

**Time and Date**

2.00 pm on Tuesday, 8th September, 2020

Place

This meeting will be held remotely. The meeting can be viewed live by pasting this link into browser:

https://youtu.be/Ppbl0qE_luE

1. Apologies**2. Minutes of the Meeting held on 16 June 2020** (Pages 5 - 12)**3. Exclusion of the Press and Public**

To consider whether to exclude the press and public for the items of private business for the reasons shown in the report.

4. Correspondence and Announcements of the Lord Mayor**5. Petitions****6. Declarations of Interest****Matters Left for Determination by the City Council/Recommendations for the City Council****7. Proposed Changes to the Constitution** (Pages 13 - 86)

From the Cabinet Member for Policing and Equalities meeting held on 9 March 2020

8. Revenue and Capital Outturn 2019/2020 (Pages 87 - 124)

From the Cabinet meeting held on 21 July 2020

9. Ring Road - Swanswell Viaduct Refurbishment Phase 2 (Pages 125 - 136)

From the Cabinet meeting held on 25 August 2020

10. Funding and Delivery of Two Friargate (Pages 137 - 154)

From the Cabinet meeting held on 25 August 2020

Items for Noting**11. Amendment to Allocation of Executive Function within Cabinet** (Pages 155 - 158)

Report of the Leader

12. **Exercise of Emergency Functions** (Pages 159 - 164)

Report of the Chief Executive

Other Matters

13. **Question Time** (Pages 165 - 168)

- (a) Written Question – Booklet 1
- (b) Oral Questions to Chairs of Scrutiny Boards/Chair of Scrutiny Co-ordination Committee
- (c) Oral Questions to Chairs of other meetings
- (d) Oral Questions to Representatives on Outside Bodies
- (e) Oral Questions to Cabinet Members and Deputy Cabinet Members on any matter

14. **Statements**

15. **Debates**

- 15.1 To be moved by Councillor K Maton and seconded by Councillor J Innes

In its management of this year's A-level and GCSE grading process, the Conservative Government has failed in its responsibility for this Nation's young people and their future.

Over the last decade, Tory Ministers have pursued Qualifications and methods of Assessment that have narrowed the curriculum and failed to respond to student and employer needs. They have consistently shown a complete lack of trust in teachers and education leaders. A dogma driven attitude that this year has culminated in a situation where teacher and school assessments of their students' potential were ditched in favour of an Ofqual algorithm. For most students, grades were awarded with no reference to, or evidence of, their individual achievements. Despite their protestations it has shown that this Government has little time for too many of our young citizens.

In contrast, this Council believes that the needs of our young people must be the foundation upon which curriculum and teaching is built. These needs vary from school to school and between different geographical areas.

So, this Council calls on the government to:

- Work with teachers and school leaders to develop a robust national system of moderated centre assessed grades in recognition of the likely continued disruption to teaching throughout the next 12 months.
- Commission a thorough independent review into assessment methods used to award key stage qualifications in England.
- Move away from the reliance on end of course exams that increases student anxiety and fails to give a fair reflection of what students can achieve.
- Go local: let leaders from a range of education institutions work with public private and third sector employers to develop a curriculum mix in our schools and colleges that is relevant to all youngsters and best prepares them for their future lives.

15.2 To be moved by Councillor M Heaven and seconded by Councillor D Skinner

“This Council recognises the efforts of its officers during this difficult time caused by Covid19. Council acknowledges the flexibility which many officers have shown during this period and expresses its grateful thanks. In particular, to those who have served on the front line including staff who have adapted into emergency roles.”

Private Business

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

16. **Funding and Delivery of Two Friargate** (Pages 169 - 188)

From the Cabinet meeting held on 25 August 2020.

Listing Officer: Adam Hunt (Tel: 02476 976853)

Julie Newman, Director of Law and Governance, Council House Coventry

Friday, 28 August 2020

Note: The person to contact about the agenda and documents for this meeting is Carolyn Sinclair/Suzanne Bennett 024 7697 2303 / 2299

Membership: Councillors F Abbott, N Akhtar, P Akhtar, M Ali, R Ali, A Andrews, R Auluck, R Bailey, L Biggam, J Birdi, J Blundell, R Brown, K Caan, J Clifford, G Duggins, B Gittins, L Harvard, G Hayre, M Heaven, P Hetherington, J Innes, T Jandu, B Kaur, L Kelly, T Khan, AS Khan, R Lakha, R Lancaster, M Lapsa, J Lepoidevin, G Lloyd, A Lucas (Chair), P Male, K Maton, T Mayer, J McNicholas (Deputy Chair), C Miks, J Mutton, M Mutton, J O'Boyle, G Ridley, E Ruane, K Sandhu, T Sawdon, P Seaman, B Singh, R Singh, D Skinner, R Thay, C Thomas, S Walsh, D Welsh and G Williams

Carolyn Sinclair/Suzanne Bennett
024 7697 2303 / 2299

Coventry City Council

Minutes of the Meeting of Council held remotely at 2.00 pm on Tuesday, 16 June 2020

Present:

Members: Councillor J McNicholas (Chair for the meeting)

Councillor F Abbott	Councillor R Lakha
Councillor N Akhtar	Councillor R Lancaster
Councillor P Akhtar	Councillor M Lapsa
Councillor M Ali	Councillor J Lepoidevin
Councillor R Ali	Councillor G Lloyd
Councillor A Andrews	Councillor P Male
Councillor R Bailey	Councillor K Maton
Councillor L Bigham	Councillor T Mayer
Councillor J Birdi	Councillor C Miks
Councillor J Blundell	Councillor J Mutton
Councillor R Brown	Councillor M Mutton
Councillor K Caan	Councillor J O'Boyle
Councillor J Clifford	Councillor G Ridley
Councillor G Duggins	Councillor E Ruane
Councillor B Gittins	Councillor K Sandhu
Councillor L Harvard	Councillor T Sawdon
Councillor G Hayre	Councillor P Seaman
Councillor M Heaven	Councillor B Singh
Councillor P Hetherton	Councillor R Singh
Councillor J Innes	Councillor H Sweet
Councillor T Jandu	Councillor R Thay
Councillor B Kaur	Councillor C Thomas
Councillor L Kelly	Councillor S Walsh
Councillor T Khan	Councillor D Welsh
Councillor AS Khan	Councillor G Williams

Apologies: Councillor R Auluck, A Lucas and D Skinner

Public Business

6. Chair

In the absence of the Lord Mayor, Councillor A Lucas, in accordance with the Constitution, the Deputy Lord Mayor, Councillor J McNicholas Chaired the meeting.

In his opening remarks, the Deputy Lord Mayor indicated that the Council's sympathies and thoughts were with the families of all those who had lost loved ones during the Covid -19 pandemic (Minute 7 below also refers)

7. Minutes of the Ordinary Council Meeting held on 17 March 2020 and the Extraordinary Council Meeting held on 21 May 2020

The minutes of the Extraordinary Meeting held on 17 March 2020 and the Ordinary Meeting held on 21 May 2020 were agreed and signed as a true record.

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

(a) Queen's Award for Voluntary Service – Coventry recipients

The Deputy Lord Mayor referred to the Queen's Award for Voluntary Service being recently granted to two Coventry organisations: EnV (Coventry) CIC – Coventry Ambassador Programme and Coventry Boot Fund. This was the highest award a voluntary group can receive in the UK and was the volunteering equivalent to an MBE.

The Coventry Ambassadors Programme had been inspiring local people to welcome the world to the city of Coventry since Coventry was a host city for the London Olympic Games. Over the past couple of years EnV has been sharing best practice with host cities ahead of the Tokyo 2020 Games and delivered training for volunteers in Tokyo with representative Coventry Ambassador volunteers.

Coventry Boot Fund was founded in the poverty of industrial Coventry at the end of the 19th Century by George Booth, a young teacher at South Street School. Parents or guardians of children attending school in Coventry who find themselves in need of help may apply for assistance from the Boot Fund. Around 500 pairs of shoes were handed out last year.

(b) Promotion of Coventry City Football Club

The Deputy Lord Mayor congratulated Coventry City FC on being named Champions of League One and their promotion to the Championship next season.

(c) Death of former Councillor Jeff White

The Deputy Lord Mayor referred to the recent death of former Councillor Jeff White.

Jeff had served as a Councillor for 31 years between 1965-1996 representing Henley Ward and was Lord Mayor in 1987-88.

Tributes were paid to Jeff during the meeting and Members noted that a letter of condolence has been sent from the Lord Mayor and the Leader to Jeff's family.

(d) George Floyd

The Deputy Lord Mayor referred to the recent tragic death of George Floyd in America and indicated that the thoughts and prayers of everyone at Coventry City Council – Elected Members and Officers – were with his family at this time.

***A Minute's silence was held in memory of all those who had lost their lives during the Covid- 19 pandemic, former Councillor J White and George Floyd**

9. Petitions

RESOLVED that the following petitions be referred to the appropriate City Council bodies:

- (a) Request that the City Council to investigate and implement traffic calming measures on the junction of Browns Hill Road and Norman Place Road, 81 signatures, presented by Councillor T Jandu**
- (b) Objection to the application in respect of the UHCW car park exit on Farber Road and the impact of additional noise, pollution and traffic, 192 signatures, presented by Councillor K Maton**
- (c) Request for the completion of the footway between St Martins Road and the cul de sac adjoining Howes Lane, 81 signatures, presented by Councillor Heaven.**
- (d) Objection to planning proposal for 22 properties off Little Cryfield, planning application FUL/2020/1010, 73 signatures, presented by Councillor J Blundell.**
- (e) Request to stop plans to build a cycleway from Norman Place Road to Hill Street Coventry without face to face meetings with concerned residents, 127 signatures, presented by Councillor G Williams.**

10. Declarations of Interest

There were no declarations of interest.

11. European Structural Investment Fund Business Support Additional Funding

Further to Minute 4 of the Cabinet, the City Council considered a report of the Director of Business, Investment and Culture that sought approval for the Council to act as accountable body and guarantor for additional funding for European Structural Investment Fund Business Support.

Coventry City Council had secured an additional £9.28m in European Structural Investment Funds (ESIF) which would allow four key business support programmes to be extended until June 2023.

ESIF included both the European Regional Development Fund (ERDF) and the European Social Fund (ESF). ERDF was designed to fund economic development projects and support the growth of Small and Medium Enterprises (SMEs) in a modern economy. ESF was designed to support individuals who were employed to upskill and progress in their career. Details of the four programmes that had secured additional funding was set out in the report.

This additional funding would also play a key role as the economy began to recover after the Covid-19 pandemic.

The current ERDF Programmes were due to come to an end in December 2021 and the ESF Programme in June 2020 (ESF). In view of this, the Council submitted bids for extensions to the ERDF programmes and a new ESF Skills 4 Growth Programme which had now been approved.

The report provided information on each of the bids and requested approval for the Council to act as accountable body and guarantor for the funding programmes.

RESOLVED that the City Council:

- 1) Approve the acceptance and drawdown of the grant funding totalling £9.28m (£8.12m for European Regional Development Fund and £1.16m for European Social Fund) from European Structural Investment Fund to be utilised in delivering the City's priorities as set out in this report.**
- 2) Delegate authority to the Director of Business, Investment and Culture and the Director of Finance, following consultation with the Director of Law and Governance and the Cabinet Member for Jobs and Regeneration, to negotiate final terms and approve entry into:**
 - a) The grant funding agreement for the extensions to secure the European Regional Development Fund funding with the City Council acting as the Accountable Body for the funding.**
 - b) New funding agreement to secure European Social Fund funding with the City Council acting as the Accountable Body for the funding.**
 - c) A Grant Aid Agreement with such delivery partners as is deemed necessary to deliver the City's priorities as set out in this report.**
- 3) Following completion of the actions set out in recommendation 2), delegated authority is given to the Director of Business, Investment and Culture to manage to administer the Grant Funding Agreement with European Structural Investment Fund and the agreements with the delivery partners, to ensure compliance in accordance with their terms.**

12. Temporary Procedure Rules for Council Meetings

Further to Minute 3 of the Cabinet Member Policing and Equalities meeting, the City Council considered a report of the Director of Law and Governance which reported on The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 which provides local authorities with the legal power to hold remote meetings in place of physically present meetings. The Regulations override any earlier legislation which requires elected members to be in the meeting venue in order to be classed as present and modify other legal requirements in connection with meetings such as being open to the public and the provision of online meeting papers only. The Regulations were temporary, being in effect until 7 May 2021 unless extended.

There is no legal requirement for local authorities to update their meeting standing orders or procedure rules, but it is good practice for the Constitution to reflect how the Council is conducting its business. It is therefore proposed that the Temporary

Procedure Rules set out in the Appendix to the report should be adopted by the Council.

The Rules are based on ones published by Lawyers in Local Government and the Association of Democratic Services Officers. The continuing need for these Rules will be reviewed regularly.

Regulation 5 of the 2020 Act allows local authorities to make other standing orders and any other rules governing the meeting about remote attendance at meetings. This may include provision for—

- (a) voting;
- (b) member and public access to documents; and
- (c) remote access of public and press to a local authority meeting to enable them to attend or participate in that meeting by electronic means, including by telephone conference, video conference, live webcasts, and live interactive streaming.

It was therefore proposed that the Temporary Procedure Rules set out in the Appendix to this report should be adopted by the Council. The new Rules may operate until 7 May 2021 and would be reviewed before then to ensure that they were still relevant. Once approved, the Rules would be published on the Council's website.

RESOLVED that the City Council that it adopts the Temporary Procedure Rules set out in the Appendix to the report.

13. **Appointments of the City Council**

The City Council considered a report of the Director of Law and Governance seeking approval for changes to a number of appointments of the City Council.

Appointments to Council bodies and outside bodies were normally made annually at the Council's Annual Meeting. However, as part of the Government's response to the Covid-19 pandemic, the requirement for Local Authorities to hold an Annual Meeting was removed. Whilst most of the City Council's current appointments to both its bodies and outside bodies will continue to the next Annual Meeting (anticipated to be held in May 2021), there were changes required to some of these appointments. These changes were due to vacancies following the sad death of Councillor S Bains and the subsequent election of Councillor G Hayre; the appointment of Councillors A Lucas and J McNicholas as Lord Mayor and Deputy Lord Mayor respectively; and requests from the Political Groups. This report seeks approval to those changes.

RESOLVED that the City Council approves the following appointments:

Council Bodies:

1. **That Councillor L Bigham be appointed to the Licensing and Regulatory Committee in place of Councillor A Lucas**

2. That Councillor C Miks be appointed as Chair of the Business, Economy and Enterprise Scrutiny Board (3) in place of Councillor J McNicholas
3. That Councillor C Miks be appointed to the Scrutiny Co-ordination Committee in place of Councillor J McNicholas
4. That Councillor G Hayre be appointed to the vacancy on Finance and Corporate Services Scrutiny Board (1)
5. That Councillor L Bigham be appointed to the Business, Economy and Enterprise Scrutiny Board (3) in place of Councillor A Lucas
6. That Councillor G Hayre be appointed to the vacancy on the Business, Economy and Enterprise Scrutiny Board (3)
7. That Councillor J McNicholas be appointed to the Communities and Neighbourhoods Scrutiny Board (4) in place of Councillor C Miks
8. That Councillor M Heaven be appointed to the Communities and Neighbourhoods Scrutiny Board (4) in place of Councillor T Mayer
9. That Councillor B Singh be appointed to the vacant post of Deputy Chair of the Audit and Procurement Committee
10. That Councillor C Miks be appointed to the Coventry Local Development Plan Advisory Panel in her role as Chair of the Business, Economy and Enterprise Scrutiny Board (3)
11. That Councillor C Miks be appointed to the City of Culture 2021 Panel in her role as Chair of the Business, Economy and Enterprise Scrutiny Board (3)

Outside Bodies:

1. That Councillors G Duggins (Chair), P Hetherton and G Lloyd be appointed to the Tom White Waste Limited Shareholders Panel
2. That Councillor G Hayre be appointed to the Sir Charles Barratt Memorial Fund in place of David Kershaw
3. That Councillor P Akhtar be nominated as the joint appointment of Coventry City Council and Solihull Metropolitan Borough Council to the Police and Crime Panel (this is a further appointment to the Panel which rotates annually with Solihull Metropolitan Council)
4. That Councillor L Bigham be appointed to the vacancy on the Whitefriars Housing – Coventry Local Stakeholders Panel
5. That Councillor E Ruane be appointed to the Birmingham International Airport Holdings Limited – Board of Directors in place of Councillor J McNicholas

6. That Councillor M Lapsa be appointed as the Conservative Group nominee to the Coventry Refugee and Migrant Centre in place of Councillor T Mayer

7. That Councillor M Heaven be appointed to the Coventry and Solihull Waste Disposal Company Ltd Shareholders Panel in place of Councillor T Mayer

14. Exercise of Emergency Functions

The City Council noted a report of the Chief Executive which informed Council of decisions undertaken by the Chief Executive, in accordance with the Constitution and following consultation with the Leader of the Council, Councillor G Duggins, to exercise emergency functions as a consequence of the Covid-19 pandemic to ensure the continuous functioning of the business of the Authority, including its response to the pandemic. The decisions taken pursuant to the emergency provision to ensure continuity of the Council's business and the proper discharge of its functions were detailed in the report.

15. Annual Report from the Leader to the Council on Key Decisions made under Special Urgency Provisions 2019/20

The City Council noted a report of the Director of Law and Governance which reported on key decisions made under the Special Urgency Provisions in 2019/20.

The Leader must submit to the Council at the first ordinary meeting after the Annual Meeting, a report of Key Decisions made in the previous year where the Special Urgency provisions were used. This applied where it was not practicable to give notice at least 5 clear days in advance of a Key Decision being made.

In light of this year's Annual Meeting being deferred, this report has been prepared to report on key decision made in the year 2019/2020.

The Leader reported that there were no such cases during the 2019/2020 municipal year.

16. Question Time

Councillors J O'Boyle and T Khan provided written answers to the questions set out in the Questions Booklet together with oral responses to supplementary questions put to them at the meeting.

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

No	Questions asked by	Question put to	Subject matter
1	Councillor J Lepoidevin	Councillor K Maton	Number of children (vulnerable and with key worker parents) attending

			school.
2	Councillor F Abbott	Councillor K Maton	School meal vouchers
3	Councillor G Williams	Councillor P Hetherton	Praise for staff at the Tip and how the Tip was currently operating using an appointment system (The Household Waste Recycling Centre)
4	Councillor G Williams	Councillor AS Khan	Support for Police
5	Councillor M Heaven	Councillor J Mutton	Spending breakdown of Government funding received in respect of the coronavirus epidemic

17. **Statements**

The Leader, Councillor G Duggins, made a Statement in respect of a number of current issues including the Covid-19 pandemic and the One Coventry response to the crisis and the murder of George Floyd in America.

Councillor G Ridley responded to the Statement.

(Meeting closed at 2.15 pm)

**Council – 8 September 2020
Recommendation from Cabinet
Member for Policing and
Equalities on 9 March 2020**

**Coventry City Council
Minutes of the Meeting of Cabinet Member for Policing and Equalities held at
9.30 am on Monday, 9 March 2020**

Present:

Members: Councillor A S Khan (Chair)
Councillor A Andrews (Shadow Cabinet Member)

Employees (by
Directorate):

Place: P Jennings, J Newman, C Sinclair

Apologies: Councillor P Akhtar

Public Business

24. Declarations of Interest

There were no declarations of interest.

26. Proposed Changes to the Constitution

The Cabinet Member considered a report of the Chief Executive which set out proposed changes to the Constitution, as considered by the Constitutional Advisory Panel at its meeting on 19 November 2019.

These were:

- (a) Revisions to the Conference and Travel Protocol: Part 4E of the Constitution
- (b) Revisions to the Rules for Contract: Part 3G
- (c) Revisions to the Financial Procedure Rules: Part 3F
- (d) Audit and Procurement Committee Terms of Reference: Part 2I
- (e) Protocol for Conferring the Title of Honorary Alderman
- (f) Code of Conduct for Elected and Co-opted Members: Part 4A
- (g) Licensing and Regulatory Committee Terms of Reference: Parts 2F and 2M

These changes were set out in detail in Appendices 1 to 7 of the report, including the required tracked changes to the Constitution.

The Advisory Panel had agreed all the proposed revisions with the following exceptions or additions:

- **Travel and Conference Protocol:** The Advisory Panel recommended that, once drafted, officers submit a new policy on conference and travel to Ethics Committee for approval.
- **Rules for Contract:** The proposal to reduce the frequency of reports on the activities of the Procurement Board to the relevant Cabinet Member from every 6 to every 12 months was not approved. The Advisory Panel recommended that this continues to be made every 6 months. (Rule 9.2). In addition, officers will speak to the Chair of Audit and Procurement Committee to seek their agreement to remove the requirement to make an annual report to the Committee on procurement.
- **Finance Procedure Rules:** The Advisory Panel recommended that a proviso be inserted so that where a grant bid will require match funding by the Council, there should be a requirement to seek the approval of the Cabinet Member and that footnote 6 in the table of financial thresholds should read “following consultation with the relevant Cabinet Member(s)”.
- **Protocol for Conferring the Title of Honorary Alderman:** The Advisory Panel recommended that Paragraph 2 d) be amended to increase the minimum service required as a Member from 15 to 20 years.

Following consideration of the report, the Cabinet Member agreed the recommendations of the Advisory Panel with one exception in respect of the Protocol for conferring the title of Honorary Alderman in that the minimum service required as a Member not be increased to 20 years, but to remain at 15 years.

RESOLVED that the Cabinet Member for Policing and Equalities recommends to Council that:

- (1) **With regard to the Conference and Travel Protocol, agree that:**
 - (a) **The Conference and Travel Protocol be removed from the Constitution;**
 - (b) **Officers be authorised to produce a policy for the approval of conference and travel costs for members and officers;**
 - (c) **Once drafted, the policy be approved by Ethics Committee;**
 - (d) **A register of travel and conference attendance costing more than £500 and all travel outside of the UK be maintained and published; and**
 - (e) **The register of travel and conference costs be scrutinised by Ethics Committee twice a year.**

- (2) Subject to the continued inclusion of the requirement for a six-monthly report to the relevant Cabinet Member in Rule 9.2, and to officers speaking to the Chair of Audit and Procurement Committee to seek their agreement to remove the requirement to make an annual report to the Committee on procurement, approval be given to the proposed revisions to Part 3G of the Constitution (Rules for Contract) set out in Appendix 2 to this report.**
- (3) With regard to the Financial Procedure Rules:**

 - (a) Where a grant bid requires match funding by the Council, there should be a mandatory requirement to seek the approval of the relevant Cabinet Member;**
 - (b) Footnote 6 to the table of financial thresholds be amended to read “Following consultation with the relevant Cabinet Member(s); and**
 - (c) Subject to (3)(a) and (3)(b) above, approval be given to the proposed revisions to Part 3F of the Constitution set out in Appendix 3 to this report.**
- (4) In relation to amending paragraph 8.5 of the Audit and Procurement Committee’s Terms of Reference:**

 - (a) Authority be delegated to the Monitoring Officer and City Solicitor to remove all reference to severance packages from the paragraph on the enactment of The Restriction of Public Sector Payments Regulations: and**
 - (b) Approval to be given to the reference to “salary over £100,000” being amended to “salary level for a new post over £100,000”.**
- (5) With regard to the Protocol for Conferring the Title of Honorary Alderman or Alderwoman, approval be given to the Protocol for Conferring the Title of Honorary Alderman or Alderwoman being amended as detailed in Appendix 5 of the report and with the minimum service required as a Member remaining at 15 years.**
- (6) Approval to be given to the proposed revisions to Part 4A of the Constitution (Code of Conduct for Elected and Co-opted Members) as set out in Appendix 6 of the report be approved**
- (7) Approval to be given the proposed revisions to Part 2F and 2M of the Constitution (Functions of Licensing and Regulatory Committee and Scheme of Delegation to Employees) as set out in the Appendix 7 of the report.**
- (8) The Monitoring Officer be authorised to make any necessary amendments to the Constitution arising from recommendations**

(1) to (7).

(Meeting closed at 9.39 am)

Cabinet Member for Policing and Equalities
Council

9 March 2020
17 March 2020

Name of Cabinet Member:
Cabinet Member for Policing and Equalities - Councillor AS Khan

Director Approving Submission of the report:
Chief Executive

Ward(s) affected:
None

Title: Proposed Changes to the Constitution

Is this a key decision? No

Executive Summary:

The Constitutional Advisory Panel at its meeting on 19 November 2019 considered a number of proposed changes to the Constitution. These were:

- (a) Revisions to the Conference and Travel Protocol: Part 4E of the Constitution
- (b) Revisions to the Rules for Contract: Part 3G
- (c) Revisions to the Financial Procedure Rules: Part 3F
- (d) Audit and Procurement Committee Terms of Reference: Part 2I
- (e) Protocol for Conferring the Title of Honorary Alderman
- (f) Code of Conduct for Elected and Co-opted Members: Part 4A
- (g) Licensing and Regulatory Committee Terms of Reference: Parts 2F and 2M

These changes are briefly set out in more detail in Appendices 1 to 7 attached to this report, which also contain the required tracked changes to the Constitution.

The Advisory Panel agreed all the proposed revisions with these exceptions or additions:

- **Travel and Conference Protocol:** The Advisory Panel recommended that, once drafted, officers submit a new policy on conference and travel to Ethics Committee for approval.
- **Rules for Contract:** The proposal to reduce the frequency of reports on the activities of the Procurement Board to the relevant Cabinet Member from every 6 to every 12 months was not approved. The Advisory Panel recommended that this continues to be made every 6 months. (Rule 9.2). In addition, officers will speak to the Chair of Audit and Procurement Committee to seek their agreement to remove the requirement to make an annual report to the Committee on procurement.

- **Finance Procedure Rules:** The Advisory Panel recommended that a proviso be inserted so that where a grant bid will require match funding by the Council, there should be a requirement to seek the approval of the Cabinet Member and that footnote 6 in the table of financial thresholds should read “following consultation with the relevant Cabinet Member(s)”.
- **Protocol for Conferring the Title of Honorary Alderman:** The Advisory Panel recommended that Paragraph 2 d) be amended to increase the minimum service required as a Member from 15 to 20 years.

Recommendations:

The Cabinet Member is requested to recommend to Council the approval of recommendations (1) to (8).

Council is recommended to:

- (1) With regard to the Conference and Travel Protocol, agree that:
 - (a) The Conference and Travel Protocol be removed from the Constitution;
 - (b) Officers be authorised to produce a policy for the approval of conference and travel costs for members and officers;
 - (c) Once drafted, the policy be approved by Ethics Committee;
 - (d) A register of travel and conference attendance costing more than £500 and all travel outside of the UK to be maintained and published; and
 - (e) The register of travel and conference costs to be scrutinised by Ethics Committee twice a year.
- (2) Subject to the continued inclusion of the requirement for a six-monthly report to the relevant Cabinet Member in Rule 9.2, and to officers speaking to the Chair of Audit and Procurement Committee to seek their agreement to remove the requirement to make an annual report to the Committee on procurement, agree to approve the proposed revisions to Part 3G of the Constitution (Rules for Contract) set out in Appendix 2 to this report.
- (3) With regard to the Financial Procedure Rules:
 - (a) Where a grant bid requires match funding by the Council, there should be a mandatory requirement to seek the approval of the relevant Cabinet Member;
 - (b) Footnote 6 to the table of financial thresholds be amended to read “Following consultation with the relevant Cabinet Member(s); and
 - (c) (Subject to (3)(a) and (3)(b) above, the proposed revisions to Part 3F of the Constitution set out in Appendix 3 to this report be approved.
- (4) In relation to amending paragraph 8.5 of the Audit and Procurement Committee’s Terms of Reference:
 - (a) Delegate authority to the Monitoring Officer and City Solicitor to remove all reference to severance packages from the paragraph on the enactment of The Restriction of Public Sector Payments Regulations; and

- (b) Agree that the reference to “salary over £100,000” be amended to “salary level for a new post over £100,000”.
- (5) With regard to the Protocol for Conferring the Title of Honorary Alderman or Alderwoman agree that:
 - (a) The length of service requirement be increased from 15 to 20 years;
 - (b) Subject to (a) above, the Protocol for Conferring the Title of Honorary Alderman or Alderwoman be amended as detailed in Appendix 5 to this report.
- (6) The proposed revisions to Part 4A of the Constitution (Code of Conduct for Elected and Co-opted Members) set out in Appendix 6 to this report be approved
- (7) Approve the proposed revisions to Part 2F and 2M of the Constitution (Functions of Licensing and Regulatory Committee and Scheme of Delegation to Employees) set out in the Appendix 7 to this report.
- (8) Authorise the Monitoring Officer to make any necessary amendments to the Constitution arising from recommendations (1) to (7).

List of Appendices included:

Appendix 1: Revisions for Conference and Travel Protocol: Part 4E of the Constitution
Appendix 2: Revisions to the Rules for Contract: Part 3G of the Constitution
Appendix 3: Revisions to Financial Procedure Rules Part 3 F of the Constitution
Appendix 4: Audit and Procurement Committee - Terms of Reference "Salaries"
Appendix 5: Protocol for Conferring the Title of Honorary Aldermen or Alderwomen
Appendix 6: Revisions to Part 4A - Code of Conduct for Elected Members
Appendix 7: Revisions to Part 2F - Functions of Licensing and Regulatory Committee and
Revisions to Part 2M - Scheme of Functions Delegated to Employees

Background papers:

None

Other useful documents:

None

Has it been or will it be considered by Scrutiny?

No

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

The proposals were considered by the Constitutional Advisory Panel at its meeting on 19 November, 2019

Will this report go to Council?

Yes – 17 March 2020

Report title: Proposed Changes to the Constitution

1. Context (or background)

- 1.1 The Council's Constitution sets out how the Council carries out its business and makes decisions. It is a living document and needs to be updated from time to time to ensure that it reflects changes in practices within the Council.
- 1.2 The Constitutional Advisory Panel at its meeting on 19 November 2019 considered a number of proposed changes to the Constitution. These were:
 - (a) Revisions to the Conference and Travel Protocol: Part 4E of the Constitution
 - (b) Revisions to the Rules for Contract: Part 3G
 - (c) Revisions to the Financial Procedure Rules: Part 3F
 - (d) Audit and Procurement Committee Terms of Reference: Part 2I
 - (e) Protocol for Conferring the Title of Honorary Alderman
 - (f) Code of Conduct for Elected and Co-opted Members: Part 4A
 - (g) Licensing and Regulatory Committee Terms of Reference: Parts 2F and 2M

The Advisory Panel also received a preliminary oral report about changes that would be required to Proper Officer functions following the retirement of the Deputy Chief Executive, Place in 2020. This is the subject of a separate report to the Cabinet Member for Policing and Equalities and Council.

- 1.3 Further details of the main changes proposed are set out in Section 2 of this report and more particularly in the Appendices to the report.

2. Options considered and recommended proposals

2.1 Conference and Travel Protocol

The proposed changes to the Conference and Travel Protocol are set out in **Appendix 1**.

The Advisory Panel recommended that:

- (a) The Conference and Travel Protocol be removed from the Constitution;
- (b) Officers be authorised to produce a policy for the approval of conference and travel costs for members and officers;
- (c) Once drafted, the policy be approved by Ethics Committee;
- (d) A register of travel and conference attendance costing more than £500 and all travel outside of the UK to be maintained and published; and
- (e) The register of travel and conference costs to be scrutinised by Ethics Committee twice a year.

As the recommendation is to remove the Protocol from the Constitution and replace it with a policy to be approved by the Ethics Committee, there are, at this stage, no amendments to the Protocol to be approved.

2.2 Rules for Contract

The proposed changes to the Rules for Contract are set out in **Appendix 2**.

The Advisory Panel recommended that the Cabinet Member recommend to Council that:

Subject to the continued inclusion of the requirement for a six-monthly report to the relevant Cabinet Member in Rule 9.2, and to officers speaking to the Chair of Audit and Procurement Committee to seek their agreement to remove the requirement to make an annual report to the Committee on procurement:

- (a) the proposed revisions to Part 3G of the Constitution set out in Appendix 2 to this report be approved; and
- (b) The Monitoring Officer be authorised to make the necessary amendments to the Constitution.

2.3 Financial Procedure Rules

The proposed changes to the Finance Procedure Rules are set out in **Appendix 3**.

