
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

15 November 2022
6 December 2022

Name of Cabinet Member:

Cabinet Member for Jobs, Regeneration and Climate Change - Councillor J O'Boyle
Cabinet Member for Strategic Finance and Resources – Councillor R Brown
Cabinet Member for Housing and Communities – Councillor D Welsh

Director(s) Approving Submission of the report:

Director of Property Services and Development
Chief Operating Officer (S151 Officer)

Ward(s) affected:

St. Michael's

Title:

City Centre South Funding and Delivery

Is this a key decision?

Yes – the decision will result in expenditure of over £1m

Executive Summary:

The City Centre South scheme will deliver transformational improvements to Coventry city centre through new homes, jobs, commercial and leisure opportunities and high quality public spaces.

This report seeks formal approval to the next stage of the project (following the previous Council approval in January 2022 to proceed with the making of the Compulsory Purchase Order).

The Council's development partner, Shearer Property Regen Ltd (SPRL), have appointed Hill Holdings Limited as the funding partner for the Scheme under the terms of the Development Agreement entered into between the Council, SPRL and Shearer Property Group (SPG) in 2019. The Council are working with the developer to optimise the Scheme and an application to make a number of refinements to the Outline Planning Permission for the Scheme will be submitted to the Local Planning Authority shortly.

The parties are also working together to agree variations to the Development Agreement to reflect the Scheme refinements and the commercial terms of both the Council and development partner.

Whilst deliverability is being optimised through design and contractual changes, where a viability gap remains the developer has a right under the Development Agreement to make a request of the Council to bridge that financial gap, in order to make the scheme financially viable. The Council has no obligation to agree to such a request; however, it is recommended that the Council resolves to provide financial support to the project in order to secure delivery.

This report, therefore, seeks formal approval to utilise funding awarded to the Council by the West Midlands Combined Authority (WMCA), as well as some additional Council resources, to provide additional funding support for the Scheme and to make changes to the Development Agreement to enable the delivery of the Council's key regeneration priority for the city, delivering important new homes, hundreds of new jobs and a step change in the quality of the city centre.

Recommendations:

Cabinet is recommended to:

- 1) Delegate authority to the Director of Property Services and Development, following consultation with the Chief Operating Officer (Section 151 Officer) , the Director of Law and Governance, the Cabinet Member for Jobs, Regeneration and Climate Change, the Cabinet Member for Strategic Finance and Resources and the Cabinet Member for Housing and Communities to undertake the necessary due diligence and approve the terms of the Scheme funding and, thereafter, enter into any associated legal agreements and undertakings that are necessary to give effect to the recommendations within this report.
- 2) Approve, in principle, the proposed Variations to the Development Agreement between the Council, Shearer Property Regen Ltd and Shearer Property Group.
- 3) Delegate authority to the Director of Property Services and Development, following consultation with the Chief Operating Officer (Section 151 Officer) , the Director of Law and Governance, the Cabinet Member for Jobs, Regeneration and Climate Change, the Cabinet Member for Strategic Finance and Resources and the Cabinet Member for Housing and Communities to undertake the necessary due diligence and approve and enter into the legal agreements and undertakings necessary to give effect to recommendation two above.

Cabinet is requested to recommend that Council:

- 5) Approve the use of up to £32.75m to support the delivery of the Scheme and £1.2m to fund Project Support and Monitoring Costs (£28.7m of which is to be funded from the West Midlands Combined Authority City Centre South grant and £5.25m from Capital receipts to provide the remaining gap funding for the Scheme and Scheme Project Support and Monitoring Costs).

Council is recommended to:

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List of Appendices included:

The following Appendix is attached to this report:

Appendix 1: Equalities Impact Assessment for Compulsory Purchase Order

The following appendices are attached in the private element of this report:

- Viability Review Report
- Draft Heads of Terms for Variations to the City Centre South Development Agreement

Background papers:

Report to Cabinet and Council 24th January 2017 “City Centre South Development”

Report to Cabinet 28th November 2017 and Council 5th December 2017 “City Centre South –Early Acquisition of Aviva Long Leasehold Property Interests”

Report to Planning Committee 22nd April 2021 “City Centre South”

Report to Cabinet 11th January 2022 “City Centre South Land Acquisition and Compulsory Purchase Order”

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 – 6 December, 2022

Title: City Centre South Funding and Delivery

1. Context (or background)

- 1.1 The proposal to redevelop the City Centre South (CCS) site (the Scheme) is the Council's key regeneration priority for the city centre.
- 1.2 Shearer Property Regen Ltd (SPRL) are the Council's development partners for the Scheme and they were appointed by the Council in 2017 following a competitive procurement process to take forward development proposals for the site. SPRL have appointed Hill Holdings Limited as the Approved Funder for the scheme and Hill are also investing equity to become a shareholder in the SPRL development vehicle the Council is in partnership with.
- 1.3 The Scheme benefits from £98.8m of grant funding from the West Midlands Combined Authority (WMCA) which was secured by the Council (also in 2017) to fund land acquisition, enabling works, demolition and other key development costs necessary to bring forward the Scheme.
- 1.4 Whilst CCS has always been envisaged as a mixed use, city centre scheme, initial proposals included a significant amount of retail space anchored by a department store. Clearly, the changes to both the high street and the wider economy have influenced the Council and SPRL to re-envisage the scheme and bring forward proposals for more residential development as part of a deliverable, mixed use city centre development scheme. This has resulted in:
 - Planning Committee granting outline planning permission for the Scheme in January 2022
 - Following a competitive funder selection process, Hill (through Hill Holdings Limited) being confirmed as Approved Funder for the scheme in March 2022 and then subsequently investing into SPRL (through Hill Residential Ltd)
 - The Compulsory Purchase Order (CPO) for the Scheme being made in April 2022 (with a CPO Inquiry due to take place in January 2023)
 - WMCA Investment Board approving changes to the grant funding to further secure delivery in October 2022
 - A Minor Material Amendment (S73) Planning Application to be submitted to the Council in November 2022 to reflect the Scheme refinements
 - Over £15m of expenditure on land assembly, demolition, Planning and CPO activities to date funded by the WMCA grant.
- 1.5 The Scheme will deliver a range of transformational benefits for the people of Coventry. The proposed refinements to the Scheme will lead to up to 1,500 new homes (an increase from 1,300 new homes), new retail, employment, health care and leisure space resulting in a new sustainable city centre community whilst still retaining a mixed use approach. As well as these quantitative benefits, the delivery of the Scheme will realise a significant number of qualitative benefits that will benefit local residents and businesses, which include:
 - An increased diversity in city centre uses, through the delivery of residential units (including different tenures), mixed retail and leisure spaces and new public realm provisions.
 - An active, attractive and inclusive evening economy, as a result of the provision of a more varied commercial offer which will lead to a more socially inclusive place.
 - Improved attractiveness of the city centre as a business location, through attraction of talent to the area and better linkages to the city's existing business district.

