

SCRUTINY CO-ORDINATION COMMITTEE

14th February, 2007

- Members Present:-
 Councillor Bains
 Councillor Crookes (Substitute for Councillor Lee)
 Councillor Duggins
 Councillor Ms Hunter (Substitute for Councillor Asif)
 Councillor Mutton
 Councillor Ridge (Deputy Chair)
 Councillor Sawdon (Chair)
 Councillor Williams
- Co-opted Member Present:-
 Councillor Clifford
- Other Scrutiny Member Present:-
 Councillor Gazey
- Employees Present:-
 N. Chamberlain (Finance and ICT Directorate)
 R. Hughes (Head of Corporate Policy)
 K. Rice (Head of Legal Services)
 C. Steele (Chief Executive's Directorate)
 C. Swann (Legal and Democratic Services Directorate)
 C. West (Acting Director of Finance and ICT)
- Apologies:-
 Councillor Asif
 Councillor Lee

174. Minutes

The minutes of the meeting held on 10th January, 2007, were signed as a true record.

175. Exclusion of Press and Public

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from part of the meeting for the item of business referred to in Minute 193/06 below relating to "Coventry Sports Trust", on the grounds that part of this item involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of that Act as amended.

176. Call-Ins Stage 1

The Committee noted that no call-ins had been received yet this week. The deadline for call-ins of Cabinet and Cabinet Member decisions made during the week commencing 5th February, 2007, was 9.00 a.m. on Friday 16th February 2007. Any call-ins received after this meeting and before the deadline would be considered for validity by the Chair of the Scrutiny Co-Ordination Committee, in consultation with the Director of

Legal and Democratic Services (Paragraph 5.4.5.25.4 of the City Council's Constitution refers).

177. Report Back on the Work of Outside Bodies – Coventry Voluntary Service Council

The Committee considered reports of the Cabinet Member (Community Services), which detailed the work of the Coventry Voluntary Services Council over the previous 12 months and included attendance records for the City Council's representatives at meetings of the Council.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the Coventry Voluntary Services Council.

178. Report Back on the Work of Outside Bodies – New Deal for Communities Partnership Board

The Committee considered a report of the Cabinet Member (Finance, Procurement and Value for Money), which detailed the work of the New Deal for Communities Partnership Board over the previous 12 months and included attendance records for the City Council's representatives at meetings of the Board.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the New Deal for Communities Partnership Board.

179. Report Back on the Work of Outside Bodies – Regional Flood Defence Committee

The Committee considered a report of the Cabinet Member (Culture, Leisure and Libraries), which detailed the work of the Regional Flood Defence Committee over the previous 12 months and included attendance records for the City Council's representative at meetings of the Committee.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the Regional Flood Defence Committee.

180. Report Back on the Work of Outside Bodies – Coventry Fair Trade Steering Group

The Committee considered a report of Councillor Cliffe, which detailed the work of the Coventry Fair Trade Steering Group over the previous 12 months and included attendance records for the City Council's representatives at meetings of the Committee.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the Coventry Fair Trade Steering Group.

181. Report Back on the Work of Outside Bodies – Governing Body of City College

The Committee considered a report of Councillor Ahmed, which detailed the work of the Governing Body of City College over the previous 12 months and included

attendance records for the City Council's representatives at meetings of the Board of Governors.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the Governing Body of City College.

182. Report Back on the Work of Outside Bodies – Hillfields Action Plan Partnership Board

The Committee considered a report of the Cabinet Member (Urban Regeneration and Regional Planning), which detailed the work of the Hillfields Action Plan Partnership Board over the previous 12 months and included attendance records for the City Council's representatives at meetings of the Partnership Board.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the Hillfields Action Plan Partnership Board.

183. Report Back on the Work of Outside Bodies – Leicester University Court

The Committee considered a report of Councillor Harrison, which detailed the work of the Leicester University Court over the previous 12 months and included attendance records for the City Council's representative at the annual meeting of the Court.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the Leicester University Court and suggest that the appointee should be a person interested in health/equalities issues, given that the University's interest in these issues.