The Advisory Panel recommended that the Cabinet Member recommend to Council that:

- (a) Where a grant bid requires match funding by the Council, there should be a mandatory requirement to seek the approval of the relevant Cabinet Member;
- (b) Footnote 6 to the table of financial thresholds be amended to read “Following consultation with the relevant Cabinet Member(s);
- (c) Subject to (a) and (b) above, the proposed revisions to Part 3F of the Constitution set out in Appendix 3 to this report be approved; and
- (d) The Monitoring Officer be authorised to make the necessary amendments to the Constitution.

2.4 Audit and Procurement Committee Terms of Reference

The proposed changes to the Terms of reference of Audit and Procurement Committee are set out in **Appendix 4**.

The Advisory Panel recommended that the Cabinet Member recommends to Council that:

That in relation to amending paragraph 8.5 of the Audit and Procurement Committee’s Terms of Reference:

- (a) To delegate authority to the Monitoring Officer and City Solicitor to remove all reference to severance packages from the paragraph on the enactment of The Restriction of Public Sector Payments Regulations; and
- (b) That the reference to “salary over £100,000” be amended to “salary level for a new post over £100,000”.

2.5 Protocol for Conferring the Title of Honorary Alderman or Alderwoman

The proposed changes to the Protocol for Conferring the Title of Honorary Alderman or Alderwoman are set out in **Appendix 5**.

The Advisory Panel recommended that the Cabinet Member recommend to Council that:

- (a) The length of service requirement be increased from 15 to 20 years;
- (b) Subject to (a) above, the Protocol for Conferring the Title of Honorary Alderman or Alderwoman be amended as detailed in Appendix 5 to this report.

2.6 Code of Conduct for Elected and Co-opted Members

The proposed changes to the Code of Conduct for Elected and Co-opted Members are set out in **Appendix 6**.

The Panel recommended that the Cabinet Member recommend to Council that:

- (a) the proposed revisions to Part 4A of the Constitution set out in Appendix 6 to this report be approved; and
- (b) the Monitoring Officer be authorised to make the necessary amendments to the Constitution.

2.7 Licensing and Regulatory Committee Terms of Reference

The proposed changes to the Functions of Licensing and Regulatory Committee and Scheme of Delegation to Employees are set out in **Appendix 7**.

The Panel recommended that the Cabinet Member recommend to Council that:

- (a) To approve the proposed revisions to Part 2F and 2M of the Constitution set out in the Appendix 7 to this report; and
- (b) To authorise the Monitoring Officer to make the necessary amendments to the Constitution.

2.8 **Recommendations**

The Cabinet Member is requested to recommend to Council the approval of recommendations (1) to (8).

Council is recommended to:

- (1) With regard to the Conference and Travel Protocol, agree that:
 - (a) The Conference and Travel Protocol be removed from the Constitution;
 - (b) Officers be authorised to produce a policy for the approval of conference and travel costs for members and officers;
 - (c) Once drafted, the policy be approved by Ethics Committee;
 - (d) A register of travel and conference attendance costing more than £500 and all travel outside of the UK to be maintained and published; and
 - (e) The register of travel and conference costs to be scrutinised by Ethics Committee twice a year.
- (2) Subject to the continued inclusion of the requirement for a six-monthly report to the relevant Cabinet Member in Rule 9.2, and to officers speaking to the Chair of Audit and Procurement Committee to seek their agreement to remove the requirement to make an annual report to the Committee on procurement, agree to approve the proposed revisions to Part 3G of the Constitution (Rules for Contract) set out in Appendix 2 to this report.
- (3) With regard to the Financial Procedure Rules:
 - (a) Where a grant bid requires match funding by the Council, there should be a mandatory requirement to seek the approval of the relevant Cabinet Member;

- (b) Footnote 6 to the table of financial thresholds be amended to read “Following consultation with the relevant Cabinet Member(s); and
 - (c) (Subject to (3)(a) and (3)(b) above, the proposed revisions to Part 3F of the Constitution set out in Appendix 3 to this report be approved.
- (4) In relation to amending paragraph 8.5 of the Audit and Procurement Committee’s Terms of Reference:
- (a) Delegate authority to the Monitoring Officer and City Solicitor to remove all reference to severance packages from the paragraph on the enactment of The Restriction of Public Sector Payments Regulations: and
 - (b) Agree that the reference to “salary over £100,000” be amended to “salary level for a new post over £100,000”.
- (5) With regard to the Protocol for Conferring the Title of Honorary Alderman or Alderwoman agree that:
- (a) The length of service requirement be increased from 15 to 20 years;
 - (b) Subject to (a) above, the Protocol for Conferring the Title of Honorary Alderman or Alderwoman be amended as detailed in Appendix 5 to this report.
- (6) The proposed revisions to Part 4A of the Constitution (Code of Conduct for Elected and Co-opted Members) set out in Appendix 6 to this report be approved
- (7) Approve the proposed revisions to Part 2F and 2M of the Constitution (Functions of Licensing and Regulatory Committee and Scheme of Delegation to Employees) set out in the Appendix 7 to this report.
- (8) Authorise the Monitoring Officer to make any necessary amendments to the Constitution arising from recommendations (1) to (7).

3. Results of consultation undertaken

- 3.1 The proposed amendments have been considered, and approved, by the Constitutional Advisory Panel.

4. Timetable for implementing this decision

- 4.1 If the proposed changes are approved, they will go forward to full Council for approval and be implemented immediately, except for Recommendation 4(a), which will be implemented when the regulations come into force.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

There are no direct financial implications from this report.

5.2 Legal implications

The Council is required by Section 9P of the Local Government Act 2000 to not only prepare but also keep up to date its Constitution. This report assists the Council in keeping its Constitution up to date.

6. Other implications

6.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

Not applicable

6.2 How is risk being managed?

Updating the Constitution will help to reduce the risk of challenge to the Council which might arise if the Constitution were to become out of date and not reflect current practices and procedures.

6.3 What is the impact on the organisation?

None

6.4 Equality and Consultation Analysis (ECA)

There are no public sector equality duties which relevant.

6.5 Implications for (or impact on) climate change and the environment

None

6.6 Implications for partner organisations?

None

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Julie Newman	Head of Legal Services and Monitoring Officer	Place	04/02/20	11/02/20
Barry Hastie	Director of Finance and Corporate Services	Place	21/02/20	21/02/20
Councillor M Mutton	Chair of Constitution Advisory Panel	-	28/02/20	28/02/20
Councillor AS Khan	Cabinet Member	-	28/02/20	28/02/20

This report is published on the council's website: www.coventry.gov.uk/councilmeetings

Appendix 1: Conference and Travel Protocol

1. The Conference and Travel Protocol at Part 4E of the Constitution sets out the procedure for Councillors wishing to attend conferences, seminars or fact-finding visits or inspections. It also deals with foreign travel by both Councillors and employees.
2. The Protocol has not been reviewed for some years and officers feel that, while it needs some updating, it is also no longer appropriate for it to be in the Constitution.
3. Officers therefore suggest that the Protocol is removed from the Constitution but is replaced by a policy on travel and conference attendance for both members and officers. The Policy would provide that travel and conference attendance for officers and members would require the approval of the appropriate budget holder. In addition, any such expenditure which is likely to be £500 or more (including subsistence costs) would be required to be entered onto a public register, together with all travel outside the UK, which would be published by the Council. The register would also be scrutinised by Ethics Committee twice a year, which is in line with its current practice on scrutiny of gifts and hospitality received by members and officers.
4. Officers consider that the introduction of a public register and scrutiny by Ethics Committee provides a measure of openness and transparency which is not present in the current Protocol. For example, having a register online will make it easier for members of the public to see the extent of travel and attendance at conferences than at present.

Appendix 2: Rules for Contract

1. The Rules for Contract set out in Part 3E of the Constitution form the standing orders for officers and councillors for making contracts on behalf of the Council. The purpose of the Rules is to set out clear instructions for the procurement of works, goods and services for the Council and “to ensure a system of openness, integrity and accountability”.
2. The Rules have not been reviewed for some years and officers feel that they need some updating to reflect changing procurement practice and to make them fit for purpose. The proposed revised Contract Procedure Rules are attached as an Appendix to this briefing note with proposed amendments shown as track changes. Some minor changes are proposed:
 - (a) The document is to be renamed as “Contract Procedure Rules” to bring it in line with other Procedure Rules in Part 3 of the Constitution.
 - (b) The Index is updated.
 - (c) Definitions are moved to the end of the document and revised to reflect changes in council structure and job titles.
 - (d) The Summary of Rules for Contract-Quick Reference Guide at Rule 4 is replaced with an updated Summary of CPRs-Governance Process at Rule 2.
 - (e) References to the Public Contracts Regulations are updated to refer to the most recent version throughout the Rules.
 - (f) New sections have been included to make reference to the Council’s statutory obligations under the Public Services (Social Value) Act (Rule 26) and to the impact of other legislation, including the Data Protection Act (Rule 31).
3. More substantive revisions to the Rules are summarised below:
 - (a) Currently any contract over £150,000 in value must be sealed by the Head of Legal Services or authorised nominee. It is proposed to increase this to £1m.
 - (b) The threshold for competitive tenders to be sought is to be raised from £50,000 to £100,000.
 - (c) Any contract valued at between £10,000 and £50,000 must be subject to a minimum of three competitive quotations. It is proposed to permit oral quotations for contracts up to £24,999 (to be confirmed by email) and to make use of the quotation pack optional; contracts over £25,000 must be subject to competitive quotations and use the quotation pack. (see Rule 19)
 - (d) Rule 8.2 is deleted.
 - (e) The composition of the Procurement Board is amended to remove the requirement for the Chief Executive to be a member but including the Head of Procurement. (Rule 9.1)
 - (f) The requirement to provide a six-monthly report to the Cabinet Member on the activities of the Procurement Board becomes annual and the requirement to provide an annual report to Audit and Procurement Committee is removed. (Rule 9.2)

- (g) The power of the Chief Finance Officer to amend Rules for Contracts is removed. (Rule 9.2)
- (h) Directors are given the power to grant exceptions to the Rules for low value contracts up to £50,000. For higher value contracts, the exception must be granted by the Director responsible for the Procurement Service. Exceptions must be notified to the Procurement Service and an annual report will be made to the Procurement Board rather than to the Cabinet Member. (Rule 10)
- (i) The requirement to seek an exception for the purchase of works of art, museum artefacts etc is deleted. (Rule 10.6)
- (j) Automatic exception from the Rules is limited to £50,000 for contracts let under corporate contracts or framework agreements (Rule 10.7).
- (k) New automatic exceptions are introduced at Rule 10.7(e) to (g).
- (l) The threshold for entering contracts on the register is raised to £25,000 from £10,000 and the requirement to notify the Head of Procurement of such contracts is set out. (Rule 12.2)
- (m) References to the Common Commissioning framework are removed (Rule 13.1) and the rest of Rule 13 (previously 14) is deleted.
- (n) Rule 18 (opening formal tenders) has been revised to reflect the fact that the Council now conducts its tendering electronically.
- (o) Rule 23.7 is deleted (extending length of time tender price to be held open).
- (p) Rule 23.1 is amended to make it clear that any contract change note must be signed off by an appropriate officer.

Index	Paragraph
Introduction	1
<u>Definitions Summary of CPRs – Governance Process</u>	2
Quick Reference Guide Table of Contract Values <u>Summary of CPRs – Financial thresholds for Procedure</u>	3
Quick Reference Guide Table of Approval Levels <u>Objectives</u>	4
<u>Objectives Scope of Contract Procedure Rules (CPRs)</u>	5
Scope of Rules for Contracts <u>Compliance</u>	6
<u>Compliance Justification of Need</u>	7
<u>Approvals required before certain Relevant Procedures are commenced</u> Justification of Need and Definition of Requirements	8
Approvals required before certain Relevant Procedures are commenced	9
The Procurement Board and Panels	9 <u>10</u>
Exceptions to Rules for Contracts <u>Procedure Rules</u>	10 <u>14</u>
Valuation of contracts	11 <u>12</u>
Duties of Directors and the Corporate Procurement Manager /Assistant Director <u>Head of Procurement</u>	12 <u>13</u>
Selection of Procurement Route	13 <u>14</u>
Authority to enter into a contract	14 <u>15</u>
Specifications	15 <u>16</u>
Contract procedures	16 <u>17</u>
Invitations to formal tender	17 <u>18</u>
Opening formal tenders	18 <u>19</u>
The quotation procedure	19 <u>20</u>
Acceptance of formal tenders and quotations	20 <u>14</u>
Electronic tendering and quotations	21 <u>12</u>
Amendments and alterations to tenders and quotations	22 <u>13</u>
Contract extensions	23 <u>14</u>
<u>Contract Variations</u>	24 <u>14</u>
Form of Contract	25
<u>Social Value</u>	26 <u>14</u>
Contract Administration and management	27 <u>6</u>
Prevention of fraud and corruption	28 <u>7</u>

Freedom of Information Act	298
Management of Risk in Contracts	3029
<u>Impact of other legislation</u>	<u>31</u>
<u>Definitions</u>	<u>32</u>

PART 3G: ~~RULES FOR CONTRACT~~PROCEDURE RULES

1. Introduction

1.1 ~~The Local Government Act 1972 requires the Council to have standing orders with respect to the making of contracts.~~ These Contract Procedure Rules (CPRs) for Contract are the standing orders required by the Local Government Act 1972 Act. They are part of the Council's Constitution and are, in effect, the instructions of the Council to officers and councillors for making contracts on behalf of the Council. The purpose of these CPRsRules for Contracts is to set clear rules for the procurement of works, goods and services for the Council and to ensure a system of openness, integrity and accountability, in which the probity and transparency of the Council's procurement process will be beyond reproach. Accordingly, these CPRsRules for Contracts must be followed for **all** contracts (but excluding the categories listed in Rule 67.2, grants and land contracts which are dealt with under different rules) for:-

- the supply of goods to the Council;
- the supply of services to the Council; and
- the execution of works for the Council.

1.2 The Council has a Procurement Strategy, setting out how the Council intends to go about procuring works, goods and services. Conformity to these CPRsRules for Contracts, and the Council's Employee Code of Conduct, will ensure that contracts are let in accordance with the *Procurement Strategy*, ~~the Compliant Procurement Process~~ and any associated User Guides and Procedures.

1.3 The Council is subject also to the United Kingdom Public Contracts Regulations 2015 (SI 2015/102)06, the legislation which reflects the EU Public Procurement Directives. This legislation requires contract letting procedures to be open, fair and transparent. These CPRsRules for Contracts provide a basis for true and fair competition in contracts, by providing clear and auditable procedures, which, if followed, will give confidence that the Council has a procurement regime that is fully accountable and compliant with the legislation.

2. Definitions

~~In these Rules for Contracts:~~

~~Assistant Director Procurement means Assistant Director Procurement or his or her authorised representative.~~

~~*Authorising Officer* means: an officer authorised to approve the placement of orders or invoices for payment.~~

~~*Cabinet* means: the Leader of the Council and the other members of the Council's Executive.~~

~~*Contract* means: the agreement between the Council and a contractor for the supply of works, goods or services, or for any activity that generates income for the Council.~~

~~*Contractor* means: a supplier or provider of works, goods or services to the Council.~~

~~*Contract change note* means: the document that describes changes to the original contract which have been agreed by both parties.~~

~~*Contract package* means: the scope for amalgamating like requirements/services currently operating at different parts of the organisation, to suit the supply market to achieve overall better value.~~

~~*Corporate contract* means: a contract or framework agreement for the supply of works, goods or services to the Council e.g. for computer consumables, stationery, legal and financial services.~~

~~*Decision making body* means: the body responsible for decisions in the described situation under the Council's Constitution.~~

~~*Director(s)* means: a member(s) of the Council's Strategic Management Board.~~

~~*Framework Agreement* means: an agreement between the Council and a contractor for the provision of estimated quantities of goods or services. This becomes a contract when an order for a specific quantity is placed either after further competition or through the most competitive source identified in the original tender.~~

~~*Monitoring Officer* means: the officer designated as such under Section 5 of the Local Government and Housing Act 1989 or his or her deputy.~~

~~*Outcome based specifications* means: a specification that describes the required outcomes through service delivery and leaves the method of delivery to the third party provider.~~

~~*Panels* means: the People or Place or Resource Panel.~~

~~*People Panel* means: the officer panel responsible for adult and children's social care, housing, public health and public safety.~~

~~*Performance Specifications* means: a specification that provides details of the methods to be adopted when delivering the requirements.~~

~~*Place Panel* means: the officer panel responsible for built environment, highways street scene, transport, waste, facilities management and operational property.~~

~~*Procurement Board* means: the officer board responsible for all procurement decisions.~~

~~*Procurement Service* means: the centralised procurement and commissioning service for Coventry City Council.~~

~~*Public procurement legislation* means: the Remedies Directive 1992, The Public Contracts Regulations 2006, the EC Directives from which they are derived, UK legislation affecting public sector contracts and any amendment, re-enactment or replacement of any of them.~~

~~*Quotation* means: an offer to undertake a contract of £10,000 or more but less than £50,000 in value.~~

~~*Resource Panel* means: the officer panel responsible for financial, ICT/Telecoms, consumables and professional services.~~

~~*Right to challenge* means: the right to challenge for services under the Localism Act 2011.~~

~~*Services contract* means: a contract or framework agreement for the provision of services to the Council.~~

~~*Chief Finance Officer* means: the officer appointed under section 151 of the Local Government Act 1972.~~

~~*Supplies contract* means: a contract or framework agreement for the sale or hire of goods to the Council and includes, where appropriate, installation of goods.~~

~~*Tender* means: an offer to undertake a contract of £50,000 or more in value.~~

~~*TUPE Regulations* means: the Transfer of Undertakings (Protection of Employment) Regulations 2006 and any amendment, re-enactment or replacement of the same.~~

~~*Works contract* means: a contract for the construction, repair or maintenance of a physical asset not defined as Services in the Public Contract Regulations.~~

2. Summary of CPR's – Governance Process

<u>Column 1 Financial Value (per Contract) for Governance</u>	<u>Column 2 Approval to Procure</u>	<u>Column 3 Process</u>	<u>Column 4 Contract Terms</u>	<u>Column 5 Opening of tenders</u>	<u>Column 6 Authority to Award Contract</u>	<u>Column 7 Contract Signing</u>
<u>£1,000,000 and above</u>	<u>Procurement Board and in addition if more than £1m, Cabinet</u>	<u>Competitive tenders in compliance with Public Contract Regulations 2015</u> <u>(Note 1 below)</u>	<u>Standard or Bespoke Form of Contract. Where contracts are in the form of Deeds, they must be sealed by Legal Services. Contracts over £1m will need to be in the form of a Deed</u>	<u>Electronic tenders via CSW- JETS</u>	<u>If within approved tolerance agreed at Column 2, e.g. <10% above estimated price, or report back to relevant body in Colum 2 for approval</u>	<u>Head of Legal Services or authorised deputy</u>
<u>Over £100,000 up to £999,999</u>	<u>Category Panel</u>		<u>Standard or Bespoke Form of Contract Where contracts are in the form of Deeds, they must be sealed by Legal Services.</u>			<u>Director and/or Head of Procurement</u>
<u>£10,000 to £99,999</u>	<u>Director approval or delegated authority to budget holder</u> <u>(Copies of Quotations MUST be forwarded to Procurement Services for order to be approved)</u>	<u>Minimum of 3 written or oral quotations (see 3 below for thresholds). Where appropriate, a minimum of 2 should be from local suppliers or social enterprises</u>	<u>Official order form or Standard Form of Contract</u>	<u>N/A - quotes</u>	<u>Director or authorised deputy</u>	<u>Endorsed/Signed by Director or authorised deputy</u>
<u>Below £10,000</u>	<u>Budget holder</u>	<u>Use of corporate contract or demonstrable value for money</u>	<u>Official order form (or Council Procurement Card)</u>	<u>N/A</u>	<u>Authorised by Budget Holder</u>	<u>Authorised by Budget Holder</u>

Note 1 – Where PCR 2015 thresholds are not exceeded, minimum of 3 competitive tenders must be sought with the tender advertised on Contracts Finder

3. Financial Thresholds for Procedure

RULES FOR CONTRACTS <u>Contract Procedure Rules (CPR's)</u>	
Quick Reference Guide Table – Financial Thresholds	
<u>Above PCR 2015 thresholds (as detailed under)</u>	
<u>£4,551,413+ (€5,548,000)</u>	Competitive tenders <u>in compliance with the</u> and Public Contracts Regulations 2015 06 required for <u>W</u> works, goods and services and <u>Concession</u> contracts. Contracts in the form of Deeds must be prepared in Legal Services and sealed formally for the Council and witnessed by an authorised signatory in Place Directorate.
<u>£615,278 (€750,000)</u>	Competitive tenders <u>in compliance with the</u> and Public Contracts Regulations 2015 06 required for <u>Supplies</u> goods and <u>S</u> services contracts <u>that are subject to Regulation 74 (Light Touch Regime) for Health and Social Care contracts.</u> Contracts in the form of Deeds must be prepared in Legal Services and sealed formally and witnessed by an authorised Signatory in Place Directorate.
<u>Below PCR 2015 thresholds</u>	
<u>£100,000 – up to values listed above relevant to spend type, e.g Works, Supplies or Services</u>	Competitive tenders required. <u>Minimum 3 tenders, MUST be advertised on Contracts Finder.</u> Contract on standard form of contract or bespoke form of contract. Contract signed by officers with delegated powers to do so (see Part 2M, paragraph 5.1.18)
<u>£10,000 - £99,999</u>	Competitive quotations required. Contract on official order form or standard form of contract. Contract signed by officers with delegated powers to do so (see Part 2M, paragraph 5.1.18) <u>Competitive quotations</u> <u>Over £10,000 and up to £24,999 - Oral quotations (which should be confirmed by email) can be sought - quotation pack use is optional.</u> <u>Over £25,000- quotations MUST be received in writing using quotation pack.</u>
<u>Below £10,000</u>	No need for competitive quotations but M <u>must either</u> use corporate contracts where one exists or show value for money. Use official order form.
<u>NB EU Thresholds</u>	Use (a) corporate contract where one exists unless there is good reason not to; or (b) refer the requirement to the Procurement Service <u>EU Thresholds are revised every 2 years on 1st January. Figures quoted above for Works and Concessions (£4,551,413), Light Touch Regime Services (£615,278) and Supplies and Services (£181,302) are applicable from 1st January 2018 – 31st December 2020.</u>

4. Summary of Rules for Contracts – Quick Reference Guide including Approval Levels

Procurement Process	Above £1million in value	Over £50,000 – and under £1million	£10,000 and under £50,000	Below £10,000
Requirement to be referred to	Procurement Board	Panels	Procurement Service	N/A
Approval	Through budget setting and compliance with Rules for Contracts, Procurement Board approval in consultation with Cabinet Member and Chair of Audit and Procurement Committee. Where the <i>annual value</i> is higher than £1million approval must be obtained from Cabinet	Panel approval. In consultation with Cabinet Member and Chair of Audit and Procurement Committee.	Director approval or delegated authority to budget holder	Budget holder
Invitation to tender	Supplies and Services – Public Contract Regulations 2006 Works > £3.9m Public Contract Regulations 2006	Competitive tenders. Minimum of 3, which must be advertised.	Minimum of 3 written competitive quotations in addition, where appropriate, a minimum of 2 should be local.	Use of corporate contract or demonstrate value for money
Opening of tenders	Electronic or Legal Services in presence of Procurement Service.	Electronic or Legal Services in presence of Procurement Services.	N/A – quotes	N/A

Form of Contract	Standard or bespoke Form of Contract. Contracts in the form of Deeds must be prepared and sealed in Legal Services	Standard or bespoke Form of Contract as advised by Legal Services/ Procurement Service.	Official order form or standard Form of Contract	Official order form or Council procurement card
Contract to be endorsed/signed by	Under seal by the Council in the presence of Authorised signatory in Resources Directorate.	Under seal by the Council in the presence of Authorised signatory in Place Directorate if contract value is £150,000 or over. For contracts under £150,000, signed by officers with delegated powers to do so (see Part 2M, paragraph 5.1.18)	Signed by officers with delegated powers to do so (see Part 2M, paragraph 5.1.18)	Budget holder
N.B. Contracts to be signed before expenditure incurred				

34.1 The Director responsible for the Procurement Service and the Chief Finance Officer (if they are not the same officer) or his/or her authorised deputy, subject to conditions, may grant authorise a contract as an exception to the ~~Rules for Contracts~~CPRs if the works or services are below PCR-EU thresholds. An exception cannot be granted where a breach of any UK ~~or EU~~ legislation would be incurred.

45. **Objectives**

45.1 The ~~CPRs~~Rules for Contracts exist to achieve the aims set out below and to assist and protect the interests of the Council and individual Officers.

It is important that they are viewed as ***an aid to good management and not as a hindrance***. Followed properly they provide protection for Officers against criticism and support good procurement practice.

Officers must be able to demonstrate that they followed procedure or had obtained the necessary authority for not doing so, in order to:-

- ✓ ensure value for money is obtained;
- ✓ ensure probity in the award of Council contracts;
- ✓ ensure fairness, equity, openness and transparency in the

treatment of contractors/suppliers;

- ✓ ensure that procedures for placing contracts/orders comply with legislation;
- ✓ ensure records are kept which demonstrate compliance with Rules for Contracts.

56. **Scope of ~~CPRs~~Rules for Contracts**

56.1 All purchases and contracts made in the name of and binding the Council must comply with these ~~CPRs~~Rules for Contracts, and also any contract that involves income to the Council. This includes contracts where the expenditure is grant aided by a third party. These rules also apply to a company which is owned or controlled by the Council or is funded by public money. Any arrangement where the Council pays or receives money or equivalent value, other than a contract to employ staff, must comply with these Rules. This includes contracts for:

- (a) buying and selling goods;
- (b) any work being carried out;
- (c) services (including financial and consultancy services);
- (d) hire, rental or lease (of goods)
- (e) concession agreements

56.2 To receive and deal with expressions of interest (through the Procurement Board or the Panels as appropriate) from relevant bodies in providing or assisting in providing a relevant service on behalf of the Council in accordance with Part 5, Chapter 2 of the Localism Act 2011 and to consult with the relevant Cabinet member on each expression of interest that is received.

67. **Compliance**

67.1 Every contract entered into on behalf of the Council must comply with these ~~CPRs~~Rules for Contracts and all relevant UK ~~and EU~~ legislation.

67.2 The only areas excluded from these rules are:

- (a) Internally recharged services;
- (b) Schemes where the Council has delegated a function to a third party to perform and where a contract makes separate provision for procurement rules
- (c) Test purchasing in the course of an Officer's duty. (e.g. Trading Standards).
- (d) Land transactions ~~which have their own rules~~
- ~~(d) (e)~~ Grants ~~which have their own rules~~

67.3 All contracts must be in writing. Whenever possible, contracts under £1050,000 in value must be made on an official Council order form or standard form of contract, as appropriate, approved by a designated Authorising Officer, with the Council's standard terms of trading endorsed or referred to. For works contracts, one of the standard forms of contract, such as the NEC, JCT or ICE forms may be appropriate. The Procurement Service, in consultation with Legal Services, will advise on other suitable forms of contract.

67.4 Responsibility for compliance with ~~CPRs~~**Rules for Contracts** remains at all times with Council officers. Directors and the **Assistant Director Head of Procurement** will be responsible for monitoring compliance against these rules, aided by internal or external audits or inspections which will be carried out as appropriate.

67.5 See Rule **89** regarding approvals required before a Relevant Procedure (as defined in Rule **89.1.1**) may be commenced.

~~78.~~ Justification of Need and the Common Commissioning Framework and Commissioning Cycle

78.1 Before any Relevant Procedure (as defined in Rule **89.1.1**) is commenced consideration must be given to:

- (a) whether the expenditure is really necessary;
- (b) whether a critical review has been carried out to identify if the requirement can be met from within existing resources or whether it is being funded through grants or other approved income sources;
- (c) the revenue consequences of any capital investment; and
- (d) in any case, whether the necessary approvals in Rule **89** have been obtained.

~~**8.2** If the purchase is justified then for goods, the exact requirements must be defined, and an appropriate specification drawn up. For Services and Works, the full commissioning cycle must be followed i.e. plan, understanding where we are now and where we want to get to, engage, involving key stakeholders, Secure, sourcing the right services or works to meet need, manage, ensuring good performance.~~

89. Approvals required before certain Relevant Procedures are commenced

89.1 Rule **89** applies to any Relevant Procedure:

89.1.1 *Relevant Procedure*: means any procedure conducted by or on behalf of the Council for the genuine purpose of the Council (alone or with others) entering into a contract for the purchase of goods, services

and/or works, subject to the following:

- (a) This shall include (without limitation), the seeking of quotations, the conduct of any tender exercise, the conduct of any mini-competition exercised d under a framework agreement, the making of a purchase under a dynamic purchasing system or off an approved list (or the like), and the conduct of a negotiated procedure by or on behalf of the Council.
- (b) This shall not include any genuine exercise to research market conditions (including without limitation, any soft market testing or benchmarking exercise) which is not in itself genuinely intended to directly result in the Council entering into a contract for the purchase of goods, services and/or works.

89.1.2 This Rule ~~89~~ only applies to conduct involving Council members and its officers and does not apply as between the Council and the public at large. Accordingly (and without limiting the implications of this), non-compliance by the Council or by any of its members or officers with all or any part of this Rule ~~89~~ shall not in itself result in any of the following:

- (a) Any act by or on behalf of the Council resulting from that non-compliance being invalid for any reason (including without limitation, any assertion that the Council has acted beyond its powers).
- (b) Any member of the public (including any person ~~to~~ who takes part in a Relevant Procedure which is conducted in breach of this Rule ~~89~~) having any claim of any kind whatsoever against the Council, including any claim for compensation.

89.2 *Requirements before a Relevant Procedure may be commenced:*

All of the following, to the extent relevant, and without limiting other requirements elsewhere in the Council's Constitution but subject to the exceptions in Rule ~~89.5~~ must be completed before a Relevant Procedure may be commenced:

- (a) The expenditure must be within approved budget and policy framework which has been approved by Members.
- (b) The use of expenditure must have been approved by the Procurement Board (or on the Procurement Board's behalf by the Panels where relevant) in accordance with Rule ~~89.3~~.
- (c) Where the Relevant Procedure is a sensitive matter (see Rule ~~89.4~~), the Procurement Board shall consider and give its approval or delegate the approval to the Panels.

89.3 *Delegation by the Procurement Board of the task of considering whether to approve a prospective Relevant Procedure for the purposes of Rule ~~89.2(b)~~.*

The Procurement Board may (but shall not be obliged to) delegate that task to any of its Panels (or ~~any its~~ other relevant subcommittees the Procurement Board has in place from time to time), **but only if both of the following conditions** apply to the prospective Relevant Procedure under consideration:

- (a) The reasonably estimated total value of the contract or contracts for goods, services and/or works expected to be entered by the Council at the conclusion of the Relevant Procedure (whether under a single contract, as aggregated under a framework agreement across its full term, across two (2) or more lots contained in the same Relevant Procedure, or as aggregated under a series of reasonably connected contracts) is **less than** £1,000,000 (one million pounds). Where there is reasonable doubt about whether the value is to exceed that figure, there shall be a presumption for the purposes of this Rule ~~89.3~~ (a) that it does exceed that figure; **and**
- (b) The Relevant Procedure is **not** a sensitive matter (see Rule ~~89.4~~).

~~8.4~~ 8.4 Any of the following may constitute a 'sensitive matter' for the purposes of this Rule ~~89~~ but the Procurement Board or Panels will make the decision.

- (a) There is a significant risk (on a reasonable view) that the Relevant Procedure (and/or any purchase of goods, services and/or works resulting from it) will create serious adverse publicity for the Council.
- (b) Under the proposed contract for the purchase of goods, services and/or works expected to result from the Relevant Procedure, the Council would be required to deal with a particular supplier or provider on an exclusive basis.

~~89.5~~ 89.5 *Exceptions to obtaining any of the approvals required in Rule ~~89~~: only with the written consent of the Director responsible for the Procurement and Commissioning Service and the Chief Finance Officer (if they are not the same person).*

~~940.~~ 940. **The Procurement Board and Panels**

~~940.1.~~ 940.1. Composition of the Procurement Board:

- (a) *Appointment and removal of Procurement Board members:* from time to time in accordance with its approved terms of reference and its members must include the ~~Chief Executive~~, the Chief Finance Officer, a minimum of three Directors and the Head of Procurement Executive Directors.
- (b) *How the Procurement Board is to conduct itself:* as determined by the Procurement Board from time to time, acting reasonably and in good faith, and in any case, lawfully.

