Coventry City Council

Agenda

Cabinet

Time and Date
2.00 pm on Tuesday, 29th August, 2017

Place
Committee Room 3 - Council House

Public business

1. **Apologies**

2. **Declarations of Interest**

3. **Minutes** (Pages 5 - 14)

   (a) To agree the minutes from the meeting of Cabinet on 1st August 2017

   (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. **2017/18 First Quarter Financial Monitoring Report (to June 2017)** (Pages 15 - 36)

   Report of the Deputy Chief Executive (Place)

6. **Coventry and Warwickshire Growth Deal 3 Allocation** (Pages 37 - 46)

   Report of the Deputy Chief Executive (Place)

7. **Authority for Attendance At Conference** (Pages 47 - 50)

   To approve the attendance of The Lord Mayor, Councillor A Khan (Deputy Leader of the Council) and Jane Barlow (Principal Private Secretary to the Lord Mayoralty) at the City of Kiel's Official Ceremony to mark the 70th anniversary of Friendship Links with Coventry to be held in Kiel, Germany on 8 – 11 September 2017

8. **The Redevelopment of Riley Square** (Pages 51 - 60)

   Report of the Deputy Chief Executive (Place)

9. **Coventry and Warwickshire Agreed Syllabus for Religious Education 2017-2022** (Pages 61 - 66)

Report of the Deputy Chief Executive (People)

10. **Outstanding Issues** (Pages 67 - 70)

Report of the Deputy Chief Executive (Place)

11. **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

12. **The Redevelopment of Riley Square** (Pages 71 - 82)

Report of the Deputy Chief Executive (Place)

(Listing Officer: J. Grant Tel:024 7683 3674)

13. **Coventry and Warwickshire Agreed Syllabus for Religious Education 2017-2022** (Pages 83 - 208)

Report of the Deputy Chief Executive (People)

(Listing Officer: A Brennan Tel: 024 7683 2199)

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

Martin Yardley, Deputy Chief Executive (Place), Council House, Coventry
Monday, 21 August 2017

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 / michelle.salmon@coventry.gov.uk

Membership:
Cabinet Members:- Councillors F Abbott, L Bigham, P Akhtar (Deputy Cabinet Member), R Ali (Deputy Cabinet Member), F Abbott, K Caan, G Duggins (Chair), J Innes, A Khan (Deputy Chair), R Lakha (Deputy Cabinet Member), K Maton, J Mutton, J O'Boyle, E Ruane, C Thomas (Deputy Cabinet Member), D Welsh (Deputy Cabinet Member) and B Kaur (Deputy Cabinet Member)
Non-voting Deputy Cabinet Members:- Councillors P Akhtar, R Ali, B Kaur, R Lakha, C Thomas, and D Welsh

By invitation - Non-voting Opposition representatives:- Councillors A Andrews and G Ridley

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, Governance Services,
Tel: 024 7683 3237 / 3065, Email: lara.knight@coventry.gov.uk / michelle.salmon@coventry.gov.uk

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Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 1 August 2017

Present:	
Members:	Councillor G Duggins (Chair)
	Councillor A Khan (Deputy Chair) Councillor F Abbott Councillor L Bigham Councillor K Caan Councillor J Innes Councillor K Maton Councillor J Mutton Councillor J O'Boyle Councillor E Ruane
Deputy Cabinet Members	Councillor P Akhtar Councillor R Ali Councillor B Kaur Councillor R Lakha Councillor C Thomas Councillor D Welsh
Non-Voting Opposition Members:	Councillor A Andrews Councillor G Ridley
Other Members:	Councillor M Mutton
Employees (by Directorate):	
Chief Executive's	M Reeves (Chief Executive),
People	S Botchway, P Fahy, L Gaulton, S Lam
Place	M Yardley (Deputy Chief Executive (Place), S Bennett, D Cockcroft, B Hastie, K Mawby, J Newman
Apologies:	Councillors Clifford and McNicholas

Public Business

21. **Minutes**

The Minutes of the meeting held on 4 July, 2017 were agreed and signed as a true record.

There were no matters arising.

22. **Declarations of Interest**

There were no disclosable pecuniary interests.

23. **Exclusion of Press And Public**

RESOLVED that the press and public be excluded under Sections 100(A)(4) of the Local Government Act 1972 relating to the private reports in Minute 28 below headed "Friargate Letting to Financial Ombudsman Service" and in Minute 29 below headed "Extension of Contract for Materials Recycling Facilities (MRF) and Associated Bulking and Transport" on the grounds that these reports involve the likely disclosure of information as defined in Paragraph 3 of Schedule 12A of the Act, as they contain 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.

24. **Council Plan 2016/17 End of Year Performance Report**

The Cabinet considered a report of the Chief Executive which indicated that the Council Plan is Coventry City Council's corporate plan which sets out the Council's strategic direction and priorities for the next ten years.

The current Plan, which was last reviewed in July, 2016, sets out the Council's vision and priorities for the City. As part of this vision, the Council seeks to promote the growth of a sustainable economy; is committed to reform so that everybody, including the City's most vulnerable residents, can share in the benefits of the City's growth; underpinned by a Council that is enabling communities to solve local problems, at a time when the Council has to deliver its priorities with fewer resources.

The 2016/17 end of year performance report set out the progress made towards the Council Plan in April 2016 to March 2017. The reports uses indicators, contextual information and comparative information to describe and explain how the Council and the City's performance compares to previous years and to other places.

The report also included data setting out the impact and progress made this year for groups with protected characteristics as set out in the Council's equality objectives and towards the Council's Marmot (health inequalities) agenda.

The Cabinet noted that the report had been considered by the Scrutiny Co-ordination Committee at their meeting on 12 July, 2017 and a Briefing Note setting out their recommendations had been circulated. The Committee had recommended that Cabinet considers the addition of indicators in the following areas for inclusion in the 2017/18 report:-

- Health Indicators on Obesity, TB and Diabetes in the City
- Housing Indicators on Social Housing, Homefinder performance, numbers of empty properties and the numbers brought back into use.

The Cabinet did not identify any further areas that they wished to address in further detail.

RESOLVED that the Cabinet:-

1) **Approves the inclusion of the Health and Housing Indicators in the 2017/18 report, as recommended by Scrutiny Co-ordination Committee and as outlined above.**

2) **Approves the performance report**

3) **Agrees to work with officers with a view to developing more streamlined and timely performance reporting arrangements**

4) **Considers and notes the Council's performance this year as set out in the performance report**

25. **Improved Better Care Fund**

The Cabinet considered a report of the Deputy Chief Executive (People) which indicated that the integration of health and care had been a long standing policy ambition based on the premise that more joined up services will help to improve the health and care of local populations and make more efficient use of available resources.

Whilst the Sustainability and Transformation Programme (STP) is the primary planning tool for health and care, the Better Care Fund is the only mandatory policy to facilitate integration. The Better Care Fund (BCF) is a programme spanning both the NHS and local government which seeks to join-up health and care services, so that people can manage their own health and wellbeing, and live independently in their communities for as long as possible.

In March 2017 a new policy framework for the Better Care Fund covering the period 2017 to 2019 was issued at the same time as significant additional funding being made available to Councils in order to protect adult social care. These sums arise from the 2015 spending review and the 2017 spring budget. Taken together these sums comprise the Improved Better Care Fund (BCF).

This additional funding, which was being made available by the Department for Communities and Local Government direct to Councils, was intended for three purposes:-

1) To meet adult social care need
2) To provide support to the NHS (especially through application of the 8 High Impact Changes)
3) To sustain the social care provider market

Plans for use of the grant need to be agreed by the City Council with the relevant CCG (in this case the Coventry and Rugby Clinical Commissioning Group (CRCCG)) and with the local Health and Well-Being Board. Once plans are agreed the resources can start to be spent but must be done so through a pooled budget arrangement (unless ministerial exception is granted)

Since the implementation of the Better Care Fund (BCF) in 2015, the Council has had a BCF plan facilitated by the Health and Wellbeing Board supported by a Section 75 partnership agreement with Coventry and Rugby Clinical Commissioning Group (CRCCG). A new plan is required covering the period to 31 March, 2019 with a supporting section 75 partnership agreement identifying how the additional resources identified in the spring budget are to be used. Once the planning tools are made available, this new plan will be developed followed by the required section 75 partnership agreement.

The report and associated appendices sought approval for the use of the additional Better Care Fund resource against the three stated purposes. The use of the grant without the associated planning tools being provided, completed and assured is permissible on the basis that spend plans have been agreed by the Local Authority and the CCG through the Health and Well-Bing Board.

RESOLVED that the Cabinet:-

1. **Approves the programme plan for the resources made available through the Improved Better Care Fund (BCF) against the areas identified for 2017/19**

2. **Approves entering into a new Section 75 Partnership Agreement with the Coventry and Rugby Clinical Commissioning Group for the delivery of the BCF plan once the plan is completed. This will include the governance arrangements for the operation of the Section 75 Partnership Agreement and maintain the City Council as the host for the pooled budget to enable the delivery of the BCF plan**

3. **Delegates authority to the Director of Adult Services and the Director of Finance and Corporate Resources, as the Section 151 officer, following consultation with the Cabinet Member for Adult Services and the Cabinet Member for Strategic Finance and Resources to finalise the section 75 agreement with Coventry and Rugby Clinical Commissioning Group following approval of the plan.**

4. **Recommends that the City Council approves acceptance of a grant in excess of £2.5m in relation to the additional BCF grant.**

26. **The Future of the Employment Support Service (TESS)**

The Cabinet considered a report of the Deputy Chief Executive (Place) which detailed a proposal to use European grant funding and £326,375 of earmarked reserves to support the TESS service to continue to deliver employment support for people with disabilities, including learning disabilities and mental ill health.

The service costs the Council £280.000 p.a., of which £272,000 is staff costs. The service comprises of 5.2 FTE staff and helps between 25 and 35 customers into work each year.

Budget pressures resulting from the loss of one-off funding and the impact of ER/VR within the Economy and Jobs Service meant that in 2015 this part of the Service could no longer be sustained by Council resources. Despite the lack of

Government grant, Coventry City Council recognised the value of the service for vulnerable people and were keen to avoid service closure. The Employment Support Service (TESS) is the most expensive of the employment services to operate and had a high cost per job outcome. The cost of delivering a job outcome for a TESS customer is £8,640. This compares to approximately £400 per job outcome through the Job Shop and reflects the significantly larger intervention required to support TESS customers into work.

In March 2015, following a review of all employment services delivered by Economy and Jobs, it was proposed that without any offer of funding from partner organisations, TESS would close at the end of July 2015. Officers were requested by members to investigate alternative options to deliver a supported employment service in light of the financial position. Options investigated included developing a sustainable model for supported employment delivery in partnership with other agencies in the City, externalising the service through a form of social enterprise and merging the service with another local authority delivering supported employment provision. This was considered by the Cabinet Member for Business, Enterprise and Employment in September 2015.

However, one-off funding from Public Health and the Clinical Commissioning Group was then secured to allow the service to continue to operate until the end of December 2015. During this period grant funding from the European Structural Investment Funds was also pursued. However, there was a significant national delay in approving the European Programme. In order to allow time to pursue European funds, the service operated at a budget pressure which was partly off-set by grant surplus from other programmes. The Council has now secured European Social Fund grant for the period April 2017-December 2017, which could help continue the TESS service.

RESOLVED that the Cabinet:-

1) **Approves the use of £326,375 of earmarked reserves as “match” funding against European grant in order to continue the TESS service for the period April, 2017 until December 2019**

2) **Agrees that the City Council should continue to pursue external funding for this service from January 2020 as no further Council reserves will be allocated.**

27. **Procurement of a Framework for Purchase of Modular Build Classrooms and Separate Purchase of 3 Units to Satisfy Immediate Nursery Requirement**

The Cabinet considered a report of the Deputy Chief Executive (People) which indicated that the requirement for a modular building framework had been identified by Education to enable the fast and efficient delivery of services required across the City. Currently, there is no capacity to complete capital building projects for schools or nurseries under the timescales specified. The Council would benefit from efficiency delivery of standardised modular building units that could easily be modified to meet the specific needs of the end user.

There are some immediate requirements within the City as a result of the National introduction of 30 hours free nursery provision for all children aged 3 and the requirement to ensure sufficient places are made available to facilitate this.

Monies and project approvals were being made available by the Department for Education (DFE), however, the spend deadlines were very tight thus limiting the Council on what can be delivered. The small modular solution enables single and double sized classroom extensions at various establishments around the City. Disruption would be kept to a minimum as most of the building work is constructed off site. On site there are some ground preparation works, assembly and landscaping. This will limit disruption to approximately 6 weeks per site. Currently there is a requirement for 3 immediate nursery units (single) estimated at approximately £700k, and this funding is secure. In addition, 3 replacement Key units (double) along with a Key + unit (quad) combined are required with an estimated cost to be £1.2 million. These will be procured in line with the framework agreement for which approval was sought.

