

Council Meeting

15 February 2011

Booklet 1

Recommendation Minutes

INDEX TO MINUTES

Cabinet, 8th February 2011

Cabinet, 15th February 2011

CABINET

8th February 2011

Cabinet Members Present:	Councillor Mrs Bigham Councillor Clifford Councillor Duggins (Deputy Chair) Councillor Harvard Councillor Kelly Councillor A. Khan Councillor J. Mutton (Chair) Councillor O'Boyle Councillor Skipper
Non-Voting Opposition Representatives present:	Councillor Foster Councillor Taylor
Other Members Present:	Councillor McNicholas Councillor Mrs Mutton
Employees Present:	S. Brake (Community Services Directorate) A. Burton (Finance and Legal Services Directorate) F. Collingham (Chief Executive's Directorate) L. Commane (Finance and Legal Services Directorate) D. Cockroft (City Services and Development Directorate) N. Clews (City Services and Development Directorate) C. Green (Director of Children, Learning and Young People) B. Hastie (Finance and Legal Services Directorate) C. Knight (City Services and Development Directorate) K. Malone (Customer and Workforce Services Directorate) A. Masters (Customer and Workforce Services Directorate) R. Moon (City Services and Development Directorate) A. Newland (City Services and Development Directorate) J. Parry (Assistant Chief Executive) C. Sinclair (Customer and Workforce Services Directorate) B. Walsh (Director of Community Services) C. West (Director of Finance and Legal Services) M. Yardley (Director of City Services and Development)
Apologies:	Councillor Townshend

RECOMMENDATIONS

Public business

123. Declarations of Interest

There were no declarations of interest.

124. Exclusion of Press and Public

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the item of business indicated below on the grounds that this item involves the likely disclosure of exempt information as defined in Schedule 12A of that Act, in particular those paragraphs of Part I of that Schedule as indicated:-

Minute No.	Subject	Relevant Paragraphs of Part I of Schedule 12A
136.	City of Coventry (Far Gosford Street) Compulsory Purchase Order 2011	3 and 4

125. Revenue and Corporate Capital Monitoring and Treasury Management Report – Period 8

The Cabinet considered a report of the Director of Finance and Legal Services which detailed the period 8 revenue and capital forecast outturn for 2010/11. The report also reviewed the treasury management activity during the year, including borrowing, lending and investments. In addition, information was provided in respect of the 2010/11 Prudential Indicators.

The Cabinet noted that the report would be considered by the Audit Committee and also the Council, in relation to revisions to the Prudential Indicators.

The Cabinet approved the City Council's revenue budget of £269.4m on 23rd February 2010 and a directorate capital programme of £80.4m on the 8th December 2009. The report submitted was the third quarterly monitoring report for 2010/11 which was presented in accordance with the Council's Constitution, budget and policy framework and financial procedures.

The report identified a forecast underspend of £1.4m on the revenue budget. Appendix 1 of the report provided a summary of the year-end forecast variation by Directorate. The capital programme for 2010/11 showed a balanced position, with Table 2 providing an update taking account of the approved/technical changes, net over/under spendings and net expenditure rescheduled into future years.

The Cabinet noted that, under the CIPFA Prudential Code for Capital Finance, authorities are free to borrow, subject to them being able to afford the revenue costs. The framework required that authorities set and monitor against a number of Prudential Indicators relating to capital, treasury management and revenue issues. These indicators were designed to ensure that borrowing entered into for capital purposes was affordable, sustainable and prudent.

