

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 5 July 2016

Present:

Cabinet Members: Councillor G Duggins (Chair)
Councillor A Khan (Deputy Chair)
Councillor F Abbott
Councillor L Bigham
Councillor J Innes
Councillor K Maton
Councillor J O'Boyle
Councillor E Ruane

Deputy Cabinet Members: Councillor P Akhtar
Councillor R Ali
Councillor R Lakha
Councillor P Seaman
Councillor C Thomas
Councillor D Welsh

Non-voting Opposition Members: Councillor J Blundell
Councillor G Crookes

Other Members: Councillor Bailey

Employees (by
Directorate):

Chief Executive's: M Reeves (Chief Executive)
Place: M Yardley (Executive Director) D Nuttall, R Moon
People: G Quinton (Executive Director), S Chun Lam, J Moore
Resources: C West (Executive Director), O Aremu, P Jennings, L Knight,
H Lynch,

Apologies: Councillor K Caan and J Mutton

Public Business

1. Declarations of Interest

There were no declarations of disclosable pecuniary interests.

2. Minutes

The minutes of the meeting held on 31st May 2016 were agreed and signed as a true record.

There were no matters arising.

3. **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 report in minute 11 headed “Development of Whitley South” on the grounds that the report involves the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act, as it contains 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.

4. **Revenue and Capital Outturn 2015/16**

The Cabinet considered a report of the Executive Director of Resources, which outlined the final revenue and capital outturn position for 2015/16 and reviewed treasury management activity and 2015/16 Prudential Indicators reported under the Prudential Code for Capital Finance.

The Cabinet noted that the report was also to be considered by the Audit and Procurement Committee at their meeting scheduled for 25th July 2016.

The overall financial position included a revenue overspending of £1.3m which was to be balanced to nil by a contribution from the General Fund Balance. Headline variations included an overspend of £5.4m within the People Directorate and an underspend of £5.6m within the Asset Management Revenue Account. There was a Capital Programme expenditure of £014m and a capital spending of £10.9m rescheduled into 2016/17. Revenue reserve balances were reduced from £84m to £83m. After taking into account capital grants received and capital receipts generated ahead of the need to spend, overall reserve balances had increased by £10m to £95m.

The need for the Council to manage very large cuts in government resources in recent years had required wide-ranging measures to reduce the Council’s cost base, with the most important element of this being large-scale reductions in the Council’s employee numbers. A resourcing package for Council staffing reductions was approved by the Cabinet in November 2015 and nearly 300 individuals had agreed to leave the Council as a result of redundancy and early retirement decisions during 2015/16. The Council had incurred costs of £5.8m, compared to £10.3m during 2014/15. A budget of £2.4m existed to part fund these costs and the report proposed that the remaining £3.4m be funded from within the overall revenue bottom line. This would ensure that the £12.5m reserve balance established as part of the November report would be available to support future redundancy and early retirement programmes.

The report further indicated the Council had recognised that it needed to deliver the new city centre water-park, swimming pool and leisure centre as soon as possible. The facility would be a visible symbol of growth and regeneration and was part of the City Centre transformation vision, along with Friargate. It would support the City Centre South development and demonstrate physical change in

the city centre, use redundant sites in the city centre and have a positive impact on the people of Coventry in terms of better sport provision.

In order to achieve this, it had been necessary to accelerate vacant possession of Christchurch House and Spire House and relocate the relevant staff into other accommodation on a temporary basis, ahead of the completion date for Friargate. It made sense to vacate Christchurch House and Spire House earlier in order to guarantee a date for the sports facility and to avoid the potential of any additional costs due to either construction inflation, on-going running costs at Fairfax Street Sport Centre, or as a result of any delays at Friargate. The Cabinet noted that the delivery of Friargate was largely in the hands of Friargate LLP and not the Council, so this was the best way to safeguard the delivery of the new Sport Centre. The project was advanced enough to give confidence that if the Christchurch House and Spire House site could be available earlier, the sports facility would be open in early November 2018, rather than the original date of August 2019. Total costs of £1.3m would arise from ICT and building works and leased building costs to accommodate relocated staff, with savings from vacating Christchurch House and Spire House and the Fairfax Street site funding the relocation costs and producing an overall saving of £0.1m. Approximately £0.1m of the total costs had been incurred in 2015/16 with the majority of the remainder likely to be incurred during 2016/17.