The three 30 hour free nurseries needed to be in situ and money spent by November, 2017 in order to meet DfE requirements. There could be further 30 hour free provision required subject to funding. These other units are expected to be in place by January, 2018 i.e. for the start of the term following the introduction of the new 30 hours free nursery places for children aged 3.

The Key + unit is provision for primary aged pupils who have been excluded from mainstream schools and provides schooling in a specialist school type setting for primary aged children who need help adjusting in a mainstream school.

In addition to the specific identified projects there was a further interest in modular provision from schools looking for additional space and the potential for wider use across other services in the Council in future.

RESOLVED that the Cabinet:-

1) **Approves the initial procurement of 3 nursery modular units for Mount Nod Primary School, Sacred Heart Primary School and St Gregory's Primary school, to be funded from existing DfE approvals.**

2) **Approves the procurement of a 4 year framework (3 years plus potential extension for a further 12 months) for modular buildings to support future needs across the City up to a maximum of £4m.**

3) **Delegates authority for the award of the initial procurement and the framework to the Deputy Chief Executive (People) once a compliant procurement tender exercise has been conducted.**

28. **Friargate Letting to Financial Ombudsman Service**

The Cabinet considered a report of the Deputy Chief Executive which indicated that in 2013, the Council approved starting the Friargate Business District to regenerate the City, transform the Council and deliver savings through the purchase of the first building on Friargate for occupation by the Council. The Council's operational office buildings will be reduced and agile and flexible working arrangements introduced to support productivity and efficiency gains from Council staff.

Securing a second tenant to the Friargate scheme remains strategically important to provide confidence to other potential tenants. The Council were approached confidentially in early May by the Financial Ombudsman Service who were conducting a property search in the Midlands and negotiations commenced with the financial Ombudsman Service to become the second tenant at Friargate by taking up occupation in the Council's building.

The Financial Ombudsman was seeking modern office accommodation for up to 300 staff from October 2017, to supplement their office accommodation in London. Time was of the essence to agree the terms and complete an agreement for lease to them in May to permit occupation in October. Acting under powers of urgency and after consulting the Leader of the Council and the Cabinet Member for Jobs and Regeneration, the agreement for lease was completed at the end of May. The report therefore sought retrospective approval to that lease to ensure that this strategically important business occupier to both Friargate and the City was not lost.

The consequence of completing this lease requires the Council to retain operational building capacity within its existing building portfolio for staff (350) intending to move to Friargate, and the upper floors of Broadgate House had been retained for this purpose for the medium term.

A corresponding private report detailing confidential aspects of the proposals was also submitted to the meeting for consideration. (Minute 32 below refers)

Councillor O'Boyle, Cabinet Member for Jobs and Regeneration, paid tribute to officers for all their hard work in this regard.

RESOLVED that the Cabinet retrospectively:-

1) **Agrees to amend the approved Council strategy to co-locate staff to Friargate, by retaining the upper floors of Broadgate House to co locate staff not now destined for Friargate and invest in these buildings for staff.**

2) **Approves the letting to the Financial Ombudsman Service of Floors two and three of the Council's new building at Friargate**

3) **Requests officers to bring back a further report on investment to maintain Broadgate House in use for operational purposes and any other mitigation measures.**

29. **Extension of Contract for Materials Recycling Facilities (MRF) and Associated Bulking and Transport**

The Cabinet considered a report of the Deputy Chief Executive (Place) which, in accordance with the City Council's Rules for Contracts, sought approval to a proposal to extend the existing Materials Recycling Facility (MRF) and associated Bulking and Transport contract for the final two years available.

A corresponding private report detailing confidential aspects of the proposals was also submitted to the meeting for consideration. (Minute 33 below refers)

Under the revised Waste Strategy for England 2007, the Council has a statutory obligation to make collections of the following materials from the kerbside:-

- Paper
- Metal
- Plastic
- Glass

This Contract supports the delivery of that statutory obligation.

The Contract was let in 2009 for an initial period of four years with options to extend for up to a maximum of a further six year, making a total of ten years. In 2013 and 2015, the Council extended the provision for two years. The proposed extension will expire on 6 September, 2019 and there are no further provisions to extend beyond that.

The Contract is made up of two Lots. Lot 1 is for the provision of a MRF, a specialised facility which receives, separates and prepares recyclable materials for marketing to end-user manufacturers. This lot is currently operated by Biffa Waste Services. Lot 2 is for the provision of bulking and transport of the waste to the MRF and is currently operated by Tom White Waste.

RESOLVED that the Cabinet approves an extension to both Lot 1 (Material Recycling Facility Treatment) and Lot 2 (associated bulking and transport) of the existing MRF contract for the final two years available.

30. **Outstanding Issues**

The Cabinet considered a report of the Deputy Chief Executive (Place) which contained a list of outstanding issues and which summarised the current position in respect of each item.

RESOLVED that the Cabinet requests that future reports contain a date for further consideration of matters relating to the outstanding issues listed in the report.

31. **Any Other Items of Public Business**

There were no other items of public business.

Private Business

32. **Friargate Letting to Financial Ombudsman Service**

Further to Minute 28 above, the Cabinet considered a report of the Deputy Chief Executive (Place) which set out confidential aspects in relation to retrospective approval of a lease to the Financial Ombudsman Service for floors two and three of the Council's new building at Friargate and other matters relating thereto.

RESOLVED that the Cabinet retrospectively:-

1) **Agrees to amend the approved Council strategy to co-locate staff to Friargate, by retaining the upper floors of Broadgate House to co locate staff not now destined for Friargate and invest in these buildings for staff.**

2) **Approves the letting to the Financial Ombudsman Service of floors two and three of the Council's new building at Friargate**

3) **Requests officers to bring back a further report on investment to maintain Broadgate House in use for operational purposes and any other mitigation measures.**

33. **Extension of Contract for Materials Recycling Facilities (MRF) and Associated Bulking and Transport**

Further to Minute 29 above, the Cabinet considered a private report of the Deputy Chief Executive (Place) which detailed the confidential aspects of the proposals to extend the existing Materials Recycling Facility and associated Bulking and Transport contract for the final two years available.

RESOLVED that the Cabinet approves an extension to both Lot 1 (Material Recycling Facility Treatment) and Lot 2 (associated bulking and transport) of the existing MRF contract for the final two years available.

34. **Any Other Items of Urgent Private Business**

There were no other items of urgent private business.

(Meeting closed at 2.30 pm)

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Coventry City Council

Public report
Cabinet Report

Cabinet — 29th August 2017
Council — 5th September 2017
Audit and Procurement Committee — 11th September 2017

Name of Cabinet Member:
Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director approving submission of the report:
Deputy Chief Executive (Place)

Ward(s) affected:
City Wide

Title:
2017/18 First Quarter Financial Monitoring Report (to June 2017)

Is this a key decision?
No

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 June 2017.

The headline revenue forecast for 2017/18 is an over spend of £4.6m. At the same point in 2016/17 there was a projected overspend of £6.4m.

This position reflects areas that have reported overspends in recent previous years and ones where new budgetary issues are emerging. Although the initially reported overspend position is not as large as this time last year, the Senior Management Board is aware of the need to address the range of budgetary issues facing the Council. This includes continued challenges in delivering savings targets set in previous Budgets and some local demand pressures, in particular in relation to looked after children and housing related costs. Even at this early stage it is likely that some of these pressures will need to be considered as part of the Council's Budget Setting process for the 2018/19 Budget although further work will continue to keep these to a minimum.

The Council's Capital spending is projected to be £128m for the year, a net increase of £5m on the programme planned at the start of the year.

The report also recommends a change to the Council's Investment Strategy and Policy to enable the council to continue its current level of investment in Property based Collective Investment Schemes

Recommendations:

Cabinet is recommended to:

1) Note the forecast revenue overspend at Quarter 1.

2) Approve the revised capital estimated outturn position for the year of £128m incorporating: £2.5m net increase in spending relating to approved/technical changes (Appendix 2 of the report), £12.6m of expenditure rescheduled from 2016/17 into 2017/18 and £10.3m net rescheduling of expenditure into 2018/19 (Appendix 4 of the report).

3) Request that Council approves an adjustment to the Council's Investment Strategy and Policy to increase the maximum investment limit with property based Collective Investment Schemes to £10m, up from £8m.

Council is recommended to:

1) Approve a change to Council's Investment Strategy and Policy increasing the maximum investment limit with property based Collective Investment Schemes to £10m, up from £8m.

Audit and Procurement Committee is recommended to:

1) Consider whether there are any comments they wish to be passed onto 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 2017/18
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?

Yes - Audit and Procurement Committee - 11th September 2017

Will this report go to Council?

Yes – Council - 5th September 2017

Report Title:
2017/18 First Quarter Financial Monitoring Report (to June 2017)

1. Context (or Background)

1.1 Cabinet approved the City Council's revenue budget of £232.5m on the 21st February 2017 and a Directorate Capital Programme of £123.2m. This is the first quarterly monitoring report for 2017/18 to the end of June 2017. 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 2017/18 revenue forecast is an overspend of £4.6m. The reported forecast at the same point in 2016/17 was an overspend of £6.4m. Capital spend is projected to be £128.0m, an increase of £4.8m on the original Capital Programme.

2. Options considered and recommended proposal

2.1 **Revenue Forecast -** The forecast revenue overspend £4.6m is analysed by service area below.

Table 1 - Forecast Variations

Service Area	Revised Net Budget £m	Forecast Spend £m	Forecast Variation £m
People Directorate			
Public Health	0.5	0.2	(0.3)
Directorate Management	1.5	1.5	0.0
Education & Inclusion	12.4	12.5	0.1
Children & Young People	71.5	75.1	3.6
Adult Social Care	82.0	81.8	(0.2)
Customer Services & Transformation	2.8	4.7	1.9
Total People Directorate	**170.7**	**175.8**	**5.1**
Place Directorate			
Directorate Management	4.0	3.9	(0.1)
City Centre & Major Projects	7.2	7.3	0.1
Transportation & Highways	3.9	4.3	0.4
Streetscene and Regulatory	26.9	27.3	0.4
Project Management & Property	(7.5)	(7.6)	(0.1)
Finance & Corporate Services	6.9	8.3	1.4
Total Place Directorate	**41.4**	**43.5**	**2.1**

Contingency & Central Budgets	20.4	17.8	(2.6)
Total Spend	**232.5**	**237.1**	**4.6**

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 of the report.

People

The People Directorate continues to face significant financial challenges, and a large underspend on centralised salaries (£3.2m) masks a significant overspend across other areas (£8.3m), including undelivered savings targets and budgetary control pressure.

The net forecast position of a £5.1m overspend includes undelivered savings targets of £3.1m. This is largely as a result of delays in delivery within Children's Services and Customer Services & Transformation divisions. Both divisions have saving and delivery plans in place to manage the saving targets, but they are not forecast to be fully delivered within the 2017/18 financial year.

All budgetary control variances over £0.1m are detailed in Appendix 1 of the report. The most significant pressure in addition to undelivered savings targets is Looked After Children Placements, and supported accommodation provision for care leavers and homeless 18-24 year olds (£1.8m). Children's Services Management Team are reviewing placements within these areas to identify actions to reduce the pressure in-year.

The Directorate's centralised salary underspend against its salary budgets and turnover target is partly as a result of high levels of vacancies in Childrens Social Care, which account for £2.6m of the underspend. This is partly offset by non-salary overspend as a result of agency staff in Childrens Social Care, although as recruitment continues this cost reduces. Agency numbers across Children's Social Care have reduced from 75 (June 2016) to 44 (June 2017). Internally provided services in Adult Social Care contribute a further £0.6m towards the forecast underspend as a result of planned vacancies and efficiencies. The Children's Services restructure is currently out to consultation, and if implemented will change the salary position.

Place

Place Directorate is forecasting an overall net deficit of £2.1m at Quarter 1. The most significant variation of £2.1m relates to the cost of Housing Benefit (HB) paid in respect of homeless people emergency Bed and Breakfast accommodation, which cannot be claimed from the government. There is also a £1.0m pressure due to the element of HB paid out for clients in supported accommodation which can also only be partially reclaimed. These pressures are offset by a surplus recovery of £1.6m HB overpayments.

In addition, some areas of the directorate are experiencing income generation pressures, the key ones being as follows. In parking enforcement, temporary vacancy issues are resulting in fewer Parking Charge Noticess (PCNs) being issued. This together with under performance on collection of PCN income is causing a £0.4m pressure. The Monitoring & Response service has not as yet been able to achieve £0.3m commercialisation and cost reduction targets. City centre commercial rental income is falling short of targets by almost £0.2m due to the disposal and demolition of some large property assets. Schools Cleaning income pressures of £0.1m still exist until the management of the service transfers to schools from September 2017, and Commercial Catering continues to experience event and café trading deficits of £0.1m.

Pressures are being offset by a £0.2m negotiated saving in relation to an external property lease termination cost, and the recovery of £0.3m of officer costs from a combination of grant and asset disposal proceeds.

Contingency & Central
Expenditure is expected to be less than anticipated across inflation contingencies, the Asset Management Revenue Account (AMRA) and the Apprenticeship Levy. The AMRA has been an area that has consistently underspent in recent years but the current forecast is an underspend of £0.3m. There is no expectation of further variations on the scale that has been experienced previously in this area.