- Improved connectivity across the city centre through the proposed public realm works and new pedestrian and cycle linkages.
- A more active and varied cultural offer, through the diverse range of leisure and retail uses proposed under the new scheme
- Improved perception of the city centre, through its transformation into an exciting and thriving location in which to live and work. This will not only encourage local visitors but will also increase tourism.
- Changed perception of Coventry as a place to live, work, visit and study due to the vibrant and successful mixed-use environment.
- Improved local and regional economic and commercial regeneration by the Scheme acting as a stimulus for further private sector investment due to an enhanced economic sentiment around the city centre.

1.6 As has been the case since the Scheme's inception, bringing forward a complex city centre regeneration scheme like CCS and delivering the range of benefits outlined above has required financial viability challenges to be overcome. The £98.8m WMCA grant funding acknowledged the reality of the "market failure" in this part of Coventry and the economics associated with bringing forward a city centre scheme of this nature. This has been reinforced through the recent WMCA Investment Board Decisions to both continue to allow the full utilisation of the grant funding and to reprofile some elements to support Scheme cashflow.

1.7 Additionally, the Outline Planning Permission for the Scheme acknowledged that the delivery of affordable housing in that Scheme was not financially viable and no affordable housing was proposed at that stage. However CCC, WMCA and SPRL all wish to see a refined Scheme including affordable housing to ensure a diverse and vibrant community and to offer opportunities to Coventry residents seeking an affordable home in the city centre. The refined scheme is therefore looking to include up to 20% affordable housing, subject to viability re-appraisal.

1.8 A financial re-appraisal of the refined Scheme indicates that even after a full utilisation of those elements of the WMCA grant available to the developer a viability gap remains. Accordingly, substantially in accordance with the provisions of the Development Agreement (DA), SPRL have requested that a contribution of up to £32.75m of funding is committed by the Council to help facilitate delivery of the Scheme. The proposed Council funding of the Scheme includes utilisation of £28.7m of the WMCA grant which is awarded to the Council as compensation for its loss of existing land interests in the CCS area and which the Council is willing to see recycled into supporting Scheme delivery.

1.9 Alongside our advisers, Deloitte (Commercial Advisors) and WTP (Cost Consultants), the Council has been undertaking due diligence on the refined Scheme to analyse and refine the costs, values and target return adopted within the appraisal and the Council is satisfied that SPRL's financial appraisal as refined by this process is robust and satisfactory. Furthermore, our commercial advisers Deloitte have confirmed that an additional funding contribution from the Council to close the Viability Gap is justified and required in order to deliver the Scheme.

1.10 As the Council enters the next stage of the project, there is a need to continue working with our advisers to have support at the CPO inquiry, due to take place in January 2023, and to provide the Council with the legal and commercial expertise needed to deliver the project.

2. Options and recommended proposal

2.1 Option 1. Reject the additional funding request from SPRL

- 2.1.1 Under the terms of the existing Development Agreement, the Council is obliged to consider (following the receipt of the necessary Viability information), any additional funding request from the developer necessary to close a Scheme Viability Gap. If either Cabinet or, following a Cabinet recommendation to approve, Full Council, formally resolve not to agree to meet this additional funding request then the Council and SPRL are obligated to collaborate with one another to assess if there might be an alternative solution. After a period of four months from the date of such decision, either the Council or the Developer may terminate the Development Agreement.
- 2.1.2 In this event, it would remain the Council's intention to continue to bring forward the Scheme. In such circumstances, the Council would effectively assume the role of the 'master developer' of the Scheme and take responsibility for overseeing the completion of land assembly, utilising the WMCA grant (subject to the WMCA's approval) to deliver enabling and infrastructure works and then, ultimately, release enabled development platforms / plots to third party developers to deliver a scheme that is aligned with the existing planning permission.
- 2.1.3 Whilst this is not the preferred route, and it should be recognised that this route would come with its own challenges, constraints and risks, it would allow the Council to proceed with CCS and ultimately deliver the regeneration scheme in the city centre.
- 2.2 Option 2. To approve the Recommendations set out above and agree additional funding into the Scheme as well as key Variations to the DA to support the delivery of the Scheme.
- 2.2.1 CCS is the Council's key regeneration priority for the city. The Council has worked closely with its development partner and the WMCA for a number of years to identify and take forward positive actions to bring this complex scheme forward and deliver the much needed benefits it will bring. The Council and its advisors are satisfied that the additional Council funding is required to bring the Scheme forward and there is a requirement to continue receiving advice to support variations to the DA. If this option is approved, it will help to provide the best possible opportunity for the Scheme to come forward and to help meet the Council's economic development, regeneration and well-being objectives for Coventry.
- 2.2.2 The decision to agree additional funding for the Scheme provides the opportunity for the key benefits for Coventry as set out in section 2.3 below to be delivered as part of the Scheme:
- 2.3 Key benefits for the city
- 2.3.1 **Regeneration:** The Scheme is at the heart of the city's regeneration ambitions. CCS will transform six and a half hectares of the city centre making it work for the way people want to use and enjoy city centres today. With up to 1,500 new homes the refined Scheme will help to create a new community in the city centre alongside all the benefits that brings. Recent investment in the public realm has shown how spaces can be transformed with high quality materials, water features and art. These important factors will also be at the heart of CCS and we expect lots of new jobs to be created. The Scheme will also fit with our wider ambitions for the Friargate area of the city which is only five minutes' walk away.
- 2.3.2 The Scheme will also play an important role in delivering a key objective for the city, namely the provision of a range of housing options, including affordable housing, which will help to create thriving, vibrant and diverse communities. This includes the retention of graduates and the role they play in attracting high value businesses. A young talented pool of labour is one of the most important considerations for businesses when deciding to relocate. CCS will play an important role if Coventry is to achieve its wider economic goals. With a significantly