~~(c) (e)~~ The Panels shall include: ~~Deputy~~ Directors, Heads of Function Assistant Directors and other officers of the Council appointed or removed in accordance with its approved terms of reference.

910.2 The Procurement Board shall have the following powers:

- (a) To determine whether to approve or refuse any proposed Relevant Procedures which it has not otherwise delegated according to Rule 89.3;
- (b) To monitor compliance with contract rules and monitor spend and contracts; to achieve savings;
- (c) The status of a Panel in place from time to time shall be as a sub-committee of the Procurement Board;
- (d) To establish and dissolve the Panels or similar sub-committee;
- (e) To establish the composition of members of the Panels or similar sub-committee, ~~which must include Deputy Directors and/or Assistant Directors~~, including appointment and removal of members, including any alternates;
- (f) The conduct of the proceedings of the Panels or similar sub-committee from time to time;
- (g) Any act of the Panels or similar sub-committee (including any approval or refusal of a Relevant Procedure) shall be regarded as if it were the direct act of the Procurement Board itself;
- (h) To deal with expressions of interest from a relevant body exercising the right to challenge for a relevant service under Part 5, Chapter 2 of the Localism Act 2011;
- (i) To provide an annual six-monthly report on the activities of the Procurement Board and Panels to Cabinet Member Portfolio Holder ~~and an annual report to the Audit and Procurement Committee~~; and
- (j) The Chief Finance Officer has the power to vary the terms of reference of the Procurement Board and Panels, ~~and the right to vary the Rules for Contracts~~.

910.3 The Panels shall have the following powers:

- (a) (b) (d) (e) (g) (h) and (i) detailed in Rule 910.2.

101. **Exceptions to CPRs Rules for Contracts**

101.1 An exception to the CPRs Rules for Contracts is a permission to let a

contract without complying with one or more of the Rules. An exception to ~~CPRs~~Rules for Contracts may be granted subject to conditions. An exception cannot be granted where a breach of any UK ~~or EU~~ legislation would be incurred.

~~101.2~~ ~~Any~~Only the Director responsible for the Procurement Service or his authorised deputy may grant an exception to these ~~CPRs~~Rules for Contracts up to a value of £50,000. Any exception to CPRs over £50,000 will need the approval of the Director responsible for the Procurement Service or his authorised deputy who may grant an exception to these CPRs. Applications for exceptions must be made in writing to the appropriate Director ~~responsible for the Procurement Service~~ and include the exception that is requested and the justification for the exception. All Directors granting an exception or exceptions will notify the Council's Procurement Service of all exceptions granted at a frequency to be determined by the Director responsible for the Procurement Service.

~~101.3~~ The Director responsible for the Procurement Service will keep a register of all exceptions to Rules for Contracts, which shall be available by appointment for inspection by members of the Council and the public. ~~In April, A~~an annual report on exceptions granted in the previous financial year will be presented to the Procurement Board. Cabinet Member (Strategic Finance and Resources).

~~101.4~~ An application for an exception to ~~CPRs~~Rules for Contracts to allow a contract to be let without genuine competition will not be granted without a cogent reason. A lack of time caused by inadequate forward planning is not a cogent reason and will not permit an exception to ~~CPRs~~Rules for Contracts. If an application is granted, the Director responsible for the contract must demonstrate that the price obtained is not in excess of the market price and that the contract represents best value for money.

~~101.5~~ Where an exception has been granted in line with these rules, ~~the Director will seek~~ a further exception must be sought if the value of the original exception has been exceeded or the time period granted for the exception has elapsed.

~~101.6~~ An exception to the requirements to follow the tender or quotation procedure may be granted in the following circumstances:

- (a) an unforeseeable emergency involving danger to life or health or serious damage to property, in which the work, goods or services are required more urgently than would be possible if the tender or quotation procedure were followed;
- (b) for justifiable technical reasons, the works, goods or services can be obtained from only one supplier;
- (c) acquiring goods or services from a different supplier would result in incompatibility with existing goods or service or disproportionate

technical difficulties;

- (d) the proposed contract is an extension to or variation of the scope of an existing contract, if permitted by the public procurement legislation i.e. below the required EU limit, *unless* the existing contract provides for an extension;
- (e) ~~the purchase of works of art, museum artefacts, manuscripts or archive collection items;~~
- (f) there is a need to develop and influence the market by extending the range and provision of services, provided the contract is for a fixed term of no more than three years;
- (g) it is necessary to enable the continuation of a new service, development of which was initially grant-aided, provided the contract is for a fixed term of no more than three years;
- (h) value for money can be achieved by the purchase of used vehicles, plant or materials;
- (g) when a grant from a public body includes a recommendation as to the supplier or is time limited;
- (i) in furtherance of the Council's social enterprise policy, or other economic development aims, subject to the prevailing financial support limits for this type of activity and without breaching public procurement rules;
- (i) if there are exceptional circumstances in which it would not be in the Council's best interests to follow the tender or quotation procedure or another ~~Rule for Contract~~ Procedure Rule;

104.7 An exception to ~~Rules for Contracts~~ Procedure Rules is granted and separate authorisation is not required in the following circumstances:

(a) placing an order with a single supplier under an existing corporate contract or framework agreement where the value is below £50,000; If above £50,000, approval should be sought via the appropriate Procurement Panel or Procurement Board; placing an order against a contract/framework agreement let by another Public Body where contracts have been let to allow collaboration, e.g. Eastern Shires Purchasing Organisation (ESPO), Central Buying Consortium (CBC, Buying Solutions, etc.), where the value is below £50,000. If above £50,000, approval should be sought via the appropriate Procurement Panel or Procurement Board;

~~(a)(b)~~ _____;

~~(b) placing an order against a contract/framework agreement let by another Public Body where contracts have been let to allow collaboration, e.g. Eastern Shires Purchasing Organisation (ESPO), Central Buying Consortium (CBC, Buying Solutions, etc.~~

(c) as part of a partnering contract that contemplates a series of contracts with a single supplier;

(d) legislation requires the Council to let a contract differently from these ~~Rules for Contracts~~ Procedure Rules;

(e) value for money can be achieved by the purchase of second hand/used vehicles, plant or materials

(f) the purchase of works of art, museum artefacts, manuscripts, archive collection items or the services of artistic and cultural performers;

(g) Residential Placements for an individual with a registered care provider of their choice under the Care Act 2014; and

~~(e)~~(h) for decision making on utilities contracts. Due to the volatile nature of utilities markets and the need for expedient decision making, authority has been delegated through the approval of these rules to the Director responsible for the Procurement Service in consultation with the Chief Finance Officer. If the Chief Finance Officer is also the Director responsible for the Procurement Service, then the decision will be made by the Chief Finance Officer in consultation with the Chief Executive or his nominated representative. All utilities contracts will be let through the Procurement Service and in line with the procedures dictated by the ~~Head of Assistant Director~~ Procurement.

112. Valuation of Contracts and Aggregation of Requirements

112.1 The Director responsible for each contract must record an estimated value for the contract before any offers are sought.

112.2 The total value of ~~the~~ contract is the total amount that the Council expects to pay for the contract, either in a single sum or periodically over time, and should be calculated in accordance with the most appropriate of the following:

(a) Capital and fixed term contracts – the total price which is expected to be paid during the whole life of the contract period, including all extension options and contingency allowance

(b) where the contract period is uncertain, multiply the price estimated to be paid each month by 48

(c) If the purchase is one of a series of regular transactions for the same type of item, the 'Total Value' is the expected aggregate value of all of those transactions over a 12-month period

(d) for feasibility studies, it is the value of the scheme or contracts which may be awarded as a result

~~112.3~~ Contracts for the same works, goods or services must not be split into smaller, separate contracts to avoid compliance with these ~~CPRs~~Rules for Contracts or the Public Contracts Regulations 2015 EU public procurement legislation. ~~If it will achieve best value for money, contracts for the same or similar works, goods or services must be aggregated into a single contract of greater value or be let as a series of contracts based on the appropriate process for the total value.~~

~~123.~~ **Duties of Directors and the Head of Assistant Director Procurement**

~~123.1~~ The Director is responsible for ensuring that all expenditure involving procurement activity complies with the ~~CPRs~~Rules for Contracts, ~~and is in conjunction with the Assistant Director Procurement.~~ He/she is also responsible for ensuring that contracts within his/her division are managed and operated within the terms of the contracts themselves.

~~123.2~~ The ~~Head of Assistant Director~~ Procurement is responsible for maintaining a register of contracts and for providing an up-to-date copy of the register, ~~at the end of each financial year.~~ Contracts for less than ~~£2510,000 or one off contracts~~ need not be recorded in the register. The contracts register is to be published on the Council's website in accordance with the Local Government Transparency Code. Directors responsible for entering into contracts for £25,000 or more must notify the Director responsible for the Procurement Service of contracts entered into at a frequency determined by the Director responsible for the Procurement Service.

~~123.3~~ As soon as practicable after the Council's budget has been set and in any event before the end of March in each financial year, the Director must notify the ~~Head of Assistant Director~~ Procurement of all contracts (including their values) that his/her division plans to enter into during the following financial year. ~~This will enable the Assistant Director Procurement to publish the Council's Prior Information Notice (PIN) in accordance with the EU regulations. This has the benefit of reducing the EU tendering timescales.~~

~~123.4~~ The Director must use corporate contracts, where they are in place. To do otherwise would be unlikely to give value for money for the Council and may be in breach of the Public Contract Regulations 2015.

~~123.5~~ If there is an in-house service available that operates as a trading unit, the Director must consider, in accordance with Value for Money principles, whether that service should be used or whether a contract should be let to an external provider, although all resource implications (e.g. TUPE implications and/or redundancies for directly employed staff), must be considered as part of the best value assessment.

~~134.~~ **Selection of Procurement Route**

134.1 When selecting the most appropriate procurement route to secure value for money, the Director, in consultation with the Head of Assistant Director-Procurement, shall adhere to the following principles:

- (a) All practical options for contract packages and methods of procurement should be analysed and evaluated, with the object of selecting the option that most effectively ensures value for money is achieved. The preferred option must provide full, fair, transparent and open competition and be identified as the most economically advantageous bid.
- (b) The scope of contract packages should take into account cross-cutting themes and outcomes identified by strategic, policy and service reviews. Stakeholders within and outside the Council should be consulted about service standards and specifications and investigation of the market undertaken. Performance under any current contract should be appraised and prospective performance considered in the light of consultations and investigations.
- (c) The contract package should seek to stimulate diversity and innovation, enhance choice for service users and attract new suppliers.
- (d) Partnerships between the public, private and voluntary sectors should be sought, which demonstrate a shared commitment to objectives that benefit users of the Council's services.

~~(e) The requirements of the Common Commissioning framework defined under the Sustainable Community Strategy, with the objective of achieving a contract that best serves the needs of service users and contributes to sustainable development, whilst achieving value for money for the Council.~~

~~14.2 The Council is developing a *Compliant Procurement Process* which will replace the current Procurement Manual that sets out minimum requirements for reporting and decision-making with regard to contracts and the key stages and actions the Council requires major procurements to follow, including market assessment and analysis, user consultation, risk analysis and project planning and management. The Compliant Procurement Process will detail how 13.4 The Director must use corporate contracts, where they are in place. To do otherwise would be unlikely to give value for money for the Council and may be in breach of the Public Contract Regulations.~~

~~13.5 If there is an in-house service available that operates as a trading unit, the Director must consider, in accordance with Value for Money principles, whether that service should be used or whether a contract should be let to an external provider, although all resource implications e.g. TUPE implications and/or redundancies for directly employed staff, must be considered as part of the best value assessment.~~

145. Authority to enter into a contract

- 15.1 Officers may only enter into a contract if authority is delegated to them or by specific decision of the Council, the Cabinet or Cabinet Member or Procurement Board or the Panels.
- 15.2 Unless an officer has been given authority to enter into a contract, all contracts involving capital expenditure must be authorised by a specific decision of the Cabinet or a Cabinet member.
- 15.3 Unless an officer has been given authority to enter into a contract, all contracts involving revenue expenditure must be authorised by a specific item in the approved revenue budget for the relevant year. A specific item in the approved revenue budget is deemed to be an authority for the relevant Director to enter into a contract up to the value estimated.
- 15.4 All contracts will be let with the involvement of the Procurement Service in consultation with service users and technical experts.

156. Specifications

- 156.1 The Director in conjunction with the ~~Head of Assistant Director~~ Procurement must ensure that an appropriate specification is prepared for every contract, which sets out clearly the Council's requirements with regard to the works, goods or services to be supplied.
- 156.2 All works, goods and services must be specified by reference to European or national standards where appropriate.
- 156.3 Specifications should incorporate measurable and, so far as is possible, objective quality and performance criteria to enable the contract to be monitored and managed and should build in a capacity for flexibility and innovation, to secure sustained improvements and the ability to meet changing local and national circumstances.
- 156.4 Where appropriate, specifications should identify and allocate the risks inherent in the contract.
- 156.5 If a contract may involve the transfer of employees (from the Council to a contractor or from one contractor to another), the tender documents should, if the contractor has assured confidentiality of personal information, include all relevant information relating to those employees.
- 156.6 The Director must obtain all necessary professional and technical advice and assistance in preparing a specification, to ensure a comprehensive document that expresses the Council's requirements and protects its interests. Consultants or other third parties who assist

in the preparation of a specification must not be invited to tender or quote for the contract.

167. Contract procedures

167.1 If a corporate contract is in place for the supply of any works, goods or services, the Director must place orders under that contract. The Procurement Service publishes data to enable Directors to order from corporate contracts.

167.2 The Director in conjunction with the ~~Head of Assistant Director~~ Procurement must establish whether the public procurement legislation applies to a proposed contract. If in doubt, ~~the~~ Legal Services will advise whether the legislation applies. When public procurement legislation does apply, the Director/~~Head of Assistant Director~~ Procurement must use the open or restricted procedure unless ~~the~~ Legal Services agrees the use of competitive dialogue or the negotiated procedure. Whenever possible, a competitive procedure must be adopted.

167.3 The ~~Head of Assistant Director~~ Procurement will place all notices relating to contracts in the Supplement to the Official Journal of the European Union and will provide the statutory annual returns to HM Treasury of contracts let by the Council.

167.4 The Director need not obtain competitive quotations for contracts of less than £10,000 in value but must demonstrate in any event that the Council is receiving value for money (~~see the "Quick Reference Guide" Table at Rule 3). Additionally, all relevant documentation will need to be retained for audit or scrutiny purposes in line with Council policy.~~

178. Invitation to Formal Tender

178.1 If the public procurement legislation applies to a contract, the selection of suppliers to be invited to tender for the contract must follow the requirements of that legislation.

178.2 If the public procurement legislation does not apply, and the estimated contract value is greater than £1050,000 or more, at least three potential contractors, who have expressed an interest, should be invited to tender. Where appropriate those invited to tender should include at least two local suppliers. The number of contractors invited to tender should ensure full competition is achieved. Potential contractors should be selected in the following way:

- Placing an advertisement on the council's website or in one or more newspapers circulating in the West Midlands or in one or more newspapers or journals circulating among persons who undertake such contracts or sub-contracts.
- Responses to the advert may be supplemented by contractors appearing on a suitable approved list.
- The placing of the advertisement should aim to achieve maximum interest amongst contractors. If fewer less than three contractors

express an interest, ~~t~~The Director must agree to proceed, and the steps taken to try and obtain the minimum number of tenderers documented.

~~178.3~~ Companies expressing an interest in being invited to tender in response to an advertisement, must satisfy the Council as to their legal, financial and technical capacity (including their health & safety and equal opportunities policies) to undertake the contract by completing a pre-qualification questionnaire or tender document where the open procedure of the Public Contract Regulations is used, in a form approved by the ~~Head of Assistant Director~~ Procurement.

~~178.4~~ The ~~Head of Assistant Director~~ Procurement shall be responsible for ensuring that an "Invitation to Tender" procedure – that demonstrates public sector best practice – is available and adhered to, at all times.

~~189~~ **Opening Formal Tenders**

~~189.1~~ The information obtained at the opening of tenders is confidential to those involved in the opening process and those directly involved in evaluation of the tenders. Confidentiality must be maintained and any breach reported to the Monitoring Officer.

~~189.2~~ ~~The Council uses an *electronic tendering platform*. The tender opening process must be appropriate to the specific electronic software employed and its facilities for guaranteed receipt of tenders. For *electronic tendering*: The tender opening process must be appropriate to the specific electronic software employed and its facilities for guaranteed receipt of tenders.~~

~~19.3~~ ~~For paper-based tendering: Legal Services are responsible for marking the tender envelopes or parcels with the date and time of receipt; keeping tenders in a secure place until after the last date and time for receipt and for returning tenders that are received late or identify the sender.~~

~~19.4~~ ~~Tenders must be opened one at a time by a member of the Legal Services team in the presence of a member of the Assistant Director Procurement's team. In all cases this must be an officer other than the officer running the tender process.~~

~~19.5~~ ~~The Legal Services must number all tenders in the order they are opened and all persons present must initial them.~~

~~19.6~~ ~~The representative of the Legal Services must record:~~

~~(a) the works, goods or services to be supplied;~~

~~(b) the name of each tenderer;~~

~~(c) the amount of each tender or such other information as may be relevant to the procurement;~~

~~(d) the date and time of opening of each tender;~~

~~(e) the names of all persons present at the time of opening.~~

~~The member of the Assistant Director Procurement's team opening the tenders must certify the record as correct.~~

1920. **The Quotation Procedure**

1920.1 For contracts of under £~~105~~0,000 in value, suppliers to be invited to quote may be selected from an appropriate approved list, ~~or~~ advertised on the Council's website or otherwise sought as appropriate.- Where the contract value is over £10,000 and up to £24,999, oral quotations (which should be confirmed by email) can be sought and the use of the quotation pack is optional. Where the contract value is over £25,000 quotations MUST be received in writing using quotation pack.

1920.2 The Authorising officer must satisfy him/herself as to the legal, financial and technical capacity of suppliers invited to quote to undertake the contract for the Council, through seeking appropriate in-house professional advice, and that they will provide value for money.

1920.3 A sufficient number of suppliers must be invited to quote to ensure genuine competition. ~~The minimum number is three.~~

1920.4 The ~~Head of Assistant Director~~ Procurement shall be responsible for all procedural aspects of seeking quotations, ensuring that probity and proper public accountability standards are in operation. Monitoring shall be carried out periodically by either the internal or external auditor.

204. **Acceptance of Formal Tenders and Quotations**

204.1 Where expenditure has been approved through the budget setting process, the Procurement Board has given approval to proceed and these ~~CPRs~~Rules for Contracts have been followed, for contracts over the EU/PCR thresholds, the Procurement Board or Panels shall receive notification of the contract award.

204.2 For contracts ~~of over~~ £~~105~~0,000 or more, contracts are to be awarded under the "most economically advantageous" criterion (see Rule ~~204~~.3) the ~~Head of Assistant Director~~ Procurement shall require a written report from the responsible officer requesting approval for acceptance and detailing the reasons for doing so. This shall be recorded in writing and presented to the relevant Panel. In extreme urgency the ~~Head of Assistant Director~~ Procurement, may agree a or verbal report from the responsible officer with a written report being signed off by the ~~Head of Assistant Director~~ Procurement within a fortnight of this meeting. All ~~written reports papers/electronic files~~ will be stored in line with the document retention policy.

~~204.3~~ Tenders or quotations must be evaluated on the basis of which is most economically advantageous to the Council. When using the Public Contracts Regulations 201506, the criteria for evaluation must be set out in the invitation to tender or equivalent document depending on which procedure is used, in descending order of priority, with the weightings to be given to them. The criteria may also be set out in the OJEU and public notices. Whole life and environmental costs may be included in criteria for evaluation.

~~212.~~ **Electronic tendering and quotations**

The ~~Head of Assistant Director~~ Procurement is responsible for the procedure for these processes.

(a) tenders and quotations may be invited electronically, provided paper copies of any documents that cannot be sent on-line are sent by post and paper copies of all documents are sent to suppliers who do not specify an e-mail address for receipt of tenders or quotations. In selecting suppliers to be invited to tender or quote, the ~~Head of Assistant Director~~ Procurement must not discriminate against suppliers who do not have facilities for receiving invitations by e-mail. Where the e tendering system is the only process being used support must be found for suppliers in this category.

(b) invitations to tender and quotes may be submitted electronically through the approved e tendering system. Where electronic submissions are made outside of the approved system, submissions must be made after the official opening deadline, and they must be supported by paper copies of all invitation documents and formally opened under the process described in sections 18 or 19 of this document.

(c) the procedure will also include arrangements for e-auctions.

~~223.~~ **Amendments and alterations to tenders and quotations**

~~223.1~~ Amendments to invitation to tender or invitation to quote documents, made after the invitations have been sent out, must be clearly headed "Tender Amendment" or "Quotation Amendment" as appropriate and sent to all suppliers who have been invited to tender or quote. If there is more than one amendment, they should be numbered consecutively. Amendments should be sent out in sufficient time to allow suppliers to adjust their tenders or quotations as appropriate.

~~223.2~~ A supplier's tender or quotation is his offer to the Council, which the Council may accept as it stands. Once a tender or quotation has been submitted, alterations will only be accepted through formal clarifications under the restricted procedure; or negotiations under the Competitive Dialogue process of the Public Contracts Regulations 201506.

~~223.3~~ In all other situations, if a supplier attempts to alter his offer after the last date for receipt of tenders or quotations, he must be given the opportunity to stand by or withdraw his original offer. Correction of an obvious arithmetical error, which would reduce the price to be paid by the Council or increase the price to be paid to the Council, may be accepted.

~~223.4~~ Where performance specifications are used, a tender or quotation that is expressed to be conditional upon the Council's acceptance of alterations to the specification or the terms and conditions of contract, may be treated as non-compliant and rejected. This does not prevent the Council inviting variant bids (that is an invitation to submit an alternative bid that could then be considered as being to the Council's benefit provided that the condition applying to the mandatory reference bid is followed). If variant bids are invited, suppliers must be required to submit a mandatory reference bid based on the specification and terms and conditions included in the invitation to tender or invitation to quote, so that all bids may be compared fairly.

~~223.5~~ Where outcome-based specifications are used it will be for the bidder to decide the method of service delivery. Tenders or quotations will be evaluated fairly against published evaluation criteria.

~~223.6~~ A properly approved and EU-compliant competitive dialogue process or negotiated procedure will normally result in one or more Best and Final Offers as a result of negotiation with selected bidders. No alteration to the Best and Final Offer, in terms of outcomes or contract price is permitted without the specific approval of the Monitoring Officer.

~~23.7~~ ~~Before a tender or quotation has been accepted, the Assistant Director Procurement may ask all tenderers or suppliers to maintain their tendered or quoted prices for a longer period. Tenders and quotations should in any event remain open for acceptance for a period of ninety days from the last date for receipt of tenders or quotations, or such other period as the Assistant Director Procurement considers appropriate, and the form of tender or quotation should make this clear.~~

~~234.~~ **Contract extensions**

~~234.1~~ Where extensions to contracts have been included in the original advert, tender documentation and contract, subject to Panel/Procurement Board approval, the extensions may be agreed; where performance is satisfactory and the original contract terms are to continue (including price variations in line with the original contract) through the issuing of a contract change note ~~(templates to be issued by the Assistant Director Procurement)~~. The contract change note must be kept with the original contract in line with the document retention policy and must be signed by the officer who signed the original contract, or in their absence for whatever reason, by another officer authorised to sign the original contract.

~~24.~~ **Contract Variations-**

24.12 Over £1050,000 and below the ~~PCREU~~ thresholds, if a contract extension is proposed where the terms and conditions of the original contract will be changed; the relevant Panel shall require a written report from the responsible officer requesting approval for acceptance and detailing the reasons for doing so. This shall be recorded in writing. In extreme urgency the Panel may agree an ~~or verbal~~ report from the responsible officer, with a written report being signed off by the Panel within a fortnight of this meeting. Once approval is received a contract change note will be issued and kept with the original contract documentation. All written reports will be stored in line with the document retention policy. If a contract is under seal a short supplemental deed may be required and this will be dealt with on request to Legal Services.

25. **Form of Contract**

25.1 Legal Services will decide whether a contract over the ~~PCREU~~ thresholds in value is to be executed as a deed under the seal of the Council or under hand as a simple contract. As a general rule, works contracts, and high value contracts (exceeding £1,0050,000) will be executed as deeds under the Council's seal.

25.2 All contracts made as deeds must be made under the Council's Common Seal, witnessed in accordance with the relevant provision of the Scheme of Functions Delegated to Employees by an Officer authorised to do so. Standing Order of the Council's Rules of Procedure (Standing Orders) by the Chief Executive or such other person appointed by the Council.

25.3 A contract under seal is retained for twelve years ~~in Place Directorate~~ to enable any action to be taken under it, if required

25.4 ~~Simple C~~contracts of between £100,000 and ~~the £150,000-£999,999~~ in value must be signed for and on behalf of the Council by either the Head of Assistant Director Procurement or the Head of Legal or an authorised deputy.

26. **Social Value**

26.1 The Public Services (Social Value) Act 2012 requires the Council to consider delivering Social Value through contracts for services. However, the Council encourages consideration of social value outcomes in all contracts above the PCR thresholds, where it can be evidenced that it is relevant to the subject matter of the contract.

26.2 For those contracts that fall below the threshold, the approach should be to maximise outcomes where possible.

26.3 In order to ensure that the Council adheres to the Act, the social value sought from a contract must be relevant and proportionate in respect of the proposed contract

276. **Contract administration and management**

276.1 The ~~Head of Assistant Director~~ Procurement shall arrange for publication of a contract award notice, no later than 45 days after contract award, if appropriate, and shall keep a register of the notified information, which shall be available for inspection by appointment by any Member of the Council, internal and external auditors and any member of the public.

276.2 The ~~Head of Assistant Director~~ Procurement shall be responsible for ensuring that a procedure on "Contract Administration and Management" is made available to all officers and partners managing contracts on the Council's behalf. This will include guidance on managing partnering or partnership contracts explaining techniques such as target costing and "open book".

287. **Prevention of fraud and corruption**

287.1 All purchases, contracts and income covered by these rules must be let in line with the Council's Anti-fraud and Corruption Policy and Strategy.

287.2 If an officer of the Council has a pecuniary interest, in a contract or proposed contract, he/she must in accordance with Section 117 of the Local Government Act 1972 register the interest with the Monitoring Officer and declare it at any meeting at which the officer is present and the contract is discussed and thereafter leave the room and take no further part in the discussion.

287.3 If an officer of the Council has a personal or non-pecuniary interest in a contract or proposed contract he/she must declare that interest to their Deputy Chief Executive or Director, as appropriate, as required by the Council's Code of Conduct for Employees.

287.4 If a Member of the Council has a disclosable pecuniary interest or other relevant interest in a contract as defined in the Code of Conduct for Elected and Co-opted Members, the member must take such action as is required by that Code.

287.5 A contract must be terminated immediately, and any losses to the Council arising from the termination recovered from the contractor, if the contractor, or anyone acting on his behalf:

- (a) offers or gives or agrees to give any member or officer of the Council any gift, benefit or consideration of any kind or value as an inducement or reward with regard to the contract; or

- (b) commits any offence under the Bribery Act 2010 or section 117 of the Local Government Act 1972.

A declaration to this effect must be contained in all invitations to tender or quote.

~~287.6~~ The attention of officers is drawn to the Council's Code of Conduct for Elected and Co-opted Members †, Whistleblowing policy, Disciplinary Policy and Procedures and the Code of Conduct for Employees. Non-compliance with these ~~CPRs~~Rules for Contracts constitutes grounds for disciplinary action.

~~287.7~~ All of the requirements in Rule 27.1 to 27.6 above will apply to any third party acting on the Council's behalf in a contractual situation e.g. consultants and community representatives on evaluation panels.

~~298.~~ **Freedom of Information Act 2000**

~~298.1~~ When entering into contracts the Council will refuse to include contractual terms that purport to restrict the disclosure of information held by the Council and relating to the contract beyond the restrictions permitted by the Act. Unless an exemption provided for under the Act is applicable in relation to any particular information, the Council will be obliged to disclose that information in response to a request, regardless of the terms of any contract.

~~298.2~~ When entering into contracts with non-public authority contractors, the Council may be under pressure to accept confidentiality clauses so that information relating to the terms of the contract, its value and performance will be exempt from disclosure. As recommended by the Information Commissioner, the Council will reject such clauses wherever possible. Where, exceptionally, it is necessary to include non-disclosure provisions in a contract, the Council will investigate the option of agreeing with the contractor a schedule of the contract that clearly identifies information which should not be disclosed. The Council will take care when drawing up any such schedule and be aware that any restrictions on disclosure provided for could potentially be overridden by obligations under the Act, as described in the paragraph above. Any acceptance of such confidentiality provisions must be for good reasons and capable of being justified to the Information Commissioner. When entering into the above contracts the Council will make it clear that these restrictions apply to sub-contractors also and that the Secretary of State has the powers to designate them as 'public bodies' for the purpose of making them comply with the Act.

~~298.3~~ The Council will not agree to hold information 'in confidence' which is not in fact confidential in nature. Advice from the Information Commissioner indicates that the exemption provided for in section 41 only applies if information has been obtained by a public authority from another person and the disclosure of the information to the public, otherwise than under the Act, would constitute a breach of confidence

actionable by that, or any other person.

~~298.4~~ It is for the Council to disclose information pursuant to the Act, and not the non-public authority contractor. The Council will take steps to protect from disclosure by the contractor information that the authority has provided to the contractor (which would clearly be exempt from disclosure under the Act) by appropriate contractual terms. In order to avoid unnecessary secrecy, any such constraints will be drawn as narrowly as possible and according to the individual circumstances of the case. Apart from such cases, the Council will not impose terms of secrecy on contractors.

298.5 The ~~Head of Assistant Director~~ Procurement will be responsible for advising on the application of the Freedom of Information Act and contracts, in conjunction with the Council's Head of Information Governance, where circumstances arise that are not specifically covered by Council policy. He/she will also be responsible for updating procedure following any case law that materially amends or augments Council policy in this area.

3029. **Management of Risk in Contracts**

For contracts of strategic importance, a risk register will be drawn up for the contract letting process. Once the contract is awarded, a risk register to cover the implementation and successful ongoing management of the contract will be drawn up by the Head of Service or authorised deputy. This risk register will be monitored in line with the corporate guidance on risk throughout the life of the contract.

31. **Impact of Other Legislation**

In addition to what has already been mentioned in these Rules, there is other legislation that may impact on the supplies, services and works required when following a contract tender or quotation procedure such as Health & Safety, Safeguarding, Modern Slavery, to name but a few. This legislation must be incorporated where relevant and appropriate. In particular, the Director must consider whether the contract needs to include, or be subject to, a Data Sharing Agreement where the nature of the contract services is such that personal data is likely to be shared.

32. **Definitions**

In these ~~Contract Procedure Rules (CPRs)~~ Rules for Contracts:

~~Assistant Director Procurement~~ means Assistant Director Procurement or his or her authorised representative.

Authorising Officer means: an officer authorised to approve the placement of orders or invoices for payment.

Cabinet means: the Leader of the Council and the other members of the Council's Executive.

Chief Finance Officer means: the officer appointed under section 151 of the Local Government Act 1972.

Contract means: the agreement between the Council and a contractor/supplier/provider for the supply of works, goods or services, or for any activity that generates income for the Council.

Contractor means: a supplier or provider of works, goods or services to the Council.

Contract change note means: the document that describes changes to the original contract which have been agreed by both parties.

Contract package means: the scope for amalgamating like requirements/services currently operating at different parts of the organisation, to suit the supply market to achieve overall better value.

Corporate contract means: a contract or framework agreement for the supply of works, goods or services to the Council e.g. for computer consumables, stationery, legal and financial services.

Decision making body means: the body responsible for decisions in the described situation under the Council's Constitution.

Director(s) means: a member(s) of the Council's Corporate Leadership Team or Strategic Management Board.

Framework Agreement means: an agreement between the Council and a contractor for the provision of estimated quantities of goods or services. This becomes a contract when an order for a specific quantity is placed either after further competition or through the most competitive source identified in the original tender.

Head of Procurement and Commissioning means: the Head of Procurement and Commissioning or his or her authorised representative.

Monitoring Officer means: the officer designated as such under Section 5 of the Local Government and Housing Act 1989 or his or her deputy.

Outcome based specifications means: a specification that describes the required outcomes through service delivery and leaves the method of delivery to the third party provider.