184. Report Back on the Work of Outside Bodies - West Midlands Joint Committee

The Committee considered a report of the Leader of the Council, which detailed the work of the West Midlands Joint Committee over the previous 12 months and included attendance records for the City Council's representatives at meetings of the Committee.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the West Midlands Joint Committee.

185. Report Back on the Work of Outside Bodies - West Midlands Local Government Association Provincial Council

The Committee considered a report of the Cabinet Member (Human Resources, Corporate and Customer Services), which detailed the work of the West Midlands Local Government Association Provincial Council over the previous 12 months and included attendance records for the City Council's representative at meetings of the Council.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the West Midlands Local Government Association Provincial Council.

186. West Midlands Reserve Forces Cadets Association

The Committee considered a report of Councillor Gazey, which detailed the work of the West Midlands Reserve Forces and Cadet Association over the previous 12 months and included attendance records for the City Council's representative at meetings of the Association.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the West Midlands Reserve Forces and Cadet Association.

187. Report Back on the Work of Outside Bodies - West Midlands Superannuation Committee

The Committee considered a report of the Cabinet Member (Human Resources, Corporate and Customer Services), which detailed the work of the West Midlands Superannuation Committee over the previous 12 months and included attendance records for the City Council's representative at meetings of the Committee and those Sub-Committees to which the representative had been appointed.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the West Midlands Superannuation Committee.

188. Report Back on the Work of Outside Bodies - Warwickshire Rural Community Council

The Committee considered a report of Councillor Gazey, which detailed the work of the Warwickshire Rural Community Council over the previous 12 months and included attendance records for the City Council's representative at meetings of the Council.

RESOLVED that the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the Warwickshire Rural Community Council.

189. Report Back on the Work of Outside Bodies - Tansley Estate Charity Trustees

The Committee considered a report of Councillor M Noonan, which detailed the work of the Tansley Estate Charity Trustees over the previous 12 months and included attendance records for the City Council's representative at meetings of the Trustees.

RESOLVED:-

- (1) That the Scrutiny Co-ordination Committee recommend that the City Council continue to nominate to the Tansley Estate Charity Trustees.**
- (2) That having regard to the concerns expressed at the meeting in respect of the attendance of some of the City Council's representatives at certain outside bodies detailed at minutes 177 to 189/06 above, details of attendances on all outside bodies be sent to the appropriate Group Whips with copies to the Group Leaders.**

190. Outside Bodies – Additional Information Requested

Further to Minutes 147 and 148/06, the Committee considered a report of the Director of Legal and Democratic Services setting out further information regarding the Martha Flint and Emma Osmond Education Foundation and the Daimler Green Recreation Trust, as requested by the Committee at their meeting on 3rd January, 2007.

RESOLVED that the Committee having noted that the appointment of a representative to serve on the Martha Flint and Emma Osmond Educational Foundation need not be a City Council Member, consideration of the appointment of a representative to serve on this outside body be referred to the Woodlands Ward Forum, for them to nominate a suitable person from within the community, with effect from the expiry of the current appointment in May 2008.

191. Outstanding Issues

The Committee noted a report of the Director of Legal and Democratic Services that identified those issues on which further reports had been requested in order that Members could monitor progress.

192. Work Programme 2006/2007

The Committee noted the Work Programme for the Scrutiny Co-Ordination Committee for the 2006/2007 Municipal Year and that the "Disabled Facilities Grant – Consultation Document to the Work Programme" would be submitted to the meeting of this Committee on 21st February, 2007.

193. Coventry Sports Trust

The Committee considered a joint report that outlined ongoing revenue funding issues within Coventry Sports Trust (CST) and requested additional grant payments to support the public leisure service provision in the City until new arrangements could come into effect in Autumn 2007.

The report was scheduled to be considered by the Cabinet on 20th February, 2007. The Chair of the Scrutiny Co-ordination Committee, or his nominee, was due to attend that meeting for consideration of this item in order to agree that the matter was urgent and that call-in should not apply; the reason for urgency was to allow payments to be made as soon as possible to avoid the Trust becoming insolvent. The Committee noted that the level of grant was still to be finally determined, if the Cabinet were asked to approve a level of grant over £500,000 the matter would require to be published as a "Key Decision"; as the matter had not been included on the Forward Plan of Key Decisions the Chair of the Scrutiny Co-ordination Committee would be asked at the meeting of Cabinet to agree that the taking of the decision may not be reasonably deferred and that the key decision may be taken if the level of payment exceeded £500,000.