improved city centre, Coventry can expect to retain more graduates and attract more high value businesses – helping to close the City's productivity gap.

- 2.3.3 **New homes:** The refined Scheme is anticipated to provide up to 1,500 new homes in the city centre. As well as making a positive contribution to local housing supply, the new homes built on existing brownfield land will help make the city centre a location of choice for new and existing residents of Coventry.
- 2.3.4 **Enhancing the city's reputation and offer:** Alongside the Friargate scheme and the works to transform the rail station, the delivery of the Scheme will help to provide market confidence that Coventry should be a destination of choice for business investment.
- 2.3.5 The Scheme will support the diversification of the city centre's residential, retail, leisure and community offer to attract increased footfall throughout the daytime and into the evening, supporting the viability of businesses within City Centre South and the wider city centre.
- 2.3.6 **Health and well-being:** The Scheme will deliver a larger area of public realm of a higher quality, providing a significant amount of public open space for residents and visitors to socialise, relax and dwell, supporting improved health and wellbeing. There will also be significant improvements to the permeability and legibility of this key city centre location through enhancing the historically important north-south connectivity along Hertford Street and Market Way, as well as creating new east-west connectivity which will improve the community's use of this part of the city.
- 2.3.7 **Environmental:** The Scheme will bring underutilised land in a city centre location back into productive use, maximising the use of brownfield land in a way which will enhance the quality of the built environment to the benefit of existing and new residents in Coventry.
- 2.3.8 The Scheme will also realise large improvements to the quality of the built environment, through the removal of poor quality buildings and the replacement of the current public realm with new, high quality public spaces as well as an enhanced setting for the Grade II listed Coventry Market, making the building more prominent at ground floor level and enabling its architectural and communal values to be experienced in a more open manner.
- 2.3.9 The Scheme will also encourage sustainable modes of travel by removing surplus car parking capacity in the city centre and there is the potential for biodiversity net gain, through the creation of new planting, green and brown roofs at detailed design stage.

3. Results of consultation undertaken

- 3.1 Ahead of the Scheme's Outline Planning Application submission, SPRL carried out a public consultation exercise between June – July 2020 which focused on understanding the community's and stakeholders' views on the vision and themes of the proposed scheme. Due to the COVID-19 pandemic and related restrictions, the consultation was primarily digital, with paper copies of information sent where requested. Eight webinars were held for stakeholders and local people
- 3.2 The consultation was promoted in local press via adverts and press releases, through the Council and SPRL's websites and social media and through direct messaging to stakeholders and local groups.
- 3.3 A total of 2,700 people visited the consultation webpage and 281 online feedback forms were completed with additional feedback received via the Freepost address provided.

- 3.4 From the feedback received, 62% of people strongly agreed or agreed with the City Centre South vision. Respondents were keen to see the indoor market and the post war masterplan protected. There was clear support for green and open space and a desire for support for cultural and minority groups as part of the plan. 88% of respondents either strongly agreed or agreed that they would like to see improved pedestrian links and public spaces in this part of the city centre. 66% indicated that they liked the use of materials and outline design principles shown in the images provided. There was also support for the community uses. Throughout the feedback there was a clear desire to see something different or special added to ensure Coventry has a USP that celebrates its thriving art scene and heritage. This feedback has informed the development of the Scheme and will continue to inform final detailed designs going forwards.
- 3.5 There will be further engagement in relation to the Scheme refinements as part of the evolution of the scheme in planning terms, including the S73 application and the reserved matters applications in due course. There is also engagement and dialogue taking place with Shopmobility and relevant stakeholders and user groups in relation to the relocation of the Shopmobility service (the relocation is a pre-commencement condition attached to the Outline Planning Permission).

4. Timetable for implementing this decision

- 4.1 If Cabinet and Council agree to the Recommendations set out in this report then it is anticipated that the relevant legal agreements relating to funding and the Development Agreement will be agreed towards the end of 2022 or early 2023. Subject to a positive outcome of the CPO Inquiry being held in January 2023 and further planning processes and decisions, including reserved matters approvals, it is anticipated that the developer will be able to start on site from Autumn 2023.

5. Comments from the Chief Operating Officer (Section 151 Officer) and the Director of Law and Governance

5.1 Financial implications

5.1.1 WMCA Grant and spend to date

In 2016 a Full Business Case was submitted to the WMCA and subsequently approved, allocating £98.8m of funds to support the scheme. Spend that has been incurred from this grant on the scheme to date amounts to the figures stated in the private element of this report, which includes the cost incurred in the demolition of Coventry Point and market based acquisitions in line with the assumptions made in the business case.