The Cabinet were informed that the Local Government Act 2003 and associated CIPFA Prudential and Treasury Management Codes set the framework for the local government capital finance system. Authorities were able to borrow whatever sums they saw fit to support their capital programmes, subject to them being able to afford the revenue costs. The framework required that authorities set and monitor against a number of prudential and treasury indicator 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 and were for the purpose of supporting decision making and financial management rather than illustrate comparative performance.

Appendix 3 of the report submitted set out the Ratio of Financing costs to Net Revenue Stream which highlighted the revenue impact of the capital programme. This showed the revenue costs of financing the Council's capital programme as a proportion of its income from government grant and council tax. The actual was 13.91% as against a 14.83% as forecast in the Treasury Management Strategy and reflected a lower level of borrowing than anticipated to fund the Capital Programme and higher levels of investment balances.

RESOLVED that the Cabinet:

- 1. Approve the final revenue outturn position of £1.3m overspend, balanced to nil by a £1.3m contribution from the General Fund Balance.**
- 2. Recommend that Council approves £3.4m in-year funding of redundancy and retirement costs.**

3. **Approve the final capital expenditure and resourcing position, incorporating expenditure of £104.1m against a final budget of £113.7m; £10.9m expenditure rescheduled into 2016/17 and over-spend of £1.3m.**
 4. **Approve the additional costs of £1.3m in 2015/16 and 2016/17 financed by associated savings, of relocating staff earlier than planned from Christchurch House / Spire House to allow accelerated development of the new water-park, swimming pool and leisure centre.**
 5. **Approve the outturn Prudential Indicators position detailed in section 2.4.4 and Appendix 3 of the report submitted.**
5. **Coventry's Bid for UK City of Culture 2021 - Progress Update (June 2016)**

The Cabinet considered a report of the Executive Director of Place, which outlined progress reported by the Coventry City of Culture Steering Group in respect of the whole-city bid for the title of UK City of Culture 2021.

In July 2015, the Council approved that the 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 in delivering the bid in December 2015, June 2016 and December 2016. The report submitted set out progress up to June 2016.

The Special Delivery Vehicle, known as the Coventry City of Culture Trust was established with six Directors and had been formally incorporated and received charitable status. The Trust's Chairman and Manager were supported by a Bid Adviser and fulltime Bid Assistant. The team was further strengthened by a series of part and full time secondments from the Universities of Coventry and Warwick and by volunteers from across the arts and business sectors, covering support for fundraising, marketing, research, programme and community engagement.

The Cabinet noted that the Trust was working closely with the Cultural Strategy Team to ensure that their aims and objectives were aligned and that useful information was shared.

The fundraising group were continuing to work through a set strategy to raise funds for the bid process itself and the potential delivery of the year to include within the bid document. In addition, consultations had taken place with a number of key businesses in the area and the bid also had support from the Coventry and Warwickshire LEP and Business Improvement District.

The Cabinet were advised that the Coventry City of Culture Bid had been successfully launched on Sunday 3rd July at the Godiva Festival. The launch had been managed by four freelance producers from the City and they would continue to work with the Council's Events Team in relation to the Advanced Events Programme which included a series of major events that would punctuate the journey towards the bid submission.

It was proposed to launch a new website later in the month and the Trust had considerably expanded its media presence. Public support remained incredibly positive with support for the bid reported at 81% in a recent *Life in Coventry* survey.

The report indicated that a number of cities had now declared their intention to bid, including Sunderland, Paisley, Perth, Stoke and Hereford, with others expected to announce their intentions in the coming months. The next steps and anticipated timetable up to the decision in November 2017 were also outlined.

Having considered the information provided, the Cabinet did not propose any recommendations or points for consideration by the Steering Group in furthering the development of the bid in preparation for the formal bidding process in 2017.

