

**Time and Date**

2.00 pm on Tuesday, 29th November 2016

**Place**

Committee Rooms 2 and 3 - Council House

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**Public business**

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes** (Pages 5 - 14)
  - (a) To agree the minutes from the meeting of Cabinet on 1<sup>st</sup> November 2016
  - (b) Matters arising
4. **Exclusion of Press And Public**

To consider whether to exclude the press and public for the item(s) of private business for the reasons shown in the report.
5. **2016/17 Second Quarter Financial Monitoring Report** (Pages 15 - 36)

Report of the Executive Director of Resources
6. **Pre-Budget Report 2017/2018** (Pages 37 - 58)

Report of the Executive Director of Resources
7. **Unaccompanied Asylum Seeking Children - National Transfer Scheme** (Pages 59 - 70)

Report of the Executive Director of People
8. **Outcome of Fair Funding Consultation** (Pages 71 - 84)

Report of the Executive Director of Resources
9. **Academies Act 2010 - Grant of Long Leases to Proposed Academy Conversion of Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools** (Pages 85 - 178)

Report of the Executive Director of People

10. **Creation of a City Centre Public Spaces Protection Order - Public Consultation** (Pages 179 - 212)  
Report of the Executive Director of Place
11. **Bus Lane Review** (Pages 213 - 230)  
Report of the Executive Director of Place
12. **Boundary Commission for England Review of Parliamentary Constituencies: Consultation Response** (Pages 231 - 242)  
Report of the Executive Director of Resources
13. **Coventry Investment Fund: Cathedral Lanes Phase 2** (Pages 243 - 248)  
Report of the Executive Director of Place
14. **Outstanding Issues** (Pages 249 - 252)  
Report of the Executive Director, Resources
15. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

#### **Private business**

16. **Coventry Investment Fund: Cathedral Lanes Phase 2** (Pages 253 - 260)  
Report of the Executive Director of Place  
  
(Listing Officer: D Cockroft Tel: 024 7683 3964)
17. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

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Chris West, Executive Director, Resources, Council House, Coventry  
Monday, 21 November 2016

Note: The person to contact about the agenda and documents for this meeting is Lara Knight / Michelle Salmon, Governance Services, Tel: 024 7683 3237 / 3065, Email: [lara.knight@coventry.gov.uk](mailto:lara.knight@coventry.gov.uk) / [michelle.salmon@coventry.gov.uk](mailto:michelle.salmon@coventry.gov.uk)

#### Membership:

Councillors L Bigham, F Abbott, K Caan, G Duggins (Chair), J Innes, A Khan (Deputy Chair), K Maton, J Mutton, J O'Boyle and E Ruane

#### By invitation:

Councillors P Akhtar, R Ali, R Lakha, P Seaman, C Thomas and D Welsh (Deputy Cabinet Members – non-voting representatives)  
Councillors J Blundell and G Crookes (non-voting Opposition representatives)

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.

**Lara Knight / Michelle Salmon**

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## Coventry City Council

### Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 1 November 2016

Present:

Members: Councillor G Duggins (Chair)  
Councillor A Khan (Deputy Chair)  
Councillor F Abbott  
Councillor L Bigham  
Councillor K Caan  
Councillor K Maton  
Councillor J O'Boyle  
Councillor E Ruane

Deputy Cabinet Members Councillor P Akhtar  
Councillor R Lakha  
Councillor P Seaman  
Councillor C Thomas  
Councillor D Welsh

Non-Voting Opposition Members: Councillor J Blundell  
Councillor G Crookes

Other Members: Councillor S Bains  
Councillor R Lancaster (Chair of Scrutiny Co-ordination Committee)  
Councillor S Walsh  
Councillor G Williams

Employees (by Directorate):

Place M Yardley (Executive Director), D Cockroft, L House, A Walster, A Williams  
People G Quinton (Executive Director), L Gaulton, J Moore  
Resources C West (Executive Director), L Hughes, P Jennings, L Knight, J Newman  
Apologies: Councillor R Ali, J Innes and J Mutton

## **Public Business**

### **45. Declarations of Interest**

There were no disclosable pecuniary interests.

### **46. Minutes**

The minutes of the meeting held on 4<sup>th</sup> October 2016 were agreed and signed as a true record.

There were no matters arising.

47. **Exclusion of Press And Public**

**RESOLVED** that the Cabinet agrees to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 relating to the private report in minute 57 headed “Reshaping Drug and Alcohol Services in Coventry” on the grounds that the report involves the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial affairs of a particular person (including the authority holding that information) and in all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

48. **Participation in 100% Business Rates Retention Pilot**

The Cabinet considered a report of the Executive Director of Resources, which sought approval of proposals to participate in 100% business rates retention pilot.

The Government announced that it intended to introduce a national scheme for the full local retention of all business rates, probably from 2020/21 financial year onwards.

Areas that had agreed a Devolution Deal had the opportunity to be involved in a 100% business rate retention pilot, which would begin from 1<sup>st</sup> April 2017. This would provide the opportunity to shape national thinking about the eventual scheme and to take forward further devolution. Conversations about the potential for a West Midlands pilot had taken place in parallel with discussions about a Devolution 2 Deal. Each pilot would incorporate some core design principles, but there would be some flexibility around what else was included.

The Department for Communities and Local Government (DCLG) had clarified that the pilot would only be open to constituent member authorities of combined authorities. Subject to the approval of each local authority and by Ministers, the West Midlands metropolitan authorities could be involved in a pilot should they wish. It was noted that each of the authorities would need to agree to participate for the pilot to go ahead.

It was proposed that the pilots would operate on a no financial detriment principle, meaning that authorities could not be worse off financially than they would otherwise have been had they not participated in the pilot. It was noted that, following detailed scrutiny of the way in which the pilot would operate, it had become clear that there may be a windfall benefit to authorities as a result of being part of the a pilot.

As there were still some matters that were the subject of ongoing dialogue with DCLG, it was being recommended for Coventry that authority to finalise detailed terms and arrangements for the pilot be delegated to the Executive Director of Resources following consultation with the Leader of the Council and the Cabinet Member for Strategic Finance and Resources.

The report indicated that, should the individual authorities and ministers wish to proceed, there was a need for the Government to commence the necessary legal process very shortly. Councils had therefore been asked to approve their participation formally during October, although in Coventry's case, the decision was being considered on 1<sup>st</sup> November as the soonest available meeting.

Due to the timescale for this matter, in accordance with Part 3e, Paragraph 19 of the City Council's Constitution, Councillor Lancaster, Chair of the Scrutiny Co-ordination Committee, attended the meeting for the consideration of this matter and agreed the need for urgency such that call-in arrangements would not apply.

**RESOLVED that the Cabinet approves:-**

- 1. Coventry City Council's participation in a West Midlands business rate retention pilot from April 2017, on a no detriment basis and in accordance with the terms outlined in the report submitted.**
- 2. Delegation of the authority for final sign-up to the pilot to the Executive Director for Resources, following consultation with the Leader of the Council and the Cabinet Member for Strategic Finance and Resources.**

**49. Coventry Carers' Strategy 2016 - 2019**

The Cabinet considered a report of the Executive Director of People, which sought approval of the Coventry Carers' Strategy for the period 2016-2019.

The report indicated that carer was someone who provided unpaid care for a family member or friend, who due to illness, disability, a mental health condition or an addiction, can't cope without support. The 2011 census identified 32,101 carers within Coventry. Of these, 3,100 were young carers or young adult carers under the age of 25 with approximately 28% of these under 16 years of age. Approximately 25% of carers in Coventry said they were caring for 50 plus hours per week, which was in line with the national average. It was estimated that the economic value of the contribution made by carers was approximately £132bn a year nationally and £680m in Coventry.

The Strategy was Coventry's third and applied to carer of all ages and built upon the progress and achievements already made, in addition to responding to the requirements set out in the National Carers' Strategy Second Action Plan 2014-16.

The Cabinet noted that the Strategy had been developed through a multi-agency approach, including health partners and voluntary sector organisations that play a key role in supporting carers. Carers and other stakeholders had also been engaged to ensure that the priorities contained within the Strategy reflect what was important to them and support the four priorities set out in the National Carers' Strategy of identification and recognition; realising and releasing potential; a life alongside caring' and supporting carers to stay healthy.

For each of the priorities, a number of improvement areas were identified based on local carers' feedback and evidence of what support carers found most effective. These improvement areas were set out in Appendix A of the report submitted and would be accompanied by annual implementation plans which

would clarify how activity across a range of organisations would support and contribute towards these improvement areas.

In addition, the Strategy supported the Coventry Health and Wellbeing Strategy 2016-19 objectives of working together as a Marmot City: reducing health and wellbeing inequalities; improving the health and wellbeing of individuals with multiple complex needs; developing an integrated health and care system that provides the right help and support to enable people to live their lives well.

**RESOLVED that the Cabinet approves the Coventry Carers' Strategy 2016-2019.**

50. **Provision of Effective Home Support Services**

The Cabinet considered a report of the Executive Director of People, which sought approval of commissioning proposals for the provision of effective home support services.

Prior to considering the proposals, the Cabinet Members present confirmed that they had received and read the Equality and Consultation Analysis (ECA) which had been circulated separately to the main report.

Home support was personal care and support delivered to people who meet the eligibility criteria for social care and who were living in their own homes, to enable them to remain living independently for as long as possible. As well as supporting adults and older people, the support provided assists carers and relatives in maintaining their caring role, and children.

Existing adults and children's home support services were provided under a framework contract awarded in 2010 with a small number of contracts awarded subsequently to ensure sufficient provision was in place. Under these arrangements a range of independent providers were contracted to provide services with no guarantee of volume of work. Since these contracts were let, there had been a number of significant changes in social care and the market in general, including the introduction of the Care Act 2014, Children and Families Act 2014, changing regulatory framework and changes to employment terms and conditions through the introduction of the National Minimum Wage.

Providers of home support had reported that due to cost pressures, a larger volume of business was required in order to ensure that services were sustainable. It was therefore proposed that children's and adults home support be brought together under one commissioning activity to ensure children's home support supply is not restricted due to having low volume children's only providers which would not be maintainable.

It was proposed to undertake a procurement exercise to award nine contracts for home support ranging between 1,200 and 1,500 hours per week per contract. The contracts would be of seven years duration (five years plus the option to extend by a further two years) to enable security for providers in order for them to invest appropriately in the development and training of their workforce. Seven contracts would focus on support to older people, younger adults with physical impairment and children and would be aligned to Coventry's seven GP cluster areas. The

remaining two contracts would provide support on a city wide basis to people with learning disabilities and/or mental ill health. It was intended that for each contract there would be a primary and secondary provider to provide resilience.

The Cabinet noted that the procurement process would be undertaken at a time where there was increasing emphasis on bringing together health and social care to operate as a more cohesive single system, while recognising the different statutory duties that existed. In order to recognise this, the procurement process would include requirements for Continuing HealthCare (CHC) which was currently provided by similar providers but under a different contract. It was estimated that the CHC requirement totalled 4,500 hours citywide. The CHC element of the contract would continue to be managed by Coventry and Rugby Clinical Commissioning Group with budget and purchasing arrangements remaining distinct from the City Council.

**RESOLVED that the Cabinet:-**

- 1. Approves the commencement of a tender process for home support to enable the City Council to continue to deliver its duties to those eligible for social care.**
- 2. Delegates authority to the Executive Director of People and the Executive Director of Resources following consultation with the Cabinet Member for Adult Services, for the award of contracts following the conclusion of the tender process.**

**51. Health and Well Being Strategy and Joint Strategic Needs Assessment (JSNA)**

The Cabinet considered a report of the Director of Public Health, which sought approval of the Joint Strategic Needs Assessment (2016) and the Joint Health and Wellbeing Strategy (2016-2019).

The Cabinet noted that the Coventry Health and Wellbeing Board had a statutory responsibility to produce a Joint Strategic needs Assessment (JSNA) for the local authority area, which looked at the current and future health and care needs of the local population. This would inform and guide the planning and commissioning of health, wellbeing and social care services within a local authority area.

Coventry Health and Wellbeing Board was also responsible for producing a Joint Health and Wellbeing Strategy (JHWBS), which would provide Coventry with a picture of what the Health and Wellbeing Board would deliver over the next three years and how partners would work together to achieve this. The Coventry Health and Wellbeing Board's vision for Coventry was that local people live happier, healthier, longer lives and have improved health and wellbeing during their lives.

In order to develop the JSNA and identify the priorities in the JHWBS, a review of the 2012 Health and Wellbeing Strategy was undertaken, alongside a wide ranging study of data, information and resources about the health and social care issues affecting Coventry residents. A stakeholder call to evidence was also carried out. To focus on the areas of greatest need, a prioritisation matrix was used to identify potential priorities, which considered a range of factors including

size of the population affected, scale of the impact, associated economic costs and the scale of inequality. Together, this work produced a list of potential priorities, and three final priorities were chosen by the Coventry Health and Wellbeing Board:

- Working together as a Marmot City to reduce health and wellbeing inequalities
- Improving the health and wellbeing of individuals with multiple complex needs
- Developing an integrated health and care system that provides the right help and support to enable people to live their lives well.

The Cabinet noted that the report had also been submitted to the Scrutiny Co-ordination Committee at their meeting on 12<sup>th</sup> October 2016 and received a briefing note detailing recommendations arising from their consideration on this matter. In particular, they recommended that the Cabinet make the following amendments to the Joint Health and Wellbeing Strategy (2016-19):

- a) An approach to mental health transition between children's and adult services be included;
- b) The section on skills and education to be expanded to include adult education.

They also recommended that when money becomes available across the Health and Social Care system, it should be invested in prevention services.

**RESOLVED that the Cabinet:-**

- 1. Agrees the additional recommendations from the Scrutiny Co-ordination Committee.**
- 2. Endorses the Joint Strategic Needs Assessment (2016) and the Joint Health and Wellbeing Strategy (2016-2019).**

**52. Increasing Coventry's Superfast Broadband Coverage**

The Cabinet considered a report of the Executive Director of Place which sought approval of proposals for investment to increase Coventry's superfast broadband coverage.

The Government expected that 20,000 new jobs and £6.4bn in Gross Value Added (GVA) would be created in the UK by 2024 as a result of investment in broadband infrastructure.

Coventry's broadband coverage currently lagged behind that of similar areas. Superfast broadband connections (over 20Mbps) were available in just 91.7% of properties in Coventry, which compared poorly to other areas and was a long way from the Government target of 95% of properties having superfast broadband by 2017. Birmingham, Derby and Leicester were in the top 40 for broadband speeds, while Coventry was 74<sup>th</sup> out of 185.

European funding was being made available to improve superfast broadband infrastructure that served small and medium enterprises (SMEs). This funding would target areas containing concentrations of SMEs, but would not serve them exclusively; residents and larger businesses would also benefit as the infrastructure in the target areas improved as a result of the project. Ultimately, the project would help the city improve its superfast broadband coverage considerably as part of its Digital Strategy, which was under development and due to be formally adopted by the end of 2016.

In order to access this funding, the Council must provide match funding. Coventry's contribution to an overall £15m package of improvement across Coventry and Warwickshire would be £2.55m, which was proposed to come from corporate capital resources. In addition to a European grant of £4.86m, Growth Deal funding of £4.3m had been requested from Government. The project would be completed by the established Coventry, Solihull and Warwickshire Broadband Project (CSW Broadband). A further one off investment of corporate monies was proposed to project manage on behalf of the Council for a period of 2 years up to a maximum of £150k.

**RESOLVED that Cabinet:-**

- 1. Agrees one-off corporate funding for up to £150,000 to project manage the Council's investment and work as part of the Coventry, Solihull and Warwickshire Broadband (CSW Broadband) team to secure ongoing funding into Coventry's Broadband Infrastructure.**
- 2. Recommend that Council:-**
  - a) Approves capital investment of up to £2.5m for Superfast Broadband Infrastructure to lever in both European Regional Development funding and Growth Deal funding for investment into Coventry's broadband infrastructure.**
  - b) Approves the addition of £2.55m to the Corporate Capital Programme, profiled as appropriate in terms of financial year.**

**53. Reshaping Drug and Alcohol Services in Coventry**

The Cabinet considered a report of the Director of Public Health, which set out proposals to tender for a reshaped drug and alcohol service in Coventry.

A corresponding private report detailing confidential aspects of the proposals was also submitted to the meeting for consideration.

The Council was responsible for commissioning drug and alcohol recovery services for adults and young people, which formed part of a wider programme of activity to reduce drug and alcohol related harm. The current contract for adult drug and alcohol recovery services was due to end in November 2017 and provided an opportunity to review and reshape the services to ensure that they are fit for the future.

The Council had developed a future treatment model for November 2017 onwards, based on the needs of the Coventry population, evidence of what works and findings from engagement and consultation undertaken with service users, wider stakeholders and the general public.

The report indicated that since the existing adult treatment model was commissioned six years ago, national evidence and thinking had evolved. Clinical based treatment for opiate users was still an important element, however, the future service model had a renewed emphasis on a co-produced recovery system with the user at the centre, online support, peer to peer support, family support, additional support for those with multiple complex needs and for those who were misusing an emerging variety of substances. The future treatment model was based on three separate lots covering adult recovery services; family support and service user advocacy; and young people's substance misuse and early intervention service. Whilst contract start dates for the new services were still to be finalised, it was anticipated the proposed start date would be 1<sup>st</sup> November 2017.

**RESOLVED that the Cabinet:-**

- 1. Approves the proposed service model for drug and alcohol recovery services in Coventry and grant permission to tender for drug and alcohol services in line with the proposed model and timescales.**
- 2. Delegates authority to the Director of Public Health and Executive Director of Resources to award and implement the contracts for drug and alcohol recovery services in Coventry.**

**54. Outstanding Issues**

The Cabinet considered a report of the Executive Director of Resources that contained the list of outstanding issues and summarised the current position in respect of each item.

**RESOLVED that the Cabinet approves the dates for future consideration of matters relating to the outstanding issues items listed in the report.**

**55. Coventry Half Marathon 2017**

The Cabinet considered a report of the Executive Director of Place, which sought approval of contingency funding in support of an alternative model for of delivery for the Coventry Half Marathon 2017.

The Coventry Half Marathon was an established 13.1 mile annual road race that starts and finishes in the city centre. In 2016, the 'Decathlon Coventry Half Marathon' attracted 4,212 runners and the associated Schools Challenge event attracted 1,033 children as participants. In 2016, the event secured over £80,000 in charitable fundraising.



Since 2014, the Coventry Half Marathon had been delivered by Achieve Events (UK) trading as GO2. In recent weeks, GO2 had advised the Council that they were not looking to extend their contract for delivering the event. In order to secure the event for 2017 for the benefit of runners, local businesses and charities, it was proposed that a contingency budget of £50,000 be allocated from reserves that were currently un-earmarked, to support an alternative model of delivery for the 2017 event. The Cabinet noted that securing the Coventry Half Marathon for 2017 would also enable more detailed discussions with local partners to continue over delivery of the event in 2018 and beyond.

**RESOLVED that the Cabinet approves:-**

- 1. A £50,000 contingency budget to support delivery of the Coventry Half Marathon in 2017.**
- 2. The procurement of the necessary services for the delivery of the Coventry Half Marathon in 2017.**

56. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of public business.

57. **Reshaping Drug and Alcohol Services in Coventry**

Further to Minute 53 above, the Cabinet considered a private report of the Director of Public Health that set out confidential aspects of proposals to tender for a reshaped drug and alcohol service in Coventry.

**RESOLVED that the Cabinet:-**

- 1. Approves the proposed service model for drug and alcohol recovery services in Coventry and grant permission to tender for drug and alcohol recovery services in line with the proposed model and timescale.**
- 2. Delegate's authority to the Director of Public Health and Executive Director of Resources to award and implement the contracts for drug and alcohol recovery services in Coventry.**

58. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of private business.

(Meeting closed at 2.50 pm)

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Cabinet  
Audit and Procurement Committee

29<sup>th</sup> November 2016  
19<sup>th</sup> December 2016

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance & Resources – Councillor J Mutton

**Director approving submission of the report:**

Executive Director of Resources

**Ward(s) affected:**

City Wide

**Title:**

2016/17 Second Quarter Financial Monitoring Report (to September 2016)

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**Is this a key decision?**

No

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**Executive summary:**

The purpose of this report is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of September 2016.

The headline revenue forecast for 2016/17 is an over spend of £7.1m. This has worsened since the Quarter 1 position when it stood at £6.4m. At the same point in 2015/16 there was a projected overspend of £4.7m.

This level of overspend is unprecedented and the worsening of an already challenging financial position signifies the need for management to take decisive action to pull this back to balance or near balance by year-end. The Council's Strategic Management Board has begun immediate implementation of a series of actions which are set out in section 5.1.

Capital spending is projected to be £88.9m for the year, a net decrease of £10.9m on the quarter 1 position. This decrease in the Capital Programme includes £13.0m of expenditure that has been rescheduled into future years.

At its meeting of 26<sup>th</sup> September when it considered the quarter 1 monitoring report the Audit and Procurement Committee, recommended that comments be passed to Cabinet regarding the non-achievement of savings in the revenue budget and the volume of rescheduling within the Capital Programme. These matters are addressed within the main body of the report.

**Recommendations:**

Cabinet is recommended to:

1. Note the forecast revenue overspend at Quarter 2.
2. Endorse the actions set out in section 5.1 to be taken by senior management to address the revenue budgetary control overspend
3. Approve the revised capital estimated outturn position for the year of £88.9m incorporating: £2.1m net increase in spending relating to approved/technical changes (Appendix 2) and £13.0m net rescheduling of expenditure into 2017/18 (Appendix 4).
4. Note the comments made by Audit Committee and the responses to those comments within this report.

Audit and Procurement Committee is recommended to:

1. Consider whether there are any comments they wish to be passed to Cabinet

**List of Appendices included:**

Appendix 1	Revenue Position: Detailed Directorate breakdown of forecast outturn position
Appendix 2	Capital Programme: Analysis of Budget/Technical Changes
Appendix 3	Capital Programme: Estimated Outturn 2016/17
Appendix 4	Capital Programme: Analysis of Rescheduling
Appendix 5	Prudential Indicators

**Background Papers**

None

**Other useful documents:**

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, 19 December 2016

**Will this report go to Council?**

No

**Report Title:**

2016/17 Second Quarter Financial Monitoring Report (to September 2016)

**1. Context (or Background)**

1.1 Cabinet approved the City Council's revenue budget of £233.4m on the 23rd February 2016 and a Directorate Capital Programme of £123.2m. This is the second quarterly monitoring report for 2016/17 to the end of September 2016. The purpose is to advise Cabinet of the forecast outturn position for revenue and capital expenditure and to report on the Council's treasury management activity.

1.2 The current 2016/17 revenue forecast is an overspend of £7.1m, an increase of £0.7m on the Quarter 1 position of £6.4m. The reported forecast at the same point in 2015/16 was an overspend of £4.7m. Capital spend is projected to be £88.9m, a decrease of £10.9m on the quarter 1 position.

**2. Options considered and recommended proposal**

2.1 **Revenue Forecast** - The Quarter 2 revenue budget monitoring exercise has identified an overall overspend of £7.1m. Table 1 below provides details of the forecast directorate variances.

**Table 1 - Forecast Variations**

<b>Directorate</b>	<b>Revised Budget</b>	<b>Forecast Spend After Action/ Use of Reserves</b>	<b>Net Forecast Variation</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Chief Executives	1.1	1.2	0.1
People	166.0	173.3	7.3
Place	33.6	34.2	0.6
Resources	11.2	11.2	0.0
	<b>211.9</b>	<b>219.9</b>	<b>8.0</b>
Contingency & Central Budgets	21.5	20.6	(0.9)
<b>Total</b>	<b>233.4</b>	<b>240.5</b>	<b>7.1</b>

The Council's Strategic Management Board (SMB) recognises that this level of overspend position is unacceptable and one which will only be corrected over the remainder of the year if decisive executive action is taken. SMB has issued instructions for the immediate implementation of a series of steps to address the position and these are set out in section 5.1.

**2.2 Individual Directorate Comments for Revenue Forecasts**

A summary of the forecast year-end variances is provided below. Further details are shown in Appendix 1.

## **People**

The people directorate continues to face significant financial challenges, and a large underspend on centralised salaries of £5.6M masks a significant overspend across other areas of £12.9m.

The net position of a £7.3m overspend is largely made up of budgetary control pressures and undelivered savings targets – most significantly the crosscutting kickstart and headcount targets in Children’s and Adult’s Services (£3.6m). The service has saving and delivery plans in place to deliver these targets, but they cannot be achieved within the current timescale.

The position has worsened slightly since quarter 1, largely as a result of a worsened budgetary position in Children’s Services (LAC Placements and Supported Accommodation), and plans are in place on a recovery plan to reduce expenditure. This has largely been offset by an improved position in Education.

Adult Social Care continues to see increasing demand with regards to young adults transitioning into the service and it is anticipated that the emerging plans for further review of the all age disability service will help to address this.

## **Place**

As at Q2, the Place Directorate is reporting a net £0.5m pressure. Gross pressures within this reported figure are £1.2m, around £1m of which is income related.

Approximately £0.3m relates to the pressure on Bus Lane enforcement income due to expected refunds and the IT issues preventing issue of a large number of Penalty Charge Notices (PCNs). Other income pressures totalling a further £0.7m are being experienced in: parking enforcement due to lower than expected PCN’s issued; building cleaning due to declining work for schools; the Monitoring & Response service due to unachieved targets; and a forecast deficit on the St Mary’s catering trading position. Officers are looking at each of these to try to resolve them. Other pressures relate to the unbudgeted cost of traveller incursions and agency costs in the Traffic team where recruitment difficulties are still being experienced.

Pressures are being offset by forecast increased bereavement income of over £0.2m together with an under spend on the waste disposal budget of £0.2m due to lower actual tonnages and reduced recycling gate fees. Management are also looking for other one off actions where possible to reduce the corporate impact, which together are hoped to be worth another £0.2m.

## **Resources**

The Resources Directorate has underspent against salary budgets and turnover target of £0.7m. This is offset by non-salary overspend of £0.7M resulting in a balanced net position. Areas of financial pressure within the directorate are within Legal Services, where due to vacancies and activity pressure, spend is being incurred on agency and barristers, and within Revenues & Benefits as a result of increased activity.

## **Contingency & Central**

As part of the Workforce Strategy budget savings first identified in 2015/16, there is a step-up in the target held within corporate budgets in 2016/17. The actions to deliver this have not yet been identified, leading to a net £0.7m overspend and this is being considered as part of 2017/18 budget setting. The Asset Management Revenue Account is projecting a £1.4m underspend (much reduced from previous years) due mostly to reduced capital

financing costs arising from lower than planned borrowing in 2015/16 and higher than planned investment income resulting from large cash balances.

## 2.4 Capital Programme

Table 2 below updates the budget to take account of a £2.1m increase in the programme, and a reduction of £13.0m for expenditure which is now planned to be carried forward into future years. This gives a revised projected level of expenditure for 2016/17 of £88.9m. Appendix 3 provides an analysis by directorate of the movement since quarter 1.

The Resources Available section of Table 2 explains how the Capital Programme will be funded in 2016/17. It shows 87% of the capital programme is funded by external grant. Overall the capital programme and associated resourcing reflects a forecast balanced position in 2016/17.

**Table 2 – Movement in the Capital Budget**

<b>CAPITAL BUDGET 2016-17 MOVEMENT</b>	<b>£m</b>
<b>Estimated Outturn Quarter 1</b>	<b>99.8</b>
Approved / Technical Changes (see Appendix 2)	2.1
"Net" Rescheduling into future years (see Appendix 4)	(13.0)
<b>Revised Estimated Outturn 2016-17</b>	<b>88.9</b>
<hr/>	
<b>RESOURCES AVAILABLE:</b>	<b>£m</b>
Prudential Borrowing (Specific & Gap Funding)	5.5
Grants and Contributions	77.7
Capital Receipts	4.3
Revenue Contributions	1.0
Leasing	0.4
<b>Total Resources Available</b>	<b>88.9</b>

Final decisions on the funding of the programme will be made at year-end, based on the final level of spend and the level of resources available. These decisions will pay due regard to the need to earmark resources to fund future spending commitments. The Council has continued to delay prudential borrowing as a means of funding capital spend but it is important to be aware that significant amounts of borrowing has been approved to fund future spend and this will come on-stream over the next few years.

## 2.5 Treasury Management Activity in 2016/17

### Interest Rates

Whilst the debate about what Brexit will actually mean for the UK continues, there has been a material change in the financial landscape with a first rate change for 8 years. During quarter 2 the Bank of England Base rate was cut from 0.5% to 0.25%. Initially, this was thought to be the first step and another rate cut could be on the way this financial year. However, high recent inflation figures due to the low value of the pound causing the cost of



imports to rise indicates that a rate rise could in fact be on the horizon. Much like the uncertainty surrounding what Brexit will actually look like, there is a great deal of uncertainty about which direction interest rates will move next. It is likely though that any increases (or decreases) will be very small and gradual with historic high levels of interest rates not being seen for some time.

### Long Term (Capital) Borrowing

There is no net long term borrowing requirement for 2016/17 and no long term borrowing has been undertaken for several years, in part due to the level of investment balances available to the authority. Any future need to borrow will be kept under review in the light of a number of factors, including the anticipated level of capital spend, interest rate forecasts and the level of investment balances.

During 2016/17 interest rates for local authority borrowing from the Public Works Loans Board (PWLB) have varied within the following ranges:

PWLB Loan Duration (maturity loan)	Minimum 2016/17 to P6	Maximum 2016/17 to P6	As at the End of P6
5 year	1.15%	2.00%	1.21%
50 year	2.07%	3.28%	3.30%

The PWLB now allows qualifying authorities, including the City Council, to borrow at 0.2% below the standard rates set out above. This “certainty rate” initiative provides a small reduction in the cost of future borrowing. In addition the Council has previously received approval to take advantage of a “project rate” as part of the Coventry and Warwickshire Local Enterprise Partnership (LEP), enabling it to access PWLB borrowing up to the end of 2016/17, at 0.4% below the standard rate for £31m of borrowing required for delivery of the Friargate Project. Given current interest rates and the level of investment balances held by the Council, it is likely that the Council will not use the “project rate” facility.

Regular monitoring continues to ensure identification of any opportunities to reschedule debt by early repayment of more expensive existing loans with less expensive new replacement loans. However, the current premiums payable on early redemption currently outweigh any potential savings.

### Short Term (Temporary) Borrowing and Investments

In managing the day to day cash-flow of the authority, short term borrowing or investments are undertaken with financial institutions and other public bodies. The City Council currently holds no short term borrowing.

Short term investments were made at an average interest rate of 0.79%. This rate of return reflects low risk investments for short to medium durations with UK banks, Money Market Funds, Certificates of Deposits, other Local Authorities, Registered Providers and companies in the form of corporate bonds.

Although the level of investments varies from day to day with movements in the Council's cash-flow, investments held by the City Council identified as a snap-shot at each of the reporting stages were: -

	As at 30 <sup>th</sup> September	As at 30 <sup>th</sup> June 2016	As at 30 <sup>th</sup> September

	<b>2015</b>		<b>2016</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Banks and Building Societies	69.3	54.0	54.4
Money Market Funds	6.9	15.8	18.6
Local Authorities	0.0	0.0	0.0
Corporate Bonds	15.6	23.2	34.9
Registered Providers	0.0	5.0	15.0
<b>Total</b>	<b>91.8</b>	<b>98.0</b>	<b>122.9</b>

### **External Investments**

In addition to the above investments, a mix of Collective Investment Schemes or “pooled funds” is used, where investment is in the form of sterling fund units and non-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. The Sterling investments include Certificates of Deposits, Commercial Paper, Corporate Bonds, Floating Rate Notes and Call Account Deposits. These pooled funds are designed to be held for longer durations, allowing any short term fluctuations in return to be smoothed out. In order to manage risk these investments are spread across a number of funds.

As at 30th September 2016 the pooled funds were valued at £38.5m, spread across the following funds: Payden & Rygel; Federated Prime Rate, CCLA, Standard Life Investments and Royal London Asset Management.

### **Prudential Indicators and the Prudential Code**

Under the CIPFA Prudential Code for Capital Finance authorities are free to borrow, subject to them being able to afford the revenue costs. The framework requires that authorities set and monitor against a number of Prudential 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.

The indicators, together with the relevant figures as at 30th September 2016 are included in Appendix 6. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2016/17. Specific points to note on the ratios are:

- The Ratio of Financing Costs to Net Revenue Stream (indicator 1) is 13.31% compared to 14.03% within the Treasury Management Strategy, in part due to lower levels of Prudential Borrowing resourced capital spend in 2016/17;
- The Upper Limit on Variable Interest Rate Exposures (indicator 10) sets a maximum amount of net borrowing (borrowing less investments) that can be at variable interest rates. At 30th September the value is -£77.6m (minus) compared to +£78.3m within the Treasury Management Strategy, reflecting the fact that the Council has more variable rate investments than variable rate borrowings at the current time.
- The Upper Limit on Fixed Interest Rate Exposures (indicator 10) sets a maximum amount of net borrowing (borrowing less investments) that can be at fixed interest rates. At 30<sup>th</sup> September the value is £182.1m compared to £391.3m within the

Treasury Management Strategy, reflecting that a significant proportion of the Councils investment balance is at a fixed interest rate.

**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 Financial Implications**

The following financial explanations are made in the context of comments made by the Audit and Procurement Committee at their meeting which considered the quarter 1 position, regarding the non-achievement of savings in the revenue budget and the volume of rescheduling within the Capital Programme.

**Revenue**

The current financial position is perhaps the most challenging that the Council has ever faced at this point of the year. This stems from two fundamental reasons, non-achievement of planned budget savings and increases in social care pressures. A further contributory factor is that the Council no longer has the degree of flexibility that it has maintained previously within central budgets – underspends on these budgets have often helped to balance the overall bottom line in previous years.

Recent Budgets have seen the Council achieve very significant savings programmes to meet large reductions in Government grant funding. Current estimates indicate that out of £52m of savings for 2016/17 set in recent years over 90% of these will be achieved. However, the remaining savings are proving more difficult to deliver and there is likely to be a shortfall in achievement both in 2016/17 and in 2017/18 when savings targets increase by a further £16m.

The most significant shortfalls are within the People Directorate which continues to face challenges from high and increasing demand across a number of service areas. As well as causing new budget pressure from the cost of care packages and support for children and adults that have entered the care system, this pressure makes it more difficult to meet budget savings based on reductions in workforce numbers and transformational change. The relatively new management team within the directorate has plans in place to implement savings fully by 2018/19 but given the nature of these savings and the current early status of progress in delivering them it is unrealistic to expect them to be delivered in full within the current financial year or 2017/18.

The Pre-Budget Report on today's agenda describes the overall savings that the Council will be unable to deliver to the initially planned time-scale in relation to 2017/18. Proposals are included to make budgetary adjustments to reflect this shortfall with compensating savings identified from a range of other areas. It should be stressed that the achievement of those savings targets that remain will continue to be a key budget risk in 2017/18 and this risk will be set in the context of the overall Budget proposals.

At quarter 1 a range of actions were approved to manage the bottom line but the continued and increasing over-spend now demands a more rigorous approach. A further round of Early Retirement and Voluntary Redundancy (ER/VR) is in the process of being

implemented by Strategic Management Board although this will not take effect in time to have a significant impact within the current year. It is expected to have fewer areas of exemption compared with previous ER/VR rounds and should help significantly to reduce employment costs going forward.

In addition, and specifically in relation to 2016/17, it is proposed that further actions are taken as follows:

- Restrict employee recruitment to essential posts only.
- Scrutinise and review agency and interim payments
- Restrict all controllable purchases to essential spend only.
- Identify the capacity to maximise the application of grant income to in-year revenue spend.
- Identify the capacity to maximise the application of reserve balances to in-year revenue spend.
- Explore all options, including technical solutions (e.g. bad debt provisions), that might be available to manage the year-end position.

Progress on the implementation of these actions will be monitored regularly.

Given the scale of the financial gap, the Executive Director of Resources will also ensure that sufficient resources are identified for use within 2016/17 should the financial position not be brought back to balance at year-end, including the use of corporate reserve balances. Work to establish the flexibility of Council reserves has already been set in motion by officers and through Scrutiny Board 1. It should be stressed that the use of such resources as a retrospective measure to balance the revenue position would be highly undesirable.

### **Capital**

Further significant rescheduling in schemes has reduced anticipated spend to c£89m (£11m less than quarter 1). At the same time the Council has received additional grant and capital receipts that it will be able to use to fund capital expenditure on a cash-flow basis within 2016/17 and therefore reduced the level of Prudential Borrowing required in the year. Additional grant is made up mainly of £35m for the construction of infrastructure at Whitley South much of which can be used for cash-flow purposes this year ahead of the need to spend. In addition, initial projections indicate that £2.9m of capital receipts will be received above the targeted level.

At quarter 1, the Audit and Procurement Committee raised its concern at the decrease in capital expenditure compared with the February Budget Setting position. The year to date decrease now stands at £34.3m compared with £23.4m at Quarter 1. Given the overall scale of the changes and the comments passed from Audit and Procurement Committee it is appropriate to further discuss the context to and headline reasons for the movement as follows.

- The Council is in a period of delivering some of the largest programmes of capital expenditure in its history and managing a programme of this scale sets its own challenges in terms of delivering this on time.
- Elements of the programme are often set on an aspirational basis, with a working assumption that all elements of it are implemented on time.
- A number of the projects have two or more programme and delivery partners which affect the governance and implementation timetables in a way that can be difficult to predict at the start of each financial year. For instance, the NUCKLE and Coventry Station Masterplan projects include a range of partner bodies across sectors.

- The CIF programme in particular relies upon appropriate opportunities to emerge rather than ones that are driven by the Council, such that the Council does not dictate the rate of process.

The detailed rescheduling is set out by scheme at Appendix 4.

## **5.2 Legal implications**

None

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council's Plan?**

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 it will try to deliver better value for money and maintain services in line with its corporate priorities balanced against the need to manage 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?**

In Quarter 2 there is a forecast overspend. The Council will continue to ensure that strict budget management continues to the year-end as described elsewhere within the report.

### **6.4 Equalities / EIA**

No impact.

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

No impact

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

No impact.

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## Appendix 1 Revenue Position: Detailed Directorate Breakdown of Forecasted Outturn Position

Appendix 1 details directorates forecasted variances.

For 2016/17 reporting a new approach has been taken to try and maintain a focus on key budgetary variations. Budgets have been analysed between those that are subject to a centralised forecast and those that are managed at a whole Council or Directorate level (termed "Budget Holder Forecasts" for the purposes of this report). These Centralised budget areas relate to salary costs – the Council applies strict control over recruitment such that managers are not able to recruit to vacant posts without first going through rigorous processes. In this sense managers have to work within the existing establishment structure and salary budgets are not controlled at this local level. The Centralised salaries and Overheads under-spend shown below is principally the effect of unfilled vacancies.

Directorate	Revised Budget	Forecast Spend After Action/ Use of Reserves	Centralised Forecast Variance	Budget Holder Forecast Variance	Net Forecast Variation
	£m	£m			£m
Chief Executives	1.1	1.2	0.1	0.0	0.1
People	166.0	173.3	(5.6)	12.9	7.3
Place	33.6	34.2	0.0	0.6	0.6
Resources	11.2	11.2	(0.7)	0.7	0.0
	<b>211.9</b>	<b>219.9</b>	<b>(6.2)</b>	<b>14.2</b>	<b>8.0</b>
Contingency & Central Budgets	21.5	20.6	0.0	(0.9)	(0.9)
<b>Total</b>	<b>233.4</b>	<b>240.5</b>	<b>(6.2)</b>	<b>13.3</b>	<b>7.1</b>

Centralised salaries and overheads		
Reporting Area	Explanation	£m
People	The People Directorate overall is underspending against its salary budgets and turnover target by £5.6M. This is partly as a result of high levels of vacancies in Children's Social Care, and this area contributes £3.3M of the salary underspend. Part of the non-salary overspend is as a result of agency staff in Children's Social Care. The plan to reduce these continues, and we currently have 60 agency workers in this area (compared with 76 at 31st March 2016) Internally provided services in Adult Social Care also contributes approximately £0.9M towards this underspend as a result of planned vacancies and efficiencies.	(5.6)
Resources	The Resources Directorate overall is underspending against its salary budgets and turnover target by £0.6M. This is due to vacancies across HR and Workforce Services and Legal & Democratic Services.	(0.7)
<b>Total Centralised salaries and overheads Variances</b>		<b>(6.3)</b>

Budget Holder Forecasts		
REPORTING AREA	EXPLANATION	£m
<b>PEOPLE DIRECTORATE</b>		
<b>Overspends:</b>		
All Age Disability and Mental Health Community Purchasing	Underlying budget pressure arising from increasing demand for social care support for eligible service users and increasing social care market costs. Management actions underway to ensure demand on social care is managed in the most cost effective way and reduce overall costs. Control mechanisms in place to ensure expenditure is robustly managed. Working age adults tend to receive services for longer period of time and pressure is cumulative as "turnover" is limited and new users continue to enter the system in need of support. The increase in spend between quarter 1 and quarter 2 has primarily resulted as a consequence of increases in learning disability home care. This comprises 15 new commitments and 26 increased commitments between period 5 and period 6.	2.4
Child Protection	Overspend on Agency social workers to fill staffing vacancies and high levels of activity within the child protection teams. The salary underspend has £2.3M underspend as a result of the staffing vacancies. The forecast has reduced at QTR 2 as a result of lower caseloads in the RAS.	2.3
SCTEI Strategic Management	This is undelivered savings targets within Children's Services (headcount reduction and Kickstart) and also contains the costs of children's transformation. The service has saving and delivery plans in place to deliver these targets, but they cannot be achieved within the current timescale	1.8
Strategy & Commissioning (CLYP)	This budget pays for supported accommodation for care leavers, and vulnerable homeless aged 18-24. Overspend is a result of high levels of activity, and not enough of the the right types of provision. The strategy to to ensure that young people are in appropriate accommodation and not placed together with adults is also impacting as a result of needing to spot purchase more placements. A recovery plan is being worked on by commissioners and finance, which will plot and monitor move on timescales for individual young people. This work will take place between now and December, and should result in a more favourable financial forecast will be possible at Q3.	1.6
Older People Community Purchasing	Underlying budget pressure arising from increasing demand for social care support for eligible service users and increasing social care market costs. Management actions underway to ensure demand on the social care is managed in the most cost effective way to reduce overall costs. Control mechanisms in place to ensure expenditure is robustly managed. The variance has resulted in focused efforts to monitor approved packages through the panel process and aim to reduce expenditure by being creative with support arrangements. The weekly cost of services has reduced between quarter 1 and quarter 2, although the overall numbers of people supported has remained largely the same.	1.3
LAC Services	£1M of this overspend is due to agency staff, largely offset by underspends on the staffing budget. This includes a combined £400k overspend for Adoption and Special Guardianship orders, largely due to increased activity over time and additional legal costs for one SGO case. This is offset by underspend on placements of £340k due to a reduction in LAC numbers.	1.2



Adult Social Care Director	This overspend is as result off all corporate budget savings allocations (£1.226m) being assigned against this budget. These savings targets are required to be delivered over the year across all of adult social care.	1.0
Internally Provided Services	Overspends (agency costs, other pay and overtime) have been offset by larger underspends on centralised salary costs due to a number of vacancies and planned efficiencies. Underspend has increased since quarter 1 as a result of an earlier than anticipated closure of one of the Housing with Care schemes.	0.4
All Age Disability and Mental Health Operational	Overspends (agency costs, other pay and overtime) have been offset by underspends on centralised salary costs due to a number of vacancies.	0.3
Older People Operational	Overspends (agency costs, other pay and overtime) have been offset by underspends on centralised salary costs due to a number of vacancies and implementation of the management review.	0.3
Integrated Youth Support Service	This is as a result of the reduction in Youth Offending Service grants of £149k. There are measures in place to reduce costs and balance the budget, which are currently out to consultation.	0.2
Adult Education	£200,000 variance is an undelivered savings target. This was due to be delivered through resource switching eligible expenditure. We continue to work on identifying eligible expenditure within Workforce.	0.2
Safeguarding	Over spend is due to agency costs being incurred to fill staffing vacancies within the Children's Safeguarding service. This is partially offset by underspend on salaries reported as part of the centralised forecast underspend. The reliance on agency Independent Reviewing Officers has been reduced to zero as permanent staff are now in place. There is now only one agency staff member filling the LADO post.	0.2
Learning & Achievement	The current forecast is showing underspend in salaries which will be reallocated to maximise resources for delegation to schools. The cost centre will break even at year end.	0.1
Underspends:		
Older People Operational	Overspends on controllable costs (agency costs, other pay and overtime) have been offset by underspends on non-controllable salary costs due to a number of vacancies pending a service restructure.	0.1
Planning	Grant funded post vacancies being held in preparation for service review.	(0.1)
Strategic Commissioning (Adults)	This underspend is the effect of expected efficiency-savings across a number of contracts and is partially offset by a reduced income expectation from Supporting People.	(0.1)
Advice and Health Information Services	Underspend in respect of grant income received to support spend in other Council services.	(0.2)
Other Variations less than 100k		(0.2)
	<b>Forecast Overspend/(Underspend)</b>	<b>12.8</b>

REPORTING AREA	EXPLANATION	£m
<b>PLACE DIRECTORATE</b>		
<b>Overspends:</b>		
Traffic	The majority of the variation is within Parking services: Bus Lane Enforcement - the effect on income of recent ICT server issues (now resolved) which have prevented the issue of approx 6k PCNs. Parking Enforcement - Temporary resource issues have resulted in lower than originally targeted PCN numbers (estimated 40k versus budgeted 42k).	0.5

Environmental Services	Non achievement of Income Targets in relation to CCTV & Community Safety	0.3
Cultural & Sport	Primarily a St Mary's trading deficit	0.1
Transport & Infrastructure	Anticipated expenditure on agency cover and reduced income from capitalised staff due to post vacancies	0.1
Facilities & Property Services	Primarily Building Cleaning trading deficit.	0.1
<b>Underspends:</b>		
Directorate & Support	Management actions to offset directorate pressures	(0.2)
Waste & Fleet Services	A reduction in the recycling gate fee together with a reduction in the amount of materials collected by the Street Cleansing teams	(0.1)
Streetpride & Parks	Additional Bereavement Services income of £260k partly offset by increased Agency costs and Traveller Incursions.	(0.1)
Other Variations less than 100k		(0.1)
	<b>Forecast Overspend/(Underspend)</b>	<b>0.6</b>

<b>REPORTING AREA</b>	<b>EXPLANATION</b>	<b>£m</b>
<b>RESOURCES DIRECTORATE</b>		
<b>Overspends:</b>		
Revenues and Benefits	The controllable overspend is comprised largely of unbudgeted spend in relation to Civica remote processing to address workload fluctuations and vacancy cover. The £0.3m centralised forecast underspend (salaries) offsets much of the Civica remote processing expenditure and illustrates that the Civica resource is being applied to backfill vacancies within the service as workloads continue to fluctuate. In addition, there remain expenditure pressures on court fees and payment card charges.	0.3
ICT Operations	Work is currently underway to review all spend to identify detailed reasons for the current predicted overspend across User Support on mobile telephones and IT hardware. In addition a review of spend on other cost centres within ICT Operations is being carried out to identify savings which could be used to manage overspend.	0.3
Legal Services	Overspend relates to barrister and locum costs. This is mainly due to vacancies within the Advocacy Team and People Team but is being exacerbated by an increasing volume of court work (higher volume of cases and cases taking longer) and an increase in barrister. Steps are being taken to address the difficulties experienced in recruiting. This is offset by underspend on salaries reported as part of the directorate salaries underspend.	0.2
HR Support	This illustrates a reduction in income from schools for the HR Advisory SLA. In response a redesign of the service level agreement with schools has been completed with the intention to increase buy back next year together with a reduction in the staffing that currently support schools.	0.1
<b>Underspends:</b>		
Talent & Skills Team	Spending requirements across Council wide training has been reduced by careful management. In the longer term this budget will be re-aligned within the Council's new Workforce Strategy which will support the Council's overall business objectives which will include Kickstart moving forward.	(0.1)
Other Variations less than 100k		(0.1)
	<b>Forecast Overspend/(Underspend)</b>	<b>0.7</b>
<b>Contingency &amp; Central Budgets</b>		
<b>Page 30 Overspends:</b>		

Workforce Strategy	Shortfall in achievement of Workforce Strategy budget savings. The actions to deliver this have not yet been identified and are being revisited as part of the Pre-Budget Report. Underspend in inflation contingencies has reduced from quarter 1, reflecting a reduced saving on pension costs incurred compared to budget. The Policy Contingency is expected to underspend assuming no further significant commitments against the Budget this year.	0.7
<b>Underspends:</b>		
Asset Management Revenue Account	The Asset Management Revenue Account is projecting a £1.4m underspend (much reduced from previous years) due mostly to reduced capital financing costs arising from lower than planned borrowing in 2015/16 and higher than planned investment income resulting from large cash balances.	(1.4)
Other Variations less than 100k		(0.1)
	<b>Forecast Overspend/(Underspend)</b>	<b>(0.8)</b>

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

<b>SCHEME</b>	<b>EXPLANATION</b>	<b>£m</b>
<b>PEOPLE DIRECTORATE</b>		
Condition - Schools	£0.5m grant received in addition to what was was anticipated and built in at Budget Setting.	0.5
<b>SUB TOTAL - People</b>		<b>0.5</b>
<b>PLACE DIRECTORATE</b>		
European Structural and Investment Fund (ESIF)	Successful grant award from European Regional Development Fund for a 3 year ESIF programme in relation to Business Support £1.5m, Low Carbon Programme £1.95m and Innovation £0.8m.	0.8
Alan Higgs 50m Swimming Pool	Cabinet Report 30th August 2016 – City Wide Public Leisure Provision, addition of £10.5m prudential borrowing to the Capital programme. Cash flowed as £0.5m 16/17, £4m 17/18 and £6m 18/19.	0.5
Kickstart Office CERA	Revenue contribution to Council House works.	0.4
Integrated Transport Programme	Addition to the programme of £56k Section 106 and £75k Section 278 from Aldi Superstore, towards the cost of the provision of a footpath/cycleway from the site to Lynchgate Road and the extension of the footway north of Shultern Lane to connect to the traffic free section of Shultern Lane to the east.	0.2
A46 Link Road	DfT Grant for A46 Link Road Phase 1 (Coventry Connectivity to UK Central, Birmingham Airport and HS2) awarded £600k, it is anticipated that £200k will be spent this financial year.	0.2
Superconnectivity	Programme revised to reflect remaining anticipated outturn.	(0.3)
Highways Investment	Agreed transfer of resource to revenue for A45 historic commitment.	(0.1)
Miscellaneous	Net technical changes	(0.1)
<b>SUB TOTAL - Place Directorate</b>		<b>1.6</b>
<b>TOTAL APPROVED / TECHNICAL CHANGES</b>		<b>2.1</b>

### Appendix 3

#### Capital Programme: Estimated Outturn 2016/17

The table below presents the revised estimated outturn for 2016/17.