5.1.2 Scheme viability and financial ask

Whilst a full utilisation of those elements of the WMCA grant available to the developer has been taken into account, a viability gap remains as a result of increases in construction process and from the introduction of affordable housing into the Scheme. The development appraisal provided by SPRL provides detailed assumptions that have been reviewed by the Council's appointed advisors, who have provided an independent report which is appended to the private element of this report which provide assurances that the assumptions in the appraisal are sound and development profit reasonable.

Further details around the Scheme Viability and Financial ask is set out in the private element of this report.

5.1.3 Income from existing properties

The Council received an annual income from its existing land interests. Further details are as set out in the private element of this report.

5.1.4 Cost of acquisitions

The cost of acquisition of properties within the red line needed to deliver the Scheme was anticipated to be £28m at the point that the Full Business Case was submitted to the WMCA. The private element of this report sets out the sum which has been spent on acquisitions, as well as the current estimated cost of the remaining properties, either through market based acquisitions or the CPO process.

The DA between the Council will place an obligation on SPR to indemnify or meet all the costs associated with land assembly to the extent that those costs exceed the relevant WMCA grant.

5.1.5 CPO and project costs

The costs associated in promoting the CPO were estimated to be in the region of £1m at the point in which the Full Business Case was submitted to the WMCA. Due to the complex nature of this particular CPO, it is anticipated that costs will exceed this amount. Similarly, it is also anticipated that project costs will exceed the budget available by the sum stated in the private element of this report. To date, project costs have been funded from an earmarked reserve, and from the sum identified as part of the WMCA grant.

It is proposed that the increases to these budgets are funded from Capital receipts.

5.2 Legal implications

In order to secure the investment to be made by the Council and the restructuring of the WMCA grant it will be necessary to amend both the DA between SPRL and CCC and the Grant Aid Agreement between CCC and WMCA in order to secure the Council's investment and to ensure security over the site to ensure delivery. It is anticipated that the DA will be amended to reflect a number of issues, including:

- The basis upon which the public sector partners can satisfy themselves that the investment being sought from them will help lead to comprehensive delivery of the refined Scheme and secure delivery of the affordable housing.
- Head lease amendments to reflect what will now be a phased development over a c. 10 year delivery programme, including appropriate protections and controls for the Council and a high quality meanwhile use strategy.
- Additional levels of control that both the Council and WMCA will expect to see in place in order to help justify investments.
- The extent to which the public sector partners are able to recover their position in the event of a default by the Developer.
- The extent to which the public sector partners are able to share in any upside from the refined Scheme performing better than originally anticipated i.e. appropriate overage arrangements.
- The extent to which the public sector partners are able to transfer risk to the Developer once the DA has gone unconditional.

5.2.1 UK Subsidy Control

5.2.2 Prior to entering into final legal agreements, the Council will need to satisfy itself that the grant is being spent against appropriate items and only to the extent required to facilitate

delivery of the scheme. As such, it will be necessary for the Council to demonstrate that certain principles set out in the Subsidy Control Act 2022 will be satisfied, which is anticipated to be the case. Further information is set out in the Private version of the report and the final updated Development Agreement package will be reviewed and appropriate legal advice obtained prior to entering into it.

5.2.3 Procurement

5.2.4 Prior to entering into final legal agreements, the Council will need to satisfy itself that it continues to satisfy procurement requirements. Appropriate legal advice will be obtained.

5.2.5 Best Consideration Reasonably Obtainable Incorporated into Valuation/Development Agreement Structure

5.2.6 Prior to entering into final legal agreements, the Council will need to satisfy itself that when the land will be drawn down by the developer, the land will be drawn down on the basis of a valuation which represents best consideration reasonably obtainable under s.233 Town and Country Planning Act 1990. The financial appraisal model has considered this and it is anticipated this will be the case which will be re-validated on the draw downs occurring. Appropriate legal advice has been obtained in this respect.

6. **Other implications**

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

6.1.1 The delivery of the proposal outlined in this report will help deliver a range of housing, economic development, regeneration and wellbeing objectives that will help to realise the Council's strategic ambitions for a more vibrant and economically prosperous city.

6.2 **How is risk being managed?**

6.2.1 The Council has taken a proactive and positive approach to the identification, management and mitigation of risk associated with the project at both a strategic and project level. A dedicated risk register has been created, focussing on the risks that could impact the overall delivery of the project and this is managed by the project team responsible for bringing forward the Scheme.

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

6.3.1 The impact to the organisation will be considerable in terms of staff resources. A significant number of officers from across the Property and Development, Planning, Finance and Legal Services divisions are responsible for a range of work streams associated with this project, including: land assembly, CPO, scheme design, Planning processes and Decisions, legal agreements, financial analysis and agreements, commercial negotiations and community and business engagement.

6.4. **Equalities / EqIA**

6.4.1 Section 149 of the Equality Act 2010 requires the Council in the exercise of its functions to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and other form of conduct prohibited under the act; and
- advance equality of opportunity and to foster good relations between persons who share a relevant protected characteristic (age, disability, gender re-assignment,

pregnancy and maternity, race, religion and belief, sex, and sexual orientation) and persons who do not share it.

6.4.2 Having regard to the need to advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share it involves having due regard in particular, to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of the persons who share that characteristic that are different from the needs of persons who do not share it;
- encourage persons of the relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

6.4.3 An EqIA in relation to the land assembly and CPO elements of the Scheme was prepared and considered by Cabinet on the 11th January 2022 and updated in March 2022. The EqIA is an iterative and live document and is being revised prior to the CPO Inquiry in January 2023. This will include reference to the Scheme refinements and matters that are the subject of the Recommendations within this report, including the provision of affordable housing and the impact of a longer development programme.

