

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 9 February 2016

Present:

Members: Councillor A Lucas (Chair)
Councillor F Abbott
Councillor D Gannon
Councillor D Kershaw
Councillor A Khan (Deputy Chair)
Councillor R Lancaster
Councillor K Maton
Councillor E Ruane

Non-Voting Opposition Members: Councillor A Andrews
Councillor J Blundell

Deputy Cabinet Members: Councillor R Brown
Councillor J Clifford

Other Members Councillor Bailey
Councillor Birdi
Councillor Crookes
Councillor Noonan

Employees (by Directorate):

Chief Executive's M Reeves (Chief Executive), F Collingham

People G Quinton (Executive Director)

Place M. Yardley (Executive Director), D Cockroft, R Moon, A Simpson

Resources B Hastie, H Lynch, P Jennings, L Knight, M Salmon

Apologies: Councillor R Auluck
Councillor K Caan
Councillor J McNicholas
Councillor S Thomas

Public Business

107. Declarations of Interest

There were no disclosable pecuniary interests made.

108. Minutes

The minutes of the meetings held on 5th and 12th January 2016 were agreed and signed as true records. There were no matters arising.

109. **Exclusion of Press And Public**

RESOLVED that the Cabinet agrees to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 relating to the private reports in minutes 117 headed “Leasehold Disposal of Land at Cox Street” and 118 headed “Belgrade Plaza Development” on the grounds that these reports involve the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act, as they contain information relating to the financial affairs of a particular person (including the authority holding that information) and in all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

110. **2015/16 Third Quarter Financial Monitoring Report (to December 2015)**

The Cabinet considered a report of the Executive Director of Resources that advised of the forecast outturn position for revenue and capital expenditure and the Council’s treasury management activity as at the end of December 2015. The headline revenue forecast for 2015/16 was an overspend of £3.3m. At the same point in 2014/15 there was a projected underspend of £0.6m.

The overall revenue position incorporated a headline overspend of £8.5m within the People Directorate, the majority of which related to Adult Social Care Community Purchasing budgets. These were offset to some degree by underspends within the corporate Asset Management Revenue Account.

Capital spending is projected to be £114.6m for the year. This represents a net decrease of £3.8m on the £118.4m reported at the second quarter. The Programme comprises £2.5m approved net additions to the programme and £6.3m rescheduling of expenditure into 2016/17.

RESOLVED that the Cabinet:

- 1) **Approves the forecast revenue overspend at Quarter 3.**
- 2) **Approves the revised capital estimated outturn position for the year of £114.6m incorporating £2.5m net increase in spending relating to approved/technical changes, detailed in Appendix 2 to the report, £6.3m net rescheduling of expenditure into 2016/17, detailed in Appendix 4 to the report and £0.2m net overspend, detailed in Appendix 5 to the report.**

111. **Coventry's Bid for UK City of Culture 2021 - Progress Update (December 2015)**

The Cabinet considered a report of the Executive Director of Place that provided an update on the current position in relation to Coventry’s bid for UK City of Culture 2021.

The UK City of Culture programme was developed by the Government to build on the successes that Liverpool enjoyed as the UK’s second European Capital of Culture in 2008, through giving more cities the opportunity to access the benefits

derived from bidding for a prestigious cultural title and the opportunity to be centre stage nationally. The UK City of Culture programme was focussed on creating a national cultural event, spread over the course of a title year, concentrated in a particular city or area. Derry-Londonderry was the first city to be awarded the UK City of Culture title for 2014 and Hull would be the second UK City of Culture in 2017.

In March 2015, the Department of Culture, Media and Sport (DCMS) announced that the competition for title of UK City of Culture 2021 would be held in 2017.

On 14th July 2015, the Council approved that Coventry City of Culture Steering Group lead development of a whole-city bid for the title of UK City of Culture 2021, in doing so putting together a realistic and credible bid budget and creating a special delivery vehicle to manage the bid process. Council further agreed that the Steering Group would report back to Cabinet on progress.

The report indicated that since July, the Steering Group had been joined by a Fundraising Advisory Group, a Communications Group and a Research Group, to develop the work programmes that would be essential to a successful bid. The report further outlined the current position in relation to the team supporting the work of the Steering Group, the research being undertaken, fundraising and marketing and communications work.

The Cabinet were advised that six workshops had been undertaken in various settings to develop the vision and narrative for the bid, including two with young people hosted by the Positive Youth Foundation and EGO. The City of Culture Trust also hosted two open events to explain what the City of Culture was and this was attended by over 150 people.