Under International Financial Reporting Standards (IFRS), local authorities have been required to change the way they account for PFI schemes and assets held on

finance leases. Both assets and liabilities relating to PFI schemes and finance leases were now to be included in the City Council's balance sheet. Although the underlying structure and financial impact of the arrangements had not altered, the technical accounting changes impact on the level of assets and liabilities included in the accounts, as well as on the Prudential Indicators. Under the Prudential Code changes to the Indicators need to be approved by Council. The changes were in relation to the Forecast Capital Financing Requirement; Authorised Limit for External Debt; and Operational Boundary.:-

The indicators, together with the relevant figures as at 30th November 2010 were included in Appendix 6 and highlighted that the City Council's activities were within the amounts set as Performance Indicators for 2010/11, apart from the ratio of financing costs to the net revenue stream. The forecast as at period 8 was 11.97% against an initial figure of 11.82%. This technical change takes account of the inclusion of PFI and finance leases.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting the Cabinet:-

- (1) Approved the revised capital estimated outturn position for the year of £90.8m incorporating:**
 - (i) £1.4m net reduction in spending relating to approved/technical changes, as detailed in Appendix 2;**
 - (ii) £2.3m net rescheduling of expenditure into 2011/12, as detailed in Appendix 4;**
 - (iii) £0.1m net overspending on the programme, as detailed in Appendix 5**

This spending level, compared with resources available to fund the capital programme, represents a balanced position in 2010/11.

- (2) Noted the revenue position is a forecast of £1.4m underspend.**
- (3) Instructed all Senior Managers and budget holders to take all possible action to limit discretionary expenditure in line with the decision approved by Management Board on 30th September 2010 to centralise budgets across a range of discretionary expenditure codes.**
- (4) Recommended that the Council approves revised Prudential Indicators as set out in Section 2.4 and Appendix 6 of the report submitted.**

129. City of Coventry (Far Gosford Street) Compulsory Purchase Order 2011

The Cabinet considered a report of the Director of City Services and Development which sought approval for the making of a Compulsory Purchase Order (CPO) in respect of properties in Far Gosford Street. A corresponding private report, detailing commercially confidential and financial aspects of this proposal, was also submitted to the meeting

(Minute 136 below refers)

The Cabinet noted that, in 2009, as part of the process to transform a run down quarter of the City into a vibrant business and residential district, the Council had approved the making of a CPO for Far Gosford Street, which was made in 2009. However, due to a combination of factors, not least the withdrawal of funding from Advantage West Midlands, the Order had to be withdrawn.

Since the withdrawal of the CPO in November 2010, employees had been working with the Council's development partner, Complex Development Projects Ltd (CDP) to agree a revised strategy for delivering regeneration in Far Gosford Street. This revised strategy required the making of a new Order.

The Cabinet were advised that the costs incurred in making the Order would be covered by existing funding, but in the event that this was insufficient, CDP would cover the additional costs. Land and property to be included within the Order was identified in a map appended to the report.

The Cabinet noted that it was hoped that CDP could agree terms for the acquisition of the properties in advance of a Public Inquiry, however, if this wasn't possible, the Order would be required to ensure that all interests could be acquired within a timescale which avoids undue delay to the proposed scheme being implemented, particularly with regard to any timescales imposed as a requirement to funding.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, Cabinet recommend that the Council:

- (1) Authorise the making of the City of Coventry (Far Gosford Street) Compulsory Purchase Order 2011 under Section 226 (1) (a) of the Town and Country Planning Act 1990 (as amended) in order to acquire the interests in the land coloured pink on the plan marked "Map referred to in the City of Coventry (Far Gosford Street) Compulsory Purchase Order 2011" displayed at the meeting, to enable the comprehensive regeneration of Far Gosford Street.**
- (2) Authorise the Director of City Services and Development and the Director of Finance and Legal Services to advertise the Order and submit it to the Secretary of State for Communities and Local Government in accordance with the Acquisition of Land Act 1981 and to take all necessary steps to secure the confirmation and implementation of the Order, including, if necessary, presentation of the Council's case at public inquiry.**
- (3) Authorise that, notwithstanding the recommendations above, attempts continue to be made to purchase the land interests by agreement in accordance with government circular 06/2004.**
- (4) Agree the draft Statement of Reasons for making the Order, which is attached as Appendix A and delegate any changes to the Director of**

City Services and Development following the completion of the referencing of interests in the proposed order.