6.4.4 A separate EqIA is being prepared in relation to the relocation of Shopmobility (which is a Pre-commencement Planning Condition). The relocation of Shopmobility is being led by the Council and the developer following engagement and dialogue with key stakeholders and affected user groups.

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 implications for the Council's development partner for the Scheme, SPRL, that will result from the Decisions that are the subject of this report.

Report author(s):

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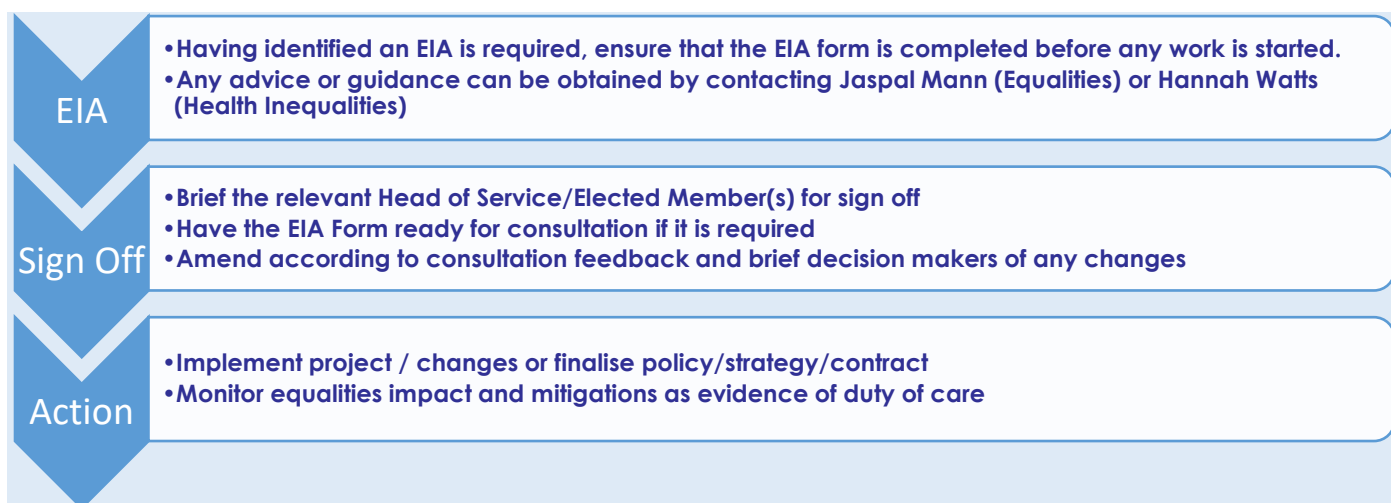
Contributor/approver name	Title	Service	Date doc sent out	Date response received or approved
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Faye Griffiths	Engagement Manager	Property and Development	07/10/22	07/10/22
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Suzanne Bennett	Governance Services Officer	Law and Governance	19/10/22	19/10/22
Names of approvers for submission: (Officers and Members)				
Julie Newman	Director of Law and Governance	-	19/10/22	20/10/22
Barry Hastie	Chief Operating Officer (Section 151 Officer)	-	19/10/22	21/10/22
Richard Moon	Director of Property Services and Development	-	19/10/22	20/10/22
Councillor J O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change	-	21/10/22	21/10/22
Councillor R Brown	Cabinet Member for Strategic Finance and Resources		21/10/22	23/10/22
Councillor D Welsh	Cabinet Member for Housing and Communities		21/10/22	25/10/22

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EQUALITY IMPACT ASSESSMENT (EIA)



EIA Author	Name	Faye Griffiths
	Title	Engagement Manager
	Date of completion	04/03/2022
Head of Service	Name	Adam Hunt
	Title	Strategic Lead - Property and Development
Cabinet Member	Name	Cllr Jim O'Boyle
	Portfolio	Jobs, Regeneration and Climate Change



SECTION 1 – Context & Background

1.1 What is the area of work for the EIA?

The EIA is being undertaken to inform decision making regarding the making of a Compulsory Purchase Order (CPO) (including the appropriation of land for Planning purposes, applications for relevant Highways Orders and the extinguishment of Rights of Way and Rights of Statutory Undertakers) by the Council to support the delivery of the Council's key regeneration project for the city, City Centre South (CCS).

A CPO will authorise the Council to acquire the land and create new rights in order to bring forward the CCS site for a comprehensive mixed-use development of up to 1300 new homes, new commercial premises and leisure facilities and new public spaces.

EQUALITY IMPACT ASSESSMENT (EIA)



1.2 In summary, what is the background to the planned change? Why is this change being considered?

The CCS scheme will transform (through demolition of existing buildings and new development) seven hectares of the city centre. The existing site where the CCS scheme will come forward is currently home to c.150 existing businesses and property interests. The Council is negotiating with these businesses and property owners to acquire their interest by agreement but a CPO is considered very likely to be still required in order to ensure all land required for the scheme is brought into the Council's control as well as all new rights that the Council needs in order to see the scheme implemented.

The CCS scheme received a resolution to grant outline Planning Consent in April 2021. Once further relevant Reserved Matters Planning Consents are obtained and funding secured, the scheme will be able to proceed (this is likely to be from 2023 onwards).

1.3 Who has primary responsibility for delivery?

On the Council side, the Property and Development Service.

