

COUNCIL OF THE CITY OF COVENTRY

15th February, 2011

PRESENT

Lord Mayor (Councillor Kelsey)

Deputy Lord Mayor (Councillor Mulhall)

Councillor Abbott	Councillor Lapsa
Councillor Andrews	Councillor Lee
Councillor Auluck	Councillor Mrs Lepoidevin
Councillor Bailey	Councillor Mrs Lucas
Councillor Bains	Councillor Maton
Councillor Mrs. Bigham	Councillor McNicholas
Councillor Blundell	Councillor J. Mutton
Councillor Charley	Councillor Mrs. M. Mutton
Councillor Chater	Councillor Nellist
Councillor Cliffe	Councillor Noonan
Councillor Clifford	Councillor O'Boyle
Councillor Crookes	Councillor Ridley
Councillor Mrs. Dixon	Councillor Ruane
Councillor Duggins	Councillor Sawdon
Councillor Foster	Councillor Sehmi
Councillor Gazey	Councillor Singh
Councillor Hammon	Councillor Skipper
Councillor Harrison	Councillor Mrs Sweet
Councillor Harvard	Councillor Taylor
Councillor Mrs. Johnson	Councillor Townshend
Councillor Kelly	Councillor Walsh
Councillor A. Khan	Councillor Welsh
Councillor T. Khan	Councillor Williams
Councillor Lakha	
Councillor Lancaster	

Apologies: Councillor Asif
Councillor Field
Councillor Skinner

Public Business

113. Minutes

The minutes of the meeting held on 11th January 2011 were agreed as a true record.

114. Exclusion of Press and Public

RESOLVED that under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the items of business

indicated below on the grounds that that item involves the likely disclosure of exempt information as defined in the Paragraphs of Part I of Schedule 12A of that Act as indicated.

Minute No.	Subject	Relevant Paragraphs(s) of Part 1 of Schedule 12A
128/10	City of Coventry (Far Gosford Street) Compulsory Purchase Order 2011	3 and 4

115. Retirement of Honorary Recorder, His Honour Judge Christopher Hodson

The Lord Mayor referred to retirement of His Honour Judge Christopher Hodson as a Circuit Judge for Coventry and Warwick at the end of March 2011. This also requires him to retire as Honorary Recorder for the City of Coventry.

Judge Hodson was appointed to the post in September 2007 and has taken part in many civic events and ceremonial occasions since that time.

Members noted that the Lord Mayor would be writing to Judge Hodson on behalf of the Council to thank him for his dedication to the City and to wish him a long and happy retirement.

RESOLVED that the warmest thanks of the Council are due and are hereby given to His Honour Judge Hodson for his dedication to the City and that a copy of this resolution, under the Common Seal, be presented to His Honour Judge Hodson.

116. Royal Engagement

The Lord Mayor informed the Council that he had received a letter from Clarence House following his letter of congratulations on the engagement of Prince William to Miss Catherine Middleton.

The Private Secretary to His Royal Highness the Prince of Wales responded "Your words were greatly appreciated and Prince William has asked me to send you and your colleagues at the City Council of Coventry his warmest thanks and best wishes."

117. Death of Former Lady Mayoress and Councillor – Mrs Joan Ward

The Lord Mayor referred to the recent sad death of former Lady Mayoress and Councillor, Mrs Joan Ward, who retired from the Council in 1991 after nearly 13 years service representing the former Godiva Ward and also Foleshill and Wyken Wards.

Joan was also Lady Mayoress of the City in 1975, being the wife of the late Councillor Charles Ward. Joan served the City with great dignity and dedication.

Members paid tribute to the work undertaken by Joan and noted that a letter had been sent to her family expressing the Council's sincere condolences.

120. Death of Former Councillor - Mrs Joan Shortland

The Lord Mayor referred to the recent sad death of Mrs Joan Shortland, who was a Member of the City Council from 1971 to 1978 and also represented the former Godiva Ward. Joan was a tireless worker within her community in pursuit of improving the lives of

her constituents.