- (5) Authorise the extension and variation of the existing development agreement between the Council and CDP by a period of time so as to expire simultaneously with the expiry of the Order i.e. 3 years after the Order is confirmed by The Secretary of State.**
- (6) Authorise the submission of an application by the Council to the European Regional Development Fund for grant funding for the development of plots 1, 2 and 7 shown on the Order Plan.**

Private Business

136. City of Coventry (Far Gosford Street) Compulsory Purchase Order 2011

Further to Minute 129 above relating to the public aspects of this report, the Cabinet considered a report of the Director of City Services and Development, which sought approval for the making of a Compulsory Purchase Order (CPO) in respect of properties in Far Gosford Street.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, Cabinet recommend that the Council:

- (1) Authorise the making of the City of Coventry (Far Gosford Street) Compulsory Purchase Order 2011 under Section 226 (1) (a) of the Town and Country Planning Act 1990 (as amended) in order to acquire the interests in the land coloured pink on the plan marked "Map referred to in the City of Coventry (Far Gosford Street) Compulsory Purchase Order 2011" displayed at the meeting, to enable the comprehensive regeneration of Far Gosford Street.**
- (2) Authorise the Director of City Services and Development and the Director of Finance and Legal Services to advertise the Order and submit it to the Secretary of State for Communities and Local Government in accordance with the Acquisition of Land Act 1981 and to take all necessary steps to secure the confirmation and implementation of the Order, including, if necessary, presentation of the Council's case at public inquiry.**
- (3) Authorise that, notwithstanding the recommendations above, attempts continue to be made to purchase the land interests by agreement in accordance with government circular 06/2004.**
- (4) Agree the draft Statement of Reasons for making the Order, which is attached as Appendix A and delegate any changes to the Director of City Services and Development following the completion of the referencing of interests in the proposed order.**

- (5) Authorise the extension and variation of the existing development agreement between the Council and CDP by a period of time so as to expire simultaneously with the expiry of the Order i.e. 3 years after the Order is confirmed by The Secretary of State.**
- (6) Authorise the submission of an application by the Council to the European Regional Development Fund for grant funding for the development of plots 1, 2 and 7 shown on the Order Plan.**

CABINET

15th February 2011

Cabinet Members Present: -
Councillor Mrs Bigham
Councillor Clifford
Councillor Duggins (Deputy Chair)
Councillor Harvard
Councillor Kelly
Councillor A. Khan
Councillor J. Mutton (Chair)
Councillor O'Boyle
Councillor Skipper
Councillor Townshend

Non-Voting Opposition
Representatives present:-
Councillor Foster
Councillor Taylor

Employees Present:-
C. Forde ((Finance and Legal Services Directorate)
C. Green (Director of Children, Learning and Young People)
P. Jennings (Finance and Legal Services Directorate)
L. Knight (Customer and Workforce Services Directorate)
B. Messinger (Director of Customer and Workforce Services)
M. Reeves (Chief Executive)
B. Walsh (Director of Community Services)
C. West (Director of Finance and Legal Services)
M. Yardley (Director of City Services and Development)

Apologies

Public business

140. **Declarations of Interest**

There were no declarations of interest.

141. **2011/12 Budget Report**

The Cabinet considered a report of the Director of Finance and Legal Services, which outlined the proposed final revenue budget for 2011/12, following a period of public consultation on a range of budget options which were previously considered by the Cabinet on 30th November 2011.

The Cabinet noted that the budget proposed was the first following the Government's Spending Review 2010 (SR 2010) which signalled a dramatic reduction in the level of public sector spending over the next four years. As well as affecting the level of core Formula Grant available to the City Council, SR 2010 reduced significantly the level of specific grant funding available. The implications of this were covered in the

report.