<b>DIRECTORATE</b>	<b>ESTIMATED OUTTURN QTR 1 £m</b>	<b>APPROVED / TECHNICAL CHANGES £m</b>	<b>OVER / UNDER SPEND NOW REPORTED £m</b>	<b>RESCHEDULED EXPENDITURE NOW REPORTED £m</b>	<b>REVISED ESTIMATED OUTTURN 15-16 £m</b>
PEOPLE	15.1	0.5	0.0	(3.8)	11.8
PLACE	79.3	1.7	0.0	(8.8)	72.2
RESOURCES	5.4	(0.1)	0.0	(0.4)	4.9
<b>TOTAL</b>	<b>99.8</b>	<b>2.1</b>	<b>0.0</b>	<b>(13.0)</b>	<b>88.9</b>

**Capital Programme: Analysis of Rescheduling**

SCHEME	EXPLANATION	£m
<b>PEOPLE DIRECTORATE</b>		
Basic Need	Significant rescheduling is due to additional pupil place provision at Mount Nod Primary being delayed, as the Primary School Place Provision Strategy for the west of the city has not been completed and statutory proposal will be required.	(1.3)
Broad Spectrum School	Due to later start on site than planned as a result of delays in securing planning permission. Report due to go to Cabinet on 4th October 2016 and start on site expected late October.	(1.0)
Condition - Schools	Rescheduling is due to the ongoing SEN review of provision including the Link and KEY provision. The new Tiverton Broad Spectrum School project will start on site later than anticipated due to a delay in obtaining planning permission. Work is expected to start on site expected in late October. The Link is subject to the ongoing SEN review for creation of additional places.	(0.9)
Planned Condition Fund	Was not allocated to a specific scheme pending the identification of further schemes and will be carried forward into 2017/18.	(0.2)
Emergency Basic Need	No additional primary places required for start of 2016/17 academic year despite pressures in the west of the city.	(0.1)
DOH Care Implementation Grant	The Care Act has required a number of amendments to the system. Following slippage of the national programme timescales for system development have changed.	(0.1)
Pathways to Care (Support to Foster Carers)	Reschedule £100K to 2016/17 based on current expenditure and will review this at Q3 if there is a need for us to consider any further requests	(0.1)
Miscellaneous	Net rescheduling	(0.1)
<b>SUB TOTAL - People Directorate</b>		<b>(3.8)</b>

<b>PLACE DIRECTORATE</b>		
Kickstart	The slippage to 2017/18 is as a result of construction delays on site. Difficulties were experienced with the erection of the steel frame and subsequent concrete panels, thereby extending the construction programme.	(4.5)
Coventry Station Masterplan and Nuckle 1.2	The project delivery methodology has changed following poor progress earlier this year from Network Rail, and unsatisfactory scheme costs which were above the approved budget. This resulted in a review by the project team of delivery options and following a recommendation to board a decision was taken to procure the GRIP 3 & 4 design through an OJEU compliant HCA Framework. The tender process is now underway and a designer is expected to be appointed in January 2017.	(4.0)
Station Access Warwick Road	Spend is down on this as the site works have encountered unchartered services which have resulted in a delay on site while services were diverted	(0.1)
Housing Policy (Siskin Drive)	Scheme has slipped due to delays in agreeing a design solution for the proposed works and has been rescheduled for 17/18	(0.1)
GD1 - Coton Arches	The project has submitted a revised profile that has resulted in rescheduling additional spend into 2017-18. This has been approved by CWLEP board.	(0.6)

<b>Accelerated Spend</b>		
GD2 - Skills Capital	The project has submitted a revised profile which has resulted in accelerating spend that was previously rescheduling at Qtr 1. This has been approved by CWLEP board.	0.3
GD2 - A46 Link Road (Expressway M6 to M40) - Unlocking Sites	A successful bid resulting in the award from CWLEP Board of £0.5m from the Growth Deal 2 Unlocking Sites pot. Initially programmed for 17/18, £0.2m is being accelerated to this financial year.	0.2
GD2 - A45/Leamington Road - Unlocking Sites	A successful bid resulting in the award from CWLEP Board of £0.75m from the Growth Deal 2 Unlocking Sites pot. Initially programmed for 17/18, £0.1m is being accelerated to this financial year.	0.1
<b>SUB TOTAL - Place Directorate</b>		<b>(8.7)</b>

<b>RESOURCES DIRECTORATE</b>		
Strategy Systems Development	The main budget re-scheduled to next year relates to EDRMS. This project now links closely to the Information Management Strategy and our original approach and focus has changed as organisational priorities and pressures change.	(0.3)
Kickstart - ICT Systems	We've been able to get anticipated capital costs down by using internal resource and therefore some savings are being identified which we are now earmarking for resources to contribute to some early works on data centres. In addition a large part of this re-scheduling is linked to our Cloud Technology programme, this links to decisions around property and locations of our data centres.	(0.2)
<b>SUB TOTAL - Resources Directorate</b>		<b>(0.5)</b>

<b>TOTAL RESCHEDULING</b>	<b>(13.0)</b>
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## Appendix 5

### Prudential Indicators

Indicator	per Treasury Management Strategy	As at 30th September 2016
<b>Ratio of Financing Costs to Net Revenue Stream (Indicator 1)</b> , illustrating the affordability of costs such as interest charges to the overall City Council bottom line resource (the amount to be met from government grant and local taxpayers).	14.03%	13.31%
<b>Gross Borrowing should not, except in the short term, exceed the estimated Capital Financing Requirement (CFR) at the end of 3 years (Indicator 3)</b> , illustrating that, over the medium term, net borrowing (borrowing less investments) will only be for capital purposes. The CFR is defined as the Council's underlying need to borrow, after taking account of other resources available to fund the capital programme.	Year 3 estimate / limit of £496.7m	£381.9m Gross borrowing within the limit.
<b>Authorised Limit for External Debt (Indicator 6)</b> , representing the "outer" boundary of the local authority's borrowing. Borrowing at the level of the authorised limit might be affordable in the short term, but would not be in the longer term. It is the forecast maximum borrowing need with some headroom for unexpected movements. This is a statutory limit.	£477.3m	£381.9m is less than the authorised limit.
<b>Operational Boundary for External Debt (Indicator 7)</b> , representing an "early" warning system that the Authorised Limit is being approached. It is not in itself 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.	£437.3m	£381.9m is less than the operational boundary.
<b>Upper Limit on Fixed Rate Interest Rate Exposures (Indicator 10)</b> , highlighting interest rate exposure risk. The purpose of this indicator 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.	£391.3m	£182.1m
<b>Upper Limit on Variable Rate Interest Rate Exposures (Indicator 10)</b> , as above highlighting interest rate exposure risk.	£78.3mm	-£77.6m
<b>Maturity Structure Limits (Indicator 11)</b> , highlighting the risk arising from the requirement to refinance debt as loans mature:		
< 12 months	0% to 40%	13%
12 months – 24 months	0% to 20%	1%
24 months – 5 years	0% to 30%	14%
5 years – 10 years	0% to 30%	11%
10 years +	40% to 100%	61%
<b>Investments Longer than 364 Days (Indicator 12)</b> , highlighting the risk that the authority faces from having investments tied up for this duration.	£30m	£5.4m





Cabinet

29<sup>th</sup> November 2016

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

**Director Approving Submission of the report:**

Executive Director of Resources

**Ward(s) affected:**

All

**Title:**

Pre-Budget Report 2017/18

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**Is this a key decision?**

Yes - Cabinet is being recommended to approve, as a basis for consultation, the spending and savings proposals for 2017/18 and future financial years as adjustments to the Council's Budget.

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**Executive Summary:**

This report outlines as a basis for consultation a set of new revenue budget proposals for 2017/18 to 2019/20 and an overall Council Tax increase of just under 4%.

The Council continues to seek to protect its most vulnerable citizens and to deliver a range of core services to everyone in the city. Nevertheless, continued large Government funding cuts mean that it is increasingly difficult for the Council to maintain this commitment. The savings put forward for consultation in this report affect a range of fundamental services provided by the Council.

The financial proposals are based on the funding set out in the Local Government Finance Settlement announced in February 2016 - a headline 2017/18 grant loss for the Council of £12m. This will be confirmed in forthcoming Government announcements in December and February. Further context is provided in this report of the large grant losses suffered by the Council since 2010.

The 2017/18 Pre-Budget position will reflect additional income from continued growth in the city's Council Tax-Base – the taxable capacity within the city. It will also be based on an assumed overall Council Tax increase of just under 4%, including 2% to reflect a further amount for Adult Social Care. The Council Tax increase will be subject to Council approval in February.

At the start of this budget setting process, the Council faced significant budget gaps. In addition, the Council now anticipates that savings approved previously for 2017/18 will not be achieved in line with the original timescale. After taking this delay in meeting savings targets into account the starting budget gap stands at £19m for 2017/18 rising to £36m in later years.

The proposals in this report reduce the 2017/18 gap to £1m and if any of them are not accepted this will increase the size of the gap. Further work will seek to balance the Budget between now and the final Budget Report in February. Details on individual savings are provided in Section 2 and on a line by line basis in Appendix 1.

**Recommendations:**

Cabinet is recommended to:

- (1) Approve the content of the report, the revenue spending and savings options in Section 2 and Appendix 1 and the broad Capital Programme proposals in section 2.8 as the basis for the Council's budget consultation process.
- (2) Approve the proposed approach on Council Tax in Section 2.9.

**List of Appendices included:**

Appendix 1 – Pre-Budget Financial Proposals  
Appendix 2 – Equality and Consultation Analysis

**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?**

No

## Pre-Budget Report 2017/18

### 1. Context (or background)

- 1.1 The Council has received £95m less core Government grant in 2016/17 than the equivalent figure it received in 2010/11. The four year settlement announced by Government in February 2016 confirmed additional reductions including a further £12m in 2017/18. By 2019/20 the total loss will amount to c£120m per annum.
- 1.2 Confirmation of these numbers will be contained within the Provisional Local Government Finance Settlement to be released by Government, probably in the week leading up to Christmas. The final settlement announcement is expected in early February. The Council's proposed participation in the West Midlands 100% Business Rates Retention Pilot approved by Cabinet on 1<sup>st</sup> November offers the potential for additional resources to be made available.
- 1.3 Incorporating the grant loss known currently, the Council's starting gap for 2017/18 was £11m. However, it has become clear that some existing savings plans cannot now be delivered in 2017/18 to the original timescale and this has increased the overall budget shortfall to £19m. This rises to £36m by 2019/20 and means that the Council needs to plan for significant reductions in its budgets over the medium term. This report incorporates savings proposals to help achieve this as a basis for consultation.
- 1.4 The City Council's Medium Term Financial Strategy (MTFS) approved by Council on 11<sup>th</sup> October set out the national and local context in which the Council is operating. Prior to setting the final Budget in February, the Council will be required by law to establish the Council Tax and Business Rates tax-bases for 2017/18 and declare any projected deficits or surpluses from previous years.
- 1.5 Sitting behind the overall financial approach is the Council's commitment to protect its most vulnerable citizens and to deliver a range of core services to everyone in the city. However, the Council's message to Coventry citizens is that that it faces an increasingly difficult task to achieve this at the same time as dealing with continued austerity. In order to balance its Budget the Council is taking the following broad approaches:
  - Overhauling and modernising Council services including changes to service provision that require a different set of customer expectations and behaviour.
  - A focus on ensuring that the Council optimises those sources of income over which it has an element of control including Council Tax and Business Rates revenue, external specific grants and fees, charges and rental income.
  - Being honest with its citizens about the need to make savings in and cuts to some services including the proposals considered as part of this report.
- 1.6 It is important to recognise the major projects that are being delivered across the city which the Council is leading on or supporting in 2017/18: work will begin on the construction of a new water and leisure facility in the city centre; it is anticipated that further restaurants will be attracted to Coventry to add to the high profile names that have come to the city recently; major projects to enhance the local rail travel offer (the NUCKLE scheme) and Coventry Railway Station (the Coventry Station Master Plan) will continue the transformation of this part of the city; further public realm works will be undertaken to improve the appeal of the city centre in 2017/18; and the Council is in the early stages of putting together the major City Centre South project which will deliver a new mixed leisure/retail/residential development, supported by funding available as part of the Council's participation in the West Midlands Combined Authority. The vast majority of the funding to deliver these schemes comes from sources that can only be used in one-off capital schemes and therefore is not available to support the revenue budget which is the focus of most of this report.

1.7 This report proposes that the budget consultation is carried out on the basis that the Council will increase Council Tax levels by just under 4%, the maximum amount allowable by Government without triggering a referendum.

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

2.1 The remainder of the report details the financial position facing the Council and the specific proposals put forward for consultation. These proposals are set out within Appendix 1.

2.2 Following the 2016/17 Budget Report the Council faced an initial budget gap of £11m rising to £36m over the next three years. A number of changes to technical assumptions, budget pressures and the resources available to the have emerged since then leaving a revised budget gap over this period.

2.3 The key new issue that is putting pressure on the Council's bottom line is the anticipated shortfall in the delivery of savings set previously which were anticipated would be achieved in 2017/18. Recent Budgets have seen the Council establish very significant savings programmes and current estimates indicate that out of £68m of savings set in recent years nearly 90% are expected to be achieved. However, the remaining savings are proving more difficult to deliver and there is likely to be a shortfall in achievement of £8.6m in 2017/18 as set out in Appendix 1. The most significant shortfalls are within the People Directorate which continues to face challenges from high and increasing demand across a number of service areas. As well as causing new budget pressure from the cost of care packages and support for children and adults that have entered the care system, this pressure makes it more difficult to meet budget savings based on reductions in workforce numbers and transformational change. Given the nature of these savings and the current early stages of progress in delivering them it is unrealistic to expect them to be delivered in full within 2017/18 and this requires an adjustment to reflect this shortfall. It should be noted that delivery of the remaining savings programmes will continue to be a key budget risk in 2017/18.

2.4 A number of the issues that are helping to close the budget gap represent technical realignments of the budget that will not have a significant impact on services or citizens. The major ones are described briefly below:

- Council Tax-Base - This represents a significant improvement in the level of Council Tax income that is likely to be available. It reflects increases in the city's tax-base and continuing reductions in the level of Council Tax Reduction Scheme payments and includes known and estimated surpluses brought forward from 2015/16 and 2016/17.
- Asset Management Revenue Account - This incorporates the revenue financing costs of capital spending. Continuing low interest rates and the re-profiling of capital spend mean that there will be a significant saving in this area although budget re-basing last year mean that the savings are lower in relative terms than they have been in previous years.
- Salary/Inflation Contingencies – Planned increases in the budget for superannuation costs in relation to pensions auto-enrolment and the triennial actuarial review are now expected to be lower than previously budgeted.
- Better Care Fund – this reflects indicative figures for Better Care Fund (BCF) grant resources from Government for managing services delivered between Adult Social Care and health. The assumed costs that should be funded by BCF have already been built into the Council's budget.

- 2.5 New savings proposals which require a change in Council policy or have an impact on the nature of Council services and staff have been identified which together move towards balancing the financial position. These proposals are put forward as a basis for consultation. The most significant proposals include:
- Reviewing the Council’s employment costs to save a further £5m by 2019/20.
  - Further review of the Council Tax Support threshold to reduce it by £2m per year from 2018/19.
  - Redesign of the Household Waste Collection Service maintaining a weekly collection of food waste and incorporating collection of the blue, green and brown lidded bin every two weeks – including extension of the brown lidded bin collection to all year round. This is expected to save £1m per year from 2018/19.
  - Increasing charges in areas such as bereavement services, pest control and car parking to generate £0.5m per year.
  - Reducing budgets in parks and street cleansing by £0.5m per year.
  - Ending most of the employment support services provided through the Employment Team, Job Shop and Youth Employment services, saving £0.5m per year.
- 2.6 After all these adjustments have been made there is still a significant budget gap in 2017/18. Appendix 1 includes some time-limited proposals to balance the Budget through a combination of the Council’s revenue reserves and capital receipts. The view of the Executive Director Resources is that it is vital that the Council retains its one-off resources to support key policy initiatives, and in particular those key capital projects and regeneration schemes designed to improve the image, vibrancy and self-sufficiency of the city over the long-term. Therefore, efforts will be made to identify resources or other measures prior to final Budget setting to replace some of the time-limited proposals in Appendix 1.
- 2.7 Table 1 below summarises the overall position. If all the proposals included within this report were accepted, this would bring the forecast budget gap down to £1.0m in 2017/18 rising to £8.5m in 2019/20. Further proposals will be brought forward as part of the final Budget Report which will ensure that a balanced budget position is achieved. Any of the existing proposals that are not accepted would need to be replaced by alternative savings.

Table 1: Overall Financial position 2017/18 to 2019/20

<b><u>Summary Position</u></b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Initial Budget Gap</b>	<b>10,563</b>	<b>24,299</b>	<b>35,944</b>
Delayed Delivery of Existing Savings	8,611	0	0
Resource Changes	(3,042)	(5,160)	(5,160)
Technical and Corporate Savings	(5,236)	(6,218)	(6,283)
Savings Proposals	(3,175)	(10,055)	(14,655)
Time Limited Contributions	(6,700)	(4,400)	(1,300)
<b>Current Budget Gap</b>	<b>1,021</b>	<b>(1,534)</b>	<b>8,546</b>

- 2.8 The medium term Capital Programme will be presented as part of the Budget Report in February subject to the latest estimate of current year expenditure and Government capital allocations. The Programme will see the continuation of a number of large investment programmes across the city, utilising external grant resources and borrowing approvals

approved previously. The full Capital Programme that is likely to reflect the following progress in 2017/18:

- Completion of the Council's Friargate office in 2017/18.
- Continued development of the NUCKLE phase 2 rail project and of the Coventry Station Masterplan including the Station Access Tunnel.
- Initial building phase of the City Centre Destination Leisure Facility.
- Investment in road maintenance and improvements including the Whitley infrastructure works to support the expansion of Jaguar Landrover.
- Continuation of Public Realm works to improve the City Centre
- Further works on the city's schools including a new Broad Spectrum School

## **2.9 Council Tax**

In 2016/17 Coventry increased its Council Tax by just under 4%, the limit above which the Council would have been required to seek referendum approval from Coventry voters. The financial position built into this report is based on an equivalent rise of just under 4% in 2017/18. This incorporates a 2% underlying increase and a further 2% to support Adult Social Care costs allowed for within the Government regulations. Final Council Tax proposals will be confirmed in February once the 2017/18 settlement is known.

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

- 3.1** Following agreement by Cabinet, the proposals in this report will be subject to eight weeks public consultation ending on 27th January 2017. The Council will invite comments on the proposals from members of the public and from organisations that act as its regular consultees through social and digital media. The outcome of this consultation will be included in the February budget report.

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

- 4.1** If approved, the proposals identified within this report will be implemented from 1<sup>st</sup> April 2017 in line with the profile set out in Appendix 1. This report does not authorise spending and savings decisions. This will happen in the final Budget Setting report in February.

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

### **5.1 Financial implications**

The proposals in this report are wholly concerned with financial matters. They reflect a direction of travel that Coventry has faced in recent years in line with all other similar authorities across the country which leaves it with no option but to identify ways of reducing its overall budget in order to respond to cuts in Government resources.

There is no expectation of significant uncertainty over the assumptions of Government grant resources for 2017/18 although proposed changes to the local government finance system are expected from 2020/21. The work to finalise the 2017/18 Budget in February will focus mainly on the Council's Business Rates and Council Tax tax-bases and on the Council's employer superannuation costs which are subject to current negotiations with the West Midlands Pension Fund.

The Council is moving towards achievement of its outstanding savings programmes but this report reflects a year's delay in doing this. The Council is not alone in experiencing such a delay which is a symptom in part of the severity and longevity of the austerity programme that has been applied to local government. However, the Council has no option but to identify these savings over the medium term and the Council's senior management will continue to focus its attention on these matters.

There are proposals at present to include the use of one-off resources to fund the Council's overall revenue budget. This is not sustainable over any significant length of time and the strong preference is to avoid doing so. Should any flexibility emerge between now and February's Budget Setting report the Executive Director Resources will seek to minimise as far as possible the use of one-off resources in this way. This is seen as crucial to protect the Council's medium term financial position.

Many of the savings in this report have an impact on some of the core services used by Coventry citizens. Although the Council has worked hard to achieve greater efficiency in its services, the requirement to reduce its budgeted expenditure makes it inevitable that reductions in the level or quality of service will be felt in some areas. Nevertheless, the Council's medium term focus remains on helping Coventry become a growing and more prosperous city. This will help protect and increase key Council revenue streams in the form of Business Rates and Council Tax and reduce the reliance of some local residents on Council services. Signs are emerging that this strategy is taking effect and it is vital that investment in the city's future continues to consolidate this. The new Local Government Finance System that is expected to take shape in 2020/21 will place increasing emphasis on self-sufficiency. Only if the Council increases its own financial robustness and self-reliance will it be able to support the fundamental services that protect the most vulnerable citizens which it is responsible for.

## 5.2 Legal implications

The proposals in this report are designed to meet the Council's statutory obligations in relation to setting a balanced 2017/18 budget by mid-March 2017. This includes the duty to report to the Council on the robustness of the estimates provided and the adequacy of the financial reserves in place. Section 31A of the Local Government Act 1992 (as amended) and Section 25 of the Local Government Act 2003 refer.

## 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 Council, in common with all local authorities, will continue to be faced with challenging resource constraints over the coming years, which will inevitably have an increasing impact on front-line services. The budget is developed within the context of the approved Medium Term Financial Strategy, which in turn rests on the principles set out for the City within the Council Plan. In this way pre budget proposals are aligned to existing policy priorities.

### 6.2 How is risk being managed?

The inability to deliver a balanced budget is one of the Council's key corporate risks. The proposals within this report are aimed directly at trying to mitigate this risk. The scale and scope of the savings that will be included in the Council's bottom line budget position are such that they represent a significant risk of non-achievement in the future. The savings programme will continue to be monitored robustly to ensure that Strategic Management Board and members are kept up to date with the progress of these reviews.

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

The size of the revenue gap to be managed means that the Council will have to change radically to meet the challenges that it faces both in terms of the way it works and the services it provides. The very large savings included in previous Budgets but relating to

future years will be met largely from savings in employee budgets. A new Early Retirement and Voluntary Redundancy programme is being implemented in order to continue the reductions in employee numbers needed to deliver new and existing savings plans. Reduced employee numbers across the Council plus the need to do things differently will further accentuate the importance of new ways of working and will change the nature of the services provided, and the way the Council works.

#### **6.4 Equalities / EIA**

As indicated in the table attached as Appendix 2, some of the proposals contained in this year's Pre-Budget Report have produced initial equality and consultation analyses (ECAs). These will be developed further throughout the budget consultation period, prior to being finalised in time of for the final Budget Report in early 2017. Many of the other savings are at the early stages of development and will require detailed ECAs to be carried out at the relevant time. The equalities impact will therefore be considered by elected members at the appropriate stages of subsequent decision making for the individual proposals.

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

None

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

None



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	Description	Proposal & Implications	2017/18 £000	2018/19 £000	2019/20 £000
	Budget Deficit Brought Forward		10,563	24,299	35,944
1	Previous Savings Not Delivered	A delay in the delivery of savings is anticipated in the following areas in 2017/18 only: Adult Social Care online self-assessment (£0.1m), whole Council review of employment costs (£1.3m), Face/Telecare Systems (£2m), All Age Disability high care packages (£0.3m), Financial Assessment charging process (£0.1m), Children's Transformation process redesign (£2.1m), Children's Transformation programme residential redesign (£0.25m), Edge of Care (£0.7m), external Residential Care re-commissioning (£0.8m), Fostering & Specialist fostering (£0.6m), Supported Accommodation (£0.15m), Highways and Property restructure (£0.2m)	8,611	0	0
	<b>Revised Medium Term Deficit</b>		<b>19,174</b>	<b>24,299</b>	<b>35,944</b>
	<b><u>Resource Changes</u></b>				
2	Council Tax-Base	This represents a significant improvement in the level of Council Tax income that is likely to be available. It incorporates the 2015/16 actual Council Tax surplus and 2016/17 projected surplus in excess of previous estimates. This reflects increases in the city's tax-base above the underlying estimate and includes the effects of continuing reductions in the level of Council Tax Reduction Scheme payments and tighter review and management of discounts. The position will be finalised at final Budget Report stage.	(3,500)	(500)	(500)
3	New Homes Bonus	Additional grant expected. This reflects Coventry's share of unallocated resources available nationally and underlying new housing growth across the city. Given proposed future reductions in New Homes Bonus it is difficult to predict the medium term availability of this resource.	(300)	0	0
4	Better Care Fund (Adult Social Care)	The Council's 2016/17 Budget included very significant increases in the projected costs of adult social care. Corresponding indicative Better Care Fund grant resources for managing services delivered between Adult Social Care and health are being built in here. This will enable the Council to manage previous costs included in the budget for Adult Social Care.	0	(5,960)	(5,960)
5	Education Support Grant (Pension Liability)	This reflects a further reduction in Education Support Grant. The Council is unable to reduce that part of the corresponding expenditure which relates to historic pension liabilities.	758	1,300	1,300
	<b>Total Resource Changes</b>		<b>(3,042)</b>	<b>(5,160)</b>	<b>(5,160)</b>

	Description	Proposal & Implications	2017/18 £000	2018/19 £000	2019/20 £000
	<b><u>Technical and Corporate Savings</u></b>				
6	Salary and Inflation Contingencies	This assumes that previously planned for amounts for pay awards, pensions' increases from the current actuarial review and pensions auto-enrolment from 1st April 2017 can be scaled back compared with previous medium term estimates. This position will be finalised at final Budget Report stage.	(2,000)	(2,000)	(2,000)
7	Asset Management Revenue Account	This corporate budget incorporates the revenue financing costs of capital spending and the financial impact of the management of the Council's cash balances. The re-profiling of capital spend to later years has two effects – it decreases capital refinancing costs and increases investment income as a result of higher cash balances. There is also an impact as a result of the full impact being felt of the new Minimum Revenue Provision (MRP) policy which was introduced in February 2016.	(1,500)	(1,500)	(1,500)
8	Audit Fee	The audit fee payable to the Council's external auditors Grant Thornton has reduced from £231k to £173k. These costs are subject to a national scale of fees.	(58)	(58)	(58)
9	Airport Dividends	This reflects a marginal change in the Council's projected dividend from its shares in Birmingham International Airport.	(145)	12	(66)
10	Combined Authority	For 2016/17 Budget Setting the Council had set aside £500k (on-going) as an initial estimate of the cost of supporting development of Combined Authority proposals. Moving forward, the current estimate of these costs is that they will be c£250k. This creates a saving compared with the previous budgeted amount.	(250)	(250)	(250)
11	Coventry & Solihull Waste Disposal Company Dividends	Coventry and Solihull Councils will continue to challenge to seek to maximise returns from their shareholding in the waste disposal company	(500)	(250)	(250)
12	Coventry Investment Fund	The CIF was established in 2013 to support investment in schemes that generate business rates growth. It is proposed no further funding which attracts a revenue cost should be committed. Future schemes may be eligible for WMCA funding or Council funding on an individual basis where it can be demonstrated that this is cost neutral.	(550)	(1,939)	(1,926)

	Description	Proposal & Implications	2017/18 £000	2018/19 £000	2019/20 £000
13	Sports Contingency	Remove contingency set aside to develop sports provision across the city.	(150)	(150)	(150)
14	Policy Contingency	This budget allows the lead member for finance to support high priority policy developments. It underspends on a regular basis and this proposal is to limit the budget to £75,000 per annum.	(83)	(83)	(83)
	<b>Total Technical and Corporate Savings</b>		<b>(5,236)</b>	<b>(6,218)</b>	<b>(6,283)</b>
	<b>Savings Proposals</b>				
15	Commercial Property - Asset Opportunities	Creation of new income streams from the re-investment of the receipts from the disposal of non income earning assets	(250)	(300)	(300)
16	General - Car Parking, Pest Control, Bereavement	Opportunities exist to increase charges and/or improve full cost recovery in some service areas. The key services where it is considered this is achievable are bereavement services, car parking and parts of the pest control service	(500)	(500)	(500)
17	Employment Costs	Review the Councils employment costs.	0	(1,000)	(5,000)
18	Regional Shared Traffic Management Service	West Midlands (Combined Authority) wide traffic and transportation provision. This would require the co-operation of other WM authorities.	0	(150)	(150)
19	Developing a Commissioning Function with the Health Economy	The People Directorate contains a number of commissioning functions across its services. An initial review of the benefits of consolidating functions will be carried out to deliver initial savings. Further work on opportunities for integrating with health colleagues will also form part of this work.	0	(180)	(180)
20	Adult Social Care Commissioning - Voluntary and third sector sector	Review voluntary sector spend to reprioritise against Council objectives resulting in either a direct reduction in actual costs of care and support or a reduction in voluntary and third sector spend	0	(500)	(500)
21	Merge apprenticeships and Employment Services	Two separate teams currently manage apprenticeships internally and externally. Combining into one team produces a cost saving but also provides a more joined up function.	(75)	(75)	(75)
22	Revenues and Benefits Service business process review	Review of business processes for the administration of Revenues and Benefits - to include an improved digital offering and automated self service solutions – to realise efficiencies in back office administration.	0	(50)	(150)
23	Consumer Protection	The proposal would put an end to pre-emptive work of trading standards, reverting to statutory enforcement function only.	(75)	(75)	(75)
24	Parks and Street Cleansing	Identification of further service reductions to cleansing and grass cutting schedules accross the city and in parks. This could also include reducing the the number of litter bins or how often they are emptied.	(500)	(500)	(500)

	Description	Proposal & Implications	2017/18 £000	2018/19 £000	2019/20 £000
25	Cease Mobility Pathways	Close the shopmobility service, which lends out free scooters and powered wheelchairs to people with a disability who shop in the city centre.	(50)	(50)	(50)
26	Re-design of household waste collection	Residents currently have three bins - a blue lidded bin for recycling (collected every other week), a brown lidded bin for garden waste (collected every other week between March & November) and a green lidded bin for household waste including food (collected weekly).  This proposal would see the garden waste service extended to the full year, with the added benefit that this bin would also accept food waste. Green lidded bins for household waste would then be collected on the week following the garden and food waste collection. This ensures that residents could dispose of food waste weekly if they wish. The blue lidded bin would be collected as currently. The proposed savings acknowledge that flats have limited space for bin storage and often do not have private gardens and hence no brown lidded bins. The saving figures therefore assumes <del>changes to flat collection arrangements</del> .	0	(1,000)	(1,000)
27	Schools Cleaning decentralisation	The cost to the Council of providing this service to schools has risen significantly in the last two years. This, together with falling customer numbers has resulted in the service becoming unsustainable financially. It is proposed that school cleaning teams are transferred to and managed directly by schools from the start of the 2017/18 academic year.	(50)	(50)	(50)
28	Employment Team/Job Shop/Youth employment	This proposal would end most of the employment support services provided by the Council. This would mean closing the Job shop, stopping the NEETS placement service and the Youth Employment Initiative.	(500)	(500)	(500)
29	Business Investment Activity	This option would impact on the team handling inward investment in the city. It would also result in significant loss of grant and the ability to deliver other grant programmes.	(100)	(100)	(100)
30	Highways - reduce reactive repairs	Improvements in our asset management systems are allowing us to target repairs more efficiently. However, we will continue to monitor the speed with which we repair potholes and will ensure that all priority repairs (potholes deeper than 1.5 inches) continue to be dealt with within 5 days	(100)	(100)	(100)
31	Planning Capacity Reduction	Reduction of the cost and/or increase income within the planning function	(100)	(100)	(100)
32	Community Development and Engagement functions	Review of Community Development and Engagement functions to ensure functions can deliver required support	(100)	(150)	(150)
33	Revenues and Benefits staffing levels	Review of staffing levels across the service within the context of channel shift, merging of cross service functions and a diminishing housing benefit caseload resulting from the phased implementation of universal credit.	(100)	(200)	(200)

	Description	Proposal & Implications	2017/18 £000	2018/19 £000	2019/20 £000
34	Council Tax Support Threshold	Further revision of the Council Tax Support Scheme.	0	(2,000)	(2,000)
35	Cabinet Member Meetings/Ward Forums	Cease formal Cabinet member meetings and Ward Forum	(50)	(50)	(50)
36	Citivision	Cease hard-copy Citivision delivered to Coventry homes	(50)	(50)	(50)
37	Sustainability Team Commercialisation	Reduction of the cost and/or increase income within the Sustainability Team.	(75)	(125)	(125)
38	Highways Repairs - reduce programme and/or backfill from capital.	The value of spend on highway repairs will remain the same in 2017/18 but £500k will be funded from capital receipts rather than the existing revenue budget. In future years a decision will be required on whether the budget is reduced or further capital receipts are used to fund expenditure up to existing levels.	(500)	(500)	(1,000)
39	Internally provided services - review options	A number of internally provided services continue to be delivered by Adult Social Care despite a number of closures and changes in recent years. This work will review the scope and benefits associated with further changes to the internal services.	0	(500)	(500)
40	Public Health - future contract tendering	As Public Health contracts are retendered, changes to delivery models and increased efficiency will be sought	0	(500)	(500)
41	All age disability review	Review of All Age Disability Service to ensure cost effective transition arrangements and management of costs meeting assessed needs.	0	(250)	(250)
42	Review of transport spend including SEN	People Directorate has significant levels of transport spend across service user groups. A review of transport delivery and eligibility is required to reduce cost and maximise independence	0	(500)	(500)
	<b>Total Savings Proposals</b>		<b>(3,175)</b>	<b>(10,055)</b>	<b>(14,655)</b>

	Description	Proposal & Implications	2017/18 £000	2018/19 £000	2019/20 £000
	<b>Use of Existing One-Off Resources</b>				
43	Airport Dividend Reserve	Part use of £4.4m special airport dividend received in 2015/16	(1,000)	(900)	(800)
44	Use of Capital (revenue in Capital Programme)	Use of existing Capital Receipts to fund Capital Programme expenditure that is currently funded from revenue.	(3,000)	(3,000)	0
45	Insurance Reserve	Use of a small part of the existing Insurance Reserve to help balance revenue bottom line.	(200)	0	0
46	Fund Capital Costs from Capital Receipts	Identify capital receipts to fund capital spend and replace planned borrowing costs.	(500)	(500)	(500)
47	One-Off Reserves	Identify one-off reserve balances to help balance revenue budget on a one-off basis.	(2,000)	0	0
	<b>Total Use of Existing One-Off Resources</b>		<b>(6,700)</b>	<b>(4,400)</b>	<b>(1,300)</b>
	<b>Total Balance</b>		<b>1,021</b>	<b>(1,534)</b>	<b>8,546</b>



## **Appendix 2: Pre-Budget Report 2017-18– Overview of Equality Analysis**

<b>Savings Proposals</b>	<b>Equality Analysis</b>
<b><i>No equalities impact anticipated</i></b>	
General – Pest Control	This service is proposing to raise additional income through increasing the amount of commercial work carried out. It is therefore not anticipated that there will be any impact on any protected groups, as the same level of service provision to individual service users will be maintained.
Regional Shared Traffic Management Costs	This saving is expected to be achieved through reduced administrative costs through collaborative working in the West Midlands Combined Authority. There are therefore no equality issues in relation to this area.
Business Investment Activity	This savings proposal is in the early stages of development. However, as the service works with businesses as opposed to individuals, there is no anticipated equality impact on protected groups.
Highways Repairs	This proposal will involve a switching of resources and no actual reduction in the Highways Capital Investment fund. There will therefore be no equalities impact in relation to this proposal.
All age disability review	This savings proposal relates to a review which has taken place of the All Age Disability Team to fully integrate all sections of the service and redesign business processes. No ECA was required as part of this work.
<b><i>ECA to be carried out as proposals begin to be developed</i></b>	
General – Car Parking	The service will conduct a review aimed at exploring opportunities for raising additional income. Once the details of this review are known, an ECA will be carried out if appropriate.
Workforce Reform (Employment Costs)	Full equality and consultation analyses will be completed for any proposals that are to be taken forward for further consideration, as part of the Workforce Reform (Employment Costs) programme. It is anticipated that all employees will be affected in some way throughout the delivery of the programme, including employees with a protected characteristic. However, any review of the workforce costs will also enable the Council to identify and mitigate equal pay anomalies.
Commissioning function across health economy	This savings proposal is at the early stages of development. It is therefore too early to outline any potential equality impacts. An ECA will be carried out at the appropriate time.
Adult Social Care Commissioning – Voluntary Sector	This proposal relates to a review of voluntary sector spend to reprioritise against Council objectives. An ECA will be carried out at the appropriate stage.

Savings Proposals	Equality Analysis
Merge Apprenticeships and Employment Services	This savings proposal is at the early stages of development. It is therefore too early to outline any potential equality impacts. An ECA will be carried out at the appropriate time.
Housing Benefits/Customer Interface Review	The proposed changes to the Housing Benefits service will achieve savings by implementing process improvements and reducing staffing levels within the service. A full ECA will be carried out at the appropriate stage, however, it is acknowledged that the proposed changes will mean that claims may take longer to process – thus putting additional financial pressure on financially vulnerable people.
Consumer Protection	A number of options are currently being explored before this proposal can be developed further. It is therefore too early to outline any potential equality impacts. An ECA will be carried out at the appropriate time.
Parks and Street Cleansing	This savings proposal is at the early stages of development. It is therefore too early to outline any potential equality impacts. An ECA will be carried out at the appropriate time.
Cease Mobility Pathways	It is proposed to cease the mobility scooter service currently available in the city centre. An ECA will be carried out in due course on this proposal, so that any potential impact, particularly on disabled people, can be analysed.
Employment Team/Job Shop/Youth Employment	This savings proposal is at the early stages of development; a number of options need to be considered before any analysis of potential equality impact can be carried out. An in-depth ECA will therefore be carried out at a later stage to examine the full impact on any protected groups.
Planning Capacity Reduction	This savings proposal is at the early stages of development; a number of options need to be considered before any analysis of potential equality impact can be carried out. An ECA will therefore be carried out at a later stage.
Community Development functions	This savings proposal is at the early stages of development. It is therefore too early to outline any potential equality impacts. An ECA will be carried out at the appropriate time.
Housing Benefits Staffing levels	The proposed changes to the Housing Benefits service will achieve savings by implementing process improvements and reducing staffing levels within the service. A full ECA will be carried out at the appropriate stage, however, it is acknowledged that the proposed changes will mean that claims will take longer to process – thus putting additional financial pressure on financially vulnerable people.
Sustainability Team	There are different options to be considered in order to determine the best way to achieve savings required in this area. An ECA will be carried out at a later stage to explore the equality implications of any

Savings Proposals	Equality Analysis
	proposals in more detail, particularly around the provision of fuel poverty advice to vulnerable people.
Internally provided services – review options	This savings proposal relates to the review of alternative delivery options for internally provided services. An ECA will be carried out a later stage to explore the equality implications.
<b><i>Initial ECAs produced</i></b>	
Redesign of Household Waste Collection	This proposal relates to a redesign of waste collection in the city; moving to alternate weekly collection of non-recyclable waste and the introduction of a food waste collection service. An ECA has been carried out on the proposed changes, which has shown that there should not be any adverse impact on any protected group over and above the general impact that may be experienced by all residents in the city as they adjust to a new schedule of collections. The service is aware of the issues already affecting certain groups living in particular areas of the city and this data will continue to be monitored if the proposed changes are implemented. By way of mitigation, all arrangements for the new service will be communicated effectively, with methods used to ensure that core messages reach key groups.
School Cleaning decentralisation	It is proposed to achieve savings in this area by ending the centralised cleaning of schools and transferring staff to schools for local management. An initial ECA has shown that TUPE regulations should mean that there is minimal impact on staff, however, only following full consultation with schools will the actual position be clear, so any potential equality impact on protected groups will be revisited at that point.
Highways – reduce reactive repairs	This savings proposal relates to a planned reduction in the Highways reactive maintenance budget. An ECA has been carried out which shows that this proposal could potentially impact more on older people and people with disabilities – as there may be delays in repairing road and pavement defects.
Council Tax Support Threshold	This savings proposal relates to a reduction in the level of support provided through the Council Tax Support Scheme for working age people by approximately £2 a week. The Council will be required to undertake a formal public consultation and publish a draft scheme in respect of these proposals. An in-depth equality analysis will be undertaken as part of this process, however, a previous reduction implemented in 2016 found that certain groups could be adversely and disproportionately impacted: Single women, Married couples, certain ethnic

Savings Proposals	Equality Analysis
	groups living in larger households, people aged between 18-44 and disabled people.
Cabinet Member Meetings/Ward Forums	This proposal relates to reducing expenditure on Ward Forums and Cabinet Member meetings, with a view to enabling residents to use alternative methods to engage with elected members. An initial ECA has highlighted data which suggests that ethnic minorities, females and young people are currently under-represented through the current methods of engagement; it is hoped that this can be overcome by employing different methods of community engagement.
Citivision	It is proposed to achieve savings by ceasing publication of the Coventry Citivision magazine (but continuing with digital and audio versions). An ECA has been carried out in relation to this proposal and has highlighted that there could be potential impacts on Older People and some Disabled people who are unable to access the internet and would therefore not be able to access a digital version of the magazine. By way of mitigation, the Council will continue to efforts to ensure that those who do not have access to the internet or social media are not excluded from information about the Council/partner services and events.
Public Health – future contract tendering	It is proposed to achieve savings through the re-commissioning of future public health contracts, including Drug and Alcohol treatment services, 0-19 nursing services and Children’s Lifestyle Services. A separate ECA on Drugs and Alcohol Recommissioning has already been completed. At this time it is unknown if there will be any specific impacts on protected groups of recommissioning of the other 2 contracts; separate ECAs will be carried out a later stage.
Review of Transport Spend inc SEN	It is proposed to achieve savings through implementation of a revised Travel Assistance Policy for school age children and a new Travel Assistance Policy for post 16 and post 19 students. A detailed ECA has been carried out in relation to this proposal; this shows potential negative impact for children and young people who currently are in receipt of travel assistance but who will no longer be eligible under the new proposals. By way of mitigation, the Council is proposing phased implementation to enable families to make alternative arrangements. Independent travel training will also be offered to students, and the Council may also consider a personal transport budget.
General - Bereavement	An ECA has been carried out in relation to an increase in fees and charges for cremation and burial services. This has shown that there could be

<b>Savings Proposals</b>	<b>Equality Analysis</b>
	potentially negative impact on Older people, disabled people and people from certain religious groups.

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

10 November 2016  
29 November 2016

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources - Councillor J Mutton  
Cabinet Member for Education – Councillor K Maton  
Cabinet Member for Children and Young People – Councillor E Ruane

**Director Approving Submission of the report:**

Executive Director for People

**Ward(s) affected:**

All

**Title: Unaccompanied Asylum Seeking and Refugee Children**

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**Is this a key decision?**

No

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**Executive Summary:**

The City Council has always welcomed and cared for unaccompanied asylum seeking children who have arrived in Coventry and Council has been clear in its commitment to welcome refugees to the City. The need to now welcome and support many more unaccompanied asylum seeking children who have been displaced as a result of events abroad is critical.

The Government has made a number of commitments in relation to supporting and caring for children. A number of local authorities are already engaging in the commitments made across a range of central government initiated schemes. The response of local authorities has been welcomed by Government and close working between central government and local government will continue to find constructive solutions.

Three schemes relating to children have been issued by Central Government for local authorities to consider and adopt.

The first scheme is to request those local authorities that have not already done so to register for the National Transfer Scheme (NTS) which launched at the beginning of July. The Government is proposing an equal distribution of unaccompanied children between local authorities, with the NTS the mechanism to achieve this.

The second scheme is to request that Local Authorities confirm the total number of unaccompanied children that could be placed in the authority for the remainder of this financial year, noting the 0.07 threshold operating under the NTS. (Detailed below)

The third scheme is to consider taking children and their families under the Vulnerable Children's Resettlement Scheme. These are children who have been identified as the most vulnerable and at risk of child labour, forced marriage, child carers and other forms of abuse and exploitation. It is expected that the majority of these children will be accompanied by family or carers.

**Recommendations:**

Education and Children’s Services Scrutiny Board (2) is recommended to:

- (1) Support the recommendations to Cabinet
- (2) Forward any additional recommendations to Cabinet for consideration

Cabinet is recommended to:

- (1) Approve and endorse the three schemes proposed by Central Government to support and care for unaccompanied asylum seeking and refugee children
- (2) Note that the City Council has registered for the National Transfer Scheme (this decision having been made by the Chief Executive in consultation with the Leader as a decision having been required in an emergency)
- (3) Delegate responsibility to the Executive Director People to confirm the total number of unaccompanied children that could be placed in the City for the remainder of this financial year.
- (4) Confirm the City Council’s commitment to welcoming children and families identified under the Vulnerable Children’s Resettlement Scheme.
- (5) To note the financial implications of resolving to support and care for unaccompanied asylum seeking and refugee children as detailed in this report.

**List of Appendices included:**

Appendix 1 - Summary Table additional detail on the criteria for the three schemes

**Other useful background papers:**

None

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

Yes this will be considered at the Education and Children’s Services Scrutiny Board 2 on the 10<sup>th</sup> November 2016

**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?**

No



## **Report title: Unaccompanied Asylum Seeking and Refugee Children**

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

**1.1** Three key schemes relating to children have been issued by Central Government for local authorities to consider and adopt:-

### **1.2 National Transfer Scheme (NTS)**

**1.3** The NTS has been in place for over four months. Since the scheme was implemented on 1 July 2016 over 60 unaccompanied asylum seeking children (UASC) have been transferred successfully under the provisions set out in the transfer protocol nationally. A regional event that took place over the summer was positive and highlighted a real commitment- both at the regional level and at individual authority level- in making the scheme work and ensure vulnerable children receive the care and support they need.

**1.4** The scheme is designed to ensure that no local authority is required to care for more UASC than it can cope with. To achieve this objective more local authorities need to take on the responsibility of unaccompanied children. As with the Syrian Vulnerable Persons Resettlement Scheme (SVPR), the Government want to encourage a regional approach. On the 6<sup>th</sup> September 2016 the City Council called upon the Prime Minister to step in and set a quota system for all local authorities to support the resettlement of Syrian Refugees.

**1.5** The Government have offered additional funding of up to £60,000 for regions participating in the NTS to bolster their regional structures. This is in addition to the £60,000 the Government have already provided to allow a regional approach to SVPR. This £60,000 however has been paid to the Strategic Migration Partnership and has not been available locally to offset costs. Government officials will continue to work with the Strategic Migration Partnerships to ensure implementation is successful and that those areas with limited experience of caring for unaccompanied asylum seeking children receive the support they need. The 0.07 threshold is a regional threshold, and this report assumes that ultimately there is an agreement across the region for each Local Authority to take their share of the regional threshold.

**1.6** As a result of the sudden closure of the “camps” in Calais on the 24<sup>th</sup> October the City Council need to register with the NTS became urgent. Paragraph 3.8 of Part 2M of the Constitution enables the Chief Executive, in consultation with the Leader to make decisions required in an emergency. The Chief Executive having consulted with the leader, and with the approval of the Cabinet Member for Children, agreed that this was an emergency situation that required an immediate decision. It was agreed that a report will be taken to Cabinet on 29<sup>th</sup> November that would include information about this decision.

### **1.7 Unaccompanied refugee children in Europe ( “the Dubs amendment”)**

**1.8** In addition to the VCRS, the Government committed to bring over unaccompanied refugee children from Europe as set out in the Immigration Act 2016 (commonly known as “the Dubs amendment”). The Government have been working closely with three Member States – France, Greece and Italy – as announced by the former Prime Minister David Cameron, to identify suitable cases and introduce processes where necessary to transfer these children to the UK.

**1.9** The Immigration Act requires the Government to consult local authorities before arriving at a total number for the scheme. This was also discussed during the regional events. It is recognised that this puts additional pressure on local authorities.

## **1.10 Vulnerable Children's Resettlement Scheme (VCRS)**

**1.11** The Government announced in April to complement the Syrian Vulnerable Persons Resettlement Scheme (SVPR) in helping vulnerable people displaced by the migrant crisis. The scheme will involve resettling up to 3,000 people during this Parliament, made up of children at risk and their families from the Middle East and North Africa region. The vast majority of children qualifying under the scheme are expected to be resettled with their families and not as unaccompanied minors. The Government expect a very small number of unaccompanied children to be brought to the UK under this scheme and are working with the United Nations High Commissioner for Refugees (UNHCR) to identify cases suitable for resettlement, ensuring it is always in the best interest of the child. The first families are expected to arrive in the autumn, it is hoped that several hundred resettle before the end of the financial year.

**1.12** The Government continue to need the support of local authorities to provide homes and support for those resettled under this route. The key difference between VCRS and the SVPR is that the scheme is open to all nationalities in the region in need of protection, due to the vulnerability of a child or children. The funding for families will be in line with that provided for SVPR scheme, and for the small number of unaccompanied children funded in line with the national transfer scheme rates.

## **1.13 Unaccompanied refugee children in Europe ( "the Dubs amendment")**

**1.14** In addition to the VCRS, the Government committed to bring over unaccompanied refugee children from Europe as set out in the Immigration Act 2016 (commonly known as "the Dubs amendment"). The Government have been working closely with three Member States – France, Greece and Italy – as announced by the former Prime Minister David Cameron, to identify suitable cases and introduce processes where necessary to transfer these children to the UK.

**1.15** The Immigration Act requires the Government to consult local authorities before arriving at a total number for the scheme. This was also discussed during the regional events. It is recognised that this puts additional pressure on local authorities. As at Quarter 2 Coventry have 25 UASC children, in order to meet its responsibility of 0.07 % of the overall children and young person population of approximately 75,000 this would rise by a further 28 children equating to 53 children in total.

## **1.16 Placing unaccompanied asylum seeking and refugee children**

**1.17** The Government have made it clear that unaccompanied children will be treated the same irrespective of their method of entry into the UK, including those arriving clandestinely. It would be unfair to prioritise the placement of unaccompanied children based on arrival method. For this reason, all unaccompanied refugee children who are brought to the UK under a formal scheme, but are not reuniting with family members, will be placed in to local authority care through the NTS. Local Authorities will receive the same daily funding rates for unaccompanied looked after children as they do for all other unaccompanied asylum seeking children through the NTS.