Panels means: the People or Place and Corporate or Resource Panel.

People Panel means: the officer panel responsible for adult and children's social care, housing, public health and public safety.

Performance Specifications means: a specification that provides details of the methods to be adopted when delivering the requirements.

Place and Corporate Panel means: the officer panel responsible for built environment, highways street scene, transport, waste, facilities management, and operational property, financial, ICT/Telecoms, consumables and professional services.

Procurement Board means: the officer board responsible for all procurement decisions.

Procurement Service means: the centralised procurement and commissioning service for Coventry City Council.

Public procurement legislation means: the Remedies Directive 1992, The Public Contracts Regulations 2015~~2006~~, the EC Directives from which they are derived, UK legislation affecting public sector contracts and any amendment, re-enactment or replacement of any of them.

Quotation means: an offer to undertake a contract of £10,000 or more but less than £~~10~~50,000 in value.

Resource Panel means: the officer panel responsible for financial, ICT/Telecoms, consumables and professional services.

Right to challenge means: the right to challenge for services under Part 5 of the Localism Act 2011.

Services contract means: a contract or framework agreement for the provision of services to the Council.

Chief Finance Officer means: the officer appointed under section 151 of the Local Government Act 1972.

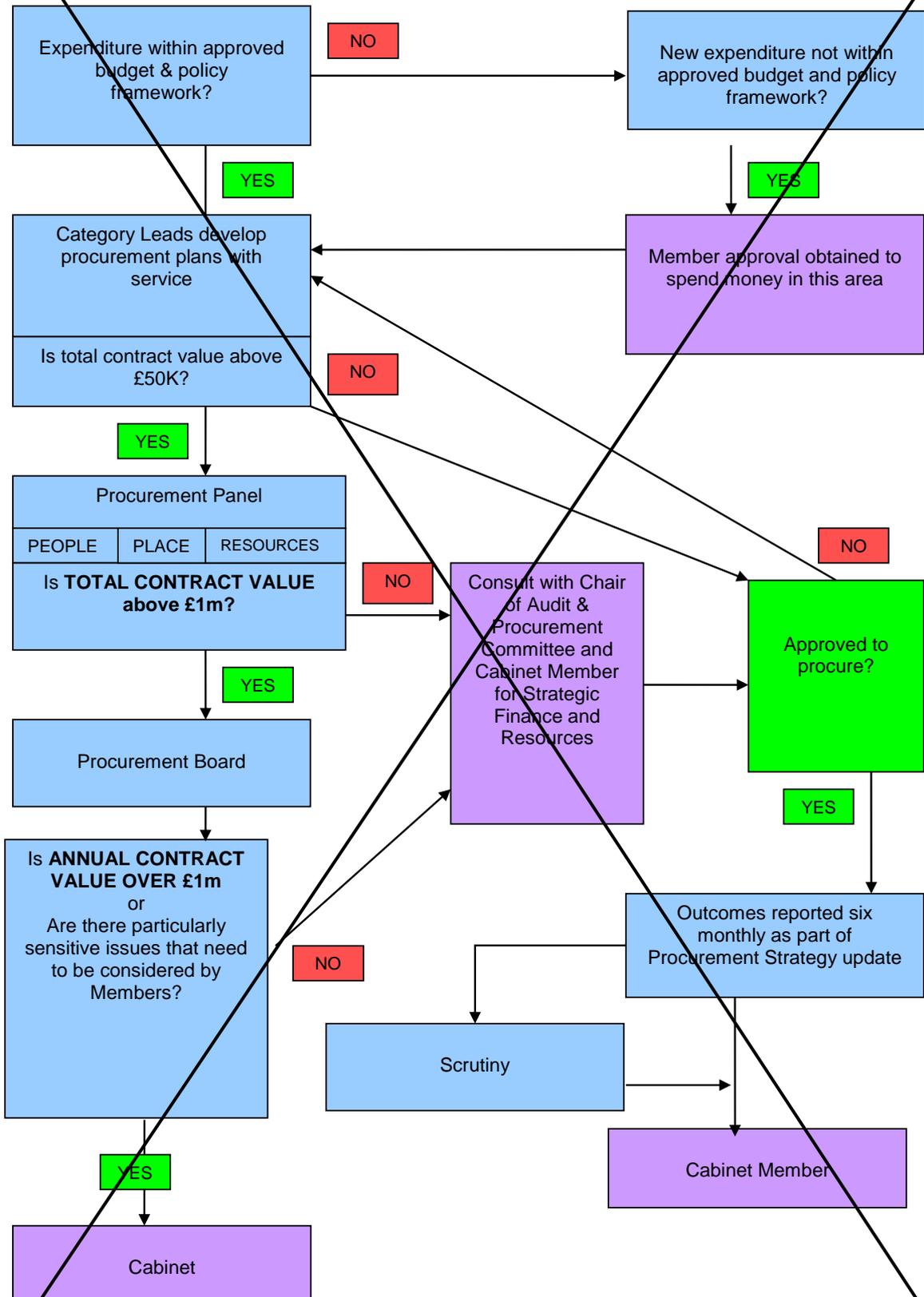
Supplies contract means: a contract or framework agreement for the sale or hire of goods to the Council and includes, where appropriate, installation of goods.

Tender means: an offer to undertake a contract of £~~10~~50,000 or more in value.

TUPE Regulations means: the Transfer of Undertakings (Protection of Employment) Regulations 2006 and any amendment, re-enactment or replacement of the same.

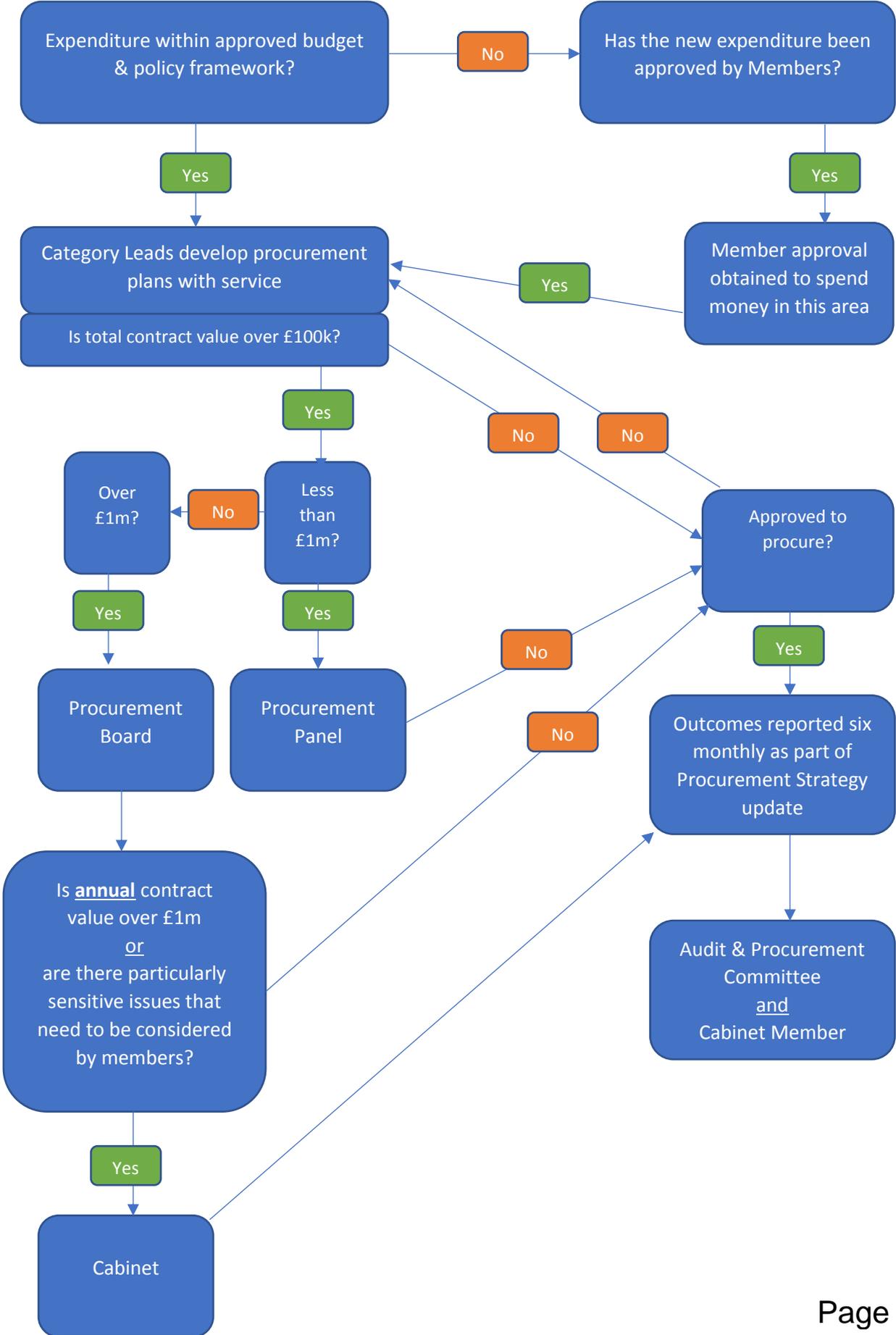
Works contract means: a contract for the construction, repair or maintenance of a physical asset not defined as Services in the Public Contracts Regulations.

PROCUREMENT GOVERNANCE



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PROCUREMENT GOVERNANCE



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Appendix 3: Financial Procedure Rules

1. The Financial Procedure Rules (FPRs) at Part 3F of the Constitution set out the structure through which the Council's financial affairs are managed. They detail the approval limits for financial transactions, the detailed responsibilities of the Director of Finance and Corporate Services and the framework in which financial systems, processes and requirements are applied.
2. The FPRs were reviewed and updated in 2014. The current proposed changes are clarifications or adjustments to the rules.
3. Those parts of the FPRs with proposed changes are set out below. The main points to note within the proposals are:
 - (a) The approval limits that apply to revenue and capital budget transfers are extended to explicitly include the use of reserves for a purpose other than that originally intended (FPR 2.2(b)).
 - (b) Approval of borrowing resourced capital schemes in line with the budget adjustment rules. Ultimately, the borrowing costs of such schemes, in the form of interest and principal repayments, are met from the revenue budget as annual charges. The business case for such schemes will set out how borrowing costs are to be met over time, for example from income, savings or existing budgets (FPR 2.2(b)).
- (a) The current FPRs require no specific approval prior to the Council submitting a bid for grant income (e.g. for government grant) although specific approvals are required before a grant income agreement is signed. To reflect the significance of bidding for grants, in terms of the potential requirements that fall on the Council (e.g. match funding, administrative responsibilities) as well as the potential impact of withdrawal of a bid prior to signing, it is proposed that grant bids will need to be approved by a Director and the Director of Finance & Corporate Services or nominee (FPR2.3 (a)).

PART 3F: FINANCIAL PROCEDURE RULES

1. Introduction

The Financial Procedure Rules provide the structure through which the Council's financial affairs are managed and are deemed part of the Coventry City Council's constitution. They set out the approval limits for financial transactions, the detailed responsibilities of the Director of Finance and Corporate Services and the framework in which financial systems, processes and requirements are applied.

2. Financial Responsibilities of the Council, Cabinet, Cabinet Members and Officers

2.1 The Council, Cabinet, Cabinet Members and Officers will exercise their financial responsibilities in accordance with the Constitution and the Scheme of Delegation. Thresholds for the approval of specific financial transactions are set out below:

2.2 Budget Approval and Amendment

(a) approval of the revenue budget, capital programme and treasury strategy: Council;

(b) revenue and capital budget adjustments, including the use of reserves for a purpose other than that originally intended and the approval of capital schemes funded from borrowing, but excluding Technical Adjustments:

- Up to £250,000 ~ joint approval by the relevant Service Director(s) and the Director of Finance and Corporate Services or nominees;
- Over £250,000 and up to £1,000,000 ~ relevant Cabinet Member(s)
- Over £1,000,000 and up to £1,500,000 ~ Cabinet
- Over £1,500,000 ~ Council.

~~(c) any proposed schemes which are unfunded require the approval of the full Council.~~

(c) Technical adjustments which have no overall impact on the City Council's "bottom line", and meet the following requirements:

- are internal transfers between different areas of the City Council;
- involve no cash transactions with third parties; and
- do not increase or decrease the budget over which a budget holder has spending discretion

Technical Adjustments can be approved by the Director of Finance and Corporate Services or nominee.

2.3

Grant Income

(a) Approval prior to submitting a grant bid: Joint approval by the relevant Deputy Chief Executive and the Director of Finance and Corporate Services or nominees, following consultation with the relevant Cabinet Member;

•—

(b) Approval prior to signature of grant agreement:

- Where a requirement of a successful bid is that it must be match funded by the Council, the approval of the relevant Cabinet Member to accept the grant must be obtained before signature, regardless of the amount of grant.
- Up to £500,000 ~ joint approval by the relevant Deputy Chief Executive[?] and the Director of Finance and Corporate Services or nominees;
- Over £500,000 and up to £2,500,000 ~ to Cabinet, if time permits; if no time to go to Cabinet, to relevant Cabinet Member (or the Leader in their absence) in consultation with the relevant Scrutiny Chair; if no time to go to Cabinet Member, to relevant Director in consultation with relevant Cabinet Member and Scrutiny Chair, to be reported to Cabinet retrospectively.
- Over £2,500,000 ~ Council.

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CITY COUNCIL FINANCIAL APPROVAL LIMITS

Forum Approval Category	Governance	Deputy Chief Executive	Director of Finance and Corporate Services	Procurement Panel	Procurement Board	Cabinet Member	Cabinet	Council
Budget								
Overall Balanced Budget								Unlimited
<u>Capital schemes to be met from borrowing</u>		<u>Joint up to £0.25m</u>				<u>Above £0.25m to £1m</u>	<u>Above £1m to £1.5m</u>	<u>Above £1.5m</u>
<u>Unfunded Schemes</u>								<u>Unlimited</u>
Revenue Budget Adjustments (Virement)		Joint up to £0.25m				Above £0.25m to £1m	Above £1m to £1.5m	Above £1.5m
<u>Use of reserves, other than as originally intended</u>		<u>Joint up to £0.25m</u>				<u>Above £0.25m to £1m</u>	<u>Above £1m to £1.5m</u>	<u>Above £1.5m</u>
Capital Budget Adjustments (Virement)		Joint up to £0.25m				Above £0.25m to £1m	Above £1m to £1.5m	Above £1.5m
Technical Adjustments			Unlimited					
Grant Income								
<u>Approval prior to submitting grant bid</u>		<u>Joint (unlimited)⁶⁴</u>						
Approval Prior to Signature of Grant Agreement		Joint up to £0.5m				Above £0.5m to £2.5m ¹	Above £0.5m to £2.5m ¹	Above £2.5m
Grant Expenditure								
Approval to Grant Awards to an External Body		Up to £0.05m ²				Above £0.05m to £0.25m ³	Above £0.25m to £1.5m	Above £1.5m
Debt Write Off								

Approval to Write Off of Sums Owed to the Council		Up to £0.1m			Above £0.1m		
Procurement	-	-	-	-	-	-	-
Approval to Procure	Up to £0.05m	-	Above £0.05m to £1m	Above £1m⁴	-	Above £1m⁵	-

Footnotes

- ¹ Approval by Cabinet if there is time, if not by Cabinet Member (or Leader in their absence) in consultation with relevant Scrutiny Chair; if no time to go to Cabinet Member, by relevant Deputy Chief Executive in consultation with Cabinet Member and the relevant Scrutiny Chair. To be reported retrospectively;
- ² In consultation with the relevant Cabinet Member;
- ³ In consultation with the Chair of Audit and Procurement Committee
- ⁴ ~~Total contract value;~~
- ⁵ ~~Annual contract value~~
- ⁶⁴ Following consultation with the relevant Cabinet Member(s)

Appendix 4: Audit and Procurement Committee Terms of Reference

1. Currently, in the Council's Constitution, the Terms of Reference of the Audit and Procurement Committee contains the following paragraph: -

8.5 Salaries To determine any salary or severance package for an employee of the Council of £100,000 or over, or such other sum as determined by legislation in respect of any new appointment or severance package provided always that any decisions on changes to the salary or severance packages in relation to the Chief Executive irrespective of the sum involved are excluded from the Committee's terms of reference and will remain with full Council to determine.

2. The Government has published draft Regulations, "The Restriction of Public Sector Exit Payments Regulations 2019" which, once introduced, will introduce a cap of £95,000 on public sector exit payments. This will include any payments which represent a cost to the employer, including ex gratia sums, redundancy and pension contributions (including any "pension strain" payments to provide pension before normal pension age). It is anticipated that the legislation will be enacted in the near future. It is therefore proposed that, once the legislation is enacted, all reference to severance packages of over £100,000 are removed from paragraph 8.5 (as the Council will be unable to approve any severance package over £95,000) and that authority to make this amendment is delegated to the Monitoring Officer and City Solicitor
 3. In relation to salaries over £100,000 is proposed that for clarity, the paragraph is amended so that it is clear that approval from the Audit and Procurement Committee is only required for any proposal to create a new post with a salary over £100,000. For clarity, the paragraph relates to "salaries" over £100,000 and not "salary packages" where, for example pension contributions might take a job over the £100,00 threshold.
1. The proposed change would therefore read:

8.5 To determine any salary for a new post where the proposed salary is £100,000 or over.

5. The proposed changes outlined above would also need to be reflected in the Council's Annual Pay Policy Statement.

Appendix 5: Protocol for Conferring the Title of Honorary Alderman or Alderwoman

1. Currently, in the Council's Constitution, a Protocol for Conferring the Title of Honorary Alderman or Alderwoman is appended to Part 3A – Council Procedure Rules. A copy of the Protocol is appended to this appendix.
2. The Protocol reflects the requirements of Section 249 of the Local Government Act 1972, under which the Council confers the title of Honorary Alderman or Alderwoman. Paragraphs 1-4 of the Protocol relate to procedural and requirement matters in relation to conferring (and withdrawing) the title.
3. Paragraph 5 relates to "Privileges" that Honorary Aldermen or Honorary Alderwomen may be entitled to. It is proposed to remove this paragraph as shown by track changes to the currently published Protocol. This would enable flexibility in relation to privileges, for example one of the current privileges refers to Honorary Alderman receiving the Members' Handbook, which is no longer produced.

Protocol for Conferring the Title of Honorary Alderman or Alderwoman

1. Procedure

- a) The title of Honorary Alderman/woman will only be conferred and entered into the Roll of Aldermen/women in accordance with the Council's agreed Protocol.
- b) Any name put forward must be proposed in writing by a serving Member of the Council and seconded in writing by at least one other serving Member of the Council. Nominations must be submitted to both the Chief Executive and the Lord Mayor.
- c) Nominations will be considered and the title of Honorary Alderman or Alderwoman will be conferred at a specially convened meeting of the Council. The title will be conferred by a resolution passed by not less than two thirds of members present and voting.
- d) Nominations may, in addition to this, be considered at a prior ordinary Council meeting, and the nomination approved in principle by a resolution comprising a majority vote. If nominations are considered at an ordinary meeting, it is proposed that the specially convened meeting may be held immediately after this ordinary meeting or at a future meeting, subject to the appropriate notice of the special meeting having been given

2. Qualifications Required for Enrolment

- a) The Council may, in accordance with Section 249 of the Local Government Act 1972, and the provisions of this Protocol, confer the title of "Honorary Alderman" or "Honorary Alderwoman".
- b) An Honorary Alderman/Alderwoman shall enjoy only those rights or privileges conferred by Section 249 of the Act and this Protocol as determined by the Cabinet Member with portfolio responsibility for the Lord Mayoralty.
- c) The ~~Executive Director of Resources~~Director of Finance and Corporate Services shall keep a roll to be called "The Roll of Honorary Aldermen/Alderwomen" of those who have had this title conferred on them.
- d) A person shall be deemed eligible to be enrolled as an Honorary Alderman/Alderwoman provided that the person meets the following requirements:

- is not a serving Member of the Council
- has served as a Member of the Council for at least 20 ~~15~~ years in total (continuously or non-continuously)
- has given eminent service to the Council during that period.

3. Method of Enrolment

- No person who has the above qualifications shall be enrolled automatically as an Honorary Alderman/Alderwoman but only in accordance with the procedure set out above.
- Formal conferring of the title of Honorary Aldermen/Alderwomen shall be by a resolution of the Council passed by not less than two thirds of the Members present and voting thereon at a meeting of the Council specially convened for the purpose with notice of the object.

4. Withdrawal of Title

- The Council may withdraw the title of Honorary Alderman/Alderwoman and the attached rights and privileges. Such withdrawal of the title shall be by way of formal motion to a meeting of the full Council, (the summons to which contains special notice that such withdrawal is proposed and the reason therefore) and subsequent resolution of the Council passed by not less than two thirds of the Members present and voting thereon at the meeting of the Council.

~~5. Privileges~~

~~An Honorary Alderman/Alderwoman shall be entitled to the following rights and privileges:~~

~~To enjoy the courtesy title of Honorary Alderman or Alderwoman and to be so addressed.~~

~~To provide a badge or emblem to Honorary Aldermen/Alderwomen, and to wear such badge or emblem on civic occasions.~~

~~To receive a copy of each Council summons and a copy of the Members' Handbook and to be included within the Members' Handbook.~~

~~To receive a framed certificate to commemorate their appointment.~~

~~To enter their name into "The Roll of Honorary Aldermen/Alderwomen".~~

~~To receive invitations to civic and social events to which Members of the Council are invited as determined by the Lord Mayor.~~

~~To walk in civic procession in a position immediately behind serving Members.~~

~~To enjoy such other privileges as the Council may confer upon them from time to time.~~

Appendix 6: Code of Conduct for Elected and Co-opted Members

1. Under Section 27 of the Localism Act 2011 each local authority must adopt a code of conduct against which councillors' conduct may be assessed. This code, when viewed, should reflect the Seven Principles of Public Life namely Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.
2. The Code of Conduct for Elected and Co-opted Members for Coventry City Council is set out in Part 4A of the Constitution.
3. In January 2019 the Committee on Standards in Public Life (CSPL) produced a report on Local Government Ethical Standards. The report made 26 recommendations to the Government that CSPL considered would enable councillors to be held to account effectively to the Seven Principles and which would enhance the fairness and transparency of the standards process. A number of these recommendations involve legislative changes however CSPL has also identified 15 "best practice" recommendations for local authorities which represents a benchmark for ethical practice which the CSPL expects authorities to implement.
4. The report of the CSPL and its recommendations have been considered by the Ethics Committee and the best practice recommendations form part of the committee's agreed work programme. Two of these recommendations require additions to the current Code of Conduct for Elected and Co-opted Members and are therefore constitutional changes.
5. These two best practice recommendations are:-
 - o Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.
 - o Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation and prohibiting trivial or malicious allegations by councillors.
6. The consequential proposed additions to the Code are set out below with proposed amendments shown as track changes. Only the relevant section of the Code of Conduct is attached.

PART 4A: CODE OF CONDUCT FOR ELECTED AND CO-OPTED MEMBERS
COVENTRY CITY COUNCIL

3. As a Member of Coventry City Council, I will act in accordance with the principles in paragraph 2 and, in particular, I will
- (a) Champion the needs of residents - the whole community and all my constituents, including those who did not vote for me - and put the public interest first.
 - (b) Deal with representations or enquiries from residents, members of our communities and visitors fairly, appropriately and impartially.
 - (c) Not allow other pressures, including the financial interests of myself or others connected to me, to deter me from pursuing constituents' casework, the interests of the City of Coventry or the good governance of the Council in a proper manner.
 - (d) Exercise independent judgement and not compromise my position by placing myself under obligations to outside individuals or organisations who might seek to influence the way I perform my duties as a Member/Co-opted Member of this Authority.
 - (e) Listen to the interests of all parties, including relevant advice from statutory and other professional officers, take all relevant information into consideration, remain objective and make decisions on merit.
 - (f) Be accountable for my decisions and cooperate when scrutinised internally and externally, including by local residents.
 - (g) Contribute to making the City Council's decision-making processes as open and transparent as possible to ensure residents understand the reasoning behind those decisions and are informed when holding me and other Members to account but restricting access to information when the wider public interest or the law requires it.
 - (h) Behave in accordance with all my legal obligations, alongside any requirements contained within the Council's policies, protocols and procedures, including on the use of the Council's resources.
 - (i) Value my colleagues and staff and engage with them in an appropriate manner and one that underpins the mutual respect between us that is essential to good local government.
 - (j) Always treat people with respect, including the organisations and public I engage with and those I work alongside.
 - [\(k\) Not bully or harass any person \(including specifically any Council employee\) and I will not intimidate or improperly influence, or attempt to intimidate or improperly influence, any person who is involved in](#)

any complaint about any alleged breach of this code of conduct.

Note:

Bullying may be characterised as:

· offensive, intimidating, malicious or insulting behaviour; or
· an abuse or misuse of power in a way that intends to undermine, humiliate, criticise unfairly or injure someone.

Harassment may be characterised as unwanted conduct which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for an individual.

Bullying and/or harassment may take many forms and may relate to a variety of issues. For example, bullying and harassment may relate to:

· age
· disability
· gender reassignment
· race
· religion
· belief
· sex
· sexual orientation

However, this list is not exhaustive, and any form of bullying or harassment is prohibited by the Code of Conduct.)

- (l) Comply with any Protocol adopted by the Council which seeks to regulate the conduct of its elected members or co-opted members and which the Council has specifically declared should fall within the provisions of this Code of Conduct
- ~~(k)~~(m) Provide leadership through behaving in accordance with these principles when championing the interests of the community with other organisations as well as within this Council.
- ~~(j)~~(n) Not disclose information given to me in confidence by anyone or information acquired by me, which I believe, or ought reasonably to be aware, is of a confidential nature, without express authority and/or unless the law requires it.
- (o) Comply and co-operate with any formal standards investigation into my conduct, or that of any other elected or co-opted member.
- (p) Not make trivial or malicious allegations that other elected or co-opted members have breached this Code of Conduct.

Appendix 7: Revisions to The Functions of Licensing and Regulatory Committee and to the Scheme of Delegation to Employees

1. The current function of the Licencing and Regulatory Committee includes the responsibility for authorising all legal proceedings relating to:-
 - Fair Trading and Trading Standards
 - Pest Control and Animal Welfare
 - Noise and other nuisances
 - Food Safety
 - Environmental Protection
 - Health and Safety
 - Licensing (specifically Licensing Act and Gambling Act functions)
2. This function creates ultra vires issues as the Licencing & Regulatory Committee is a non-executive and non-area committee and therefore it cannot lawfully hold the power to authorise prosecutions in relation to executive functions.
3. The Committee is also considering information that is not at an evidential standard for prosecution in line with the Code for Crown Prosecutors and later decisions around continuing with a prosecution need to be made. This can cause further difficulties in terms of managing information in line with the access to information procedure rules.
4. A recent benchmarking exercise highlighted that Coventry City Council was unique amongst Local Authorities in presenting cases to a Committee to hear the matter. It is therefore proposed that the authorising of all legal proceedings relating to the functions detailed in paragraph 1 above is removed from the functions of the Licensing and Regulatory Committee.
5. The consequential proposed amendments to the Constitution are set out below with proposed amendments shown as track changes.

PART 2F: LICENSING AND REGULATORY COMMITTEE

Reference should also be made to any Codes of Best Practice and Procedure Rules for licensing and regulatory matters made by the Committee.

1. Composition

The Committee shall comprise of elected members (not drawn from Cabinet) to be appointed by full Council.

2. Chair

The full Council will appoint the Chair and Deputy Chair of the Committee. In the absence of the Chair at a meeting of the Committee, the Deputy Chair will chair the meeting. In the absence of both the Chair and Deputy Chair, the Committee will elect another member of the Committee to chair the meeting.

3. Quorum

The Quorum of the Committee will be 5 members.

4. Functions Delegated to the Licensing and Regulatory Committee

The Committee will have responsibility for the following delegated functions **except** where specific functions have been delegated to an employee of the Council by virtue of Part 2M of this Constitution and subject to those provisions regarding legal proceedings.

- (a) To exercise the functions of the Council as Licensing Authority for the purposes and requirements of the Licensing Act 2003 and the Gambling Act 2005 except where functions are reserved to full Council;
- (b) To exercise the functions of the Council as Licensing Authority for all other relevant licensing and regulatory legislation including (without limitation) that which relates to acupuncture and body piercing, animals and pet shops, hackney carriage and private hire (taxis), house to house and street collections, street trading, sexual entertainment venues, safety of sports grounds, food, meat and dairy production, caravan and camping sites, scrap metal (including the power to set fees for scrap metal licences and related applications), zoos, alcohol, pleasure boats and pleasure vessels, tattoos, electrolysis, markets, Clean Air Act, environmental pollution control (including IPPC permits), approval of premises for the solemnisation of marriages and civil partnerships, alcohol disorder zones and smoke free premises as well as any other regulatory or licensing matters specified in Schedule 1 Local Authorities (Functions & Responsibilities) (England) Regulations 2000/2853 together with any Local Choice functions delegated to the Committee by Council as set out in Part 2A;

- (c) To advise full Council or Cabinet on the authority's response to any consultation documents issued by the Secretary of State on licensing and regulatory matters and revisions to the local statements of licensing policy;
- (d) To establish sub-committees comprising three members as and when required for the purpose of conducting hearings under the Licensing Act 2003 and Gambling Act 2005;
- (e) To delegate these functions, where appropriate, to the Deputy Chief Executive (Place) the appropriate Director or Assistant Director or other appropriate employees; and
- (f) To approve, adopt, review, amend and revise codes of best practice and procedure for licensing and regulatory matters within its terms of reference and to make the same publicly available.

5. Matters incidental to the exercise of the Committee's delegated functions

- 5.1 The exercise of the above functions by the Licensing and Regulatory Committee will include the power to impose any condition limitation or other restriction on any approval consent licence permission or registration granted in the exercise of those functions and the power to determine any other terms to which any such approval consent licence permission or registration is subject.
- 5.2 The exercise of the above functions by the Licensing and Regulatory Committee will include the power to determine whether, and in what manner, to enforce any failure to comply with any approval consent licence permission or registration granted or any failure to comply with the condition limitation or term to which a such approval consent licence permission or registration is subject or any other contravention in relation to a matter with regard to which the function has been exercised.
- 5.3 The exercise of the above functions by the Licensing and Regulatory Committee will include the power to amend modify or vary any such approval consent licence permission or registration or any condition limitation or term to which it is subject and the power to revoke any such approval consent licence permission or registration, including powers to charge for licenses, consents, permissions and permits in accordance with appropriate legislation.

~~6 Legal Proceedings~~

~~6.1 The Licensing and Regulatory Committee shall (except where delegated to an Employee under Part 2M) have the power to institute, defend and conduct legal proceedings in furtherance of or arising from the discharge of functions delegated to it.~~

~~6.2 The Licensing and Regulatory Committee has retained the responsibility for authorising all legal proceedings in relation to those functions delegated to it except where this has been delegated to an employee under Part 2M.~~

PART 2M: Scheme of Delegation to Employees

Paragraph 6.6

<i>Fair Trading and Trading Standards*</i>		
44	Generally to take action and operate all legislative, enforcement and administrative procedures in relation to fair-trading, trading standards, weights and measures and consumer protection. Specifically, but not exclusively, to: (a) to investigate trading standards offences suspected to have arisen within the City; (b) to conduct underage test purchasing of age-restricted products; (c) prohibit or suspend the sale of dangerous goods, substances or articles; and (d) promote the rights of consumers and fair-trading with businesses.	Director of Streetscene and Regulatory Services and the Head of Planning and Regulation.