2.3 **Capital Programme**

The 2017/18 Budget Setting report (Cabinet 21st February 2017) approved a total Directorate Capital programme for 2017/18 of £123.2m. Table 2 below updates the budget to take account of a £2.5m increase in the programme from approved/technical changes. £12.6m of expenditure has been brought forward from 2016/17 and £10.3m is now planned to be carried forward into future years. This gives a revised projected level of expenditure for 2017/18 of £128.0m**.** Appendix 3 of the report provides an analysis by directorate of the movement since February.

The Resources Available section of Table 2 explains how the Capital Programme will be funded in 2017/18. It shows 54% of the programme is funded by external grant monies, whilst 43% is funded from borrowing. The programme also includes funding from capital receipts of £0.5m. Overall the Capital Programme and associated resourcing reflects a forecast balanced position in 2017/18.

Table 2 – Movement in the Capital Budget

CAPITAL BUDGET 2017-18 MOVEMENT	**£m**
February 2017 Approved Directorate Programme	**123.2**
Net rescheduling of expenditure from 2016/17 into 2017/18	12.6
Updated Programme	**135.8**
Approved / Technical Changes (see Appendix 2)	2.5
"Net" Rescheduling into future years (see Appendix 4)	(10.3)
Revised Estimated Outturn 2017-18	**128.0**

RESOURCES AVAILABLE:	**£m**
Prudential Borrowing (Specific & Gap Funding)	54.4
Grants and Contributions	69.6
Capital Receipts	0.5
Revenue Contributions	3.0
Leasing	0.5
Total Resources Available	**128.0**

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. In recent years the Council has delayed prudential borrowing as a means of funding capital spend but it is important to be aware that significant amounts of borrowing have been approved to fund the 2017/18 and future programmes and this will come on-stream over the next few years. The revenue funding costs of this have been built into the Council's forward financial plans.

2.4 Treasury Management Activity in 2017/18

Interest Rates

The economic outlook for the UK is challenging with economic growth slowing as higher inflation and lower confidence weigh on activity. The uncertainty that the current Brexit negotioations have caused is highlighted by the recent mixed messages released by the Bank of England talking up the potential of both a rate rise and a rate cut in the near future. However, the most likely scenario is for the interest rate to stay at 0.25% for the short to medium term with a rate rise more likely than a cut thereafter. However, any rate changes will be mimimal and gradual in nature.

Long Term (Capital) Borrowing

The net long term borrowing requirement for the 2017/18 capital programme is £46.6m, taking into account borrowing set out in Section 2.4 above (total £54.4m), less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision (£7.8). 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 2017/18 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 2017/18 to P3	Maximum 2017/18 to P3	As at the End of P3
5 year	1.34%	1.64%	1.63%
50 year	2.47%	2.68%	2.66%

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 2017/18, 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 replaced with less expensive new loans. The premiums payable on early redemption usually outweigh any potential savings. However, the Council and its Treasury Management advisors are exploring currently one opportunity in relation to part of the Council's debt portfolio which, if successful, may deliver a small revenue saving.

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 0.68%. 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 30th June 2016 **£m**	**As at 31st March 2017** **£m**	**As at 30th June 2017** **£m**
Banks and Building Societies	54.0	14.0	23.4
Money Market Funds	15.8	6.5	26.9
Local Authorities	0.0	45.0	0.0
Corporate Bonds	23.2	13.6	10.4
Registered Providers	5.0	10.0	8.0
Total	**98.0**	**89.1**	**68.7**

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 June 2017 the pooled funds were valued at £39.8m, spread across the following funds: Payden and Rygel; Federated Prime Rate, CCLA, Standard Life Investments, Royal London Asset Management and Deutsche Bank.

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 June 2017 are included in Appendix 6 of the report. This highlights that the City Council's activities are within the amounts set as Performance Indicators for 2017/18. Specific points to note on the ratios are:

- 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 June the value is -£69.7m (minus) compared to +£80.0m 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 30th June the value is £243.9m compared to £400.0m within the Treasury Management Strategy, reflecting that a significant proportion of the Councils investment balance is at a fixed interest rate.

CCLA Investment Limit
The Council's Investment Strategy and Policy dictates which organisations the Council is able to invest its cash balances with and the financial limits that apply to each counterparty or type of counterparty. Until February the Council's policy allowed up to £10m to be invested with individual Collective Investment Schemes, which are investments that are managed by external fund managers on the Council's behalf. The limit applies at the point that the investment is made and at that point the Council held an investment of £10m in the CCLA (Churches, Charities and Local Authorities), a property based investment fund.

The policy was revised as part of the 2017/18 Budget Report (February 2017), reducing the maximum limit for unsecured investments with individual counterparties from £10m to £8m. This limit was established through advice from the Council's treasury advisors using an estimate of the Council's projected maximum investment balance for 2017/18, and applying a limit of 5% of this total for such investments.

In April 2017 the Council made a payment of £93.3m to the West Midlands Pension Fund. This represented three years' employer superannuation payments in line with the strategy agreed as part of the Budget Report. The Council's cash balances have gone down significantly as a result, a movement anticipated as part of the revised strategy referenced above.

Local Authorities have recently begun to increase direct investments in property as they seek a higher return on their investments and the Council is also seeking to identify any appropriate opportunities to do this. Notwithstanding that the Council is taking care to adopt a modest and balanced approach and to risk assess each individual opportunity to invest in this way direct investment in property can leave authorities open to risks including property voids and falls in property capital values.

Investing in CCLA mitigates these risks to some degree due to the fact that there is a much larger pool of properties in the portfolio, spread geographically and by type. This can help to smooth any future falls in the capital value of properties and void rental income losses. As well as being lower risk than direct property investment, the CCLA has historically generated good returns for the authority. Since the initial investment was made in December 2013, it has generated £917k in interest at a rate of 4.9% and in 2016/17 alone it generated £397k at an interest rate of 4.8%.

Although the CCLA investment is not contrary to the Council's existing strategy (because it complied at the time the investment was made), existing working practice would be to reduce the investment to meet the new limit. However, the relatively strong returns from the fund combined with the relatively high level of security within this investment type have led to a local assessment that the Council should modify its investment strategy to accommodate the existing investment. This has been discussed with our treasury advisors and whilst they continue to maintain their previous advice they are also advising local authorities that investments in CCLA provide greater security than many direct property investments being made across the sector. On balance the Director of Finance and Corporate Services' view is that this the balance of relatively good returns and low risk justify a marginal change in the Council's Investment Strategy and Policy to accommodate this existing investment.

This change is required by the Constitution to be approved by Council. Therefore, it is recommended that the Council's Investment Strategy and Policy is changed so that the maximum investment limit with Property based Collective Investment Schemes is returned to £10m, up from £8m. The Strategy is reviewed every year as part of the Council's Budget Setting process.

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 the Director of Finance and Corporate Resources

5.1 **Financial Implications**

Revenue

Following the challenging budgetary control position faced by the Council in 2016/17 and further Government grant cuts for 2017/18 the Council continues to face significant revenue pressures. Most service areas are being delivered within budget and the new resources that have been made available to the Council for adult social care should ensure that this area is in a strong position to manage its budgetary position this year. However, some intractable problems remain, in particular from the non-achievement of planned budget savings and due to further increases in children's social care pressures as a result of the number and costs of looked after children.

A further large budget overspend is the result of Housing Benefit paid out for emergency bed and breakfast accommodation for homeless people. This is a problem that is common to a number of local authorities across the country and options are currently being explored to provide more cost effective accommodation options for the Council.

Management focus and activity is continuing in order to achieve existing savings programmes although it is important for Cabinet to be aware that a small number of remaining undelivered savings will prove difficult to deliver. The extent to which these pressures are likely to have an on-going impact will be considered as part of the early work done in preparation for 2018/19 Budget setting.

At this stage of the financial year the overall bottom line position, whilst challenging, is not a cause for undue concern. Work will continue across areas that are reporting overspends currently to move towards a balanced position and it is anticipated that the financial position for a number of these will improve as the year progresses. Other options for managing any residual overspend will also be kept under review.

Capital

Several schemes are now reflecting the likeilood that expenditure will be rescheduled into 2018/19. Basic Need, A46 link road and Coventry Station Masterplan make up the largest part of this. The Council has received additional grant that it will be able to use to fund capital expenditure on a cash-flow basis within 2017/18 and therefore reduce the amount of Prudential Borrowing that it is required to undertake in the year by £6.3m. Rescheduling from 2016/17 together with additional funds being added to the Capital Programme has led to an overall increase of c£5m to the planned expenditure from the base budget position of £123.2m.

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 in managing this risk and this report is a key part of the process.

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

In Quarter 1 there is a forecast overspend. The Council will continue to ensure that strict budget management continues to the year-end and will also need to manage overall financial resources to accommodate any overall year-end overspend. Any use of one-off resources to balance the final position means that these resources would not be available to use fund future spending priorities.

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.

Report author(s):

Name and job title:

Paul Jennings
Finance Manager, Corporate Finance

Directorate:
Resources

Tel and email contact:
Tel: 024 7683 3753
Email: paul.jennings@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Michael Rennie	Lead Accountant	Place	24/7/17	24/7/17
Lindsey Hughes	Accountant	Place	24/7/17	24/7/17
Paul Hammond	Accountant	Place	24/7/17	24/7/17
Helen Williamson	Lead Accountant	Place	24/7/17	24/7/17
Michelle Salmon	Governance Services Officer	Place	26/7/17	27/7/17
Names of approvers: (Officers and Members)				
Barry Hastie	Director of Finance and Corporate Services	Place	28/7/17	31/7/17
Carol Bradford	Lawyer, Legal Services	Place	26/7/17	28/7/17
Councillor J Mutton	Cabinet Member for Strategic Finance and Resources	-	31/7/17	31/7/17

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Appendix 1

Revenue Position: Detailed Directorate Breakdown of Forecasted Outturn Position
Appendix 1 details directorates forecasted variances.

Budget variations have been analysed between those that are subject to a centralised forecast and those that are managed at service level (termed "Budget Holder Forecasts" for the purposes of this report). The 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**	**£m**	**£m**
Public Health	0.5	0.2	(0.2)	(0.1)	(0.3)
People Directorate Management	1.5	1.5	0.0	0.0	0.0
Education and Inclusion	12.4	12.5	(0.2)	0.3	0.1
Children and Young People's Services	71.5	75.1	(2.6)	6.2	3.6
Adult Social Care	82.0	81.8	(0.6)	0.4	(0.2)
Customer Services & Transformation	2.8	4.7	0.3	1.6	1.9
Total People Directorate	**170.7**	**175.8**	**(3.3)**	**8.4**	**5.1**
Place Directorate Management	4.0	3.9	0.0	(0.1)	(0.1)
City Centre & Major Projects Development	7.2	7.3	0.1	0.0	0.1
Transportation & Highways	3.9	4.3	(0.4)	0.8	0.4
Streetscene & Regulatory Services	26.9	27.3	(0.5)	0.9	0.4
Project Management and Property Services	(7.5)	(7.5)	(0.1)	0.0	(0.1)
Finance & Corporate Services	6.9	8.3	0.2	1.2	1.4
Total Place Directorate	**41.4**	**43.5**	**(0.7)**	**2.8**	**2.1**
Resourcing	20.4	17.8	0.0	(2.6)	(2.6)
Total	**232.5**	**237.1**	**(4.0)**	**8.6**	**4.6**

Reporting Area	Explanation	£m
People Directorate	The centralised salary underspend against its salary budgets and turnover target is partly as a result of high levels of vacancies in Childrens Social Care, which account for £2.6m of the underspend. This is partly offset by non-salary overspend as a result of agency staff in Childrens Social Care, although as recruitment continues this cost reduces. Internally provided services in Adult Social Care contribute a further £0.6m towards the forecast underspend as a result of planned vacancies and efficiencies. The Children's Services restructure is currently out to consultation, and if implemented will change the salary position.	(3.3)
Place Directorate	Centralised budgets in Place are more than delivering turnover targets, primarily due to high levels of vacancies in Traffic & Transportation, Streetpride, and Domestic Refuse & Recycling. Some of these underspends are offset by the cost of agency staff where cover is required to maintain service continuity.	(0.7)
Total Non-Controllable Variances		**(4.0)**

PEOPLE DIRECTORATE			
Service Area	**Reporting Area**	**EXPLANATION**	**£m**
Public Health	Public Health Staffing & Overheads	Underspend on salary costs arising from vacancies.	(0.2)
	Other Variances Less that 100K		0.1
Public Health			**(0.1)**
Education and Inclusion	School Enrichment Services	Performing Arts Service is forecasting an overspend of £138k mainly due to anticipated shortfalls in income. A service redesign will be implemented in September 2017 which will achieve efficiencies, increase flexibility for customers and assist the service in achieving a break even position. Governor Support is currently forecasting an over spend of £44k due to reduced levels of buyback from schools. A plan is in place to reduce this deficit and the service are currently attending a number of additional meetings as well as actively looking for alternative income streams.	0.2
	Inclusion & Participation	Overspend as a result of a part year delivery of the transport review, against a full year saving.	0.2
	Advice and Health Information Services	Resettlement generates corporate income which will be maximised where possible. Under Spend will be used to support spend in other Council services.	(0.4)
	Adult Education	Target set in corporate plan to switch internal training with ESFA grant funding. To date it has not been possible to identify areas in the Council where this can take place.	0.1