**1.18** Unaccompanied children will only be brought to the UK where it is deemed to be in their best interests and the Home Office will share information obtained on individual children with the relevant local authority ahead of transfer. It is crucial that the NTS is fully operational to transfer and properly support unaccompanied refugee children who are brought to the UK, and make a success of this new initiative.

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

- 2.1 The details of the three schemes have been described above. Doing nothing is not recommended and does not recognise the City Council commitment to refugees and vulnerable children. The secretary of state has the authority to impose the dispersal of UASC on local authorities that have not engaged.
- 2.2 The proposal is that the local authority endorse the commitment made by Government and proceed with this new initiative and implement the three schemes to provide continued support and care to unaccompanied asylum seeking and refugee children.
- 2.3 The criteria for the three schemes is illustrated in Appendix 1.
- 2.4 Presently Coventry have 25 UASC children, and in order to meet its responsibility of 0.07 % of the overall children and young person population of approximately 75,000 this would rise by a further 28 children equating to 53 children in total.

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

- 3.1 This is a Government requirement; information will be shared with partners, members, staff and Trade Unions on the new schemes for unaccompanied asylum seeking and refugee children.

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

- 4.1 There is an immediate need to implement this decision. It is unknown how often, or how many vulnerable child refugees or Unaccompanied Asylum Seeking Children are likely to need to come and live in Coventry. Those with family locally will be placed with them through the Dublin treaty regulations whilst UASC will come through the National Transfer Protocol up to a number of 53 which is 0.07% of the current child population.
- 4.2 In order to implement the new schemes, a process will be agreed and implemented Immediately.
- 4.3 The fostering service presently have 6 available bed space to support the NTS, proposal. In order to meet the demand of 28 children in total there are currently 27 households in the process of assessment. Of these, 9 would be able to support this scheme.

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

### **Financial implications**

- 5.1 There is £60,000 available from government for regional set up and infrastructure costs. We expect that this will be available to the Strategic Migration Partnership in a similar way to the SVPR, and not available locally to offset costs.
- 5.2 It is hard to be completely accurate in relation to the financial implications, as it will depend on:
  - The individual needs of each of the UASC, which will impact on what type of placement they require; <sup>1</sup>
  - Availability/sufficiency of placements, which will impact on where we are able to place UASC, and corresponding cost;

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<sup>1</sup> The cost of placement can range from just over £20K per annum in internal foster care to in excess of £150K per annum in some external residential settings.

- Whether the 53 UASC equates to headcount or full time equivalent, as costs are driven by the number of days and nights in placement rather than headcount numbers; and
- Timing of the additional numbers coming into the city.

5.3 The figures included are therefore an estimate based on the 2015/16 average unit cost of a UASC, compared with the grant received, for a full year.

5.4 The UASC placement costs could increase as a result of pressure on the system, as there tends to be a finite number of lower cost placements (such as internal fostering). This means that we have to purchase placements from external providers at a higher cost. As this adds an additional 28 looked after children into the system, this is inevitable in the short term, but can be managed over the longer term with a clear commissioning and procurement strategy including continuing to increase internal foster care numbers.

5.5 In 2015/16 the majority of UASC were placed in external foster care. The average unit cost is £47K per UASC, and we receive on average £37K of grant per annum. In 2015/16 this means that each UASC cost the local authority just over £10K. This includes placement cost, and the additional costs of these children and young people becoming looked after (e.g. social worker, independent reviewing officer time). The additional unfunded full year cost for 28 full time children and young people is therefore estimated to be approximately £300K per annum, notwithstanding the further financial risk outlined above.

5.6 This will add to the budgetary control pressure in the Children's service and the wider People Directorate, and will largely impact on the placement budget. Work is underway to investigate how we can mitigate against this through underspending or additional grant funding. The implications will also be built into the budget setting process in future years.

### **Legal implications**

5.7 The Council would still have statutory responsibilities for unaccompanied asylum seeking children who present themselves within the city.

5.8 The relevant parts of the Immigration Act 2016 relevant to these Schemes came into force on 31 May 2016 - The relocation and support of unaccompanied refugee children, transfer of responsibility for relevant children and the duties upon local authorities for relevant children. The Act places a duty upon the local authority to provide information to the Secretary of State for the purposes of enabling such transfers to take place.

5.9 If a Local Authority refuses to engage in the voluntary programme then the Secretary of State has been awarded new powers under the Immigration Act 2016 that will allow for the dispersal of unaccompanied asylum seeking children to be imposed on local authorities.

5.10 The Council needs to make sure that it complies with the public sector equality duty set out in S149 Equality Act 2010 when coming to a decision on the proposals.

### **6. Other implications**

The increase of UASC for the council, has wider implications for services as a whole. Although the financial reimbursement may cover the placement. The extra cost associated With the increase equates to a 1.5 social work equivalent case load and approximately a third of a caseload for an IRO.

Alongside is the requirement to increase the sufficiency strategy to account for 28 further potential fostering beds. Recruiting Foster Carers from the beginning of marketing to the

date the first placement is made would take a minimum of 6 months. The recruitment of foster carers is active and ongoing as part of the medium term financial strategy to increase the number of looked after children placed with in house foster carers. The current marketing campaign includes a component which is closely connected to providing care for unaccompanied minors. However, there has not previously been specific targeted marketing for applicants who are interested in caring for unaccompanied minors. This has been due to the plan to ensure that foster carers can approve as broad a range of children as possible.

**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)?**

This decision is consistent with the Council's aim to support vulnerable people.

**6.2 How is risk being managed?**

Financial risk needs to be managed by:

- maximising the use of the existing Looked After Children (LAC) placements available to us to minimise vacancies in lower cost provision
- a thorough needs analysis of the LAC population including demand mapping to ensure we have the correct commissioning and procurement strategy in place (including internally)
- a clear and safe move on strategy to enable move on to independence of all LAC at the first appropriate point

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

The impact of this strategy in isolation will increase the number of LAC and increase the costs of the service. Where we cannot mitigate against this through corresponding underspends or additional funding this could result in funding reductions in non-statutory services.

Responsibility for the provision of sufficient school places currently rests with the City Council – it has a statutory responsibility under section 14 of the 1996 Education Act. It is anticipated that an additional 28 pupils would be able to be accommodated within existing provision without a need to create additional school places.

For admissions to schools, UASC have the same rights as other children coming to this country. They have equal access to the full curriculum, appropriate to their age, ability and aptitude and any special educational needs they may have. They are admitted to school/academies using the same local authority criteria as apply to any other child seeking a school place. Admissions will be through the normal admissions process. The School Admissions Code requires the Local Authority to have an In-Year Fair Access Protocol to ensure that access to a suitable school place is secured quickly for children who have no school place.

**6.4 Equalities / EIA**

Public authority decision makers are under a non – delegable on-going duty to have due regard to the need to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

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

None

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

The implications of additional UASC in the city will impact on school places and is likely to have impact on additional health needs.

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Councillor E Ruane	Cabinet Member Children and Young People	-	24.10.16	24.10.16

This report is published on the council's website: [www.coventry.gov.uk/meetings](http://www.coventry.gov.uk/meetings)

**Appendix 1**

**Summary Table Criteria for three Schemes**

	<b>Unaccompanied asylum seeking children transferred through the NTS</b>	<b>Unaccompanied Refugee Children in Europe ( ‘Dubs amendment’)</b>	<b>Vulnerable Children Resettlement Scheme (VCRS)</b>
<b>Government Commitment</b>	Government committed to considering claims lodged in the UK 3,043 claims made in 2015	To be confirmed	Up to 3,000 people this Parliament
<b>Summary Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>Children who arrive in UK and lodge a claim for asylum</li> </ul> <p><u>Additional information</u> Most UASC are male aged 15-17</p>	<ul style="list-style-type: none"> <li>Aged under 18</li> <li>In Europe before 20 March 2016</li> <li>Will or are likely to qualify for refugee status</li> <li>The transfer to the UK is determined to be in the best interests of the child</li> <li>Priority will be given to cases with a UK family link</li> </ul> <p><u>Additional Information</u> Cases will be a mixture of family reunion cases and unaccompanied children</p>	<ul style="list-style-type: none"> <li>Those deemed to be ‘Children at risk’ as identified by UNHCR</li> </ul> <p><u>Additional Information</u> In the majority of cases, children will be accompanied by their families or carers. We expect low numbers of unaccompanied children to be resettled</p>
<b>Nationality</b>	All	All	All
<b>Referral Countries</b>	N/A	<ul style="list-style-type: none"> <li>France</li> <li>Greece</li> <li>Italy</li> </ul>	<ul style="list-style-type: none"> <li>Turkey</li> <li>Lebanon</li> <li>Jordon</li> <li>Iraq</li> <li>Egypt</li> </ul>
<b>Leave granted</b>	To be determined on a case-by case basis	To be determined on a case-by-case basis	5 years’ Humanitarian Protection





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**To: Cabinet**

**Date: 15<sup>th</sup> November 2016**

**Subject: Unaccompanied Asylum Seeking and Refugee Children**

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## **1 Purpose of the Note**

- 1.1 To inform the Cabinet of the outcome of the meeting of the Education and Children's Services Scrutiny Board at their meeting on the 10<sup>th</sup> November 2016

## **2 Recommendations**

- 2.1 The Education and Children's Services Scrutiny Board support the recommendations to Cabinet
- 2.2 In addition to the recommendations in the Cabinet Report, The Education and Children's Services Scrutiny Board recommend that Cabinet consider the additional information below in paragraphs 3.2 – 3.4 and consider the following recommendations:
- 2.3 That Cabinet:
- a) Notify that meeting the needs of this vulnerable group places a potential financial burden on the LA and partners (NHS and Schools)
  - b) Promote locally and nationally for all councils to take an equal financial responsibility for these children
  - c) Petition central government for a fair funding formula.

## **3 Information/Background**

- 3.1 At their meeting on 10<sup>th</sup> November 2016, the Education and Children's Services Scrutiny Board considered a report on Unaccompanied Asylum Seeking and Refugee Children. They also considered an additional briefing note containing the following information.
- 3.2 *The requirements of the VCRS closely match those of the SVPR covering accommodation, access to healthcare, school places, English language tuition (for adults) and a one year package of integration support.*
- 3.3 *Starting in July 2014, Coventry was the second local authority to take Syrian refugees and accordingly has built up a network of support and other extended services to assist in the resettlement of vulnerable refugees fleeing conflict. The Council relies heavily on the expertise and support of local voluntary sector agencies to support this programme. Citizens Advice Coventry, Coventry Law Centre and Coventry Refugee and Migrant Centre provide key support to Syrian refugees in the City along with assistance from a number of other partners including City of Sanctuary, Positive Youth Foundation and local faith groups. Importantly Coventry schools have also played a key role in meeting the needs of newly*

*arrived communities, as indeed have local NHS services. All costs associated with SVPRS are met by Central Government.*

- 3.4 *This expertise and the network of support available across the City will be invaluable in meeting the needs of refugees arriving under the RVCS and potentially in providing extended support to UASC.*
- 3.5 There was cross-party support for the proposals to support these vulnerable children and agreed that this was the right thing for the city to do, continuing Coventry's tradition as a city of Peace and Reconciliation.

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**Cabinet**

**29 November 2016**

**Name of Cabinet Member**

**Cabinet Member for Education - Councillor K Maton**

**Director Approving Submission of the report:**

**Director of Education, Libraries and Adult Learning**

**Executive Director of Resources**

**Ward(s) affected:**

**All**

**Title:**

**Outcomes of Fair Funding Consultation to Schools 2017/18**

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**Is this a key decision?**

Yes – the proposals in the Fair Funding Consultation 2017/18 will affect all schools and providers of the Early Years Free Entitlement in the City.

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**Executive Summary:**

This report is to inform you of the results of the consultation on proposed changes to the Fair Funding Scheme of Delegation ("the Scheme") and seek approval for recommended changes to the Scheme and the Fair Funding Formula.

**Recommendations:**

**Cabinet is requested to:**

- (1) Approve the recommended changes to the Fair Funding Formula and Fair Funding Scheme of Delegation, which are summarised in section 2 of the report.
- (2) Delegate authority to the Director Education, Libraries & Adult Learning and the Executive Director of Resources, in consultation with the Cabinet Member for Education and the Schools Forum, to make necessary amendments to the final detail of the recommended changes, in order to comply with the School Finance (England) Regulations 2015, and implement any other necessary changes.

**List of Appendices included:**

Appendix 1 - Fair Funding Consultation 2017/18 Summary of Responses

**Background papers:**

None

**Other useful documents:**

Fair Funding Consultation 2017-18, available on the Coventry City Council website:

<http://www.coventry.gov.uk/fairfundingconsultation>

Draft Fair Funding Scheme of Delegation available on the Coventry City website:

<http://www.coventry.gov.uk/ffsd-consultation>

**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?**

No

**Will this report go to Council?**

No

## Report title:

Outcome of the Fair Funding Consultation 2017/18

### 1 Context (or background)

- 1.1 Under Section 48 of the School Standards and Framework Act 1998, Local Authorities (LAs) are required to have schemes of delegation which set out the financial controls and arrangements that will operate between schools and the LA. Any proposed revisions to these schemes and/or the Fair Funding Formula must be the subject of consultation and require approval by the Schools Forum.
- 1.2 The Department for Education (DFE) published the "Schools Revenue Funding 2017 to 2018: Operational Guide". This sets out the school revenue funding arrangements for 2017/18.
- 1.3 The DFE has not introduced any directed changes for 2017/18. We are proposing some changes to the formula, and seeking approval of the Fair Funding Scheme of Delegation.
- 1.4 The consultation document was circulated to Head Teachers including Academy Head Teachers/Principals, Chairs of Governing Bodies, Trades Unions, Diocesan authorities, the Coventry Governors Association, members of the Schools Forum, Early Years Free Entitlement providers in the private, voluntary and Independent (PVI) sectors and elected members on 5<sup>th</sup> October 2016. The consultation period ended on 4<sup>th</sup> November 2016.
- 1.5 Stakeholder groups were briefed throughout the consultation period, including Trade Union representatives, Primary and Secondary Head Teachers, the School Forum. The consultation document also seeks to act as an information document to school stakeholders regarding anticipated local budget pressures.

### 2 Options considered and recommended proposal

#### 2.1 De-delegated Services

- 2.1.1 The 2013-14 reforms directed that a number of centrally held budgets within the schools block should now be delegated to schools, listed below;
  - administration of free school meals eligibility;
  - insurance;
  - licenses or subscriptions;
  - staff costs or supply cover;
  - support for minority ethnic pupils or underachieving pupils;
  - behaviour support services; and
  - library and museum services
- 2.1.2 These budgets have to be allocated through the formula but can be de-delegated for maintained primary and/or secondary schools. This means that these schools can chose to pool resource to continue delivery of a service centrally.
- 2.1.3 In 2016/17 Primary maintained schools opted to pool resources for most of the de-delegated services offered. Trade Union facility and Learning & Behaviour Support was not de-delegated by secondaries.

- 2.1.4 The same de-delegation arrangements will be available in 2017-18 (subject to the outcome of the current Education Service Review consultation) and must be approved by School Forum with Primary and Secondary maintained member representatives deciding for their own phase.
- 2.1.5 The Education Services Grant goes from September 2017, and approximately £0.8M transfers to the DSG for the delivery of duties in relation to all schools. Agreement from the Schools Forum will be required in relation to the funding of these services. The remainder of the funding (part of the grant relating to maintained schools) is removed. Maintained schools can ask the LA to 'pool' funding on their behalf for the continuation of some services in this area. We are awaiting further detail from the Department of Education on the areas that this may apply to. It is expected that any request for the pooling of funding will be dealt with in a similar way to the existing de-delegated services.
- 2.1.6 We will be seeking de-delegated services decisions for the areas previously de-delegated by the Schools Forum at the November meeting. The table within appendix 2 shows the values approved for de-delegation in 2016-17. School phases can also opt to de-delegate resources for services previously delegated.
- 2.1.7 The consultation document asked stakeholders to feed back any general comments on the proposal. Please see appendix 1 for a summary of the responses.

## 2.2 Deprivation Funding

- 2.2.1 In December 2015 the DFE issued the Oct-15 census data which the 2016/17 school funding allocations are based upon. Within this data was an update of the Income Deprivation Affecting Children Index (IDACI) to be based on the 2015 data rather than 2010 data as had been the case for the past few years. This change created some distributional changes to funding within the deprivation formula factor but produced little end effect on school budgets due to the operation of Minimum Funding Guarantee (MFG).
- 2.2.2 For 2017/18 the DFE have redesigned the IDACI bands in order to return the proportion of children falling into each band to similar levels as in previous years. This change is again likely to cause some distributional changes to funding within the deprivation formula factor for 2017/18. We would, however, anticipate that the operation of the MFG will continue to protect against previous funding levels.
- 2.2.3 We proposed to work with the Schools Forum funding sub-group to evaluate the impact of the change in design and the potential need to change the existing IDACI unit rates to ensure that the formula remains affordable.
- 2.3 The consultation document asked stakeholders to feed back any general comments on the proposal. Please see appendix 1 for a summary of the responses.

## 2.4 Special School Transitional Protection

- 2.4.1 The DfE define high needs pupils and students as those requiring education provision costing more than £10,000 per year. Under the place-plus approach, high needs funding in special schools comprises the following two elements:
- Place funding; this is the first £10,000 of the placement cost. Once a place is commissioned this funding is guaranteed to the institution.

- Top-up funding; this is to cover the additional costs above the place funding. The top-up rate is agreed with an institution for a whole financial year, with funding transfer based on the number of days that a place is occupied.
- 2.4.2 Through a High Needs working group of head teachers and LA officers a High Needs Banded Framework for funding special schools was implemented from April 2017. This framework links an individual pupil's needs to the level of top-up funding they attract to their school.
- 2.4.3 Special school top-up rates are protected by a Minimum Funding Guarantee (MFG) which is intended to ensure that schools cannot lose more than 1.5% of their funding, per pupil, between one year and the next. Local Authorities (LAs) can apply to the Department for Education (DFE) for an exemption (disapplication) of the MFG arrangements in order to implement a local reorganisation of high needs bandings.
- 2.4.4 In order to assist special schools in managing the change in funding model, the LA did not apply for a disapplication of the minimum funding guarantee (MFG) for 2016-17 instead allowing the MFG to protect special schools from losing more than 1.5% of their 2015-16 budget, when compared with the 2015-16 per pupil average rate. This protection was afforded on a short-term basis using some additional High Needs funding received from the Education Funding Agency.
- 2.4.5 We propose to reduce the transitional protection arrangement to 50% of the MFG protection level for the 2017/18 financial year by applying to the DFE for a disapplication of the MFG.
- 2.4.6 The consultation document asked stakeholders whether they agreed with authority applying to the DFE for a disapplication of the Minimum Funding Guarantee for the high needs formula. Overall the responses do not support this proposal (please see appendix 1 for a breakdown of votes).
- 2.4.7 We take on board the views of these respondents but we must stress that we cannot afford to continue to apply the full MFG protection for special schools as the funding that supports this is required to contribute towards the commissioning of additional high needs places within the city. Our intention is still to apply to the DFE for an MFG disapplication for 2017/18, and continue to work with special school stakeholders on the detailed implementation.
- 2.5 Commissioned High Needs Places
- 2.5.1 From September 2017 there is a need for additional primary special school places in Coventry. Funding needs to be identified to commission additional places from one of the existing special schools in the city.
- 2.5.2 High Needs places for Coventry pupils are commissioned by the LA directly with providers. The costs of these placements are funded from the Dedicated Schools grant (DSG).
- 2.5.3 Tiverton Special School (currently 42 places) is being rebuilt on the site of the former Alice Stevens Special School and we propose to commission an additional 18 places (60 places in total) from Tiverton from September 2017.
- 2.5.4 The consultation document asked stakeholders to feed back any general comments on the proposal. Please see appendix 1 for a summary of the responses.

## 2.6 Early Years National Funding Formula

2.6.1 The government has recently launched a consultation on changes to early years funding for 3 & 4 year olds from April 2017. The consultation sets out several significant changes that will affect all providers of 3 & 4 year old early years care; a summary of the most significant of these proposed changes are as follows:

- A national funding formula (NFF) to allocate early years funding to Local Authorities
- Setting a national format for the local formula that allocates funding to providers
- A requirement for a universal funding base rate for all types of provider by 2019-20
- 2 year transitional protection for maintained nursery schools
- A limit on the maximum level of early years funding allowed to be spent centrally; 7% in 2017-18 and 5% from 2018-19 onwards.

2.6.2 This is only a consultation at this time; however due to the short time scales involved the DFE is encouraging LAs to engage in conversations with providers straight away. A more detailed overview of the major changes was included within Coventry's Fair Funding Consultation.

2.6.3 Subject to the outcome of the national consultation, we propose to move immediately to a universal base rate for all provider types - subject to affordability. Our intention would be to uplift the hourly base rates for all providers to a new universal value which will see all providers' base rates increase from their 2016-17 values.

2.6.4 The exception to this is the city's maintained nursery school which would see a base rate decrease as a result of this proposal, as will all maintained nursery schools across the country. The DFE has stated that it is providing transitional funding for all maintained nursery schools for at least two years.

## 2.7 Fair Funding Scheme of Delegation

2.7.1 Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to the Act set out that Local Authorities (LAs) should have a Scheme of Delegation. LAs are required to publish schemes for financing schools setting out the financial relationship between the LA and the schools they maintain.

2.7.2 In making any changes to their schemes, local authorities must consult all schools in their area and receive the approval of the members of their schools forum representing maintained schools. Local authorities must take this guidance into account when they revise their schemes, in consultation with the schools forum.

2.7.3 We carried out a refresh of the Fair Funding Scheme of Delegation last year and brought it into place through the 2016/17 Fair Funding Consultation. The proposed changes to the scheme for 2017/18 include;

- Adding some additional detail around the criteria used for assessing school applications for redundancy/early retirement funding.
- Amending some references in the current document which are incorrect.

2.7.4 The link to the consultation version of the Fair Funding Scheme of Delegation is [www.coventry.gov.uk/FFSD-consultation](http://www.coventry.gov.uk/FFSD-consultation)

2.7.5 The fair funding consultation document asked stakeholders to feed back any general comments on the revised scheme. Please see appendix 1 for a summary of the responses.



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

- 3.1 The Fair Funding Consultation is an annual consultation. All Local Authorities are required by the Department for Education (DfE) to consult with all relevant stakeholders on the proposed changes to the local fair funding formula.
- 3.2 The consultation document was circulated to Head Teachers including Academy Head Teachers/Principals, Chairs of Governing Bodies, Trades Unions, Diocesan authorities, the Coventry Governors Organisation, members of the Coventry Schools Forum, Early Years free entitlement providers in the private, voluntary and Independent (PVI) sectors on 4<sup>th</sup> November 2016 and was open for a period four weeks and two days.
- 3.3 In addition, where possible, stakeholder groups were briefed throughout the consultation period. This covered Trade Union representatives, Head Teachers and the Schools Forum.
- 3.4 The result of the consultation is set out in Appendix 1.

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

- 4.1 We are required to submit a proforma to the Education Funding Agency (EFA) by 20<sup>th</sup> January 2017 setting out the draft Fair Funding Formula, including proposed changes. Once the proforma is checked for compliance and approved by the EFA, the proposed changes will then be implemented from April 2017.
- 4.2 We are not required to submit details of our high needs top-up rates for special schools to the EFA, however we are required to inform all special schools of the top-up rates that will apply to them in 2017/18 by the end of February 2017.
- 4.3 New Early Years hourly funding rates will be informed to providers before the beginning of the 2017/18 financial year.

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

#### 5.1 Financial Implications

##### Financial implications on schools

- 5.1.1 Schools will face significant cost pressures in 2017/18 as a result of increasing staffing costs, and no inflationary increase to the settlement. These pressures are likely to be exacerbated in schools where there are surplus places or falling rolls.
- 5.1.2 Mainstream schools will continue to be subject to the minimum funding guarantee (MFG) protection arrangements in 2017/18. The MFG seeks to protect schools against historical levels of funding for the purposes of stability. The level of the MFG in 2017/18 is confirmed to be -1.5% per pupil, which means no school will see a per pupil funding reduction greater than -1.5%. Schools may still see a significant cash reduction (particularly where there are falling rolls).
- 5.1.3 The proposal around reducing the level of transitional protection for special school funding will have an impact on the level budget for some of these schools. Earlier this year we discussed with the special school head teachers the need to reduce the level of protection and shared with them an indication of the potential impact – had this policy been implemented in 2016-17 the maximum level of reduction was ca 5% on a like for

like basis. The 2017/18 level of DSG high needs funding will not be finalised until later in this financial year so the exact impact of this proposal cannot be known at this time. The final detail of the proposal will continue to be worked on in consultation with Special Schools and the Schools Forum.

#### Financial Implications on the LA

5.1.4 The DfE's School Funding Reform requires Local Authorities (LA)s to delegate some centrally spent dedicated schools grant (DSG) to schools. Maintained schools can then agree to pool funding and return to the LA to be spent on their behalf. Areas that this includes are Learning & Behaviour Support Services, Minority Group Support Services (new arrivals), maternity & Trade Union staffing. This is reviewed and approved by the School Forum on an annual basis usually at its 2nd meeting in the Autumn Term. Should a decision be taken not to pool funding for a service, then the LA would either need to operate a Service Level Agreement or stop providing the service. This would have financial and staffing implications that would need to be addressed.

5.1.5 The significant reduction in the level of the Education Services Grant from 2017/18 (£2.5M) is being dealt with through Education Services Redesign and the budget setting process. There is the potential for maintained schools to 'pool' some funding to allow the local authority to continue to run some services centrally on their behalf – we are awaiting further details from the DFE on the specifics of this.

#### 5.2 Legal implications

5.2.1 S 48(1) of the School Standards and Framework Act 1998 requires Local Authorities (LA)s to maintain and publish schemes connected with the financing of maintained schools. Regulations made under the Act specify the functions which the LA is and is not required to delegate to schools, and the factors which the LA considers when delegating funding. A scheme maintained by the LA may be revised in whole or in part, the LA is required to take into account guidance issued by the Secretary of State in respect of the provisions that the Secretary of State regards as appropriate for inclusion into any revised scheme. The LA is also required to consult the governing body and head teacher of every school maintained by the authority and to submit the proposals for approval to the School's Forum.

5.2.2 Public authority decision makers are under a duty to have due regard to 1) the need to eliminate discrimination: 2) advance equality of opportunity between people who share a protected characteristic and those who do not: 3) foster good relations between persons who share a relevant protected characteristic and people who do not (public sector equality duty - s 149(1) Equality Act 2010). The applicable protected characteristics are disability, gender reassignment; race, religion or belief, sex; sexual orientation, pregnancy or maternity.

5.2.3 Decision makers must be consciously thinking about these three aims as part of their decision making process with rigour and with an open mind. The duty is to have "due regard", not to achieve a result but to have due regard to the need to achieve these goals. Consideration being given to the potential adverse impacts and the measures needed to minimise any discriminatory effects.

## **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)?**

A clear and transparent financial infrastructure is key to ensuring that schools can focus on improving educational outcomes.

We operate a fair funding formula for schools, which provides funding against a number of factors including pupil numbers, deprivation, and per school. From time to time it is important to review the quantum of funding within the different areas of the formula to ensure equity of funding for schools, taking into account different school characteristics.

We also want to ensure that the financial relationship between the City Council and the schools it maintains is clear and transparent, and this is set out in the Fair Funding Scheme of Delegation.

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

The consultation document is sent to all relevant stakeholders within the city.

The City Council has a statutory responsibility to ensure maintained schools can balance their budget, and the Education Funding Agency (EFA) has a statutory responsibility to ensure Academies are setting balanced budgets. The City Council also has a moral obligation to support all Coventry's children and young people.

Any potential deficit or long term sustainability issues will be reported back to the City Council as early as possible to ensure plans are put in place for balanced budgets. This will include liaison with the EFA where the school is an academy and the problem is brought to our attention.

Work is being undertaken with all Service areas affected by changes to centrally spent dedicated schools grant (DSG) in order to pro-actively manage budget reductions.

The Updated Fair Funding Scheme of Delegation will enable schools and City Council officers to clearly understand and uphold the financial responsibilities of each organisation.

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

The proposals will cause some distributional funding changes at individual school level. These will be managed either by the nationally applied minimum funding guarantee, or separate protection arrangements if appropriate.

If as a consequence of implementing some of the proposals there is the need to make staffing structure changes then full consultation will be undertaken with both Coventry City Council staff and the trade unions in accordance with city council policies.

### **6.4 Equalities / EIA**

We will ensure that as work progresses on the deprivation review and high needs banded framework that we complete the necessary equality and consultation analysis to further inform the proposals.

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

None

**6.6 Implications for partner organisations?**

None

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Kirston Nelson	Director of Education, Libraries and Adult Learning	People	04/11/2016	08/11/2016
Chris West	Executive Director	Resources	04/11/2016	15/11/2016
Councillor K Maton	Cabinet Member for Education and Skills	-	04/11/2016	15/11/2016
Rachael Sugars	Finance Manager	Resources - Finance	04/11/2016	08/11/2016

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**Appendix 1**  
**Fair Funding Consultation 2017/18 Summary of Responses**

**1 Introduction**

- 1.1 This Appendix provides a summary of responses received to the consultation paper that was issued to all schools and other stakeholders on 5<sup>th</sup> October 2016. All responses that were received have been analysed and the results are summarised in this paper.
- 1.2 A total of 5 responses were received, with 4 of those received from groups and therefore representing multiple stakeholder views.

<b>Respondent</b>	<b>Responses Received</b>
Primary	1
Secondary	2
Special	1
Early years	1
Other	0
<b>Total</b>	<b>5</b>

- 1.3 The results and comments are summarised below. These are the results and comments linked to the proposals. Some of the responses included further detail and concern in relation to overall funding levels for schools, and copies of letters to various organisations in relation to this. These raise general concerns, but have not been included in full in this report. These can be made available on request.

**RESULTS**

**2 Proposal 1 – De-delegated Services**

- 2.1 De-delegated services must be approved annually. We will be seeking approval at School Forum in November 2016 in relation to 2017-18 de-delegated services. This proposal sets out the information we will be sharing with the Schools Forum.
- 2.2 We asked stakeholders for general comments on this proposal.

<b>Respondents</b>	<b>General Comments</b>
Primary (1)	<b>Agree:</b> We would prefer to continue to De-Delegate via the local authority, as these services operate efficiently. The Supplementary Fund should continue for 2017/18 if possible, to support schools if there is severe hardship.
Secondary (2)	<b>Agree:</b> We wish to continue to de-delegate as now. We agree with this being delegated to Schools Forum. We have concerns about the amount being de-delegated for the Supplementary Fund. We believed this de-delegation was a one off and should not continue.

**3 Proposal 2 – Deprivation Funding**

- 3.1 Following a data change in 2016/17 the Department for Education (DFE) has redesigned the Income Deprivation Affecting Children Index (IDACI) bands to bring the proportion of pupils falling into each band back in line with historic levels. This proposal recommends the impact of this change is evaluated by the Schools Forum Funding Sub-group.
- 3.2 We asked stakeholders for general comments on this proposal.

Respondents	General Comments
Secondary (2)	<b>Agree:</b> I Agree <b>Disagree:</b> We fail to see the need for a sub-group. We feel 2016/17 should be treated as a one-off and funding restored to previous levels. We support a return to previous IDACI bands.

#### 4 Proposal 3 – High Needs Banded Funding Framework

4.1 The implementation of the High Needs Banded Framework for special schools in 2016/17 included a 100% transitional protection to the MFG per pupil top-up rates in 2016/17. This proposal requests a disapplication of the Minimum funding Guarantee (MFG) in order to reduce the level of transitional protection to 50% in 17/18.

4.2 We asked stakeholders whether they agreed to the LA applying to the DFE for a disapplication of the Minimum Funding Guarantee for the high needs formula.

Sector	Agree	Disagree	Blank or N/A
Primary	0	1	0
Secondary	1	0	1
Special	0	1	0
Early Years	0	0	1
Other	0	0	0
<b>Total</b>	<b>1</b>	<b>2</b>	<b>2</b>

Respondents	General Comments
Primary (1)	<b>Disagree:</b> We wish to retain the MFG for special schools <sup>1</sup>
Secondary (1)	<b>Agree:</b> I agree
Special (1)	<b>Disagree:</b> With the increase in pensions, staffing and general running costs we would expect a reduction in MFG to 50% to lead to a huge decrease in our budget. This exacerbates and compounds the existing budgetary difficulties. This results in decreased funding available for our core purpose of educating children. We would wish to beware of a situation where funding decreases impact on pupils' safety.

#### 5 Commissioned High Needs Places

An additional 18 primary phase special school places are required from September 2017 at Tiverton Special School. This proposal requests that funding is agreed to support these places for 2017/18 onwards.

5.1 We asked stakeholders for general comment on this proposal.

Respondents	General Comments
Primary (1)	<b>Disagree:</b> We wish to retain the MFG for special schools
Secondary (1)	<b>Agree:</b> I agree
Special (1)	<b>Agree:</b> We agree to an additional 18 places at Tiverton School for September 2017. However, we would wish to point out that the new school building will not now be ready for occupation in September 17 so careful planning will be required for placement of the additional 18 pupils in the interim.

<sup>1</sup> The proposal is not to remove the MFG for special schools but to reduce the protection effect by 50% in order to allow the effects of the formula changes introduced through the High Needs Banded Framework in 2016/17 to begin to flow through to the schools.

## 6 Early Years National Funding Formula

6.1 We asked stakeholders for general comments on this proposal. This section concerned the recent government consultation on the Early Years National Funding Formula and the Local Authority's intention to move to a universal hourly base rate from April 2017 – subject to affordability.

6.2 We asked stakeholders for general comments on this proposal.

Respondents	General Comments
Primary (1)	If Supplements are limited to 10% for 5 factors, including Deprivation, then schools could receive less funds, if there is a high level of deprivation. We would have concerns that this could result in subsidised funding from our school's budget.
Secondary (1)	I Agree
Early Years (1)	We would like to support parents who wish to return to work by offering working parents the full entitlement of 30 hours free nursery education and care. However, in order to be able to do this the funding provided must cover our costs so that the burden of cost of this initiative is not carried by the full fee paying parents; those who are not eligible because they have children under the age of three or are not working. We therefore welcome the proposal to move to the universal base rate from the summer term 2017.

## 7 Fair Funding Scheme of Delegation

7.1 The LA has refreshed the Fair Funding Scheme of Delegation ensuring all changes previously agreed and approved through the Fair Funding Consultation are incorporated. We have also aimed to remove unnecessary detail and ensure that the scheme aligns more closely with the format of the government guidance.

7.2 We asked stakeholders for general comments on this proposal.

Respondents	General Comments
Secondary (1)	Sensible changes.

**2016-17 De-delegated Services and amounts**

<b>2016/17 De-delegated Amounts</b>			
	<b>Primary</b>	<b>Secondary</b>	<b>Total</b>
Free school meal eligibility	17,387	3,097	20,484
Licences/subscriptions	0	0	0
Maternity	298,785	56,337	355,122
Trade Union facility	164,100	0	164,100
School Specific Contingency (Supplementary Fund)*	389,203	66,805	456,008
MGSS (new arrivals fund)	341,198	59,001	400,119
Behaviour support services	253,850	0	253,850
<b>Total</b>	<b>1,464,523</b>	<b>185,240</b>	<b>1,649,683</b>





Cabinet

29<sup>th</sup> November 2016

**Name of Cabinet Member:**

Cabinet Member for Education and Skills - Councillor K Maton

**Director Approving Submission of the report:**

Executive Director of People

**Ward(s) affected:**

All Wards

**Title:**

Academies Act 2010 - Grant of Long Leases to Proposed Academy Conversion of Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools

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**Is this a key decision?**

No - although this matter will affect all wards in the City, the impact is not expected to be significant

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**Executive Summary:**

The Governing Bodies of Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools have agreed to convert to academy status and have made successful applications to the Secretary of State for an Academy Order under the Academies Act 2010 ("the 2010 Act"). Hearsall will join the Inspire Multi Academy Trust (MAT) as a sponsored academy; Keresley Grange and Parkgate the Futures MAT; Stanton Bridge and Courthouse Green will both become single academy trusts.

In response, the Council is required under Schedule 1 of the 2010 Act (as amended by Schedule 14 of the Education Act 2011 ("the 2011 Act")) to either sell the freehold interest in the land and premises or grant a 125-year long lease at a peppercorn rental for the land and/or buildings within its ownership that has been wholly or mainly used for the purposes of the schools in the period of 8 years ending on the day on which an Order is made. The Council has opted to grant a long lease in each case as per previous conversions.

The Council is also required to agree an Asset Transfer Agreement which covers the transfer of furniture, equipment and other assets and also provides warranties covering transferring information and pre and post conversion issues.

At the Scrutiny Coordination Committee meeting on 27 April 2011 the Cabinet Member for Education agreed to receive formal reports for all schools seeking academy status covering the lease and other legal agreements between the Council and the proposed academy. This report seeks to:

- 1.1 Report on the grant of the long leases for Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools.
- 1.2 Note the consultation undertaken by the Schools with their local community including with ward councillors, in relation to any claims for access and/or rights of way across the land to be included within the demise under the long lease.
- 1.3 Seek approval for the recommendations set out below:

**Recommendations:**

Cabinet is requested to:

1. Approve the grant and completion of 125-year leases for Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools at a peppercorn rental from the Council;
2. Approve the Council entering into the Commercial Transfer Agreement for Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools; and
3. Delegate authority to the Executive Director for People, following consultation with the Cabinet Member for Education and Skills, to agree any amendments to the legal agreements arising from further consideration by the academy sponsor.

**List of Appendices included:**

- Appendix 1: Exemplar Lease Agreement for academy converter  
Appendix 2: Exemplar Lease for SSO Property  
Appendix 3: Lease Plans for individual school sites  
Appendix 4: Exemplar Asset Transfer Agreement

**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?**

No

**Report title:**

Academies Act 2010 - Grant of Long Leases to Proposed Academy Conversion of Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools

**1. Context (or background)**

- 1.1 Following consultation, the Governing Bodies of the following five schools ("the Schools") have elected to apply for academy status as permitted by the 2010 Act and will convert under the following Trust arrangements:

Stanton Bridge Primary School - Single Academy Trust  
Hearsall Primary School – Inspire MAT  
Keresley Grange Primary School – Futures MAT  
Parkgate Primary School – Futures MAT  
Courthouse Green – Single Academy Trust

All the schools will not thereafter be maintained by the Local Authority.

- 1.2 The academy sponsor is required to liaise with the owner of the School's land and buildings (usually the Council as local authority) to agree the terms of either the freehold transfer or the grant of a long lease for the land and buildings used and occupied by the current school. In the absence of agreement between the parties the Secretary of State can use a discretionary power under the 2010 Act to step in and make a "transfer scheme" requiring the land owner to transfer the land and buildings either by a freehold transfer or the grant of a long lease (based upon a model form approved by the Department for Education (DfE)).
- 1.3 The Authority and sponsors are also required to agree a Commercial Transfer Agreement (CTA) covering the transfer of furniture, equipment etc and also providing warranties across both parties in terms of information transfer etc.
- 1.4 The DfE has produced a set of standard form documents for use in these agreements and these will form the basis for agreements between the Council and the sponsors. Where there are any Council-owned assets on the site e.g. Wide Area Network (WAN) equipment, then the service manager will agree separate rental/loan terms with the School and the Council will retain ownership.
- 1.5 At its meeting on 12 February 2013, Cabinet adopted an amended policy on local authority maintained schools converting to academy status. This re-stated the Council's opposition to forced academy conversions, however agreed that where there are no other options that the DfE will approve, then the Council will work with the Governors and DfE to identify an academy sponsor that is local to the City and committed to working in strong partnership with Coventry and its schools. The proposed academy status for these schools has been approved by each of the School's Governing Bodies and is therefore not a forced conversion.
- 1.6 At the Scrutiny Coordination Committee meeting held on 27<sup>th</sup> April 2011, the Cabinet Member for Education decided that the necessary leases, loan agreements and other agreements for each academy application should be the subject of formal consideration by the relevant Cabinet Member or Cabinet.
- 1.7 Following the above meeting, the Cabinet Member for Education also decided to require schools seeking conversion to undertake specific consultation with their local communities in relation to the grant of the lease. In particular, the Cabinet Member for Education was interested to hear of any claims in relation to access or rights of way from the general public. Officers were asked to liaise with ward councillors on the same matter.

- 1.8 The Council is required to cooperate with the sponsors and schools proposing to convert. In addition to the formal lease agreement, the Council is also required at its own expense to agree closure of accounts and financial transfers, and provision of HR support and information (including staff transfer, TUPE and pension data).
- 1.9 At your meeting on 8th March 2016 you agreed that for future conversions, reports are brought to Cabinet on an exception basis only i.e. where after consultation with the Executive Director of Place and Executive Director of Resources, in consultation with the Cabinet Member for Education and Skills it is considered that there are significant issues that require wider consideration by Cabinet. In this instance officers therefore consider it appropriate to bring forward a report which includes all five proposed conversions.

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

- 2.1 Under Schedule 1 of 2010 Act (as amended by Schedule 14 of the 2011 Act), the Council (as landowner) is required to either transfer the freehold or grant to the academies a 125 year lease at a peppercorn rental for land and premises wholly or mainly used by the schools in the preceding 8 years. Exemplar leases for the school site (and SSO property where appropriate) are shown at Appendices 1 and 2; lease plans for the sites at Appendix 3.
- 2.2 The Council is required by DFE to agree a CTA with the sponsor. Failure to do so may delay the conversion of the school. In the event that the conversion proceeds without the agreement being in place the Council may be exposed to potential liabilities in respect of assets and contracts post-conversion which would have been assumed by the academy under the model agreement prepared by the DFE. The exemplar CTA is shown at Appendix 4.
- 2.3 Since 2008 you have received reports covering the conversion of 33 schools to academies. The academy conversion process has now largely become standardised with the development of template conversion documents including model leases and CTA's.
- 2.4 Failure to agree a lease for the school site may result in the Secretary of State using a discretionary power under Schedule 1 of the 2010 Act to step in and make a transfer scheme.

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

- 3.1 There is no requirement by DfE on local authorities or converting schools to consult specifically on the proposed lease of land/buildings. However, as stated in paragraph 1.7, schools seeking academy status are advised to undertake a formal consultation exercise with their local community to ascertain if any rights of way or access claims exist for the land to be contained within the lease. The proposed lease will include a clause seeking to protect such rights (if any) affecting the land which are still subsisting and capable of taking effect.
- 3.2 Each school proposing to convert is leading a public consultation exercise regarding the proposals to be included within the leases and associated land. Schools were required to undertake public consultation during the 2016 Autumn Term. The local ward councillors were also advised of the consultation exercise.
- 3.3 The public consultation on the proposed leases has produced no responses to date from local communities and one supportive response from a ward councillor.

- 3.4 Headteacher groups, service providers and other stakeholders have been kept informed regarding proposals for academy conversion of all converting schools. This practice would continue as necessary in the future.
- 3.5 The site specific issues for each school that your officers are working to address are as follows:

### **3.5.1 Stanton Bridge**

#### **A) Land Ownership**

As part of the preliminary title investigation work, it was discovered that part of the freehold title to the access to the school leading from Crabmill Lane is vested in Whitefriars Housing Group. The access to the school leading from Crabmill Lane has been used by the school since the late 1990's and forms part of the enclosed school boundary.

It appears that this land was in fact transferred to Whitefriars in error and should have been excluded from the transfer, being part of the land used for the access to and from the school. Whitefriars have agreed with the Council that the transfer was in error and therefore in order to regularise the position, the land will be transferred back to the Council at nil consideration. This parcel of land will then in turn be subject to a 999 year lease back to a Housing Association, who will then be responsible for the maintenance of the same under the terms of the lease.

#### **B) PFI Streetlighting Contract**

There are three lighting columns within the demise of the school site, two of which are now situated behind an additional security fence recently installed by the school to provide additional security to the SSO property now it is being brought back into use. These columns are included in the Council's PFI Streetlighting contract and are located in the section of Oliver Street which is unadopted highway. The three streetlights now effectively benefit only school users and not local residents. There is no other school in the city which has on-site streetlighting included within the PFI contract.

The Council's position is therefore to exclude all three lights from the PFI contract given that they were all located on and benefit the school site only. Responsibility for the lighting will therefore need to be transferred over to the school even if it was to remain as an LA maintained school.

The lights will be simply removed from the PFI inventory and disconnected from the circuit. The academy would be liable for disconnection and reconnection to the school supply. The cabling connecting the lights would be left in situ and therefore the academy would not have to pay for new cables to be installed. The resultant energy costs would be approximately £24.93 per column/annum and maintenance £31.24 per column/annum (based upon current contract PFI costs, but may vary dependent upon the academy's energy supplier).

#### **C) Sure Start**

The school currently includes accommodation which originally formed Stanton Bridge Sure Start but is no longer used for that specific purpose. It is unclear at this stage as to whether part of this was funded by sure start capital grant. The DfE have confirmed that any asset funded wholly or partly by this grant remains the responsibility of the local authority (for the life of the asset) and therefore cannot transfer that asset to another party. The local authority can however transfer the running of an asset to a third party (such as an Academy). Subject to confirmation of the funding of the scheme at Stanton

Bridge therefore, if necessary the Authority will include in the lease a clause that protects the use of the asset for purposes consistent with the grant, as the DfE will always 'clawback' from the authority if the asset no longer meets the conditions of the grant.

#### **D) SSO Property**

There is an SSO property at 133 Oliver Street, CV6 5FD that is situated within the school site. This will be subject to a separate lease.

### **3.5.2 Hearsall**

Following a period of consultation with stakeholders Hearsall Governing Body (HGB) has agreed to join the Inspire Multi Academy Trust as a sponsored academy. Self-evaluation of teaching over the last academic year has been over positive and not in tune with the outcomes/progress achieved by pupils. Progress in mathematics was significantly below the national position. The school has also seen a significant turnover in teaching staff over recent years and the former headteacher left at the end of the 2016 summer term. The HGB is therefore of the view that joining the Inspire MAT as a sponsored academy would provide the best possible outcome for the future of the school. Sponsored academy status is specifically designed for 'underperforming' schools where action is needed to raise standards. The Inspire MAT has therefore been working and supporting Hearsall in securing appointments to key posts and is supporting quality staffing for the current academic year.

As part of the conversion process, the Inspire MAT has undertaken a due diligence exercise which has identified a number of areas of concern including the condition of the Hearsall school buildings. The school occupies an old Victorian building that requires some significant work. It is on the Local List of Buildings of Special Architectural or Historic Interest. The 2014 condition survey identified condition issues (Priority 1, 2, &3) amounting to approximately £1.23 million. The Council has applied for grants (e.g. Priority Schools Building Programme 2) to address these issues in the past but these have been unsuccessful. The Trust has stated that they would be unwilling to accept any future liability for issues identified as 'urgent' (i.e. priority 1 and 2) due to the potential impact on finances affecting other schools in their MAT – Walsgrave CE, Frank Whittle and Clifford Bridge.

The HGB are of the view that if Inspire withdraw their sponsorship then the school will be left in an extremely difficult position which could result in a national academy chain taking over the running of the school.

The total value of the urgent condition works identified in the 2014 Condition Survey are in relation to the external fabric of the building, the heating system and electrical installations – the costs associated with these works are estimated to be £450k or 36% of the total value of the works identified in the 2014 Condition Survey. It is therefore proposed that these works are undertaken and funded by the Council. If Hearsall was to remain as a local authority maintained school, then the Council would still would have needed to address these issues. The School is unable to apply to the academy Condition Improvement Fund (CIF) until it actually becomes an academy. In any event there is no guarantee of success given that CIF funding is accessed via a competitive bidding process. There are no other funding streams available.

If approved, the works will be procured and managed by the Council. Funding of £200k and £250k has been allocated within the 2016/17 and 2017/18 Education Capital Programmes. There are risks to the Council in that costs could increase once works have commenced given the age of the building.

Should you support this proposal all works will not have been completed prior to academy conversion and therefore any arrangement will need to be formalised. It is therefore proposed to deal with this issue through a landlord's repairing covenant within the lease which will set out the works to be undertaken and also seek to limit the Council's future liabilities. Once the works are completed it is intended that all future repair and maintenance works will pass to the Academy.

#### **B) Pre School**

A three year lease (excluded from the Landlord and Tenant Act 1954) between the Council and Wraparound Boomerang Limited has recently been agreed. It is proposed to make the lease to the Academy Trust subject to the same.

#### **C) NUT Office**

The NUT occupy an office space within the school buildings which is subject to a local agreement. The Trust are content for the NUT office to remain on site post academisation. It is therefore envisaged that the NUT will make arrangements direct with the Academy Trust to ensure continuity of occupation

### **3.5.3 Keresley Grange**

#### **A) Barrs Hill Changing Rooms**

Barrs Hill (who joined the Futures MAT on 1<sup>st</sup> September 2015) have freestanding changing room accommodation on the Keresley Grange site which was intended to be used by pupils using the adjacent Barrs Hill school playing fields. Barrs Hill no longer use these fields given their 'remoteness' from the main school site and therefore the changing rooms are no longer used for their intended purpose. The accommodation has been subject of a lease between Barrs Hill and the Council for Keresley Grange to use the changing rooms as a library facility. It is proposed that this arrangement is dealt with direct between the Academy and Barr's Hill School, both schools being part of the Futures Trust.

#### **B) SSO Property**

There is an on-site SSO property - School House, Waste Lane CV6 2EH – which will be subject to a separate lease.

### **3.5.4 Parkgate**

#### **A) The KEY Provision**

The Key provision at Parkgate is currently accommodated in leased Portakabin units. It provides for up to 24 KS1 and KS2 primary pupils who are at risk of being permanently excluded from school. The provision is managed and funded by the Council on behalf of all Coventry primary schools. A recent review of provision with primary headteachers concluded that The Key (which is also provided at Frederick Bird Primary School) plays an important role in addressing the needs of this particular group of children to ensure that they return to their mainstream school as quickly as possible. It is therefore proposed that the temporary accommodation at Parkgate is replaced with a permanent building which will continue to be managed by the Council after academy conversion.

In order to achieve this, it is proposed as part of the lease, that the Trust shall (once the location has been agreed between the parties and lease terms) grant to the Council an

underlease of the land and buildings forming the new Key provision together with rights in relation to any necessary shared facilities, rights of access and car parking both parties acting reasonably.

#### **B) Adult Education Service**

Adult Education occupy part of the school nursery block from which classes are delivered. Occupation is subject to an arrangement between the school and the service, whereby a rental is paid to cover the running costs of the building. When Adult Education are not using the accommodation, some limited use is made by the school. It is proposed to seek the grant of a licence from the Trust to the Council for the use of that part of the school used by the adult education service.