It was noted that a number of other cities including Sunderland, Paisley, Perth and Hereford had declared their intention to submit a bid and it was anticipated that there would be further announcements in the coming months. The next steps and timetable for further work in relation to the bid were also noted.

In considering the content of the report, the Cabinet were satisfied that they did not need to submit any recommendations of points for consideration to the Steering Group.

RESOLVED that the Cabinet:

- 1) Notes and endorses progress reported by the Coventry City of Culture Steering Group in developing the City's bid for UK City of Culture 2021.**
- 2) Agrees that there were no recommendations and points of consideration to be referred to the Steering Group in furthering development of the bid in preparation for the formal bidding process in 2017.**

112. **Outcome of Consultation on a Proposal to make Prescribed Alterations to Tiverton School and Whitley Abbey Primary School**

The Cabinet considered a report of the Executive Director of Place that set out proposals to make prescribed alterations to establish a primary Broad Spectrum Special School co located at Whitley Abbey Primary School and to extend the existing age range of Whitley Abbey Primary School.

As part of its wider Inclusion and Special Needs Education (SEN) Strategy, the Council was seeking to establish a primary Broad Spectrum Special School by making prescribed alterations to Tiverton School. The School currently catered for children aged 3 to 11 who have severe learning difficulties or profound and multiple learning difficulties.

The school was opened in 1974 on its current site which it shared with Sherbourne Fields School. The report indicated that, although the building was structurally sound, it was now exhibiting many elements beyond the end of their life expectancy, such as roofs, windows and heating system. An application for funding of £532k was submitted as part of the Government's Priority Schools Building Programme Phase 2 to address these issues but unfortunately this was not successful.

It was proposed that Tiverton School now be co-located with Whitley Abbey Primary School, through the redesignation, change in size and transfer of site. In addition, it was proposed to extend the age range of Whitley Abbey Primary School from 4-11 years to 3-11 years. This creation of the Broad Spectrum School and early years provision at Whitley Abbey Primary School would require formal statutory proposals to be considered by the Council in line with the requirements of the School Organisation (Prescribed Alterations to Maintained Schools) Regulations 2013, which included a requirement to consult with stakeholders.

The Cabinet noted that although there was no longer a requirement for a 'pre-publication' consultation period for prescribed alterations, there was a strong expectation on Local Authorities to consult interested parties in developing their proposal prior to publication as part of their duty under public law to act rationally and take into account all relevant considerations. As a consequence, consultation meetings were held during January 2016 with the Governing Bodies and headteachers of each school, who were supportive in principle, but acknowledged that staff, governors, parents and residents had raised a number of issues that would require further discussion. In addition, meetings were held separately at each school for staff, governors and parents. Notes from these consultation meetings were appended to the report and a verbal update was provided at the Cabinet meeting, to provide clarity on a number of issues raised at the consultation meetings.

The report indicated that a clear majority of consultees were broadly in support of the move towards the provision of a Broad Spectrum Special School although a number of concerns were raised during the consultation meetings which would continue to be progressed by officers who would continue to consult as appropriate with all key stakeholders. Six written responses had been received in relation to the proposals and these were also appended to the report submitted.

RESOLVED that the Cabinet:-

- 1) Notes the proposal to make prescribed alterations to Tiverton School.**
- 2) Considered the responses to the recent pre-statutory consultation as set out in appendices 1, 2 and 3 of the report submitted.**
- 3) Authorises officers to issue the necessary Statutory Notices to make the following prescribed alterations:**

Tiverton School:

- Change designation from a school catering for children with severe learning difficulties, to the category of broad spectrum;**
- Increase the capacity from 42 to 88 places;**
- Co-locate the school with Whitley Abbey Primary School.**

Whitley Abbey Primary School:

- Extend the age range from 4-11 years to 3-11 years.**
- 4) Delegates authority to the Executive Director of People and Executive Director of Resources to finalise the details of the Statutory Notice.**
 - 5) Agrees to receive a further report on the outcome of the statutory consultation at the Cabinet meeting scheduled for 19th April 2016.**

113. Leasehold Disposal of Land Cox Street

The Cabinet considered a report of the Executive Director of Place that set out proposals for the leasehold disposal of land at Cox Street.

A corresponding private report detailing confidential aspects of the proposals was also submitted to the meeting for consideration.

The report indicated that there was an opportunity for the Council to secure a capital receipt for the leasehold disposal of part of Cox Street surface car park. This would lead to a significant investment in the city centre, delivering a purpose built, self-managed, high quality, 1,000 bed, student residential scheme and bringing new life to that part of the city centre.