<i>Pest Control and Animal Welfare*</i>		
45	Generally to take action and operate all legislative, enforcement and administrative procedures in relation to animal welfare, animal health and animal waste products.	Director of Streetscene and Regulatory Services and the Head of Environmental Services.
46	Cleanse and disinfest filthy or verminous persons and premises and treat and take other action in relation to infestations of pests and pest control.	Director of Streetscene and Regulatory Services and the Head of Environmental Services.
<i>Noise and other nuisances*</i>		
47	Generally to take action and operate all legislative, enforcement and administrative procedures in relation to noise and other nuisances. Specifically, but not exclusively, to: (a) consent to the use of noisy equipment and approaches where building work is proposed; (b) seize articles and equipment; and (c) undertake work in default where a notice is not complied with.	Director of Streetscene and Regulatory Services and the Head of Environmental Services.
<i>Food Safety*</i>		
48	Generally to take action and operate all legislative, enforcement and administrative procedures in pursuit of food safety and food hygiene and in relation to food export certificates and training fees for food hygiene, food safety courses and health and safety courses (discharged in the authority's capacity as an employer). Specifically, but not exclusively, to: (a) prohibit food business operations; (b) promote food safety and undertake training; and (c) seize unfit food.	Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as appropriate.
<i>Environmental Protection*</i>		
51	Generally to take action and operate all legislative, enforcement and administrative procedures in relation to environmental health and protection including maintaining a register of notices served under environmental health legislation apart from those which relate solely to the protection of	Director of Streetscene and Regulatory Services and the Head of Environmental Services and the

	persons at work.	Head of Planning and Regulation as appropriate.
52	Generally to take action and operate all legislative, enforcement and administrative procedures in relation to air quality, contaminated land and private water supplies. Specifically, but not exclusively, to: (a) maintain a register of remediation notices in relation to contaminated land; (b) authorise specified burning processes; (c) carry out Part IIA contaminated land investigations and identify remedial requirements; (d) environmental permitting; (e) review and monitor air quality; and (f) environmental management of construction sites.	Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as appropriate.
<i>Health and Safety*</i>		
55	Generally to take action and operate all legislative, enforcement and administrative procedures in pursuit of health and safety in workplaces where enforcement is the responsibility of the Council. Specifically, but not exclusively to: (a) appoint inspectors; (b) agree transfers of enforcement responsibility between the Health and Safety Executive and the Council (c) promote health and safety, and undertake training; and (d) seize articles and equipment.	Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as appropriate.
<i>Licensing*</i>		
56	The functions of the Council as "responsible authority" under the Licensing Act 2003 in relation to: (a) Health and Safety; (b) Pollution Control/Environmental Health; (c) Weights and Measures; and (d) A licensing authority.	Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as appropriate.
57	The functions of the Council as Licensing Authority under the Licensing Act 2003 to: (a) determine applications relating to licences and certificates where there are no representations outstanding; (b) deal with requests to vary or to be removed as	Director of Streetscene and Regulatory Services and the Head of Environmental Services and the

	<p>a designated premises supervisor;</p> <p>(c) make decisions on whether an objection or representation is irrelevant, frivolous, vexatious etc;</p> <p>(d) receive/acknowledge temporary event notices and serve S.107 counter-notices;</p> <p>(e) suspend a premises licence or club premises certificate if the holder of the licence/certificate has failed to pay the Council an annual fee;</p> <p>(f) maintain the public register; and</p> <p>(g) determine minor variation applications.</p>	Head of Planning and Regulation as appropriate.
58	The Council's enforcement functions under Part 7 of the 2003 Act.	Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as appropriate.
59	<p>The functions of the Council as "responsible authority" under the Gambling Act 2005 in relation to:</p> <p>(a) the Licensing Authority</p> <p>(b) Environmental Health/Pollution.</p>	Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as appropriate.
60	<p>The functions of the Council as "licensing authority" under the Gambling Act 2005 to:</p> <p>(a) process applications for premises licences (including variation and transfer), provisional statements and determine such applications and applications for club gaming machine permits where no representations are outstanding;</p> <p>(b) process and determine applications for all other types of permit, not referred to above including, but not limited to, Street Collection Permits, House to House Collection Permits, Small Lotteries Registration, Gaming Machine Permits;</p> <p>(c) receive/acknowledge temporary use and occasional use notices;</p> <p>(d) cancel licensed premises gaming machine permits;</p> <p>(e) process and determine small society lottery registrations;</p>	<p>(a) and (c) to (h): Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as appropriate.</p> <p>(b): Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as</p>

	<p>(f) exercise the Council's powers of entry and inspection;</p> <p>(g) maintain the public register; and</p> <p>(h) determine whether representations received from external, responsible authorities and interested parties are frivolous, vexatious or would certainly not influence the determination of an application.</p>	<p>appropriate except where there is a history of non-compliance; or the application is non-routine; or reservations are expressed by a consultee.</p>
61	<p>Generally to take action and operate all legislative, enforcement and administrative procedures in relation to the licensing, registration, inspection and issuing of permits or consents in respect of persons or premises and any other regulatory or licensing matters specified in Schedule 1 Local Authorities (Functions & Responsibilities) (England) Regulations 2000/2853 (as amended from time to time) so far as they relate to Public Safety and Housing.</p>	<p>Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as appropriate.</p>
62	<p>To make minor amendments to the Street Trading Consent Terms and Conditions and to approve fee waivers in appropriate cases.</p>	<p>Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as appropriate.</p>
63	<p>To take all necessary action in connection with scrap metal dealers and their premises including:</p> <p>(a) processing and approving applications and the supply of information to external agencies;</p> <p>(b) powers of entry, inspection and enforcement of relevant legislation;</p> <p>(c) the inclusion of conditions on licences;</p> <p>(d) power to refuse applications for licences if no hearing is requested;</p> <p>(e) power to refuse applications to vary licences and applications in connection with conditions attached to licences if no hearing is requested; and</p> <p>(f) power to revoke licences if no hearing is requested.</p>	<p>Director of Streetscene and Regulatory Services and the Head of Environmental Services and the Head of Planning and Regulation as appropriate except that in (d), (e) and (f) if a hearing is requested by an applicant, the power to hear the matter rests with the Licensing and Regulatory Committee.</p>

6.6.108 — Legal Proceedings: Licensing and Regulatory Committee

~~The authority to act given to the Deputy Chief Executive (Place) and to other nominated employees in connection with services marked with a * above,~~

~~does not imply the power to commence legal proceedings in any court or tribunal without the consent of the Licensing and Regulatory Committee, Cabinet or relevant Cabinet Member (as the case may be) or the City Solicitor except in the case of:~~

- ~~(a) "acid house parties" or any entertainments of a similar kind;~~
- ~~(b) noise nuisance proceedings relating to domestic premises;~~
- ~~(c) an alleged offender arrested by the police and charged whilst in police custody;~~
- ~~(d) proceedings under the Enterprise Act 2002;~~
- ~~(e) proceedings in connection with controlled or extractive waste~~

~~and any other regulations made thereunder.~~

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Council – 8th September 2020
Recommendation from Cabinet
21st July 2020

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 21st July 2020
(This meeting was held remotely)

Present:

Cabinet Members:

Councillor G Duggins (Chair)
Councillor AS Khan (Deputy Chair)
Councillor K Caan
Councillor K Maton
Councillor J Mutton
Councillor M Mutton
Councillor J O'Boyle
Councillor P Hetherington
Councillor T Khan

Non-Voting Deputy Cabinet
Members:

Councillor P Akhtar
Councillor G Lloyd
Councillor D Welsh

Non-Voting Opposition
Members:

Councillor A Andrews
Councillor G Ridley

Other Non-Voting Members:

Councillor R Brown
Councillor R Lakha
Councillor C Miks
Councillor R Singh

Employees (by Service):

Chief Executive

M Reeves (Chief Executive)

Deputy Chief Executive

G Quinton (Deputy Chief Executive)

Communications

D O'Shaughnessy

Law and Governance

J Newman (Director of Law and Governance), S Bennett,

G Holmes, M Salmon

Finance B Hastie (Director of Finance), P Jennings

Transportation and Highways C Knight, J Seddon

Apologies: Councillor R Ali
Councillor B Gittins
Councillor K Sandhu
Councillor P Seaman
Councillor C Thomas

Public Business

RECOMMENDATION

71. Revenue and Capital Outturn 2019/2020

The Cabinet considered a report of the Director of Finance, that would also be considered by Council at their meeting on 8th September 2020 and the Audit and Procurement Committee at their meeting on 19th October 2020, that outlined the final revenue and capital outturn position for 2019/2020 and reviewed treasury management activity and 2019/2020 Prudential Indicators reported under the Prudential Code for Capital Finance.

The overall financial position included the following headline items:

- A balanced revenue position after a recommended £5.5m is set aside in reserves for the Council's reset and recovery following the Covid-19 outbreak.
- Capital Programme expenditure of £216m which represents the largest programme in the modern era.
- An increase in the level of Council revenue reserves from £82m to £90m including the Covid funding and the net underspend contribution.

Further detail included:

- A revenue overspend of £3.4m relating to housing and homelessness as a result of demand for temporary accommodation and the associated costs not recoverable from Housing Benefit.
- A revenue overspend of £2.5m across services for children and young people driven principally by the number and cost of children's placements.
- A net underspend across the rest of the Council and in particular a £12m position within central budgets resulting overwhelmingly from one-off circumstances.
- Identified expenditure and income loss related to the Covid-19 situation in March 2020 of £2.85m funded by Government emergency funding provided for this purpose.
- Receipt of overall Covid-19 funding of £10.4m of which £7.55m is proposed be set aside to deal with Covid costs in 2020/21.

The underlying revenue position had improved by £3.6m since Quarter 3 when an underspend of £1.9 was forecast. In particular, the overall underspend and the

improved position related to improvements within Contingency and Central budgets which were set out in the report. In overall terms the favourable outturn position shown must be put in the context of the Covid-19 crisis. The human and public health impacts of this have been widely reported and some of these could be expected to continue for the foreseeable future. Councils had been assessing the estimated additional costs and lost income that had already been incurred or were expected and this task was essential to inform the Government's pledge to ensure that such costs were fully funded.

Given the huge uncertainties, it was difficult to provide robust estimates of the forward looking financial impact on the Council although even with optimistic forecasts of the lifting of restrictions, the overall cost could exceed £30m. Notwithstanding early Government commitments, there had been subsequent indications that councils may be expected to 'share the burden' of these costs. On this basis it was important that the Council continued to maintain a strong financial position to protect itself from what could be a very challenging financial environment which would certainly be felt well beyond financial year 2020/21. The recommended proposals put forward through the Director of Finance, the Council's Section 151 officer, were reflected in the report recommendations and explained in section 5.1 of the report. Appendices to the report provided: a detailed breakdown of Directorate Revenue Variations; Capital Programme Changes and Analysis of Rescheduling; and Prudential Indicators.

The Cabinet thanked the Cabinet Member for Strategic Finance and Resources and the Director of Finance, the Finance Manager Corporate Finance, and Finance officers, for the work undertaken on the Council's financial management and welcomed the Council's financial position for 2019/2020.

The Cabinet agreed to:

- 1) Approve the setting aside of £5.5m (section 2.1 and Appendix 1 of the report) into a Reset and Recovery reserve available from the year-end revenue bottom line.
- 2) Approve the final capital expenditure and resourcing position (section 2.3 and Appendix 2 of the report), incorporating expenditure of £215.9m against a final budget of £235.1m; £19.0m expenditure rescheduled into 2020/21 and a net underspend £0.2m.
- 3) Approve the outturn Prudential Indicators position in section 2.4.4 and Appendix 3 to the report.
- 4) Recommend to the Council the approval of reserve contributions of £5.5m to a Reset and Recovery reserve and £7.55m to fund costs resulting directly from Covid-19.

RESOLVED that the Council be recommended to approve reserve contributions of £5.5m to a Reset and Recovery reserve and £7.55m to fund costs resulting directly from Covid-19.

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Cabinet
Audit and Procurement Committee
Council

21st July 2020
19th October 2020
8th September 2020

Name of Cabinet Member:

Strategic Finance and Resources – Councillor J Mutton

Director Approving Submission of the report:

Director of Finance

Ward(s) affected: All

Title:

Revenue and Capital Outturn 2019/2020

Is this a key decision?

Yes - The report deals with financial matters in excess of £1.0m including specific new recommendations to allocate resources within the outturn position.

Executive Summary:

This report outlines the final revenue and capital outturn position for 2019/2020 and reviews treasury management activity and 2019/2020 Prudential Indicators reported under the Prudential Code for Capital Finance.

The overall financial position includes the following headline items:

- A balanced revenue position after a recommended **£5.5m** is set aside in reserves for the Council's reset and recovery following the Covid-19 outbreak.
- Capital Programme expenditure of **£216m** which represents the largest programme in the modern era.
- An increase in the level of Council revenue reserves from £82m to **£90m** including the Covid funding and the net underspend contribution.

Further detail includes:

- A revenue overspend of £3.4m relating to housing and homelessness as a result of demand for temporary accommodation and the associated costs not recoverable from Housing Benefit.
- A revenue overspend of £2.5m across services for children and young people driven principally by the number and cost of children's placements.
- A net underspend across the rest of the Council and in particular a £12m position within central budgets resulting overwhelmingly from one-off circumstances.
- Identified expenditure and income loss related to the Covid-19 situation in March 2020 of £2.85m funded by Government emergency funding provided for this purpose.

- Receipt of overall Covid-19 funding of £10.4m of which £7.55m is proposed be set aside to deal with Covid costs in 2020/21.

The underlying revenue position has improved by £3.6m since Quarter 3 when an underspend of £1.9 was forecast. In particular the overall underspend and the improved position relates to improvements within Contingency and Central budgets which are set out in the report. In overall terms the favourable outturn position shown must be put in the context of the Covid-19 crisis. The human and public health impacts of this have been widely reported and some of these can be expected to continue for the foreseeable future. Councils have been assessing the estimated additional costs and lost income that have already been incurred or are expected and this task is essential to inform the Government's pledge to ensure that such costs are fully funded.

Given the huge uncertainties, it is difficult to provide robust estimates of the forward looking financial impact on the Council although even with optimistic forecasts of the lifting of restrictions, the overall cost could exceed £30m. Notwithstanding early Government commitments, there have been subsequent indications that councils may be expected to 'share the burden' of these costs. On this basis it is important that the Council continues to maintain a strong financial position to protect itself from what could be a very challenging financial environment which will certainly be felt well beyond financial year 2020/21. The recommended proposals, put forward through the Director of Finance, the Council's Section 151 officer, are reflected in the recommendations below and explained in section 5.1.

Recommendations:

Cabinet is recommended to approve:

- 1) The setting aside of £5.5m (section 2.1 and Appendix 1) into a Reset and Recovery reserve available from the year-end revenue bottom line.
- 2) The final capital expenditure and resourcing position (section 2.3 and Appendix 2), incorporating expenditure of £215.9m against a final budget of £235.1m; £19.0m expenditure rescheduled into 2020/21 and a net underspend £0.2m.
- 3) The outturn Prudential Indicators position in section 2.4.4 and Appendix 3.

Cabinet is requested to recommend to the Council:

- 4) Approval of reserve contributions of £5.5m to a Reset and Recovery reserve and £7.55m to fund costs resulting directly from Covid-19.

Audit and Procurement Committee is recommended to:

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

Council is recommended to:

- 1) Approve reserve contributions of £5.5m to a Reset and Recovery reserve and £7.55m to fund costs resulting directly from Covid-19.

List of Appendices included:

Appendix 1	Detailed breakdown of Directorate Revenue Variations
Appendix 2	Capital Programme Changes and Analysis of Rescheduling
Appendix 3	Prudential Indicators

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?

Yes - Audit and Procurement Committee 19th October 2020

Will this report go to Council?

Yes – 8th September 2020

Report title: Revenue and Capital Outturn 2019/2020

1. Context (or background)

- 1.1 This report sets out the Council’s revenue and capital outturn position for 2019/2020 and performance against its Prudential Indicators for the year. The City Council set a revenue budget for the year of £231.5m and a Capital Programme of £195.3m.
- 1.2 The reported figures show the Council's financial position in relation to management accounts used to monitor performance through the year. The Audit and Procurement Committee will consider separately the Council's statutory Statement of Accounts.

2. Options considered and recommended proposal

2.1 Revenue Outturn

- 2.1.1 Table 1 below summarises the outturn position, an underspend of £5.5m. Local Government accounting rules require this underspend to be contributed to the Council’s General Fund Balance.

Table 1 Summary Outturn Position

Quarter 3 Forecast Variation £m	Service Area	Net Budget £m	Outturn Position £m	Variation £m	Variation %
(0.4)	Public Health	2.9	2.1	(0.8)	(28%)
0.0	People Directorate Management	1.5	1.4	(0.1)	(7%)
1.4	Education & Skills	13.9	15.2	1.3	9%
2.6	Children & Young People	72.2	74.7	2.5	3%
0.0	Adult Social Care	77.5	77.5	0.0	0%
3.3	Housing & Transformation	13.6	16.7	3.1	23%
0.4	Human Resources	1.3	1.6	0.3	23%
0.1	Place Directorate Management	2.5	2.4	(0.1)	(4%)
0.2	Business, Investment and Culture	7.9	8.1	0.2	3%
0.2	Transportation & Highways	4.6	4.7	0.1	2%
1.7	Streetscene and Regulatory	28.5	29.6	1.1	4%
(0.8)	Project Management & Property	(7.9)	(9.0)	(1.1)	(14%)
(0.6)	Finance & Corporate Services	7.3	7.1	(0.3)	(4%)
(10.0)	Contingency & Central budgets*	5.6	(6.4)	(12.0)	(214%)
	Contribution to Reset & Recovery Reserve		5.5	5.5	
(1.9)	Total*	231.4	231.4	0.0	

*The position is shown after reserve contributions recommended in this report amounting to £13.05m of which £7.55m relates to Covid-19 Grant Funding and £5.5m reflects underspent budget across the Council's bottom line.

The quarter 3 position reflected an underspend of £1.9m. Prior to the recommended £5.5m contribution to the Reset and Recovery reserve the outturn position showed an additional favourable movement of £3.6m. This included:

- Streetscene & Regulatory - £0.6m favourable
- Contingency and Central Budgets - £2.0m favourable

The reasons for these variations are explained below.

2.1.2 Directorate Positions

Contingency and Central (£12.0m Underspend)

There are a number of previously reported under-spends within Contingency & Central budgets (including the Asset Management Revenue Account) and in total there was further improvement of £2.0m between quarter 3 and year-end.

The quarter 3 position included an underspend due to amounts no longer due to be paid to the West Midlands Pension Fund (WMPF). The Fund has not required employer pension contributions resulting from higher payroll figures to be paid over to it although the Council had budgeted for these. This has increased the in-year underspend since Quarter 3 and allows the Council to release resources previously set aside on the balance sheet up to a

combined year-end value of £7m. Revised arrangements for 2020/21 mean that the WMPF will expect these amounts to be paid on an annual basis in future.

Other variations include previously reported uncommitted resources related to one-off social care funding (£1.1m); Coventry and Warwickshire Business Rate Pool income in excess of budget (£1.3m); projected additional savings from the Friargate Project (£0.7m); lower than budgeted levy costs (£0.6m); and a £0.7m contribution to reserves for managing the costs of major projects approved at quarter 2.

The net Asset Management Revenue Account position is an underspend of £2.4m. The overall favourable position reflects, £2.2m higher than budgeted investment and loan repayment income, £0.4m lower than budgeted capital financing costs and a net shortfall of £0.2m in budgeted dividend income. The dividend position includes a £0.8m shortfall from Coombe Abbey Park Limited (£0.3m outstanding from 2018/19 and none of the budgeted £0.5m received for 2019/20) offset by £0.3m of Covid-19 grant and £0.3m of additional dividends from other sources.

People (£6.3m Overspend)

The People Directorate continued to face significant financial challenges in 2019/20 and this is likely to continue. The largest outturn pressure was in Housing & Homelessness (temporary accommodation) £3.4m. Work is underway, overseen by Strategic Housing Board, to reduce the cost of supporting families and individuals in temporary accommodation. This pressure is a result of the level of activity transferring to the Council from the previously outsourced contract, the additional and less costly temporary accommodation solutions not being available as early in the financial year as previously forecast and a sustained increase in activity particularly within the non-family cohort. There was also an overspend in Children's Services largely as a result of increased costs of looked after children (LAC) and leaving care placements (£2.1m). This was due to delays in the delivery of children's placement transformation and a higher unit cost of placements, partly attributable to the youth violence problems. Children's Transformation Board continues to monitor the progress of LAC placement transformation and associated budget reductions and take remedial action as necessary. There is also a £1.0m outturn overspend in Special Education Needs transport which is linked to increasing demand and changes in provision. The Budget report has identified additional resource for the above 3 areas in 2020/21. Adult Social Care is showing a balanced position, although there is increasing pressure surrounding packages of care alongside increasing demand in Deprivation of Liberty safeguards (DOLs) which are managed in year using iBCF protecting social care resources. The Public Health underspend relates to the holding of migration grant income centrally which is funding costs of other services across the Council.

Place (balanced position)

The broadly break even contains a number of compensating variations. Pressures resulting towards the end of the year from Covid 19 impacts have been offset by the emergency grant funding so do not feature below.

Most spend pressures relate to a variety of service areas which have required the use of agency staff to maintain service continuity or deal with higher than normal service activity levels, including parking enforcement, streetpride, domestic refuse, Revenues and Benefits and Legal. In most cases this is offset by underspends within salary budgets. Other spend pressures are a higher than budgeted cost of waste disposal (£0.45m) and the higher cost of domestic refuse collection (£0.2m) due to higher fleet costs and collections over the Christmas period. These were offset by some large underspends, in fleet due to reduced

capital financing costs (£0.3m), operational property due to a one off business rate refund (£0.4m) and fewer community support grants (£0.2m)

There were income shortfalls as follows: St Marys Guildhall commercial catering due to reduced trading (£0.2m), Bus Lane Enforcement (£0.5m) and Bereavement income (£0.3m) due to reduced activity. Commercial Waste (£0.3m) and Pest Control (£0.1m) are also still achieving less than the growth aspirations set. These were however offset by increased income in a number of areas, the largest being in car parking/parking enforcement of (£0.4m), Planning & Regulatory fees (£0.5m), Commercial Property income (£0.2m), Repair and Maintenance trading income (£0.4m) and over recovered housing benefit (£0.3m).

2.2 Reserves

2.2.1 The Council's revenue reserve balance at the end of 2019/20 is £90m, compared with £82m at the end of 2018/19. Balances generated from capital receipts and capital grants to fund future capital projects have increased from £23m to £33m and reserve balances belonging to or earmarked to support schools have decreased from £26m to £21m. The total reserve movement in 2019/20 is summarised in the table below.

2.2.2 The reserve balances include £9m set aside as part of the Council's three long-term Private Finance Initiative models, £9m set aside to fund costs arising from early retirement and redundancy decisions, £8m set aside to provide protection against the potential future loss of Business Rates income, £6m of revenue to support future capital projects, £4m set aside for the Council's contribution to the UK City of Culture, £4m earmarked to support future commercial projects and £3m to support the Adult Social Care Better Care Fund model.

2.2.3 In line with the recommended actions within this outturn report there are also £7.55m of reserves resulting from the payment by the Government of Covid grant prior to 31st March which will be required to fund the financial impact of Covid in 2020/21. A further £5.5m has been set aside to aid the Council's and the city's reset and recovery phase as lockdown measures are eased.

2.2.4 Analysis of these balances will be undertaken as part of a wider exercise examining the Council's financial position in 2020/21 and going forward. The outcome of this will be brought to Cabinet later in the year.

Table 2 Summary of Reserve Movements in 2019/20

	Balance at 31st March 2019 £000	(Increase)/ Decrease	Balance at 31st March 2020 £000
General Fund Balance	(10,277)	0	(10,277)
Adult Social Care	(3,534)	521	(3,013)
Public Health	(788)	(568)	(1,356)
Troubled Families	(1,095)	594	(501)
Leisure Development	(1,334)	510	(824)
Kickstart Project	(1,278)	1,278	0
City of Culture	(4,750)	750	(4,000)

Potential Loss of Business Rates Income	(7,735)	0	(7,735)
Early Retirement and Voluntary Redundancy	(10,070)	747	(9,323)
Covid-19 Government Funding	0	(7,558)	(7,558)
Reset and Recovery	0	(5,467)	(5,467)
Commercial Developments	(4,000)	(419)	(4,419)
Insurance Fund	(1,698)	977	(721)
Management of Capital	(5,399)	(165)	(5,564)
Private Finance Initiatives	(10,169)	702	(9,467)
Other Directorate	(9,489)	(1,799)	(11,288)
Other Directorate funded by Grant	(1,564)	502	(1,062)
Other Corporate	(8,589)	1,243	(7,346)
Total Council Revenue Reserves	(81,769)	(8,152)	(89,921)
<u>Council Capital Reserves</u>			
Useable Capital Receipts Reserve	(21,467)	(9,632)	(31,099)
Capital Grant Unapplied Account	(1,894)	60	(1,834)
Total Council Capital Reserves	(23,361)	(9,572)	(32,933)
<u>School Reserves</u>			
Schools (specific to individual schools)	(20,308)	2,301	(18,007)
Schools (related to expenditure retained centrally)	(6,084)	2,786	(3,298)
Total Schools Reserves	(26,392)	5,087	(21,305)
Total Reserves	(131,522)	(12,637)	(144,159)

2.3 Capital Outturn

2.3.1 The capital outturn position for 2019/20 is shown in summary below and in greater detail in Appendix 2:

Table 3: Capital Outturn Summary

Final Budget £m	Final Spend £m	Net Rescheduling Now Reported £m	Under- spends £m	Total Variance £m
235.1	215.9	(19.0)	(0.2)	(19.2)

The quarter 3 monitoring report to Cabinet on 18th February 2020 approved a revised capital budget of £215.9m for 2019/20. Since then there has been a net programme increase of c£19.1m giving a final budget for the year of £235.1m. Since February, a total of £19m net rescheduled spending has arisen within the capital programme. A scheme by scheme analysis is included in Appendix 2 and this is summarised in the table below.

Table 4: Summary of Rescheduling

Project	(Rescheduling) /Accelerated Spend £m	Explanations
Schools	0.4	Significant progress in the completion of two secondary school expansions within the Basic Need and SEND funded projects
ICT Programme	(0.6)	There has been general delays within the programme including works at Revenue and Benefits delivered by Capita, the renegotiation of the network lease for with City Fibre and the new data centre.
Alan Higgs 50m Pool	(0.9)	The Contractor was delayed in delivering practical completion of the new 50m Pool at Alan Higgs and as a consequence there has been expenditure slippage.
Whitley Depot Redevelopment	(0.3)	The 2019/20 cashflow was based on being able to tender the main contract works and make an award of contract by the end of Jan 2020. This has been delayed as the prices came in over budget and work continues to negotiate savings and review options.
UK Central & Connectivity	(12.2)	A46 Link Road Phase One (Stoneleigh Junction) delayed due to a need to re-tender the construction contract, delays in completing land acquisition, and in securing Technical Approvals from Highways England. Full funding approval secured from DfT in February 2020.
City Centre South and Friargate	1.3	Accelerated works on the CCC planning application and Coventry Point and design development process on Friargate
Highways, Transport and Vehicles	(6.5)	£2.2m slippage on the Arches Spon End Pinchpoint, delayed which negotiation to secure funding and Air Quality changing the scope of works. In additional this section captures £2.9m of slippage across the Highways and Transportation capital schemes including £1.4m delay in clean bus technology.
Coventry Station Masterplan	0.2	Westminster car park income and S106 added to the CSMP budget to fund car park compensation costs to the Train Operator and new funds identified for Station Square addition to the scope of works. In addition small increase from Qtr3 forecast £200,000
Growth Deal – 3 rd Party Projects	(0.5)	The Duplex Investment Scheme launched in October 2019, has not seen the take up as predicted in Qtr 3. In additional the Stanks delayed by £0.2m linked to a bond agreement with new contractors
Whitley South Infrastructure	(3.7)	The project progress was slower than anticipated with inclement weather hindering site works in early spring and technical difficulties delaying the bridge installation.
Housing Infrastructure	(2.4)	There has been a delay in moving this project forward as a result of discussions with Homes England on additional secured funding (now £15.6M) and contractual reviews with the developer and their consultants.
Heatline	(0.3)	No expenditure as the outstanding balance is the final contract payment which is to be contractually retained until the works are complete. Engie have still not finalised the connection and commissioning of The wave. Until this work is complete no further payments are due.

Acquistion Costs Temporary Accomodation (Homeless)	(0.2)	Funding to be used to bring an additional 8 units in to temporary accomodation via Citizen
Battery Plant and Equipment	6.7	The project was awarded an additional £3.1m from Innovate UK in order to keep pace with technology in the battery industry, and the drawdown of existing funding was accelerated at the request of the funder so that the full £111.1m could be drawn down by the end of the financial year.
Coombe	(1.0)	This programme covers 3 aspects of works within Coombe; £0.2m reduction requirement in the loan facility, £0.6m delays in the tendering process for the adventure play and £0.2m delay in seeking planning for the car park
St Marys Guildhall	0.4	Accelerated spend for works at St Marys as part of the City of Culture programme
TOTAL	(19.0)	

Table 5: Over and Underspends in the Capital Programme

Project	Over/ (Under)spend	Explanations
Pathways to Care	(0.2)	The underspend is due to accruals in 18/19 that did not come to fruition offsetting the actual spend incurred in year.
Total	(0.2)	

2.3.2 The 2019/20 and future programme continue to maintain a significant investment in the City's Capital investment incorporating expenditure on the following key programmes and schemes:

- Since the original investment for the UK Battery Industrialisation Centre further funding has been awarded by Innovate UK bringing their total grant to £111m alongside a loan from the WMCA of £18m. The full £111m has been claimed from Innovate UK as at the end of 2019/20 and the legal agreement for the draw down of the £18m is in progress. This new research facility on the outskirts of Coventry will play a key national role in the emerging battery industry and is now due to open by the end of this year, delayed slightly by the shipment delays due to COVID19. Extensive forecasting and analysis has been undertaken for the new budget and the finances are being robustly monitored.
- Te Wave City Centre Destination Leisure Facility opened during 2019/20 as did the 50m Swimming Pool at the Alan Higgs Centre. Plans are also progressing on new indoor bowls facilities within the city.
- In July 2016 the Council approved the site at Whitley South to be used to develop the expansion plants of JLR by developing the public infrastructure to accommodate the proposed research and development campus, accommodate a number of small and

medium sized enterprises together with a hotel and car show room. The contract for the construction is in place and works are progressing, with completion due in 2020.

- The Council has also invested in the B&M property adding to its commercial property portfolio and acquired 100% of the ordinary share capital of Tom White Waste Ltd (TWW) following the decision by Cabunet on 25th February.
- Connecting Coventry is a strategic transport programme of £620m investment in transport infrastructure in Coventry over the next 10 years. In 2019/20 £19.3m of spend has been incurred within the Programme including the A46 link road, Very Light Rail and Coventry Station Master Plan. The primary source of funding going forward will be a mixture of WMCA – Devolution Deal, along with Local Growth Deal, DfT, Highways England and private investment
- Public Realm City of Culture works continue at a pace, with significant works happening around the Retail and Leisure Quarter. The £45m programme continues with capital works at Upper Precinct and Bull Yard that will include highly aesthetic fountains, open space and a creative play area. Works already completed at Hertford Street include re-locating the street traders amongst a spacious new surfaced area
- Demolition of the Coventry Point building is well under way as part of the City Centre South (CCS) regeneration project designed to transform the southern part of Coventry city centre. The scheme has undergone several delays over several years, affected by the changing nature of city centres and retail environments in particular. The current Covid-19 impact on these environments is a further factor that will need to be addressed as the Council seeks to take the project forward in 2020/21.
- During this year the Coventry One Strategic Plan and Education Capital Programme set out the pupil forecast for primary and secondary across the city between 2019-2024 with 2019/20 being the first year of the secondary expansion programme. The Council has received confirmation recently of overall funding of up to c£60m over the coming 5 years.

2.3.3 The funding in respect of this capital expenditure of £215.8m is summarised in Table 6 below. The Programme has been resourced c62% from capital grants and where possible the use of these grants has been maximised to defer the Council's requirement for prudential borrowing in year.

Table 6: Capital Funding

	Funding the Programme £m	Available Resources £m	Resources Carried Forward £m
Prudential Borrowing	66.1	66.1	0
Grants and Other Contributions	132.9	126.4	(6.4)
Revenue Contributions	6.4	6.4	0
Capital Receipts	8.2	39.3	31.0
Capital of Management Reserve	2.1	7.7	5.6
Total Resourcing	215.8	246.0	30.2

2.4 Treasury Management Activity

2.4.1 The bank of England held interest rates steady at 0.75% for much of the year, however, COVID-19 swiftly changed interest rate policy decisions and as such rates were cut to 0.25% in March, quickly followed by rates being cut to a historic low of 0.1%

COVID-19 has meant that the global economic outlook is extremely weak and it is likely to be some time before demand returns to pre-crisis levels. As such current forecasts indicate that interest rates will remain at 0.1% with more interest rate cuts looking more likely than a rate rise. As such zero or negative interest rates cannot be ruled out.