#### **C) SSO Property**

There is an on-site SSO property - 173 Parkgate Road, CV6 4GF – which will be subject to a separate lease.

#### **Courthouse Green**

##### **A) SSO Property**

There is an off-site SSO property - 1 Heddle Grove, CV6 7LL– which will be subject to a separate lease.

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

- 4.1 Following the agreement of this report, officers will immediately seek to finalise and complete the required long lease in liaison with the sponsor's solicitors to enable the schools to convert. The target conversion dates are as follows:

<b>School</b>	<b>Target Date for Conversion*</b>
Stanton Bridge	1 <sup>st</sup> January 2017
Hearsall	1 <sup>st</sup> January 2017
Keresley Grange	1 <sup>st</sup> February 2017
Parkgate	1 <sup>st</sup> February 2017
Courthouse Green	1 <sup>st</sup> April 2017

subject to all outstanding issues being resolved.

- 4.2 Future school academy conversions will be subject to a similar Cabinet report as this one in seeking approval for lease, asset transfer and other necessary agreements. The timings of such reports will be dependent on planned school conversion dates and issues raised by consultation on such agreements.

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

##### **5.1 Financial implications**

- 5.1.1 Academies receive their funding directly from the Education Funding Agency which includes a share of the central funding currently received by Local Authorities for maintained schools. Before conversion a commercial transfer agreement should be in place, which is designed to ensure that a number of agreements are in place including details of any assets or contracts that will transfer to the academy trust and of those that will not.



5.1.2 Since April 2013 the Local Authority has been funded differently for central education functions (e.g. school improvement, asset management, education welfare). This funding is via an unringfenced grant – Education Services Grant (ESG), rather than core funding. When an academy transfers this the LA’s allocation of this grant is reduced on a per pupil basis. Any part year reduction to ESG will be reported as set out below. From September 2017 the Government has announced it will stop paying this element of the ESG to both LAs and academies. This means that the conversions will not have an ongoing financial impact on the LA’s central education functions.

School	Target Conversion Date	Part year Impact (£)
Stanton Bridge	1 <sup>st</sup> January 2017	£ 7,496.40
Hearsall	1 <sup>st</sup> January 2017	£ 7,226.45
Keresley Grange	1 <sup>st</sup> February 2017	£ 3,785.83
Parkgate	1 <sup>st</sup> February 2017	£ 8,570.10
Courthouse Green	1 <sup>st</sup> April 2017	£ 0.00
<b>TOTAL</b>		<b>£ 27,528.78</b>

5.1.3 The treatment of any final surplus or deficit balance depends on the status by which a school becomes to academy. Schools which are classed as “converter” schools take any final surplus or deficit balance with them at the point of conversion. This amount would transfer to the Trust. Schools which convert as a “sponsored” academy would leave behind any final deficit balance at the point of conversion, to be met from the Local Authority’s core budget. Conversely, any final surplus balance would still transfer through to the Trust.

5.1.4 Any part year reduction will be reported as part of the budgetary control forecast. The Statutory Functions Fundamental Service Review is reviewing services to reduce spending accordingly.

5.1.5 The Schools as “converter” schools take any surplus or deficit balance with them at the date of conversion. This will transfer to the respective Trusts.

5.1.6 The Local Authority will need to be involved in calculating the financial balance, and paying to the Trusts any surplus or recouping a deficit within 4 months. In the event that the Local Authority makes an underpayment or overpayment in relation to any historic liabilities (including, without limitation, any payments relating to the School’s accounts), the commercial transfer agreement states that the Local Authority and the sponsor agree to repay any such sums to the other (as appropriate).

5.1.7 In regard to specific financial implications on the land/buildings lease the Authority will only retain reversionary freehold risk. The Academy will acquire leaseholder and occupier risk. The Council have received clarification from the DfE Capital Review team that there will be no priority for capital given to schools that become Academies under the new system.

5.1.8 For sponsored academy conversions the Council usually has a responsibility to ensure that any health and safety issues in the predecessor schools are addressed ahead of transfer.

5.1.9 Under the new recouping of costs guidelines the Schools will each be charged £6,750 to meet the costs incurred by the Council in the conversion process i.e. a total of £33,750.

## 5.2 Legal implications

- 5.2.1 The 2010 Act (and amended by the 2011 Act) provides for conversion of a mainstream school into an academy in two circumstances, firstly on application of the school's governing body under clause 3, or secondly, if the school is eligible for intervention.
- 5.2.2 The Trust is required to liaise with the land owner (in this case the Council as Local Authority) to agree the terms of a land transfer for land and premises the School has wholly or mainly occupied as a maintained school at any time in the previous 8 years. In the event of agreement not being reached the Secretary of State has a discretionary power under Schedule 1 of the 2010 Act (as amended by Schedule 14 of the 2011 Act) to step in and make a "transfer scheme".
- 5.2.3 Schedule 1 of the 2010 Act requires the academy and the Council execute legal documentation transferring the land and premises by way of the transfer of the freehold or the grant of a long lease for a term of 125 years. In accordance with Schedule 1 of the 2010 Act the Council is obliged to grant to the academy a 125 year lease at a peppercorn rental of the land shown edged red on the plans attached in Appendix 3 currently forming the site of the school's existing land. Guidance on land transfer from the DfE suggests that if land is held by a local authority then a long leasehold interest should be granted rather than a transfer of the freehold.
- 5.2.4 Officers within the Resources Directorate will prepare and complete the long leases for each conversion. The form of lease will be based upon the "model long term lease" produced by the DfE.
- 5.2.5 Three of the five schools have an on-site Site Services Officer (SSO) property which is under the ownership of the Council – Keresley Grange, Parkgate and Stanton Bridge. Courthouse Green has an off-site SSO property. In order to protect the Council's property asset, the Council will demise to each Trust the site service accommodation under a separate lease agreement. In the event that any Trust ceases to use the SSO property as site services officer accommodation, the Council will have the right to terminate the lease and take possession of the same. This approach has been adopted on other academy conversions. This will protect the Council's property asset and any future capital receipt.
- 5.2.6 Officers within the Resources Directorate would also usually prepare and complete a Commercial Transfer Agreement with the appropriate academy. The form of agreement is based upon the model form document produced by the DfE. In the Commercial Transfer Agreement the Council will indemnify the academy company in respect of claims relating to the assets and contracts transferred to the Academy Company, other general and employee claims prior to the transfer date. Such claims would typically include claims relating to general contractual disputes and personal injury, claims for unfair dismissal, redundancy discrimination claims and equal pay claims. There are no such claims outstanding in respect of these schools. Various contracts will also be transferred and cross indemnities given in respect of the obligations assumed under such will be given by the Council and the Academy company to each other.

## 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 creation of Academies, if they are not part of a positive partnership of schools, has the potential to significantly reduce the Council's ability to pursue its corporate objectives that all children and young people are safe, achieve and make a positive contribution to

the City. To date, in relation to the five schools proposing to transfer to academy status, good relationships have been maintained and the sponsors have expressed a commitment to continue to work with the Council and other schools. This will require the sponsors and any future academies to use some of their funding to support partnership working.

Academies will have the ability to change the length of the school day and also set their own Term and holiday dates. Should academies set different dates from those agreed by other schools in the city then this will impact on parents particularly those with children at other schools.

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

An academy is no longer maintained by the Local Authority and the land and buildings transfer to the academy trust, so health and safety will no longer be the Local Authority's responsibility. It will be the same for business continuity. If there were significant health and safety or business continuity issues in an academy school this could result in numbers of children and young people not being in school. This is likely to have an impact on the Local Authority. This needs to be discussed and agreed with sponsors and headteachers as we consider with them the protocols for working with academies.

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

Academies are independent bodies from the Council. As such they will have freedom to decide where they obtain services and support from. Where academies decide to procure services elsewhere than the Council then this may impact on the services involved. For many Council services this means no change as under Fair Funding legislation and Budget Delegation requirements, schools have held such budgets and service delivery decision-making powers for several years. However, where services have been provided as part of a corporate statutory service then academies will need to purchase such services from the Council or seek an alternative provider. When bidding for academy business, all Local Authority services will have to base bids on commercial rates that achieve full recovery of Authority costs. Revised formal arrangements in respect of service charging for community and academies were introduced from April 2013.

As academies will become the employers of the school's staff, the converting schools will be required to follow TUPE legislation and also agree appropriate admission arrangements to teacher and support staff pension bodies prior to conversion. In the case of these schools the current school Governing Body are the employer and therefore will need to enter a TUPE arrangement for the transfer of staff. Trade unions have been and will continue to be consulted on the transfer.

The 125 year lease of land and buildings to academies will make the academies wholly responsible for repair, maintenance and upkeep of the land and buildings (including SSO properties where relevant).

## **6.4 Equalities / EIA**

There are no specific EIA issues directly related to the land transfer. The agreement of a lease for the land and buildings to each academy will in itself not have any adverse affect on the community access or enjoyment of each of the sites compared to that currently available from the school. Parts of the current school buildings and certain site locations may have access restrictions or limits for those with a disability (eg wheelchair users, blind/partially sighted) or movement restriction (eg elderly) due to the age and design of the site, however, these issues will not worsen with the agreement of the lease. Responsibility for monitoring and addressing access issues on the site will

transfer from the Council to the academy with the school's conversion to academy status and it will be for each academy to prioritise improvement works in the usual way.

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

Academies, as an independent organisation from the Council, will be responsible for working towards its own agenda for environmental improvements. The Carbon Reduction Commitment (CRC) Energy Efficiency Scheme as amended is a mandatory carbon emissions tax covering non-energy intensive users in both public and private sectors, and is a central part of the UK's strategy to deliver the emission reduction targets set in the Climate Change Act 2008. Emissions from academies are to be included in the total reported carbon emissions for their participating local authority. As such Academies will be responsible for providing appropriate information to the Council to enable us to procure Carbon Credits on their behalf.

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

None that have not already been addressed

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		Property, or to acquire an interest in other land:
		None
	<b>LR9.2</b>	Tenant's covenant to (or offer to) surrender this lease:
		None
	<b>LR9.3</b>	Landlord's contractual rights to acquire this lease:
		None
<b>LR10.</b>	<b>Restrictive covenants given in this lease by the Landlord in respect of land other than the Property:</b>	None
<b>LR11.</b>	<b>Easements:</b>	
	<b>LR11.1</b>	Easements granted by this lease for the benefit of the Property:
		The easement(s) set out in the Second Schedule to this lease
	<b>LR11.2</b>	Easements granted or reserved by this lease over the Property for the benefit of other property
		The easement(s) set out in the Third Schedule to this lease
<b>LR12.</b>	<b>Estate rentcharge burdening the Property:</b>	None
<b>LR13.</b>	<b>Application for standard form of restriction:</b>	The parties apply for the following standard form N restriction to be entered against the title of the Property:-  "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the Secretary of State for Education of Sanctuary Buildings Great Smith Street London SW1P 3PT
<b>LR14.</b>	<b>Declaration of trust where there is more than one person comprising the Tenant:</b>	Not applicable



the Tenant in relation to the operation of educational services at the Property

<b>“Funding Termination Date”</b>	The date that falls 30 working days after the termination of the Funding Agreement
<b>"Insured Risks"</b>	fire lightning explosion earthquake storm tempest flood subsidence landslip heave impact terrorism bursting or overflowing of water tanks and pipes damage by aircraft and other aerial devices or articles dropped therefrom riot and civil commotion labour disturbance and malicious damage and such other risks as the Tenant insures against from time to time Subject in all cases to any exclusions or limitations as may from time to time be imposed by the insurers or underwriters Provided that if in respect of any period of time the Tenant is unable to effect insurance against any one or more of such risks or upon terms or at a premium which the Tenant considers reasonable then during such period such risk or risks are deemed to be excluded from the definition of "Insured Risks"
<b>"Interest"</b>	interest at the rate of four per cent (4%) per annum above HSBC Bank plc Base Rate for the time being in force (both before and after any judgment) such interest to be compounded with rests on the usual quarter days or if such Base Rate ceases to be published then at the rate of 1 per cent per annum above the rate at which the Landlord could reasonably borrow from time to time
<b>“Landlords Property”</b>	Land and buildings including the Property (registered under title number(s) [ ] and comprised in the documents set out in Schedule 4
<b>"Law"</b>	any statute or any order instrument or regulation made under it or any notice or order issued by a government department the legislative making institutions of the European Union minister or local public regulatory or other authority
<b>"Lease"</b>	this Lease as varied from time to time together with any other deed document or agreement at any time during the Term amending supplemental or collateral to it
<b>"Outgoings"</b>	all present and future rates taxes duties charges assessments impositions and outgoing whatsoever (whether parliamentary local or of any other description including capital or non-recurring and including any novel expenses)
<b>"Plan"</b>	the plan annexed to this Lease
<b>"Planning Acts"</b>	the Town and Country Planning Act 1990 the Planning (Listed Buildings and Conservation Areas) Act 1990 the Planning (Hazardous Substances) Act 1990 the Planning (Consequential Provisions) Act 1990 the Planning and Compensation Act 1991 the Planning and Compulsory Purchase Act 2004 and any other Law or Laws of a similar nature in force at any time during the Term

<b>"Premises Acts"</b>	the Occupiers' Liability Act 1957 the Factories Act 1961 the Offices Shops and Railway Premises Act 1963 the Fire Precautions Act 1971 the Defective Premises Act 1972 the Health and Safety at Work etc. Act 1974 the Occupiers' Liability Act 1984 and any other Law or Laws regulating the safety of premises and those occupying or visiting the same in force at any time during the Term
<b>"President"</b>	the President of the Institution of Chartered Surveyors
<b>"Property"</b>	the property described in Part 1 Schedule 1
<b>"Reinstatement Value"</b>	<p>the full cost of reinstating the Property including:-</p> <ul style="list-style-type: none"> <li>(a) temporarily making the Property safe and protecting any adjoining structures</li> <li>(b) debris removal demolition and site clearance</li> <li>(c) obtaining planning and any other requisite consents or approvals</li> <li>(d) complying with the requirements of any Law</li> <li>(e) architects' surveyors' and other fees incurred by the Tenant in relation to the reinstatement</li> <li>(f) all construction costs</li> <li>(g) any VAT chargeable on any of the reinstatement costs (save where the Tenant is able to recover such VAT as an input in relation to supplies made by the Tenant)</li> </ul>
<b>"Relevant Secretary Of State"</b>	such secretary of state or Minister of the Crown as may be nominated by the Secretary of State for Education to take an assignment of the Lease
<b>"Retained Land"</b>	The adjoining land of the Landlord described in Part 2 Schedule 1
<b>"Rent"</b>	a peppercorn (if demanded)
<b>"Risk Protection Arrangement"</b>	Arrangements to cover certain risks as operated by the Department of Education
<b>"Secretary of State"</b>	the Secretary of State for Education or such other Minister of the Crown who is a successor to such person and who is party to the Funding Agreement with the Tenant at the relevant time
<b>"School"</b>	[        ] Primary School [        ] in the City of Coventry
<b>"Substation Site"</b>	the electricity substation site shown coloured green on the Plan
<b>"Substation Lease"</b>	means a Lease dated 2 <sup>nd</sup> August 1994 made between the Council of the City of Coventry (1) and The East Midlands Electricity Plc (2) and a deed of variation dated 3 <sup>rd</sup> November 1997 made between the Council of the City of Coventry (1) and the East Midlands Electricity plc (2) in

respect of (inter-alia) the Substation Site (and includes subsequent renewals of the lease)

<b>"Term"</b>	125 years from and including the Term Commencement Date
<b>"Term Commencement Date"</b>	day of 2016
<b>"Termination Date"</b>	the date of expiration or sooner determination of the Term
<b>"the 1954 Act"</b>	the Landlord and Tenant Act 1954
<b>"the 1995 Act"</b>	the Landlord and Tenant (Covenants) Act 1995
<b>"VAT"</b>	Value Added Tax or any equivalent tax which may at any time during the Term be imposed in substitution for it or in addition to it and all references to rents or other sums payable by the Tenant are exclusive of VAT

1.2 In interpreting this Lease:-

1.2.1 references to Clauses pages and Schedules are to Clauses and pages of and Schedules to this Lease unless stated otherwise

1.2.2 the expression "Landlord" includes the person for the time being entitled to the immediate possession of the Property on the expiry of the Term

1.2.3 the expression "Tenant" includes the person in whom for the time being the Tenant's interest under this Lease is vested and its successors in title

1.2.4 where reference is made to a statute this includes all prior and subsequent enactments amendments and modifications relating to that statute and any subordinate legislation made under such statute

1.2.5 references to a "person" include any individual firm unincorporated association or body corporate and words importing the singular number include the plural number and vice versa and words importing one gender include all genders

1.2.6 if the Tenant is or are at any time more than one person any reference to the Tenant is deemed to refer to each such person and any obligation on the part of the Tenant takes effect as a joint and several obligation

1.2.7 any covenant by the Tenant not to carry out any action is to be construed as if it is (where appropriate) additionally a covenant by the Tenant not to permit or suffer such action to be done

1.2.8 the words "include" and "including" are to be construed without limitation and in construing this Lease the ejusdem generis principle does not apply and general words are not to be given a restrictive meaning because they are followed by particular examples intended to be embraced by the general words

1.2.9 a reference to an act or omission of the Tenant includes an act or omission of any undertenant and any other person deriving title under the Tenant and includes an act or omission of their respective employees and visitors

1.2.10 a reference to the Property includes any part of it except where the word is used in Clause 3.12

1.2.11 a reference to the end of the Term or to the Termination Date is to the end of the Term however it terminates

- 1.2.12 a consent of the Landlord shall be valid if it is either:-
- (a) given in writing and signed by a person duly authorised on behalf of the Landlord; or
  - (b) (if required by the Landlord after any request for consent from the Tenant but prior to consent being given) it is by deed and
- if a consent is not by deed it will not affect the Landlord's ability to require that any other consent should be by deed
- 1.2.13 any notice given to the Landlord shall not be valid unless it is in writing
- 1.2.14 the Landlord is entitled to withhold its consent where it requires the corresponding consent of any mortgagee or superior landlord of the Property until it obtains that consent (and the Landlord shall use all reasonable endeavours to obtain such consent and shall ensure that any charges or superior leases created after the date of this Lease shall contain obligations on the mortgagee or superior landlord not unreasonably to withhold or delay consent in circumstances where the Landlord's consent cannot be unreasonably withheld or delayed under this Lease)
- 1.2.15 a right of the Landlord or anyone else to have access to or entry upon the Property extends to any superior landlord and any mortgagee of the Landlord's Property and to anyone authorised by the Landlord or any superior landlord or mortgagee and includes a right of entry with workmen equipment and materials
- 1.2.16 the table of contents and headings to Clauses paragraphs and Schedules do not affect the construction of this Lease
- 1.2.17 a right granted by the Landlord is granted in common with all other persons entitled to it and/or authorised by the Landlord to exercise it
- 1.2.18 a right excepted or reserved to the Landlord is also reserved to any other person entitled to it and/or authorised by the Landlord
- 1.2.19 where the Landlord is entitled to enter the Property on giving notice it is also entitled to enter without notice in emergency and may break and enter if it considers it necessary
- 1.2.20 nothing entitles the Tenant to enforce any obligation given by anyone to the Landlord
- 1.2.21 any person undertaking any obligation under or by virtue of this Lease which is a 'landlord covenant' for the purposes of the 1995 Act does so only in respect of the period of time during which the immediate reversion to this Lease is vested in such person and not further or otherwise
- 1.2.22 any works (whether of repair decoration alteration or otherwise) that the Tenant is permitted or obliged to carry out in accordance with this Lease shall be carried out in accordance with good modern practice
- 1.2.23 a provision of this Lease which is void or unenforceable shall be severed from all other provisions of this Lease and the remaining provisions shall continue to have effect
- 1.2.24 if a provision of this Lease extends beyond the limitations set by any Law or rule of law but if it were not so extended would remain unaffected by the Law or rule of law the provision is deemed to be varied so as not to extend beyond the limitations

- 1.2.25 if any matter is referred to arbitration pursuant to this Lease:-
- (a) it is to be conducted in accordance with the Arbitration Act 1996 and
  - (b) the arbitrator has no power:-
    - (i) to order rectification setting aside or cancellation of this Lease
    - (ii) to direct that the recoverable costs of the arbitration or any parts of the arbitral proceedings will be limited to a specific amount
    - (iii) where there are provisions in this Lease for the payment of interest at a specified rate to award interest whether in addition to or in substitution for such interest provisions
- 1.2.26 if any matter in this Lease is to be determined by an arbitrator:-
- (a) he is to be appointed by agreement between the Landlord and the Tenant or at the request and option of either of them is to be nominated by the President
  - (b) if he dies delays or declines to act the President may on the application of either the Landlord or the Tenant discharge him and appoint another to act in his place in the same capacity and
  - (c) if either the Landlord or the Tenant pays his fees and expenses it may recover the proportion (if any) the other party was obliged to pay from that other party as a debt recoverable on demand
- 1.2.27 wherever and to the extent that any provision of this Lease would or might contravene the provisions of section 25 of the 1995 Act then:-
- (a) such provision is to take effect only in so far as it may do so without contravening section 25 of the 1995 Act (and where such provision extends beyond the limits permitted by section 25 of the 1995 Act that provision is to be varied so as not to extend beyond those limits) and
  - (b) where such provision is incapable of having any effect without contravening section 25 of the 1995 Act this Lease is to be construed and interpreted as if such provision were deleted and
  - (c) the legality validity and enforceability of any of the remaining provisions of this Lease is not in any way to be affected or impaired as a result

## **BACKGROUND INFORMATION**

The construction of part of the Property known as the "Surestart Children's Centre Accommodation" that was a capital funded project from monies secured under the Funding

A requirement of the Funding is that part of the Property must be used for the provision of family and childcare service as being more particularly detailed in clause 3.9.4 of this Lease

The DfE agreed with the Landlord to defer (but not waiver) the clawback provisions under the Funding provided that part of the Property continued to be used for the provision of childcare and associated young family support services broadly consistent with the terms of Funding

The Landlord and the Tenant have agreed to grant this Lease to the Tenant and the Tenant will "step into the shoes" of the Landlord and shall provide the childcare services from the Property in accordance with clause 3.9.4 of this Lease The Tenant to ensure that

the availability of the childcare and family support services meets the needs of families within the area

It is acknowledged that the DfE shall retain an interest in the Property under the terms of the Funding and in the event the use of the Property changes at any time during the Term and does not continue to satisfy the uses set out in clause 3.9.4 hereof then the Council is required to notify the DfE and in turn the DfE is entitled to seek to clawback the Funding]

## 2. **DEMISE RENTS AND OTHER PAYMENTS**

2.1 The Landlord demises the Property to the Tenant for the Term (subject to the provisions for earlier termination contained in this Lease) the Tenant paying therefor by way of rent throughout the Term without any deduction counterclaim or set off (whether legal or equitable) of any nature whatsoever:-

2.1.1 the Rent (if demanded)

2.1.2 all other sums (including VAT) due under this Lease from the Tenant to the Landlord

2.2 The Property is demised:-

2.2.1 together with the rights specified in Schedule 2

2.2.2 excepting and reserving to the Landlord and all others now entitled (or who may become entitled) and all others authorised by them (to include any adjoining or neighbouring owners or occupiers) as specified in Schedule 3

2.2.3 subject to any rights (if any) affecting the Property which are still subsisting and capable of taking effect

2.2.4 Subject to and with the benefit of the matters contained or referred to in the documents listed in Schedule 4

[2.2.5 Subject to the Substation Site and Substation Lease together with any rights reserved or granted in the Substation Lease in respect of the Substation Site]

## 3. **TENANT'S COVENANT**

The Tenant covenants with the Landlord as follows:-

### 3.1 **RENT AND PAYMENTS**

To pay the Rent and all other sums reserved as rent by this Lease at the times and in the manner at and in which they are reserved in this Lease

### 3.2 **OUTGOINGS**

3.2.1 Promptly to pay the Outgoings which are now or may during the Term be payable in respect of the Property or its owner or occupier except any payment occasioned by any disposition of or dealing with the ownership of any estate or interest expectant in reversion on the Term [provided always that of any outgoings are payable in respect of Retained Land as well as the Property without apportionment to pay a fair and proper proportion of the same to be conclusively determined by the Landlord acting reasonably](#)

3.2.2 To pay for all Amenities exclusively used by or available to the Property (including all standing charges)

3.2.3 To observe and perform all present and future regulations and requirements of the authorities or companies supplying or providing the Amenities

### 3.3 **REPAIR AND UPKEEP**



At all times during the Term to:

- 3.3.1 keep the Property (including for the avoidance of doubt all buildings structures landscaping and other erections and boundary walls, fences and hedges) clean and tidy and make good:
- 3.3.2 any damage it causes to the Property and/or
- 3.3.3 any deterioration to the condition of the Property that may arise from the Term Commencement Date
- 3.3.4 to notify the Landlord in writing immediately if any structural damage occurs to the Property

provided that the Tenant shall not be in breach of this covenant if and for so long as disrepair arises due to damage caused to the Property by any of the Insured Risks and the Tenant to diligently pursuing its insurance claim or its claims under the Risk Protection Arrangement and reinstating such damage

#### 3.4 **ACCESS OF LANDLORD AND NOTICE TO REPAIR**

To permit the Landlord and all persons authorised by the Landlord (with or without equipment) upon reasonable prior notice to the Tenant (but at any time without notice in case of emergency) to enter the Property as follows:-

- 3.4.1 in the final 3 years of the Term in order to take inventories of any Fixtures and Fittings to be yielded up at the end of the Term
- 3.4.2 at reasonable intervals during the Term in order to view and examine the state of repair and condition of the Property and to give to the Tenant or the Tenant's agent or leave on the Property notice in writing to the Tenant of all breaches of any of the tenant covenants in this Lease relating to the condition or repair of the Property ("Repair Notice") and the Tenant covenants (subject to having obtained any necessary consents to any required works, which the Tenant shall use all reasonable endeavours to obtain as soon as possible) to repair and make good the Property according to such notice and the covenants in that behalf contained in this Lease within the following time periods:-

(a) where (b) and (c) below do not apply or where the state of repair is causing a breach of health and safety or other legislation or is causing structural damage ("Safety Breach"), the works shall be commenced within the period of 56 days after the service of the Repair Notice and shall be completed diligently thereafter

(b) where there is no Safety Breach, if the Tenant does not immediately have the funds to carry out such works but could complete the works within a reasonable period without requiring further funding under the Funding Agreement it shall demonstrate this to the Landlord by providing to the Landlord within 56 days of the service of the Repair Notice:-

(i) a statement of the maintenance budget for the Property (included within the funding already received under the Funding Agreement) and the sums expended that financial year to date on the repair and maintenance of the Property ("Funding Statement") and

(ii) a programme of works setting out a reasonable time period for the works to be carried out taking into account the nature of the disrepair and the funds available

and the works shall be commenced and carried out within the periods set out in the programme of works referred to at (ii) above

(c) where there is no Safety Breach and where the Tenant cannot demonstrate that it can carry out the works within a reasonable time under (b) above but requires to make an application ("Funding Application") to the Secretary of State for funding

under the Funding Agreement in order to carry out such works, the relevant section of works shall be commenced as soon as reasonably practicable after the Secretary of State grants permission under the programme of works agreed pursuant to the Funding Application ("Works Programme")

and if the Tenant fails satisfactorily to comply with such notice in accordance with (a) (b) or (c) above the Landlord and all persons authorised by the Landlord are entitled at any time without notice (but without prejudice to the right of re-entry contained in this Lease) to enter the Property with all necessary equipment to repair and make good the Property in accordance with the covenants and provisions contained in this Lease and the expense of such repairs together with all reasonable legal and surveyors' fees properly incurred in connection with this sub-clause must be repaid by the Tenant to the Landlord upon demand and on a full indemnity basis as a contractual debt

- 3.4.3 where the Tenant has served notice on the Landlord pursuant to Clause 3.3.2 of the occurrence of structural damage to the Property then to permit the Landlord to enter onto the Property to view and examine the state of repair and condition of the Property
- 3.4.4 at any time during the Term to view the Property in connection with any dealing or proposed dealing (by way of sale mortgage or otherwise) with the Landlord's reversionary interest in the Property
- 3.4.5 (in circumstances only where the Landlord may have a liability under Law or under this Lease) to carry out such tests inspections and surveys as the Landlord reasonably requires
- 3.4.6 at any time during the Term to fix and retain without interference upon any suitable part or parts of the Property one or more notice boards for reletting (but in the case of reletting only within six months before the Termination Date) or selling at any time the Landlord's reversionary interest in the Property
- 3.4.7 at any time during the Term to exercise any rights reserved by this Lease and to comply with any obligations of the Landlord (whether arising under this Lease or otherwise)
- 3.4.8 at reasonable intervals during the Term in order to determine whether the Tenant has complied with all its obligations in this Lease (save that, for the avoidance of doubt, the Landlord shall not be entitled to inspect the financial records of the Tenant)

Provided that any exercise of the above rights by the Landlord does not constitute an action for forfeiture by the Landlord or evidence an intention to accept or effect the surrender of the Term and provided further that the exercise of the above rights by the Landlord shall not be in such a manner as materially to restrict or interrupt the operation of the school on the Property by the Tenant, shall cause as little damage as reasonably practicable and shall (save in relation to emergency access) be in accordance with the reasonable requirements of the Tenant in relation to the security of the Property and the health and safety of the students and others at the Property and the Landlord shall make good any damage caused to the Property as soon as reasonably practicable

### 3.5 **ALTERATIONS AND ADDITIONS**

- 3.5.1 Not to commit any act of waste
- 3.5.2 Not to erect any buildings or other structures on the Property nor make any structural or external alterations additions or variations to any structures for the time being on the Property without the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed) save that the Landlord can only refuse such consent if:-
  - (a) such erection alteration addition or variation will adversely affect the Landlord's statutory obligations as a landlord or as a local authority and/or
  - (b) such erection alteration addition or variation will have an adverse effect on the structural integrity of any structures on the Property or any part or parts of any structures on the Property and/or

- (c) such erection alteration addition or variation will adversely affect the value of the Landlord's revisionary interest in the Property

3.5.3 As part of the application to the Landlord for its consent pursuant to Clause 3.5.2 the Tenant shall:-

- (a) submit to the Landlord adequate plans and specifications describing the proposed erection alteration addition or variation and shall consult with the Landlord on the proposed erection alteration addition or variation and shall take into account any representations that the Landlord may reasonably make in relation to the matters referred to at Clause 3.5.2 (a) (b) and (c)
- (b) make any necessary variations or alterations to the plans and specifications in accordance with the reasonable representations of the Landlord pursuant to sub-clause (a) above
- (c) covenant with the Landlord as to the execution and (if it is agreed between the parties before the works are carried out that they will be reinstated at the determination of the Term) the reinstatement of any of the works as the Landlord may reasonably require

3.5.4 In relation to any works permitted pursuant to Clauses 3.5.2 and 3.5.3 above to carry out all such works only in accordance with such plans and specifications as have been provided to and approved by the Landlord in writing or as have been subsequently varied in accordance with any representations of the Landlord

3.5.5 After commencing any works of erection alteration addition or variation as permitted pursuant to Clauses 3.5.2 and 3.5.3 above to complete such works as soon as reasonably practicable and in any event no later than by the end of the Term

3.5.6 To carry out any works permitted by this Lease in a good and workmanlike manner as soon as reasonably practicable with good quality materials strictly in accordance with all relevant British Standards including codes of practice and the requirements and regulations of all utility companies affected by such works and so that any easements rights privileges or liberties which third parties enjoy in over or under the Property are not interfered with and that no nuisance is caused to the Landlord

3.5.7 Not to carry out any erection alteration addition or variation which hinders access to a Conduit

### 3.6 **SIGNS AND ADVERTISEMENTS**

3.6.1 To notify the Landlord of the affixing or display on the boundaries of the Property or on the outside of the buildings on the Property of any sign (which expression includes any signboard advertisement hoarding fascia poster placard bill notice or other notification) other than signs which:-

- (a) are required by law to be affixed or displayed or
- (b) do not require planning permission or
- (c) are necessary or usual for the authorised use of the Property

3.6.2 To display and maintain upon the Property notices required in relation to the Premises Acts and the Environment Acts

### 3.7 **STATUTORY OBLIGATIONS**

3.7.1 To comply with all Laws (including the Premises Acts) affecting the Property the physical condition or the user of them or the use of any Fixtures and Fittings in them

- 3.7.2 As soon as reasonably practicable to give written notice to the Landlord of anything arising or being in the Property which may endanger or adversely affect health or safety and which might give rise to a duty of care imposed by common law or statute on the Landlord in favour of the Tenant or any other person
- 3.7.3 The Tenant shall comply with its obligations, requirements and duties under the Construction (Design and Management) Regulations 2015 ("CDM Regulations") in relation to any works carried out at the Property, including all requirements in relation to the provision and maintenance of a health and safety file for the Property, which the Tenant shall maintain and shall give to the Landlord on the Termination Date
- 3.7.4 The Tenant shall elect to be treated as the only client as defined under the CDM Regulations in respect of any works carried out at the Property pursuant to Regulation 8 of the CDM Regulations
- 3.7.5 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations

### 3.8 **YIELD UP**

On the Termination Date quietly to yield up the Property to the Landlord with vacant possession (subject only to any lease granted to a statutory undertaker) in accordance with the proper performance of the Tenant's covenants contained in this Lease and with all refuse and (unless the Landlord notifies the Tenant to the contrary prior to the Termination Date) all Tenant's fixtures and fittings lettering and signs put up by the Tenant duly removed

### 3.9 **USE**

- 3.9.1 Not to carry on upon the Property any noisy noxious offensive or dangerous trade or occupation provided that the proper use of the Property for the purposes permitted by clause 3.9.3 shall not be a breach of this Clause
- 3.9.2 Not to use the Property for any illegal or immoral purpose
- 3.9.3 Without prejudice to the preceding covenants in this Clause not to use the Property otherwise than:-
- (a) for the purposes of the provision of educational services by the Tenant (as set out in any charitable objects of and in accordance with the memorandum and articles of association of the Tenant from time to time) and
  - (b) for community fundraising and recreational purposes which are ancillary to the use permitted under Clause 3.9.3 (a)

[3.9.4 It is acknowledged by the Landlord and the Tenant that the Funding was awarded to the School for the provision of childcare and young family support services being provided from the part of the Property forming the former children's centre accommodation and in turn the Tenant shall (as part of the use detailed in the clause 3.9 above) provide services that were previously provided from the Property by the Council's "Sure Start Services" which for the avoidance of any doubt shall be provided from the Property all year round to include (but not limited to) the following:-

- The provision of a full time learning mentor running a "positive parenting programme"
- The provision of a multi-agency working through the common assessment framework to improve different services working together for families to provide early help
- The provision of a weekly baby clinic

- Use by the community residents association]

### 3.10 **PLANNING AND ENVIRONMENTAL MATTERS**

- 3.10.1 To provide to the Landlord copies of any plans specifications applications consents and permissions relating to applications under the Planning Acts and to deal with any queries that the Landlord acting reasonably may raise
- 3.10.2 So often as occasion requires to obtain all consents and permissions required to authorise the use from time to time of the Property and the carrying out of any development (within the meaning of the Planning Acts) on the Property
- 3.10.3 To pay and satisfy any charges that may hereafter be imposed under the Planning Acts in respect of the carrying out or maintenance of any such development
- 3.10.4 To give written notice to the Landlord of the granting or refusal of any planning permission within twenty days after its receipt by the Tenant
- 3.10.5 If the Tenant receives any compensation because of any restriction placed upon the use of the Property under or by virtue of the Planning Acts then if this Lease is determined by surrender or re-entry immediately to make such provision as is just and equitable for the Landlord to receive due benefit from such compensation

### 3.11 **NOTICES**

As soon as reasonably practicable following receipt to provide to the Landlord a copy of any communication or notice which may give rise to a liability on the part of the Landlord or which may adversely affect the value or nature of the Landlord's interest in the Property

### 3.12 **DEALINGS**

- 3.12.1 Not to part with or share the possession or occupation of the whole or any part or parts of the Property Provided that the Tenant may share occupation of part of the Property with a body or individual providing services or facilities which are ancillary to and within the uses referred to in clause 3.9.3 where no relationship of landlord and tenant arises as a result of such occupation
- 3.12.2 Not to hold the Property or any part or parts of the Property or this Lease on trust for another
- 3.12.3 Subject to sub-clause 3.12.4 not to assign or transfer any part or parts or the whole of the Property
- 3.12.4 The Tenant is permitted to assign or transfer the whole of the Property to the Relevant Secretary of State a proprietor or proposed proprietor of an Academy or to a successor charitable or public body without the consent of the Landlord where the Secretary of State has given approval in writing to such an assignment or transfer
- 3.12.5 Not to underlet the whole of the Property
- 3.12.6 Not to underlet any part or parts of the Property
- 3.12.7 Not to charge the whole or any part or parts of the Property without the Landlord's prior written consent

### 3.13 **RIGHTS OF LIGHT AND ENCROACHMENTS**

Not to obstruct any windows or lights belonging to the Property nor to permit any encroachment upon the Property which might be or become a detriment to the Landlord and in case any encroachment is made or attempted to be made to give immediate notice of it to the Landlord

### 3.14 **INDEMNITY**

- 3.14.1 To keep the Landlord indemnified against all actions proceedings costs claims demands and expenses in respect of any liability or alleged liability in respect of any injury to or the death of any person (however the same may be caused) damage to any property moveable or immovable Laws (including the Premises Acts the Planning Acts and the Environment Acts) the infringement disturbance or destruction of any right easement or privilege and every other liability arising directly or indirectly out of any defect in or the condition or use of the Property or anything done or omitted to be done on them or any breach of the Tenant's obligations in this Lease
- 3.14.2 To notify the Landlord in writing immediately upon any of the events or matters referred to in sub-clause 3.14.1 occurring or arising

### 3.15 **COSTS**

To pay to the Landlord on demand all reasonable and proper costs charges and expenses (including legal costs and surveyors' fees and other professional fees and any charges and/or commission payable to a bailiff) losses and liabilities which may be incurred by the Landlord:-

- 3.15.1 in connection with the preparation and service of any notice (including any schedule of dilapidations) served under this Lease relating to the repair or condition of the Property whether during the Term or within three months after the Termination Date
- 3.15.2 in connection with any application by the Tenant for any licence approval permission or consent required under the terms of this Lease whether or not the application is withdrawn or the licence approval permission or consent is refused (save where refused unreasonably contrary to the terms of this Lease) or is granted (save where granted subject to conditions declared by a court of competent jurisdiction to be unreasonable)
- 3.15.3 in or in contemplation of claiming or recovering any arrears of Rent or rents or in connection with or arising out of any breach by the Tenant of any of the Tenant's obligations hereunder whether or not the Landlord proves such matters by proceedings in any Court

### 3.16 **VAT**

- 3.16.1 To pay VAT upon the Rent and upon any other sums payable by the Tenant under this Lease and in relation to any other supply of goods or services (within the meaning of section 5 and schedule 4 of the Value Added Tax Act 1994) made by the Landlord to the Tenant under this Lease so far as such tax is from time to time properly chargeable upon the same and in relation to taxable supplies made by the Landlord to the Tenant the Landlord must deliver to the Tenant a VAT invoice addressed to the Tenant
- 3.16.2 Where the Tenant has agreed to reimburse or indemnify the Landlord in respect of any payment made by the Landlord under the terms of or in connection with this Lease also to reimburse any VAT paid by the Landlord on such payment unless the VAT is actually recovered by the Landlord as an input in relation to supplies to the Landlord

### 3.17 **INTEREST ON ARREARS**

If any sums from time to time payable by the Tenant to the Landlord under this Lease are not paid to the Landlord within 14 days of the date when such sums became due (whether demanded or not) or are tendered to the Landlord but the Landlord reasonably refuses to accept them so as to preserve any rights the Landlord has to pay to the Landlord (without prejudice to any other right remedy or power available to the Landlord) interest on such sums (both before and after any judgement) from the date when such sums first became due until the date of actual payment inclusive of both dates at the Interest Rate

To observe and perform the matters contained or referred to in the documents listed in Schedule 4 relating to the Landlords Property so far as they are still subsisting and capable of taking effect and relate to the Property and to keep the Landlord indemnified against all actions proceedings costs claims demands and expenses relating to them

#### **4. LANDLORD'S COVENANTS**

The Landlord covenants with the Tenant:-

##### **4.1 QUIET ENJOYMENT**

That the Tenant may peaceably and quietly hold and enjoy the Property during the Term without any interruption or disturbance by the Landlord or any person rightfully claiming through or under the Landlord.

[4.2 To observe the Landlord's covenants under the Substation Lease]

4.3 To pay and indemnify the Tenant against costs and expenses as referred to in paragraphs 5 and 6 of Schedule 3

#### **5. INSURANCE AND RISK PROTECTION ARRANGEMENT**

5.1 The Tenant covenants with the Landlord:-

5.1.1 to keep the Property insured with a reputable insurance office against loss or damage by the Insured Risks in the sum the Tenant is advised represents the Reinstatement Value of the Property from time to time or to be a member of the Risk Protection Arrangement

5.1.2 if not a member of the Risk Protection Arrangement to pay the premiums for insurance promptly as they become due and maintain in force the policies of insurance on the Property

5.1.3 following the incidence of damage to or destruction of the Property and subject to receipt of all necessary consents licences permissions and the like to apply the proceeds of the policy of the insurance or payment under the Risk Protection Arrangement received for those purposes in rebuilding and reinstating the Property (provided that this covenant should be satisfied if the Tenant provides premises not necessarily identical to the Property as the same existing prior to such damage or destruction occurring) as soon as may be reasonably practicable provided that in case it shall be impossible or impracticable to reinstate the Property in accordance with the provisions of this Clause 5 within 3 years of the date of damage or destruction occurring either party may serve written notice on the other to terminate this Lease and upon service of such notice this Lease shall immediately cease and determine but without prejudice to the rights of either party against the other in respect of any prior breach of any obligation contained in this Lease and any monies received under the said policy of insurance or under the Risk Protection Arrangement whether before or after the termination of this Lease shall be paid by the Tenant on receipt to the Landlord and shall as between the Landlord and the Tenant belong to the Landlord absolutely

5.1.4 if not a member of the Risk Protection Arrangement to produce to the Landlord a copy of the insurance policy whenever reasonably requested and the receipt for the last or other evidence of renewal and up to date details of the amount of cover (but no more often than once in any period of 12 months in both cases)

5.1.5 not to knowingly do anything whereby any policy of insurance relating to the Property may become void or voidable

5.2 The Tenant further covenants with the Landlord to insure against liability in respect of property owners' and third party risks if not a member of the Risk Protection Arrangement



6. **PROVISOS**

6.1 **RE-ENTRY**

Where there occurs a breach by the Tenant of Clause 3.9 and/or 5.1.2 of this Lease and the Landlord has served written notice specifying such breach and the remedial action required by the Tenant and if within a reasonable period (taking account of the breach complained of) the Tenant has not taken steps to remedy such breach or the Tenant is dissolved or struck off or removed from the Register of Companies or otherwise ceases to exist then it is lawful for the Landlord or any person authorised by the Landlord at any time afterwards to re-enter upon the Property or any part of it in the name of the whole and thereupon the Term absolutely determines without prejudice to any right of action of the Landlord in respect of any breach of the Tenant's obligations contained in this Lease

6.2 **LANDLORD'S RIGHTS ON FORFEITURE**

The Landlord's right to forfeit this Lease is not affected by any acceptance of or demand for rent or any action which would affirm this Lease by the Landlord with knowledge of a breach of any of the Tenant's covenants contained in this Lease and the Tenant is not in any proceedings for forfeiture or otherwise entitled to rely upon any such acceptance demand or affirmation as aforesaid as a defence provided that this provision only applies to any acceptance of or demand for rent or affirmation of this Lease made during such period as may in all the circumstances be reasonable for enabling the Landlord to conduct negotiations with the Tenant for remedying the breach

6.3 **SERVICE OF NOTICES**

Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 applies to all notices which may require to be served under the terms of this Lease except that section 196 is deemed to be amended as follows:-

6.3.1 the final words of section 196(4) "and that service ..... be delivered" are deleted and there is substituted "and that service is deemed to have been made on the third working day after the registered letter has been posted" and "working day" means any day from Monday to Friday (inclusive) other than Christmas Day Good Friday and any statutory or bank holiday

6.3.2 any notice or document is also sufficiently served if sent by telephonic facsimile transmission to the party to be served and that service is deemed to be made on the day of transmission if transmitted before 4.00 pm on a working day but otherwise on the next following working day

6.3.3 if the party to whom any notice to be served consists of more than one person the service of notice upon one of such persons constitutes service upon all of them

6.3.4 any notice to be given by a party may be given by that party's solicitor or agent and when addressed to a party is not rendered invalid by reason of that party having died become insolvent or changed name whether or not the party serving notice is aware of the fact

6.4 **EXCLUSION OF S.62 L.P.A.**

The operation of section 62 of the Law of Property Act 1925 is excluded from this Lease and the only rights granted to the Tenant are those expressly set out in this Lease and the Tenant is not by virtue of this Lease deemed to have acquired or be entitled by any means whatsoever (other than express grant) to any easement from or over any adjoining or neighbouring land or premises now or at any time after the date of this Lease belonging to the Landlord and not comprised in this Lease

6.5 **GOVERNANCE**

6.5.1 This Lease is governed by English law

6.5.2 The parties submit to the exclusive jurisdiction of the High Court of Justice in England





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

10. **CHARITY**

The Property will as a result of this Lease be held by the Tenant as an exempt charity

**EXECUTED AS A DEED** by the parties on the date which first appears in this Lease.

EXECUTED (but not delivered until the date Hereof) AS A DEED by affixing the Common Seal of **THE COUNCIL OF THE CITY OF COVENTRY** in the presence of:-

Authorised Signatory

EXECUTED (but not delivered until the date hereof AS A DEED by affixing the Common Seal of [ ] in the presence of:-

Director

Secretary

## **SCHEDULE 1**

### **Part 1 The Property**

**ALL THAT** land and buildings situate at the [ ] Primary School situated in [ ] in the City of Coventry shown edged red on the Plan and include the following so far as the same may exist at any time during the Term:-

- (a) all Conduits exclusively serving such Property and
- (b) all Fixtures and Fittings (save for those that belong to the Tenant)

**BUT EXCLUDING**

- (c) The Substation Site

### **Part 2 The Retained Land**

[The Land and premises shown stripped blue on the Plan and any Land now or in the future ownership of the Landlord at adjacent or near the Property]

## **SCHEDULE 2**

### **Rights Granted**

#### **1. SERVICES**

The right in common with the Landlord and all others from time to time so entitled and with the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed save as provided below) for the Tenant to connect into (in so far as there are no connections) and to pass Amenities to and from the Property through Conduits now or at any time during the Term laid in under or upon any adjoining land of the Landlord PROVIDED that the Landlord has the right at any time or times during the Term:-

- 1.1 to refuse consent for the Tenant to connect into any Conduits if in the reasonable opinion of the Landlord the Conduits are insufficient to bear the extra load which would be likely to result from the proposed connection by the Tenant and
- 1.2 to divert or vary the positions of the Conduits upon giving reasonable prior notice to the Tenant (except in case of emergency) (which interruption the Landlord must however seek to minimise so far as is reasonably possible)

#### **2. SUPPORT**

A right of support and protection to the Property from the Landlord's adjoining land

## **SCHEDULE 3**

### **Rights Excepted and Reserved**

1. The full and free right for the Landlord and their successors in title to build upon alter add to extend redevelop or otherwise use any part of the adjoining land or property now or formerly or hereafter belonging to the Landlord to the fullest extent as if this Lease had not been granted notwithstanding that such buildings or user may affect the access of light or air coming to the Property
- 1.1 The free flow of water soil gas electricity and other supplies from any adjoining land belonging to the Landlord through the sewers drains pipes and channels now or in future existing in or under the Property and the right to make connections with such sewers drains pipes and channels or any of them for the purpose of exercising such right
- 1.2 The right during the Term to create any easement or install or maintain any sewers pipes drains wires or channels in over or under the Property for the benefit of any adjoining or neighbouring land belonging to the Landlord
- 2 The right for the Landlord and their licensees and tenants for the time being of adjoining Property belonging to the Landlord if so authorised in writing by the Landlord and their servants agents and workmen at all reasonable times after reasonable notice (of not less than 5 day's notice in writing save in the case of emergency where no notice is required) to enter the Property for the purpose of executing any work on or in connection with such adjoining property which otherwise cannot be conveniently executed the person or persons exercising such right causing as little interference or damage to the Property as is reasonably practicable and making good all damage caused thereby
3. The right at any time throughout the Term (upon giving to the Tenant no less than five (5) days prior notice in writing save in the case of an emergency where no notice is required) to enter the Property to:-
  - 3.1 inspect cleanse connect lay repair remove relay replace with other alter or execute any works whatever in connection with the pipe sewer drains and channels referred to in Clause 2 of this Schedule
  - 3.2 carry our any work or do anything whatsoever compromised within the Landlord's obligations in this Lease or under any legislation whether or not the Tenant is obliged or liable to make a contribution
  - 3.3 exercise any of the rights granted to the Landlord by this Lease
  - 3.4 view the state and condition and repair of the premises
  - 3.5 take schedules or inventories of fixtures and fittings and other items to be yielded up on the expiration of the Term

4. The right of support and protection by the Property for such other parts of the adjoining land and property of the Landlord as requires such support and protection  
  
Subject to the Landlord in the exercise of the aforesaid rights causing as little damage and inconvenience to the Property as reasonably possible and making good to the reasonable satisfaction of the Tenant all damage caused to the Property
5. From time to time during the Term the right (upon giving to the Lessee no less than two (2) months notice in writing) the right for the Council and its employees and visitors to use the whole or part of the Property as a polling station on dates and times as are necessary for the purposes of facilitating public voting during local general or European elections
6. From time to time during the Term the right for the Landlord to use the Property as an "Emergency Centre" in the event that there is a major incident in the City of Coventry that requires the use of buildings in cases of emergency provided that in such an event the Lessee will co-operate with the Council and use every effort to assist the Council's use of the premises notwithstanding any hiring arrangements that are in place for use of the Property at that time
- [7. The right at all times during the Term for the Council (in common with its tenants licenses agents contractors and occupiers) to gain access to and from the Substation Site for all proper purposes in connection with the use enjoyment repair and maintenance of the Substation Site together with the right to lay and maintain both existing and new electricity cables to and from the Substation site in accordance with the terms and conditions set out in the Substation Lease]

**Schedule 4**  
**Landlords Property Title Matters**

Exemplar SSO Property Lease

**Dated**

**2016**

**(1) The Council of the  
City of Coventry  
(Landlord)**

**(2)  
(Tenant)**

Draft Lease/ [ ]'16

**Lease**

Site Service Officers / Residential  
Accommodation at [ ] Primary School  
[ ]  
In the City of Coventry