1.4 Who are the main stakeholders? Who will be affected?

21st Century Society Access Development Group Aviva Bus operators Businesses and landowners being Compulsory Purchased City Centre residents Coventry and Warwickshire LEP Coventry BID Coventry Chamber of Commerce Coventry Society Coventry University Disability Equality Action Partnership Elected Members Federation of Small Businesses Local Media	Local Members of Parliament Local People Lower Precinct Shopping Centre Methodist Hall Landlords Nearby businesses Planning Authority Retail Market Traders Royal London Asset Management Shearer Property Group Shopmobility Statutory Undertakers Student Accommodation Transport for West Midlands West Midlands Combined Authority West Orchards Shopping Centre
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EQUALITY IMPACT ASSESSMENT (EIA)



SECTION 2 – Consideration of Impact

2.1 In order to assess your area of work for relevance to the Equality Act 2010 and the Public Sector Equality Duty, please answer the following questions:

Does this area of work have due regard to the need to: -

- (a) Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010
- (b) Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- (c) Foster good relations between persons who share a relevant protected characteristic and those who do not

Yes (x) No ()

If No please explain your reasons reason/s below:

2.2 Baseline data and information (sources and dates if applicable and relevant to the area of work/changes outlined in the EIA only. This data is needed to help decision makers understand more clearly the purpose of the EIA, so it needs to be simple and specific to the EIA being considered)

[Cabinet Report – January 2017](#)

The report sought approval to appoint SPG following a formal tender process, accept funding from West Midlands Combined Authority and to approve the principle that a Compulsory Purchase Order may be required (i.e. first resolution to grant). These recommendations were approved with no equalities issues raised.

[Public Consultation 26 June – 17 July 2020](#)

Ahead of the scheme's Outline Planning Application Submission, Shearer Property Regen carried out a public consultation exercise which focused on the vision and themes of the proposed scheme. Due to the COVID -19 pandemic and related restrictions, the consultation was primarily digital, with paper copies of information sent where requested. There were a number of webinars

EQUALITY IMPACT ASSESSMENT (EIA)



for stakeholders and local people. A webinar and question and answer session also took place for traders who may be affected by the scheme.

There were 282 responses to the consultation survey with 62% of these supporting the vision for City Centre South and 88% wanting to see improved pedestrian links and public spaces in the city centre.

Responses relating to equalities issues included:

- Maintain walkable scale and navigable layout
- City Centre South should be accessible for vulnerable groups
- A desire for increased leisure and recreation activities, with an emphasis on delivering a variety of leisure facilities to serve the diverse demographics within the city
- Housing should support the local population, with a proportion for affordable housing
- Ensure access for those with mobility issues
- Culture can bring communities together and keen to see the scheme promote this
- Would like to see facilities for step-free access in the city centre

[Outline Planning Application – Resolution to Grant Consent April 2021](#)

Planning Committee resolved to grant planning permission in April 2021 (Decision Notice Granted on the 27th January 2022) and noted the following equalities implications:

The Development Principles Document secures positive accessibility principles, including the mandatory principle to mitigate existing steep gradients on Hertford Street.

A condition will be imposed to require the Shopmobility facility in Barracks Car Park to be replaced to a suitable location within the city centre prior to the demolition of this building to ensure that the Shopmobility service is not disrupted. A further condition requires details of disabled car parking spaces to replace the five spaces lost by the works to be submitted to and approved by the local planning authority prior to commencement of any works to demolish the bridge link between Coventry Market and the buildings on Market Way.

The applicant notes that any works to be undertaken to Coventry Market will be phased to ensure that there is continuous pedestrian and servicing access into Coventry Market. This and phasing of the wider development will also be secured by condition.

The Council's Property Team are liaising separately with existing businesses within the CCS site to ensure that they are fully supported through the transition period.

[Equalities and Communication survey – May 2021](#)

An equalities and communication survey was sent to approx. 130 businesses and property owners who may be impacted by the City Centre South Scheme. Due to a low response initially, this was sent to businesses on two separate occasions. In total, thirteen businesses responded

EQUALITY IMPACT ASSESSMENT (EIA)



and gave us information about their demographics and any specific needs they had regarding how we communicate with them. This includes two businesses who require information in a second language and seven businesses who require written information in a larger font. Within the survey, a question was asked regarding whether customers of the business are predominantly from a particular group or community, so that we could measure impact on customers and not just the businesses affected. Two businesses responded that they are and this is included in the information below.

2.3 On the basis of evidence, has the potential impact of the area of work been judged to be positive (+), neutral (=) or negative (-) (+&-) Positive and negative impacts for each of the protected groups below and in what way?

*Please outline any impact on the Council workforce in question 2.8 – **not below***

Protected Characteristic	Impact type +, =, - or +&-	Nature of impact (A brief description of impact as more detailed mitigation to be included in 2.7)
Age 0-18	+	<p>There aren't any people within this age group who are directly impacted by the CPO process.</p> <p>The City Centre South scheme will offer jobs and training opportunities, including for those age 16-18 years. These will include construction apprenticeships and employment opportunities in retail and leisure.</p> <p>The scheme will include leisure facilities, for example a cinema, cafes and restaurants, giving social opportunities for young people.</p> <p>Improved green space and places to socialise will give parents and carers space for younger children to enjoy.</p>
Age 19-64	-	<p>Most of the business occupiers or their staff which may be affected by a CPO are within this age range and there is potential for these individuals to be negatively impacted due to business loss or relocation, depending on their own circumstances. For those individuals subject to a CPO we will:</p> <ul style="list-style-type: none"> • Communicate clearly and effectively. We have asked all potentially affected businesses to complete an equalities and communication survey so that we know where alternate approaches to communication are needed • Work with the business to establish their preferred next steps and how we can support them with this • Offer business support and relocation where possible

EQUALITY IMPACT ASSESSMENT (EIA)



