In particular they focussed on a number of issues relating to the health sector including health visitor training, the use of whole family records and the levels of engagement from GPs. They also discussed the importance of early intervention and asked that the Early Help Strategy Action Plan be shared with the Scrutiny Board. In the week before the meeting, Ofsted had published its report into Children's Services and the effectiveness of the local safeguarding children board, both judged as inadequate and while this was to be the subject of a full council meeting, issues raised in the report also informed the Scrutiny Board's questions.
- 2.5 In addition, on 3<sup>rd</sup> April 2014 the Scrutiny Board also considered a progress report from the City Council on the actions arising from the SCR for which it is directly responsible. This explored in more detail resourcing, capacity and culture issues in Children's Services, progress on information sharing and changes to arrangements for notifications to schools and nurseries and how the thresholds, procedures and responsibilities under the Common Assessment Framework are understood and applied consistently within schools, social care and other agencies.
- 2.6 During this period, a task and finish group of the Scrutiny Board looked into how the voice of the child is currently heard by children's social care and the ways in which it could be improved. Their report was approved by the Scrutiny Board on 3<sup>rd</sup> April and the 15 recommendations were accepted by the Cabinet Member (Children and Young People) on 8<sup>th</sup> April.
- 2.7 Over this period, the Scrutiny Board acknowledged the progress that had been made in response to the SCR, while recognising the scale of the challenges that still remain, many of which were highlighted in the Ofsted report. The Scrutiny Board will set its work programme for 2014/15 at its first meeting of the new municipal year and will ensure that it continues to review progress and outstanding areas of concern. The Scrutiny Board has asked to receive the Annual Report of the CSCB in July and will continue to ensure that issues identified by the SCR are being addressed in the Scrutiny Board's work. In relation to the Council's specific responsibilities, at its extraordinary meeting of 10<sup>th</sup> April 2014, the Council asked that Scrutiny receive regular updates from the Improvement Board for Children's Services and the Board will scrutinise these.
- 2.8 The Education and Children's Services Scrutiny Board will continue to maintain oversight of progress made by the CSCB and the Children's Services Improvement Board. In addition to oversight of Children's Services, Scrutiny also has designated committees with responsibilities for other related issues including Crime and Disorder and for Health. Scrutiny will ensure through its work programme that relevant Boards also test out how well priorities and learning from the SCR are being embedded in day to day working.

### **3. Results of consultation undertaken**

- 3.1 No consultation has been undertaken in relation to this report. Partner agencies have been involved in identifying and carrying out actions in response to the SCR.

#### **4. Timetable for implementing this decision**

- 4.1 The 2014/15 scrutiny work programme will be developed and agreed at the initial meetings during June and July and will continue to reflect the issues identified by the Education and Children's Services Scrutiny Board.

#### **5. Comments from Executive Director, Resources**

- 5.1 Financial Implications  
There are no financial implications arising from this report.

- 5.2 Legal implications  
There are no legal implications arising from this report.

#### **6. Other implications**

**6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

The work of the Education and Children's Services Scrutiny Board (2) supports the Council's corporate priorities to protect and support the City's most vulnerable people and to keep children safe from harm.

**6.2 How is risk being managed?**

There are no additional risks arising from this report.

**6.3 What is the impact on the organisation?**

There are no additional organisational impacts arising from this report.

**6.4 Equalities / EIA**

There are no additional equalities issues arising from this report.

**6.5 Implications for (or impact on) the environment**

None

**6.6 Implications for partner organisations?**

Partner organisations are involved through the Coventry Safeguarding Children Board.

**Report authors:**

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Cllr Innes	Chair Education and Children's Services SB2 2014/15		11.06.14	12.06.14

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