**Term:** 125 years

(Subject to Option to Determine

**Rent:** Peppercorn (if demanded)

Excluded from the Landlord and Tenant Act  
1954 Part II

**Ref:** L/JS/RSN [ ]

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**LAND REGISTRY REQUIRED WORDING FOR PRESCRIBED CLAUSES LEASE**

LR1.	Date of lease:		2016
LR2.	Title number(s):	LR2.1	Landlord's title number(s): [ ]  [ ]
		LR2.2	Other title number(s): None
LR3.	Parties to this lease:		
	Landlord:		The Council of the City of Coventry Council House Earl Street Coventry CV1 5RR
	Tenant:		(Company Registered Number [ ])
LR4.	Property:  (referred to in the remainder of this lease as the "Property")		Please see the definition of "Property" in clause 1.1 and Schedule 1
LR5.	Prescribed statements etc:		Statements prescribed under rules 179 (dispositions in favour of a charity) 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform Housing and Urban Development Act 1993) of the Land Registration Rules 2003.  The statement contained in clause 10 of this Lease.
LR6.	Term for which the Property is leased:  (referred to in the remainder of this lease as the "Term")		The term is as follows: 125 years from and including the            day of            2016
LR7.	Premium:		None
LR8.	Prohibitions or restrictions on disposing of this lease:		This lease contains a provision that prohibits or restricts dispositions



LR9.	Rights of acquisition etc:		
		LR9.1	Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land:  None
		LR9.2	Tenant's covenant to (or offer to) surrender this lease:  None
		LR9.3	Landlord's contractual rights to acquire this lease:  None
LR10.	Restrictive covenants given in this lease by the Landlord in respect of land other than the Property:		None
LR11.	Easements:		
		LR11.1	Easements granted by this lease for the benefit of the Property:  The easement(s) set out in the Second Schedule to this lease
		LR11.2	Easements granted or reserved by this lease over the Property for the benefit of other property  The easement(s) set out in the Third Schedule to this lease
LR12.	Estate rentcharge burdening the Property:		None
LR13.	Application for standard form of restriction:		The parties apply for the following standard form N restriction to be entered against the title of the Property:-  "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the Secretary of State for Education of Sanctuary Buildings Great Smith Street London SW1P 3PT
LR14.	Declaration of trust where there is more than one person comprising the Tenant:		Not Applicable



<b>“Funding Termination Date”</b>	The date that falls 30 working days after the termination of the Funding Agreement
<b>"Insured Risks"</b>	<p>fire lightning explosion earthquake storm tempest flood subsidence landslip heave impact terrorism bursting or overflowing of water tanks and pipes damage by aircraft and other aerial devices or articles dropped therefrom riot and civil commotion labour disturbance and malicious damage and such other risks as the Tenant insures</p> <p>against from time to time Subject in all cases to any exclusions or limitations as may from time to time be imposed by the insurers or underwriters Provided that if in respect of any period of time the Tenant is unable to effect insurance against any one or more of such risks or upon terms or at a premium which the Tenant considers reasonable then during such period such risk or risks are deemed to be excluded from the definition of "Insured Risks"</p>
<b>"Interest"</b>	interest at the rate of four per cent (4%) per annum above HSBC Bank plc Base Rate for the time being in force (both before and after any judgment) such interest to be compounded with rests on the usual quarter days or if such Base Rate ceases to be published then at the rate of 1 per cent per annum above the rate at which the Landlord could reasonably borrow from time to time
<b>“Landlords Property”</b>	Land and buildings including the Property (registered under title number(s) [                    ] and comprised in the documents set out in Schedule 4
<b>"Law"</b>	any statute or any order instrument or regulation made under it or any notice or order issued by a government department the legislative making institutions of the European Union minister or local public regulatory or other authority
<b>"Lease"</b>	this Lease as varied from time to time together with any other deed document or agreement at any time during the Term amending supplemental or collateral to it
<b>"Outgoings"</b>	all present and future rates taxes duties charges assessments impositions and outgoing whatsoever (whether parliamentary local or of any other description including capital or non-recurring and including any novel expenses)
<b>"Plan"</b>	the plan annexed to this Lease
<b>"Planning Acts"</b>	the Town and Country Planning Act 1990 the Planning (Listed Buildings and Conservation Areas) Act 1990 the Planning (Hazardous Substances) Act 1990 the Planning (Consequential Provisions) Act 1990 the Planning and Compensation Act 1991 the Planning and Compulsory Purchase Act 2004 and any other Law or Laws of a similar nature in force at any time during the Term
<b>"Premises Acts"</b>	the Occupiers' Liability Act 1957 the Factories Act 1961 the Offices Shops and Railway Premises Act 1963 the Fire Precautions Act 1971 the Defective Premises Act 1972 the Health and Safety at Work etc. Act 1974 the



addition to it and all references to rents or other sums payable by the Tenant are exclusive of VAT

- 1.2 In interpreting this Lease:-
- 1.2.1 references to Clauses pages and Schedules are to Clauses and pages of and Schedules to this Lease unless stated otherwise
- 1.2.2 the expression "Landlord" includes the person for the time being entitled to the immediate possession of the Property on the expiry of the Term
- 1.2.3 the expression "Tenant" includes the person in whom for the time being the Tenant's interest under this Lease is vested and its successors in title
- 1.2.4 where reference is made to a statute this includes all prior and subsequent enactments amendments and modifications relating to that statute and any subordinate legislation made under such statute
- 1.2.5 references to a "person" include any individual firm unincorporated association or body corporate and words importing the singular number include the plural number and vice versa and words importing one gender include all genders
- 1.2.6 if the Tenant is or are at any time more than one person any reference to the Tenant is deemed to refer to each such person and any obligation on the part of the Tenant takes effect as a joint and several obligation
- 1.2.7 any covenant by the Tenant not to carry out any action is to be construed as if it is (where appropriate) additionally a covenant by the Tenant not to permit or suffer such action to be done
- 1.2.8 the words "include" and "including" are to be construed without limitation and in construing this Lease the ejusdem generis principle does not apply and general words are not to be given a restrictive meaning because they are followed by particular examples intended to be embraced by the general words
- 1.2.9 a reference to an act or omission of the Tenant includes an act or omission of any undertenant and any other person deriving title under the Tenant and includes an act or omission of their respective employees and visitors
- 1.2.10 a reference to the Property includes any part of it except where the word is used in Clause 3.12
- 1.2.11 a reference to the end of the Term or to the Termination Date is to the end of the Term however it terminates
- 1.2.12 a consent of the Landlord shall be valid if it is either:-
- (a) given in writing and signed by a person duly authorised on behalf of the Landlord; or
  - (b) (if required by the Landlord after any request for consent from the Tenant but prior to consent being given) it is by deed and
- if a consent is not by deed it will not affect the Landlord's ability to require that any other consent should be by deed
- 1.2.13 any notice given to the Landlord shall not be valid unless it is in writing
- 1.2.14 the Landlord is entitled to withhold its consent where it requires the corresponding consent of any mortgagee or superior landlord of the Property until it obtains that consent (and the Landlord shall use all reasonable endeavours to obtain such consent and shall ensure that any charges or superior leases created after the date of this Lease shall

contain obligations on the mortgagee or superior landlord not unreasonably to withhold or delay consent in circumstances where the Landlord's consent cannot be unreasonably withheld or delayed under this Lease)

- 1.2.15 a right of the Landlord or anyone else to have access to or entry upon the Property extends to any superior landlord and any mortgagee of the Landlord's Property and to anyone authorised by the Landlord or any superior landlord or mortgagee and includes a right of entry with workmen equipment and materials
- 1.2.16 the table of contents and headings to Clauses paragraphs and Schedules do not affect the construction of this Lease
- 1.2.17 a right granted by the Landlord is granted in common with all other persons entitled to it and/or authorised by the Landlord to exercise it
- 1.2.18 a right excepted or reserved to the Landlord is also reserved to any other person entitled to it and/or authorised by the Landlord
- 1.2.19 where the Landlord is entitled to enter the Property on giving notice it is also entitled to enter without notice in emergency and may break and enter if it considers it necessary
- 1.2.20 nothing entitles the Tenant to enforce any obligation given by anyone to the Landlord
- 1.2.21 any person undertaking any obligation under or by virtue of this Lease which is a 'landlord covenant' for the purposes of the 1995 Act does so only in respect of the period of time during which the immediate reversion to this Lease is vested in such person and not further or otherwise
- 1.2.22 any works (whether of repair decoration alteration or otherwise) that the Tenant is permitted or obliged to carry out in accordance with this Lease shall be carried out in accordance with good modern practice
- 1.2.23 a provision of this Lease which is void or unenforceable shall be severed from all other provisions of this Lease and the remaining provisions shall continue to have effect
- 1.2.24 if a provision of this Lease extends beyond the limitations set by any Law or rule of law but if it were not so extended would remain unaffected by the Law or rule of law the provision is deemed to be varied so as not to extend beyond the limitations
- 1.2.25 if any matter is referred to arbitration pursuant to this Lease:-
  - (a) it is to be conducted in accordance with the Arbitration Act 1996 and
  - (b) the arbitrator has no power:-
    - (i) to order rectification setting aside or cancellation of this Lease
    - (ii) to direct that the recoverable costs of the arbitration or any parts of the arbitral proceedings will be limited to a specific amount
    - (iii) where there are provisions in this Lease for the payment of interest at a specified rate to award interest whether in addition to or in substitution for such interest provisions
- 1.2.26 if any matter in this Lease is to be determined by an arbitrator:-
  - (a) he is to be appointed by agreement between the Landlord and the Tenant or at the request and option of either of them is to be nominated by the President
  - (b) if he dies delays or declines to act the President may on the application of either the Landlord or the Tenant discharge him and appoint another to act in his place in the same capacity and

- (c) if either the Landlord or the Tenant pays his fees and expenses it may recover the proportion (if any) the other party was obliged to pay from that other party as a debt recoverable on demand

1.2.27 wherever and to the extent that any provision of this Lease would or might contravene the provisions of section 25 of the 1995 Act then:-

- (a) such provision is to take effect only in so far as it may do so without contravening section 25 of the 1995 Act (and where such provision extends beyond the limits permitted by section 25 of the 1995 Act that provision is to be varied so as not to extend beyond those limits) and
- (b) where such provision is incapable of having any effect without contravening section 25 of the 1995 Act this Lease is to be construed and interpreted as if such provision were deleted and
- (c) the legality validity and enforceability of any of the remaining provisions of this Lease is not in any way to be affected or impaired as a result

## 2. **DEMISE RENTS AND OTHER PAYMENTS**

2.1 The Landlord demises the Property to the Tenant for the Term (subject to the provisions for earlier termination contained in this Lease) the Tenant paying therefor by way of rent throughout the Term without any deduction counterclaim or set off (whether legal or equitable) of any nature whatsoever:-

2.1.1 the Rent (if demanded)

2.1.2 all other sums (including VAT) due under this Lease from the Tenant to the Landlord

2.2 The Property is demised:-

2.2.1 together with the rights specified in Schedule 2

2.2.2 excepting and reserving to the Landlord and all others now entitled (or who may become entitled) and all others authorised by them (to include any adjoining or neighbouring owners or occupiers) as specified in Schedule 3

2.2.3 subject to any rights (if any) affecting the Property which are still subsisting and capable of taking effect

2.2.4 Subject to and with the benefit of the matters contained or referred to in the documents listed in Schedule 4

## 3. **TENANT'S COVENANT**

The Tenant covenants with the Landlord as follows:-

### 3.1 **RENT AND PAYMENTS**

To pay the Rent and all other sums reserved as rent by this Lease at the times and in the manner at and in which they are reserved in this Lease

### 3.2 **OUTGOINGS**

3.2.1 Promptly to pay the Outgoings which are now or may during the Term be payable in respect of the Property or its owner or occupier except any payment occasioned by any disposition of or dealing with the ownership of any estate or interest expectant in reversion on the Term provided always that if any outgoings are payable in respect of

Retained Land as well as the Property without apportionment to pay a fair and proper proportion of the same to be conclusively determined by the Landlord acting reasonably

3.2.2 To pay for all Amenities exclusively used by or available to the Property (including all standing charges)

3.2.3 To observe and perform all present and future regulations and requirements of the authorities or companies supplying or providing the Amenities

### 3.3 **REPAIR AND UPKEEP**

At all times during the Term to:

3.3.1 keep the Property (including for the avoidance of doubt all buildings structures landscaping and other erections and boundary walls, fences and hedges) clean and tidy and make good:

3.3.2 any damage it causes to the Property and/or

3.3.3 any deterioration to the condition of the Property that may arise from the Term Commencement Date

3.3.4 To notify the Landlord in writing immediately if any structural damage occurs to the Property

Provided that the Tenant shall not be in breach of this covenant if and for so long as disrepair arises due to damage caused to the Property by any of the Insured Risks and the Tenant is diligently pursuing its insurance claim or claims under the Risk Protection Arrangement and reinstating such damage

### 3.4 **ACCESS OF LANDLORD AND NOTICE TO REPAIR**

To permit the Landlord and all persons authorised by the Landlord (with or without equipment) upon reasonable prior notice to the Tenant (but at any time without notice in case of emergency) to enter the Property as follows:-

3.4.1 in the final 3 years of the Term in order to take inventories of any Fixtures and Fittings to be yielded up at the end of the Term

3.4.2 at reasonable intervals during the Term in order to view and examine the state of repair and condition of the Property and to give to the Tenant or the Tenant's agent or leave on the Property notice in writing to the Tenant of all breaches of any of the tenant covenants in this Lease relating to the condition or repair of the Property ("Repair Notice") and the Tenant covenants (subject to having obtained any necessary consents to any required works, which the Tenant shall use all reasonable endeavours to obtain as soon as possible) to repair and make good the Property according to such notice and the covenants in that behalf contained in this Lease within the following time periods:-

(a) where (b) and (c) below do not apply or where the state of repair is causing a breach of health and safety or other legislation or is causing structural damage ("Safety Breach"), the works shall be commenced within the period of 56 days after the service of the Repair Notice and shall be completed diligently thereafter

(b) where there is no Safety Breach, if the Tenant does not immediately have the funds to carry out such works but could complete the works within a reasonable period without requiring further funding under the Funding Agreement it shall demonstrate this to the Landlord by providing to the Landlord within 56 days of the service of the Repair Notice:-

(i) a statement of the maintenance budget for the Property (included within the funding already received under the Funding Agreement) and the sums



expended that financial year to date on the repair and maintenance of the Property ("Funding Statement") and

- (ii) a programme of works setting out a reasonable time period for the works to be carried out taking into account the nature of the disrepair and the funds available

and the works shall be commenced and carried out within the periods set out in the programme of works referred to at (ii) above

- (c) where there is no Safety Breach and where the Tenant cannot demonstrate that it can carry out the works within a reasonable time under (b) above but requires to make an application ("Funding Application") to the Secretary of State for funding under the Funding Agreement in order to carry out such works, the relevant section of works shall be commenced as soon as reasonably practicable after the Secretary of State grants permission under the programme of works agreed pursuant to the Funding Application ("Works Programme")

and if the Tenant fails satisfactorily to comply with such notice in accordance with (a) (b) or (c) above the Landlord and all persons authorised by the Landlord are entitled at any time without notice (but without prejudice to the right of re-entry contained in this Lease) to enter the Property with all necessary equipment to repair and make good the Property in accordance with the covenants and provisions contained in this Lease and the expense of such repairs together with all reasonable legal and surveyors' fees properly incurred in connection with this sub-clause must be repaid by the Tenant to the Landlord upon demand and on a full indemnity basis as a contractual debt

- 3.4.3 where the Tenant has served notice on the Landlord pursuant to Clause 3.3.2 of the occurrence of structural damage to the Property then to permit the Landlord to enter onto the Property to view and examine the state of repair and condition of the Property
- 3.4.4 at any time during the Term to view the Property in connection with any dealing or proposed dealing (by way of sale mortgage or otherwise) with the Landlord's reversionary interest in the Property
- 3.4.5 (in circumstances only where the Landlord may have a liability under Law or under this Lease) to carry out such tests inspections and surveys as the Landlord reasonably requires
- 3.4.6 at any time during the Term to fix and retain without interference upon any suitable part or parts of the Property one or more notice boards for reletting (but in the case of reletting only within six months before the Termination Date) or selling at any time the Landlord's reversionary interest in the Property
- 3.4.7 at any time during the Term to exercise any rights reserved by this Lease and to comply with any obligations of the Landlord (whether arising under this Lease or otherwise)
- 3.4.8 at reasonable intervals during the Term in order to determine whether the Tenant has complied with all its obligations in this Lease (save that, for the avoidance of doubt, the Landlord shall not be entitled to inspect the financial records of the Tenant)

Provided that any exercise of the above rights by the Landlord does not constitute an action for forfeiture by the Landlord or evidence an intention to accept or effect the surrender of the Term and provided further that the exercise of the above rights by the Landlord shall not be in such a manner as materially to restrict or interrupt the operation of the school on the Property by the Tenant, shall cause as little damage as reasonably practicable and shall (save in relation to emergency access) be in accordance with the reasonable requirements of the Tenant in relation to the security of the Property and the health and safety of the students and others at the Property or School, and the Landlord shall make good any damage caused to the Property as soon as reasonably practicable

### 3.5 **ALTERATIONS AND ADDITIONS**

3.5.1 Not to commit any act of waste

3.5.2 Not to erect any buildings or other structures on the Property nor make any structural or external alterations additions or variations to any structures for the time being on the Property without the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed) save that the Landlord can only refuse such consent if:-

- (a) such erection alteration addition or variation will adversely affect the Landlord's statutory obligations as a landlord or as a local authority and/or
- (b) such erection alteration addition or variation will have an adverse effect on the structural integrity of any structures on the Property or any part or parts of any structures on the Property and/or
- (c) such erection alteration addition or variation will adversely affect the value of the Landlord's revisionary interest in the Property

3.5.3 As part of the application to the Landlord for its consent pursuant to Clause 3.5.2 the Tenant shall:-

- (a) submit to the Landlord adequate plans and specifications describing the proposed erection alteration addition or variation and shall consult with the Landlord on the proposed erection alteration addition or variation and shall take into account any representations that the Landlord may reasonably make in relation to the matters referred to at Clause 3.5.2 (a) (b) and (c)
- (b) make any necessary variations or alterations to the plans and specifications in accordance with the reasonable representations of the Landlord pursuant to sub-clause (a) above
- (c) covenant with the Landlord as to the execution and (if it is agreed between the parties before the works are carried out that they will be reinstated at the determination of the Term) the reinstatement of any of the works as the Landlord may reasonably require

3.5.4 In relation to any works permitted pursuant to Clauses 3.5.2 and 3.5.3 above to carry out all such works only in accordance with such plans and specifications as have been provided to and approved by the Landlord in writing or as have been subsequently varied in accordance with any representations of the Landlord

3.5.5 After commencing any works of erection alteration addition or variation as permitted pursuant to Clauses 3.5.2 and 3.5.3 above to complete such works as soon as reasonably practicable and in any event no later than by the end of the Term

3.5.6 To carry out any works permitted by this Lease in a good and workmanlike manner as soon as reasonably practicable with good quality materials strictly in accordance with all relevant British Standards including codes of practice and the requirements and regulations of all utility companies affected by such works and so that any easements rights privileges or liberties which third parties enjoy in over or under the Property are not interfered with and that no nuisance is caused to the Landlord

3.5.7 Not to carry out any erection alteration addition or variation which hinders access to a Conduit

### 3.6 **SIGNS AND ADVERTISEMENTS**

3.6.1 To notify the Landlord of the affixing or display on the boundaries of the Property or on the outside of the buildings on the Property of any sign (which expression includes any

signboard advertisement hoarding fascia poster placard bill notice or other notification) other than signs which:-

(a) are required by law to be affixed or displayed or

(b) do not require planning permission or

(c) are necessary or usual for the authorised use of the Property

3.6.2 To display and maintain upon the Property notices required in relation to the Premises Acts and the Environment Acts

### 3.7 **STATUTORY OBLIGATIONS**

3.7.1 To comply with all Laws (including the Premises Acts) affecting the Property the physical condition or the user of them or the use of any Fixtures and Fittings in them

3.7.2 As soon as reasonably practicable to give written notice to the Landlord of anything arising or being in the Property which may endanger or adversely affect health or safety

and which might give rise to a duty of care imposed by common law or statute on the Landlord in favour of the Tenant or any other person

3.7.3 The Tenant shall comply with its obligations, requirements and duties under the Construction (Design and Management) Regulations 2015 ("CDM Regulations") in relation to any works carried out at the Property, including all requirements in relation to the provision and maintenance of a health and safety file for the Property, which the Tenant shall maintain and shall give to the Landlord on the Termination Date

3.7.4 The Tenant shall elect to be treated as the only client as defined under the CDM Regulations in respect of any works carried out at the Property pursuant to Regulation 8 of the CDM Regulations

3.7.5 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations

### 3.8 **YIELD UP**

On the Termination Date quietly to yield up the Property to the Landlord with vacant possession (subject only to any lease granted to a statutory undertaker) in accordance with the proper performance of the Tenant's covenants contained in this Lease and with all refuse and (unless the Landlord notifies the Tenant to the contrary prior to the Termination Date) all Tenant's fixtures and fittings lettering and signs put up by the Tenant duly removed

### 3.9 **USE**

3.9.1 Not to carry on upon the Property any noisy noxious offensive or dangerous trade or occupation provided that the proper use of the Property for the purposes permitted by clause 3.9.3 shall not be a breach of this Clause

3.9.2 Not to use the Property for any illegal or immoral purpose

- 3.9.3 Without prejudice to the preceding covenants in this Clause not to use the Property otherwise than for the provision of residential accommodation for the School's site services officer appointed by the Tenant from time to time during the Term

PROVIDED THAT in the event that at any time during the Term the Tenant ceases to use the Property for the purpose set out in clause 3.9.3 above then the Tenant hereby covenants with the Landlord to give to the Landlord notice in writing within one month of the said use ceasing

### 3.10 **PLANNING AND ENVIRONMENTAL MATTERS**

- 3.10.1 To provide to the Landlord copies of any plans specifications applications consents and permissions relating to applications under the Planning Acts and to deal with any queries that the Landlord acting reasonably may raise
- 3.10.2 So often as occasion requires to obtain all consents and permissions required to authorise the use from time to time of the Property and the carrying out of any development (within the meaning of the Planning Acts) on the Property
- 3.10.3 To pay and satisfy any charges that may hereafter be imposed under the Planning Acts in respect of the carrying out or maintenance of any such development
- 3.10.4 To give written notice to the Landlord of the granting or refusal of any planning permission within twenty days after its receipt by the Tenant
- 3.10.5 If the Tenant receives any compensation because of any restriction placed upon the use of the Property under or by virtue of the Planning Acts then if this Lease is determined by surrender or re-entry immediately to make such provision as is just and equitable for the Landlord to receive due benefit from such compensation

### 3.11 **NOTICES**

As soon as reasonably practicable following receipt to provide to the Landlord a copy of any communication or notice which may give rise to a liability on the part of the Landlord or which may adversely affect the value or nature of the Landlord's interest in the Property

### 3.12 **DEALINGS**

- 3.12.1 Not to part with or share the possession or occupation of the whole or any part or parts of the Property
- 3.12.2 Not to hold the Property or any part or parts of the Property or this Lease on trust for another
- 3.12.3 Subject to sub-clause 3.12.4 not to assign or transfer any part or parts or the whole of the Property
- 3.12.4 The Tenant is permitted to assign or transfer the whole of the Property to the Relevant Secretary of State a proprietor or proposed proprietor of an Academy or to a successor charitable or public body without the consent of the Landlord where the Secretary of State has given approval in writing to such an assignment or transfer AND simultaneously with the assignment or transfer of the Lease dated day of 201 made between the parties hereto in respect of the land and buildings forming the School
- 3.12.7 Not to underlet the whole or any part of the Property save that the underletting of the whole of the Property is permitted without obtaining the Landlord's prior consent to the School's appointed site services officer from time to time during the Term for the use as residential accommodation in accordance with clause 3.9.3 hereof
- 3.12.6 Not to charge the whole or any part or parts of the Property without the Landlord's prior written consent

### 3.13 **RIGHTS OF LIGHT AND ENCROACHMENTS**

Not to obstruct any windows or lights belonging to the Property nor to permit any encroachment upon the Property which might be or become a detriment to the Landlord and in case any encroachment is made or attempted to be made to give immediate notice of it to the Landlord

### 3.14 **INDEMNITY**

3.14.1 To keep the Landlord indemnified against all actions proceedings costs claims demands and expenses in respect of any liability or alleged liability in respect of any injury to or the death of any person (however the same may be caused) damage to any property moveable or immovable Laws (including the Premises Acts the Planning Acts and the Environment Acts) the infringement disturbance or destruction of any right easement or privilege and every other liability arising directly or indirectly out of any defect in or the condition or use of the Property or anything done or omitted to be done on them or any breach of the Tenant's obligations in this Lease

3.14.2 To notify the Landlord in writing immediately upon any of the events or matters referred to in sub-clause 3.14.1 occurring or arising

### 3.15 **COSTS**

To pay to the Landlord on demand all reasonable and proper costs charges and expenses (including legal costs and surveyors' fees and other professional fees and any charges and/or commission payable to a bailiff) losses and liabilities which may be incurred by the Landlord:-

3.15.1 in connection with the preparation and service of any notice (including any schedule of dilapidations) served under this Lease relating to the repair or condition of the Property whether during the Term or within three months after the Termination Date

3.15.2 in connection with any application by the Tenant for any licence approval permission or consent required under the terms of this Lease whether or not the application is withdrawn or the licence approval permission or consent is refused (save where refused unreasonably contrary to the terms of this Lease) or is granted (save where granted subject to conditions declared by a court of competent jurisdiction to be unreasonable)

3.15.3 in or in contemplation of claiming or recovering any arrears of Rent or rents or in connection with or arising out of any breach by the Tenant of any of the Tenant's obligations hereunder whether or not the Landlord proves such matters by proceedings in any Court

### 3.16 **VAT**

3.16.1 To pay VAT upon the Rent and upon any other sums payable by the Tenant under this Lease and in relation to any other supply of goods or services (within the meaning of section 5 and schedule 4 of the Value Added Tax Act 1994) made by the Landlord to the Tenant under this Lease so far as such tax is from time to time properly chargeable upon the same and in relation to taxable supplies made by the Landlord to the Tenant the Landlord must deliver to the Tenant a VAT invoice addressed to the Tenant

3.16.2 Where the Tenant has agreed to reimburse or indemnify the Landlord in respect of any payment made by the Landlord under the terms of or in connection with this Lease also to reimburse any VAT paid by the Landlord on such payment unless the VAT is actually recovered by the Landlord as an input in relation to supplies to the Landlord

### 3.17 **INTEREST ON ARREARS**

If any sums from time to time payable by the Tenant to the Landlord under this Lease are not paid to the Landlord within 14 days of the date when such sums became due (whether demanded or not) or are tendered to the Landlord but the Landlord reasonably refuses to accept them so as to preserve any rights the Landlord has to pay to the

Landlord (without prejudice to any other right remedy or power available to the Landlord) interest on such sums (both before and after any judgement) from the date when such sums first became due until the date of actual payment inclusive of both dates at the Interest Rate

### 3.18 **LANDLORD'S PROPERTY**

To observe and perform the matters contained or referred to in the documents listed in Schedule 4 relating to the Landlords Property so far as they are still subsisting and capable of taking effect and relate to the Property and to keep the Landlord indemnified against all actions proceedings coast claims demands and expenses relating to them

## 4. **LANDLORD'S COVENANTS**

The Landlord covenants with the Tenant:-

### 4.1 **QUIET ENJOYMENT**

That the Tenant may peaceably and quietly hold and enjoy the Property during the Term without any interruption or disturbance by the Landlord or any person rightfully claiming through or under the Landlord.

## 5. **INSURANCE AND RISK PROTECTION ARRANGEMENT**

5.1.1 to keep the Property insured with a reputable insurance office against loss or damage by the Insured Risks in the sum the Tenant is advised represents the Reinstatement Value of the Property from time to time or to be a member of the Risk Protection Arrangement

5.1.2 if not a member of the Risk Protection Arrangement to pay the premiums for insurance promptly as they become due and maintain in force the policies of insurance on the Property

5.1.3 following the incidence of damage to or destruction of the Property and subject to receipt of all necessary consents licences permissions and the like to apply the proceeds of the policy of the insurance or payment under the Risk Protection Arrangement received for those purposes in rebuilding and reinstating the Property (provided that this covenant should be satisfied if the Tenant provides premises not necessarily identical to the Property as the same existing prior to such damage or destruction occurring) as soon as may be reasonably practicable provided that in case it shall be impossible or impracticable to reinstate the Property in accordance with the provisions of this Clause 5 within 3 years of the date of damage or destruction occurring either party may serve written notice on the other to terminate this Lease and upon service of such notice this Lease shall immediately cease and determine but without prejudice to the rights of either party against the other in respect of any prior breach of any obligation contained in this Lease and any monies received under the said policy of insurance or under the Risk Protection Arrangement whether before or after the termination of this Lease shall be paid by the Tenant on receipt to the Landlord and shall as between the Landlord and the Tenant belong to the Landlord absolutely

5.1.4 if not a member of the Risk Protection Arrangement to produce to the Landlord a copy of the insurance policy whenever reasonably requested and the receipt for the last or other evidence of renewal and up to date details of the amount of cover (but no more often than once in any period of 12 months in both cases)

5.1.5 not to knowingly do anything whereby any policy of insurance relating to the Property may become void or voidable

5.2 The Tenant further covenants with the Landlord to insure against liability in respect of property owners' and third party risks if not a member of the Risk Protection Arrangement

## 6. **PROVISOS**

### 6.1 **RE-ENTRY**

Where there occurs a breach by the Tenant of Clause 3.9 and/or 5.1.2 of this Lease and the Landlord has served written notice specifying such breach and the remedial action required by the Tenant and if within a reasonable period (taking account of the breach complained of) the Tenant has not taken steps to remedy such breach or the Tenant is dissolved or struck off or removed from the Register of Companies or otherwise ceases to exist then it is lawful for the Landlord or any person authorised by the Landlord at any time afterwards to re-enter upon the Property or any part of it in the name of the whole and thereupon the Term absolutely determines without prejudice to any right of action of the Landlord in respect of any breach of the Tenant's obligations contained in this Lease

### 6.2 **LANDLORD'S RIGHTS ON FORFEITURE**

The Landlord's right to forfeit this Lease is not affected by any acceptance of or demand for rent or any action which would affirm this Lease by the Landlord with knowledge of a breach of any of the Tenant's covenants contained in this Lease and the Tenant is not in any proceedings for forfeiture or otherwise entitled to rely upon any such acceptance demand or affirmation as aforesaid as a defence provided that this provision only applies to any acceptance of or demand for rent or affirmation of this Lease made during such period as may in all the circumstances be reasonable for enabling the Landlord to conduct negotiations with the Tenant for remedying the breach

### 6.3 **SERVICE OF NOTICES**

Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 applies to all notices which may require to be served under the terms of this Lease except that section 196 is deemed to be amended as follows:-

6.3.1 the final words of section 196(4) "and that service ..... be delivered" are deleted and there is substituted "and that service is deemed to have been made on the third working day after the registered letter has been posted" and "working day" means any day from Monday to Friday (inclusive) other than Christmas Day Good Friday and any statutory or bank holiday

6.3.2 any notice or document is also sufficiently served if sent by telephonic facsimile transmission to the party to be served and that service is deemed to be made on the day of transmission if transmitted before 4.00 pm on a working day but otherwise on the next following working day

6.3.3 if the party to whom any notice to be served consists of more than one person the service of notice upon one of such persons constitutes service upon all of them

6.3.4 any notice to be given by a party may be given by that party's solicitor or agent and when addressed to a party is not rendered invalid by reason of that party having died become insolvent or changed name whether or not the party serving notice is aware of the fact

### 6.4 **EXCLUSION OF S.62 L.P.A.**

The operation of section 62 of the Law of Property Act 1925 is excluded from this Lease and the only rights granted to the Tenant are those expressly set out in this Lease and the Tenant is not by virtue of this Lease deemed to have acquired or be entitled by any means whatsoever (other than express grant) to any easement from or over any adjoining or neighbouring land or premises now or at any time after the date of this Lease belonging to the Landlord and not comprised in this Lease

## **6.5 GOVERNANCE**

6.5.1 This Lease is governed by English law

6.5.2 The parties submit to the exclusive jurisdiction of the High Court of Justice in England

## **6.6 AGREEMENT TO EXCLUDE SECTIONS 24 TO 28 OF THE 1954 ACT**

6.6.1 The Landlord and the Tenant agree pursuant to section 38A(1) of the 1954 Act that the provisions of sections 24 to 28 (inclusive) of the 1954 Act are excluded in relation to the tenancy created by this Lease

6.6.2 The Tenant confirms that:-

(a) the Landlord served on the Tenant a notice ("the Notice") applicable to the tenancy created by this Lease on        day of        2016 in accordance with section 38A (3) (a) of the 1954 Act and

(b) the Tenant or a person duly authorised by the Tenant made a declaration or a statutory declaration in relation to the Notice on the        day of        2016 in accordance with the requirements of section 38A (3) (b) of the 1954 Act

before the Tenant entered into this Lease or (if earlier) became contractually bound to do so

## **6.7 TERMINATION**

6.7.1 This Lease shall automatically determine on the Funding Termination Date in circumstances where there is no other Funding Agreement in existence unless either:-

6.7.1.1 The Landlord has received prior notice in writing from the Secretary of State of an intention for this Lease to be assigned in accordance with the terms of this Lease; or

6.7.1.2 This Lease has been assigned in accordance with the terms of this Lease

6.7.2 This Lease shall automatically determine on the End Date if by that date this Lease has not been assigned in accordance with the terms of this Lease

6.7.3 The Tenant shall give written notice to the Landlord as soon as possible after becoming aware that the Funding Agreement may be liable to termination including where a notice terminating the Funding Agreement is served on the Tenant and the notice served on the Landlord shall specify the date (or likely date) of termination of the Funding Agreement

6.7.4 The Tenant shall give written notice to the Landlord at the same time as the Tenant serves any notice terminating the Funding Agreement and such notice shall specify the date (or likely date) of termination of the Funding Agreement

6.7.5 On the termination of this Lease under Clause 6.7.1 or 6.7.2 everything contained in the Lease ceases and determines but without prejudice to any claim by either party against the other in respect of any antecedent breach of any obligation contained in this Lease

## **7. LANDLORD'S POWERS**

7.1 The Landlord enters into this Lease pursuant to its powers under sections 111 120 122 and 123 of the Local Government Act 1972 the Education Act 1996 Section 2 of the Local Government Act 2000 and all other powers so enabling and warrants that it has full power to enter into this Lease and to perform all obligations on its part herein contained

7.2 Nothing in this Lease shall fetter the Landlord in the proper performance of its statutory functions



8. **NEW TENANCY**

This Lease is a new tenancy for the purposes of the 1995 Act

9. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT**

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

10. **CHARITY**

The Property will as a result of this Lease be held by the Tenant as an exempt charity

11. **LANDLORD'S OPTION TO DETERMINE**

In the event that the Tenant ceases at any time during the Term to use the Property for the purposes set out in clause 3.9.3 then the Landlord may determine this Lease by giving to the Tenant not less than five (5) month's prior notice in writing of its desire ("the Landlord's Notice") And upon the expiration of the Landlord's Notice this Lease shall cease and determine absolutely but without prejudice to any right of either party hereto against the other in respect of any antecedent breach of any of the covenants and conditions herein contained PROVIDED ALWAYS THAT neither the Property nor any part or parts thereof being on the Termination Date subject to any underlease or charge and the Tenant shall give to the Landlord upon the expiration of the Landlord's Notice full vacant possession of the whole of the Property

**EXECUTED AS A DEED** by the parties on the date which first appears in this Lease.

EXECUTED (but not delivered until the date Hereof) AS A DEED by affixing the Common Seal of **THE COUNCIL OF THE CITY OF COVENTRY** in the presence of:-

Authorised Signatory

EXECUTED (but not delivered until the date hereof AS A DEED by affixing the Common Seal of [ ] in the presence of:-

Director

Secretary

## **SCHEDULE 1**

### **Part 1 The Property**

**ALL THAT** land and buildings situate at the [ ] Primary School situated in [ ] in the City of Coventry shown edged red on the Plan and include the following so far as the same may exist at any time during the Term:-

- (a) all Conduits exclusively serving such Property and
- (b) all Fixtures and Fittings (save for those that belong to the Tenant)

### **Part 2 The Retained Land**

[The Land and premises shown stripped blue on the Plan and any land now or in the future ownership of the Landlord at adjacent or near the Property]

## **SCHEDULE 2**

### **Rights Granted**

#### **1. SERVICES**

The right in common with the Landlord and all others from time to time so entitled and with the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed save as provided below) for the Tenant to connect into (in so far as there are no connections) and to pass Amenities to and from the Property through Conduits now or at any time during the Term laid in under or upon any adjoining land of the Landlord PROVIDED that the Landlord has the right at any time or times during the Term:-

- 1.3 to refuse consent for the Tenant to connect into any Conduits if in the reasonable opinion of the Landlord the Conduits are insufficient to bear the extra load which would be likely to result from the proposed connection by the Tenant and
- 1.4 to divert or vary the positions of the Conduits upon giving reasonable prior notice to the Tenant (except in case of emergency) (which interruption the Landlord must however seek to minimise so far as is reasonably possible)

#### **2. SUPPORT**

A right of support and protection to the Property from the Landlord's adjoining land

## SCHEDULE 3

### Rights Excepted and Reserved

1. The full and free right for the Landlord and their successors in title to build upon alter add to extend redevelop or otherwise use any part of the adjoining land or property now or formerly or hereafter belonging to the Landlord to the fullest extent as if this Lease had not been granted notwithstanding that such buildings or user may affect the access of light or air coming to the Property
- 2.1 The free flow of water soil gas electricity and other supplies from any adjoining land belonging to the Landlord through the sewers drains pipes and channels now or in future existing in or under the Property and the right to make connections with such sewers drains pipes and channels or any of them for the purpose of exercising such right
- 2.2 The right during the Term to create any easement or install or maintain any sewers pipes drains wires or channels in over or under the Property for the benefit of any adjoining or neighbouring land belonging to the Landlord
- 3 The right for the Landlord and their licensees and tenants for the time being of adjoining Property belonging to the Landlord if so authorised in writing by the Landlord and their servants agents and workmen at all reasonable times after reasonable notice (of not less than 5 day's notice in writing save in the case of emergency where no notice is required) to enter the Property for the purpose of executing any work on or in connection with such adjoining property which otherwise cannot be conveniently executed the person or persons exercising such right causing as little interference or damage to the Property as is reasonably practicable and making good all damage caused thereby
3. The right at any time throughout the Term (upon giving to the Tenant no less than five (5) days prior notice in writing save in the case of an emergency where no notice is required) to enter the Property to:-
  - 3.1 inspect cleanse connect lay repair remove relay replace with other alter or execute any works whatever in connection with the pipe sewer drains and channels referred to in Clause 2 of this Schedule
  - 3.2 carry our any work or do anything whatsoever compromised within the Landlord's obligations in this Lease or under any legislation whether or not the Tenant is obliged or liable to make a contribution
  - 3.3 exercise any of the rights granted to the Landlord by this Lease
  - 3.4 view the state and condition and repair of the premises
  - 3.5 take schedules or inventories of fixtures and fittings and other items to be yielded up on the expiration of the Term
4. The right of support and protection by the Property for such other parts of the adjoining land and property of the Landlord as requires such support and protection  

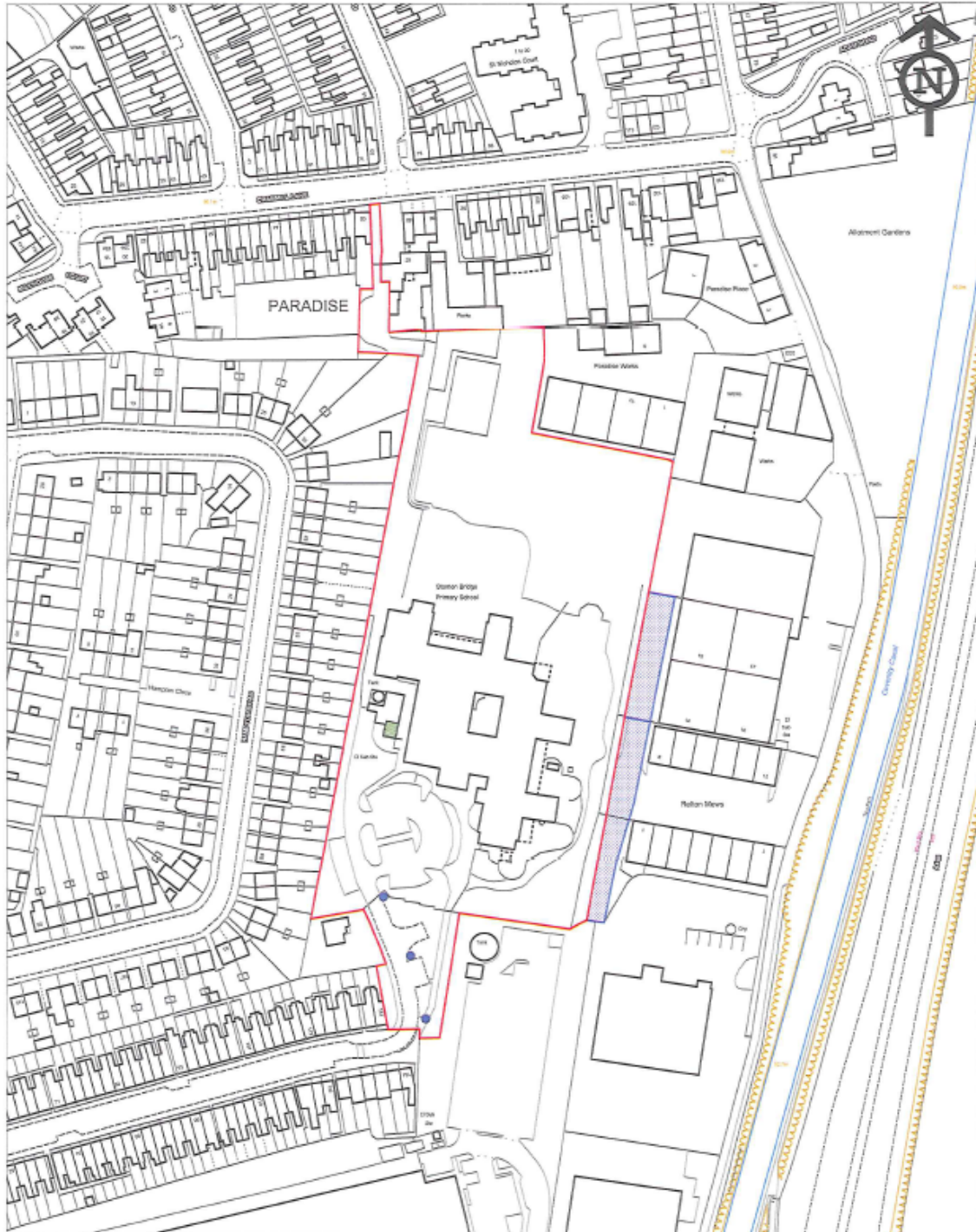
Subject to the Landlord in the exercise of the aforesaid rights causing as little damage and inconvenience to the Property as reasonably possible and making good to the reasonable satisfaction of the Tenant all damage caused to the Property
5. From time to time during the Term the right (upon giving to the Lessee no less than two (2) months notice in writing) the right for the Council and its employees and visitors to use the whole or part of the Property as a polling station on dates and times as are necessary for the purposes of facilitating public voting during local general or European elections

5. From time to time during the Term the right for the Landlord to use the Property as an "Emergency Centre" in the event that there is a major incident in the City of Coventry that requires the use of buildings in cases of emergency provided that in such an event the Lessee will co-operate with the Council and use every effort to assist the Council's use of the premises notwithstanding any hiring arrangements that are in place for use of the Property at that time

**Schedule 4**  
**Landlords Property Title Matters**

**Individual School Lease Site Plans**

**Stanton Bridge Primary School**



PLACE DIRECTORATE  
STRATEGY & PERFORMANCE TEAM  
FLOOR 9, CIVIC CENTRE 4  
MUCH PARK STREET  
COVENTRY CV1 2PY  
024 7683 2755



Coventry City Council

Title: Stanton Bridge Primary School

Drawn By: NH  
Scale: 1:1250 at A3  
Date: 07/11/2016

Martin Yardley - Executive Director, Place  
Nigel Clews - Assistant Director, Property Management

**Stanton Bridge SSO Property**



PLACE DIRECTORATE  
STRATEGY & PERFORMANCE TEAM  
FLOOR 9, CIVIC CENTRE 4  
MUCH PARK STREET  
COVENTRY CV1 2PY  
024 7683 2755



Coventry City Council

**Title: Stanton Bridge - SSO Property**

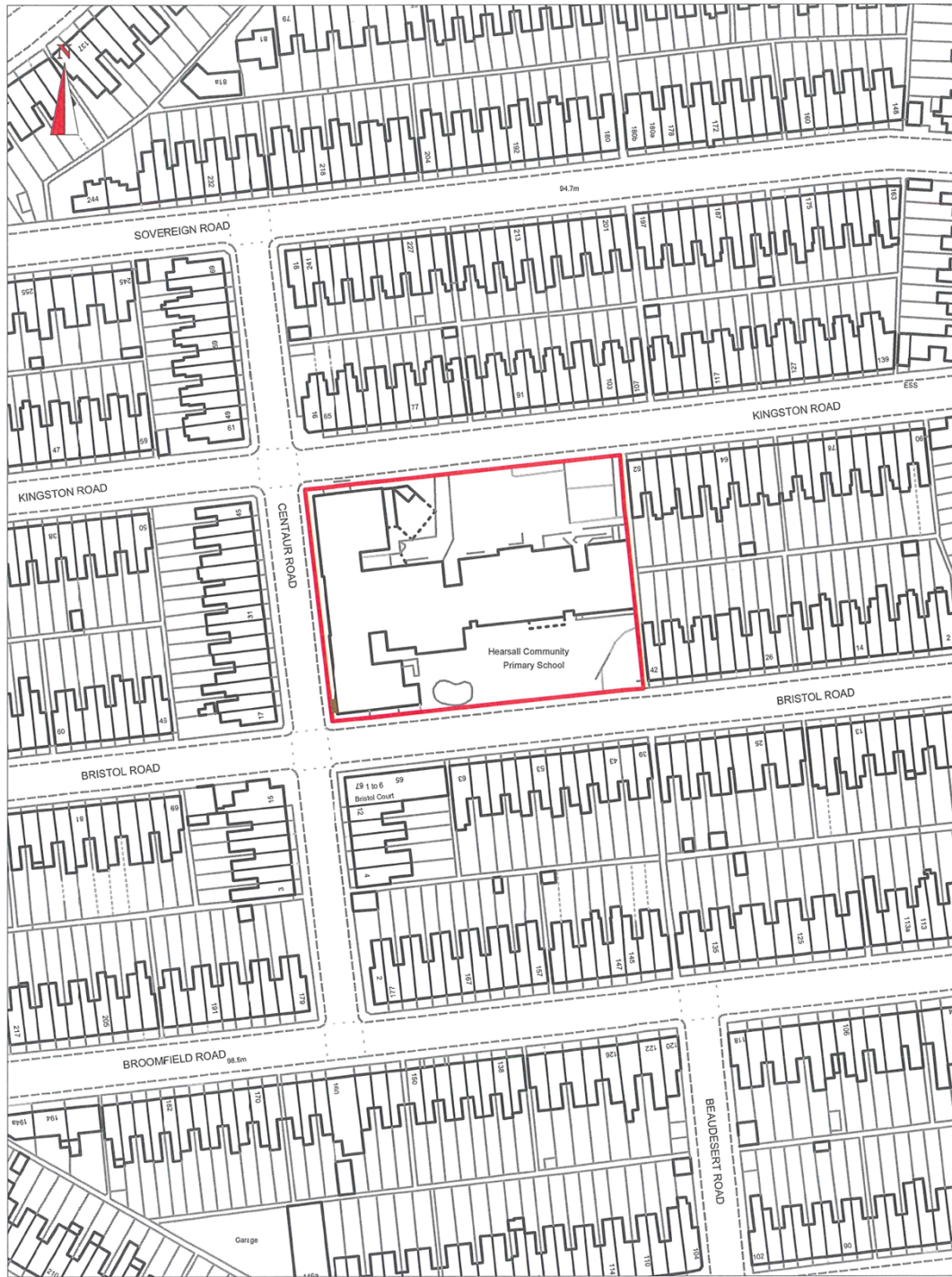
Drawn By: NH  
Scale: 1:500 at A4  
Date: 12/09/2016

Martin Yardley - Executive Director, Place  
Nigel Clews - Assistant Director, Property Management

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# Hearsall Primary School



<p>PLACE DIRECTORATE CORPORATE PROPERTY SERVICES 9TH FLOOR, CIVIC CENTRE 4 MUGH PARK STREET COVENTRY CV1 2PY 02476 831532</p>		<p><b>Hearsall Primary Draft Lease Plan</b></p>	<p>Scale 1:1250 O.S. Ref. No:</p>	<p>Drawn by RG LPR-</p>	<p>Date 24/10/2016</p>
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# Keresley Grange Primary School



PLACE DIRECTORATE  
CORPORATE PROPERTY SERVICES  
9TH FLOOR, C VIC CENTRE 4  
MUCH PARK STREET  
COVENTRY CV1 2PY  
02476 831532



**Keresley Grange Draft Lease Plan**


Scale	1:1250	Drawn by RG	Date 26/10/2016
O.S. Ref. No:		LPR-	

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# Keresley Grange SSO Accommodation