	Libraries	Library Service variance due to current predicted overspend due to purchase of self service machines required as part of the Connecting Communities programme.	0.2
Education and Inclusion			**0.3**
Children and Young People's Services	Children's Services Management Team	The overspend is as a result of additional staffing capacity working on OFSTED Improvement Plan activities and delivery of the Children's Transformation programme. There is also a small forecast shortfall in delivery of workforce savings reported to the June Children's Transformation Board.	0.3
	Commissioning, QA and Performance	Following the Ofsted monitoring visit (and further backed up in the OFSTED Inspection) and significant concerns about the volume and quality of the work of CP chairs and IRO's, it was agreed that 4 additional posts were required on an interim basis. All 4 posts are currently recruited to on an agency basis, and the re-structure out to consultation proposes that these posts are recruited to on fixed term contracts for 12 months, and beyond that subject to reviewof workload, areas of responsibility and identified budget. We also currently have some other agency staff filling establishment posts, but will continue to recruit to permanent posts.	0.4
	Help & Protection	Overspend relates to the costs of Agency staff covering posts across the service. This is more than offset by underspends across salary budgets. There is also a pressure as a result of grant fall out for the Family Drug and Alcohol Court. It is proposed that this will be resolved as part of the restructure out to consultation, and we are also exploring the possibility of a Social Impact Bond funding model from 2018/19.	1.8
	LAC & Care Leavers	The overspend is as a result of undelivered savings targets and budgetary control pressure. Approximately £1.7M is a forecast shortfall in delivery of workforce savings reported to the Children's Transformation Board. This is in the area of Looked After Children Placements and is as a result of delays in the delivery of the internal residential provision changes, and slower than forecast increases in internal foster carers. This is being closely monitored by the Children's Transformation Board. In addition there is continued pressure in external residential placements and supported accommodation as a result of high levels of activity. Children's Leadership Team are reviewing all children and young people in placements to identify how costs can be reduced within the financial year.	3.6
Children and Young People's Services			**6.2**
Adult Social Care	Internally Provided Services	The overspends on other pay, overtime and variable allowances are offset by underspends on centralised salary costs due to a number of vacancies.	0.2
	All Age Disability and Mental Health Operational	The overspends on other pay, overtime and variable allowances are partly offset by underspends on centralised salary costs due to a number of vacancies. An overall overspend on centralised salaries due to management of vacancies targets.	0.1
	Other Variances Less that 100K		0.1

Adult Social Care			0.4
Customer Services & Transformation	HR and Workforce Development Management	• Unmet element of savings target as a result of significant HR input to deliver Workforce Strategy programme - £115K • Unbudgeted agency cost in HR Operations covering key vacancies and work to deliver Workforce Strategy. This is offset by salary underspends showing in the Centralised Forecast Variance - £44K • Ongoing pressure relating to shortfall in SLA income from schools which will be the subject of further review and action during Qtr 2 - £130K. • Ongoing pressure relating to cross-Council DBS required for key posts including social care - £60K	0.4
	Customer and Business Services	• Unmet element of £1.8m Business Services savings target - £680K • Ongoing pressure relating to homelessness service mainly comprising B&B rental cost not covered by Housing Benefit, agency cost in Housing Options team as service is redesigned and implications of Homelessness Reduction Act clarified and furniture storage cost - £310K	1.0
	ICT Operations	• Ongoing pressure relating to mobile phones exacerbated by increases in number of devices needed due to changes in ways of working and replacement devices - £290K • Various smaller software related pressures £50K • Part offset by ongoing underspend in Data and Voice Network relating to areas where spending needs have reduced over several years - £116K. Zero base budget work underway.	0.2
Customer Services & Transformation			**1.6**
Forecast Overspend/(Underspend)			**8.4**

PLACE DIRECTORATE			
Service Area	**Reporting Area**	**EXPLANATION**	**£m**
Place Directorate Management	Other Variances Less that 100K		(0.1)
Place Directorate Management			**(0.1)**
Transportation & Highways	Highways	Anticipated expenditure on agency cover and unfunded surface water management planning checks (for which potential income streams are being investigated). The Highways DLO trading position is balanced but is reliant on a number of assumptions with regards to income streams.	0.1
	Traffic	- Parking services (£370k): primarily due to income pressure within parking enforcement due to reduced recovery rates and fewer number of PCNs issued (due to staff shortages). There are also expenditure and income pressures within car parks. - Network Management (£247k): primarily within UTC due to anticipated expenditure on agency cover, pressures due to unrecoverable road traffic accident damages to assets and the unfunded costs of growth to the asset estate (energy and maintenance). In addition there is a pressure within the shared streetworks area due to the cost of temporary staff to cover vacant posts and the knock-on effect on income performance.	0.6

	Transport & Infrastrucutre	Anticipated expenditure on agency cover due to key vacancy	0.1
	Other Variances Less that 100K		0.0
Transportation & Highways			**0.8**
Streetscene & Regulatory Services	Streetpride & Parks	Anticipated expenditure on the use of Overtime / Agency to reflect planned works / service requirements due to vacancies, together with increased Traveller Incursion costs	0.5
	Waste & Fleet Services	The overspend primarily relates to Domestic Refuse & Recycling, and is due to the additional costs / salaries for the change of service to fortnightly collections.	0.2
	Environmental Services	Non achievement of Income Targets in relation to CCTV & Community Safety	0.2
	Other Variances Less that 100K		0.0
Streetscene & Regulatory Services			**0.9**
Project Management and Property Services	Development Services	Management action to offset wider pressures by recovering some of the core funded surveyor cost of disposals from the sales proceeds	(0.2)
	Commercial Property	A decline in City Centre commercial rent is occurring and expected to get worse, this is due to the impact of City Centre South and other major building developments in the City Centre.	0.3
	PAM Management & Support	This underspend reflects the lower cost of the Council's liability for exiting an external lease at Lamb Street	(0.2)
	Other Variances Less that 100K		0.1
Project Management and Property Services			**0.0**
Finance & Corporate Services	Revenues and Benefits	There is a net pressure within the Housing Benefit (HB) Subsidy account. The largest pressure (circa £2.1m) is due to the element of HB paid out for bed & breakfast (B&B) accommodation for homeless people which cannot be reclaimed from DWP as HB Subsidy. In addition there is a pressure (circa £1.0m) due to the element of HB paid out for mainly clients in supported accommodation which can only be partially reclaimed from DWP as HB Subsidy. The above two pressures are offset by the surplus recovery of HB overpayments (circa £1.6m)	1.4
	Financial Mgt	Accelerated achievement of headcount savings target, temporarily offsetting the delay in achievement elsewhere in the division. In addition, savings have been made on non-staff budgets (circa £30k).	(0.3)
	Legal Services - People	Variation primarily due to the cost of external barrister expenditure. The service is hoping to bring down external costs by greater use of internal resources for court work and the forecast reflects this. In addition there are pressures within Coroners due to increased pathology and venue fees (£60k), offset by increased income from the Registrar's service (£60k).	0.1
Finance & Corporate Services			**1.2**
Forecast Overspend/(Underspend)			**2.8**

CONTINGENCY AND CENTRAL		
Reporting Area	**EXPLANATION**	**£m**
Corporate Finance	Expenditure is expected to be less than anticipated across inflation contingencies, the Asset Management Revenue Account (AMRA) and the Apprenticeship Levy. The AMRA has been an area that has consistently underspent in recent years but the current forecast is an underspend of £0.3m. There is no expectation of further variations on the scale that has been experienced previously in this area.	(2.6)
Forecast Overspend/(Underspend)		**(2.6)**

Appendix 2

Capital Programme: Analysis of Budget/Technical Changes

SCHEME	EXPLANATION	£m
PEOPLE DIRECTORATE		
Disabled Facilities Grant	Increase in Base budget, to reconcile back to 2017/18 new Grant Award	0.3
SUB TOTAL - People		**0.3**
PLACE DIRECTORATE		
Keeping Coventry Moving - National Productivity Investment Fund (NPIF)	On 12th May 2017, West Midlands Combined Authority (WMCA) approved the National Productivity Investment Fund allocations for Local Authorities. This included £0.7m for Coventry to deliver the Keeping Coventry Moving programme. Alll grant monies must be spent by 31st March 2018.	0.7
Acquistion of Dutton Road	Bringing the capital programme in line with Cabinet report 24th June for the acquistion of 1 Dutton Road industiral Estate	0.9
Far Gosford Street Regeneration - Liveability	Removing Liveability funding, not required for 2017/18. Will be used as match funding for Burgess and London Road schemes	(0.1)
Far Gosford Street Regeneration - CPO	Technical Adjustment on CPO accelerated spend in Far Gosfrod Street. Final CPO Pyament estimated £98k will be brought back into the programme once compensation is agreed	0.3
Coventry on the Move in Parks Project Phase 1	New Scheme	0.3
London Road Cemetry	Scheme has not been approved yet	(0.2)
Miscellaneous	Net technical changes	0.3
SUB TOTAL - Place Directorate		**2.2**
TOTAL APPROVED / TECHNICAL CHANGES		**2.5**

Appendix 3

Capital Programme: Estimated Outturn 2017/18

The table below presents the revised estimated outturn for 2017/18.

DIRECTORATE	ESTIMATED OUTTURN QTR 1 £m	APPROVED / TECHNICAL CHANGES £m	OVER / UNDER SPEND NOW REPORTED £m	RESCHEDULED EXPENDITURE NOW REPORTED £m	REVISED ESTIMATED OUTTURN 17-18 £m
PEOPLE	26.8	0.3	0.0	(3.7)	23.4
PLACE	109.0	2.2	0.0	(6.6)	104.6
TOTAL	**135.8**	**2.5**	**0.0**	**(10.3)**	**128.0**

Appendix 4

Capital Programme: Analysis of Rescheduling

SCHEME	EXPLANATION	£m
PEOPLE DIRECTORATE		
Basic Need	Basic Need Funding is for additional pupil places. The Education service had anticipated that further growth in population might necessitate expanding one of two Primary Schools but this has not been required. Substantial expansion to Secondary Schools will be required from 2018, this is estimated to cost in the region of £30m and it is unlikely to be covered from DFE Grant. We need to reschedule the £3.5m towards the preparation of the secondary school expansion programme	-3.5
Broad Park House (Breaks for Disabled Grant)	Residual Part of Grant. The use of these resources currently under review, no spend planned this year	-0.1
ICT - Superfast Broadband	This funding relates to a Project Manager post for the Superfast Broadband project being delivered with Solihull and Warwickshire. This post is still out to advert and therefore the monies will not be spent this year, hence the request for the rescheduling into next year.	-0.1
SUB TOTAL - People Directorate		**-3.7**
PLACE DIRECTORATE		
UK Central & Connectivity - Coventry South Package - A46 Link Road	At the time of setting the Capital Programme in February 2017, it was anticipated that construction would begin in Quarter 4 of 2017-18. A more robust programme has been developed, whereby planning approval is due in Quarter 3 which is then followed by full business case approval in Quarter 4 which will enable all land consents to be put in place, which means that construction will not commence until Quarter 1 of 2018-19.	-2.4
UK Central & Connectivity - City Centre First - City Centre Place Plus	A priority programme for the Place Transportation Major Projects team is currently being finalised, which is resulting in a relatively small slippage of the design stage. There is every possibility that as we get to Quarter 3 we may be in a position to accelerate the programme.	-0.1
UK Central & Connectivity - Very Light Rapid Transit - Coventry Shuttle	Improved understanding of the development stage of the scheme has enabled a far more detailed cashflow. The design of the vehicle and track will commence in Qtr 3 once the feasibility studies have been completed. These works will be alongside the options and design of the desired route for Coventry Shuttle.	0.6
Whitefriars Housing Estates	On the 5th June 2017 at Whitefriars Housing Board, it was agreed between City Council Highways and Whitefriars colleagues that an additional £0.4m of work would be programmed into 2017-18, this is resourced by the right to buy receipts received from Whitefriars.	0.4
Coventry Station Masterplan inc Nuckle 1.2, Station Access & Friargate West	There has been a shift in expenditure profile due to a rethink of the programme procurement strategy. This follows recent experience on NUCKLE 1.2 using Network Rail to deliver part of the programme (doubling proposed development costs and lack of commitment to an overall price or programme for delivery). Instead of Network Rail delivering the CSMP project elements as originally assumed a revised delivery model being proposed to instead go to market. This will provide delivery / cost efficiencies and also introduces a contractor procurement process into the programme. This will result in a delay	-2.5