		<ul style="list-style-type: none"> • Pay legal and surveyor fees • Signpost those who need any employment or career support to the Council's "Job Shop" service or DWP services <p>We know there is a need for additional housing in the city as the population has and continues to grow, particularly for those aged 19-64. New housing provision within the scheme will offer a mix of much needed high-quality housing.</p> <p>In January 2021 there was a 6% unemployment rate for those of working age. The CCS scheme will offer over 1,000 new jobs as well as 620 new construction jobs.</p>
Age 65+	+	<p>None of the respondents to the Businesses Equalities and Communication survey were within this age range.</p> <p>The scheme area currently has a poor quality environment, restricted pedestrian flow and confusing and poor signage, which has a negative impact on older people. The incidences of disability including physical mobility and sight impairments increases with age and there is a need for walkable, uncluttered and safe public realm where hazards are removed. The new scheme will include at grade access, meaning older people do not have to struggle with gradients, improved and more accessible public realm. Seating styles will cater for a range of needs, including some with arms and backrests to support this age group.</p> <p>The scheme will include positive accessibility principles, including the mandatory principle to mitigate existing steep gradients on Hertford Street.</p> <p>There will be a courtyard area for rest and relaxation and space for community use. The community use space can support opportunities to get involved in social activities, which may have positive health impacts and reduce loneliness in this group. The availability of accessible health facilities will also positively impact this age range.</p> <p>Access to essential services including chemists may be disrupted during construction</p>
Disability	+	<p>None of the respondents to the Businesses Equalities and Communication survey considered themselves to be disabled. However one business responded that their customers were predominantly disabled or have mobility issues. Seven respondents requested information in large font and this has been arranged.</p> <p>A condition of approval of the Outline Planning Application requires that the Shopmobility facility in Barracks Car Park to be replaced to a</p>

EQUALITY IMPACT ASSESSMENT (EIA)



		<p>suitable location within the city centre prior to the demolition of this building to ensure that the Shopmobility service is not disrupted.</p> <p>The new scheme will have a positive impact on disabled people by offering tactile paving at crossing points, sloped pavements as well as stairs for wheelchair and mobility scooter accessibility, at grade access and an uncluttered public realm. All aspects of the scheme will meet the required accessibility standard and will be legally compliant</p> <p>The courtyard for rest and relaxation and health facilities will also benefit this group, as well as the opportunities to be involved in community activities and events.</p> <p>The developer will work with local disability groups as designs progress to ensure that the scheme is accessible.</p> <p>Access to essential services including chemists may be disrupted during construction.</p> <p>A further condition requires details of disabled car parking spaces to replace the five spaces lost by the works to be submitted to and approved by the local planning authority prior to commencement of any works to demolish the bridge link between Coventry Market and the buildings on Market Way.</p>
Gender reassignment	=	<p>There are no specific impacts on this group, however the community spaces do offer opportunities for inclusivity events.</p> <p>One respondent of the Businesses Equalities and Communication survey indicated that the the gender they identify with is not the same as they were assigned at birth.</p> <p>One of the businesses affected is considered to be a safe space for the trans community.</p>
Marriage and Civil Partnership	=	<p>There are no specific impacts on this group</p>
Pregnancy and maternity	+	<p>The new scheme will have a positive impact on pregnant women in terms of better accessibility in the city centre. A new city centre health facility could be used by this group and better seating and public realm will also be beneficial, whether it's to rest or to use as a space to feed or sit with babies and young children.</p>
Race (Including: colour, nationality, citizenship ethnic or national origins)	=	<p>Respondees of the business Equalities and Communication survey describe their ethnic background as:</p> <p>Asian/Asian British Indian – 4 respondents Asian/Asian British other – 1 respondent Asian/ Asian British – Chinese – 1 respondent</p>

EQUALITY IMPACT ASSESSMENT (EIA)



		<p>Black/Black British African – 1 respondent White English, Welsh, Scottish, Northern Irish, British – 6 respondents</p> <p>Of these two respondents indicated that they would like correspondence in an alternative to English and this has been arranged.</p> <p>None of the businesses indicated that they provide goods or services to a specific shared background.</p> <p>As part of the equalities and communication survey, we have established those businesses that require communication in an additional language.</p>
Religion and belief	=	<p>Although very close to the affected area, there is no impact on the Central Methodist Hall other than slight potential disruption during the work. We will work closely with representatives of the church to ensure this is kept to a minimum and doesn't affect services,</p> <p>One business who responded to the Equalities and Communication Survey indicated that they offer Christian education, training and healthcare services.</p> <p>No specific impact, however, the community spaces may offer opportunities for inclusivity events and activities</p>
Sex	+	<p>Women often feel vulnerable accessing some parts of the scheme area currently. The scheme will open up the area and improve community safety. There will be a considered approach to lighting which will have a significant impact on orientation, security and visual quality. This will impact crime and the fear of crime.</p>
Sexual orientation	-	<p>The community spaces may offer opportunities for inclusivity events and activities.</p> <p>One of the affected businesses has customers predominantly from the LGBTQ+ community. We will work with the business and other representatives of this community to ensure that their requirements for a safe space to socialise are met.</p>

2.4 Health inequalities (HI) are unjust differences in health and wellbeing between different groups of people which arise because of the conditions in which we are born, grow, live,

EQUALITY IMPACT ASSESSMENT (EIA)