It was noted that during the past 12 months, Coventry had made massive strides towards its goal of being a top 10 city as it continued its fast-track transformation. The city had continued to change and attract investment as it worked towards a brighter future, creating jobs and a better city.

Both the University of Warwick and Coventry University had continued to thrive and bring in talented students from across the world and were ranked in the Guardian's top 20 of UK universities. In addition, Coventry was named Modern University of the Year 2015 and had invested hundreds of millions of pounds in the city centre, announcing plans for a new headquarters, an international student centre and a business incubation unit.

The university, which had already breathed new life into empty city centre buildings by creating student accommodation and would develop the site left vacant by the Council when it moves to Friargate.

The focus, both of the university and developers, would be to create new accommodation in the city centre. Purpose built student accommodation in the city centre would have a number of advantages: helping to support regeneration in the city centre; bringing vitality during the day and at night; and reducing the requirement for houses in multiple-occupation in local communities. It was considered that should more students be based in the city centre then houses currently used by students would become available for families to rent or buy.

The Cabinet were advised that a car park strategy was being written which would help to guide how many car spaces were needed in the city centre and where. It was already clear that across the city some car parks were under used. The proposed changes to Cox Street were consistent with future demand projections in the emerging strategy.

Cox Street car park wasn't used to capacity either during the week or at weekends. In addition to the retained spaces in Cox Street there were also three other car parks close by, Lower Ford Street, Grove Street and White Street which could provide parking provision. The proposed development would include approximately 170 car parking spaces, under the building, which the developer would make available to the public.

Since the publication of the report the Council had received an additional, unsolicited conditional offer from a third party, dated 8th February 2016. The offer was similar in terms of the proposed type of student housing development as well as financially.

It was incumbent on the Council to explore this additional offer. As such revised recommendations were submitted, the purpose of which were to obtain approval in principle the land disposal but provide an opportunity for officers, in consultation with relevant Cabinet Members, to explore the alternative offer now presented.

RESOLVED that the Cabinet recommend that Council:

- 1) Subject to consideration of the private report on the agenda, approve a leasehold disposal in the Council's land on terms no less favourable than those contained in the private report now submitted.**
- 2) Delegate authority to the Assistant Director for City Centre and Development Services, Executive Director of Resources and Assistant Director of Legal and Democratic Services as appropriate, in consultation with Cabinet Member for Business, Enterprise and Employment, to enter into negotiations with the parties and conclude the documentation required to complete the lease.**
- 3) Delegate authority to the Executive Director of Resources and Assistant Director of Legal and Democratic Services to complete the necessary legal documentation in this matter and collect the agreed consideration.**

4) Approve the commencement of the process to remove part of the land in Cox Street from the off street parking order.

114. Belgrade Plaza Development

The Cabinet considered a report of the Executive Director of Place that set out proposals for the change of use of land designated as Phase 2b of Belgrade Plaza.

A corresponding private report detailing confidential aspects of the proposals was also submitted to the meeting for consideration.

In May 2005 Oakmoor Deeley Partnership (ODP) were appointed as the Council's preferred developer for the Belgrade Plaza scheme. The Council and ODP subsequently entered into a Development Agreement to facilitate the development of Belgrade Plaza. A 125 year leasehold interest in the site was simultaneously granted by the Council to ODP.

Whilst the early phases of the Belgrade Plaza scheme, which incorporated hotel, car park, retail and café bars and restaurants, were successfully developed, the subsequent phases known as 2b and 3, which were to provide a hotel, café/bar, retail and residential apartments, were stalled by the recession.

However, during late 2015, following the assignment of part of the lease relating to Phase 3 from ODP to the Downing Group, development had restarted with construction of a mixed use scheme due for completion in September 2017.

Phase 2b which was subject to the original Development Agreement, and related to a 304 star quality hotel, remains undeveloped. However having marketed this site extensively ODP have been unable to secure any credible interest from appropriate operators.

Accordingly discussions with ODP and their bankers have resulted in a revised plan for the delivery of Phase 2b being proposed. Subject to planning consent being granted, this plan would comprise a mixed use scheme including a family hotel, residential flats and student accommodation. It was intended that the scheme would be delivered by the Downing Group who are currently on site constructing Phase 3.

In order to deliver this scheme the Council would be required to vary the ground lease to permit such development. subject to planning consent being granted.

In addition, due to the protracted period over which Belgrade Plaza had been delivered and the changing uses being accommodated on the site the 1,100 space Belgrade Plaza multi-storey car park (MSCP) (formerly known as Leigh Mills Car Park) had never traded to its potential. In recent years 900 of the 1100 spaces have effectively been taken out of business rates as they were barely used.