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

Table 7: PWLB Interest Rates

PWLB Loan Duration (standard rates)	Minimum in 2019/20	Maximum in 2019/20	Average in 2019/20
5 year	1.20%	2.65%	1.97%
20 year	1.85%	3.40%	2.69%
50 year	1.77%	3.25%	2.60%

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

2.4.2 Long Term Funding - At outturn, the Capital Financing Requirement (CFR), which indicates the authority's underlying need to borrow for capital purposes, has increased by £53.3m:-

Table 8: 2019/20 Capital Financing Requirement (CFR)

	£m
Capital Financing Requirement at 1 st April 2019	440.3
Borrowing required to finance 2019/20 Capital Programme	66.2
PFI & Finance Leases liabilities	0.2
Donated Assets	(0.2)
Provision to Repay Debt (Minimum Revenue Provision)	(11.5)
Provision to Repay Debt (Capital Receipts Set Aside)	0.0
Repayment of Transferred Debt	(1.3)
Reduction of Provision and other restatements	(0.1)
Capital Financing Requirement at 1st April 2020	493.6

No new long term borrowing was actually taken out during 2019/20, however, some borrowing will be required in the future to support current capital expenditure plans and the

need for any such borrowing will be kept under review in 2020/21. Within 2019/20, the movements in long-term borrowing and other liabilities were:-

Table 9: Long Term Liabilities (debt outstanding)

Source of Borrowing	Balance at 31st March 2019 £m	Repaid in Year £m	Raised in Year £m	Balance at 31st March 2020 £m
PWLB	196.6	(6.2)	0	190.4
Money Market	38.0	0	0	38.0
Stock Issue	12.0	0	0	12.0
Other	0.4	0	0	0.4
sub total ~ long term borrowing	247.0	(6.2)	0	240.8
Other Local Authority Debt	13.1	(1.4)	0	11.7
PFI & Finance Leasing Liabilities	67.7	(2.5)	0	65.2
Total	327.8	(10.1)	0	317.7

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

Table 10: Long Term Borrowing Maturity Profile (excluding PFI & transferred debt)

Period	Long Term Borrowing £m
Under 12 Months	38.4
1 – 2 years	0.0
2 – 5 years	9.7
5 – 10 years	12.0
Over 10 years	180.7
Total	240.8

In line with CIPFA Treasury Management Code requirements, Lenders Option, Borrowers Option Loans (LOBOs) with banks are included in the maturity profile based on the earliest date on which the lender can require repayment. The Council has £38m of such loans, £10m of which the lender can effectively require to be paid at annual intervals, and £28m at 5 yearly intervals

2.4.3 Short Term In House Borrowing and Investments - The Treasury Management Team acts on a daily basis to manage the City Council's day to day cash-flow, by borrowing or investing for short periods. By holding short term investments, such as money in call accounts, authorities help ensure that they have an adequate source of liquid funds. A total of £131.5m of short term borrowing was taken out during the year at an average interest rate of 0.89%, with £60m still outstanding at 31st March 2020. This borrowing was all taken out with other local authorities & public sector bodies and was required to manage short term cash flow shortages throughout the financial year. During the year the Council held significant short

term investments, as set out in Table 11. The average short term investment rate in 2019/20 was 1%.

Table 11: In House Investments at 31st March 2020

	At 30th June 2019 £m	At 30th Sept 2019 £m	At 31st Dec 2019 £m	At 31st Mar 2020 £m
Banks and Building Societies	6.0	5.0	0.0	0.0
Local Authorities	0.0	0.0	0.0	0.0
Money Market Funds	4.2	0.4	5.2	5.4
Corporate Bonds	9.0	9.0	5.8	0.0
Registered Providers	10.0	10.0	10.0	10.0
Total	29.2	24.4	21.0	15.4

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

Table 12: External, Pooled Investments as at 31st March 2020

	Date Invested	Cost £m	Value £m	Annualised Return %
CCLA	Nov 2013	12.0	12.13	4.71%
Schroder Income Maximiser	Aug 2018	4.5	2.78	6.41%
Threadneedle Strategic Bond Fund	Aug 2018	1.5	1.42	2.68%
Investec Diversified Income Fund	Aug 2018	4.5	4.06	4.07%
M&G Optimal Income Fund	Aug 2018	1.5	1.34	3.00%
M&G Strategic Corporate Bond Fund	Aug 2018	3.0	2.73	3.58%
M&G UK Income Distribution Fund	Aug 2018	3.0	2.35	4.13%
Total		30.0	26.81	4.41%

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

These pooled investments saw a significant drop in value incurred mostly during the period covered by the Covid event towards the end of the financial year. As at 31st March 2020 the accumulated deficit on these pooled funds is £3.2m. Some of this value was recovered in the early weeks of the new financial year and there is every expectation that the full value will be recovered over the medium term - the period over which this type of investment should always be managed. Current accounting rules allow these 'losses' to be held on the Council's balance sheet and not counted as a revenue loss although this is due to change in April 2023. These investments will continue to be monitored closely. The annualised return %s shown in the table above refer to an income return that has continued to be received from these investments despite the drop in capital value.

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

Revenue Related Prudential Indicators

Within Appendix 3 the Ratio of Financing costs to Net Revenue Stream (Ref 1) highlights the revenue impact of the capital programme. This shows that the revenue costs of financing our capital expenditure as a proportion of our income from government grant and Council Tax. The actual is 12.84%, as against 13.43% as forecast in the Treasury Management Strategy. This reflects a lower level of borrowing than anticipated to fund the Capital Programme and higher levels of investment balances.

Capital and Treasury Management Related Prudential Indicators

These indicators, set out in Appendix 3, include:

- **Authorised Limit for External Debt** (Ref 5) ~ This represents the level of gross borrowing which could be afforded in the short term, but is not sustainable. It is the forecast maximum borrowing need, with some headroom for unexpected movements and potential debt restructuring. This is a statutory limit. Borrowing plus PFI and finance lease liabilities at £372.3m was within the limit of £487.6m.
- **Operational Boundary for External Debt** (Ref 6) ~ This indicator is based on the probable level of gross borrowing during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an indicator to ensure the authorised limit is not breached. Borrowing plus PFI and finance lease liabilities at £372.3m was within the boundary of £467.6m.
- **Gross Debt v "Year 3" Capital Financing Requirement** (Ref 2) ~ The Council needs to be certain that net external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) in the current year plus the estimates of any additional capital financing requirement for the next two financial years. The CFR is defined as the Council's underlying need to borrow, after taking into account other resources available to fund the Capital Programme. This indicator is designed to ensure that over the medium term, net borrowing will only be for a capital purpose. Gross debt is within the "year 3" or 2021/22 CFR limit of £472.7m.

- **Debt Maturity Structure, Interest Rate Exposure and Investments Longer than 364 Days** (Ref 8 - 10) ~ The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the Councils overall financial position. Treasury Management activity was within these limits. The Debt Maturity PI (Ref 9) indicates that there is a potential 31.9% of total debt that needs to be refinanced in 2020/21, compared to the PI limit of 50% in the 2020/21 Treasury Management Strategy. The potential refinancing need includes LOBO loans for which the lender effectively has a call option, which if exercised would require the Council to repay the loan. If these loans were required to be repaid, the City Council would look to refinance these at lower borrowing costs or through the use of investment balances in the first instance.

2.4.5 Commercial Investment Strategy

The Council's Commercial Investment strategy is designed to ensure there are strong risk management arrangements and that the level of commercial investments held in the form of shares, commercial property and loans to external organisations, is proportionate to the size of the Council. In doing this the strategy includes specific limits for the total cumulative investment through loans and shares.

During 2019/20 commercial investment through the Council's capital programme totalled £20.6m primarily through the purchase of shares in TWW (£14.6m) and commercial property acquisition within the city (£5.4m).

As at the end of 2019/20, the council had cumulatively invested the following sums in commercial assets, each being within the limits set in the strategy: loans provided £17.4m (2019/20 strategy limit £32m) and shares £46.1m (2019/20 strategy limit £50m).

The Council's investment in commercial assets is proportionate, with commercial income totalling £22.2m in 2019/20 (equivalent to 3% of the Council's gross spend in 2019/20) and commercial assets valued at £350m (24% of the Council's total asset base of c£1,440m). However, whilst this level of exposure is proportionate to the size of the Council, the financial impact of Covid19 will be significant in budgetary terms with income inevitably falling in 2020/21, as organisations struggle to pay dividends and others face pressure in paying rents. Identifying and managing this impact has been central to budget monitoring in the early stages of the current financial year, and will continue to be so as budget monitoring progresses.

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 Director of Finance and Director of Law and Governance

5.1 Financial implications

The final revenue outturn picture for 2019/20 is balanced after making a year-end contribution of underspend of £5.5m to a Reset and Recovery reserve. In overall terms the favourable outturn position must be put in the context of the emerging Covid-19 crisis. The human and public health impacts of this have been widely reported and some of these can be expected

to continue for the foreseeable future. Councils have been assessing the estimated additional costs and lost income that have already been incurred or are expected and this task is essential to inform the Government's pledge to ensure that such costs are fully funded. Given the huge uncertainties, it is difficult to provide robust estimates of the forward looking financial impact on the Council although even with optimistic forecasts of the lifting of restrictions, the overall cost will exceed £30m. Notwithstanding early Government commitments, there have been subsequent indications that councils may be expected to 'share the burden' of these costs. On this basis it is important that the Council continues to maintain a strong financial position to protect itself from what could be a very challenging financial environment which will certainly be felt well beyond financial year 2020/21.

The Council continues to face some volatility in several service areas and recurring overspends in Children's and Housing services are indications of the demand pressures that have existed in recent years. Early indications in 2020/21 are that these services will also come under budgetary pressure during the period marked currently by the Covid-19 pandemic although additional budgetary resource has been provided in these areas through the 2020/21 Budget Setting process.

There have been some significant budgetary underspends in particular within Contingency and Central budgets. Many of these relate to areas that are difficult to predict, are awaiting the progressing of future projects or which are one-off in nature. Where any of these indicate savings within the 2021/22 budget preparations then these will be captured. The overall level of underspend at £5.5m (prior to the final reserve contribution) still represents a relatively modest % variation on the Council's net budget and as a favourable variance is clearly preferable to the Council overspending its budget.

Looking ahead, the Covid reserve contributions and the wider increase in reserve balances are significant elements of the outturn position. The emerging financial position in 2020/21 is evidence of the type of event that can impact upon an organisation such as the Council and provides justification for the careful management of its financial position and the strength of its balance sheet. Further reports in 2020/21 will set out this position as it develops.

The level of expenditure across a broad number and type of capital schemes has once again demonstrated the Council's appetite to embark on ambitious and innovative projects and its success in attracting grant funding to do this. The largest programme of spend within the modern era has been 62% funded from external grant whilst the £66m of prudential borrowing that has been applied to the programme will be funded by financially sustainable models. The programme's coverage of projects affecting the city centre skyline, transport infrastructure and local economic circumstances continues to be something that the Council is keen to continue although circumstances over the next 12 months will bring new challenges.

Although the Council has undertaken some borrowing to fund its capital expenditure this has been undertaken on a short-term basis at this stage, taking advantage of relatively low interest rates available from other local authorities. The Council's Capital Financing Requirement (one measure of the need to borrow) has increased in the year which reflects the Council's planned investment in schemes that are funded from business case based prudential borrowing. In other areas the Council continues to undertake prudent treasury activity and pursue commercial activity that is ambitious but proportionate to the size of its asset base and overall budget. The impact of Covid poses a financial risk to a number of aspects of the operations of local government and in this context strong due diligence will continue to be vital in any future investment activity.

5.2 Legal implications

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

6. Other implications

6.1 How will this contribute to achievement of the Council's 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 we will try to deliver better value for money in the services that we provide in the context of managing with fewer resources.

6.2 How is risk being managed?

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

6.3 What is the impact on the organisation?

The revenue and capital outturn position reported here demonstrates that the Council continues to undertake sound overall financial management. This will continue to be very important in the light of the uncertainty being faced with regard to the level of funding available to local government over the next few years and the immediate impact and aftermath of the Covid-19 situation.

6.4 Equalities / EIA

No specific impact

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

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Names of approvers for submission: (Officers and Members)				
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Carol Bradford	Corporate Governance Lawyer	Law and Governance	16/6/20	16/6/20
Councillor J Mutton	Cabinet Member for Strategic Finance and Resources	-	22/6/20	22/6/20

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Appendix 1 Revenue Variations

Appendix 1 details directorate forecast 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 controlled centrally rather than at this local level. The centralised forecast under-spend shown below is principally the effect of unfilled vacancies.

Directorate	Revised Budget	Spend After Action/ Use of Reserves	Centralised Variance	Budget Holder Variance	Net Variation
	£m	£m	£m	£m	£m
Public Health	2.9	2.1	(0.1)	(0.7)	(0.8)
People Directorate Management	1.5	1.4	0.0	(0.1)	0.0
Education and Inclusion	13.9	15.2	(0.1)	1.4	1.3
Children and Young People's Services	72.2	74.7	(2.0)	4.5	2.5
Adult Social Care	77.5	77.5	(0.4)	0.4	0.0
Housing & Transformation	13.6	16.7	(0.5)	3.6	3.1
Human Resources	1.3	1.6	0.2	0.1	0.3
Total People Directorate	182.9	189.2	(2.9)	9.2	6.3
Place Directorate Management	2.5	2.4	0.0	(0.1)	(0.1)
City Centre & Major Projects Development	7.9	8.1	0.1	0.1	0.2
Transportation & Highways	4.6	4.7	0.1	0.1	0.2
Streetscene & Regulatory Services	28.5	29.6	(0.2)	1.3	1.1
Project Management and Property Services	(7.9)	(9.0)	0.0	(1.1)	(1.1)
Finance & Corporate Services	7.3	7.1	(0.1)	(0.2)	(0.3)
Total Place Directorate	42.9	42.9	(0.1)	0.1	0.0
Total Contingency & Central Budgets	5.6	(0.8)	0.0	(6.4)	(6.4)
Total Spend	231.4	231.4	(3.0)	3.0	0.0
Resourcing	(231.4)	(231.4)	0.0	0.0	0.0
Total	0.0	0.0	(3.0)	3.0	0.0

The figures in this table may be subject to small rounding differences to the main report and the rest of the appendix.

	Centralised Variance Explanation	£m
	These are underspends against a combination of salary budgets and turnover savings target. They result from vacancies across Council services although the level of vacancies has been reducing. Some of these vacancies will be covered from agency and overtime to ensure services can be maintained. These costs are included within the service positions described below.	(3.0)
Total Centralised Variance		(3.0)

Budget Holder Variance

People Directorate			
Service Area	Reporting Area	Explanation	£M
Public Health	Public Health - Migration	This underspend relates to the holding of migration grant income centrally which is funding costs of other services across the Council.	(0.7)
Public Health			(0.7)
People Directorate Management			0.0
Education and Skills	SEND & Specialist Services	The 2019/20 academic year, brought a significant increase in the number of pupils entitled to home to school/college travel assistance. The average unit cost of journeys were further exacerbated, by an increase in the number of pupils attending special schools both within and outside of the City. Consequently, the capacity of the Council's in-house fleet was temporarily exhausted, requiring an interim response of short term taxi commissions to meet demand. This resulted in inflating mid-year unit costs, which were subsequently mitigated by a further investment in fleet expansion. The requirement to provide personalised arrangements for children who are unable to travel safely on a mini-bus has also increased significantly, all reasonable measures were put into place to monitor and challenge this element of provision whilst, ensuring the Council continues to meet its statutory duty and secure the safety of pupils and staff. It is envisaged that Covid19 safety measures, will place further pressure on fleet capacity throughout 2020. The Educational Psychology Service offers both a statutory and traded function. During the 2019/20 financial year the service experienced significant staffing challenges partly through vacancy and recruitment challenges which have now been addressed but predominately because of a disproportionate level of maternity/paternity absence. It was therefore necessary to secure agency psychologists to secure the statutory function. This cost, led to an overspend which was offset by a corresponding under spend against centralised salaries resulting in an overall balanced budget.	1.2
Education and Skills	Employment & Adult Education	To date it has not been possible to deliver a £200k financial savings target set as part of previous budget setting processes to ensure we maximise ESFA grant funding against internal training programmes.	0.2
Education and Skills	Other Variances Less than 100K		(0.1)
Education and Inclusion			1.3

Children and Young People's Services	Children's Services Management Team	The service has delivered savings as a result of service changes and review. These support the delivery of the Children's Services Transformation programme in the current and future years.	(0.9)
Children and Young People's Services	Help & Protection	The budgetholder variance relates to an overspend in the costs of agency staff covering vacancies across the service, which is more than offset by underspends across centralised salary budgets. We continue to recruit permanent social workers and reduce agency staff levels as part of workforce transformation. Other significant variances are an underspend on Section 17 costs (£0.4M), as a result of a review of procedure and process, and an overspend in Children's Disability Team (£0.4M) largely as a result of activity pressure on packages of support.	0.8
Children and Young People's Services	Commissioning, QA and Performance	The budget holder variance relates to an overspend in the costs of agency staff covering vacancies across the service, which is offset by underspends in the centralised staffing budget. The staff posts being covered by agency spend are Independent Reviewing Officers which perform a statutory function on behalf of the LA, these posts are currently being recruited to permanently.	0.2
Children and Young People's Services	LAC & Care Leavers	The variance is largely as a result of the placement pressures (£1.9M net overspend). Children in external children's homes are above projected numbers and there have been some high cost placements as a consequence of youth violence, and an overspend on LAC transport. Supported accommodation continues to show an overspend as a result of activity and high cost placements (£0.2M), but there has been significant work in year to move care leavers into their own accommodation. Work is underway to understand the impact of this on 20/21 financial year in the context of the Children's Transformation Programme. There are a number of other variances across the service as a result of activity pressure (care leavers, permanence allowances of £0.3M) and agency costs of in excess of £0.5M partially offset by a centralised salary underspend. Work has been done to realign staffing resource across the whole service, which should reduce this pressure moving forward.	4.3
Children and Young People's Services	Other Variances Less than 100K		0.1
Children and Young People's Services			4.5
Adult Social Care	Strategic Commissioning (Adults)	The majority of the underspend relates to Carers budgets. Work is underway as part of the Carers Strategy to maximise the Carers offer within the resources available.	(0.2)

Adult Social Care	Adult Social Care Director	The majority of the underspend represents the use of iBCF resources to manage the financial position. These resources are available to manage Adult Social Care pressures. The level of demand is increasing at higher than levels estimated at the start of the year. The contributory factors to this are described in the specific sections below. This rising demand on the grant, which is cash limited, will reduce the ability to absorb further increases in subsequent years.	(2.7)
Adult Social Care	Older People Operational	Additional costs of agency staff pending recruitment but overall staffing slightly underspent.	0.1
Adult Social Care	All Age Disability and Mental Health Operational	There remains significant pressures in Deprivation of Liberty Assessment demand leading to additional assessment costs. The All Age Disability Team has also seen increasing demand and a high turnover of staff leading to increased Agency costs, recruitment to posts is ongoing.	0.6
Adult Social Care	Older People Community Purchasing	Although numbers of new starts in residential/nursing provision are decreasing, the overall length of stay of residents has been increasing and continuing to build financial pressure. Strategies to reduce admissions are working and this will continue to be a focus in the coming year.	0.3
Adult Social Care	All Age Disability and Mental Health Community Purchasing	Demand for Mental Health services continues to apply pressure to the budget. Additional costs have been incurred following an ordinary residence claim being awarded against Coventry City Council. In Learning Disability, work continues to seek ways to reduce expenditure across commissioned services, particularly residential and nursing provision..	2.4
Adult Social Care	Other Variances Less than 100K		(0.1)
Adult Social Care			0.4
Housing & Transformation	Customer and Business Services	Vacancies were held post Business Services change to align the work and understand where best to place the resource, recruitment was under way and was planned to be staggered however this activity ceased in light of the recent challenges, it will be reviewed again once things are more stable. Some of the posts have recently been handed back to services. There is a restructure of the PA function underway which will introduce new roles and will result in some redundancies, again recruitment to the new positions is on hold and notice periods have been extended based on the current position.	0.3
Housing & Transformation	ICT & Digital	Work has been undertaken around both mobile and fixed line telephony which has resulted in some one-off reductions in spending in 2019-20. In addition there have been some "windfall" benefits mostly one-off.	(0.3)
Housing & Transformation	Housing & Homelessness	The overspend of £3.4m is due to a combination of increase in activity as a result of demand and activity transferring to the council from the previously outsourced contract, and the delays in less costly Temporary Accommodation solutions being available. The majority of this overspend is driven by the gap between what we pay out for temporary accommodation compared with what we can reclaim through the Housing Benefit Subsidy grant. Although an additional £3.4m was allocated to the service in 2019/20 in recognition of the increased demand, this has been further exacerbated by an increase in activity in the last 12 months particularly in the number of non-families in temporary accommodation, which has increased 3-fold during the financial year, and	3.6

		stands at 386 households at the end of March 2020. Family households also increased and stands at 385 households at the end of March 2020. We are now in a position where we understand the causes of the long standing financial pressures, and have a number of strategies in place to significantly reduce the cost over the medium-term. This is through a combination of increasing prevention, reducing activity and considerably decreasing the cost of provision. For example, Caradoc Hall (102 units) is now open and fully occupied and Frank Walsh House (44 units) will be available to house families later in the year. We have Cabinet approval to implement a charging policy and purchase further properties to provide lower cost temporary accommodation options for non-families, with the aim of them opening later in the 2020/21 financial year.	
Housing & Transformation			3.6
Human Resources	Workforce Transformation	The HR service continues to faces challenges with external income from both schools and other contracts particularly within Employment Practice and Occupational Health.	0.1
Total Budget Holder Forecast Variances - People			9.2

Place Directorate	Place		
Service Area	Reporting Area	Explanation	£M
Place Directorate Management	Directorate & Support	Recovery of salary costs from capital projects	(0.1)
Place Directorate Management			(0.1)
Business, Investment & Culture	Other Variances Less than 100K		0.1
Business, Investment & Culture			0.1
Transportation & Highways			0.1
Streetscene & Regulatory Services	Planning & Regulatory Services	Additional income primarily due to increased Planning Application fees, increased activity in the Building Control service due to the collapse in the Approved Inspector Insurance Market, recovery of enforcement costs in Environmental Health and s106 Monitoring Fee income	(0.5)
Streetscene & Regulatory Services	Streetpride & Parks	There have been a number of pressures across this service, primarily income and agency cover related. Bereavement Services income was £340k lower than budget due to falling death rates. Failing equipment resulted in Coombe Car Parking income and enforcement pressures of £130k. Trees & Woodlands spent an extra £54k due to emergency works following the storms in Jan - March. Streetpride experienced higher Fleet costs of £276k due to an ageing fleet and the need to spot hire to cover maintenance issues. Overtime and agency costs of £217k were incurred to cover vacancies, this was more than offset by vacancy savings of £442k	1.0

Streetscene & Regulatory Services	Waste & Fleet Services	<p>There are a number of variations in this area as follows:</p> <p>£288k in Commercial Waste whilst it continues towards its growth aspirations.</p> <p>£354k in Domestic Waste, primarily due to increased casual / agency costs to cover vacancies / sickness, additional bin purchases & the cost of Christmas cover</p> <p>(£537k) in Fleet due to lower capital financing costs (£321k), over achievement of income on disposals and training and other savings on Vehicle Hire and Fuel.</p> <p>£149k in Passenger Transport, mainly due to staff shortages and the need to use casuals / overtime to cover these.</p> <p>£451k in Waste Disposal, due to higher tonnages disposed of and higher gate fees and loss of rebate income for the co-mingled recycling contract, there were also additional costs in relation to the CSWDC shutdown and diversion.</p>	0.7
Streetscene & Regulatory Services	Environmental Services	Primarily an income shortfall against budget in Pest Control whilst it continues its drive to grow together with some low level overtime & agency costs to cover vacancy and sickness absence.	0.2
Streetscene & Regulatory Services	Other Variances Less than 100K		(0.1)
Streetscene & Regulatory Services			1.3
Project Management and Property Services	Project Management	This variation reflects an underperformance against the income target due to vacancies	0.2
Project Management and Property Services	Commercial Property	This reflects additional income resulting from a £120k charge for time spent on property acquisition and disposals and £50k Commercial Property income above target.	(0.2)
Project Management and Property Services	Facilities & Property Services	Building compliance and Repair and maintenance collective trading surplus's of £562k together with a £434k back dated business rate refund	(1.0)
Project Management and Property Services	Other Variances Less than 100K		(0.1)
Project Management and Property Services			(1.1)
Finance & Corporate Services	Legal Services	This reflects the cost of agency and external cover for vacant posts and the use of external counsel in Legal Services, together with underlying cost pressures within coroners due to price and volume increases.	0.6
Finance & Corporate Services	Revenues and Benefits	There is a surplus as a result of an increase in housing benefit overpayment recovery. This is offset by additional costs required to administer an increasing council tax base and a reduction in court cost income. In addition there was a lower than anticipated demand for community support grants resulting in an underspend.	(0.3)

Finance & Corporate Services	Democratic Services	A combination of one-off savings whilst restructures were implemented and additional income from schools appeal works.	(0.2)
Finance & Corporate Services	Other Variances Less than 100K		(0.3)
Finance & Corporate Services			(0.2)
Total Budget Holder Forecast Variances - Place			0.1
Contingency & Central Budgets	Corporate Finance	<p>Underspend of £7m due to amounts no longer due to be paid to the West Midlands Pension Fund (WMPF). The Fund has not required employer pension contributions resulting from higher payroll figures to be paid over to it although the Council had budgeted for these.</p> <p>Other variations include previously reported uncommitted resources related to one-off social care funding (£1.1m); Coventry and Warwickshire Business Rate Pool income in excess of budget (£1.3m); projected additional savings from the Friargate Project (£0.7m); lower than budgeted levy costs (£0.6m); and a £0.7m contribution to reserves for managing the costs of major projects approved at quarter 2.</p> <p>The net Asset Management Revenue Account position is an underspend of £2.4m which reflects, £2.2m higher than budgeted investment and loan repayment income, £0.4m lower than budgeted capital financing costs and a net shortfall of £0.2m in budgeted dividend income. The dividend position includes a £0.8m shortfall from Coombe Abbey Park Limited (£0.3m outstanding from 2018/19 and none of the budgeted £0.5m received for 2019/20) offset by £0.3m of Covid-19 grant and £0.3m of additional dividends from other sources.</p>	(6.4)
Total Budget Holder Forecast Variances - Contingency & Central Budgets			2.9

Appendix 2 Capital Programme Change and Analysis of Rescheduling

SCHEME	APPROVED CHANGES £m	(RESCHEDULING) / ACCELERATED SPEND £m	(UNDERSPEND) / OVERSPEND £m	EXPLANATION
Condition		(0.2)		This is due to difficulties with completion of a couple of projects, where there were access restrictions, so works have been programmed for Summer 2020 and the works added to the 2020/21 Condition Programme
Basic Need		0.4		Two secondary expansion projects and the Keys project have completed (with accounts for these being finalised) and some costs for the larger secondary expansion projects (including two which kickstarted in January 2020), thought to be seen in the next financial year, were seen in the final quarter. There have also been programme pressures within a couple of the secondary projects, which have incurred additional design fees (still within project budget but not forecast to be spent within the financial year).
SEND		0.2		Project completion within this financial year (and accounts finalised for these projects) and progression of other projects since January. There have been pressures within a couple of projects, which have incurred further works (still within project budget but not forecast to be spent within the financial year).
Superfast Broadband		(0.2)		This is part of the renegotiation of the network lease agreement with City Fibre. The payment schedule was only agreed/finalised towards end of FY19/20 hence this reschedule amount which will be required FY20/21
ICT		(0.3)		The bulk of the reschedule relates to some work to move the Revenues and Benefits system to be hosted by Capita. There have been several delays on the project and this was compounded – towards the end of last year, by the COVID 19 situation. Expected full spend in 2020/21
Whitley Depot ICT Hub		(0.2)		We are currently finalising the lease for a new data centre. There was a possibility that this would have been done before year end but will now take place 2020/21 hence the rescheduling.
Growing Places		(0.1)		The Commonwealth Games Project (CWG) which consists of improvements in Leamington Spa for the hosting of the Bowls Competition has not drawn down as much funds as previously forecasted due to unforeseen delays with the project, such as

				inclement weather delaying works on the greens.
Vehicle & Plant Replacement Leasing		(0.1)		4 vehicles were due to be delivered in 2019/20. These have been delayed because of COVID-19 lockdown.
Alan Higgs		(0.9)		The Contractor was delayed in delivering practical completion of the new 50m Pool at Alan Higgs and as a consequence there has been expenditure slippage and works taken out the contract to provide the client with programme and cost certainty, which will now be undertaken post practical completion i.e. in the next financial year.
Pathways to Care			(0.2)	The underspend is due to accruals in 2018/19 that did not come to fruition and not as many projects in 2019/20 being undertaken by Foster Carers
Whitley Depot Redevelopment		(0.3)		The 2019/20 cashflow was based on being able to tender the main contract works and make an award of contract by the end of January 2020. This would have enabled two months valuation payments to be made for the construction works by the year end. The tendering contractors all requested more time to tender and the tender return date was put-back. The tenders submitted all greatly exceeded the approved budget. Time has been spent to date identifying and negotiating savings with the tendering contractors. It has still not been possible to make an award of contract within budget and approval is now required to be obtained to secure additional funding.
UK Central & Connectivity		(12.2)		A46 Link Road Phase One (Stoneleigh Junction) delayed due to a need to re-tender the construction contract, delays in completing land acquisition, and in securing Technical Approvals from Highways England. Full funding approval secured from DfT in February 2020.
City Centre South		0.8		Variance is due to accelerated spend on the CCS planning application and Coventry Point
Friargate		0.5		Variance is due to accelerated spend on the Two Friargate design development process
Highways Investment		(0.6)		Four schemes not completed due to third party clashes and other operational issues, these schemes will be completed in 2020-21. Also continuation of RFCC flood alleviation project delivery for Butt /Washbrook Lane/The Windmill Hill.

Whitefriars Housing Estates		0.7		Accelerated spend to ensure work continuity for the DLO workforce.
Clean Bus Technology Fund		(1.4)		Some delays in bus companies procuring and completing the works, but all work is in hand and will be completed Summer 2020.
Early Measures Fund		(0.4)		Implementation of Ball Hill junction improvement partially completed, but remaining element on hold pending completion of scheme review.
ULEB		(0.5)		Awaiting for the signed agreement from National Express [NX]. Once this is in place claim 1 will be processed, anticipated early in 2020.
Integrated Transport Programme		(0.5)		Schemes that are currently in development stage and will move to delivery in early part of 2020-21.
Better Street Community Project		(0.3)		The funding agreement for the Better Streets Community Fund projects is now in place and projects are progressing towards implementation in 2020-21.
Coventry Station Masterplan	0.2	0.2		Westminster car park income and S106 added to the CSMP budget to fund car park compensation costs to the Train Operator and new funds identified for Station Square addition to the scope of works. In addition small increase from Qtr3 forecast £200,000
GD08 - Business Innovation Fund (Duplex Fund)		(0.3)		The Duplex Investment Scheme launched in October 2019. A formal PR launch was delayed due to the December General Election so take up of the scheme was not as high as predicted in Q3. This was compounded by contractual obligations and a grant agreement for each business requiring completion before Grant funding from Local Growth Fund could be drawn down. The Duplex project will claim its full LGF allocation in quarter 1 of 2020-21.
GD14 - A46 N-S Corridor (Stanks)		(0.2)		The Stanks project rescheduling is a result of a number of issues linked to confirmation of a bond agreement with the new contractors, delay to expenditure following a revised schedule of works and issues with unchartered utilities on site. The project's initial completion date of May 2020 was also delayed to September 2020.
Whitley South Infrastructure - Facility A and B (Roxhill)		(3.7)		The project progress was slower than anticipated with inclement weather hindering site works in early spring and technical difficulties delaying the bridge installation. The delays resulted in less spend than anticipated within the year.