	in the commencement of detailed design for all schemes to allow for tender timescales, instead of awarding to Network Rail under an Implementation Agreement. This change has reduced 2017/18 spend profile accordingly	
GD06 - R&D Steel	Accelerating – The project has started delivery and updated its forecasts. The project has been able to bring forward the purchase of some large pieces of equipment, allowing for their use within the project ahead of the original schedule. The acceleration of spend has been agreed at CWLEP Programme Delivery Board.	0.4
GD08 - Business Innovation Fund	Rescheduling – This project will provide funding to businesses using a combination of Grant and Loans. This is the first time this approach has been used by CCC. The project is still in its development phase, with a start date now expected in January 2018.	-0.6
GD10 - A5 Corridor Project	This is an package of road improvement that is currently under development. The project team has provide an updated spend schedule based on a revised plan of works with some funding slipping from 16/17 and 17/18 into 18/19, but other spend from 19/20 being accelerated to 18/19.	0.4
ESIF Low Carbon	This is an ERDF business grant programmes. All of the European programmes had a slow start due to contracting with DCLG etc. and uptake has been slower than anticipated.	-0.6
ESIF Innovation	This is an ERDF business grant programmes. All of the European programmes had a slow start due to contracting with DCLG etc. and uptake has been slower than anticipated.	-0.4
Growing Places	The delays in claiming these have been mainly due to two individual projects where the applicant has not been able to claim their grant in line with the original timetable for various reasons. Rescheduling has been used to reflect the new expected profiles.	-0.8
City Centre Destination Leisure Facility	The City Centre Destination Facility has encountered some unexpected archaeological works which were undertaken during April and May that have slightly impacted on the programme. The shift in programme along with a significant element of the children's play structure (central bowl area) are now scheduled to be spent in 2018/19 and not as originally forecast in 2017/18. We are also not anticipating committing any contingency in 2017/18 resulting in the £0.7m rescheduling.	-0.7
Alan Higgs Centre - 50m Swimming Pool	On the Alan Higgs 50m pool project, we have adjusted the programme slightly so that the current facility (indoor football hall) remains open and operational until the end of March 2018 (instead of the end of February 2018) and therefore the construction works will now start in April 2018.	-0.2
SUB TOTAL - Place Directorate		**-6.6**
TOTAL RESCHEDULING		**-10.3**

Appendix 5

Prudential Indicators

Indicator	per Treasury Management Strategy	As at 30th June 2017
Ratio of Financing Costs to Net Revenue Stream (Indicator 1), 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).	13.53%	13.54%
Gross Borrowing should not, except in the short term, exceed the estimated Capital Financing Requirement (CFR) at the end of 3 years (Indicator 3), 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 £474.2m	£367.7m Gross borrowing within the limit.
Authorised Limit for External Debt (Indicator 6), 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.	£470.4m	£367.7m is less than the authorised limit.
Operational Boundary for External Debt (Indicator 7), 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.	£430.4m	£367.7m is less than the operational boundary.
Upper Limit on Fixed Rate Interest Rate Exposures (Indicator 10), 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.	£400.0m	£243.9m
Upper Limit on Variable Rate Interest Rate Exposures (Indicator 10), as above highlighting interest rate exposure risk.	£80.0m	-£69.7m
Maturity Structure Limits (Indicator 11), highlighting the risk arising from the requirement to refinance debt as loans mature: < 12 months 12 months – 24 months 24 months – 5 years 5 years – 10 years 10 years +	 0% to 40% 0% to 20% 0% to 30% 0% to 30% 40% to 100%	 13% 3% 13% 10% 61%
Investments Longer than 364 Days (Indicator 12), highlighting the risk that the authority faces from having investments tied up for this duration.	£24m	£0.0m

Coventry City Council

Public report
Cabinet Report

Cabinet	29th August 2017
Council	5th September 2017

Name of Cabinet Member:
Cabinet Member for Jobs and Regeneration – Councillor J O'Boyle
Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director Approving Submission of the report:
Deputy Chief Executive (Place)

Ward(s) affected:
All

Title:
Coventry and Warwickshire Growth Deal 3 Allocation

Is this a key decision?

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

Executive Summary:

Coventry & Warwickshire Local Enterprise Partnership (CWLEP) has been successful in negotiating and securing additional £42.44m of Growth Deal (GD) funding from central Government to add to the existing approval of £89.4m. In total, Growth Deal resources now total £131.8m which will support economic growth. By 2021 up to 7,500 jobs will be created and 3,500 homes built with a total investment of up to £240m.

The enlarged Deal remains focused on the four key areas of:

- New infrastructure that will improve connections, tackle congestion and support housing and employment sites.
- Driving innovation in Advanced Manufacturing and Engineering.
- Supporting businesses to flourish.
- Growing local skills and talent.

The Council has previously agreed to be the Accountable Body for the Coventry & Warwickshire First and Second Wave of Growth Deal funding and the Programme has been operational since 2015.

This report is seeking approval for the City Council to officially agree to accept the additional Growth Deal funding of £42.44m into its Accountable Body remit.

Recommendations:

Cabinet recommends that Council:

1) Authorise the City Council to accept an additional £42.44m of Growth Deal Funding in its role as Accountable Body and guarantor for the Coventry and Warwickshire Growth Deal and enter into grant aid agreements with delivery organisations.

Council is requested to:

1) Authorise the City Council to accept an additional £42.44m of Growth Deal Funding in its role as Accountable Body and guarantor for the Coventry and Warwickshire Growth Deal and enter into grant aid agreements with delivery organisations.

List of Appendices included:

Appendix 1: List of Growth Deal Programmes

Background Papers:

None

Other Useful Documents:

Coventry & Warwickshire Growth Deal
(Click Here to Access the C&W Growth Deal)

CWLEP Strategic Economic Plan
(Click here to access the Strategic Economic Plan)

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 – Council Meeting 5th September 2017

Report title: Coventry and Warwickshire Growth Deal 3 Allocation

Context (or background)

1.1 In March 2013 the Coalition Government published its response to Lord Heseltine's report No Stone Unturned. In its response the Government put in place a *Single Local Growth Fund* as part of its policy to restore economic stability and create the conditions for growth.

1.2 The Single Local Growth Fund would be allocated to Local Enterprise Partnerships (LEPs) through a process of negotiation and using a competitive tension to strengthen incentives on LEPs and their partners to generate local growth. In its first year, part of the funding allocated to each LEP would reflect existing allocations such as already approved transport schemes.

1.3 The Fund brings together a number of funding streams across Central Government departments, in particular transport, housing and skills, and would be operational from April 2015.

1.4 The basis for negotiation and the securing of funds would be through the development of a new multi-year Strategic Economic Plan (SEP) for the local area. This plan would allow the local area to negotiate with Government for the levers, resources and flexibility for its area. The Government made it clear that the allocation of funds was competitive but more importantly the allocation would reflect the quality of strategic proposals and local working arrangements put forward by the LEPs.

1.5 On 7th July 2014, following the process of negotiation, the Government announced the first wave of Growth Deals totalling £6bn, including £2bn from the Local Growth Fund for 2015 to 2016. CWLEP secured £74.6m from the Government's Local Growth Fund to support economic growth in the area. In 2015 CWLEP secured an additional £15.3m of Growth Deal funding.

1.6 As part of the process for updating the Coventry & Warwickshire SEP, CWLEP released a Transparent Open Call in July 2015 for major capital projects which aligned to CWLEP's strategic objectives that could be matched to appropriate funding opportunities as they emerge.

1.7 66 Expressions of Interest were received in response to the call, and at the CWLEP Board Meeting in January 2016, 51 were invited to submit full business cases. These 51 then formed the resulting pipeline used as the basis of the CWLEP's £150m GD3 bid, which was submitted to Government in July 2016.

1.8 In November 2016, Government gave an indicative GD3 offer of between £35m and £45m. CWLEP responded by highlighting the range of activities that would not be deliverable with an allocation of this size and submitted and pushed for a minimum of £61m GD3.Having delivered the 2016 Autumn Statement, Government offered CWLEP a final GD3 allocation of £42.44m on 1/12/2016.

1.9 In response, the GD3 pipeline has been further prioritised according to clear criteria and principles documented within CWLEP's Assurance Framework. This has resulted in 9 projects and schemes that have been awarded CWLEP GD3 funding.

The Table 1.0 is a summary of the funding that has been awarded under round 3 of Growth Deal (GD3).

Table 1.0 GD3 Allocations

Strategic Area	Project	Description	2017/18 and beyond £'m
Infrastructure	A452 Europa Way Corridor	Improvements to the infrastructure in a key transport corridor to the south of Warwick and Leamington Spa.	3.60
Infrastructure	Friargate and City Centre Connectivity	A package of infrastructure works to unlock further investment in Coventry City Centre.	11.80
Business & Innovation	CSW Broadband	This project will deliver a superfast broadband infrastructure to remaining properties in Coventry and Warwickshire.	1.00
Culture	Warwick Arts Centre 20:20	Warwick Arts Centre 20:20 proposes a major extension to an existing cultural attraction.	2.00
Business & Innovation	AME Expansion	The project will build on the success of the Institute for Advanced Manufacturing and Engineering (AME) - a cooperation between Coventry University and Unipart.	1.00
Skills	WMG Apprenticeship Learning Academy	Deliver a new facility to increase capacity for higher level skills through degree apprenticeship programmes for existing employees in high growth, advanced manufacturing and engineering (AME) businesses in the CWLEP region	10.00
Skills	Rugby HE Construction and Technology College	The project will enable the creation of a 3-storey, 1800sqm GIA building that will support development of higher level technical and professional skills in construction, technology, engineering and low carbon technology.	1.50
Infrastructure	Nuneaton Town Centre Transformation	The transformation of Nuneaton Town Centre will focus on the development of the Eastern Quarter.	7.50
Transport	Rugby Parkway Station	Rugby Parkway will provide a rail station on the outskirts of Rugby.	4.00
Programme Management Team	Coventry City Council	Delivery costs for The External Funding and Business Support Team. Capitalised Salary costs.	0.04
Total			42.44

1.10 The funding for the new projects is available from 2017/18 to 2020/21 and a provisional cash flow has been issued. Funding for 2017/18 has been confirmed from BEIS. However, future cash flow is subject to confirmation following the next comprehensive spending review and as such any project that is seeking to start will do so at its own risk.

1.11 In total, the expanded Growth Deal is anticipated to create up to 7,500 jobs, allow 3,500 homes to be built and produce a total investment of up to £240m.

1.12 The LEP has secured 'freedoms and flexibilities' from the Government which enables it to manage the overall Growth Deal programme locally, for example managing the cash flow within each year to meet both programme and project need. This will provide substantial scope for a flexible and responsive approach to programme management and has been utilised effectively in 2015/16 and 2016/17.

2 Options considered and recommended proposal

2.1 The only option considered has been for Coventry City Council to accept the additional Growth Fund resources into its role of Accountable Body.

2.2 It is recommended that the Council accepts the additional Growth Fund resources.

3 Results of consultation undertaken

3.1 The additional resources for the Growth Deal are an outcome of the SEP and its 2016 refresh. The SEP has been the result of close partnership working from a range of public and private stakeholders. This includes Local authorities, Chambers of Commerce, Federation of Small Businesses and Universities. The business groups of the LEP have also been engaged in the development of the plan and in particular this has directly resulted in the work to prioritise investment in key employment sites, transport and skill infrastructure.

4 Comments from Director of Finance and Corporate Services

4.1 Financial implications

4.1.1 The additional resources of £42.44m Growth Deal make the total financial package from Growth deal of £131.8m. The capital resource for 2017-18 will be added to the Capital Programme as part of the Quarter 2 Capital Reporting Process, with future years resource added via the Budget Setting Report"

4.1.2 An offer letter has been received for the Growth Deal funding for 2017/18 totalling £23.123m and this payment has been received. The letter also confirms the tail funding for up to 2021 with an indicative cash flow per annum. However, this cash flow is subject to final confirmation and projects will have to accept the risks associated with this if they wish to commence.

4.1.3 As Accountable Body, Council Officers will ensure effective governance arrangements are in place to facilitate appropriate control over the allocation of resources and spend against the approved programme. The existing External Funding and Business Support Team will use existing staff to manage the Growth Deal and deliver the Council's Accountable Body function. Any further resourcing of staff to deliver the programme management will be met by external grant funding.

4.1.4 Revenue costs associated with the management, delivery and monitoring of individual schemes will be addressed in the formal approval of the individual schemes through the appropriate approval channel and not in this Cabinet report.

4.2 **Legal implications**

4.2.1 The Council will be issued with a grant offer containing Government terms and conditions. These will be devolved across to the name scheme applicants within the Growth Deal in Grant Aid Agreements. These will ensure appropriate conditions and obligations are passed to the applicants who receive the funding for delivering projects. The City Council has power to act as guarantor under section 1 of the Localism Act 2011.

5 Other implications

5.1 **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)?**

5.1.1 The Growth Deal will directly deliver against the Council's Plan, in particular it will contribute to:

- Support businesses to grow.
- Create infrastructure for the City to thrive.
- Develop the city centre for the 21st century.
- Raise the profile of Coventry.
- Create jobs for local people.
- Increasing the supply, choice and quality of housing.
- Create an attractive, cleaner and greener City.