Members paid tribute to the work undertaken by Joan noted that a letter had been sent to her family expressing the Council's sincere condolences.

121. Petitions

RESOLVED that the following petitions be referred to the appropriate City Council body or external organisation:

- (a) Objection to Planning Application for Student Accommodation at 1 Regent Street and 17-28 Queens Road – 43 signatures presented by Councillor O'Boyle.**
- (b) Objection to the Swanswell Residents' Parking Scheme– 143 signatures presented by Councillor O'Boyle.**
- (c) Request for Parking Bays between 145 and 211 Hipswell Highway – 39 signatures, presented by Councillor Abbott and Councillor Dixon**
- (d) Dental Health Services in Cheylesmore – 1,441 signatures, presented by Councillor Foster.**
- (e) Objection to War Memorial Park Car Park Charges – 183 signatures, presented by Councillor Taylor**

122. Declarations of Interest

Councillor McNicholas declared a prejudicial interest in the Amendment moved by Councillor Foster and Seconded by Councillor Taylor at Minute 125 below, relating to "2011/12 Budget Report".

Councillor McNicholas withdrew from the Chamber for the deliberation on this amendment.

123. 2010/11 Period 8 Revenue, Capital Monitoring and Treasury Management Report (to November 2010)

Further to Minute 125/10 of the Cabinet, the Council 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 Council noted that the report would be considered by the Audit Committee, in relation to revisions to the Prudential Indicators.

The Council 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.

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 Council approves revised Prudential Indicators as set out in Section 2.4 and Appendix 6 of the report submitted.

(N.B: Councillor Nellist voted against this proposal and requested that this opposition be recorded.)

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

Further to Minute 129/10 of the Cabinet, the Council 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)

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 Council noted that 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.

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 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.**

125. 2011/12 Budget Report

Further to Minute 141/10 of the Cabinet, the Council 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 2010.

In moving the recommendation, Councillor Duggins paid tribute to colleagues and officers for their hard work and support in developing the Council's budget report.

The Council 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 the 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 Finance Committee and delegate authority to it formally to agree the final Council Tax levels.

Further, the Council considered an addendum to the report, which expanded upon recommendation 7 of the report and detailed the proposed membership of the aforementioned Committee. 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.

An amendment, as detailed in Appendix A to these minutes, was moved by Councillor Foster, seconded by Councillor Taylor and lost.

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

- (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, 2011.**
- (7) Approve the following membership of the Finance Committee:**

Cllr J Mutton: The Leader of the Council and portfolio responsibility for Policy, Leadership and Governance

Cllr G Duggins: Deputy Leader of the Council and portfolio responsibility for Strategic Finance & Resources

Cllr D Chater: Chair of Audit Committee

Cllr E Ruane: Chair of Scrutiny Board 1 with responsibility for Finance, Corporate and Neighbourhood Services

Cllr K Taylor: Shadow Leader

Cllr K Foster: Shadow Deputy Leader

- (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.**

126. Amendment to Appointment - Economy, Regeneration and Transport Scrutiny Board (Scrutiny Board 3)

The Council considered a report of the Director of Customer and Workforce Services which sought approval for an amendment to the membership of the Council's Economy, Regeneration, and Transport Scrutiny Board (Scrutiny Board 3). It was proposed that Councillor Mrs. Lepoidevin would replace Councillor Andrews on the Board with immediate effect.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Council: approve the replacement of Councillor Allan Andrews with Councillor Julia Lepoidevin on the Economy, Regeneration and Transport Scrutiny Board (Scrutiny Board 3) with immediate effect.

127. Statement by the Leader of the Council

There was no statement by the Leader of the Council.

Private Business

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

Further to Minute 124/10 above relating to the public aspects of this report, the Council 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, 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.**

(Meeting closed: 6.10 p.m.)