At a local level the report built upon the significant change of direction driven by the Council's abc Programme of service transformation projects. There were a number of projects in progress which were fundamentally reviewing current service provision, with the objective of achieving improved services to customers and cost reduction. The abc Programme was one of the Council's key approaches to meeting the challenges which were being faced by the whole public sector at the current time. The medium term financial plan anticipated significant savings going forward to help the Council balance its budget, and the estimated impacts of these abc projects formed a fundamental part of the revenue spending and saving proposals within the report.

These proposals would enable the Council to set a balanced budget for 2011/12. Based on the current financial analysis the Council expected its like for like net revenue budget to decrease by £16.2m from £293.3m in 2010/11 to £277.1m in 2011/12. The medium term financial position still showed revenue budget gaps of £17m and £20m in 2012/13 and 2013/14 respectively.

The report included a proposed Capital Programme for 2011/12 and future years. In the main, this consisted of schemes and programmes that had already been approved plus programmes of essential expenditure in the areas of property, highways maintenance and ICT infrastructure plus a programme of public realm and preparation costs for the 2012 Olympics. The 2011/12 programme would require a level of prudential borrowing of £20.1m in total, £12.2m to support investment in specific schemes and a further £7.9m of temporary borrowing to balance the overall Programme. This temporary borrowing would be repaid from future capital receipts in line with the Council's approved Medium Term Financial Strategy and the revenue impact of this would be taken into account in the revenue budget.

The Council were also required to approve its Treasury Management Strategy and Prudential Indicators on an annual basis and these were incorporated within this report.

The Council's budget and the West Midlands Fire Authority precept were built on the assumption of no Council Tax increase in 2011/12. The West Midlands Police Authority would not be in a position to set their precept until after the Council meeting, but it was anticipated that this would also support a Council Tax freeze. As a result, the level of Council Tax was unable to be set until after the Police Authority had met on 17th February. In view of this, it was proposed to establish a special committee and delegate authority to it formally to agree the final Council Tax levels. It was proposed that the membership of this committee should be the Leader, Deputy Leader, Chair of the Audit Committee, Chair of Scrutiny Board 1 (with responsibility for Finance, Corporate and Neighbourhood Services), and the opposition Leader and Deputy Leader.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the City Council be recommended to

- (1) Approve the final spending and savings proposals, detailed in Appendix 4 of the report, as the basis of the City Council's 2011/12 revenue budget.**

- (2) **Approve that its budget requirement calculated for the financial year 2011/12 in accordance with the requirements of Section 32 of the Local Government Finance Act 1992 be £277,069,353 as outlined in Table 2, Table 5 and Appendix 3 of the report. This incorporates a Council Tax freeze for the City Council.**
- (3) **Note the Director of Finance and Legal Services' comments confirming the robustness of the budget and adequacy of reserves in Section 12.**
- (4) **Approve the Capital Programme of £64.9m for 2011/12 and the future years' commitments arising from this programme of £124.4m in 2012/13 to 2015/16 , as detailed in Section 6 and Appendix 7.**
- (5) **Approve the proposed Treasury Management Strategy for 2011/12 in Section 8, and the revised investment policy in Appendix 8 for immediate implementation, and adopt the prudential indicators and limits described in Section 8 and summarised in Appendix 9 of the report.**
- (6) **Approve the establishment of a committee (The Finance Committee) and authorise it to agree the final level of Council Tax to be set for the financial year 2011/12 once the level of Police Authority precept has been set and reaffirm the Council tax-base position approved by Cabinet on 4th January.**
- (7) **Approve the membership of the Finance Committee of six members of the Council comprising four Labour members and two Conservative members as detailed above.**
- (8) **Delegate authority to the Director of Customer and Workforce Services in consultation with the Leader to identify a replacement of any of the members on the Finance Committee should any unforeseen urgency arise that causes a member to be substituted, provided that the composition of the committee remains four Labour members and two Conservative members.**

142. Outstanding Issues

There were no outstanding issues for consideration.

143. Any Other Public Business

There were no other items of public business.