5.2 **How is risk being managed?**

5.2.1 Experienced, robust and audited arrangements are already in operation within the Place Directorate to deliver the Accountable Body function for the Council. The External Funding and Business Support Team ware not only experienced in bidding for and securing funds, they also provide an extensive and recognised programme management function on behalf of the Council and CWLEP for a number of schemes, currently totalling over £194.5m.

5.2.2 As an authority we have been, and continue to be, the Accountable Body for millions of pounds worth of external funding and we have never had to repay grant back to the funder within the Place Directorate. Our reputation for delivering to time, budget, spend profile and within the rules is second to none.

5.2.3 The financial risk of the Growth Deal will sit with the Council. At this time it is anticipated that payments are made quarterly in advance but the LEP is seeking ‘freedoms and flexibilities’, which if successful will see the full annual amount paid up front. Government will hold a “general power of variation” over our Growth Deal Funds. This gives them the right to reduce funding or cease a programme completely if external funding is not being managed to the correct standards, or it does not appear that the employment outcomes will be met. This is the same with all our grant funded programmes from Government. This risk will be mitigated by the implementation of strict procedures for the programme management of Growth Deal-funded work, close liaison with our Government monitoring officer, and ensuring that funding contracts awarded by the Council for the completion of infrastructure works place risk on the organisations which complete the works.

5.2.4 The individual projects will each have project officers/managers in place responsible for managing compliance with the funding requirements such as publicity, procurement and for monitoring progress including making grant claims to Government. The highly experienced Planning, Transport & Highways division who have already successfully delivering Public Realm will continue to implement the Coventry Schemes within the Growth Deal.

5.2.5 Schemes delivered outside of the City Council by neighbouring authorities will enter into a standard Grant Aid Agreement (GAA) with the City Council as accountable body. It is standard practice within GAA's to transfer as much risk as possible to the successful applicant and project deliverer.

5.2.6 The External Funding and Business Support Team will have regular meetings with all the projects to review overall progress and to liaise between them and the Government co-ordinating the monitoring and evaluation of the Growth Deal on behalf of the CWLEP.

5.2.7 Performance will be monitored on a bi-monthly basis by the CWLEP's Programme Delivery Board, and reported to the Joint Committee and an annual progress report on the Growth Deal will be completed and brought back to Cabinet.

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

5.3.1 **Human Resource Implications**

There are no current staff resource implications for the External Funding and Business Support Team was an existing Growth Deal Programme Team are in place. If staffing resources are needed they will be recruited in line with the Council's current recruitment policies and procedures.

5.4 **Equalities / EIA**

5.4.1 It is the responsibility of each of the projects within the Growth Deal to undertake an Equality Impact Assessment as part of project development and impact. By 2021, this Deal will create at least 7,500 jobs across the City and region. The ambitions of our Strategic Economic Plan for Coventry & Warwickshire talk about the development of over 50,000 jobs. It is clear that the Growth Deal presents a positive trajectory on the availability of jobs across the sub-region.

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

5.5.1 The large scale infrastructure projects will have an impact on the environment across the city. The projects will improve the environment, public spaces and surrounding areas and will all go through the planning system via the appropriate Local Planning Authority for each project area.

5.6 **Implications for partner organisations?**

5.6.1 No direct implications. Some of the surrounding local authorities are likely to be the lead deliverers for some of the schemes and therefore will be contracted partners.

Appendix 1: List of Growth Deal Programmes

All capital unless specified

Key Area	Project	Description	Status
Skills	Advice Centre	This new centre at City College Coventry will deliver: employability skills for those out of work, re-skilling employees at risk of redundancy, improving functional skills, diagnostic testing for young unemployed people, developing programmes aligned to CWLEP priority sectors.	Project delivered
Skills	Venture House	Converting an existing local authority building into a 'state of the art' business support facility	Project delivered
Infrastructure	Coventry A45 Corridor	Transport Efficiency Scheme	In development
Business & Innovation	R&D Steel	Creation of a new internationally competitive research & development and skills infrastructure facility that will support the development of new lightweight steel products and create the environment to develop the next generation of experts in this area.	In progress
Skills	Trident	This investment will enable the college to purchase new equipment and refurbish college buildings, which will provide additional apprenticeship training in advanced manufacturing and engineering.	Project delivered
Businesses	Duplex Fund	A loans and grants business support fund to support business growth within Coventry and Warwickshire.	In development
Infrastructure	A5 Corridor Project	This will enable the dualling of the A5/A47 Longshoot to Dodwells which will reduce congestion, improve journey time reliability, and support economic activity in Warwickshire and Leicestershire.	In development
Infrastructure	Coton Arches	Transport improvement works at Coton Arches in Nuneaton.	In progress
Transport	Very Light Rail	Very Light Rail scheme for Coventry.	In progress
Transport	Dynamic Routing	This will develop and demonstrate a new technology to use cloud-based systems to provide pre and in journey motorway and local road traffic data.	In progress
Infrastructure	A46 N-S Corridor (Stanks)	Transport improvements on the junction of the A46 in Warwick	In progress
Transport	Kenilworth Station	New train station build.	Financially complete
Business & Innovation	National Transport Design Centre	Creation of an international centre of design excellence for innovation and research, which develops the specialist designers, creative leaders and new products needed for business growth in the High-Value Manufacturing sector.	Project delivered
Infrastructure	Unlocking Development	Programme of infrastructure works within	In progress

Key Area	Project	Description	Status
	Sites	Coventry and Warwickshire.	
Transport	North South Rail and Coventry Station / Coventry Station Access	Will improve passenger capacity and secure an increase in train service frequency between Coventry-Bedworth-Nuneaton and a bay platform at Coventry Station	In progress
Infrastructure	Connectivity To UK Central	Programme of Infrastructure	In development
Skills	Construction Centre Expansion	Expansion of Warwickshire College Construction Centre	Project delivered
Skills	Warwickshire College Science Technology Engineering Maths	Creation of a state of the art Science Technology Engineering and Maths facility for Warwickshire College	Project delivered
Skills	City College Science Technology Engineering Maths	Creation of a dedicated Digital Skills Science Technology Engineering and Maths Centre at City College Coventry	Project delivered
Skills	Warwickshire Manufacturing Group Academy Pre-Development	Academy, which will deliver degree level apprenticeships dedicated to High Value Manufacturing (Advanced Manufacturing Engineering). The Academy will address the significant under capacity in High Value Manufacturing education.	In progress

Report author:

Name and job title:
Andy Williams
Head of External Funding and Business Development

Lucy McGovern
Growth Deal Programme Manager

Directorate:
Place

Tel and email contact:
Tel: 024 7683 3731
Email: andy.williams@coventry.gov.uk

(All queries should be directed to the above person)

Contributor/ Approver name	Title	Directorate	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Place	20/07/17	21/07/17
Barbara Barrett	Head of Human Resources and Organisational Development	Place	20/07/17	25/07/17
Sunny Heer	Lead Accountant	Place	21/07/17	27/07/17
Name of approvers for Submission: (Officers and Members)				
Helen Williamson	Lead Accountant	Place	20/07/17	21/07/17
Oluremi Aremu	Major Projects Lawyer, Legal Services	Place	21/07/17	02/08/17
David Cockroft	Director City Centre and Major Project Developments	Place	03/08/17	03/08/17
Councillor J O'Boyle	Cabinet Member for Jobs and Regeneration	-	04/08/17	06/08/17
Councillor J Mutton	Cabinet Member for Strategic Finance and Resources	-	04/08/17	05/08/17

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CONFERENCES/SEMINARS

AUTHORITY FOR ATTENDANCE

THIS FORM TO BE USED FOR COUNCILLORS (FOR ATTENDANCE BOTH IN AND OUTSIDE THE U.K.) AND FOR EMPLOYEES (OUTSIDE THE U.K. ONLY OR, IF ACCOMPANYING A COUNCILLOR, INSIDE THE UK)

1. Title of Conference	City of Kiel's Official Ceremony to mark the 70th anniversary of Friendship Links with Coventry
2. Organising Body	Kiel City Council
3. Location	Kiel, Germany
4. Date(s)	8th – 11th September 2017
5. Councillor(s) recommended to attend	The Lord Mayor, Councillor Tony Skipper will be attending, but Authority for Attendance is not required as within the European Union. Councillor Abdul Salam Khan, Deputy Leader of the Council
6. Employee(s) recommended to attend	Principal Private Secretary to the Lord Mayoralty
7. Cost per person, including travel, etc (Note: If total cost is less than £100.00, formal Cabinet/Cabinet Member approval is not required).	Flights only (inc. baggage and seat reservations) Cost £216.03 per person [as at 25/07/17] The City of Kiel covers the cost of accommodation, meals and internal transfers for the group. There is no charge for travel insurance for the Group £200 subsistence for the group for incidental expenditure.
8. Is participation at this event as part of a group	Yes
9. If so, how many people IN TOTAL will be attending the event as part of that group	Number: 5 The Bishop of Coventry has been invited by St Nikolai Church The Dean of Coventry to form part of the civic party Both self-funding

10. Is there anyone travelling with the Member, officer or group in relation to whom any of the costs of travel, accommodation or any other expense will be paid for by a Member or officer. If "YES" please state number.	No
11. Source of Funding (FIS Code) 11225	Lord Mayor's Hospitality Budget will fund the travel for Lord Mayor, Deputy Leader and 1 Officer
12. What are the reasons for attendance and what benefits to the City Council are expected from attendance	Coventry, has had a friendship link with the city of Kiel since 1947 – 70th anniversary. The formal twinning partnership agreement was signed on 10th September 1967 – 50th anniversary. Announced some months ago, the City of Kiel are celebrating this long partnership by holding an official Special Meeting of Kiel City Council on Saturday 9th September 2017 to which the Lord Mayor is invited to address the Council. On Sunday 10th September there will be a special gathering of the Cross of Nails Community at St Nikolai Church as Kiel were the first recipients of a Cross of Nails in 1947 – similarly 70th anniversary. The visit will help to maintain the close relationship with the city administration of Kiel which continues to be very active. It is anticipated that a delegation from Kiel will have a return visit to the Coventry in November at the time of Remembrance Sunday Completed By/Signed: Jane Barlow Date: 25.07.17
13. Is this conference part of an overall project involving further visits in the future?	YES
14. Recommendation of Cabinet Member/ Cabinet/Chair of any other City Council Committee **(a) Are you satisfied that there is a genuine reason for attendance and genuine benefit for the Council?**	YES/NO YES/NO

(b) Will Councillor attendance affect the decision-making processes of the Council? **(c) Is attendance recommended?**	YES/NO YES/NO Signed: Date:
15. Cabinet Member's recommendation	YES/NO Signed: Date:
16. Leader's recommendation	YES/~~NO~~ Signed: Date: 25/7/17.
17. Person responsible for booking conference following approval of attendance	Name: Jane Barlow, Principal Private Secretary to the Lord Mayoralty Place Directorate Telephone No: (024) 7683 3047

Decision **APPROVED / NOT APPROVED**	Cabinet Member/Cabinet Date:

Notification to: **(a) Officer responsible for booking conference** **(b) Councillor attending** **(c) Member of Management Board** **(d) Members' Services** **(e) Committee Officer**	<u>YES/NO</u>	<u>DATE</u>

Date report back obtained	

Date of meeting of Scrutiny to receive report back	

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Coventry City Council

Public report
Cabinet

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 29th August 2017

Name of Cabinet Member:
Cabinet Member for Jobs and Regeneration – Councillor J O'Boyle

Director Approving Submission of the report:
Deputy Chief Executive (Place)

Ward(s) affected:
Longford

Title:
The Regeneration of Riley Square

Is this a key decision?
No

Executive Summary:

Riley Square Shopping Centre is part of the Bell Green District Centre that was built in the 1960's.

The shopping centre has an outdated design and suffers from a lack of significant investment and is in a poor physical condition. The decline in the shopping centre has been accelerated with changing shopping habits and nearby competing centres including the Arena Park, Courthouse Green and the Gallagher Retail Park

A report was taken to the former Cabinet Member for Business, Enterprise and Employment on 29th March 2016 (his minute 64/15 refers), to authorise officers to enter into an Exclusivity Agreement with Innovative Retail Development Limited (IRDL) for them to undertake a feasibility study for proposals for the investment and refurbishment of Riley Square and possible terms for disposal by way of a long lease.

Following lengthy discussions with the Council and Whitefriars Housing Association, IRDL are now in a position to enter into a 150 year lease with the Council, which will enable the refurbishment and redevelopment of the centre. The lease will include the whole of the shopping centre and the residential parts, which are subject to a long lease to Whitefriars.

The centre will need to be remodelled and it is essential that the visibility of the retail offer is improved. IRDL have undertaken negotiations with Whitefriars and in principle Whitefriars are supportive of the proposals. It has been proposed that Council owned land at Almond Tree Avenue has been identified for the development of affordable houses to compensate Whitefriars for any future loss.