Housing Infrastructure Fund		(2.4)		There has been a delay in moving this project forward as a result of discussions with Homes England on additional secured funding (now £15.6m) and contractual reviews with the developer and their consultants. This was to ensure that there is no risk to the Council for any level of overspend on the project. The planning application being submitted by the developer, which was a key item to progressing to tender stage, was delayed by 3 months and in turn delayed an award of contract which would have seen a substantial payment (circa £800k) being paid out to secure a manufacturing slot for the bridge beams. The scheme is moving forward, however the impact of Covid-19 is slowing the process down.
Public Realm 5 - City of Culture	1.9	(0.6)		This is the impact of COVID-19 on the programme and Eurovia closing the Precinct site down in March 2020. Eurovia as of week commencing 4th May have re-opened the site and commenced work. Analysis of the impact on the programme is being worked through currently.
Heatline		(0.3)		No expenditure as the outstanding balance is the final contract payment which is to be contractually retained until the works are complete. Engie have still not finalised the connection and commissioning of The wave. Until this work is complete no further payments are due.
Acquisition Costs Temporary Accommodation (Homeless)		(0.2)		Funding to be used to bring an additional 8 units in to temporary accommodation via Citizen
Battery Plant and Equipment		6.7		The project was awarded an additional £3.1m from Innovate UK in order to keep pace with technology in the battery industry, and the drawdown of existing funding was accelerated at the request of the funder so that the full £111.1m could be drawn down by the end of the financial year.
Coombe Loan		(0.2)		Reduction in the anticipated drawn down of the loan facility
Coombe new Play facility		(0.6)		The tendering timetable for the adventure play facility has been delayed due to the COVID-19 crisis as prospective providers have been unable to work up and submit tenders. The situation is being constantly reviewed and the procurement process will be initiated as soon as possible following Government Advice.

Coombe CarPark Remodelling		(0.2)		This is linked to the development of the proposed Adventure Play facility at Coombe Park. The remodelling of the car park requires planning permission from Rugby Borough Council and early outline submissions have been rejected and has needed the drawing up of revised layouts to meet Rugby Planning requirements and allow the submission of a full planning application. This has resulted in the delay and prevented the scheme from being undertaken as planned. The scheme will be going ahead and capital funding will need to be rescheduled into the 20/21 financial year.
The Arches Spon End Pinchpoint		(2.2)		In isolation this scheme received funding to deliver the project and should have proceeded, however the speed at which the Air Quality Forward Funding project came along promoted a joined up scheme with the section of Spon End/The Butts down to Junction 7. The works have now evolved into a larger project which will bring forward efficiencies and reduced impact on the highway. The current Spon End scheme is currently out for consultation with the Air Quality. Land acquisition discussions are currently taking place and should see some significant spend August 2020 and onwards.
St Marys Guildhall		0.4		Accelerated spend for works at St Marys as part of the City of Culture programme
OLEV Onstreet Residential Chargepoints - Phase 2	0.3			£0.3m awarded in Quarter 4 from the Office for Low Emission Vehicles (OLEV) for installing onstreet residential chargepoints.
Share Purchase of TWW Ltd	14.6			Cabinet approval on 25th February 20, for the commercial acquisition of shares
Interest Capitalisation	2.5			This is in respect to the accounting policy referring to the prudential borrowing costs associated with schemes: City Centre Destination Facility, Whitley South, Coventry Station Masterplan and Salt Lane Car Park. Borrowing costs, in the form of interest expenses, are capitalised where the asset in question is a qualifying asset and takes a substantial period of time to bring into operation. Borrowing costs will only be capitalised on schemes for which expenditure is incurred over a period or more than 12 months, until the asset is operationally complete, and where a material level of capital expenditure is resourced by borrowing.
Miscellaneous	(0.3)			
TOTAL CHANGES	19.2	(19.0)	(0.2)	

Appendix 3

Summary Prudential Indicators

		Per Treasury Management Strategy 19/20 £000's	Actual 19/20 £000's
1	Ratio of financing costs to net revenue stream:		
	(a) General Fund financing costs	31,122	29,775
	(b) General Fund net revenue stream	231,815	231,815
	General Fund Percentage	13.43%	12.84%
2	Gross Debt & Forecast Capital Financing Requirement		
	Gross debt including PFI liabilities	403,900	372,259
	Capital Financing Requirement (forecast end of 21/22)	472,677	472,677
	Gross Debt to Net Debt:		
	Gross debt including PFI liabilities	403,900	372,259
	less investments	-75,000	-61,995
	less transferred debt reimbursed by others	-14,300	-11,870
	Net Debt	314,600	298,394
3	Capital Expenditure (Note this excludes leasing)		
	General Fund	196,170	215,867
4	Capital Financing Requirement (CFR)		
	Capital Financing Requirement	479,238	493,613
	Capital Financing Requirement excluding transferred debt	467,564	481,743
5	Authorised limit for external debt		
	Authorised limit for borrowing	422,350	422,350
	+ authorised limit for other long term liabilities	65,213	65,213
	= authorised limit for debt	487,564	487,564
6	Operational boundary for external debt		
	Operational boundary for borrowing	402,350	402,350
	+ Operational boundary for other long term liabilities	65,213	65,213
	= Operational boundary for external debt	467,564	467,564
7	Actual external debt		
	actual borrowing at 31 March 2020		306,979
	+ PFI & Finance Leasing liabilities at 31 March 2020		65,205
	+ transferred debt liabilities at 31 March 2020		11,870
	= actual gross external debt at 31 March 2019		384,054

8 Interest rate exposures		
Upper Limit for Fixed Rate Exposures	422,350	290,335
Variable Rate		
Upper Limit for Variable Rate Exposures	84,470	-45,352
9 Maturity structure of borrowing - limits	upper limit	actual
under 12 months	40%	31.9%
12 months to within 24 months	20%	0.5%
24 months to within 5 years	30%	5.1%
5 years to within 10 years	30%	4.6%
10 years & above	100%	57.9%
10 Investments longer than 364 days: upper limit		
	30,000	0

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Council – 8th September 2020
Recommendation from Cabinet
25th August 2020

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 25th August 2020
(This meeting was held remotely)

Present:

Members:

Councillor G Duggins (Chair)
Councillor AS Khan (Deputy Chair)
Councillor K Caan
Councillor P Hetherton
Councillor T Khan
Councillor K Maton
Councillor J Mutton
Councillor M Mutton
Councillor J O'Boyle
Councillor P Seaman

Non-Voting Deputy Cabinet
Members:

Councillor P Akhtar
Councillor R Ali
Councillor G Lloyd
Councillor D Welsh

Non-Voting Opposition
Members:

Councillor A Andrews
Councillor G Ridley

Other Non-Voting Members:

Councillor N Akhtar
Councillor R Brown
Councillor R Lakha
Councillor R Singh

By Invitation:

Chief Inspector Suraya Latif, West Midlands Police

Employees (by Service):

Chief Executive

M Reeves (Chief Executive)

Deputy Chief Executive

G Quinton (Deputy Chief Executive)

Communications

N Hart

Finance	P Helm
Housing and Transformation	D Ashmore (Director of Housing and Transformation, M Duffy, J Sandhu
Law and Governance	J Newman (Director of Law and Governance), S Bennett, G Holmes, M Salmon
Property Services and Development	R Moon (Director of Property Services and Development), A Hunt
Streetscene and Regulatory Services	C Hickin, L Nagle
Transportation and Highways	N Cowper
Apologies:	Councillor B Gittins Councillor C Miks Councillor K Sandhu Councillor C Thomas

Public Business

RECOMMENDATION

26. Ring Road - Swanswell Viaduct Refurbishment, Phase 2

The Cabinet considered a report of the Director of Transportation and Highways, that would also be considered by Council at its meeting on 8th September 2020, on further funding from the Department for Transport Local Highways Maintenance Challenge Fund for Phase Two of the Swanswell Viaduct Refurbishment Scheme. Appendices to the report provided a Location Plan and Project Delivery Structure.

The Swanswell Viaduct Refurbishment scheme involved the structural refurbishment of substandard elements on the Swanswell Viaduct Junction 1 – 4 of the Coventry Ring Road. Following award of funding from Tranche 1 of the Department for Transport Local Highways Maintenance Challenge Fund, Phase 1 of the refurbishment was completed in 2018.

The Council had been successful in securing a further £5.0million through the same Fund for Phase 2 of the Scheme with a requirement for 2.5% (£250k) contribution from the Council. In total £5.25 million was available to spend on the refurbishment of the structure. Department for Transport conditions required all funds to be spent by the end of financial year 2020/21.

The Cabinet agreed to recommend that Council:

- 1) Authorises the Council to accept and add Department for Transport Local Highways Maintenance Challenge Fund of £5.0million grant for the purposes

of refurbishing the Swanswell Viaduct, to the Council's 5 Year Capital Programme.

- 2) Delegates authority to the Director of Transportation and Highways, following consultation with the Cabinet Member for City Services, to agree detailed terms of the transaction and to enter into the relevant legal agreements and associated documents necessary to complete the transaction and appoint the contractor to deliver the works.

RESOLVED that Council is requested to:

- 1) Authorise the Council to accept and add Department for Transport Local Highways Maintenance Challenge Fund of £5.0million grant for the purposes of refurbishing the Swanswell Viaduct, to the Council's 5 Year Capital Programme.**
- 2) Delegate authority to the Director of Transportation and Highways, following consultation with the Cabinet Member for City Services, to agree detailed terms of the transaction and to enter into the relevant legal agreements and associated documents necessary to complete the transaction and appoint the contractor to deliver the works.**

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Cabinet
Council

25th August 2020
8th September 2020

Name of Cabinet Member:

Cabinet Member for City Services – Councillor P Hetherington

Director Approving Submission of the report:

Director of Transportation and Highways

Ward(s) affected:

All Wards

Title:

Ring Road - Swanswell Viaduct Refurbishment, Phase 2

Is this a key decision?

Yes – The proposal in this report is a key decision because expenditure is above the £1m threshold and although geographically the site is located within St Michael's Ward, it will have an impact on Ring Road traffic affecting the whole of the City.

Executive Summary:

The Swanswell Viaduct Refurbishment scheme involves the structural refurbishment of substandard elements on the Swanswell Viaduct Junction 1 – 4 of the Coventry Ring Road. Following award of funding from Tranche 1 of the Department for Transport (DfT), Local Highways Maintenance Challenge Funding, Phase 1 of the refurbishment was completed in 2018.

The Council has been successful in securing a further £5.0million through the same fund for Phase 2 of the scheme with a requirement for 2.5% (£250k) contribution from the Council. In total £5.25 million is available to spend on the refurbishment of the structure. DfT conditions require for all funds to be spent by the end of financial year 2020/21.

Recommendations:

Cabinet is asked to recommend that Council:

1. Authorise the Council to accept and add DfT, Local Highways Maintenance Challenge Fund of £5.0million grant for the purposes of refurbishing the Swanswell Viaduct to the Council's 5 Year Capital Programme.

2. Delegate authority to the Director of Transportation and Highways, following consultation with the Cabinet Member for City Services, to agree detailed terms of the transaction and to enter into the relevant legal agreements and associated documents necessary to complete the transaction and appoint the contractor to deliver the works.

Council is requested to:

1. Authorise the Council to accept and add DfT, Local Highways Maintenance Challenge Fund of £5.0million grant for the purposes of refurbishing the Swanswell Viaduct to the Council's 5 Year Capital Programme
2. Delegate authority to the Director of Transportation and Highways, following consultation with the Cabinet Member for City Services, to agree detailed terms of the transaction and to enter into the relevant legal agreements and associated documents necessary to complete the transaction and appoint the contractor to deliver the works.

List of Appendices included:

Appendix A – Location Plan

Appendix B – Project Delivery Structure

Background papers:

None

Other useful documents:

None

Has it been or will it be considered by Scrutiny?

No

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

No

Will this report go to Council?

Yes

Report title: Swanswell Viaduct Refurbishment

1. Context (or background)

- 1.1 Coventry's Ring Road is the hub of the city's road network, carrying large volumes of traffic. This connectivity is key to the City's economy.
- 1.2 In order to maintain its capacity, the structure has had cyclic inspections and maintenance carried out since its construction in the 1960s and 70s
- 1.3 Phase 1 of the viaduct refurbishment, which was completed in 2018, upgraded a third of the structure. The upgrade included strengthening edge beams, parapets and waterproofing the bridge deck. These works are still required to the remainder of the viaduct.
- 1.4 In June 2020 Central Government announced that the Council's bid for further funding through the Highway Maintenance Challenge Fund had been successful with an award of £5m to be spent in this financial year.
- 1.5 Phase 1 of the scheme delivered upgrading of the main carriageway sections of the Viaduct between Junctions 2 and 3. It is proposed that Phase 2 will include upgrading works between Junction 3 and 4 (including the elevated slip roads to and from Sky Blue Way). (as shown in Appendix A.)
- 1.6 The bridge decks including slip roads need to be waterproofed to prevent deterioration from the use of de-icing salts. Following waterproofing, the road surface will need to be replaced. This will have the benefit of reducing on-going maintenance costs.
- 1.7 The objectives of the scheme are to continue to improve the structure by:
 - Maintaining and upgrading the viaduct structure and carriageway
 - Minimise short and long-term maintenance costs
 - Reduce accident risk

Combining all of these works into one scheme will ensure procurement and implementation is as efficient as possible and traffic disruption is minimised.

2. Options considered and recommended proposal

- 2.1 In order to meet the tight delivery timescales imposed by the DfT funding conditions, the design completed within Phase 1 of the scheme will be used.
- 2.2 The design consultant previously appointed for Phase 1 will be commissioned to produce a scope of works in line with the available funding.
- 2.3 It is proposed to procure the works through the Scape Group Public Sector Construction Framework.

3. Results of consultation undertaken

- 3.1 Coventry City Council's Procurement Team has been consulted to determine the most appropriate procurement strategy for delivery of the scheme. Existing framework routes have been identified for all phases to drive efficiency and value for money through well-established supply chains.

4. Timetable for implementing this decision

- 4.1 Due to the very challenging DfT deadlines the delivery dates below need to be met.

Key Milestones	Delivery Dates
Commission Design Consultant for scoping exercise.	August 2020
Contractor Appointment	September 2020
Construction Start	November 2020

5. Comments from the Director of Finance and the Director of Law and Governance

5.1 Financial implications

- 5.1.1 Funds for the scheme have been secured via the DfT, Local Highways Maintenance Challenge Fund with a 5% contribution of £250,000 from the Council's approved Capital Highways Maintenance budget.
- 5.1.2 DfT funding conditions require all funds to be spent by end of financial year 2020/21. There is the potential for claw-back should this condition not be met.
- 5.1.3 The overall project costs of £5.25m are based on financial modelling using the following assumptions: -
- Design support and Technical Approval costs including onsite support and project management throughout the life of the scheme costing circa £0.4million.
 - Construction costs undertaken by the Principal Contractor costing circa £4.85million, including contingency of £485k (10%).
- 5.1.4 Revenue costs are not expected on the scheme.

5.2 Legal implications

- 5.2.1 Any works carried out as part of the scheme which exceed EU procurement thresholds will be compliant with the Public Contract Regulations 2015 and the Council's Rules for Contracts.
- 5.2.2 As the works are a refurbishment of an existing highway structure, it is expected no planning consents will be required. Aesthetic alterations to the viaduct fascia panels were carried out as part of the Phase 1 works and it is proposed that this feature is continued with the Phase 2 works.

6. Other implications

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

The delivery of the scheme will prolong the life of the Swanswell Viaduct as an integral part of the city's highway network. Non-delivery of the scheme may result in future maintenance costs being borne by the Council's Highway Maintenance budget causing a burden in future years.

Further deterioration of the structure could result in a closure or having lane closures or weight restrictions applied between Junctions 1- and 4, causing significant congestion across the city.

Highway maintenance is of fundamental importance to achieving the integrated transport agenda.

6.2 How is risk being managed?

To mitigate the risks associated with this project, a comprehensive governance structure has been put in place to ensure correct procedures are followed and that the programme is maintained. (shown in appendix B).

6.3 What is the impact on the organisation?

Though the majority of the scheme is funded with external funds, a small contribution is required from existing highway maintenance budgets, therefore there will be a small impact on the maintenance funds for other structures in the city. This is being managed by the highway team and does not present any significant concern.

6.4 Equalities / EIA

Delivery of these works will assist the Council in its role as the Highway Authority to maintain the public highways on behalf of all Coventry residents and visitors.

The City Council will work with all suppliers and their supply chains to ensure that all works are carried out in line with industry best practise and that all environmental standards and legislation is adhered to.

6.5 Implications for (or impact on) climate change and the environment

Undertaking this scheme will contribute to the Council's responsibility for maintaining Coventry's road network which will in turn contribute to achieving environmental targets as well-maintained roads improve the efficiency of traffic flow and therefore reduce environmental impact through reduction of emissions.

6.6 Implications for partner organisations?

Improvements to the highway network will benefit all users and promote the city to partner organisations and further development.

Report author:**Name and job title:**

Neil Cowper
Head of Highways

Service:

Transportation and Highways

Tel. and email contact

Tel: 024 7697 2065

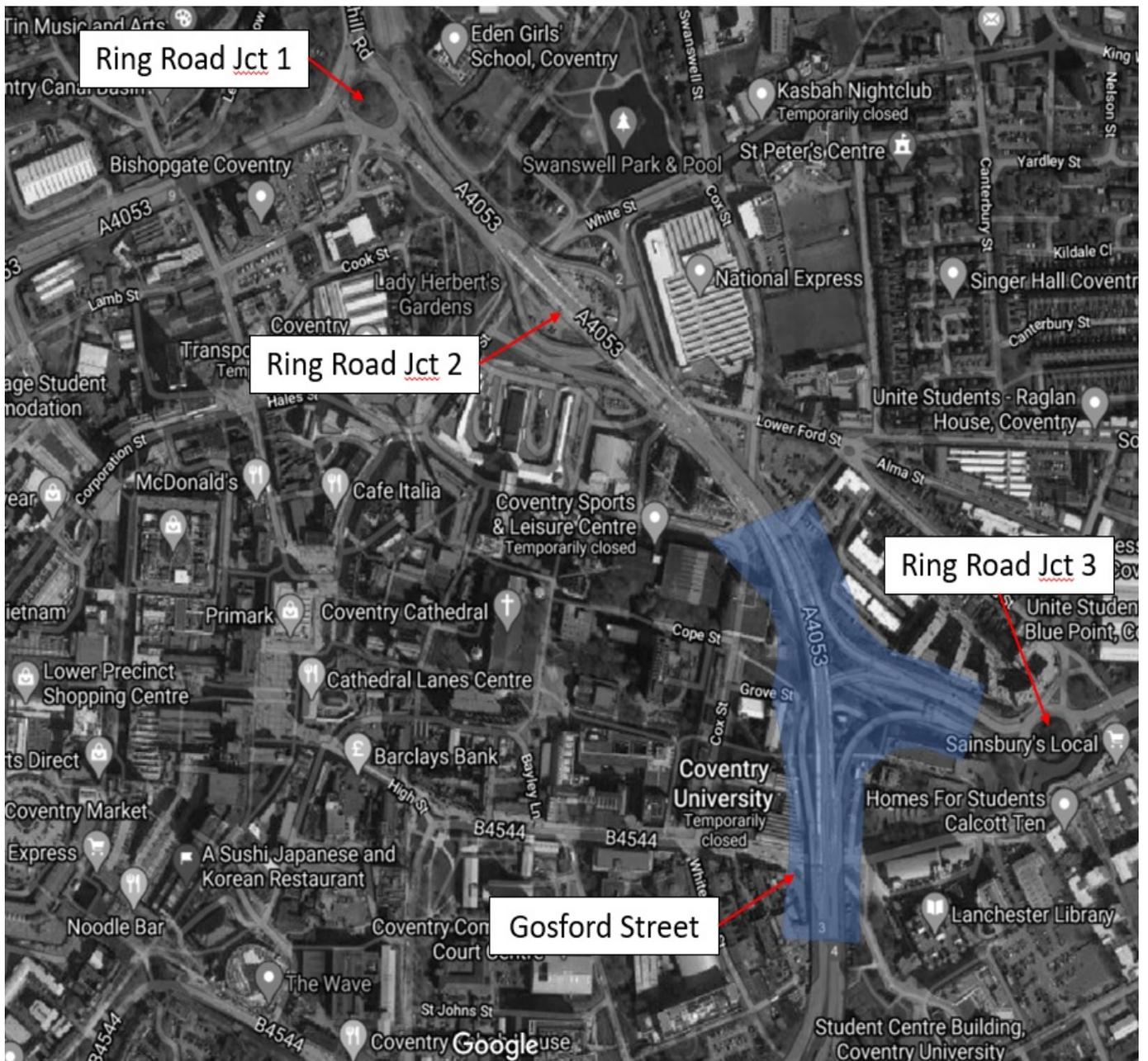
Email: neil.cowper@coventry.gov.uk

Enquiries should be directed to the above person.

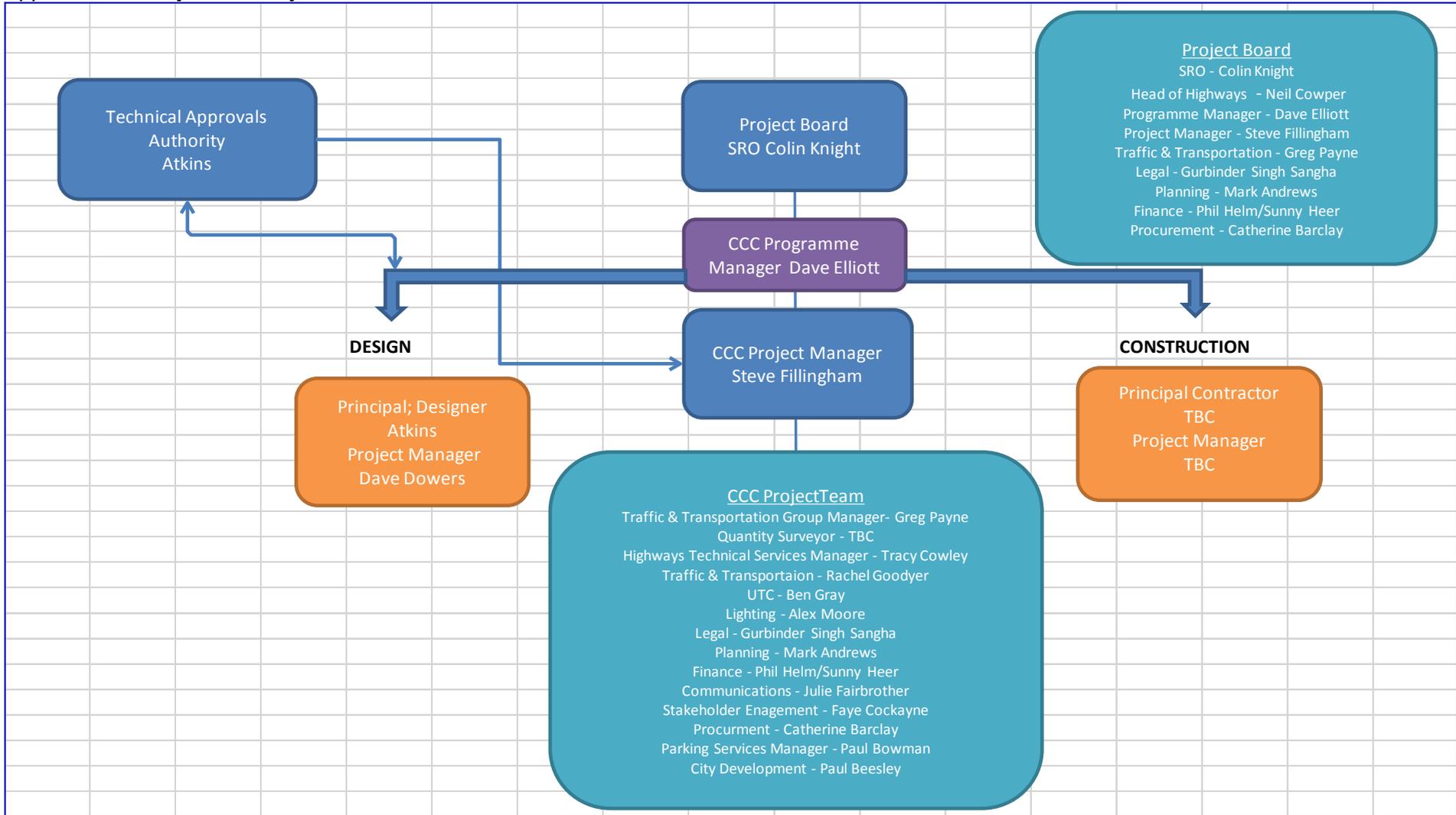
Contributor/approver name	Title	Service	Date doc sent out	Date response received or approved
Contributors:				
Dave Elliott	Senior Engineer, Structures	Transportation and Highways	16/7/20	22/7/20
Michelle Salmon	Governance Services Officer	Law and Governance	16/7/20	16/7/20
Catherine Barclay	Category Manager	Housing and Transformation	16/7/20	22/7/20
Sunny Heer	Lead Accountant	Finance	16/7/20	21/7/20
Names of approvers for submission: (officers and members)				
Phil Helm	Finance Manager	Finance	16/7/20	21/7/20
Gurbinder Singh Sangha	Corporate and Commercial Lead Lawyer	Law and Governance	16/7/20	22/7/20
Colin Knight	Director of Transportation and Highways	-	16/7/20	21/7/20
Councillor P Hetherton	Cabinet Member for City Services	-	16/7/20	22/7/20

This report is published on the council's website: www.coventry.gov.uk/councilmeetings

Appendix A – Location Plan



Appendix B – Project Delivery Structure



Council – 8th September 2020
Recommendation from Cabinet
25th August 2020

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 25th August 2020
(This meeting was held remotely)

Present:

Cabinet Members:

Councillor G Duggins (Chair)
Councillor AS Khan (Deputy Chair)
Councillor K Caan
Councillor P Hetherington
Councillor T Khan
Councillor K Maton
Councillor J Mutton
Councillor M Mutton
Councillor J O'Boyle
Councillor P Seaman

Non-Voting Deputy Cabinet
Members:

Councillor P Akhtar
Councillor R Ali
Councillor G Lloyd
Councillor D Welsh

Non-Voting Opposition
Members:

Councillor A Andrews
Councillor G Ridley

Other Non-Voting Members:

Councillor N Akhtar
Councillor R Brown
Councillor R Lakha
Councillor R Singh

By Invitation:

Chief Inspector Suraya Latif, West Midlands Police

Employees (by Service):

Chief Executive

M Reeves (Chief Executive)

Deputy Chief Executive

G Quinton (Deputy Chief Executive)

Communications

N Hart

Finance	P Helm
Housing and Transformation	D Ashmore (Director of Housing and Transformation, M Duffy, J Sandhu
Law and Governance	J Newman (Director of Law and Governance), S Bennett, G Holmes, M Salmon
Property Services and Development	R Moon (Director of Property Services and Development), A Hunt
Streetscene and Regulatory Services	C Hickin, L Nagle
Transportation and Highways	N Cowper
Apologies:	Councillor B Gittins Councillor C Miks Councillor K Sandhu Councillor C Thomas

Public Business

19. Declarations of Interest

As a Director of Friargate JV Project Limited, R Moon, Director of Property Services and Development, declared an interest in the matter referred to in Minutes 27 and 30 below, headed 'Funding and Delivery of Two Friargate'. He remained in the meeting but took no part in the consideration of the matter.

RECOMMENDATION

27. Funding and Delivery of Two Friargate

The Cabinet considered a report of the Chief Executive, that would also be considered by Council at its meeting on 8th September 2020, that sought approval for funding to acquire the land and building to be constructed necessary to deliver the Two Friargate scheme. Appendices to the report provided a Site Plan and the General Masterplan Layout.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 30 below refers.)

The delivery of the Friargate business district was a key corporate priority for the Council. The Council secured £51.2m of grant funding from the West Midlands Combined Authority in 2018 to support the delivery of the next commercial office building, Two Friargate. A condition of the funding was the establishment of the Friargate Joint Venture between the Council and Cannon Cannon Kirk to deliver the wider Friargate development scheme. Following the establishment of the joint venture in January 2019, work on design and development stages for the building

and a tender process to appoint a contractor to deliver the building had been on-going. Two Friargate was due to start on site during Autumn 2020.

The total capital cost of the Two Friargate scheme was anticipated to be £68.2m. This report sought approval for the £17m of funding (in excess of the WMCA grant) to acquire the land and building to be constructed necessary to deliver the Two Friargate scheme.

Friargate was located next to Coventry Railway Station, one of the fastest growing stations outside of London, which was currently benefiting from an £78m masterplan to create a new transport hub, second station building and new car park.

The Cabinet agreed to:

- 1) Authorise officers to arrange for the completion of the Agreement for Lease and all associated legal agreements between the Council and Friargate JV Project Limited necessary to allow the Council to purchase the 250 years long leasehold interest in the land and building to be constructed on Two Friargate (as shown edged red on the plan in Appendix 1 attached to the report).
- 2) Authorise the completion of the Project Development Management Agreement and all associated legal agreements between the Council and Friargate Coventry Developments Limited necessary for the delivery of Two Friargate.
- 3) Authorise the completion of all necessary documentations with statutory undertakers and service providers required for the provision of service to facilitate the delivery of Two Friargate.
- 4) Delegate authority to the Strategic Lead – Property and Development, following consultation with the Finance Manager, the Director of Law and Governance, and the Cabinet Member for Jobs and Regeneration, to undertake the necessary due diligence and approve the final terms of the purchase.
- 5) Recommend that Council:
 - i. Approves capital expenditure up to a capped amount of £17m from prudential borrowing to fund the grant of the 250 years long leasehold interest in the land to the Council and the delivery of the building to be constructed on Two Friargate.
 - ii. Makes available additional working capital in the sum as highlighted in the private version of this report, to match the other Friargate JV Project Limited shareholder's contribution and ensure that the JV Company is adequately funded to promote schemes to investors and secure development in accordance with their business plan.
 - iii. Approves the necessary adjustment to the Capital programme to reflect the capital expenditure incurred in the delivery of Two Friargate.

RESOLVED that Council is recommended to:

- 1) Approve capital expenditure up to a capped amount of £17m from prudential borrowing to fund the grant of the 250 years long leasehold interest in the land to the Council and the delivery of the building to be constructed on Two Friargate.**
- 2) Make available additional working capital in the sum as highlighted in the private version of this report, to match the other Friargate JV Project Limited shareholder's contribution and ensure that the JV Company is adequately funded to promote schemes to investor and secure development in accordance with the business plan.**
- 3) Approve the necessary adjustment to the Capital programme to reflect the capital expenditure incurred in the delivery of Two Friargate.**

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 contains information relating to the financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Cabinet
Council

25th August 2020
8th September 2020

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration - Councillor J O'Boyle

Director Approving Submission of the report:

Chief Executive

Ward(s) affected:

St Michael's

Title:

Funding and Delivery of Two Friargate

Is this a key decision?

Yes – the expenditure to be approved pursuant to this report will be in excess of £1 million pounds

Executive Summary:

The delivery of the Friargate business district is a key corporate priority for the Council. The Council secured £51.2m of grant funding from the West Midlands Combined Authority in 2018 to support the delivery of the next commercial office building – Two Friargate. A condition of this funding was the establishment of the Friargate Joint Venture between the Council and Cannon Cannon Kirk to deliver the wider Friargate development scheme. Following the establishment of the joint venture in January 2019, work on design and development stages for the building and a tender process to appoint a contractor to deliver the building has been on-going. Two Friargate is due to start on site during Autumn 2020.

The total capital cost of the Two Friargate scheme is anticipated to be £68.2m. This report seeks approval for the £17m of funding (in excess of the WMCA grant) to acquire the land and building to be constructed necessary to deliver the Two Friargate scheme.

Friargate is located next to Coventry Railway Station, one of the fastest growing stations outside of London, which is currently benefiting from an £78m masterplan to create a new transport hub, second station building and new car park.

Recommendations:

Cabinet is recommended to:

- 1) Authorise officers to arrange for the completion of the Agreement for Lease and all associated legal agreements between the Council and Friargate JV Project Limited necessary to allow the Council to purchase the 250 years long leasehold interest in the land and building to be constructed on Two Friargate (as shown edged red on the plan in Appendix 1 attached to the report).
- 2) Authorise the completion of the Project Development Management Agreement and all associated legal agreements between the Council and Friargate Coventry Developments Limited necessary for the delivery of Two Friargate.
- 3) Authorise the completion of all necessary documentations with statutory undertakers and service providers required for the provision of service to facilitate the delivery of Friargate Two.
- 4) Delegate authority to the Strategic Lead – Property and Development, following consultation with the Finance Manager, the Director of Law and Governance and the Cabinet Member for Jobs and Regeneration, to undertake the necessary due diligence and approve the final terms of the purchase.
- 5) Cabinet is requested to recommend that Council:
 - I. Approve capital expenditure up to a capped amount of £17m from prudential borrowing to fund the grant of the 250 years long leasehold interest in the land to the Council and the delivery of the building to be constructed on Two Friargate
 - II. Make available additional working capital in the sum as highlighted in the private version of this report, to match the other Friargate JV Project Limited shareholder's contribution and ensure that the JV Company is adequately funded to promote schemes to investors and secure development in accordance with their business plan
 - III. Approve the necessary adjustment to the Capital programme to reflect the capital expenditure incurred in the delivery of Two Friargate.