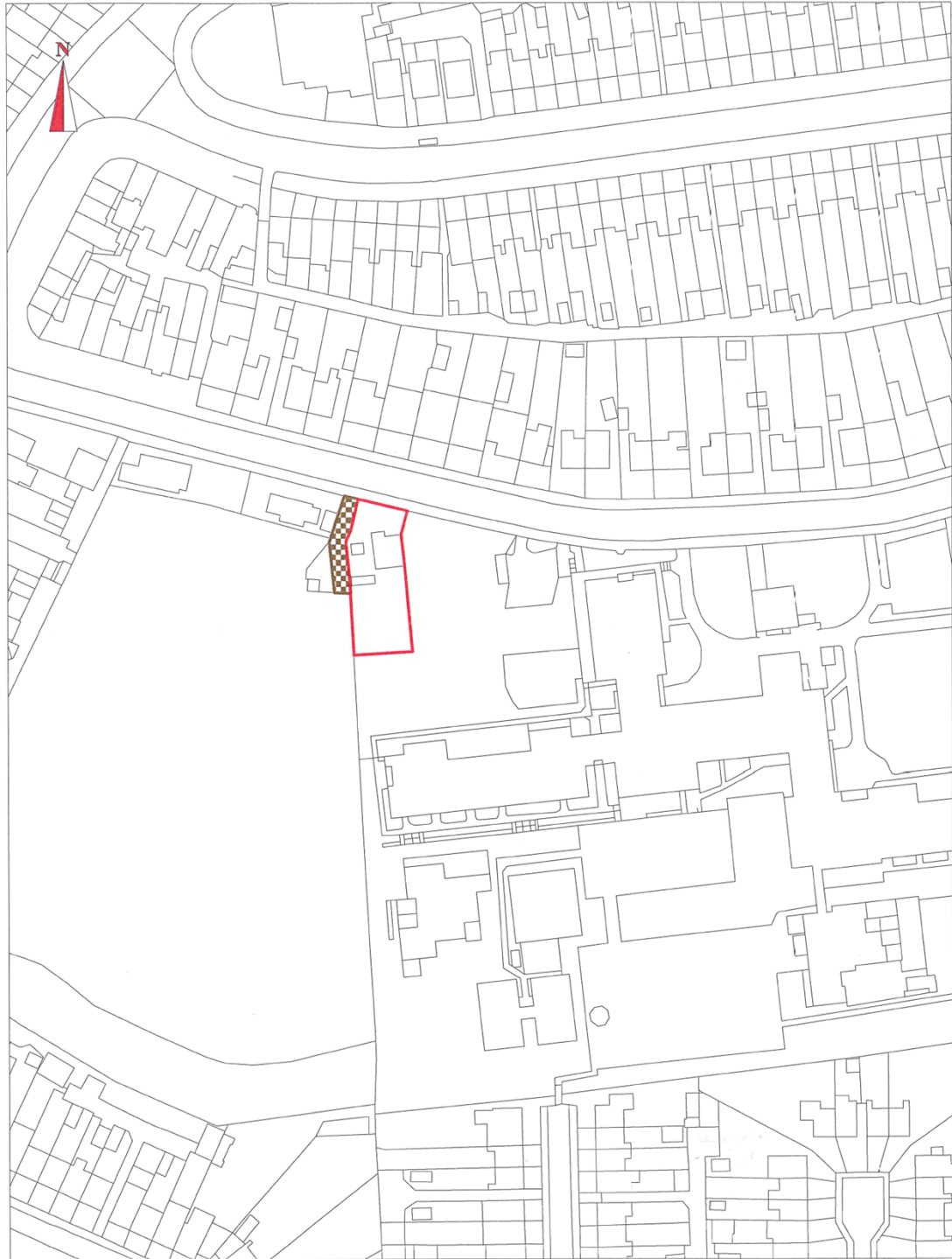


<p>PLACE DIRECTORATE CORPORATE PROPERTY SERVICES 9TH FLOOR, CIVIC CENTRE 4 MUCH PARK STREET COVENTRY CV1 2PY 02476 831532</p>		<p><b>Keresley Grange SSO House Draft Lease Plan</b></p>	
<p>© Crown Copyright and database right 2016. Ordnance Survey 100026294</p>		<p>Scale 1:1250 O.S. Ref. No:</p>	<p>Drawn by RG LPR-                      Date 26/10/2016</p>

**Parkgate Primary School**



**Parkgate SSO Accommodation**



PLACE DIRECTORATE  
CORPORATE PROPERTY SERVICES  
9TH FLOOR, CIVIC CENTRE 4  
MUCH PARK STREET  
COVENTRY CV1 2PY  
02476 831532

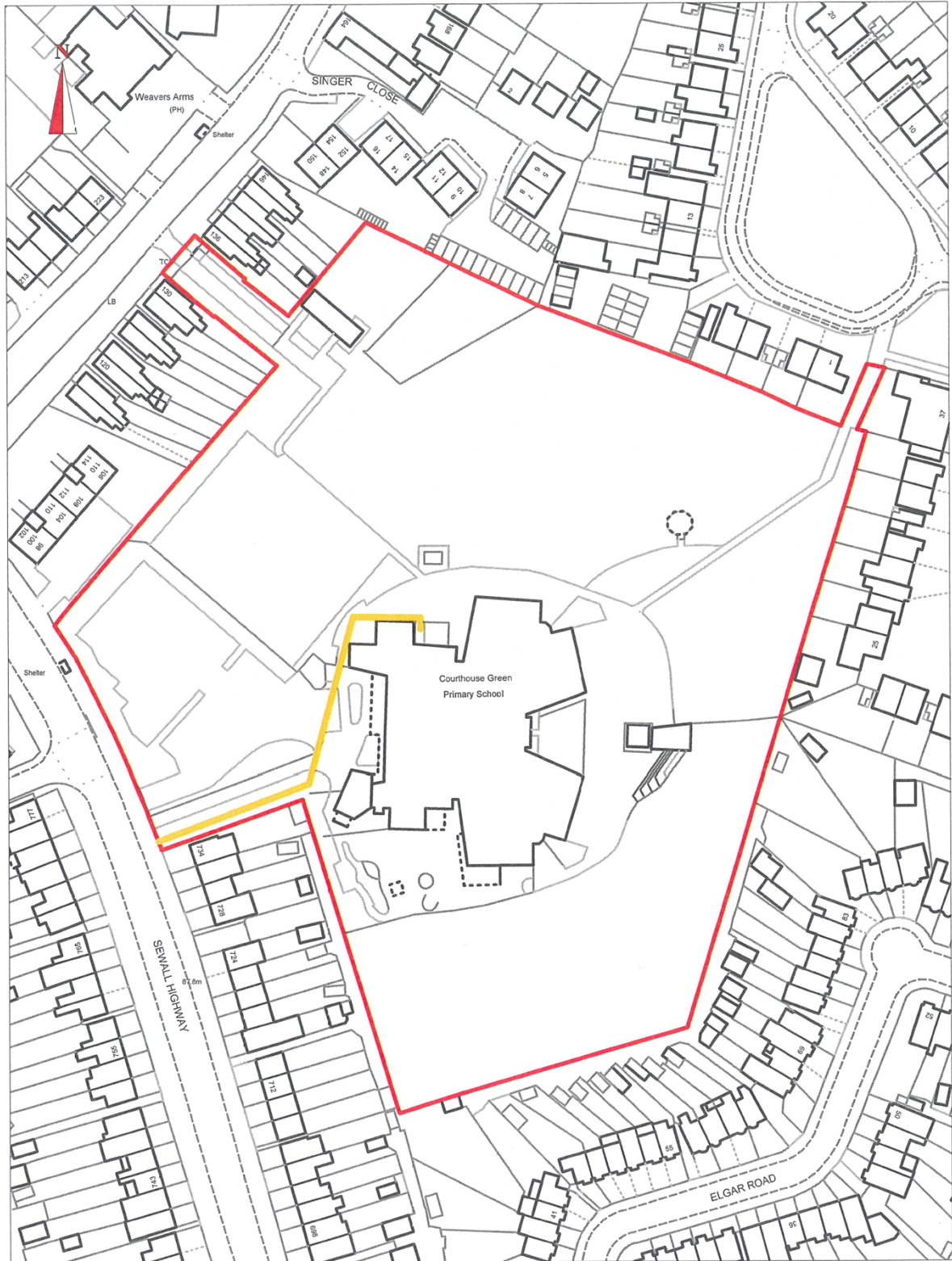


**Parkgate SSO House Draft Lease**

Scale 1:1250	Drawn by RG	Date 04/11/2016
O.S. Ref. No:	LPR-	

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PLACE DIRECTORATE  
CORPORATE PROPERTY SERVICES  
9TH FLOOR, CIVIC CENTRE 4  
MUCH PARK STREET  
COVENTRY CV1 2PY  
02476 831532



**Courthouse Green Primary Draft Lease Plan**

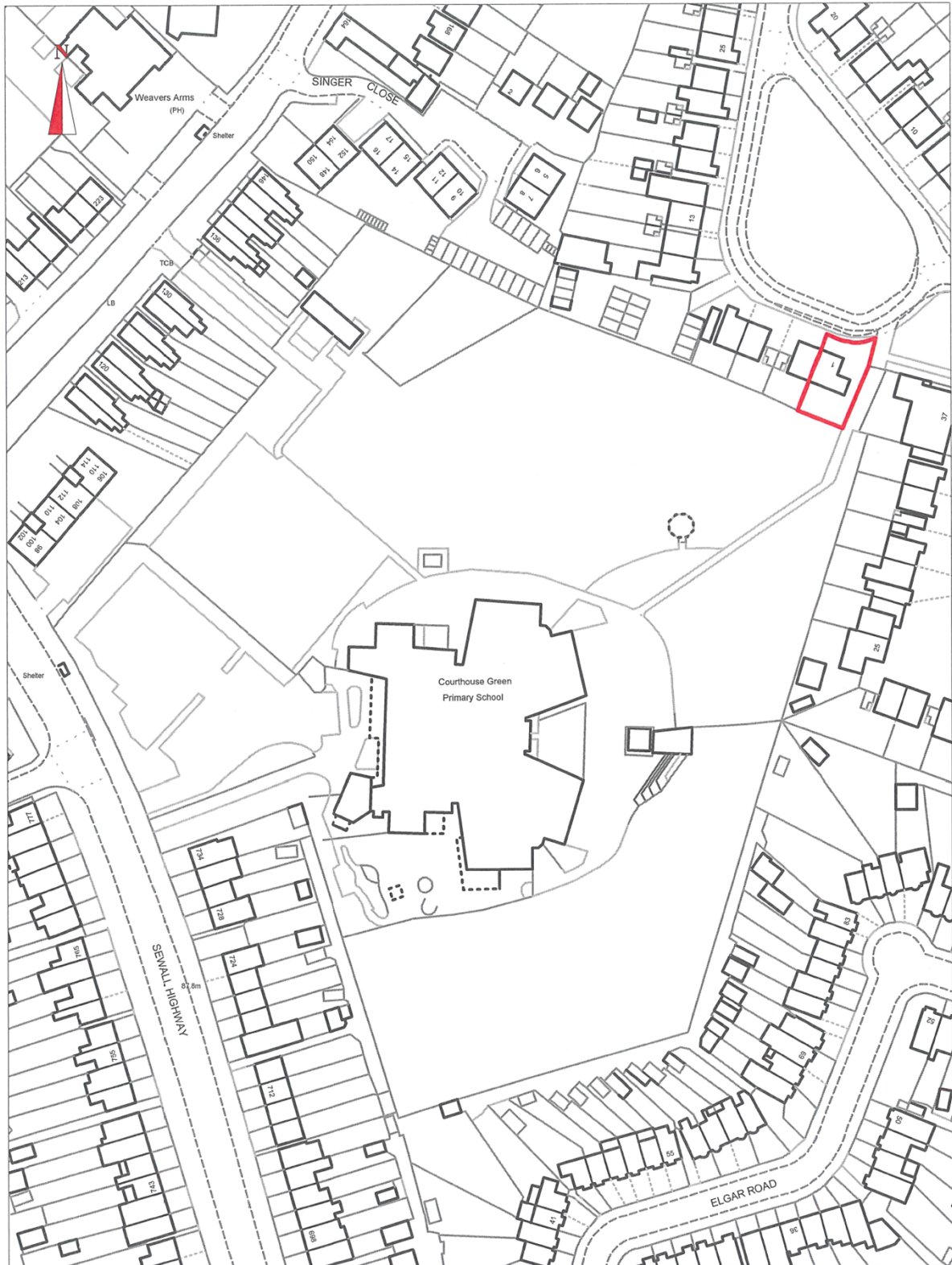
Scale 1:1250  
O.S. Ref. No:

Drawn by RG  
LPR-

Date 25/10/2016

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**Courthouse Green SSO Accommodation**



PLACE DIRECTORATE  
CORPORATE PROPERTY SERVICES  
9TH FLOOR, CIVIC CENTRE 4  
MUCH PARK STREET  
COVENTRY CV1 2PY  
02476 831532



### Courthouse Green SSO House Draft Lease Plan

Scale 1:1250  
O.S. Ref. No:

Drawn by RG  
LPR-

Date 25/10/2016

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Exemplar Commercial Transfer Agreement

DATED \_\_\_\_\_ 2016

THE COUNCIL OF THE CITY OF COVENTRY (1)

and

THE GOVERNING BODY OF XXXXXXXXXXXX PRIMARY SCHOOL (2)

And

XXXXXXXXXXXXXXXXXXXXXXX (3)

---

TRANSFER AGREEMENT

XXXXXXXXXX PRIMARY SCHOOL

---

THIS AGREEMENT is made

2015

**BETWEEN:**

- (1) **THE COUNCIL OF THE CITY OF COVENTRY** of The Council House, Earl Street, Coventry, CV1 5RR (the "**Council**");
- (2) **THE GOVERNING BODY OF XXXXXXXX PRIMARY SCHOOL** of NXXXXXXXXXXXX, Coventry, West Midlands, XXXXXXXX (the "**Governing Body**");
- (3) **XXXXXXXXXXXX** a company limited by guarantee registered in England and Wales (company number TBC) whose registered office is at (the "**Company**").

**WHEREAS**

- (A) The Company will, from the Transfer Date, operate the Academy on the same site as the School.
- (B) The freehold of the site of the School is owned by the Council and on the Transfer Date the Council will grant a lease to the Company of the site currently occupied by the School.

**1. DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement the following words shall have the following meanings:-

**"Academy"** means the academy to be run by the Company on the site of the School under the proposed name XXXXXXXX Academy;

**"Assets"** means all property, undertaking, rights and assets, whether tangible or intangible, of whatever nature used or held by the Council and/or the Governing Body (as the case may be) for the purposes of the School including but not limited to those listed in Schedule 3, but excluding the Excluded Assets;

**"Contractor"** means a contractor providing services to the Company to whom the contract of employment of any Transferring Employee is transferred pursuant to the Regulations on or after the

Transfer Date;

**“Contracts”**

means any contracts (including any collateral warranties, guarantees, bonds and third party rights in favour of the Council and/or the Governing Body (irrespective of whether the Council or the Governing Body is a signatory to the same)) entered into by the Council and/or the Governing Body (as the case may be) for the purpose of operating the School in the ordinary course of business which are still in force at the Transfer Date, including but not limited to:

- (i) contracts, collateral warranties, guarantees, bonds and third party rights relating to building, improvement, maintenance or other works of the land and buildings comprised in the site of the School;
- (ii) any collateral warranties, guarantees, bonds and third party rights in favour of the Council and/or the Governing Body (irrespective of whether the Council or the Governing Body is a signatory to the same); and
- (iii) those contracts listed in Schedule 2 (true and accurate copies of which have been disclosed to the Company prior to the Transfer Date),

and where such contract was entered into by the Council and relates to other schools operated by the Council as well as the School then only such part of that contract as relates to the School;

**"Data Protection Legislation"**

means the Data Protection Act 1998 ("DPA"), and all applicable laws and regulations relating to processing of personal data and privacy,



including where applicable, the guidance and codes of practice issued by the Information Commissioner;

- "Directive"** means the Safeguarding of Employees Directive (2001/23/EC) (as amended, re-enacted or extended from time to time);
- "Eligible Employees"** means the Transferring Employees who are active members of or eligible to join either the LGPS or the TPS immediately before the Transfer Date;
- "Employee Liability Information"** means the information which a transferor is obliged to notify to a transferee pursuant to Regulation 11(2) of the Regulations;
- "Employee Schedule"** means a list of all School Employees as at the date that the list is provided to the Company by the Council;
- "Encumbrance"** means any mortgage, charge, pledge, lien, equity, option, restriction, right of refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind, and any other type of preferential arrangement (including title transfer and retention arrangements) having a similar effect;
- "Excluded Assets"** means the assets described in Schedule 4 which are excluded from the transfer effected by this Agreement;
- "Funding Agreement"** means a funding agreement to be entered into between the Secretary of State for Education and the Company with regard to funding arrangements for the Academy;
- "Loss"** means all costs, claims, liabilities and expenses (including reasonable legal expenses) and

“Losses” shall be construed accordingly;

**“the LGPS”**

means a Local Government Pension Scheme established pursuant to regulations made by the Secretary of State in exercise of powers under Sections 7 and 12 of the Superannuation Act 1972 as from time to time amended;

**“the Personnel Files”**

means in respect of the Transferring Employees copies of all personnel files or records relating to their employment at the School and any previous period of continuous employment with the Council, including without limitation a copy of any contractual documentation, any documentation relating to job description, pay information, training records, information relating to sickness absence, a copy of any disciplinary warnings and a copy of any grievances;

**“the Pupil Records”**

means the records and information held by the Council or the Governing Body in respect of the pupils at the School who will or who are likely to become pupils at the Academy;

**“the Regulations”**

means The Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended or re-enacted from time to time);

**“the School”**

means XXXXXXXXXXXX Primary School (a maintained school);

**“School Employees”**

means any employees of the Council or of any other persons who are assigned to the School or to services provided in connection with the School;

**“Staffing Information”**

means, in respect of the School Employees, the information listed in Schedule 1;

<b>“Third Party Consent”</b>	means a consent, licence, approval, authorisation or waiver required from a third party for the conveyance, transfer or assignment in favour of the Company of any of the Assets;
<b>“the TPS”</b>	means the Teachers’ Pension Scheme established pursuant to regulations made by the Secretary of State in exercise of powers under sections 9 and 12 of and Schedule 3 to the Superannuation Act 1972 as from time to time amended;
<b>“Transfer Date”</b>	means the date specified in the Funding Agreement on which the Academy will open;
<b>“Transferring Employees”</b>	means any School Employees whose employment transfers to the Company or to a Contractor on the Transfer Date pursuant to the Regulations and who are listed in the Employee Schedule;

1.2 In this Agreement (except where the context otherwise requires):

- 1.2.1 use of the singular includes the plural (and *vice versa*) and use of any gender includes the other genders;
- 1.2.2 a reference to a party is to a party to this Agreement and shall include that party’s personal representatives, successors or permitted assignees;
- 1.2.3 a reference to persons includes natural persons, firms, partnerships, bodies corporate and corporations, and associations, organisations, governments, states, foundations, trusts and other unincorporated bodies (in each case whether or not having separate legal personality and irrespective of their jurisdiction of origin, incorporation or residence); and
- 1.2.4 a reference to a Clause or Schedule is to the relevant clause of or schedule to this Agreement; a reference to a sub-clause or paragraph is to the relevant sub-clause or paragraph of the Clause or Schedule in which it appears.

1.3 The Schedules form an integral part of this Agreement and have effect as if set out in full in the body of this Agreement. A reference to this Agreement includes the Schedules.

- 1.4 In the event of any conflict or inconsistency between the Clauses and the Schedules of this Agreement, the Clauses shall prevail.
- 1.5 General words are not to be given a restrictive meaning because they are followed by particular examples, and any words introduced by the terms "including", "include", "in particular" or any similar expression will be construed as illustrative and the words following any of those terms will not limit the sense of the words preceding those terms.
- 1.6 Any reference to a statute, statutory provision or statutory instrument includes a reference to that statute, statutory provision or statutory instrument together with all rules and regulations made under it as from time to time amended, consolidated or re-enacted.

## **CONDITION PRECEDENT**

This Agreement is conditional upon the Funding Agreement being signed by the Company and the Secretary of State on or before the Transfer Date. In the event that the Funding Agreement is not signed by such date, this Agreement shall cease to have effect on the day following such date.

## **2. OPERATION OF THE REGULATIONS**

The Parties intend and acknowledge that the closing of the School and the opening of the Academy shall constitute a transfer to which the Directive and the Regulations apply and agree that as a consequence that the contracts of employment made between the current employer and the Transferring Employees (save insofar as such contracts relate to benefits for old age, invalidity or survivors under any occupational pension scheme) shall have effect from and after the Transfer Date as if originally made between the Company or (as the case may be) a Contractor and the Transferring Employees.

## **3. PROVISION OF STAFFING INFORMATION AND WARRANTIES**

- 3.1 Without prejudice to its obligation pursuant to the Regulations to provide the Employee Liability Information, the Council shall at least 14 days prior to the conversion date to the extent lawfully permitted, provide the Company with the Employee Schedule and Staffing Information.

3.2 The Council shall notify the Company of any material change to the Employee Schedule and the Staffing Information prior to the Transfer Date as soon as is reasonably practicable, and shall upon request by the Company meet the Company to discuss the information disclosed.

3.3 The Council warrants as at the date of this Agreement and again as at the Transfer Date:

that the information in the Employee Schedule and the Staffing Information is complete and accurate and up-to-date;

that neither it (nor any other employer of a School Employee) is in material breach of the contract of employment of any of the School Employees nor is any School Employee in material breach of his contract of employment;

that none of the School Employees have given or received notice of termination of employment nor are any of the School Employees the subject of any material disciplinary action nor is any School Employee engaged in any grievance procedure;

that neither it (nor any other employer of a School Employee) is engaged in relation to any School Employee in any dispute, claim or legal proceedings, arising under contract or common law or arising out of or relating to any statute including the provisions of the Regulations and any claim or allegation of unlawful discrimination;

that all School Employees who carry out teaching are eligible to do so in accordance with the Education (Specified Work and Registration) (England) Regulations 2003; and

that by the Transfer Date all Disclosure and Barring Service (formerly Criminal Records Bureau ) checks (including checks of the barred lists) required by law together with other similar checks required by law will have been carried out in relation to all Transferring Employees.

3.4 The Council undertakes to the Company that during the period from the date of this Agreement up to and including the Transfer Date:

the Council and the Governing Body shall enable and assist the Company and such other persons as the Company may determine to communicate with and meet

the School Employees and their trade union or other employee representatives;

the Council and the Governing Body, shall not, and shall procure that any other employer of the School Employees shall not, without the prior written consent of the Company:

amend or vary (or purport or promise to amend or vary) the terms and conditions of employment or engagement (including, for the avoidance of doubt, pay and job description) of any School Employees (other than where such amendment or variation has previously been agreed between the Council and the School Employees in the normal course of business, and where any such amendment or variation is not in any way related to the transfer to the Company);

terminate or give notice to terminate the employment or engagement of any School Employees (other than in circumstances in which the termination is for reasons of misconduct or lack of capability);

employ or assign any person to the School who would or might as a consequence of such employment or assignment become a Transferring Employee;

and the Council shall indemnify the Company from and against all Losses incurred by the Company in connection with or as a result of a breach of their obligations under this clause.

#### 4. **APPORTIONMENTS**

4.1 The Council shall be responsible for all emoluments and outgoings in respect of the School Employees (including all wages, bonuses, commission, premiums, subscriptions, PAYE and national insurance contributions and pension contributions) which are attributable in whole or in part to the period up to but not including the Transfer Date, and will pay such liabilities in the ordinary course prior to the Transfer Date and hereby indemnifies the Company (both for itself and any Contractor) against all Losses incurred by the Company or any Contractor in respect of the same.

4.2 The Company shall be responsible for all emoluments and outgoings in respect of the Transferring Employees (including all wages, bonuses, commission, premiums,

subscriptions, PAYE and national insurance contributions and pension contributions) which are attributable in whole or in part to the period from (and including) the Transfer Date, and will indemnify the Council against Losses in respect of the same.

**5. INFORMATION AND CONSULTATION**

5.1 The Company shall comply (and shall procure that any Contractor complies) with its obligations under Regulation 13 of the Regulations during the period prior to the Transfer Date.

5.2 The Council shall comply with its obligations under Regulations 13 and 14 of the Regulations during the period prior to the Transfer Date, save where the Council is unable to do so as a result of the failure of the Company and/or any Contractor to comply with their duties under Regulation 13 of the Regulations.

**6. INDEMNITIES**

6.1 The Council shall indemnify the Company (either for itself or for or on behalf of any other person to whom the Transferring Employees or any liability relating to them has transferred or is alleged to have transferred) against all Losses incurred by the Company in connection with or as a result of:

any claim or demand by any School Employee or former School Employee (whether in contract, tort, under statute, pursuant to European law or otherwise) including any claim for unfair dismissal, wrongful dismissal, a redundancy payment, breach of contract, unlawful deduction from wages, discrimination on the grounds of sex, race, disability, age, sexual orientation, religion or religious belief, personal injury, a protective award or a claim or demand of any other nature, in each case arising directly or indirectly from any act, fault or omission of the employer in respect of any School Employee or former School Employee, or any claim relating to the period on and before the Transfer Date (and for the avoidance of doubt, this indemnity shall apply in respect of all Losses incurred by the beneficiary of this indemnity in respect of the period after the Transfer Date where the claim (such as, without limitation, a claim for equal pay) arises out of circumstances which arose on or before the Transfer Date);

any failure by the Council or any other employer of the School Employees to comply with its obligations under Regulations 13 and 14 of the Regulations, or any

award of compensation under Regulation 15 of the Regulations, save where such failure arises from the failure of the Company or any Contractor to comply with its duties under Regulation 13 of the Regulations;

any claim (including any individual employee entitlement under or consequent on such a claim) by any trade union or other body or person representing the School Employees (or other employees of the Council or Governing Body) arising from or connected with any failure by the Council or any other employer of the School Employees to comply with any legal obligation to such trade union, body or person; and/or

any claim by any person (other than a Transferring Employee) in respect of which the Company or any Contractor incurs or is alleged to incur responsibility or liability as a result of the operation of the Regulations.

6.2 If in connection with the closing of the School and the opening of the Academy it is found or alleged that the employment of any person other than the Transferring Employees has transferred to the Company or a Contractor pursuant to the Directive or the Regulations:

the Company (or, where applicable, the Contractor) may by 4pm on the fifteenth (15th) working day following but excluding the day upon which it becomes aware of that allegation or finding, dismiss the employee with immediate effect; and

the Council shall indemnify and keep indemnified the Company (both for itself and any Contractor) against all Losses which the Company (or, where applicable, the Contractor) may suffer or incur in respect of that dismissal and the employment of that person up to the date of the dismissal and any other claim brought by or on behalf of that person.

6.3 The Company shall (in respect of Transferring Employees employed by the Company) and shall use reasonable endeavours to procure that any Contractor shall (in respect of Transferring Employees employed by the Contractor) indemnify the Council against all Losses incurred by them in connection with or as a result of:

any claim or demand by any Transferring Employee (whether in contract, tort, under statute, pursuant to European law or otherwise) including any claim for unfair dismissal, wrongful dismissal, a redundancy payment, breach of contract,



unlawful deduction from wages, discrimination on the grounds of sex, race, disability, age, sexual orientation, religion or religious belief, a protective award or a claim or demand of any other nature, in each case arising directly or indirectly from any act, fault or omission of the Company or the Contractor in respect of any Transferring Employee on or after the Transfer Date;

any failure by the Company or the Contractor as the case may be, to comply with its obligations under Regulation 13 of the Regulations; and/or

any claim or demand by any School Employee arising out of any change or proposed change in the terms and conditions of employment or working conditions of that person on or after their transfer to the Company or the Contractor as the case may be on the Transfer Date, where that School Employee would have been a Transferring Employee but for their resignation or decision to treat their employment as terminated under Regulation 4(9) of the Regulations on or before the Transfer Date as a result of any such changes.

## **7. PENSIONS**

- 7.1 The parties acknowledge that the Company is a “scheme employer” for the purposes of the Local Government Pension Scheme (Administration) Regulations 2008 (“the LGPS Regulations” which expression shall include any regulations amending or replacing the regulations from time to time) and that the LGPS Regulations shall apply to the Company (as the person carrying on the business of the Academy).
- 7.2 The parties acknowledge that the Company is an “employer” for the purposes of the Teachers’ Pension Scheme Regulations 1997 SI 1997/3001 (“the TPS Regulations” which expression shall include any regulations amending or replacing the regulations from time to time) and that the TPS Regulations shall apply to the Company (as the person carrying on the business of the Academy).
- 7.3 The Company acknowledges that the Eligible Employees shall be, or as the case may be, remain eligible for membership of the LGPS or the TPS (as the case may be) while employed at the Academy following the Transfer Date subject to the terms of the LGPS Regulations and the TPS Regulations.
- 7.4 The Company shall be responsible for any LGPS deficit relating to the Eligible Employees’ membership of the LGPS referable to service up to and including the Transfer Date.

7.5 The Company shall be responsible for all employer contributions payable to the LGPS and the TPS in respect of the Eligible Employees and any sum due to the LGPS and the TPS arising out of the termination of their employment.

7.6 The Company shall:-

maintain such documents and information as will be reasonably required to manage the pension aspects of any onward transfer of any of the Eligible Employees on the expiry or termination of their employment;

promptly provide to the Council such documents and information which the Council may reasonably request in advance of the expiry or termination of the employment of any Eligible Employee; and

fully co-operate with the reasonable requests of the Council relating to any administrative tasks necessary to deal with the pension aspects of any onward transfer of any person engaged or employed by the Company on the expiry or termination of their employment.

## 8. THE ASSETS AND THE CONTRACTS

8.1 On the Transfer Date the Council and/or the Governing Body (as applicable) will transfer such right and title as they have to the Assets (subject to any Encumbrance to which such Assets are subject and to any Third Party Consent), to the Company free of charge.

8.2 The Excluded Assets shall be excluded from the transfer under this Agreement.

The Council, the Governing Body and the Company shall work together in good faith to achieve a smooth transfer which best meets the needs of students transferring from the School to the Academy.

Such right of title as the Governing Body or the Council have to the Assets and risk in the Assets shall pass to the Company on the Transfer Date provided always that the Council and the Governing Body will have no liability to the Company in relation to the condition of such assets.

The Company shall have responsibility for the operation of the Academy from the Transfer Date and the Council and the Governing Body shall have no further obligation in terms of the operation of the School from the Transfer Date.

8.3 The Council and/or Governing Body (as applicable) with effect from the Transfer Date assigns to the Company all the Contracts:

which are capable of assignment without the consent of other parties to those contracts; or

where consent is required to assignment and such consent has been received.

8.4 If any of the Contracts cannot be transferred to the Company except by an assignment made with the consent of another party or by an agreement of novation:

8.4.1 this Agreement shall not constitute an assignment or an attempted assignment of that Contract if the assignment or attempted assignment would constitute a breach of that Contract;

8.4.2 after the Transfer Date the parties shall use their respective reasonable endeavours to obtain the consent of the other party to the assignment and then to assign, or to procure the novation, of that Contract; and

8.4.3 until the consent or novation is obtained:

(a) the Council or the Governing Body (as the case may be) shall hold the same on trust for the Company and shall (at the Company's cost) do all such acts and things as the Company may reasonably require to enable due performance of the Contract and to provide for the Company the benefits of the Contract (including enforcement of any right of the Council or the Governing Body (as the case may be) against the other party to the Contract arising out of its termination by the other party or otherwise);

(b) the Company shall (if sub-contracting is permissible and lawful under the Contract in question), as the Council's or Governing Body's (as appropriate) sub-contractor, perform all the obligations of the Council (or Governing Body) under such Contract and where sub-contracting is not permissible, the Company shall perform such obligations as agent for the Council or Governing Body (as appropriate); and

(c) unless and until any such Contract is assigned or novated, the Council or Governing Body (as appropriate) shall (so far as it lawfully may) at

the Company's cost give all such assistance as the Company may reasonably require to enable the Company to enforce its rights under such Contract, including, providing access to all relevant books, documents and other information in relation to such Contract as the Company may reasonably require from time to time.

- 8.5 Pending the Transfer Date, possession of the Assets shall be retained by the Council and/or the Governing Body (as the case may be).
- 8.6 All receipts relating to the Assets and the Contracts and all Losses and outgoings incurred or payable in relation to the Assets and the Contracts up to the Transfer Date (“Historic Liabilities”) shall belong to, and be paid and discharged by, the Council or, as the case may be, the Governing Body (whichever is currently responsible) in the ordinary course of business and the Council undertakes to indemnify and keep the Company and the Governing Body indemnified against any Historic Liabilities for which it is responsible under this clause.
- 8.7 All receipts relating to the Assets and the Contracts and all Losses and outgoings relating to the Assets and the Contracts incurred or payable as from and including the Transfer Date (“Future Liabilities”) shall belong to, and be paid and discharged by the Company and the Company undertakes to indemnify and keep the Council and the Governing Body indemnified against any Future Liabilities.
- 8.8 The Company agrees that, following the Transfer Date, it shall provide the Council with sufficient information, as reasonably requested by the Council, to enable the Council to accurately determine and discharge any Historic Liabilities (including, without limitation, any payments relating to the School's accounts). In the event that the Council makes an underpayment or overpayment in relation to any Historic Liabilities (including, without limitation, any payments relating to the School's accounts), the Council and the Company agree to repay any such sums to the other (as appropriate). In the event that the Council has made no payment in relation to any Historic Liabilities but has received payment from the Secretary of State in respect of these, and this amount is an underpayment or an overpayment, the Council and the Company agree to repay any such sums to the other (as appropriate).
- 8.9 The Council and the Governing Body shall on or before the Transfer Date deliver to the Company the Personnel Files and the Pupil Records, to the extent that they are permitted to do so by Data Protection Legislation (and both the Council and the

Governing Body shall use reasonable endeavours to ensure that they are permitted by Data Protection Legislation to deliver such information to the Company).

8.10 The Company undertakes not to use the Personnel Files or the Pupil Records for any purposes unconnected with the operation and management of the Academy, the purposes for which such information was originally collected or any other lawful purposes.

## 9. CONDUCT OF CLAIMS

9.1 In respect of the indemnities given in this Agreement:

9.1.1 the indemnified party shall give written notice to the indemnifying party as soon as is practicable of the details of any claim or proceedings brought or threatened against it by a third party in respect of which a claim will or may be made under the relevant indemnity;

9.1.2 the indemnifying party shall at its own expense have the exclusive right to defend, conduct and/or settle all claims and proceedings which may be brought by a third party to the extent that such claims or proceedings may be covered by the relevant indemnity provided that where there is an impact on the indemnified party, the indemnifying party shall consult with the indemnified party and shall at all times keep the indemnified party informed of all material matters and obtain their consent before settlement; and

9.1.3 the indemnified party shall, at the indemnifying party's expense, provide all reasonable assistance and documentation required by the indemnifying party in connection with, and act as or be joined as a defendant in, any claim or proceedings brought by a third party. The indemnifying party shall reimburse the indemnified party for all reasonable costs and expenses (including legal costs and disbursements) incurred in providing such cooperation and/or arising as a result of the indemnifying party's failure to defend, conduct and/or settle such claims and proceedings.

## 10. CONFIDENTIALITY

Each party undertakes to the other that they will keep the contents of this Agreement confidential as between the parties, except to the extent that disclosure is required by law.

## 11. **THIRD PARTIES**

No person who is not a party to this Agreement is intended to reserve a benefit under, or be entitled to enforce, this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (the "Act") save that any Contractor may enjoy the benefit and enforce the terms of this Agreement in accordance with the Act. Notwithstanding this, neither the Council nor the Governing Body nor the Company require the consent of any Contractor to rescind or vary this Agreement at any time, even if that variation or rescission affects the benefits conferred on such Contractor.

## 12. **FORCE MAJEURE**

Neither party will be liable to the other for any delay or non-performance of its obligations under this Agreement arising from any cause or causes beyond its reasonable control.

## 13. **GENERAL**

13.1 No forbearance or delay by either party in enforcing its rights will prejudice or restrict the rights of that party, and no waiver of any such rights or of any breach of any contractual terms will be deemed to be a waiver of any other right or of any later breach.

13.2 No variation of this Agreement will be valid unless recorded in writing and signed by or on behalf of each of the parties to this Agreement.

13.3 If any provision of this Agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be unenforceable or illegal, the other provisions will remain unaffected and in force.

13.4 Nothing in this Agreement will be construed as constituting or evidencing any partnership, contract of employment or joint venture of any kind between either of the parties or as authorising either party to act as agent for the other. Neither party will have authority to make representations for, act in the name or on behalf of or otherwise to bind the other party in any way.

13.5 Neither party will make any announcement relating to this Agreement or its subject matter without the prior written approval of the other party (such approval not to be unreasonably withheld or delayed).

- 13.6 Each party will, at the request of the other party and its own cost, do (or procure others to do) everything necessary to give the other party the full benefit of this Agreement.
- 13.7 Nothing in this agreement shall oblige the Governing Body to continue in existence where it ceases to do so as a result of the closure of the School or by operation of law or shall place any obligation or liability on the individual members of the Governing Body whether or not the Governing Body continues to exist.
- 13.8 Any notice required to be given under this Agreement shall be in writing and shall be delivered personally, or sent by pre-paid first class or recorded delivery or by commercial courier, to each party required to receive the notice at the addresses specified by the relevant party by written notice to the other (and if no such address is specified), the address set out at the front of this Agreement.
- 13.9 Any notice shall be deemed to have been duly received:
- 13.9.1 if delivered personally, when left at the address and for the contract referred to in this Clause; or
- 13.9.2 if sent by pre-paid first class post or recorded delivery, at 9.00 a.m. on the second business day after posting; or
- 13.9.3 if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed.
- 13.10 A notice required to be given under this Agreement shall not be validly given if sent by email.
- 13.11 This Agreement may be executed in any number of counterparts, each of which will be an original and all of which will together constitute a single agreement.
- 13.12 Each party shall bear its own costs and expenses (including legal fees) in relation to the preparation and execution of this Agreement.
- 13.13 This Agreement constitutes the entire agreement and understanding between the parties in respect of the matters dealt with in it and supersedes any previous agreement between the parties.
- 13.14 Each of the parties acknowledge and agrees that in entering into this Agreement it does not rely on, and will have no remedy in respect of, any statement,

representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement.

**14. GOVERNING LAW AND JURISDICTION**

14.1 This Agreement will be governed by and interpreted in accordance with the law of England and Wales.

14.2 Each party irrevocably submits to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this Agreement.

Schedule 1 **IN WITNESS** of which the parties or their duly authorised representatives have executed this agreement as a Deed on the date first written above.

15. THE COMMON SEAL of

18.

16. THE COUNCIL OF THE CITY OF COVENTRY

19.

was here to affixed in the presence of

20.

Authorised Signatory

17.

.....  
21.

22.

SIGNED as a DEED by \_\_\_\_\_, Head  
Teacher and \_\_\_\_\_ Chair of \_\_\_\_\_  
Governors for and on behalf of THE  
GOVERNING BODY OF XXXXXXXXXXXX  
PRIMARY SCHOOL

\_\_\_\_\_

\_\_\_\_\_

in the presence of:

Signature of witness:



Witness' name:

Witness' address:

**EXECUTED AS A DEED by**

**XXXXXXXXXXXXXX**

acting by \_\_\_\_\_ ,

a director, in the presence of:

\_\_\_\_\_

Director

Signature of witness:

Witness' name:

Witness' address:

## 23. STAFFING INFORMATION

### 1. Individual terms and conditions

1.1 Copies of all current employment contracts, and all other terms and conditions of employment.

1.2 A schedule comprising in respect of each employee, the following particulars:-

- (a) full name;
- (b) post;
- (c) whether the employment is full or part time;
- (d) sex;
- (e) date of birth;
- (f) date of commencement of service;
- (g) notice period;
- (h) normal retirement age;
- (i) remuneration;
- (j) pension;
- (k) in respect of teachers:
  - (i) scale point or leadership group spine point;
  - (ii) assimilation point for the head teacher;
  - (iii) whether the employee is a post-threshold teacher;
  - (iv) whether the employee is a good honours graduate;
  - (v) management, recruitment, retention and/or any other allowances payable;
  - (vi) any applicable assimilation safeguarding,

and all other benefits whether contractual or otherwise.

- 1.3 Details of any recent changes of terms and conditions in relation to any employee.
- 1.4 Copies of any employee handbooks, rules and other policies, procedures, arrangements or agreements in relation to:-
  - (a) redundancy procedures and payments;
  - (b) redeployment procedures;
  - (c) sickness absence and sick pay entitlements;
  - (d) equal opportunities;
  - (e) disciplinary matters;
  - (f) maternity rights;

and details of whether or not each of the above are discretionary or contractual.

- 1.5 Copies of any job descriptions.
- 1.6 Details of any practices or customs which although not written down form part of employees' terms and conditions of employment.
2. **Collective bargaining**
  - 2.1 Details of the names of all trade union and other employee representatives, with the name of the trade union, the position held and how long the position was held.
  - 2.2 Details of any trade union recognised by the Council / Governing Body, giving the date and details of the recognition agreement (and a copy if available), with brief details of current and historic labour relations and any pending negotiations.
  - 2.3 Details of any other agreement, whether school, local or national, with any trade union or other body of employee representatives (and copies if available) including any informal recognition and procedure arrangements and other arrangements honoured by "custom and practice".
  - 2.4 Details of which, if any, of the terms of any collective agreement form part of individuals' terms and conditions of employment.

### **3. Disputes**

- 3.1 Details of any dispute with any employee whether brought under the Council/Governing Body's disciplinary or grievance procedure or otherwise and any matters which might give rise to such.
- 3.2 Details of any litigation threatened or pending against the Council / Governing Body, including any court, employment tribunal or arbitration claims or any matters which might give rise to such.
- 3.3 Details of any enquiry, correspondence or contact between the Council / Governing Body and the Commission for Racial Equality a, the Equal Opportunities Commission, the Health and Safety Inspector and HM Revenue and Customs concerning employees.
- 3.4 Details of any court judgment or current employment tribunal award in respect of any employee dispute.
- 3.5 Details, and, if available, copies, of any warnings given to employees under the Council / Governing Body's disciplinary or capability procedures.

### **4. Dismissals**

- 4.1 Details of all dismissals/resignations within the last 12 months including reasons for the dismissal/resignation.
- 4.2 Details of all employees recruited within the last 12 months.

### **5. Working Time Regulations 1998**

- 5.1 Copies of any individual, collective and workforce agreements entered into pursuant to the Working Time Regulations.

6. **Health and Safety**
  - 6.1 Details of any health and safety committees/representatives.
  - 6.2 Details of any health and safety complaints or recommendations or claims within the last 5 years.
7. **Trainees/Consultants**
  - 7.1 Details of all individuals in the undertaking working on training, work experience or similar schemes.
  - 7.2 Details of all consultancy agreements or self-employed personnel who are or may actually be employees.
8. **Absent employees**
  - 8.1 Details of all employees who have notified the Council / Governing Body that they are pregnant or who are currently absent on maternity leave.
  - 8.2 Details of all employees on long term sick leave together with confirmation of the nature of their illness and the duration and dates of their absence(s) due to that condition.
9. **Job Evaluation Scheme**
  - 9.1 A copy of any job evaluation scheme.
10. **Contractor Employees**
  - 10.1 Details of any individuals employed by contractors working in the school.
11. **Pension**
  - 11.1 A list of all pension schemes (both occupational and personal) applicable to the employees.
  - 11.2 Details of any current or pending applications for early retirement.

## THE CONTRACTS

### SCHEDULE 4

#### THE ASSETS

- 24.
1. All equipment, furniture, fixtures and fittings on the site of the School (“**the loose plant and equipment**”).
  2. All rights to use the name of the School and all logos and domain names used exclusively by the School. All copyrights, database rights and other intellectual property rights owned by the Council or Governing Body (as appropriate) and used exclusively by the School.
  3. All rights of the Council or Governing Body (as appropriate) in respect of computer software used by the School whether granted by licence or otherwise.
  4. Any balance remaining from the School's budget following completion of due accounting procedures.

#### Schedule 5

#### THE EXCLUDED ASSETS

The following assets are excluded from this transfer:

5. The freehold or leasehold titles to the site of the School which are dealt with by separate agreement.
6. Cash in hand or at bank (other than any surpluses transferred to the Company from the Council and the Governing Body pursuant to the Academy Conversions (Transfer of School Surpluses) Regulation 2010 or any amounts referred to at paragraph 4 of Schedule 3.



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**Cabinet**

29<sup>th</sup> November 2016

**Name of Cabinet Member:**

Cabinet Member for Policing and Equalities – Councillor A Khan

**Director Approving Submission of the report:**

Executive Director of Place

**Ward(s) affected:**

St Michaels

**Title:** Creation of a City Centre Public Spaces Protection Order – Public Consultation

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**Is this a key decision?**

No

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**Executive Summary:**

In order to ensure that the City Centre is an attractive destination for residents, shoppers and businesses, we need to minimise any behaviours that may be detrimental to the quality of life in this locality and potentially deter people from visiting the City Centre.

A City Centre Public Spaces Protection Order (PSPO) would assist in this matter and simplify the response of officers from the Police and the Council in dealing with various anti-social activities. This order will recognise that some of those considered to be causing issues have their own vulnerabilities and will seek to offer support and assistance, rather than simply rely on enforcement.

This report contains a draft PSPO and seeks permission to consult the general public, partners and businesses on its potential introduction.

**Recommendations:**

The Cabinet is recommended to:-

1. Consider the wording of the proposed PSPO and the suggested area to be covered by the Order, as set out in Appendices 1 and 2 to the report.
2. Authorise officers to consult with partners, businesses and the general public on the proposed PSPO and the suggested area to be covered by the Order.
3. Request that a further report is brought back to Cabinet with the findings of the consultation and subsequent recommendations.

**List of Appendices included:**

**Appendix 1 – Draft Public Space Protection Order for Coventry City Centre**

**Appendix 2 – Map outlining area covered**

**Appendix 3 – Buskers code of conduct**

**Appendix 4 – Proposed Consultation Document**

**Appendix 5 – Partner Impact Statements and relevant supporting evidence**

**Appendix 6 – Equality and Consultation Analysis**

**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?**

No



## **Report title:** Creation of a City Centre Public Spaces Protection Order – Public Consultation

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

- 1.1 The Anti-Social Behaviour, Crime and Policing Act 2014 gained Royal Assent in April 2014. The Public Spaces Protection Order (PSPO) provision has been in operation since 20th October 2014. PSPOs are intended to provide a means of preventing individuals or groups committing anti-social behaviour in a public space where the behaviour is having, or likely to have, a detrimental effect on the quality of life of those in the locality; be persistent or continuing in nature; and be unreasonable.
- 1.2 The Council's aim is to improve the city centre as place to live, shop and do business. It is recognised that in order to do this we need to make the city centre as attractive a destination as possible. This can be helped by minimising any factors that may deter people from visiting the city centre. A city centre PSPO is a useful tool in achieving this aim.
- 1.3 This order will recognise that some of those considered to be causing issues have their own vulnerabilities and will seek to offer support and assistance, rather than simply rely on enforcement.
- 1.4 The power to make a PSPO rests with the Council, in consultation with the Police, other relevant bodies and the general public.

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

- 2.1 **Do nothing (not recommended).** The local authority and the Police, in some cases, already have powers to deal with certain adverse behaviour covered in the proposed PSPO. However, these current powers are viewed as being overly bureaucratic and can quickly result in offenders obtaining criminal records' which may adversely affect their future employment prospects.
- 2.2 **Conduct a public consultation on the introduction of a city centre PSPO (recommended).** The introduction of a specific PSPO for the city centre would provide useful powers for Council officers and the Police in addressing adverse behaviours in the city centre. It is quick and easy to use, which is an important consideration when both organisations are facing reductions in resources. It also has the added benefit of enabling the offender to accept a fixed penalty notice rather than appear in court and receive a criminal record. The wording of the proposed PSPO can be seen in Appendix 1.
- 2.3 One element of the proposed PSPO is to deal with busking in the City Centre. To assist in the proposed consultation, a copy of the City's Code of Practice for Buskers has been included (see Appendix 3).
- 2.4 The proposed City Centre PSPO will cover the area inside the ring road and extend to the Friargate development and the railway station (see Appendix 2).
- 2.5 In summary, Cabinet is recommended to:
  1. Consider the wording of the proposed PSPO and the suggested area to be covered by the Order.
  2. Authorise officers to consult with partners, businesses and the general public on the proposed PSPO and the suggested area to be covered by the Order.

3. Request that a further report is brought back to Cabinet with the findings of the consultation and subsequent recommendations.

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

- 3.1 If the Cabinet approves the recommendations in this report, officers will consult with partners, businesses, residents and the general public. The consultation will be actively publicised and will be for a period of 47 days from 30<sup>th</sup> November 2016 until 15<sup>th</sup> January 2017. The proposed consultation document can be seen in Appendix 4.
- 3.2 It is a requirement of granting a PSPO that it can be shown that it is needed and proportionate to a given issue. Impact statements and supporting evidence can be found in appendix 5.

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

- 4.1 At the culmination of the proposed consultation process a further report will be prepared for Cabinet. The report will contain the views expressed in the consultation together with relevant recommendations.

A PSPO is valid for a period of 3 years, they can be rescinded, amended or extended at any point during that period. Any amendment or extension will need to follow the process again.

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

#### **5.1 Financial implications**

No additional resource will be required to implement the proposed PSPO. Any additional income generated by the introduction of a PSPO will contribute towards Council resources source.

#### **5.2 Legal implications**

Under sections 59-75 of the Anti-social Behaviour, Crime and Policing Act 2104, local authorities have powers to make PSPOs.

The Council can only make a PSPO when it is satisfied on reasonable grounds that the activities carried out or likely to be carried out in a public place have a detrimental effect on the quality of life of those in the area and are persistent, continuing and unreasonable. The Council would also need to be satisfied that the restrictions imposed were justified

PSPOs can only apply to public places. This means any place to which the public, or and sections of the public, on payment or otherwise, have access to as of right or by virtue of express or implied permission.

In line with other PSPOs in Coventry, any Fixed Penalty Notice for non-compliance with a PSPO will be set at £100 reduced to £60 if paid within 14 days. If the Fixed Penalty Notice is not paid, it is the Council's policy to prosecute the offender in the Magistrates` Court, where the maximum fine is currently £1000 (level 3 on the standard scale)

### **6 Other implications**

- 6.1 **How will this contribute to the Council Plan ([www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/))**

## **Crime and Disorder**

Tackling crime and anti-social behaviour through partnership working is central to the delivery of the Community Safety Plan and Strategic Assessment 2015/16.

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

Police and Council Officers continue to incorporate the area in their patrol strategies and work schedule and will monitor behaviour of individuals and the condition and cleanliness of the area.

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

None

### **6.4 Equalities / EIA**

The impact on protected groups as defined by the Equality Act 2010 is considered in the Equality and Consultation Analysis at Appendix 6 to the report. At present it is not considered necessary to take any particular steps to prevent the negative impact on any particular protected groups as a result of the introduction of the proposed PSPO.

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

The purpose of taking action is to address adverse behaviours in the City Centre, in an attempt to improve the environment and wellbeing of the community.

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

Powers granted will also be available to West Midlands Police.