The report indicated that in 2006/07 the CST had already received grant support from the City Council of £1.8m towards the cost of managing the Coventry and Foleshill Sports and Leisure Centres and Brandon Wood Golf Course on behalf of the City Council, community sports facilities in four schools in the city and the Health and Fitness Centre at the Ricoh Arena; further payment of £65,000 had been made by the City Council towards the fit out costs of the facility at the Ricoh Arena.

Following a request for additional revenue finance, the City Council had asked the Trust to produce a robust business plan covering the next five years, the Trust had been unable to do this and had agreed to work with the City Council in carrying out an independent review of the business and to work jointly to move the business forward and avoid any disruption to the sports and leisure facilities in the city. The report indicated that additional grants of between £586,000 and £705,000 was needed in the current financial year in order to maintain the financial balance. A grant of £250,000 towards this sum had already been made to the CST by the City Council in the current financial year. The Acting Director of Finance and ICT reported at the meeting that, since the report had been written, potential additional financial pressures had been identified; work was ongoing with CST to clarify and minimise the exact amount of funding required.

The report explained that CST's financial problems were due to a combination of factors including increased utilities and pension costs and the costs of running some of the schools sports facilities. A significant factor had been the failure to achieve projected income levels at the Ricoh Arena Health and Fitness Centre during its initial stages of opening, which had been the subject of negotiations between ACL Limited (the managing company of the Arena) and the Trust. It was noted that the independent review had identified a number of significant management issues, in order to address these the City Council had appointed a firm of interim managers (QLM) in November 2006, on behalf of the Trust, to manage the business through this difficult period and that, since then, extensive work had been carried out in financial and operation areas. The Trust had also agreed to investigate the management of services by letting a seven year contract and had requested the City Council support them through the tender process which was scheduled for August 2007. The additional grant support proposed in the report was on the basis of supporting the Trust in the short term until these new management arrangements came into effect.

The key area of financial risk arose from the inability of the Trust to meet income targets set in respect of the operation of the Health and Fitness Centre at the Ricoh Arena and that consequently, ACL and CST were negotiating to allow CST to withdraw from the management of the Ricoh Arena facilities as soon as possible. The City Council had underwritten the CST monthly rental payment to ACL and part of the negotiations would be to avoid or minimise these costs falling on the Council in the future.

In addition to the report, a Statement of Urgency from the Trust's Interim General Manager was circulated at the meeting that indicated that CST were experiencing extreme financial difficulties and that a request had been submitted to the City Council for extra funding, specifically to enable the Trust to reach the end of the current financial year without becoming insolvent. The additional funding was necessary to enable the Trust, and ultimately the City Council, to avoid sustaining an ongoing loss for the foreseeable future. Cashflow projections had indicated that a cash injection was required at the beginning of March and if this was not forthcoming CST would be required to carry out a solvency test without delay.

The Committee questioned the Acting Director of Finance and ICT on aspects of the report, in particular the Trust's continuing financial and management difficulties and how these had been allowed to reach their current situation. Having considered the various options in the report in relation to this matter and the associated implications of

each, the Committee agreed to support the recommendations contained in the report and the reasons for urgency in respect of this matter.

RESOLVED:-

- (1) That the Chair of the Scrutiny Co-ordination Committee or his nominee be requested to attend the meeting of the Cabinet on 20th February, 2007, to agree the reasons for urgency and that call-in would not apply, and, if necessary, that the taking of the decision could not be reasonably deferred to enable the procedure regarding the publication of a "Key Decision" to be followed.**
- (2) That additional information as to the exact level of grant required by CST be circulated separately to all members of the Committee before the Cabinet meeting on 20th February.**
- (3) That an examination be carried out into the role of Trust Directors and how the Trust having Grant Aid agreements with the City Council might be more closely monitored.**