Council is recommended to:

- 1) Approve capital expenditure up to a capped amount of £17m from prudential borrowing to fund the grant of the 250 years long leasehold interest in the land to the Council and the delivery of the building to be constructed on Two Friargate
- 2) Make available additional working capital in the sum as highlighted in the private version of this report, to match the other Friargate JV Project Limited shareholder's contribution and ensure that the JV Company is adequately funded to promote schemes to investor and secure development in accordance with the business plan
- 3) Approve the necessary adjustment to the Capital programme to reflect the capital expenditure incurred in the delivery of Two Friargate.

List of Appendices included:

Appendix 1 - Site Plan

Appendix 2 – General Masterplan Layout

Background papers:

None

Other useful documents:

Report to Cabinet 9 January 2018 and Council 16 January 2018; Friargate Joint Venture
<https://edemocracy.coventry.gov.uk/documents/s36714/Friargate%20Joint%20Venture.pdf>

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 – 8th September 2020

Title: Funding and Delivery of Two Friargate

1. Context (or background)

- 1.1. In January 2018, Cabinet and the Council approved the creation of a joint venture (JV) company between the City Council and Cannon Cannon Kirk to accelerate the delivery of buildings within the Friargate masterplan area. The JV was legally established in January 2019 as “Friargate JV Project Limited” which is now the freeholder of the majority of the land within the masterplan area.
- 1.2. The January 2018 Cabinet and Council reports also approved the receipt of £51.2m of grant funding from the West Midlands Combined Authority (WMCA) to support the delivery of the next commercial office building within Friargate (as well as the wider first phase of the new business district).
- 1.3. The Council, its project managers IDP Group and commercial advisors Cushman and Wakefield (CW), have been kept regularly updated by the Friargate JV and its development managers, Friargate Coventry Development Limited (FCDL), on the necessary scheme design development to allow the construction contract for the building to be let. The Friargate JV has taken this proactive approach in order to ensure that the Council (acting in its capacity as purchaser) is satisfied that the building it will be purchasing will be fit for purpose. The tender process for the building contractors began on the 17th July and is due to conclude on the 11th September. This will enable an anticipated start on site in October which is in line with the milestones included with the WMCA grant agreement.
- 1.4. Two Friargate will be located on the site identified in appendix 1 (referred to as “Plot C10” within the wider Friargate Masterplan – please see appendix 2 for the general masterplan layout) and also benefits from a detailed planning consent granted in June 2016 (planning reference RMM/2016/0870). The site is adjacent to the Council’s offices at One Friargate, 50 metres from Coventry rail station (which is currently in the process of an £78m upgrade) and five-minutes walk from Coventry city centre.
- 1.5. Two Friargate will deliver 134,000 sqft of lettable Grade A office space (as well as a high-quality café or restaurant offer on the ground floor) which will be able to compete with the best the wider region has to offer. As the city moves to post-COVID economic recovery, investment in the Two Friargate scheme provides a fantastic opportunity to secure significant jobs growth and be a visible symbol of confidence in Friargate and the city.

2. Options and recommended proposal

- 2.1. Option 1. To not agree the funding required to deliver Two Friargate
 - 2.1.1. If the Council were to not proceed with the proposal that is the subject of this report, then there would be a significant delay (18-24 months) to the delivery of Two Friargate whilst the scheme is redesigned and reduced in scale in order to fit within the existing £51.2m grant. Furthermore, there would be a risk to the £51.2m grant funding from the WMCA as it is predicated on the delivery of the outputs associated with the consented building.
 - 2.1.2. The advice received from the Council’s advisors is that the current building is the right size to suit market requirements, therefore, a significant reduction in floor area (as a result of reducing the scheme to fit within the existing grant funding envelope) would have a detrimental impact on the Council’s ability to market and let the building.

2.1.3. Given the Council's ambitions for Friargate, its economic development ambitions for the city and its residents together with the need to support the post-COVID recovery of the city, not delivering the consented Two Friargate scheme would run contrary to the Council's objectives for the city centre. For these reasons, this option is not recommended.

2.2. Option 2. Agree to the funding required to deliver Two Friargate (preferred option)

2.2.1. To facilitate the delivery of the Friargate business district and meet our ambitions regarding growth and economic development it is recommended that the Council agrees to the funding required to acquire the land interest and fund the delivery of the building of Two Friargate.

2.2.2. The Two Friargate scheme will provide:

- 134,000 sqft of lettable commercial office space across 12 floors
- 4,500 sqft of space on the ground floor for a new restaurant (or similar) offer
- Very high technological and IT resilience that is increasingly being seen as a 'must' for the occupier market, as evidenced through aiming for a Wired Score Platinum Standard
- Excellent environmental credentials, as evidenced through the developer targeting a BREEAM Excellent standard
- A second office building on the Friargate development that will continue to put Coventry 'on the map' as a business district with the benefit of close proximity to one of the UK's busiest train stations
- A real alternative to neighbouring towns/cities for businesses to occupy Grade A office space
- A flexible mix of future-proofed space to suit current and future occupier needs which is particularly relevant given the changes in office layouts as a result of COVID-secure workspaces

2.2.3. Key benefits for the city

2.2.3.1. **Enhancing the city's reputation:** delivering the scheme will support the changing perception of Coventry as it will demonstrate that the city is open for business and able to get on and deliver growth and major schemes, despite the challenging global economic context. The commercial space itself, along with a vibrant and buzzing ground floor food and drink offer, will set a benchmark standard for the city.

2.2.3.2. **Job creation, investment and financial benefits:** the likely tenant mix occupying Two Friargate offers the potential to create new, high quality jobs. Crucially, the scheme will contribute towards improved economic regeneration which will be increasingly important as the market recovers from COVID-19.

2.2.3.3. Furthermore, it is anticipated that business rates of at least £1.4m per annum will be created once the building is fully let. The capital investment itself in the scheme will also mean that an estimated further 700 jobs¹ will be created during the construction of the scheme and tens of millions of spend in the local economy generated. The successful contractor will also be expected to engage with local schools and colleges to ensure that work experience and apprenticeship opportunities are maximised.

2.2.3.4. **Unlocking the delivery of the Friargate business district:** alongside the current works to transform the railway station and the new hotel scheme being brought forward, the

¹ Based on HCA Best Practice Guide 2015

delivery of Two Friargate will be a clear signal to the market that Friargate should be a destination of choice for business investment. The delivery of the scheme will increase the critical mass of development around Friargate and will give the Council the long-term control of a key strategic site adjacent to the railway station. Alongside this, Two Friargate will have an active ground floor use that will help intensify footfall in the area as the city recovers from the impacts of COVID-19.

- 2.2.3.5. **Supporting the regeneration of the city and wider region:** Friargate is the key gateway from the railway station to the City Centre and the delivery of Friargate will play an important role in supporting the regeneration of the city and the delivery of the City Centre South (CCS) scheme as it will bring with it high quality, professional workers who will benefit from the offer the CCS scheme is aiming to deliver.
- 2.2.4. Delivery and costs
- 2.2.5. The Two Friargate scheme is anticipated to require £68.2m (excluding VAT) to fund its delivery. This includes the cost of the land, the building contract, Stamp Duty Land Tax (SDLT), supporting physical and utilities infrastructure, the cost of fitting out the building to the required standard, initial management and maintenance allowances and contractual payments relevant to the JV. Further information about costs is contained within the Financial Comments in section 5.
- 2.2.6. As the tender process being undertaken by FCDL for the building contract is currently underway, the final cost for the building is not yet finalised. This report, therefore, seeks approval for a capped, additional funding amount which is based on the final pre-tender cost estimate received from FCDL (and which has been reviewed by the Council team). The report is seeking approval for the funding at this stage as to delay the decision until the tender process is complete may compromise the ability to start on site within timescales aligned with the WMCA grant funding agreement
- 2.2.7. It should be noted that once FCDL have reviewed the final tender returns and the JV approve the preferred contractor, the Council will then enter into the long lease for the site with the JV and the Project Development Management Agreement with FCDL, which includes a fixed price contract for the building. Section 6.2 below provides more information regarding managing risk in relation to delivery and timescales.
- 2.2.8. As important as putting in place a robust approach to managing the delivery of the building is, ensuring that the building is successfully let as soon as reasonably possible post practical completion is also key. The Council has appointed Cushman and Wakefield to act as its lettings agents for the building and this has informed the carefully considered and prudent approach that the Council wishes to take forward in relation to the fit out of the building. Three of the twelve floors will be completed to “category A” standard (where a tenant is then able to come in and undertake their bespoke fitout works to suit their business requirements) with nine floors being fitted out to a reduced “shell and core” standard. This approach is prudent as it will allow the Council to invest in the fit out of these floors once tenants have been secured and contracts signed. It also provides maximum flexibility to tenants which is particularly important as we emerge from the impacts of the COVID pandemic.
- 2.2.9. It is also important to note the delivery of Two Friargate is made possible by the £51.2m grant funding secured from the WMCA which, in turn, covers the majority of the costs of the building. This fundamentally derisks the scheme from the Council’s perspective and helps ensure that the Council significantly benefits from the income produced from the building as only a small amount of the income generated will be required to service the debt associated with the additional Council funding for the scheme.

2.3 Friargate JV Company working capital

- 2.3.1 The January 2018 Cabinet report approved funding from the Council (to be matched by the other JV shareholder partner) to provide working capital for the JV to enable it to promote sites to investors and take forward the necessary works to enable development sites to come forward (including physical infrastructure). This working capital has been spent or allocated in the delivery of these enabling works and, to continue the delivery of the wider Friargate scheme and its agreed business plan, additional working capital in the sum as highlighted in the private version of this report, is required from the Council as shareholder. This will again be matched by the JV partner. This will fund infrastructure (including public realm) works that the JV is required to bring forward to deliver Two Friargate as well as future development plots. This investment is expected to be recouped as development activity and future site sales are realised, as is the case with historic investment costs which are now being recovered as part of Two Friargate.

3. **Results of consultation undertaken**

- 3.1. Formal public consultation on the proposals for Two Friargate was undertaken as part of the formal planning application process during 2016.

4. **Timetable for implementing this decision**

- 4.1. Subject to Cabinet and Council approval, and the conclusion of the building contract tender process by the JV Company, officers will work with the Friargate JV and FCDL to enter into the necessary arrangements and legal agreements to enable a start on site in October 2020 and to secure the acquisition of the land and delivery of the building. Two Friargate is anticipated to be complete in Summer 2022.

5. **Comments from the Director of Finance and the Director of Law and Governance**

5.1. **Financial implications**

5.1.1. Two Friargate

- 5.1.2. Details of the financial implications of this transaction are contained within the private element of this report.

5.1.3. Friargate JV Company working capital

Details of the financial implications of this transaction are contained within the private element of this report.

5.2. **Legal implications**

- 5.2.1 Section 1 of the Localism Act 2011 provides a “general power of competence” for local authorities, defined as “the power to do anything that individuals generally may do” and which expressly includes the power to do something for the benefit of the authority, its area or persons resident or present in its area.
- 5.2.2 Section 111 of the Local Government Act 1972 enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any other of its functions, whether involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.

- 5.2.3 Section 120 of the Local Government Act 1972 provides authority for the Council to acquire land by agreement for the purpose of exercising any of its functions. This Act therefore enables the Council to acquire the long lease from the superior landlord with the purpose of promoting the regeneration of its area.
- 5.2.4 Section 227 of the Town and Country Planning Act 1990. This permits the Council to acquire land for any purpose for which a local authority may be authorised to compulsorily acquire land under s. 226 of that Act. the Council therefore has the power to acquire land where (i) the Council thinks that the acquisition will facilitate the carrying out of development, re-development or improvement or (ii) the land is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area.
- 5.2.5 Legal Services will support officers to ensure that any legal agreements entered into pursuant to the recommendations contained in this report protect the Council's position as well as ensuring that any funding made to the JV Company by way of working capital is undertaken in such manner as to avoid any potential State Aid challenges.

6. Other implications

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

- 6.1.1. The delivery of the scheme outlined in this report will deliver a range of economic development (including hundreds of new permanent jobs) and inward investment objectives that will help to realise the Council's ambitions for a more vibrant and economically prosperous and city.

6.2. How is risk being managed?

- 6.2.1. **Delivery:** The Council's key requirements for this project are to ensure that Two Friargate is delivered within a timely manner and that any financial risk to the Council relating to project delivery is minimised. These risks will be managed through the legal obligations within the Agreement for Lease and the PDMA which sets out performance milestones for the scheme and a fixed price arrangement between the Council and FCDL where financial risk sits with the JV, its development manager and the scheme contractor. If the final contract price for the building comes in lower than that estimated in this report then the amount the Council will need to spend will be reduced accordingly.
- 6.2.2. **Scheme quality:** a thorough due diligence process has been undertaken by the Council and its advisors IDP and CW. Both advisors have been working alongside the Development Managers and the appointed design / construction teams to ensure the designs, layout, construction methodology and general approach to delivery represents industry best-practice and the feedback (via regular reports) confirms that the building conforms with the Council's objectives for a market-leading office facility in the heart of the West Midlands.
- 6.2.3. **Securing future lettings:** to maximise the profile of Two Friargate, the Council's lettings advisors will position the building as the preferred choice for inward investors into the West Midlands through a comprehensive marketing campaign. Marketing material will be prepared that outlines the genuine benefits that Coventry has to offer and the lettings strategy will focus on web presence; direct engagement with occupiers; newsletters; marketing suites; liaison with local influencers and the hosting of presentations / seminars to raise the building's profile. It should be noted that occupiers are not generally interested in moving to negotiation phase until the building can be visibly seen, i.e. construction activity on site. October's target commencement date will provide an ideal opportunity to 'launch' the marketing campaign and fast-track an active marketing strategy. Regular updates will

be provided to the project team and the level of interest will be carefully monitored throughout.

6.3. What is the impact on the organisation?

6.3.1. The main impact to the organisation will be that Two Friargate becomes part of the Council's commercial property portfolio and will, therefore, require suitable management arrangements to be put in place. These will need to be finalised but will include the option of outsourcing to a managing agent with the necessary experience in managing a building, and tenants, of this scale. The financial implications of this are included within the financial ask that is the subject of this report and once the building has sufficient tenants will be covered by the service charges payable by tenants.

6.4. Equalities/EIA

6.4.1. An Equalities Analysis has not been undertaken as the proposal concerns the development of a new commercial office building and no Council service or group will be impacted.

6.5. Implications for (or impact on) climate change and the environment

6.5.1. The overall development will be in accordance with the Council's planning policies for sustainable development.

6.6. Implications for partner organisations?

6.6.1. There are no implications for any partner organisations.

Report author(s):

Adam Hunt

Head of Property and Development (Strategic Lead)

Service:

Property Services and Development

Tel and email contact:

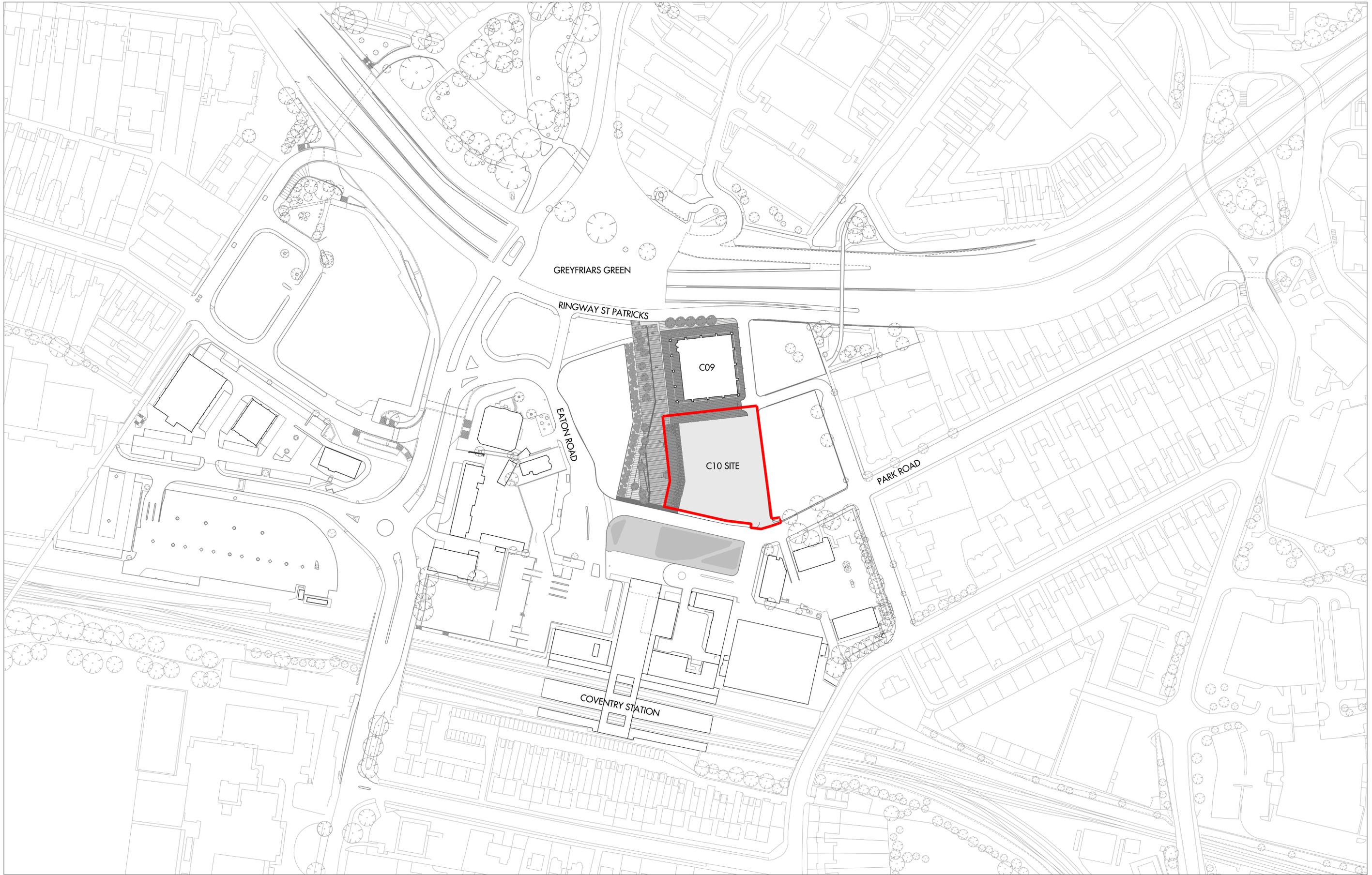
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Oluremi Aremu	Major Projects Lead Lawyer	Law and Governance	13/07/20	21/07/20
Michelle Salmon	Governance Services Officer	Law and Governance	03/08/20	03/08/20
Names of approvers for submission: (Officers and Members)				
Phil Helm	Finance Manager	Finance	30/07/20	03/08/20
Julie Newman	Director of Law and Governance	-	03/08/20	04/08/20
Martin Reeves	Chief Executive	-	30/07/20	31/07/20
Councillor J O'Boyle	Cabinet Member for Jobs and Regeneration	-	31/07/20	03/08/20

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— Building C10 planning application boundary

Do not scale from this drawing. Use figured dimensions only. Figured dimensions are in millimetres. All levels are in metres. All dimensions and levels shall be verified on site before proceeding with works. Detailed site survey to be carried out to verify positions and level relationships with site features and ordnance survey. The architect must be notified of any discrepancy. Where building components are described in the specification as contractor designed, "construction" information relating to those components on this drawing represents design intent only

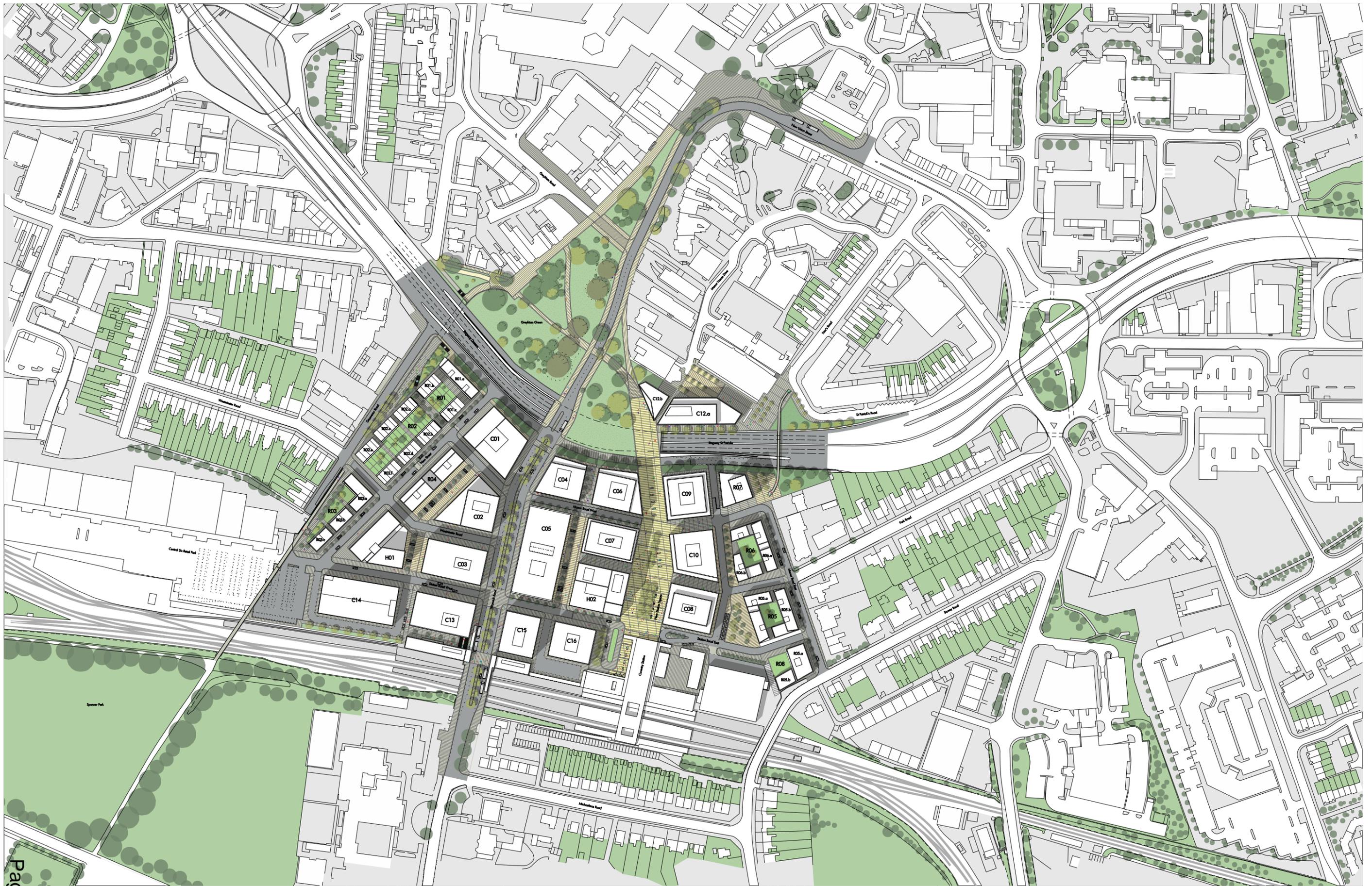
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P1	MARCH 2016	FOR PLANNING	PS												

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 A&M JOB NO: 785

BUILDING C10
RED LINE BOUNDARY PLAN
PLANNING APPLICATION
785_07_001
 SCALE 1:1000 @A1 1:2000@A3

P1
 Revision

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Date	Description
20.06.09	FOR INFORMATION
08.11.10	FOR INFORMATION

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FRIARGATE, COVENTRY
MASTERPLAN 2
GENERAL ARRANGEMENT
MASTERPLAN 2
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SCALE: 1:8000 @A3 DATE: 09/06/22

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Public Report
Council

Council

8 September, 2020

Report of the Leader
Councillor G Duggins

Ward(s) affected:
Not Applicable

Title:

Amendment to Allocation of Executive Functions within Cabinet

Is this a key decision?
No

Executive Summary:

In accordance with the Constitution, this report informs Council of a change made by the Leader of the Council in relation to the allocation of Executive Functions within Cabinet.

List of Appendices included:
None

Other useful background papers:
None

Has it or will it be considered by Scrutiny?
No

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?
No

Report title: **Amendment to Allocation of Executive Functions within Cabinet**

1. Context (or background)

The Council's Constitution enables the Leader of the Council to amend the allocation of Executive Functions within Cabinet.

On 25 June, 2020, in accordance with Paragraph 9.4 of Part 2B of the Constitution, the Leader of the Council notified the Director of Law and Governance that the function of ICT was moved from the portfolio of Strategic Finance and Resources to the portfolio for City Services.

2. Results of consultation undertaken

Not applicable

3. Comments from the Director of Finance and the Director of Law and Governance

3.1 Financial implications

There are no financial implications arising from this report.

3.2 Legal implications

The Leader has the authority to alter the allocation of Executive Functions within Cabinet and is required to report on any such alterations to the next available meeting of Council.

4. Other implications

Not applicable

Report author:

Name and job title: Suzanne Bennett, Governance Services Co-ordinator

Service Area: Law and Governance

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Enquiries should be directed to the above person.

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Approvers:				
Julie Newman	Director of Law and Governance	Law and Governance	19/08/20	19/08/20
Barry Hastie	Director of Finance	Finance	19/08/20	19/08/20
Councillor G Duggins	Leader of the Council		19/08/20	19/08/20

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Council

8 September, 2020

Name of Cabinet Member:

N/A

Director Approving Submission of the report:

Chief Executive

Ward(s) affected:

City wide

Title:

Exercise of Emergency Functions

Is this a key decision?

N/A

Executive Summary:

This report informs Council of decisions undertaken by the Chief Executive since the last Council Meeting on 16 June, 2020, in accordance with the Constitution and following consultation with the Leader of the Council, Councillor G Duggins, to exercise emergency functions as a consequence of the Covid-19 pandemic to ensure the continuous functioning of the business of the Authority, including its response to the pandemic.

List of Appendices included:

None

Background papers:

Copies of the signed decisions have been published on the Council's website at:
<https://edemocracy.coventry.gov.uk/ecCatDisplay.aspx>

Other useful documents

None

Has it been or will it be considered by Scrutiny?

No

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

No

Will this report go to Council?

Yes – 8 September, 2020

Report title: Exercise of Emergency Functions

1. Context (or background)

- 1.1 Part 2M of the City Council's Constitution provides for the Scheme of Functions delegated to Employees including the Chief Executive/Head of Paid Service.
- 1.2 Paragraph 3.8(a) of Part 2M of the Constitution enables the Chief Executive, following consultation with the Leader to make decisions required in an emergency.
- 1.3 During the current Covid -19 pandemic and since the last Council meeting on 16 June, 2020 where a report was submitted detailing decisions taken up to that date, the Chief Executive has been satisfied that the following decisions have been required to be taken pursuant to the emergency provision to ensure continuity of the Council's business and the proper discharge of its functions and that, in all cases, the circumstances constituted an emergency:-
 1. Approval to provide a loan facility of up to £1m to Coombe Abbey Park Limited for their immediate working capital and investment needs. – 30 June, 2020
 2. Approval to provide a loan facility of up to £2.5m to Coventry Warwickshire Reinvestment Trust for a Coronavirus Business Interruption Loan (CBIL) Fund for businesses in Coventry – 30 June, 2020
 3. Approval to accept £8.1m from the Ministry for Housing, Communities and Local Government and £12m from the West Midlands Combined Authority for the delivery of the Getting Building Fund – 14 August, 2020
 4. Approval to accept £540.908k from the Ministry for Housing Communities and Local Government for the delivery of the ERDF Specialist Grant Fund – 14 August, 2020
- 1.4 All of the above decisions, including the reasons for the decisions taken, have been published on the City Council's website.
- 1.5 Where appropriate, further reports on matters arising from these decisions will be considered by the relevant Council body.

2. Options considered

- 2.1 In all of the above situations, the Chief Executive agreed that the circumstances constituted an emergency and was satisfied that the decisions to be taken pursuant to this emergency provision were required to ensure the continuous functioning of the business of the Authority, including its response to the Covid-19 pandemic.

3. Results of consultation undertaken

- 3.1 In accordance with the Constitution, the exercise of emergency functions were undertaken in consultation with the Leader of the Council, who confirmed his agreement to this course of action. The Leader of the Opposition was informed of the decisions taken and all Members of the City Council were also notified.

4. Timetable for implementing this decision

4.1 In light of the urgent nature of all of the matters detailed in paragraph 1.3 above, the decisions were implemented immediately.

5. Comments from Director of Finance and the Director of Law and Governance

Financial implications

Where decisions made involve the receipt of grants and making of expenditure, this has been identified in the decision summary. The City Council is maintaining detailed records and forecasts of the financial impacts of responding to Covid-19 which alongside regular financial management activity will be the subject of future reports.

Legal implications

Part 2M of the City Council's Constitution provides for the Scheme of Functions delegated to Employees, including to the Chief Executive/Head of Paid Service. Paragraph 3.8 of Part 2M enables the Chief Executive, in consultation with the Leader, to make decisions in an emergency.

Report author(s):

Name and job title:

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Directorate:

Law and Governance

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Names of approvers for submission: (officers and members)				
Finance: Barry Hastie	Director of Finance	Finance	19/08/20	19/08/20
Legal: Julie Newman	Director of Law and Governance	Law and Governance	19/08/20	19/08/20

Chief Executive: Martin Reeves	Chief Executive		19/08/20	20/08/20
Members: Councillor G Duggins	Leader of the Council		20/8/20	21/08/20

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Council Meeting

8 September 2020

Booklet 1

Written Questions

1.	<p>QUESTION SUBMITTED BY: Councillor G Williams</p> <p>TO BE ANSWERED BY: Councillor A S Khan, Cabinet Member for Policing and Equalities</p>
<p>TEXT OF QUESTION:</p> <p>“Would the Cabinet Member tell me how much the Council have paid to private companies to steward various protests in the city centre between 1st May 2020 & 26th August 2020?”</p>	

2.	<p>QUESTION SUBMITTED BY: Councillor G Williams</p> <p>TO BE ANSWERED BY: Councillor J Mutton, Cabinet Member for Strategic Finance and Resources</p>
<p>TEXT OF QUESTION:</p> <p>“Earlier this year one of the posts of Deputy Chief Executive was abolished. Would the Cabinet Member tell me how long it will take to realise the savings of abolishing this post against the £395k pay-out that was made?”</p>	

3.	<p>QUESTION SUBMITTED BY: Councillor G Williams</p> <p>TO BE ANSWERED BY: Councillor S Walsh, Chair of Ethics Committee</p>
<p>TEXT OF QUESTION:</p> <p>“Would the Chairman tell me the sum total of how much has been spent (including officers’ time and resources) on all the complaints about councillors received by the monitoring officer from 1st January 2019 to 27th August 2020?”</p>	

4.	<p>QUESTION SUBMITTED BY: Councillor G Williams</p> <p>TO BE ANSWERED BY: Councillor A S Khan, Cabinet Member for Policing and Equalities</p>
<p>TEXT OF QUESTION:</p> <p>“Would the Cabinet Member tell me how much the Council has received in fines from parking tickets issued on Cuckoo Lane (outside Slug & Lettuce) since 1st January 2020 to date?”</p>	

5.	QUESTION SUBMITTED BY: Councillor G Williams TO BE ANSWERED BY: Councillor K Caan, Cabinet Member for Public Health and Sport
TEXT OF QUESTION: “After reports that there has been a spike in coronavirus cases in the CV6 postcode, could the Cabinet Member tell me the figures for each of the seven sectors of the CV6 postcode from July 1 st to date?”	

6.	QUESTION SUBMITTED BY: Councillor G Williams TO BE ANSWERED BY: Councillor T Khan, Cabinet Member for Housing and Communities
TEXT OF QUESTION: “Would the Cabinet Member confirm which hotels in Coventry are being used by the Government to house asylum seekers?”	

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