**Report author(s):****Name and job title:**

Liam Nagle  
Community Safety Officer

**Directorate:**

Place Directorate

**Tel and email contact:**

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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>				
Craig Hickin	Head of Environmental Services	Place	28/9/16	28/9/16
Graham Hood	Head of Streetpride, Greenspaces	Place	28/9/16	05/10/16
Davina Blackburn	Regulatory Services Manager	Place	28/9/16	03/10/16
David Nuttall	Head of Service – Sports, Culture, Destination and Business Relationships	Place	28/9/16	05/10/16
Lara Knight	Governance Services Co-ordinator	Resources	28/9/16	28/9/16
<b>Names of approvers for submission: (officers and Members)</b>				
Cath Crosby	Lead Accountant	Resources	28/9/16	29/9/16
Gill Carter	Senior Solicitor	Resources	28/9/16	05/10/16
Karen Mihailovic	Senior Human Resources Advisor	Resources	28/9/16	28/9/16
Andrew Walster	Assistant Director	Place	28/9/16	28/9/16
Martin Yardley	Executive Director	Place	28/9/16	25/10/16
Councillor A Khan	Cabinet Member for Policing and Equalities	-	28/9/16	05/10/16

This report is published on the Council's website: [www.coventry.gov.uk/councilmeetings](http://www.coventry.gov.uk/councilmeetings)

## Appendix 1

### Coventry City Council

#### Anti-Social Behaviour, Crime and Policing Act 2014, Section 59

#### Public Spaces Protection Order (City Centre) 2016

This Order is made by Coventry City Council ("the Council") under the Anti-Social Behaviour, Crime and Policing Act 2014, Section 59 ("the Act").

1. This Order relates to the public space within the area edged in red on the plan of Coventry City Centre which appears at Appendix One, being public space in the Council's area to which the Act applies ("the Restricted Area").
2. The Council is satisfied that the two conditions below have been met, in that:-
  - a. activities carried on in the restricted area as described below have had a detrimental effect on the quality of life of those in the locality, or it is likely that these activities will be carried on in the public place and they will have such an effect;
  - b. the effect, or likely effect, of the activities is, or is likely to be, of a persistent or continuing nature, is, or is likely to be, such as to make the activities unreasonable, and justifies the restrictions imposed by the Order.

By this Order

3. The effect of the Order is to impose the following prohibitions and/or requirements in the Restricted Area at all times, unless specifically stated:-

a. Begging

Any person is prohibited from begging. The act of begging is deemed as either approaching people for money, or being stationary and directly asking for money, or positioned on the floor to invite the offer of money or goods.

b. Peddling / Street Trading

Any person is prohibited from, at any time, peddling/trading goods within the restricted area without an appropriate street trading consent issued by the Council.

c. Distribution of publicity materials

Any person is prohibited from distributing any materials for commercial gain unless they have the express prior permission of the City Council. Registered charities and religious organisations are exempt.

d. Charity or Commercial Subscription Collectors

Any person is prohibited from, soliciting for the completion of subscription charity collections. Exemptions are granted on land within the area marked in blue detailed on the plan of Coventry City Centre. Permission to carry out cash collections in the City Centre should be obtained from the City Council in advance. The Council issues street collection licences on application for charity collections

e. Buskers and Street Performers

Any person is prohibited from performing contrary to the 'Coventry City Centre Code of Conduct for Performers' (see Appendix 2).

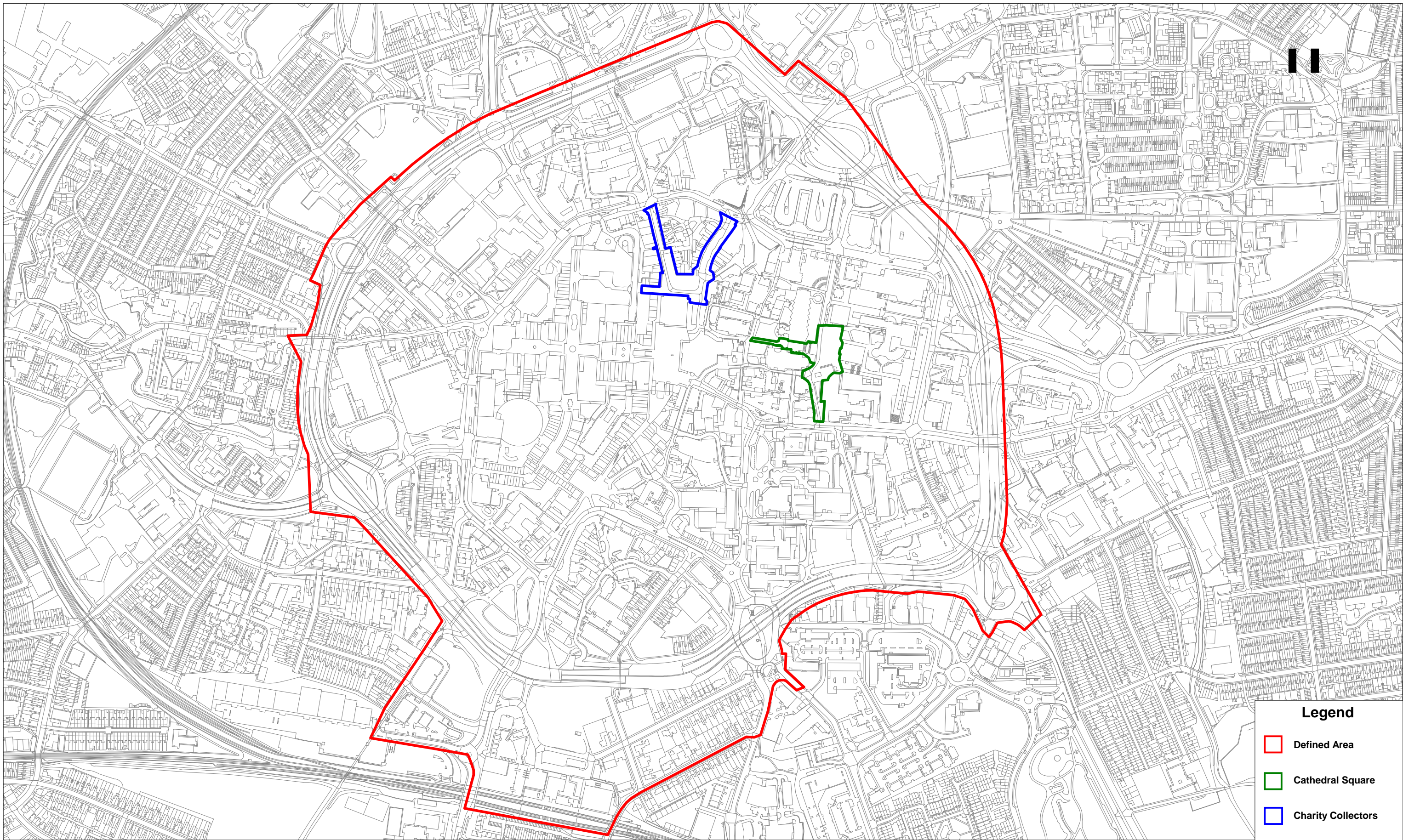
f. Skateboarding/Cycling

Any person is prohibited from skateboarding and cycling in the Cathedral Square (the area edged in green on the plan of Coventry City Centre). Skateboarding or cycling is only permitted in other paved areas before 9.30am-or after 3.30pm. Cyclists can use designated cycle lanes in this area at all times.

4. Offences under this Public Space Protection Order:

- a. A person who is guilty of an offence shall on summary conviction be liable to a fine not exceeding level 3 on the standard scale.
- b. A Fixed Penalty Notice of £100.00 will be issued to offenders to be paid within 20 days (reduced to £60.00 if paid within 14 days) which would discharge any liability to conviction for an offence under Section 67(1) of the Act.
- c. This order may be cited as 'The Public Space Protection Order (City Centre)' and shall come into force on X 2016 and remain in force for a period of three years.





**Legend**

- Defined Area
- Cathedral Square
- Charity Collectors

PLACE DIRECTORATE  
 STRATEGY & PERFORMANCE TEAM  
 FLOOR 9, CIVIC CENTRE 4  
 MICH PARK STREET  
 COVENTRY CV1 2PY  
 024 7683 2755



## City Centre - PSPO

Drawn By: NH  
 Scale : NTS  
 Date: 27/04/2016

Martin Yardley - Executive Director, Place  
 Nigel Clews - Assistant Director, Property Management

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**For Identification purposes only**



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## Appendix 3

### Coventry City Centre Code of Conduct for Performers

There are currently 5 recognised pitches in Coventry City Centre. These will be reviewed on a continual basis. If you would like to busk outside of these designated sites please contact one of the team. This Code of Conduct describes your obligations to perform on our land and you are requested to comply fully with our requirements. Please be considerate of members of the public, other performers and the rights of city centre shopkeepers and business owners who are generating the footfall you are benefiting from

- ☒ A pitch can only be used for 60 minutes at a time.
- ☒ No sale of merchandise or goods will be allowed without a valid Street Trading Licence from Coventry City Council. Charity collectors must contact the licensing team.
- ☒ Low powered amplification may be used where appropriate, and the sound must be kept to a reasonable level so as not to cause disturbance or nuisance to surrounding businesses or the public  
  
Noise (for example music or voice) should not be so loud that it can be plainly heard at a distance of 50m.  
  
No group of performers shall consist of more than 5 members, this includes any associated non performing members who may solicit money from passers- by or similar
- ☒ Where accompanying backing music is used, the entertainers own music must form the greater part of the performance. Drumming should only be included as a minor part of the act.
- ☒ The appearance and quality of an 'act' should demonstrate a positive intention to entertain passers-by, not to solicit money through sympathy. Entertainers shall not dress, act or say anything which is likely to cause alarm, distress or offence to a member of the public.
- ☒ You must not wilfully obstruct the highway, obstruct shop exits/entrances, window displays or leave equipment on the floor which may be deemed a trip hazard.
- ☒ If buskers are causing a nuisance with noise , officers of the City Council reserve the right to terminate a performance and also have the power to take enforcement action under the Environmental Protection Act 1990. West Midlands Police also have powers where they consider a public nuisance or obstruction is being caused.
- ☒ No sign shall be displayed inviting payment (except where a collection or charity has been authorised).
- ☒ West Midlands Police are aware of this Code of Conduct and will take appropriate action against any entertainers who fail to comply with its requirements.
- ☒ It is the responsibility of non-musical entertainers (e.g. Jugglers/Statues) to have proof of their current public liability insurance (minimum £5 million) with them whilst entertaining.

Coventry City Council may demand a copy of the certificate. Performers must take the necessary precautions to prevent themselves or members of the public being put at risk.

☒ Entertainers perform entirely at their own risk.

☒ Any damage to property resulting from Street Entertainment is fully reinstated to the satisfaction of Coventry City Council, and that pitches are left in a clean and tidy condition.

☒ No right to perform is inferred by this code of practice and it does not confer indemnity from legislation designed to deal with nuisance or anti-social behaviour.

#### **Recognised Pitches:**

1 **HERTFORD STREET** – The corner of Penny Black Alley and the 99p Store. A busy area that is suitable for both busking and street theatre/performance. Seating for public in this area.(Busking area uncovered)

2 **UPPER PRECINCT** – Between Starbucks and the Empty old Job shop. Very busy area between Broadgate and the Precinct Fountain suitable for busking. Steps of the empty shop not to be used. (Covered)

3 **SMITHFORD WAY** – Outside Waterstones on Smithford Way. Very busy area suitable for busking. Some seating for public nearby. (Covered)

4 **SHELTON SQUARE** – Under the Market Clock or the bandstand. Semi covered area suitable for busking and street theatre/performance. Seating for public around the area of performance space (Small canopy, semi covered)

5 **BULL YARD** – Green Space opposite the Job Shop/Litten Tree. Busy area with good footfall. Seating for public scattered around the area and also some green space. Suitable for busking and street theatre /performance.(Uncovered)

## **Appendix 4**

### **Consultation on City Centre Public Spaces Protection Order (PSPO)**

Coventry City Council has powers under the Anti-social Behaviour, Crime and Policing Act 2014 to create Public Spaces Protection Orders (PSPO's)

Statutory agencies in the City, mainly the Council and Police, receive complaints from members of the public, businesses and other organisations regarding a wide range of issues in the City Centre. PSPO's allow for agencies to have better control over issues that currently are not provided for in legislation, or existing measures are not considered effective.

Failure to comply with the PSPO would result in an individual being issued with a fixed penalty notice (FPN). In the event of the FPN not being paid, it is the Council's policy to prosecute. Breach of a PSPO is a criminal offence.

Coventry City Council is proposing the introduction of a number of measures within a PSPO;

We are keen to receive your views on the proposed introduction of this new PSPO in the City Centre. To share your views please complete the attached survey.

Should you wish to speak to someone about this survey or anything related to the content of the survey please contact: [liam.nagle@coventry.gov.uk](mailto:liam.nagle@coventry.gov.uk)

Are you responding to this survey as a:

resident of the city centre

resident elsewhere in the city

non-resident that works in the city centre

visitor to the city

Business owner in the City Centre

Other (please specify).....

**Section 1 – begging:**

**The proposed Public space protection order would make it illegal to beg in the city centre and at Friargate.** The act of begging is deemed as either approaching people for money or being stationary and directly asking for money, or positioned on the floor to invite the offer of money or goods.

We receive regular complaints and comments from our partners about people begging in the city centre, particularly near pay stations in car parks and at cashpoints. Begging, where money is not directly requested is also an issue.

We are keen to do what we can to support people with addictions into rehabilitation too. As a last resort, if they will not accept offers of help these new powers will enable us to exclude these people from the city centre.

The process would be:

- 1 – Issue a fixed penalty notice for anyone caught begging
- 2 – If the fine is unpaid – take the person to court for non- payment
- 3 – At court seek a criminal behaviour order to enforce treatment for addiction
- 4 – If the breach the order – do not volunteer for treatment – Police use their powers of arrest.

**Do you believe that Coventry City Council should introduce a Public Space Protection Order to tackle begging in the city centre?**

Yes – I agree

No – I do not agree

Not sure -

Any other comments

### **Section 2 – street trading:**

**Introduction of a PSPO would mean any person is prohibited from peddling/trading goods within the permitted area without an appropriate street trading consent issued by the Council, at any time,.**

We are aware of people or groups that operate in the city centre that sell goods, such as wristbands or similar goods and claim to support a charity.

Traders that operate in the city centre with the Council's consent from street barrows pay to trade. This means unauthorised traders have a cost advantage over those operating correctly and this creates unfair competition.

**Do you believe that Coventry City Council should introduce measures to control the activities of pedlars and street traders in the city centre with a PSPO?**

Yes – I agree

No – I do not agree

Any other comments:

### **Section 3 - distribution of publicity materials**

**Introduction of this element of the PSPO would mean any one who distributes materials for commercial gain needs to have prior permission from the Business Improvement District or City Council. Registered charities and religious organisations are exempt are exempt from this provision.**

Unauthorised distribution of materials is often unwanted and results in significant littering. We wish to manage this situation better.

**Do you believe that Coventry City Council should introduce measures through a PSPO to better control those that distribute leaflets and other publicity in the city centre?**

Yes – I agree

No – I do not agree

Any other comments:

#### **Section 4 - Charity or Commercial Subscription Collectors:**

**Anyone collecting cash in the city centre, including subscriptions to charity, should have permission from the City Council in advance and have a street collection licence.**

**Exemptions are granted on land within the area marked in blue detailed on the plan of Coventry City Centre.** Coventry City Council recognises that charities benefit from charity subscription collections but wish to limit any potential nuisance. The Council has previously agreed with the body that negotiates on behalf of the charity subscription collections, to restrict collections to the Burges and Trinity Street and that, there should be no more than three days a week where collecting is permitted.

**Do you agree that Coventry City Council should introduce measures as part of a PSPO to control the activities of Charity or Commercial Subscription collectors?**

Yes – I agree

No – I do not agree

Any comments:

#### **Section 5:**

##### **Busking and Street Performers:**

Coventry City Council recognises that buskers are part of a vibrant city centre. However, on occasion buskers may cause nuisance or annoyance by playing at locations that are inappropriate for loud or amplified performers, or by staying too long in the same location. For many years, the city has had a 'code of conduct' (see **Appendix 2**) for buskers, but we cannot compel buskers to keep to these rules. A PSPO will allow us to do this and ensure buskers comply with the code of conduct.

**Do you believe Coventry City Council should use powers in the PSPO to enforce the condition contained in the Code of Practice for Buskers?**

Yes – I agree

No – I do not agree

Any comments:

## **Section 6:**

### **Skateboarding/Cycling:**

**With a PSPO, any person would be prohibited from skateboarding and cycling in Cathedral Square (the area edged in green on the plan of Coventry City Centre). Skateboarding or cycling would only be permitted in other paved areas before 9.30am-or after 3.30pm.** Cyclists can use the roads and designated cycle lanes at all times.

We recognise that skateboarding and cycling are healthy activities but can cause problems in inappropriate locations or for some groups in the city. Cathedral Square is a key tourism location, surrounded by the Cathedral and Herbert Art Gallery. Concerns have also been raised by older people in the city that people are being put at risk of harm by the activities of cyclists and skateboarders. We are proposing that these activities are prohibited, during busy retail hours and when older people are most likely to be in the city centre, whilst recognising that that the city centre needs to be shared by all of our citizens.

**Do you believe Coventry City Council should introduce measures to control the activities of Skateboarders and Cyclists in the City Centre with a PSPO?**

Yes – I agree

No – I do not agree

Any comments:

Proposed Consultation List :

Coventry Uni

Coventry Cathedral

Coventry Older Voices

Coventry Youth Group (Brian Mason)

BID

VAC

Centro

West Mids Police

CENTRO – Railway station

Sustrans

Cyclic



## **Appendix 5 – Impact Statements and Police Statistics**

I am PC 5530 Nicholas Mansell of the West Midlands Police. My current role is that of Anti-Social Behaviour Coordinator for Coventry Police and I have held this position for 5 years.

Coventry City Centre is the single largest demand area within Coventry in terms of calls for service in relation to anti-social behaviour (ASB). The city centre area regularly records over 100 calls for service each month. For the month of May 2016, for example, Coventry City Centre recorded 146 calls in relation to ASB.

Begging has always been an issue for Coventry City Centre, as it is for most cities in the country. The police currently can take action when the offence of begging, which is the direct request for money from a person, is either witnessed by a member of the public or by an officer. Most begging offenders will not commit this offence when a uniformed officer is present and most are aware of whom the police officers are even when they are wearing plain clothes. Therefore evidence directly from police officers is limited.

There are very few members of the public that are prepared to give evidence to facilitate further action against an individual who is begging. There are a number of reasons for this which includes seeing the beggar as a victim rather than an offender.

Begging takes place across the city centre but is very limited once outside the ring road. Begging often takes place around car parks near to the payment meters. This is one of the most common locations when calls for service are received by police. Other locations include outside shops and being approached in the street or square. Broadgate is a common location for beggars to approach members of the public and requests for money (spare change) are made.

Whilst many calls for service to the police do not include offers to give evidence, they do complain about intimidating behaviour and sometimes aggressive behaviour of beggars. This is particularly the case when they are asked to move on by a store owner or similar.

Coventry Police do target the beggars and currently we hold 11 Criminal Behaviour Orders against begging offenders. These are individuals who persist in the offence of begging and due to the evidence gained, the police are able to gain conditions set by the court to behaviours they must undertake – such as drug/alcohol treatment and conditions they must not undertake – such as sit on the floor in Coventry City Centre. Sitting on the floor is an excellent example of how an individual sets themselves up to beg without completing any offence.

Begging offences does take up a significant amount of police time and resource and multiple calls for service are received on a daily basis. Gaining Criminal Behaviour Orders is further work that is resource intensive and will take a police officer off the streets for a significant amount of time.

Peddling, the sale of goods by individuals moving through an area is an occupation that West Midlands Police has currently reviewed. The supply of Peddlers Certificates has been considered and it was found that the use of them had become too vague. As the ASB Coordinator I have the task at renewing all Peddlers Certificates and only the ones that fit the specified criteria will be issued. It is

expected that the majority of Peddlers Certificates will not be renewed. This may well lead to an increase in selling without a licence. Coventry Police does not receive many calls for service regarding this issue but does come up within public meetings and forums.

Charity Collectors are not often a subject of police calls for service. Coventry Police does not receive many calls for service regarding this issue but does come up within public meetings and forums, so clarity for all parties about what is allowed and what is not within the City Centre would be welcomed.

Busking is not a call for service received by police. Many verbal comments are made to officers from time to time in relation to the noise level being too high and the quality being too low.

Distribution of publicity materials is not a call for service received by police unless it is of an offensive nature that would fall under criminal legislation.

Skateboarding can be an issue that is reported to police. One area where complaints concerning skateboarding are prevalent is the area outside The Herbert Art Gallery and Cathedral. Large groups of youths are reported to gather and their behaviour both from the group itself in terms of language and behaviour as well as the skateboarding itself has caused members of the public to feel intimidated and annoyed. The skateboards have been reported to pass individuals very closely and there have been reports of collisions. Police are limited in the powers we can use against skateboards unless it fits into Public Order legislation (Harassment Alarm Distress) or Public Nuisance.

End of statement

My name is Adrian Woolford and I am employed by Coventry City Council as a Business Improvement District (BID) Liaison Executive. Within my role I manage the Retail Crime Operation (RCO) and supervise the BID Ambassadors.

The BID's main purpose is to generate footfall into the City Centre through Events, Crime reduction, Cleansing and Greening. We are funded by the businesses themselves and everything we put in place is above the Council's baseline agreement.

Whilst speaking with businesses we get to know their concerns and issues regarding the City Centre and assist where possible. Some of these concerns relate to beggars, street drinkers, noisy buskers and charity collectors, with businesses often saying they feel it is having a negative effect on their business and the perception of the City Centre as a whole.

The BID Ambassadors log any encounters with beggars and street drinkers on our internal database allowing us to keep record of problematic individuals and locations. This information is in turn forwarded to Police and Community Safety on a monthly basis and also if necessary offenders can be brought to light at Local Case Management Forum (LCMF) meetings to discuss further. When approaching a beggar or street drinker to ask them to move on we never know how they may react and could in theory be putting ourselves into a volatile situation. We use the radio link to forward information to the Jackson Road control room too.

Over the past year or so we have noticed an increase in buskers and with no official policy in place it makes it hard to manage them. Businesses are encountering problems with the noise as on occasions the volume interrupts the daily running of the store as staff are unable to hear customers. In the past we have politely asked buskers to turn the volume down, limit the time they are in one spot or even pack up if they are causing too many problems. More recently we have been directing complaints to the Neighbourhood Enforcement Officers within the Council as they are looking are tackling the problem going forward.

Charity collectors who can be quite persistent when asking for donations are also a problem, more predominately in the areas of Broadgate and Upper Precinct areas. We have questioned the Council Licencing team over the complaints and how to tackle the problem and on a few occasions they have attended alongside us to question the individuals, but were happy with the documentation provided.

Overall the combination of the aforementioned problems can put a strain on the City Centre as visitors can leave with the wrong perception.

End of Statement

My name is Simon Hutt, I am employed by Coventry City Council as a Street Enforcement Manager. In my role I am responsible for managing a team of Neighbourhood Enforcement Officers (NEO's) that patrol the City Centre and issue penalty notices for littering and similar.

My team regularly inform me about issues that occur within the City Centre that they do not have powers to deal with, which causes them personal frustration but also means members of the public often think they are ignoring issues when in fact they cannot enforce against them. Where appropriate they will approach the person causing the issue but most of them are aware NEO's do not have the power to insist on a resolution.

The most prevalent issue is begging, NEO's regularly remark that the numbers operating in the City Centre has increased over the past 12 months. They will operate in such a way that if they see a person in uniform from the Council or Police they will ensure they do not verbally request anything from people as they know that is the offence. They are also aware that NEO's cannot insist they move on and as such many remain in situ. In fact Police officers also struggle to move them on in some cases.

Beggars are often seen in empty shop doorways but most commonly in car parks around pay stations.

Buskers cause issues for NEO's particularly buskers that use amplification. Whilst we are aware of the code of conduct that was devised some time back, that code is not enforceable and whilst some buskers are amenable to advice offered, some will ignore it. We recognise that enjoyment of buskers is subjective so cannot assess who is "good" or not but to assist businesses and their

employees and to be fair to all buskers, the main principle of insisting buskers move on from their pitch after one hour, not to return to the pitch will work best for all.

Charity subscription collectors are often seen in the City Centre, quite often people will complain to NEO's about them generally as people don't like to feel harassed. Upon checking the conditions under which they are allowed to operate in the City Centre it is clear that often collectors will stray some distance from permitted areas into Broadgate and the High Street. NEO's don't have the powers to insist these collectors return to agreed locations

During school holidays it is noticeable that a number of unauthorised sellers, particularly wristbands will enter the City Centre. They purport to be selling on behalf of charities but it appears only the smallest fraction of money received goes to any charity. The sellers often target mothers with children or young girls and often they feel pressured into purchasing the bands or other products. People often state this to NEO's but they do not formally complain to the Council on the telephone or similar.

Skateboarding as an activity tends only to be problematic in a small number of locations in the City Centre, on the whole the boarders are quite amenable when spoken to, however the manner in which they ride their boards can pose a danger to the public as when they fall off, the boards can often be propelled away from them at some speed, at ankle height.

The noise skateboarding creates can also be very noisy in some locations, the topography and designs of some buildings and areas in the City Centre can amplify this.

Cyclists are regularly complained about to NEO's and where they can get cyclists to stop it will be explained to them that it's not appropriate to ride at speed through pedestrianized areas, but more often than not cyclists will not stop and will carry on.

Historically a problem area for skateboarders and cyclists, particularly on BMX's is around the Herbert art gallery and Cathedral Square. They will often congregate near the front of the gallery and can cause significant nuisance for staff and visitors to both the art gallery and cathedral.

In summary it is my opinion that the management of the City Centre would be greatly improved by assigning officers the powers to deal with various issues, some of which cause significant issues, some less so but the attractiveness of the City Centre to visitors would be enhanced by allowing this.

End of Statement

My name is Paul Bowman. I am the Parking Services Manager for Coventry City Council and I have held the post for 9 years. My responsibilities include the monitoring and enforcement of on and off-street parking throughout Coventry and also for the management of the Council's public and private car parks located in the city centre and out of town.

The management of car parks includes responsibility for the safe operation of the sites and the equipment therein; the security of the assets and money contained in the pay-stations; the safety

and security of the staff and members of the public using the facilities; adding to the customer experience in support of the generation and growth of the local economy.

Car parks are a haven for beggars and begging is particularly problematic in city centre car parks (e.g. Cox Street, New Union Street, The Barracks, Salt Lane) where the individuals concerned position themselves next to the pay stations and prey on the car park customers. Some customers have complained that they have been verbally threatened when they have refused to give the beggars money.

As the Parking Manager, I regularly receive complaints from customers who have been subjected to beggars and other anti-social behaviour in car parks. Many customers have commented that they felt intimidated, threatened, vulnerable, unsafe and that the behaviour of the beggars is totally unacceptable and not what they expect when visiting the city centre. Some customers have also said that they will avoid coming back to the city centre due to the problems caused by beggars and the negative experience that they had.

Some beggars are responsible for the following offenses in car parks:

- ☒ Forcing objects into the coin, ticket or credit / debit card slots in the pay stations causing significant damage to the equipment that can result in a loss of revenue to the Council.
- ☒ Urinating and defecating in the car parks or in the car park equipment, which aside from the stench and the obvious unpleasantness is a health and safety problem that customers and staff are exposed to.
- ☒ Littering

The cost of any repairs and cleaning of the machinery and car parks is an expense that the Council incurs and one that we can ill-afford.

In my opinion a Public Space Protection Order would provide a useful mechanism for controlling the behaviours of beggars and potentially removing them from the car parks. With that in mind, I would very much support any proposal to introduce a PSPO.

End of Statement

My name is Professor Ian Marshall. I am Deputy Vice-Chancellor for Strategic Alignment and External Relations at Coventry University. My portfolio over the years has included responsibility for Students, Research, Student Services, Registry, Library, Information Technology Systems, Recruitment and Admissions Office, Timetabling and Marketing & Communications.

I am also Chair of the University's Anti-Social Behaviour (ASB) Group and am currently in the process of implementing a revised protocol on reporting complaints to the University, with a view to help address and deal with ASB efficiently and effectively.

Skateboarding and associated activities on the University Square has been an issue for a number of years resulting in numerous complaints being received by the University. Large groups of youths congregate on the Square (particularly over the summer months) and cause a great deal of noise and nuisance not to mention the potential danger they impose to members of the public by the manner in which they ride their boards and bikes.

The issue with skateboarding and cycling on the Square has been particularly noticeable to the senior management team at Coventry University as some of our offices adjoin the square and therefore the noise and language used by the youths can be clearly heard. This is not the type of environment we would like our staff, students, potential new students and visitors or members of the public to have to experience. For major events we have to deploy our Protection staff to prevent skateboarding disrupting the event being held on the University Square, in the University, Cathedral or Herbert Art Gallery.

I would like to add that there has also been a great deal of damage caused to the Square by persistent skateboarding over the years hence resulting in an unnecessary expense incurred to the University.

The University would welcome measures to ban skateboarding and cycling altogether from the Square to help safeguard staff, students and members of the public from potential harm. It also is not a good experience for visitors to the Cathedral to be run down while they are trying to get a better view or take photographs.

End of Statement

Dear Sir / Madam,

Ref: Dangers faced by older people from cyclists and skateboarders in the city centre.

Coventry Older Voices, (COV) is a campaigning and influencing group that has approximately 445 members and is still growing. COV represents the views of older people in the city and our goals are;

- Giving people over 50 a stronger and more influential voice in the City.
- Representing the views of older people on important issues, such as transport and health.
- Enabling older people to participate meaningfully in the planning and provision of services locally.
- Building links with public bodies and private companies, both locally and nationally, to influence policies and developments in the City.

I am the Secretary of COV and our Management Committee holds fortnightly meetings and also produces a bi-monthly newsletter and has an active website

<http://coventryoldervoices.org/Index.aspx#> The issue of the dangers faced by older people from

cyclists and skateboarders in the city centre is discussed at Management Committee meeting on a regular basis.

COV members contact me on a regular basis to express concerns about the riding of bikes and skateboards on pavements and pedestrianised areas in the City Centre, and about the danger caused to older people in particular. COV members have reported either experiencing or seeing near misses, with cyclists and skateboarders in the city centre and it can only be a matter of time before we witness a serious accident. These issues were also raised at a Transport and Community Safety event that COV organised in November 2015 in partnership with Cllr Rachael Lancaster.

But although we might agree that it is a real problem, COV members often do not report these incidents to the Council or Police. The general feeling of members is that the police don't seem to have the manpower, time or will to do much about it, bike riders and skateboarders do not seem to regard it as a problem, and although some practical measures have been put in place by the Council in recent years, the situation is largely unchanged.

COV would like to try to address this issue, and believe that it is appropriate for the above reasons for restrictions to be place on cycling and skateboarding in the City Centre.

Yours Faithfully

Abtar Sanga

Secretary

Coventry Older Voices

End of Statement

## Police Statistics

The information below relates to the previous 12 month period as of 1<sup>st</sup> October 2015 – 28<sup>th</sup> September 2016

### Criminal Offences

There were 40 breaches of Criminal Behaviour Orders relating to begging or other offences in the City Centre. These statistics will not reflect the number of instances a person may have been caught begging prior to going to court and having a Criminal Behaviour Order imposed.

### Reports Received

These are calls received by West Midlands Police that were categorised as “Anti Social Behaviour”

Type of Incident	Number of calls received
Begging	153
Cycling	11
Busking	6
Skateboarding	6



Coventry City Council  
Equality and Consultation Analysis (ECA) Form

*In line with the principles of decision making outlined in the City Council Constitution, the Council will ensure that its decision making is open and transparent, and that due regard is given to the Council's obligations and desire to promote equality of opportunity and equal treatment.*

## Part 1

***This part must be completed and before formal consultation is undertaken and must be available during the consultation stage.***

**Author of this document: Craig Hickin**

**Name of Service Area/Proposal: Public Space Protection Order – City Centre**

**Head of Service: Craig Hickin**

**Date of completion: 29<sup>th</sup> September 2016**

### ***Background to the planned changes***

---

1. What is the background to the planned changes? Why is this change being considered? *If further information is available on the different scenarios that have been considered as part of this work, provide a link to the public document which contains this information.*

The Anti-Social Behaviour, Crime and Policing Act 2014 gained Royal Assent in April 2014. The Public Spaces Protection Order (PSPO) provision has been in operation since 20th October 2014. PSPOs are intended to provide means of preventing individuals or groups committing anti-social behaviour in a public space where the behaviour is having, or likely to have, a detrimental effect on the quality of life of those in the locality; be persistent or continuing in nature; and be unreasonable.

The Council's aim is to improve the City Centre as place to live, shop and do business. It is recognised that in order to do this we need to make the City Centre as attractive a destination as possible. This can be helped by minimising any factors that may deter people from visiting the City Centre. A City Centre PSPO is a useful tool in achieving this aim.

The introduction of a specific PSPO for the City Centre would provide useful powers for Council Officers and the Police in addressing adverse behaviours in the City Centre. It is quick and easy to use, which is an important consideration when both organisations are facing reductions in resources. It also has the added benefit of enabling the offender to accept a fixed penalty notice rather than appear in court and receive a criminal record.

In line with other PSPOs in Coventry, any Fixed Penalty Notice for non-compliance with a PSPO will be set at £100 reduced to £60 if paid within 14 days. If the Fixed Penalty Notice is not paid, it is the Council's policy to prosecute the offender in the Magistrates' Court, where the maximum fine is currently £1000 (level 3 on the standard scale).

### Coventry City Council Equality and Consultation Analysis (ECA) Form

The PSPO will address the following issues:

a. Begging

Any person is prohibited from begging. The act of begging is deemed as either approaching people for money, or being stationary and directly asking for money, or positioned on the floor to invite the offer of money or goods.

b. Peddling / Street Trading

Any person is prohibited from, at any time, peddling/trading goods within the restricted area without an appropriate street trading consent issued by the Council.

c. Distribution of publicity materials

Any person is prohibited from distributing any materials for commercial gain unless they have the express prior permission of the City Council. Registered charities and religious organisations are exempt.

d. Charity or Commercial Subscription Collectors

Any person is prohibited from, soliciting for the completion of subscription charity collections. Exemptions are granted on land within the area marked in blue detailed on the plan of Coventry City Centre. Permission to carry out cash collections in the City Centre should be obtained from the City Council in advance. The Council issues street collection licences on application for charity collections

e. Buskers and Street Performers

Any person is prohibited from performing contrary to the 'Coventry City Centre Code of Conduct for Performers' (see Appendix 2).

f. Skateboarding/Cycling

Any person is prohibited from skateboarding and cycling in the Cathedral Square (the area edged in green on the plan of Coventry City Centre). Skateboarding or cycling is only permitted in other paved areas before 9.30am-or after 3.30pm. Cyclists can use designated cycle lanes in this area at all times.

The power to make a PSPO rests with the Council, in consultation with the police, other relevant bodies and the general public.

2. Who do you need to consider as part of this ECA? *\*stakeholder analysis*

Coventry citizens (visitors and users of the city centre), residents in the city centre, businesses and organisations in the city centre and their representatives and the Police.

# Coventry City Council Equality and Consultation Analysis (ECA) Form

### Pre-Consultation Engagement

---

Police Crime and Community Safety Partnership Board, City Tasking (a sub group of the Police Crime and Community Safety Partnership Board who deal with operational issues in the city centre), Coventry University, Older Peoples Forum, Business Improvement District. Charities/individuals affected (e.g. begging on the street, street performing)

3. What engagement activities took place prior to formal consultation and what feedback was received in relation to equality issues?

A series of partnership meetings and face-to face interviews were held with the above mentioned organisations to include issues, into the order, that require action and also the proposed wording of the order ahead of formal public consultation.

### Analysis of Impact

---

In this section please ensure that you consider the three aims of the general duty as they affect **protected groups**. These groups are:

Age  
Disability  
Gender  
Gender reassignment  
Marriage/Civil Partnership  
Pregnancy/Maternity  
Race  
Religion/Belief  
Sexual Orientation

The **three aims of the general duty** require that a public authority, in the exercise of its functions, must have due regard to the need to:

1. Eliminate discrimination, harassment and victimisation
2. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

**Note – when identifying potential impacts below, please only include impacts that may exist over and above general impacts that may affect the wider community/population.** For example, a reduction in grant to Coventry Citizens Advice would affect all service users through a reduced level of first line advice being available to all – but it would affect the following groups more; age, disability, gender and race as they represent a larger proportion of the clients who use the advice service.

Coventry City Council  
Equality and Consultation Analysis (ECA) Form

4. Outline below how this proposal/review could impact on protected groups positively or negatively, and what steps (if any) could be taken to reduce any negative impact that has been identified. *NB. Only include realistic mitigating actions that could be delivered.*

**Age:** This proposed order will affect all Coventry people. Impact statements from the Older Persons Partnership suggest that older people perceive that they are more at risk from collisions.

If the proposals are agreed, there is a corresponding negative impact on young people by stopping these activities. However, this is mitigated by the proposal to allow skateboarding in these areas before 9.30am and after 3.30pm.

**Disability:** Again persons suffering from hearing or sight problems are more vulnerable to potential collisions with cyclists and skateboarders.

It is also possible that some of the beggars who frequent the city centre may have long term health conditions and will suffer from the potential loss of income. In mitigation the Council would work with relevant charities and the Recovery Partnership to address the health implication for this group who could be affected by the PSPO's implementation.

**Gender:** Insufficient information available although anecdotally males are in the majority of persons begging and street performing and would be most adversely affected. If this order is implemented it would be positive for women (personal safety/perceived personal safety).

**Gender Reassignment:** Insufficient information available

**Marriage/Civil Partnership:** Insufficient information available

**Pregnancy/maternity:** Insufficient information available

**Race:** Insufficient information available although anecdotally Asylum Seekers/Refugees/New Communities/Gypsies would be affected adversely

**Religion/belief:** Insufficient information available although anecdotally the Hari Krishna faith collects on the street

**Sexual orientation:** Insufficient information available

5. Are there any other vulnerable groups that could be affected? i.e. deprivation, looked after children, carers.

Also include any information about the health/Marmot implications of this proposal. Contact Georgia Faherty ([georgia.faherty@coventry.gov.uk](mailto:georgia.faherty@coventry.gov.uk) or tel. 7683 1950) or Hannah Watts ([hannah.watts@coventry.gov.uk](mailto:hannah.watts@coventry.gov.uk) or tel. 7683 3973) in Public Health for more information.

### Coventry City Council Equality and Consultation Analysis (ECA) Form

**Deprivation:** Beggars will be affected by this proposed order in that their ability to collect money in the city centre will be reduced. Generally the majority of beggars in the city centre are known to enforcement and welfare agencies.

Potential mitigations:

The aim of the order is not to punish begging. We will be working closely with the Salvation Army and other partners to address hardship and health issues, which may result from the introduction of this order. This proposal is likely to have both positive and negative impacts on health inequalities in Coventry. Beggars are a vulnerable group of society, often suffering from complex issues including mental health, substance misuse and homelessness and there are therefore negative impacts that this proposal could cause:

- Loss of income, potentially leading to alternative crime such as shoplifting, which in turn may have further negative impacts on other residents in Coventry. The individual involved may also be more likely to end up in the criminal justice system, which may make their situation worse
- Displacement to another area of Coventry, which will lead to further stigmatisation and exclusion which may make their situation worse

These adverse impacts are being mitigated by using interactions with vulnerable people to encourage their use of services (such as substance misuse or homelessness services) to address their needs. In addition, when an individual comes into contact with the criminal justice system they can be ordered to attend substance misuse services.

Positive impacts of the proposal include improving access to the city centre for vulnerable people, including people with disabilities and health conditions who may be fearful or intimidated by aggressive begging, as well as attracting businesses to the city which will bring jobs and opportunities to the people of Coventry

6. What are the gaps in evidence? Can this be addressed during the consultation stage? If so, how?

There is no specific data for any protected group (see above). The public consultation will determine if this proposed order has the public's support.

7. What are the likely impacts of this project/review on staff from protected groups?

Employees who enforce this order are existing enforcement officers. There are no additional adverse impacts on our officers.

Coventry City Council  
Equality and Consultation Analysis (ECA) Form

## Part 2

*This section should be completed AFTER the consultation stage has been concluded.*

Author of this document:

Date of completion:

### Post-Consultation

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8. Referring to the information detailed in question 4 of Part 1 of the ECA Form, state if the consultation has confirmed the potential impacts identified that were identified. Also detail below any additional information about potential impacts that has been highlighted during the consultation.

### Outcome of equality impact

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9. Indicate which of the following best describes the equality impact of this project/review:

There will be **no** equality impact if the proposed option is implemented

There will be **positive** equality impact if the proposed option is implemented

There will be **negative** equality impact if the proposed option is implemented but this can be objectively justified

There will be both **positive and negative** impacts if the proposed option is implemented

### Summary of ECA

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Write a paragraph below which summarises the key aspects of this ECA.

*NB. - This paragraph will be included in the Decision-making Report as well as the end of year ECA report*

Where specific objectives have been set for any protected groups around equality impact, also include this information below.

## Appendix 6

### Coventry City Council Equality and Consultation Analysis (ECA) Form

#### Next steps

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Please send this completed ECA to the Insight Team as follows:

Wendy Ohandjanian ([wendy.ohandjanian@coventry.gov.uk](mailto:wendy.ohandjanian@coventry.gov.uk) tel. 7683 2939)

Jaspal Mann ([jaspal.mann@coventry.gov.uk](mailto:jaspal.mann@coventry.gov.uk) tel. 7683 3112)

#### Version Control

Version	Date	Summary of changes (Author)
1.0.0	26.05.16	Initial release (Jaspal Mann)

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Cabinet

29 November 2016

**Name of Cabinet Member:**

Cabinet Member for City Services – Councillor J Innes

**Director Approving Submission of the report:**

Executive Director of Place

**Ward(s) affected:**

Westwood, Earlsdon, Foleshill, Cheylesmore, Binley & Willenhall, Lower Stoke, Upper Stoke, Wyken, Holbrook's, Whoberley, St Michael's, Sherbourne and Radford.

**Title:**

Bus Lane Review

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**Is this a key decision?**

Yes

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**Executive Summary:**

In Coventry over the last 15 years there has been a 20% increase in traffic on the City's road network. This is reported by the Department for Transport on a quarterly and annual basis. In a recent report in the Sunday Times, traffic information company Inrix analysed congestion over the four-year period in 18 urban areas. Whilst London was reported as having the worst levels of congestion, Coventry was reported as having one of the fastest rising levels of congestion due to population and economic growth.

A further concern associated with high levels of traffic and congestion is the impact this has on air quality. The Environment Act 1995 made local authorities responsible for assessing air quality in their areas. If air quality in any area of the city was not good enough, the authority would need to declare an air quality management area (AQMA) and prepare an Action Plan to improve air quality. In 2009 the whole of Coventry was declared as an AQMA because of its high levels of nitrogen dioxide (NO<sub>2</sub>) and therefore the authority was required to produce an Action Plan to tackle emissions generated by traffic as the main contributor to poor air quality.

The Traffic Management Act 2004 requires the Council to secure the expeditious movement of traffic on the authority's road network. In the face of increasing congestion and air quality issues the Council is proposing to review the operation of all of its bus lanes to effectively fulfil its statutory duties under this Act.

There are currently 22 bus lanes in Coventry totalling 8 kilometres in length. In addition there are bus priority measures at 11 signalised junctions and there are 7 bus gates. All bus lanes are in operation 24 hours a day, 7 days a week.

Discussions have taken place with Transport for West Midlands (TfWM - formerly Centro) and representatives from the bus operators about how to approach the bus lane review. In July a group of councillors and council officers visited Liverpool to talk to their cabinet member and project manager and learn from their experiences of implementing a similar review of bus lanes in Liverpool.

Following on from these discussions, it is proposed to undertake an evidence based trial in 4 phases, each containing about 2km of bus lane. The first phase is expected to start in January 2017 and will run for 6 months; the bus lanes will be suspended using an Experimental Traffic Regulation Order (ETRO).

During this 6 month period, journey time data for buses and all other vehicles will be collected along with bus punctuality and reliability. This data will be evaluated along with the pre-trial suspension journey time data. The results of the evaluation will be used to advise and enable the Cabinet Member for City Services to make a decision with regards to the permanent removal, or retention of these bus lanes.

During the trial and in order to reduce congestion and pollution, the City Council is committed to promoting bus travel and will work with Transport for West Midlands and the bus operators to develop and implement more effective means of improving bus journey time reliability and punctuality. This will include selective vehicle detection at traffic signals such as providing late running buses priority at signals.

**Recommendations:**

Cabinet is recommended to:

1. Approve the commencement of a review of the bus lanes in Coventry, as set out in this report.
2. Agree to monitor throughout the trial suspension period the effect of the trial and that a report detailing the results of this monitoring and any associated recommendations be presented to the Cabinet Member for City Services for a decision on whether the trial suspensions are made permanent or whether any of the bus lanes are re-instated.
3. Delegate authority to the Cabinet Member for City Services for the continuation of the remaining 3 phases of the bus lane review.
4. Delegate authority to the Cabinet Member for City Services to use existing Transportation and Highways Maintenance Capital Programme funding to undertake the necessary works to enable the proper suspension of bus lanes.

**List of Appendices included:**

Appendix A	Plan showing all the bus lanes in Coventry City
Appendix B	List of all bus lane in Coventry City
Appendix C	List of bus lanes removed
Appendix D	List of operational bus gates
Appendix E	List of bus priority signals
Appendix F	List of Removed bus priority signals and
Appendix G	Plan showing the bus lanes included in Phase 1
Appendix H	List of bus lanes for trial suspension Phase 1

**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?**

No

## **Report title: Bus Lane Review**

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

- 1.1 In Coventry over the last 15 years there has been a 20% increase in traffic on the City's road network. This increase is also reflected at a national level with annual motor vehicle traffic being at its highest level ever in 2015 ever with a 2.2% increase in traffic on the road network in a one year period. The Department for Transport explains the upward trend in traffic volumes is likely to be a result of growth in the UK economy, with GDP 2.2% higher in the year ending December 2015 than in the previous year. They also suggest that lower fuel prices may also have contributed to increased traffic. Locally, Coventry is one of the fastest growing cities with an expanding economy which is also putting pressure on the road network.
- 1.2 Further evidence of increasing problems on local roads was provided through the Inrix study for the Sunday Times. This showed congestion in Coventry to be rising faster than almost anywhere else; this is partly a product of roadworks like Toll Bar, but is also due to the growth of the city and its economy.
- 1.3 A further concern associated with high levels of traffic and congestion is the impact this has on air quality. The Environment Act 1995 made local authorities responsible for assessing air quality in their area. If air quality in any area of the city is not good enough, the authority must declare this an air quality management area (AQMA) and prepare an Action Plan to improve the air quality. In 2009 the whole of Coventry was declared as an AQMA because of its high levels of nitrogen dioxide (NO<sub>2</sub>) and therefore it was required to produce an Action Plan to tackle emissions generated by traffic as the main contributor to poor air quality. In 2015 the city was still experiencing high levels of nitrogen dioxide.
- 1.4 In the light of the above concerns, in May of this year work commenced on a review of bus lanes and an assessment was started to study the impact of the suspension of, and possible removal of bus lanes in the city, on congestion and air quality. Furthermore, the Traffic Management Act 2004 requires the Council to manage its road network to ensure the expeditious movement of traffic on the authority's road network. The Council has a statutory duty to review the operation of its network, including bus lanes, to minimize congestion and its consequences.
- 1.5 In Coventry there are 22 bus lanes totalling 8 km in length and 11 bus priority signals. The current list of all bus lanes are detailed further in map format in Appendix A and as a list in Appendix B, with the bus priority signals detailed in Appendix E. In addition there are 7 bus gates in total, detailed in Appendix D.
- 1.6 It is proposed to focus this review on the bus lanes. Bus gates have been installed for a wide variety of reasons, but the main reason is 'environmental'. For example to restrict general traffic to prevent rat-running through residential or shopping areas (e.g. Stoney Road and Far Gosford St), but where there is still a need to maintain bus access.
- 1.7 Prior to the commencement of this review some 1.1 km of bus lanes have previously been removed in the city as they had already been identified as not providing the benefit to bus journey time as originally anticipated. These are listed in Appendix C of this report.
- 1.8 A group of members and officers visited Liverpool City Council to meet with the cabinet member and their senior officer who led on the removal of 22 of their 26 bus lanes in 2013, to learn from their experience of this. Discussions have also taken place with the bus operators delivering services in Coventry and officers have also been liaising with colleagues from Transport for West Midlands (TfWM) regarding the trial suspension.

- 1.9 The outcome of the site visit, and the discussions with TfWM and the bus operators is a recommendation to carry out an evidenced based, phased trial suspension and possible removal of Coventry's bus lanes. It is proposed to carry out this trial in 4 phases with approximately 25% of the current bus lane network (totalling over 2 km per phase in length) in each of the phases. The details of the bus lanes to be suspended in Phase 1 of the trial suspension are included in Appendix G (plan format) and H (written list).
- 1.10 Bus lanes currently generate in the region of £124k per annum. The first phase of the trial will not incur any loss of income, however when future phases proceed there will be a potential loss of income of approximately up to £124k per annum.
- 1.11 There are costs associated with implementing the trial suspensions. These are estimated at approximately £150k for phase 1 and include costs for physical works e.g. removal of existing signage, new signs to be installed, removal of bus lane lining, temporary traffic management costs whilst works are being undertaken and improvements to traffic signals. Officers will also undertake traffic modelling on the impact of key bus lane locations and the acquisition of journey time data for before and during the trials to enable an analysis of the change in journey times. This data will be bought from a traffic company that collects data from satnav and GPS data. The bus operators will provide similar data for their vehicles along with punctuality data. The additional 3 phases of the suspensions will also incur additional expenditure, the indicative costs of this are estimated at £300k (£100k per phase).
- 1.12 Many of the current bus lanes were introduced as part of Centro's Primelines Project during the early 2000's. The aim of Primelines was to speed up bus journey time and to improve journey time reliability. However, with the growth of the city and changes in trip making behaviour it is appropriate to review measures introduced 15 years ago to ensure they are still fit for purposes. Officers are checking with the Department for Transport that there will be no liability for grant claw back.