IRDL have identified substantial capital investment is required to resolve outstanding repairs and maintenance, health and safety issues and public realm to modernise the centre**.** If the Council was to commit this capital spend over the medium term, any financial investment would not be worthwhile as it would not get the return on the investment.

Recommendations:

Cabinet is recommended to

(1) Delegate authority to the Director of Project Management and Property Services to enter into a new 150 year lease with IRDL on a Full Repairing and Insuring Basis.

(2) Approve that the land at Almond Tree Avenue is transferred from the Council to Whitefriars to assist in the regeneration of Riley Square.

(3) Authorise the advertisement of the proposed disposal of the public open space in accordance with the requirements of Section 123 (2A) of the Local Government Act 1972 (as amended) and for any representations to be reported back to Cabinet Member for Jobs and Regeneration for consideration.

(4) Delegate authority to the Legal Services to execute all the necessary documentation to give effect of the transfer and the lease.

(5) Delegate authority to the Director of Project Management and Property Services following consultation with the Cabinet Member for Jobs and Regeneration, to make any subsequent variation in relation to the terms of the proposals in this report.

List of Appendices included:

Site plan

Background Papers

None

Other useful documents:

Cabinet Member (City Development) 27th November 2008 "Proposals for Riley Square District Shopping Centre" Report and associated minute

Cabinet Member (Business, Enterprise and Employment) 21st March 2016 – "Proposals to Enter into an Exclusivity Agreement (with Innovative Retail Development Limited) for Riley Square Shopping Centre" Report and associated minute

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: The Redevelopment of Riley Square

1. Context (or background)

1.1 Riley Square was built in the 1960's consisting of a mixture of ground floor retail units with some residential units situated above. The residential units are owned and managed under a long lease from the Council by Whitefriars under the housing stock transfer in 2000.

1.2 As a district centre, Riley Square has been in decline for a number of years and this has accelerated due to the development of competing centres in the vicinity such as the Arena, Courthouse Green and the Gallagher Retail Park and changing shopping habits. There has also been a lack of investment by the Council in Riley Square and if retained by the Council a back log of works would need to be undertaken.

1.3 There are a variety of retailers in the shopping centre ranging from local independent traders to multiple retailers such as Farmfoods and Lloyds Pharmacy however it is recognised that for the shopping centre to flourish, more established names need to be attracted to Riley Centre to increase the footfall. Currently there are 32 units and at the time of writing 10 are vacant. Most of the retail units are let on short leases to independent traders.

1.4 The centre currently produces an annual net income to the Council of circa £90,000. If the Council retains Riley Square significant spend is needed which would reduce the net annual income to nil for a number of years.

1.5 IRDL approached the Council in late 2015 and they identified the long term potential in the Centre and since the Cabinet Member for Jobs and Regeneration report in March 2016, have been assessing the viability. There initial findings only confirmed the earlier reports undertaken by Chestertons in 2003 and the Nuneaton and Bedworth Neighbourhood Centre Appraisal 2007 that:

- Income from assets represents poor financial return
- Poor income security with short leases and poor covenant strength
- Outdated design and poor condition of fabric
- Need for substantial investment and intervention.

1.6 Due to the lack of investment by the Council, IRDL have identified that substantial capital will be needed to be spent on health and safety works, removal of canopies, lightening improvements , public realm, improving shop fronts, partial demolition etc. A four year phased programme of investment is proposed.

1.7 IRDL realised early in the period of study that to make a substantial change and to ensure that the shopping centre and hence their investment is viable and sustainable, the Centre needs to be reconfigured. The existing frontages are poor and dominated by the existing Whitefriar's flats acting as a barrier. Current entrances into the centre are narrow and unwelcoming with the centre itself an inward looking scheme.

1.8 To make a major transformation and to open up the vista of the centre, areas of the centre will need to be remodelled and/or demolished, which will require agreement with Whitefriars.

1.9 To ensure that Whitefriars are compensated for any loss, the land at Almond Tree Avenue will transferred to Whitefriars. In return, the release of areas controlled by Whitefriars will provide the springboard for investment into the scheme from IRDL.

1.10 Following IRDL's period of due diligence, they are willing to enter into a 150 year full repairing and insuring lease with the Council. The terms are outlined in the private report

2. Options considered and recommended proposal

2.1 Proceed with Innovative Retail Development Limited

2.1.1 There is a prime opportunity for Riley Square to be remodelled and regenerated to better serve the local community. IRDL are willing to enter into a long lease subject to minimum rent. The terms are contained in the private report.

2.1.2 As part of the agreement with IRDL there will be a Schedule of Investment/Memorandum, which will outline key milestones in the development and works that will need to be accomplished to ensure that their obligation to invest in the centre is secured.

2.1.3 By transferring Riley Square to IRDL, the Council will be relinquished of a cost intensive and high asset management liability. The Council will not have to fund any major repairs programme thus making savings and off-setting liabilities. As soon as the lease is signed, IRDL will be responsible for the centre and IRDL have already stated that works will commence from the day the lease is completed.

2.1.4 IRDL have identified substantial investment is required to be spent on the centre to resolve health & safety issues, improving public realm, demolition, improving shops fronts, removing canopies etc.

2.1.5 With the centre being remodelled, the retail offer will improve as some units will be configured to allow the opportunity for more well-known retailers to take units in the Centre. However retail units will be set aside in the scheme for small independent retailers.

2.1.6 The Council have delayed committing substantial funds to repairs and maintenance and have only acted on a reactive basis. If we were to undertake the repairs and maintenance identified, the annual net income would be dramatically reduced. Without significant investment and modernisation, the on-going cycle of decline will continue and the centre will become obsolete.

2.1.7 Following lengthy negotiations IRDL have reached agreement with Whitefriars on areas of the centre to be remodelled and demolished.

2.1.8 Council owned land at Almond Tree Avenue has been identified to develop replacement affordable family housing units for Whitefriars.

2.1.9 The land at Almond Tree Avenue is currently open space and the Council will take the necessary steps in order to dispose of this site.

2.1.10 If IRDL cannot reach agreement to remodel and demolish areas of the centre, the development will not proceed as the lease to IRDL will not be granted.

2.2 Continue with the Status Quo/Redevelopment

2.2.1 The Council could invest its own capital resources and undertake the regeneration of Riley Square itself, however this is not a viable option as the Council does not have the expertise and market contacts to deliver a complex redevelopment of this nature.

2.2.2 If the opportunity is not taken, there will be an on-going liability for the Council and funds will have to be allocated to resolve any outstanding health and safety/ repairs and maintenance issues.

2.2.3 The asset will continue to underperform without any real outlook for change or improvement. The income from assets will continue to represent a poor financial return with most tenants on short tenancies and of poor covenant strength therefore providing the Council with little income security.

2.3 **Recommendation**

2.3.1 It is recommended that the Council enters into the long lease with IRDL for a term of 150 year and that the land at Almond Tree Avenue is sold to Whitefriars at a peppercorn rate to secure the investment by IRDL into Riley Square.

3. Results of consultation undertaken

3.1 No consultation has been undertaken

4. Timetable for implementing this decision

4.1 If approved the Council will enter into the lease with IRDL and they will become responsible for the management, refurbishment and redevelopment of Riley Square.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The Council currently yields a net annual income which is higher than would normally be expected as maintenance and any upgrade of the centre has been withheld, pending an investment partner. Any significant financial investment in the centre by the Council would not be worthwhile as we would be most unlikely to get the return on investment, nor do we have the expertise to undertake the regeneration of the centre ourselves.

The developer is proposing to invest in redeveloping the centre in return for a long leasehold interest of the whole site and WHG are in agreement with the proposals but would require compensation for their assets. It is proposed to compensate WHG with a site at Almond Tree Avenue, which together with the value of Riley Square is still somewhat lower than the investment proposed by the developer.

In addition, in return for the proposed 150 year lease, on an FRI basis, the Council would be guaranteed a minimum rental and be free of all future repair liabilities

5.2 Legal implications

Local authorities are able to dispose of land and buildings at less than the best consideration reasonably obtainable under the General Disposal Consent (England) 2003, where the ‘undervalue’ is less than £2million. The lease proposals contained in this report will be classified as a disposal. The Consent requires the local authority to be of the view that the disposal is likely to secure the promotion or improvement of the economic, social or environmental well-being of its area or residents in its area.

There is no requirement that local authorities undertake a tendering process within the General Disposal Consent. However, there is the general requirement for authorities to follow “normal and prudent commercial practices”. Where a local authority has undertaken a valuation of the asset to understand the level of the ‘undervalue’ and has established a robust business case for transfer, there would be no further requirement to ‘market test’ a transfer proposal to meet the General Consent criteria.

The Council has a fiduciary duty at all times to the taxpayers and must fulfil this duty in a way which is accountable to local people.

If the Council is minded to transfer the land to Whitefriars it needs to have rationalised why the disposal brings benefits that outweigh undertaking a market process and establish it is for community purposes not likely to distort State Aid.

The land to be transferred to Whitefriars is currently designated “open space”. An open space is defined as “any land, whether enclosed or not, on which there are no buildings or of which not more than one-twentieth part is covered with buildings and the whole of the remainder of which is laid out as a garden or is used for purposes of recreation, or lies waste and unoccupied.

Subsection 123(2A) of the Local Government Act 1972 requires the Local Authority to advertise the intention to dispose of open space land and consider objections.

The report therefore seeks authority to advertise the disposal of the land and to also report back to Cabinet Member for Jobs and Regeneration if any objections are received for them to be considered.

6. Other implications

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

The delivery of a regenerated Riley Square District Centre and new housing will help deliver a more vibrant and economically prosperous area, which will benefit the local community and neighbourhood.

6.2 How is risk being managed?

If IRDL cannot remodel/demolish areas of the centre, the lease to IRDL and the regeneration of Riley Square does not proceed. This risk has been identified earlier in the report.

6.3 What is the impact on the organisation?

The impact on the organisation will be minimum, apart from resources from Legal Services to complete the legal documentation.

6.4 Equalities / EIA

The proposal does not require an EIA because the position will remain unchanged in the short term however any longer term proposals may require an EIA as they may impact upon the groups using the local facilities and the local community.

6.5 Implications for (or impact on) the environment

There are no impacts on the environment.

6.6 **Implications for partner organisations?**

The most obvious partners affected by this proposal will be local traders and tenants of the Whitefriars Housing Group. IRDL will consult all stakeholders as part of the regeneration/development process.

Report author(s):

Name and job title:
James Grant
Principal Surveyor Development Services

Directorate:
Place

Tel and email contact:
Tel: 024 7683 3674
Email: James.Grant@coventy.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Richard Moon	Director of Project Management and Property Services	Place	26.07.2017	26.07.2017
Graham Stephens	Head of Property	Place	23.07.2017	25.07.2017
Paul Beesley	Manager - Property Development, Disposal and Acquisitions	Place	23.07.2017	25.07.2017
Michelle Salmon	Governance Services Officer	Place	27.07.2017	27.07.17
Names of approvers for submission: (Officers and Members)				
Phil Helm	Finance Manager	Place	23.07.2017	25.07.2017
Oluremi Aremu	Major Projects –Lead Lawyer	Place	25.07.2017	26.07.2017
Martin Yardley	Deputy Chief Executive (Place)	Place	28.07.2017	01.08.2017
Councillor J O'Boyle	Cabinet Member for Jobs and Regeneration	-	02.08.2017	02.08.2017