Coventry University had a long standing requirement for an additional Multi Storey Car Park (MSCP) and terms had been agreed between ODP and the University whereby the University would acquire the long leasehold interest in the car park and operate the car park themselves. The car park would be predominantly made

available to staff and students but 350 spaces would remain available to the general public at all times on comparable terms to those available on other Council car parks. This would provide more spaces available to the public than are currently being used and would be sufficient to support the development proposed on Phase 2b.

The lease by which ODP hold the MSCP effectively required them to operate it as a public car park. In order to allow the University to use the MSCP as they propose, the Council would be required to vary the terms of the ground lease.

In consideration for the Council agreeing to vary the ground lease to facilitate the sale of the car park ODP would prepared to pay premiums for site 2b, subject to planning consent being granted. This represented a negotiated share of the uplift in value of the land and car park arising for the variations the Council is making to the leases.

RESOLVED that the Cabinet:-

- 1) **Approves the change of use and subsequent assignment of the land designated as Phase 2b of Belgrade Plaza, as outlined on the plan attached to the report, to the Downing Group conditional on planning consent being granted for a mixed use scheme to include residential flats, student housing and hotel.**
- 2) **Approves the change of use and subsequent assignment of the land designated as Phase 1 of Belgrade Plaza, as outlined in the plan attached to the report, to Coventry University for continuing use as a multi-storey car park on the terms set out within the report.**
- 3) **Delegates authority to Executive Director of Place and Executive Director of Resources to vary the ground lease dated 20th May 2005 and to enter into the necessary legal documentation to facilitate the delivery of the development on Phase 2b and to allow the assignment of that part of the demise forming the multi storey car park to Coventry University.**

115. **Outstanding Issues**

The Cabinet considered a report of the Executive Director of Resources that contained details of an outstanding issue and summarised the current position in respect of the matter.

RESOLVED that the Cabinet notes the dates for future consideration of the outstanding issue.

116. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of public business.

117. Leasehold Disposal of Land at Cox Street

Further to Minute 113 above, the Cabinet considered a private report of the Executive Director of Place that set out confidential aspects of proposals for the leasehold disposal of land at Cox Street.

Since the publication of the report the Council had received a received an additional, unsolicited conditional offer from a third party, dated 8th February 2016. The offer was similar in terms of the proposed type of student housing development as well as financially.

It was incumbent on the Council to explore this additional offer. As such revised recommendations were submitted, the purpose of which were to obtain approval in principle the land disposal but provide an opportunity for officers, in consultation with relevant Cabinet Members, to explore the alternative offer now presented.

RESOLVED that the Cabinet recommend that Council:

- 1) Approve a leasehold disposal in the Council's land on terms no less favourable than those contained in the report.**
- 2) Delegate authority to the Assistant Director for City Centre and Development Services, Executive Director of Resources and Assistant Director of Legal and Democratic Services as appropriate, in consultation with Cabinet Member for Business, Enterprise and Employment, to enter into negotiations with the parties and conclude the documentation required to complete the lease.**
- 3) Delegate authority to the Executive Director of Resources and Assistant Director of Legal and Democratic Services to complete the necessary legal documentation in this matter and collect the agreed consideration.**
- 4) Approve the commencement of the process to remove part of the land in Cox Street from the off street parking order.**

118. Belgrade Plaza Development

Further to Minute 114 above, the Cabinet considered a private report of the Executive Director of Place that set out confidential aspects of proposals for the change of use of land designated as Phase 2b of Belgrade Plaza.

RESOLVED that the Cabinet:

- 1) Approves the change of use and subsequent assignment of the land designated as Phase 2 of Belgrade Plaza, as outlined on the plan attached to the report, to the Downing Group conditional on planning consent being granted for a mixed use scheme to include residential flats, student housing and an extension to the existing hotel.**

- 2) **Approves the change of use and subsequent assignment of the land designated as Phase 1 of Belgrade Plaza, as outlined on the plan attached to the report, to Coventry University for continuing use as a multi-storey car park on the terms set out within the report.**
 - 3) **Delegates authority to the Executive Director of Place and Executive Director of Resources to vary the ground lease dated 20th May 2005 and to enter into the necessary legal documentation to facilitate the delivery of the development on Phase 2b and to allow the assignment of that part of the demise forming the multi storey car park to Coventry University.**
119. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of private business.

(Meeting closed at 2.45 pm)