<p>work and age. These conditions influence our opportunities for good health, and result in stark differences in how long we live and how many years we live in good health.</p> <p>Many issues can have an impact: income, unemployment, work conditions, education and skills, our living situation, individual characteristics and experiences, such as age, gender, disability and ethnicity</p> <p>A wide range of services can make a difference to reducing health inequalities. Whether you work with children and young people, design roads or infrastructure, support people into employment or deal with welfare benefits – policy decisions and strategies can help to reduce health inequalities</p> <p>Please answer the questions below to help identify if the area of work will have any impact on health inequalities, positive or negative.</p> <p>If you need assistance in completing this section please contact: Hannah Watts (hannah.watts@coventry.gov.uk) in Public Health for more information. More details and worked examples can be found at ...</p>		
Question	Issues to consider	
2.4a What HIs exist in relation to your work / plan / strategy	<ul style="list-style-type: none"> • Explore existing data sources on the distribution of health across different population groups (<i>examples of where to find data to be included in support materials</i>) • Consider protected characteristics and different dimensions of HI such as socio-economic status or geographical deprivation 	
	<ul style="list-style-type: none"> • Socio economic status and deprivation • Vulnerable groups (e.g. homeless and rough sleepers) and geographical location • Disability and access to services 	
<p>2.4b How might your work affect HI (positively or negatively).</p> <p>How might your work address the needs of different groups that share protected characteristics</p>	<p>Consider and answer below:</p> <ul style="list-style-type: none"> • Think about whether outcomes vary across groups and who benefits the most and least, for example, the outcome for a woman on a low income may be different to the outcome for a woman a high income • Consider what the unintended consequences of your work might be 	

Response:

- Increased access to affordable housing for those with lower incomes
- Effects on mental and physical health resulting from new employment opportunities, but also potential end of business/business relocation
- Changes to social capital. Effects are likely to be beneficial but dependent on the quality and timing of measures introduced to encourage social cohesion and build social capital, particularly for older people, younger people and people with disabilities
- During construction – access to essential services such as banks and chemists for older people and people with disabilities
- Impact of noise disruption during construction for those that live in the area, particularly homeworkers
- Loss of perceived safe spaces for homeless and rough sleepers during demolition and construction
- Steps for Change – support service for homeless people is located in the affected area

2.5 Next steps - What specific actions will you take to address the equality impacts and health inequalities identified above?

- We distributed an equalities and communications survey to each of the potentially impacted businesses. This told us the equalities demographics for each of the businesses and whether they had any specific accessibility needs when we communicate with them. We will continue to support these requests.

At the appropriate stage of the planning, development or construction process:

- The Council and the developer will consider social value and impact on local supply chain when procuring a contractor for construction, development or service. The Council and Developer will also consider a clause in the development agreement/contract to monitor for a workforce that is made up of a proportion of local people and for a workforce that reflects the ethnic profile of the city
- The Council and developer will work with the Disability Equality Action Partnership (DEAP), Access Development Group and other disability groups to ensure the scheme is accessible
- The Council and developer will work with the Central Methodist Hall to minimise disruption to religious services and other sensitive events.
- The Council and developer will work with representatives of the LGBTQ+ community (and relevant existing businesses in the red line area) in to ensure there is sufficient safe space to socialise in the city

EQUALITY IMPACT ASSESSMENT (EIA)



- The Council and developer will work with Steps for Change to ensure there is sufficient support for homeless people and rough sleepers. We will also ensure that the support services are aware of demolition timetables so they can support anyone who may be sleeping in affected areas
- The Council and developer will work with any essential services (banks, chemists, healthcare) that may be relocated or closed during demolition/construction to ensure that vulnerable groups are aware of changes and know how to access services during demolition/construction
- The Council and developer will work with partner organisations including the Job Shop, Chamber of Commerce and the Federation of Small Businesses to offer support for affected businesses. This will include opportunities to relocate businesses as well as support for those who no longer wish to run a business or whose business is unviable in a new location. Further information is available at www.coventry.gov.uk/ccsbusinessinfo
- The Council and developer will offer affected businesses the opportunity to pre-register for marketing information about new business space within the development area.

2.6 How will you monitor and evaluate the effect of this work?

- We will continue to communicate efficiently and clearly with those businesses impacted and ensure any equalities issues are responded to
- We will be advised and respond to feedback from representatives of protected characteristic Groups
- The developer will engage with accessibility consultants on the design of the scheme
- The Council and development and construction partners will implement effective equalities monitoring so that outcomes proposed can be verified and based on clear equalities evidence

2.8 Are there any potential impact(s) of this area of work on Council staff from protected groups? Please summarise:

No

EQUALITY IMPACT ASSESSMENT (EIA)



You should only include the following data if this area of work will potentially have an impact on Council staff. This can be obtained from: andy.hyland@coventry.gov.uk

Headcount:

Sex:

Female	
Male	

Age:

16-24	
25-34	
35-44	
45-54	
55-64	
65+	

Disability:

Disabled	
Not Disabled	
Prefer not to state	
Unknown	

Ethnicity:

White	
BAME	
Prefer not to state	
Unknown	

Sexual Orientation:

Heterosexual	
LGBT+	

EQUALITY IMPACT ASSESSMENT (EIA)



Prefer not to state	
Unknown	

Religion:

Any other	
Buddhist	
Christian	
Hindu	
Jewish	
Muslim	
No religion	
Sikh	
Prefer not to state	
Unknown	

2.9 Completion Statement. Put an X in the appropriate box

NOTE: (to be completed after the EIA is completed but, before the area of work commences)

As the appropriate Head of Service for this area, I confirm that in this EIA the potential equality impact is:

No impact has been identified for one or more equality groups ☐

Positive impact has been identified for one or more equality groups ☐

Negative impact has been identified for one or more equality groups ☐

Both positive and negative impact has been identified for one or more equality groups ☒

EQUALITY IMPACT ASSESSMENT (EIA)



Signed Head of Service: Adam Hunt (Strategic Lead – Property and Development)	Date: 04/03/2022
If applicable complete information below:	
Name of Lead Elected Member: Cllr O’Boyle (Cabinet Member for Jobs, Regeneration and Climate Change)	Date sent to Councillor: 07/03/2022
Name of Director: Richard Moon (Director of Property Services and Development)	Date sent to Director: 04/03/2022