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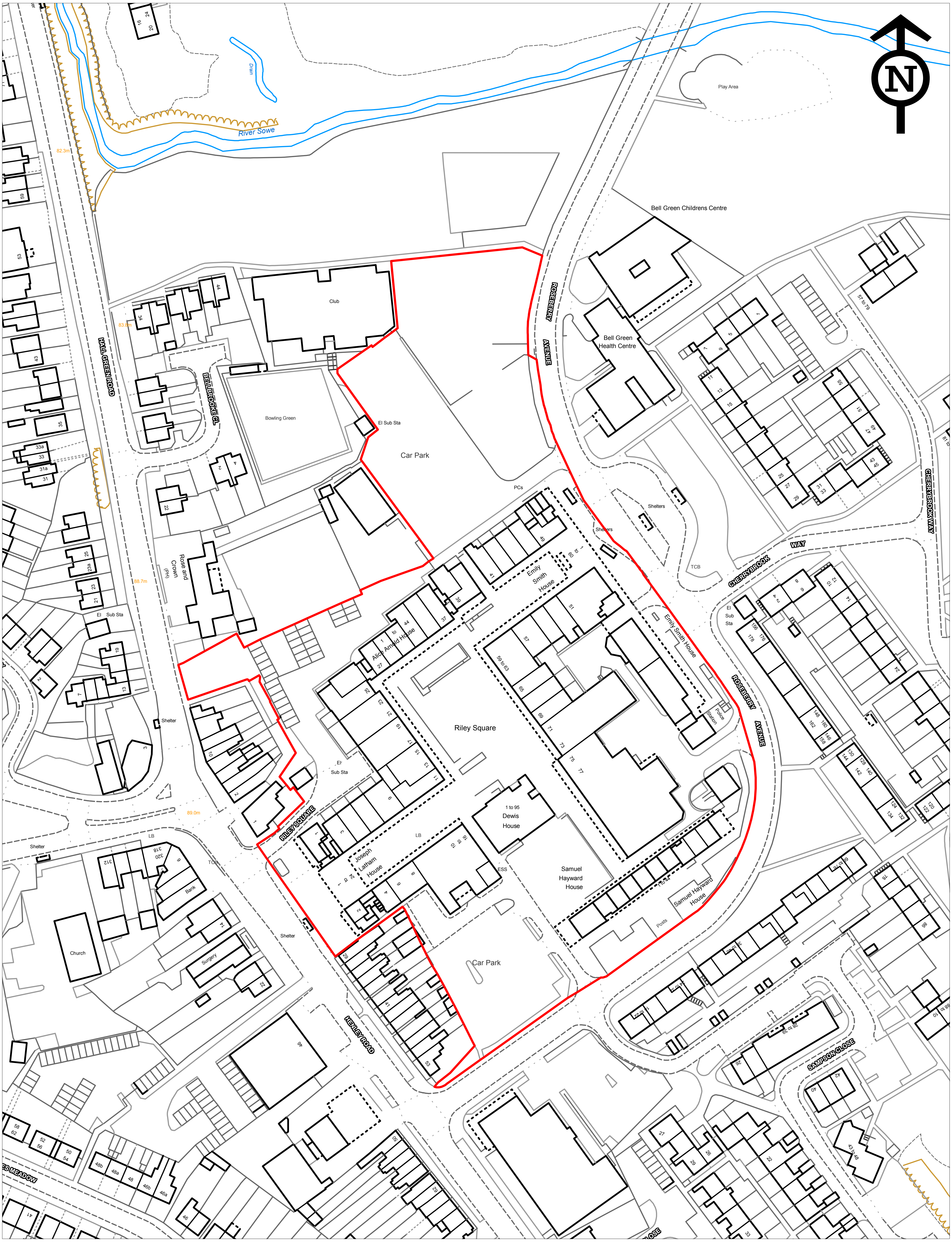

PLACE DIRECTORATE
STRATEGY & PERFORMANCE TEAM
FLOOR 9, CIVIC CENTRE 4
MUCH PARK STREET
COVENTRY CV1 2PY
024 7683 2755

Coventry City Council

Riley Square, Longford, Coventry

Drawn By: NH
Scale: 1:1250 at A3
Date: 27/07/2017

Martin Yardley - Executive Director, Place
Richard Moon - Assistant Director, Project Management & Property Services

Coventry City Council

Public report
Cabinet Report

A separate report is submitted in the private part of the agenda in respect of this item, it being commercially sensitive, and is 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 business affairs of an organisation who own the commercial rights to the Coventry and Warwickshire Agreed Syllabus for Religious Education 2017-2022 with the five year license providing permission for the syllabus and additional materials to be used in schools in Coventry and Warwickshire.

Cabinet 29th August 2017

Name of Cabinet Member:
Cabinet Member for Education and Skills – Councillor K Maton

Director Approving Submission of the report:
Deputy Chief Executive (People)

Ward(s) affected:
All

Title:
Coventry and Warwickshire Agreed Syllabus for Religious Education 2017-2022

Is this a key decision?
Yes, as it affects all schools in the City.

Executive Summary:

Local Authorities have a statutory duty to set up and maintain a 'Standing Advisory Council for Religious Education' (SACRE) whose duties include giving advice to the LA on the Religious Education (RE) given under the Agreed Syllabus, and to monitor the provision and quality of Religious Education provided by the Agreed RE syllabus in the Local Authority's Community Schools (LA maintained schools that do not have a religious character). The LA also has a statutory duty to set up and appoint members to an occasional body that is required to review the locally Agreed Syllabus for Religious Education every five years known as the Agreed Syllabus Conference (ASC). All Community, foundation and voluntary aided or voluntary controlled schools in Coventry without a religious character must teach RE according to the locally agreed syllabus adopted by the LA. Academies and schools which do have a religious character may use the locally agreed syllabus.

Recommendations:

Cabinet is asked to approve the Agreed Syllabus for Religious Education for use in Coventry schools over the next five years (2017-2022).

List of Appendices included:

The Appendix is private due to commercial sensitivities and is attached to the corresponding private report

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?

The ASC on 12 June 2017 unanimously agreed to recommend the final draft of the new Syllabus to Cabinet. Coventry SACRE agreed the new syllabus on 12 June 2017.

Warwickshire County Council's Cabinet approved the Agreed Syllabus for use in Warwickshire schools from September 2017.

Will this report go to Council?

No

Report title:
Coventry Agreed Syllabus for Religious Education 2017-2022

1. Context (or background)

1.1 Coventry has a SACRE which meets once per term.

1.2 Coventry SACRE is a statutory body made up of four groups of members representing:
- Christian denominations and other religions, and religious denominations that appropriately reflect the principal religious traditions of the area. Currently, SACRE has representatives from the religious backgrounds of Baha'i, Buddhism, Christianity (Roman Catholic and Non-Conformist), Hinduism, Islam, Judaism and Sikhism;
- the Church of England (Christianity);
- Teachers' Associations;
- Coventry City Councillors.

1.3 In addition members are co-opted to the group to include people with particular expertise in the area of Religious Education or to represent other groups.

1.4 The Local Authority has a duty to set up and appoint members to an occasional body known as the Agreed Syllabus Conference (ASC). The ASC is responsible for reviewing the locally adopted Agreed Syllabus for Religious Education every five years.

1.5 The Agreed Syllabus Conference has the same membership as Coventry SACRE and is convened at SACRE meetings.

2. Options considered and recommended proposal

2.1 Coventry's ASC began the process of reviewing the current syllabus in academic year 2014-2015. This led to some progress being made, but was insufficient to be in a position to have a full syllabus ready to launch for first teaching in September 2017.

2.2 After considering a number of different options, Coventry's SACRE decided to work jointly with Warwickshire's SACRE to develop the Agreed Syllabus. By working together both SACREs have benefitted, for example: both have shared goals and values and by working together they have gained from a wider skills base and expertise. The teacher groups have complimented each other well and have ensured all key stages are represented and joint working echoes changes in school organisation, e.g. multi academy trusts working across multiple authority areas.

2.3 There are a number of members who sit on both Coventry and Warwickshire SACREs, this includes the Chair, Church of England and Buddhist representatives.

2.4 At a joint Coventry and Warwickshire SACRE meeting on 8th March 2017, the Coventry and Warwickshire ASCs were convened to jointly consider four options:
- Commissioning a fully bespoke syllabus
- Re-issue the existing syllabus
- Purchasing a model Agreed Syllabus from RE Today
- Adopting Staffordshire's Agreed Syllabus

2.5 A vote was taken and the decision made by the two ASCs to recommend that the model Agreed Syllabus by RE Today should be purchased for use in Coventry and Warwickshire.

2.6 RE Today are a registered charity who work nationally and internationally to support Religious Education in schools. They have a wealth of experience supporting SACREs in their syllabus development and other RE requirements.

2.7 As RE Today have written the model Agreed Syllabus they own the commercial rights to it. The five year license provides permission for the syllabus and additional materials to be used in schools in Coventry.

2.8 Additional units have been produced by separate writing groups made up of teachers from primary, secondary and special schools and SACRE members. These units will accompany the model syllabus to ensure it reflects the local context of both Coventry and Warwickshire schools.

2.9 Members will see that the Agreed Syllabus consists of statutory information for schools, programmes of study for each key stage, it also contains a wealth of additional resources to support the teaching of RE in schools.

2.10 All schools (academies and LA maintained schools without a religious character) will receive a paper based copy of the syllabus and an electronic version for future use.

3. Results of consultation undertaken

3.1 This syllabus has been prepared in consultation with the 'RE Today' team, members of both Coventry and Warwickshire SACREs and practising teachers in Coventry and Warwickshire.

4. Timetable for implementing this decision

4.1 Although this syllabus has been introduced for use from September 2017, the 2017-18 academic year will be used as an implementation year and Coventry and Warwickshire SACREs would expect to see it fully embedded and in use across schools from September 2018.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The Local Authority has a duty to set up and maintain SACRE/ASC. From 2017/18 this is funded from centrally retained dedicated schools grant with agreement from the Schools Forum. The annual cost of maintaining SACRE/ASC varies, and the Local Authority will manage this from within centrally held dedicated schools grant. The duties and timing of expenditure is below:

- National Association of Standing Advisory Councils on Religious Education (NASACRE) membership – annual cost
- Purchasing a five year license per school from RE Today – cost incurred every 5 years
- Producing and printing additional units – as and when required
- Launching the new Agreed Syllabus into schools – cost incurred every 5 years
- Clerking/support services to SACRE/ASC meetings – annual cost

5.2 Legal implications

The Local Authority has a duty under s390 of the Education Act 1996 to set up and appoint representatives to a permanent body known as the Standing Advisory Council on Religious Education (SACRE). Additionally the Local Authority has a duty to set up and appoint members to an occasional body known as the Agreed Syllabus Conference (ASC). The

ASC is responsible for reviewing the locally adopted Agreed Syllabus for Religious Education every five years. The ASC must produce and unanimously recommend for adoption by the LA, an agreed syllabus for RE which is educationally sound and meets the statutory requirements.

6. Other implications

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

Good Religious Education makes a positive contribution to the learning of pupils. This agreed syllabus will enable pupils through RE to develop their knowledge and skills to prepare them for life in a modern, diverse Britain and in a plural world. It is structured so that pupils are challenged to think rigorously and creatively, to make informed judgements and to understand that it is acceptable to have doubts and to disagree in a reasoned and sensitive way. In the process they can examine and reflect upon a range of questions about spirituality and identity, morality, values and commitments. Living in and growing up in the world of the 21st century will challenge all pupils. RE is important to help pupils to become literate and articulate about religions and beliefs, and to be thoughtful members of society. In learning from religion they are able to make informed choices about how they want to live their lives whilst also understanding more about the faith of other people they meet. RE is therefore relevant to every pupil and every citizen of Coventry.

6.2 **How is risk being managed?**

Failure to have and/or adopt an Agreed Syllabus would lead to a breach of the Local Authority's statutory duties in relation to Religious Education in schools.

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

None

6.4 **Equalities / EIA**

An Equalities Analysis is in the process of being completed and will be signed off before implementation.

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

None

6.6 **Implications for partner organisations?**

Coventry and Warwickshire SACREs decided to work together and agree on a syllabus that promotes good, effective and thought provoking RE across both city and county; a syllabus that both builds bridges and engages with the aim of peace and reconciliation as pupils explore matters of faith, spirituality, religious community and moral issues.

All Community, foundation and voluntary aided or voluntary controlled schools in Coventry without a religious character must teach RE according to the locally agreed syllabus adopted by the LA. Academies and schools which do have a religious character may use the locally agreed syllabus.

Report author(s):

Name and job title:
Anne Brennan
Head of Service 11-19(25) Education Entitlement

Directorate:
People

Tel and email contact:
Email: anne.brennan@coventry.gov.uk
Tel: 07812 741215

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Place	03.08.2017	07.08.2017
Lucy Lambert	Education Support and Improvement Service Co-ordinator	People	07.08.2017	08.08.2017
Names of approvers for submission: (Officers and Members)				
Rachael Sugars	Finance Manager	Place	03.08.2017	07.08.2017
Elaine Atkins	Solicitor, Legal Services	Place	03.08.2017	07.08.2017
Gail Quinton	Deputy Chief Executive (People)	People	08.08.2017	08.08.2017
Councillor K Maton	Cabinet Member for Education and Skills	-	08.08.2017	08.08.2017

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Coventry City Council

Public report
Cabinet Report

Cabinet 29 August 2017

Name of Cabinet Member:
Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:
Deputy Chief Executive (Place)

Ward(s) affected:
N/A

Title:
Outstanding Issues

Is this a key decision?
No

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:
Lara Knight
Governance Services Co-ordinator

Directorate:
Place

Tel and email contact:
E-mail: Lara.knight@coventry.gov.uk
Tel: 024 7683 3237

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Names of approvers: (officers and Members)				

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Appendix 1

	Subject	Minute Reference and Date Originally Considered	Date For Further Consideration	Responsible Officer	Proposed Amendment to Date For Consideration	Reason for Request To Delay Submission Of Report
1.	**Coventry Station Masterplan Update** Report on proposed constructor contract appointments	Minute 101/16 24th January 2017	March 2018	Deputy Chief Executive (Place) Colin Knight		
2.	**Friargate Update Report** Further report on Council buildings to be retained, investment to maintain them in use for operational purposes, and any other mitigation measures.	Minute 105/16 24th January 2017	December 2017	Deputy Chief Executive (Place) David Cockroft		
3.	Further report on investment to maintain Broadgate House in use for operational purposes and any other mitigation measures.	Minutes 28/17 and 32/17 1st August 2017	December 2017	Deputy Chief Executive (Place) Richard Moon/ Nigel Clews		

*** identifies items where a report is on the agenda for your meeting.**

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of the Local Government Act 1972.

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