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

- 2.1 **Preferred Option** - The City Council approves the trial suspension of bus lanes on a phased approach with phase 1 covering approximately 25% of the existing bus lane network.
- 2.2 This involves the advertising of an experimental traffic regulation order (ETRO) which will describe the bus lanes to be suspended followed by a period of 7 clear days before the order can take effect.
- 2.3 Whilst the existing traffic regulation orders associated with the bus lanes will remain in place, although temporarily suspended by the ETRO, some physical works will be required to ensure that motorists know that the bus lanes can be used during the suspension. This will involve the bus lane signage being removed and the bus lane road markings will also be removed. Signs advising motorists to use the bus lanes will be installed. This should ensure that the results of the trial will be valid and encourage motorists to use the suspended bus lane.
- 2.4 With an ETRO, objections may be lodged within the first 6 months regarding the suspension. It also provides the opportunity for the Council to make changes to traffic signals such as the use of selective vehicle detection at key traffic signal junctions which will provide late running buses priority at these locations. During the first 6 months monitoring of journey times will be undertaken.

- 2.5 During the trial suspension the journey time data for buses including reliability along with journey time data for all other vehicles will be collected and monitored. This will include journey times for the morning and evening peaks, the interpeaks (i.e. the time between morning and evening) and journey times for Saturday and Sundays. Data for 2015 for the same time periods is also being obtained so that changes in journey time can be monitored and analysed and will be valid comparisons.
- 2.6 The maximum duration of an ETRO is eighteen months, however after the first 6 months of this trial, the results including all the journey time data for before and after the suspension will be reported back to the Cabinet Member for City Services. This will enable an evidence based decision to be made on whether to make the ETRO permanent or to re-instate the bus lane either in part or as a whole. During this decision making process it is proposed that the bus lanes will remain suspended.
- 2.7 If during the first 6 month period any objections are received, a report will need to be submitted to the Cabinet Member for Public Services listing the details of any objections and the officer recommendations in respect of each one; the objectors would be invited to this meeting. The Cabinet Member will make the decision on whether the objections are upheld, not upheld or a variation to the original ETRO is required and a new variation to the ETRO will need to be advertised. Should the latter be required this will start the 6 month objection period again.
- 2.8 If an objection were received from a bus operator within the 6 month objection period and such objection puts an adequate argument forward to claim that the ETRO has the effect of prohibiting or restricting the passage of local bus services along a road, the Council will be required to hold a public inquiry.
- 2.9 If any objections to an ETRO have been made there then follows a 6 week “call in “ period following the cabinet member decision where any objector can appeal to the High Court if they are unhappy with the decision made by the Cabinet Member. Such an appeal can only be made on a point of law.
- 2.10 **Other options** – The City Council could suspend a greater percentage of the bus lane network. However, this is not the recommended option as one of the learning points from the Liverpool experience was the need for collaborative working with all key stakeholders, particularly the bus operators. In Liverpool, the difficulties of suspending all of the bus lanes in one go resulted in a 15 month delay before the trial could start.
- 2.11 Alternatively the City Council could do nothing. However, given the duty to ensure the expeditious movement of traffic under the Traffic Management Act and the need to address air quality issues doing nothing is not really an option.

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

- 3.1 Preliminary discussions have taken place with Transport for West Midlands (formerly Centro) and representatives from the bus operators delivering bus services in Coventry. The list of the proposed bus lanes to be suspended as part of phase 1 of the trial has been developed with both TfWM and the bus operators.
- 3.2 As part of the governance arrangements for the trial a project steering group is proposed which will include representatives from all key stakeholder groups.

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

- 4.1 Subject to the recommendations being approved, implementation of the first phase trial bus lane suspension will commence in January 2017.

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

##### 5.1 Financial implications

The capital cost of introducing the Phase 1 trial bus lanes suspension, estimated to be £150k will need to be funded from the Transportation and Highways Maintenance Capital Programme 2016/17. This will require the current year's programme to be reviewed to establish which projects will require deferring to a future years programme.

Further indicative capital costs, at this stage estimated at an additional £300k ((£100k per phase) will need to be funded from within existing capital resources for the remaining three phases of the trial suspension.

There will be no loss of income from the suspension of the bus lane in phase one of the project, however in future phases a loss of up to £124k is estimated. This will need to be funded from other bus lane and bus gate enforcement income. The financial pressure that this loss of income will create for the directorates' budgetary control bottom line position will be closely monitored.

##### 5.2 Legal implications

The recommendations in this report and all subsequent actions can be undertaken using the Council's statutory powers as the Highway Authority. The Council has a statutory obligation under the Traffic Management Act 2004 (Section 16(1)), and specifically through the Network Management Duty that is placed upon it to ensure the following objectives:

- (a) Securing the expeditious movement of traffic on the authority's road network; and,
- (b) Facilitating the expeditious movement of traffic on road networks for which another authority is the traffic authority.

The Council also has an obligation under the Road Traffic Regulation Act 1984 to balance those matters against the effect on local amenity, air quality and access together with the passage of public service vehicles.

If, as mentioned in the body of the report, a bus company objects to the ETRO and such objections require the Council to hold a Public Inquiry, this would have high cost and resource implications.

The Council has a duty under section 82 of the Environment Act 1995 to keep air quality within their area under review.

#### **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)?**

This scheme contributes to the Council's core aims of:

- A prosperous Coventry, by adding more capacity to its transport network and therefore enabling more growth to take place and businesses to improve efficiency.
- Making places and services easily accessible, by improving the efficiency of the transport network for multiple modes of transport.
- Improving the environment and tackling climate change, by reducing the overall amount of delay on the transport network. The trial suspension of bus lanes should lead to an improvement in traffic flows and relieve congestion along some of the city's key transport routes. A reduction in congestion levels, and the free flow of traffic on the City's highway network, can only have a positive impact on air quality.

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

There is a governance structure in place for the review of bus lanes whereby the risks are managed at project team level and reported to project board.

There is a risk that objections could be received to the Experimental Traffic Regulation Order. The trial basis for the suspension of bus lanes might lead to some adverse publicity. In order to minimise these risks, an evidence based approach is proposed to support the recommendations to the Cabinet Member for City Services following the trial suspensions. The proposed approach will enable the Council to gain an evidence based understanding of the effectiveness of the existing bus lanes and the potential impact their removal or retention will have on the Council's highway network.

The bus lanes were introduced as part of Centro's Primelines project around 2004/2005. The project was funded through the Secretary of State for Transport under section 56 of the Transport Act 1968. One of the conditions attached to the provision of this grant was that should any part of the works be removed for a period of more than 6 weeks following the completion of the scheme, then the Secretary of State must be notified in writing of our intention to remove some, or all of the works funded by the section 56 grant. Officers are checking with the Department for Transport that we will not be liable for claw back.

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

None

## **6.4 Equalities / EIA**

No equality impact assessments have been undertaken. However, it is not expected that implementation of this trial will have any adverse impact.

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

The (anticipated) reduced levels of congestion along particular routes should result in improvements to air quality.

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

It is recognised that the bus operators providing bus services in Coventry will be impacted by the trial bus lane suspension. To ensure the bus operators are involved during the trial suspension it is proposed that they have representatives on the steering group and a named representative on the project board.



**Report author(s):**

**Name and job title:**

Colin Knight  
Assistant Director for Transportation and Highways

**Directorate:**

Place

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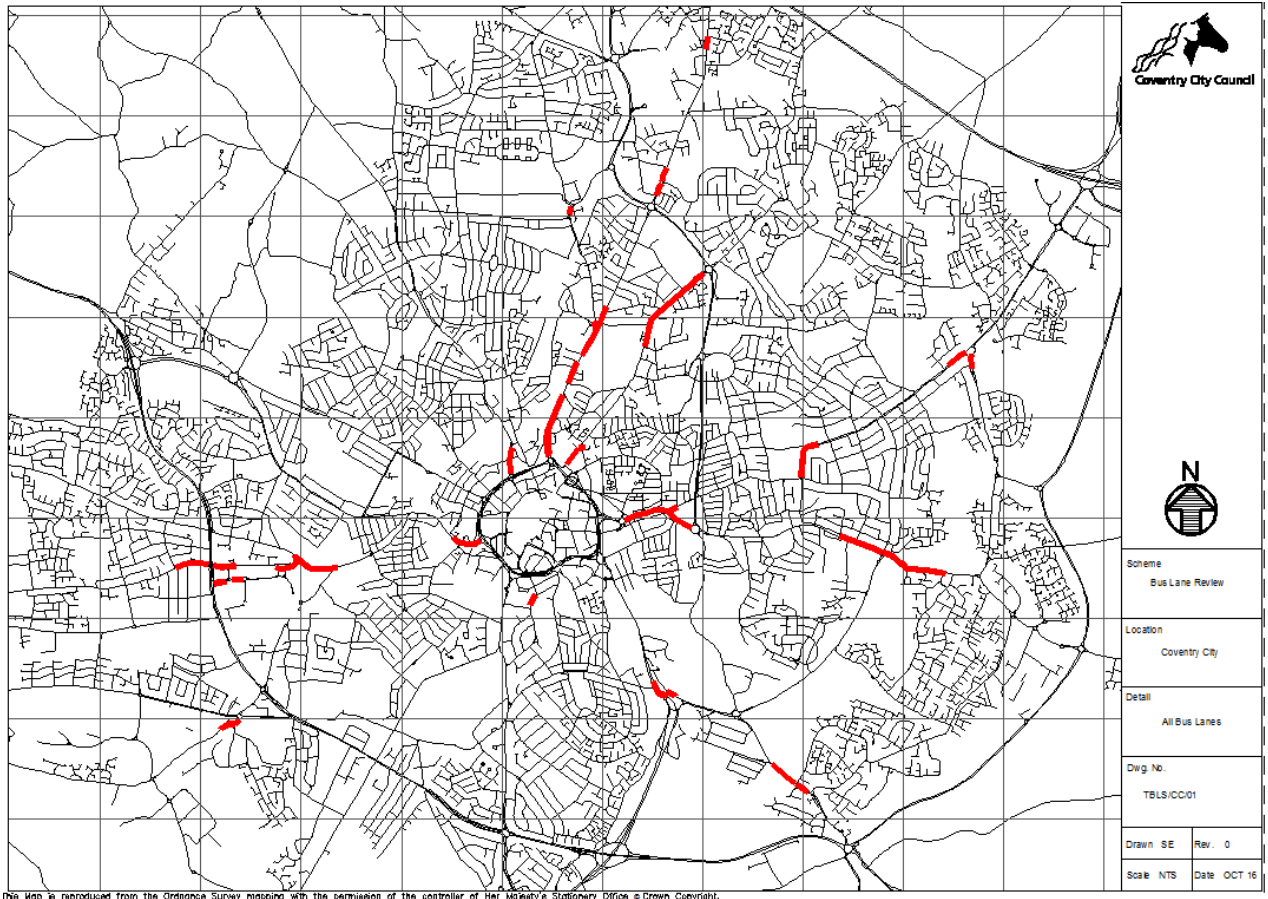
Tel: 02476 834001

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>				
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Phil Helm	Finance	Resources	26.10.16	26.10.16
<b>Names of approvers for submission:</b> (officers and Members)				
Phil Helm	Finance Manager (Place)	Resources	26.10.16	27.10.16
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Colin Knight	Assistant Director	Place	26.10.16	26.10.16
Martin Yardley	Executive Director	Place	27.10.16	27.10.16
Councillor J Innes	Cabinet Member for City Services	-	27.10.16	28.10.16
Councillor G Duggins	Leader of the Council	-	27.10.16	28.10.16

This report is published on the council's website: [www.coventry.gov.uk/councilmeetings](http://www.coventry.gov.uk/councilmeetings)

# Appendix A – Current Bus Lanes in Coventry



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**Appendix B: List of all bus lanes.**

<b>Coventry Bus Lane Lengths 2016</b>	
Road/Area	Length (m)
Ansty Road	130
Ansty Road/Walsgrave Road	332
Binley Road	885
Binley Road/Sky Blue Way	629
Butts Road	276
Clifford Bridge Road	138
Foleshill Rd/Longford Rd (inbound)	1,590
Foleshill Rd/Longford Rd (outbound)	587
Hearsall Common	350
Herald Avenue	389
Holbrook Lane	50
Kirby Corner Road	190
Lockhurst Lane	130
London Road	332
Radford Road	190
Stoney Road	104
Stoney Stanton Rd (inbound)	801
Stoney Stanton Rd (outbound)	182
Swanswell Street	120
Tile Hill Lane	475
Walsgrave Road	15
Whitley Interchange	230
<b>Total Length of Bus Lanes (m)</b>	<b>7,995</b>

### Appendix C: Removed Bus Lanes

Road/Area	Direction	Length (m)
Butts Road (A4053 Ring Road to Albany Road)	Outbound	195
Croft Road (Corporation Street to A4053 Ring Road)	Outbound	130
Hearsall Common	Inbound	100
London Road (Chace Avenue to St James Lane)	Outbound	150
Sir Henry Parkes Road (Charter Avenue to Fletchamstead Highway)	Inbound	255
Tower Street (From Bishop Street 40m east)	Outbound	40
Upper Well Street (A4053 Ring Road to Corporation Street)	Inbound	240
Total Length of Bus Lanes Removed (m)		1,110

#### Appendix D: Operational Bus Gates

Gosford St (near A444 Junction)
Park Road (at Quinton Rd Junction)
Pool Meadow (at Bus station)
Station Square (temporary)
Warwick Road (at Greyfriars Road Junction)
White Street (at A4053 Ring Rd Junction)
Whittle Arch (between Hales St and Trinity St)

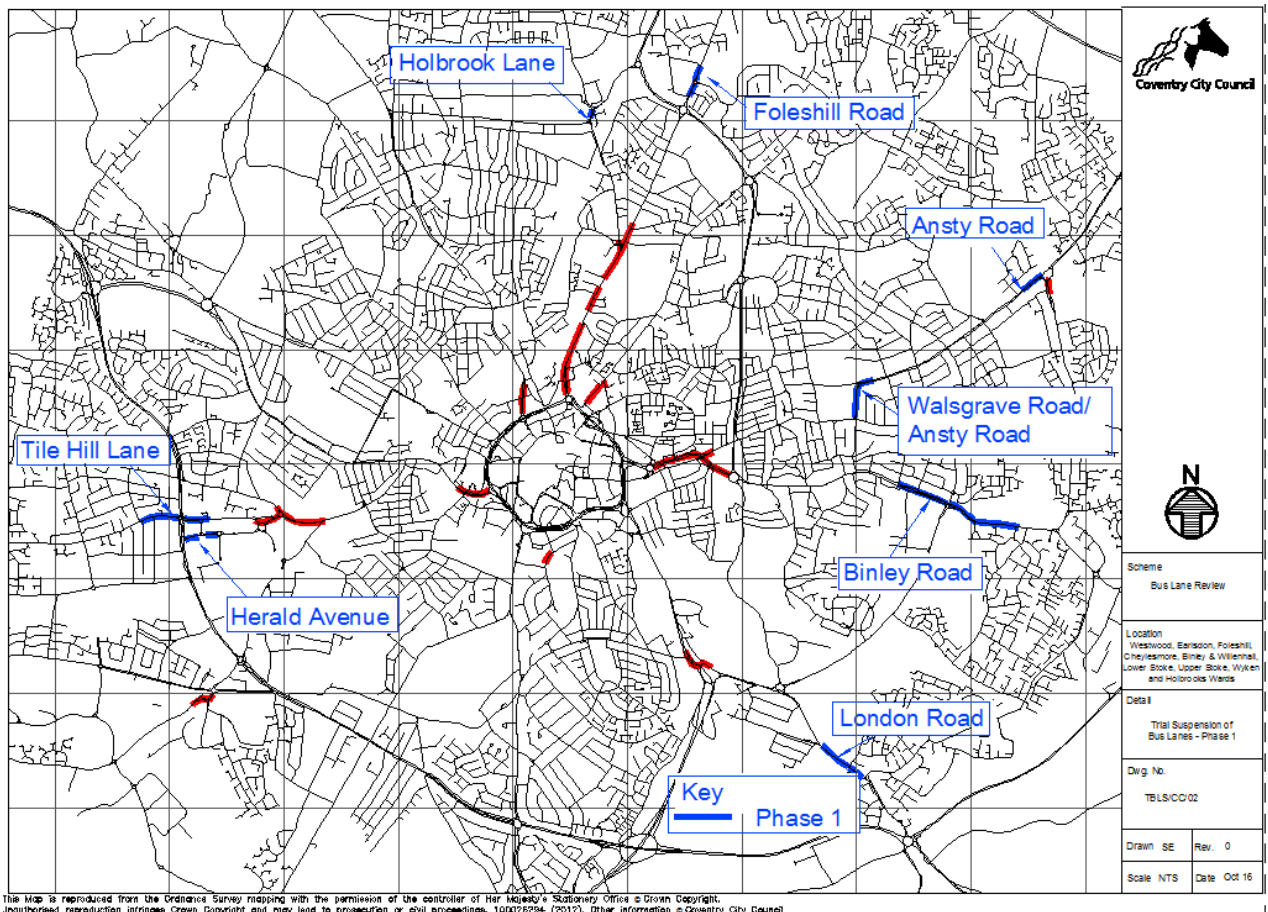
## Appendix E: Bus Priority Signals

Clifford Bridge Rd (at Hospital entrance)
Daventry Road/Whitley Interchange
Foleshill Road (near Ambulance Station)
Foleshill Road (near Edmund St)
Kirby Corner Road
Longford Rd (at Arena Park entrance)
Quinton Road/Park Road junction
Radford Road (near A4053 junction)
Stoney Stanton Rd (at Swanswell junction)



## Appendix F: Removed Bus Priority signals

Gosford Street (outside University)
Hearsall Common (near Canley Road)
Sir Henry Parkes Road

# Appendix G: Phase 1 Trial Bus Lane Suspension



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Scheme Bus Lane Review	
Location Westwood, Earson, Foleshill, Chislemore, Binley & Wilmore, Lower Stoke, Upper Stoke, Wicken and Holbrooks Wards	
Detail Trial Suspension of Bus Lanes - Phase 1	
Dwg. No. TBLSCC02	
Drawn SE	Rev. 0
Scale NTS	Date Oct 15



## Appendix H: List of bus lanes for trial suspension

<b>Bus Lanes to be Removed/Suspended</b>			
<b>Road/Area</b>	<b>Length (m)</b>	<b>No of Signals Affected</b>	<b>Comments</b>
Ansty Road outbound at Clifford Bridge Road	115	1	Bus lane shortened during A4600 Pinchpoint Works
Ansty Rd inbound at Burns Rd	332	2	
Binley Road	885	4	
Foleshill Road/Old Church Road (inbound 95m and outbound 125m)	220	1	
Holbrook Lane outbound	50	0	
London Road outbound St James Lane	240	1	
Tile Hill Gyratory	695	4	212m Herald Avenue outbound and 483m Tile Hill Lane inbound
	2,537	13	

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Cabinet  
Council

29 November 2016  
6 December 2016

**Name of Cabinet Member:**

Cabinet Member for Policing and Equalities - Councillor A Khan

**Director Approving Submission of the report:**

Executive Director of Resources

**Ward(s) affected:**

All

**Title:**

Boundary Commission for England Review of Parliamentary Constituencies: Consultation Response

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**Is this a key decision?**

No

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**Executive Summary:**

In September 2016, the Boundary Commission for England published initial proposals for new parliamentary constituency boundaries and is consulting on these until Monday 5<sup>th</sup> December 2016. These proposals make changes to two of Coventry's three parliamentary constituencies, including combining two Solihull Borough wards with wards in Coventry to create a new constituency called Coventry West and Meriden.

**Recommendations:**

Cabinet is recommended to:

- a) Endorse the City Council's response to the consultation set out at Appendix 1.
- b) Recommend that Council endorse the response to the consultation set out at Appendix 1.

Council is recommended to:

- a) Endorse the City Council's response to the consultation set out at Appendix 1.

**List of Appendices included:**

Appendix 1: Proposed response to the consultation

**Background papers:**

None

**Other useful background papers:**

Boundary Commission website and reports giving background information about the review and proposals

[www.bce2018.org.uk/](http://www.bce2018.org.uk/)

**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, although the Electoral Arrangements Advisory Panel received an initial briefing on the consultation process at their meeting of 15<sup>th</sup> September 2016.

**Will this report go to Council?**

Yes – 6th December 2016

**Report title:** Boundary Commission for England Review of Parliamentary Constituencies:  
Consultation Response

**1. Context (or background)**

- 1.1 A review of Parliamentary constituency boundaries is being undertaken following the Government's decision to reduce the number of parliamentary constituencies across the UK from 650 to 600 and equalise the number of electors in each constituency.
- 1.2 The Boundary Commission for England (BCE) is an independent and impartial non-departmental public body, which is responsible for reviewing Parliamentary constituency boundaries in England. The BCE has the task of periodically reviewing all the Parliamentary constituencies in England. It is currently conducting a review on the basis of rules set by Parliament in 2011 under the Parliamentary Voting System and Constituencies Act 2011 (The Act). The rules require the Commission to make recommendations for new parliamentary constituency boundaries. They involve a significant reduction in the number of constituencies in England (from 533 to 501) and require that constituencies, apart from two specified exceptions, have an electorate that is no smaller than 71,031 and no larger than 78,507. The West Midlands has been allocated 53 constituencies – a reduction of six from the current number.
- 1.3 At the conclusion of its review, the BCE is required to make a formal report to the Government during September 2018, recommending any changes that it believes are appropriate to the distribution, size, shape, name or designation of constituencies in England. This review is therefore referred to as “the 2018 Review”.
- 1.4 The Government will turn the recommendations of the BCE into draft legislation, which is then presented to Parliament. If Parliament approves the legislation, the recommended changes will be implemented for the next General Election after the date on which the legislation is passed.
- 1.5 The BCE has produced a Guide to help to explain how the process for the 2018 Review will work. The Guide covers both what the law says the BCE must do as part of the process, and issues where the BCE has decided – as a matter of policy within its own discretion – to take a particular approach (see Other Useful Background Papers above).

**2. Options considered and recommended proposal**

- 2.1 The framework under which the BCE is to carry out the review is set out in the Parliamentary Voting System and Constituencies Act 2011.
- 2.2 The Act provides that the electorate figures that are being used for the review are those that were in the version of the electoral register published on the ‘review date’. This is defined by the Act as the date two years and ten months before the review is required to report to the Government. For the 2018 Review, this means the electorate figures being used are those from the electoral registers which were published on or before 1 December 2015.
- 2.3 The Act says that the BCE may have regard to ‘local government boundaries’ in developing its proposals. These are defined and in relation to Coventry City means the ward boundaries in force on 7 May 2015.

- 2.4 The Act requires there to be a fixed number of 600 constituencies for the whole of the UK. Having stated that no single constituency may be split between different parts of the UK, the Act provides a mathematical formula to determine how many constituencies each of the four parts of the UK should be allocated, based on the electorate figures as at the review date. The number of constituencies allocated to England for the 2018 Review is 501 (two of these are reserved for the Isle of Wight). The BCE has subsequently distributed the remaining 499 constituencies between the regions used for the European Parliament elections using the formula. The West Midlands region has been allocated 53 constituencies.
- 2.5 The BCE states that in formulating its initial proposals it exercises its own judgement and does not consult the major Parliamentary political parties, local authorities or any other interested groups or people. In doing this the proposals are formed by the BCE from a position of independence and impartiality and are not influenced by any particular viewpoint or opinion.
- 2.6 The Act sets out the rules relevant to the detailed development of proposals for individual constituencies. One of the rules provides that apart from four specified exceptions every constituency must have an electorate that is no less than 95% and no more than 105% of the 'UK electoral quota'. The UK electoral quota for the 2018 review is, to the nearest whole number, 74,769.
- 2.7 Accordingly, every constituency in England must have an electorate as at the review date that is no smaller than 71,031 and no larger than 78,507.
- 2.8 The rules provides for a number of other factors that the BCE may take into account in establishing a new map of constituencies for the 2018 review. Specifically
- Special geographical considerations, including in particular the size, shape and accessibility of a constituency;
  - Local government boundaries as they existed on 7 May 2015;
  - Boundaries of existing constituencies; and
  - Any local ties that would be broken by changes in constituencies.
- 2.9 The BCE also sets out the factors that it will not consider as part of its review.
- 2.10 The BCE emphasises very strongly that existing voting patterns and the prospective fortunes of political parties should not and do not enter into considerations during a review.
- 2.11 The local government boundaries are those that existed on 7 May 2015 and new boundaries will not be taken into account.
- 2.12 The BCE is required to work on the basis of the numbers of electors on the electoral registers at the 'review date'. It is not able to take into account any under-registration or over-registration of electors that may be claimed in some areas.
- 2.13 However, the BCE does not take the view that it is obliged to shut its eyes entirely to growth (or decline) that has occurred since the review date, which it may be aware of from the annual updates of electorate figures it receives, or that it is satisfied is likely to occur. Such a factor may be taken into account in choosing between two or more competing options for the same area that satisfy the statutory rules.

- 2.14 The BCE states that the electorate of the City of Coventry is too small to continue to be allocated three whole constituencies. It proposes:
- that the existing Coventry North East constituency be left unchanged;
  - that an altered constituency of Coventry South be made up of four wards in the current Coventry South constituency (Binley and Willenhall, Cheylesmore, Earlsdon and St Michaels) plus three wards currently in Coventry North West (Radford, Sherbourne and Whoberley);
  - a new constituency of Coventry West and Meriden made up of Bablake, Holbrook and Woodlands wards (currently in Coventry North West), Wainbody and Westwood wards (currently in Coventry South) and the Solihull Borough wards of Knowle and Meriden.

2.15 The constituencies proposed in the review are:

<b>Coventry North East</b>		<b>72,135</b>
Foleshill	Coventry	10,419
Henley	Coventry	12,310
Longford	Coventry	12,538
Lower Stoke	Coventry	13,029
Upper Stoke	Coventry	11,520
Wyken	Coventry	12,319

<b>Coventry South</b>		<b>77,914</b>
Binley and Willenhall	Coventry	11,588
Cheylesmore	Coventry	11,308
Earlsdon	Coventry	11,604
Radford	Coventry	11,633
Sherbourne	Coventry	11,136
St. Michael's	Coventry	9,766
Whoberley	Coventry	10,879

<b>Coventry West and Meriden</b>		<b>77,586</b>
Bablake	Coventry	12,376
Holbrook	Coventry	11,536
Wainbody	Coventry	10,670
Westwood	Coventry	12,244
Woodlands	Coventry	13,156
Knowle	Solihull	8,183
Meriden	Solihull	9,421

### 3. Results of consultation undertaken

- 3.1 Any person or organisation is able to contribute directly to the consultation process being run by the BCE. The Council has not carried out any further consultation in preparing this response.

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

- 4.1 The closing date for the consultation is Monday 5<sup>th</sup> December 2016. In order to meet this deadline, the Council's response as agreed by Cabinet on 29<sup>th</sup> November 2016 will be forwarded to the Boundary Commission for England with a cover explaining that it is to be considered at Council on 6<sup>th</sup> December 2016 and that notification of the outcome of that meeting will be given.
- 4.2 The BCE is required to consider all written representations made to it within a statutory 12 week period commencing with publication of the initial proposals.
- 4.3 There will be a secondary consultation period following the initial 12 week consultation on the BCE's initial proposals and all representations received for each region together with the records of the public hearings will be published on its website. There will then be a further four week period during which people can submit to the BCE written comments on those representations it received during the initial consultation period.
- 4.4 Following consideration of the representations, the BCE will prepare a report recommending whether and if so how the initial proposals for that region should be revised in the light of those representations. The BCE will then publish a report for each region stating whether or not revisions have been made to the initial proposals for that region. If the proposals are revised there will then be a further eight week period for written representations to be made.
- 4.5 Publication of any representations received during this period will take place alongside the publication of the final report.
- 4.6 The BCE will take into consideration any written representations made in the eight week consultation period about the revised proposals, and makes its final decisions about whether further modifications need to be made in light of those representations.
- 4.7 Once the BCE has decided on its final recommendations it will submit a formal report to the Government and this will conclude the review process. The Government must then lay the final report before Parliament where it has to be debated and approved (or rejected) by both Houses. The final Order will come in to effect at the next General Election after the legislation is made.

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

- 5.1 Financial implications  
There are no financial implications for the Council arising from this consultation response.
- 5.2 Legal implications  
The BCE boundary review process, of which this consultation is a part, is governed by the provisions of the Parliamentary Constituencies Act 1986 (as amended by the Boundary Commissions Act 1992 and the Parliamentary Voting System and Constituencies Act 2011 Act.) There are no legal implications to the Council arising from this consultation response.

#### **6. Other implications**

No other implications are identified at this stage as this is only a response to a consultation. Should any final proposals introduce changes to parliamentary constituencies in Coventry which combine wards with any other Council, then the Returning Officers will manage this through their usual election planning arrangements.



**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)?**

Not applicable

**6.2 How is risk being managed?**

No risks are identified as part of this consultation response.

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

No impacts are identified as part of this consultation response.

**6.4 Equalities / EIA**

There are no public sector equality duties which are of relevance in relation to this consultation response.

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

None

**6.6 Implications for partner organisations?**

None

**Report author(s):****Name and job title:**

Adrian West  
Members and Elections Team Manager

**Directorate:**

Resources

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<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> (Officers and Members)				
Suzanne Bennett	Governance Services Co-ordinator	Resources	16/11/16	17/11/16
Michelle Salmon	Governance Services Officer	Resources	16/11/16	17/11/16
Liz Read	Electoral Services Manager	Resources	16/11/16	17/11/16
Councillor G Duggins	Leader of the City Council	-	16/11/16	18/11/16
<b>Names of approvers for submission:</b> (officers and Members)				
Paul Jennings	Finance Manager (Corporate Finance)	Resources	16/11/16	17/11/16
Carol Bradford	Corporate Governance Lawyer	Resources	16/11/16	17/11/17
Chris West	Executive Director of Resources	Resources	16/11/16	18/11/16
Councillor A Khan	Cabinet Member for Policing and Equalities	-	16/11/16	18/11/16

This report is published on the council's website: [www.coventry.gov.uk/councilmeetings](http://www.coventry.gov.uk/councilmeetings)

**Boundary Commission for England:  
Initial proposals for new Parliamentary Constituency boundaries in the West Midlands**

**13 September – 5 December 2016 Consultation**

**Response from Coventry City Council**

**Contextual Comments:**

While noting the legislative framework under which the Boundary Commission for England is carrying out this review, the Council does not agree with the reduction in the number of Members of Parliament from 650 to 600. Instead of putting time and resources into reducing the number of elected representatives, reform should be focussed on reducing the over 800 members of the House of Lords, especially as this is the only upper house of any two chambered parliament to be larger than its lower house.

The Council remains concerned at the extent of under-registration and that the electorate figures on which these proposals are based significantly understate the eligible electorate. This is further compounded by the lack of any consideration of the projected population growth for Coventry which is significant both for the city alone and when compared to other areas.

**Response to the Proposals:**

Coventry City Council does not agree with the proposals for the West Midlands as they affect the City of Coventry for a number of reasons.

The consultation documents sets out the rules that the BCE may take into account in establishing a new map of constituencies which include geographical considerations and any local ties that would be broken by changes. In particular it is *“seeking evidence and intelligence of how our proposals reflect or break local community ties”*. The addition of the wards of Meriden and Knowle to the city of Coventry does not reflect any geographical factors, particularly shape and accessibility, and does not reflect local ties.

It is widely understood that that the electorate at 1<sup>st</sup> December is understated and that the registration associated with the referendum means that later registers more accurately reflect those eligible to vote. The total number of parliamentary electors in the city at 1<sup>st</sup> May 2016 was 217,714 which brings the electorate within 5% of the target of 74,769 electors per constituency.

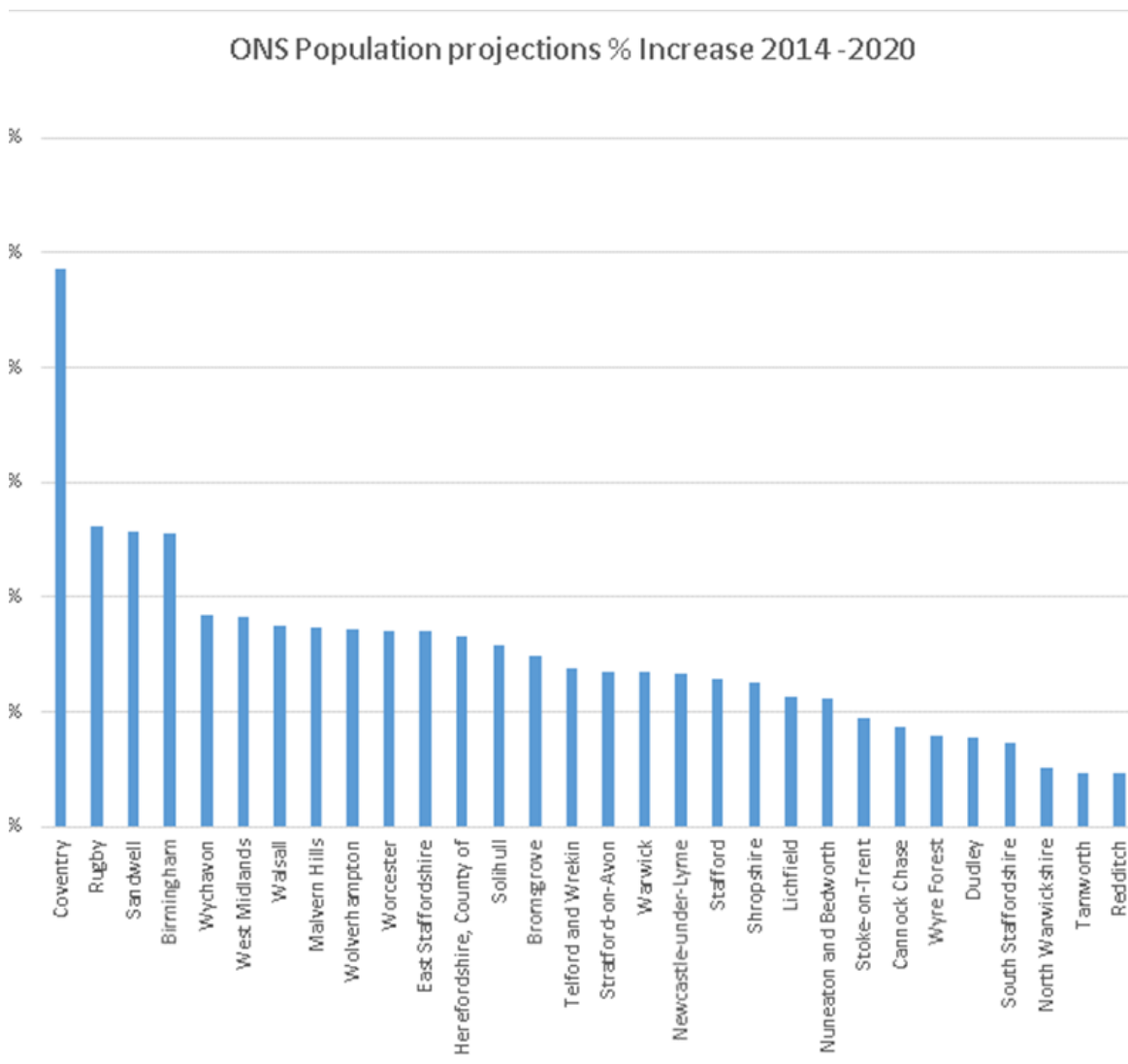
Furthermore, Coventry is a fast growing city and is expected to grow at a significantly higher rate than the rest of the West Midlands. The Office of National Statistics projects that Coventry's population will grow at a rate of 9.72% during the period 2014 to 2020. This is almost double the rate of increase projected for any other of the West Midlands local authority areas and significantly above the average growth projection for the whole West Midlands region of 3.64%. See Table 1 below.

If the growth factor is applied to the electorate as at 1 December 2015, the potential number of parliamentary electors in the city of Coventry alone by 2020 (the point at which the first elections could be held based on the new constituencies) could total 230,446. This is 102.7% of the target figure for the new constituencies. This would mean that Coventry could comfortably retain three whole parliamentary constituencies.

If the relevant growth factor is also applied to the two Solihull wards incorporated in the BCE proposals for Coventry, by 2020 the electorate in the new constituencies could be 79,147 (Coventry North East), 85,487 (Coventry South) and 83,974 (Coventry West and Meriden). In all three cases this would mean that the electorate would exceed the 105% threshold and the new proposals would be out of date by the time they were first used. As a result, there is a real risk that electors in Coventry could be under represented. This data is shown at table 2.

Background information to the BCE consultation is very clear in stating that it “does not take the view that it is obliged to shut its eyes entirely to growth (or decline) that has occurred since the review date, which it may be aware of from the annual updates of electorate figures it receives, or that it is satisfied is likely to occur. Such a factor may be taken into account in choosing between two or more competing options for the same area that satisfy the statutory rules.” We think that the exceptional rate of population growth in Coventry should be considered as a factor and new proposals considered.

**Table 1: ONS Population Projections, West Midlands**



**Table 2: Potential Impact of ONS Population Projections on electorate of the City of Coventry**

Ward	Proposed Boundary Commission Constituency	Electorate as at 1 December 2015 - As used for Boundary Commission Review	ONS 2014 population estimate 18+	Electorate for proposed Boundary Commission Constituency	Population Estimate 18+ for proposed Boundary Commission Constituency	2014-2020 Population Projection growth factor applied to 1 December 2015 Electorate from Coventry 9.72% Solihull 3.17%	Impact of growth factor on proposed constituency	Parliamentary Electors as at 1/05/16	% Change since 01-12-15
Foleshill	Coventry NE	10,419	14,515	72,135	88,284	11,432	79,147	10,942	5%
Henley	Coventry NE	12,310	14,223			13,507		12,891	5%
Longford	Coventry NE	12,538	14,822			13,757		12,965	3%
Lower Stoke	Coventry NE	13,029	15,923			14,295		13,843	6%
Upper Stoke	Coventry NE	11,520	15,191			12,640		11,974	4%
Wyken	Coventry NE	12,319	13,610			13,516		12,782	4%
Binley & Willenhall	Coventry S	11,588	13,110	77,914	106,391	12,714	85,487	12,083	4%
Cheylesmore	Coventry S	11,308	13,810			12,407		11,775	4%
Earlsdon	Coventry S	11,604	13,029			12,732		12,011	4%
Radford	Coventry S	11,633	15,430			12,764		12,188	5%
Sherbourne	Coventry S	11,136	14,118			12,218		11,588	4%
St. Michael's	Coventry S	9,766	22,887			10,715		11,013	13%
Whoberley	Coventry S	10,879	14,007			11,936		11,392	5%
Bablake	Coventry W & Meriden	12,376	12,982	77,586	91,625	13,579	83,974	12,750	3%
Holbrook	Coventry W & Meriden	11,536	13,301			12,657		12,182	6%
Wainbody	Coventry W & Meriden	10,670	13,004			11,707		9,975	-7%
Westwood	Coventry W & Meriden	12,244	15,240			13,434		12,680	4%
Woodlands	Coventry W & Meriden	13,156	14,103			14,435		13,643	4%
Knowle	Coventry W & Meriden	8,183	12,121			8,442			
Meriden	Coventry W & Meriden	9,421	10,874			9,720			

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**A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services.**

**Cabinet  
Council**

29 November 2016  
6 December 2016

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton  
Cabinet Member for Jobs and Regeneration – Councillor J O'Boyle

**Director Approving Submission of the report:**

Executive Director of Place  
Executive Director of Resources

**Ward(s) affected:**

St. Michael's

**Title:**

Coventry Investment Fund Investment Cathedral Lanes Phase 2

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**Is this a key decision?**

Yes – The proposals within the report will result in financial implications in excess of £1m.

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**Executive Summary:**

In 2014, the Council awarded a Coventry Investment Fund (CIF) loan to Shearer Property Group (SPG) who own Cathedral Lanes shopping centre. The loan award made SPG's plans to redevelop the centre as a leisure scheme and open several new restaurants commercially viable. The first phase of the scheme has been very successful, and has formed a key part of the Council's overall plans for regeneration of the city centre.

This report seeks retrospective approval for a new loan facility to support the second phase of development. It was necessary to enter into the loan agreement in advance of Cabinet and Council approval to allow SPG to meet the deadline for renegotiation of their Senior Loan. This was done in consultation with the Cabinet Member for Strategic Finances and Resources and the Cabinet Member for Jobs and Regeneration who agreed on the basis that a retrospective report was produced.

SPG now wish to proceed with the second phase of the redevelopment which will include more new restaurants, and bring with it further regeneration benefits and increases in business rates. The loan will be made on appropriate commercial terms and will be subject to usual Council controls on such lending.

**Recommendations:**

Cabinet is requested to:

- (1) Recommend that Council retrospectively approves the variation to the previous loan agreement granted to Shearer Property Group in September 2014 in relation to the refurbishment of Cathedral Lanes,
- (2) Recommend that Council delegates authority to the Executive Director of Place and the Executive Director of Resources, following consultation with the Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources, to manage the new revolving loan facility. The authority under this recommendation shall include the power to negotiate and agree variations to the terms of the new revolving loan facility.

Council is requested to:

- (1) Retrospectively approve the variation to the previous loan agreement granted to Shearer Property Group in September 2014 in relation to the refurbishment of Cathedral Lanes,
- (2) Delegate authority to the Executive Director of Place and the Executive Director of Resources, following consultation with the Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources, to manage the new revolving loan facility. The authority under this recommendation shall include the power to negotiate and agree variations to the terms of the new revolving loan facility.

**List of Appendices included:**

None.

**Background papers**

None

**Other useful documents:**

Growing Business Rates through creating the Coventry Investment Fund  
Council 3rd December 2013 [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 - 6 December 2016.



**Report title:** Coventry Investment Fund Investment Cathedral Lanes Phase 2

**1. Context (or background)**

- 1.1 Cathedral Lanes is a 60,000 sq. ft. retail premises situated in a prime location in Coventry City Centre between the shopping core and the Cultural and Heritage Quarter. It was built in the 1980s and comprises 13 retail units over two floors around a glass atrium, including an anchor store, Wilko. In September 2014, the property was acquired by Shearer Property Group (SPG). A loan from Coventry Investment Fund (CIF) was entered into with SPG (the Existing Loan Facility) in September 2014 which assisted SPG with completion of the first phase and made the project commercially viable for SPG. The new owners successfully completed the first phase of the project to convert the shopping centre into a leisure orientated scheme, with Cosy Club, Las Iguanas and Wagamamas opening in 2015.
- 1.2 The CIF support for the development was very successful. When the loan became available to SPG it demonstrated the development's viability to the market, and almost immediately the company was able to secure borrowing from the private market to support the project. Using a publically funded intervention like CIF to attract private investment in a project is an example of best practice in public financing.
- 1.3 Following the success of the first phase, both in terms of CIF financing and the regeneration benefits of opening the new restaurants, the Council wish to ensure that phase 2 is also completed. The Council used this as an opportunity to negotiate terms which ensured the Councils funds were secured and also helped to support the construction of phase two of Cathedral lane. Phase two of Cathedral lanes will provide additional restaurants and bars which will increase business rates and the number of jobs. A total of 37,000 square feet of restaurant space will be created in phase 2.
- 1.4 The new loan facility will be managed as a revolving facility, meaning that SPG can re-borrow any sum repaid during the term of the loan. This provides maximum flexibility for the Council's support to the development, whilst maintaining the usual controls that exist over a loan arrangement.
- 1.5 The new revolving facility will retain the same value and interest rate as the Existing Loan Facility. The outstanding balance and interest rate of the Existing Facility Loan totalling just was repaid to the Council as part of the new refinancing arrangements.
- 1.6 The benefits to the Council in varying the Existing Loan Facility was:
  - Early repayment of the existing loan which was outstanding together with interest
  - If SPG drawdown on the new loan they will immediately pay an arrangement fee.
  - The period of the loan is extended, therefore if SPG borrow the money the interest charged will apply for a longer period which as a result potentially brings in additional income; and
  - Supporting SPG will help complete phase 2 of Cathedral Lanes and deliver additional business rates and jobs, which was difficult for SPG under their previous loan arrangements.

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

### **2.1 Decline the request for refinancing.**

The Council could have chosen to decline the request to refinance the loan. SPG would have access to a borrowing over a shorter period because the term of the original loan only runs until three years from the completion date of the purchase of Cathedral Lanes which was completed in late 2014. A much smaller amount of loan support would be available for the next phase of the projects because the current facility does not revolve, so any funds already drawn down and repaid are unavailable to SPG. In turn, this could cause problems with the senior creditor which may be unable to support the project in the absence of the new Council loan facility. This would put a successful city centre regeneration project at risk so this option has not been chosen.

### **2.2 Consider undertaking the project directly**

Another possible option examined at the outset of the project was for the Council to purchase Cathedral Lanes and complete the project without the involvement of a private developer. However, this was not pursued because it would have been a great deal more costly in terms of public finance to acquire the entire shopping centre when compared to providing financial support to cover the viability gap for a private partner. SPG now owns Cathedral Lanes and has shown that it can work successfully with the Council, so this option has been discounted.

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

### **3.1 No consultation of this proposal is required as it relates to a variation of a commercial arrangement between the Council and its existing development partner. However, the next phase of refurbishment work will go through consultation as part of the planning process.**

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

### **4.1 This is a retrospective report.**

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

### **5.1 The proposal seeks to vary the terms of an existing loan facility provided to SPG to enable them to successfully complete Phase 2 of the Cathedral Lanes redevelopment.**

The revised loan facility permits SPG, subject to a fixed one off draw down arrangement fee, to draw down tranches of money up to the maximum value of the loan, accruing interest at a fixed rate. Interest would be payable in a lump sum on redemption of the balance. The facility has also been extended.

The facility will ensure that SPG can vary the terms of their senior debt, which will in turn make phase 2 of the scheme financially viable and thus more deliverable. Delivery of the scheme will in turn result in an estimated net uplift in business rates of approximately £429,000 per year once complete

### **5.2 Legal implications**

#### **5.2.1. There are various statutory powers available to the Council when considering to make a loan, they are:**

- The Council has a specific power to invest under Section 12 of the Local Government Act 2003; and
- The Council also has a general power to make investments/and or a grant under the powers of general competence contained in Section 1 of the Localism Act 2011.

5.2.2. The current proposed transaction is for a “commercial purpose” for the purposes of the Localism Act 2011. Therefore the transaction does not need to be carried out through a trading company.

## **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)?**

Further investment into Cathedral Lanes will contribute significantly to the council’s vision as set out in the Coventry Plan. It will support the priority of being globally connected through supporting businesses to grow, creating infrastructure, and raising the profile of Coventry. It will support sustainable growth within the local economy as well as providing local employment opportunities.

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

Officers from the Place and Resources directorates will monitor the progress of the project and will have the ability to intervene in line with conditions in the loan agreement.

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

There will be no direct impact on staffing resources.

### **6.4 Equalities / EIA**

The Coventry Investment Fund is open to all businesses and investments within the Coventry area and a number of businesses in the Warwickshire area that benefit the residents of Coventry. No equality impact assessment is required as the recommendations do not constitute a change in service or policy.

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

The refurbishment will complement the significant on-going investment the council is making in the upgrading of the built environment in the city centre.

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

There are no implications for partner organisations.

**Report author(s):****Name and job title:**

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**Directorate:**

Place

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<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>				
Michelle Salmon	Governance Services Officer	Resources	24/10/2016	02/11/2016
Stephen Weir	Programme Development Manager	Place	29/09/2016	29/09/2016
Julie Fairbrother	Communications Officers	Place	24/10/2016	24/10/2016
Oluremi Aremu	Major Projects Lead Commercial Lawyer	Resources	29/09/2016	20/10/2016
<b>Names of approvers for submission: (officers and Members)</b>				
Phil Helm	Finance Manager (Place Directorate)	Resources	25/10/2016	25/10/2016
Gurbinder Sangha	Major Projects Commercial Lawyer	Resources	29/09/2016	20/10/2016
Martin Yardley	Executive Director	Place	26/10/16	26/10/16
Councillor J Mutton	Cabinet Member for Strategic Finance and Resources	-	08/11/16	08/11/16
Councillor J O'Boyle	Cabinet Member for Jobs and Regeneration	-	08/11/16	08/11/16

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Cabinet

29<sup>th</sup> November 2016

**Name of Cabinet Member:**

Cabinet Member for Policy and Leadership – Councillor G Duggins

**Director approving submission of the report:**

Executive Director of Resources

**Ward(s) affected:**

N/A

**Title:**

Outstanding Issues

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**Is this a key decision?**

No

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**Executive summary:**

This report is to identify those issues on which further reports have been requested or are outstanding so that Members are aware of them and can monitor their progress.

**Recommendations:**

The Cabinet are recommended to consider the list of outstanding items as set out below, and to ask the Member of the Management Board concerned to explain the current position on those which should have been discharged at this meeting or an earlier meeting.

**List of Appendices included:**

Table of outstanding issues

**Other useful background papers:**

None

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

N/A

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

No

**Will this report go to Council?**

No

**Report title:  
Outstanding Issues**

**1. Context (or background)**

- 1.1 In May 2004, the City Council adopted an Outstanding Minutes system, linked to the Forward Plan, to ensure that follow-up reports can be monitored and reported to Members.
- 1.2 The Table appended to the report outlines items where a report back has been requested to a future Cabinet meeting, along with the anticipated date for further consideration of the issue.
- 1.3 Where a request has been made to delay the consideration of the report back, the proposed revised date is identified, along with the reason for the request.

**2. Options considered and recommended proposal**

- 2.1 N/A

**3. Results of consultation undertaken**

- 3.1 N/A

**4. Timetable for implementing this decision**

- 4.1 N/A

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

- 5.1 Financial implications

N/A

- 5.2 Legal implications

N/A

**6. Other implications**

- 6.1 **How will this contribute to achievement of the council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Coventry Sustainable Communities Strategy?**

N/A

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

This report will be considered and monitored at each meeting of the Cabinet

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

N/A

**6.4 Equalities / EIA**

N/A

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

N/A

**6.6 Implications for partner organisations?**

N/A

**Report author(s):**

**Name and job title:**

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Governance Services Co-ordinator

**Directorate:**

Resources

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<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>				
<b>Names of approvers:</b> (officers and Members)				

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	<b>Subject</b>	<b>Minute Reference and Date Originally Considered</b>	<b>Date For Further Consideration</b>	<b>Responsible Officer</b>	<b>Proposed Amendment To Date For Consideration</b>	<b>Reason For Request To Delay Submission Of Report</b>
1.	<b>UK City of Culture 2021 Bid</b>  To receive an update on the progress in developing the bid	Minute 20/15 - 7 <sup>th</sup> July 2015	December 2016	Martin Yardley / David Nuttall	3 <sup>rd</sup> January 2017	As there is no meeting scheduled for December 2016

\* identifies items where a report is on the agenda for your meeting.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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