RESOLVED that the Cabinet note and endorse the progress reported in developing the city's bid for UK City of Culture 2021.

6. Council Plan Performance Report 2015/16

The Cabinet considered a report of the Executive Director of People, which set out progress made towards the Council Plan in 2015/16.

The Council Plan is the organisation's corporate plan and sets out the Council's strategic direction and priorities for the next ten years. The current plan was last refreshed in July 2015 to reflect the Council's vision to be a top ten city where everyone could share the benefits of growth, including the city's most vulnerable residents.

The Cabinet noted that there had been an all Member seminar in relation to the Council Plan on 1st July 2016 and that the Scrutiny Co-ordination Committee were also due to consider the report at their meeting scheduled for 13th July 2016.

The report included a set of 64 headline indicators and, where applicable, contextual information to describe what was happening in Coventry along with how this compared with other areas in the country. In summary, of the 64 indicators used 61% (39 indicators) had improved, compared to 55% in July 2015. 11% (7 indicators) had remained the same, 16% (10 indicators) had worsened, 4% (3 indicators) could not be determined and 8% (5 indicators) did not have targets.

The targets used were grouped into 3 main areas; globally connected (promoting the growth of a sustainable Coventry economy), locally connected (improving the quality of life for Coventry People), and delivering our priorities with fewer resources.

It was noted that the majority of the key priorities set out in the Council Plan were also the Council's equality objectives and the report included data setting out the impact and progress made during the year for groups with protected characteristics.

RESOLVED that the Cabinet:

- 1. Approve the 2015/16 performance report.**
- 2. Will consider the content of the report when refreshing the Council Plan priorities.**

7. Development of Whitley South

The Cabinet considered a report of the Executive Director of Place, which set out proposals for the development of land at Whitley South.

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

Whitley South was the site of a proposed Research and Development campus situated on land to the south of the A45 and to the north of Coventry Airport. Warwick District Council and Coventry City Council had resolved to grant planning consent for the scheme and the Secretary of State had agreed not to call in the application, allowing it to be determined locally. The Cabinet noted that the scheme was predominantly on land in Warwick District Council's administrative area.

The site was previously part of the former Coventry and Warwickshire Gateway schema and, as such, was subject to an option in favour of the Coventry and Warwickshire Development Partnership LLP.

The report indicated that Coventry City Council was the freehold owner of the land south of the A45, which bordered Coventry Airport. The existing option provided that, on satisfaction of certain conditions, the land comprised in both phases would be let by the Council to the LLP by way of a long term 999 year lease and subject to payment of a premium. It was proposed that this option be varied to provide that the land be let in two phases at a fixed price for each phase. The Council understood that it had been agreed in principle that Jaguar Land Rover would, simultaneously with the grant of the long lease of Phase 1 to the LLP, acquire 29 acres from LLP for the expansion of their existing operation in the Whitley area.

The Cabinet were advised that Coventry City Council were close to securing external funding to help to facilitate the provision of public infrastructure to enable the development of Whitley South. This scheme would be critical to the current expansion plans of Jaguar Land Rover and would also accommodate a number of small medium enterprises, Jaguar Land Rover's local supply chain, together with a hotel and car show room.

It was proposed that the Council agree to procure the infrastructure required to deliver the development and approve terms under which the LLP would be granted a long leasehold interest in the site.

RESOLVED that the Cabinet recommend that Council:-

- 1. Approve that the Council procure the construction of the infrastructure at Whitley South in accordance with the terms set out in the corresponding private report.**
- 2. Approve that the Council enters into an agreement (the “Infrastructure Investment Agreement”) whereby it will agree that LLP will procure (as agent of the Council) delivery of the infrastructure works up to the total value of the external funding secured.**
- 3. Delegate authority to the Executive Director of Place and the Executive Director of Resources to vary the Sale and Infrastructure Agreement between the Council and the LLP dated 2nd December 2014 to enable the delivery of Whitley South and to extend the existing Sale and Infrastructure Agreement for such period as is necessary to secure the Council’s position with regard to the Gateway scheme.**
- 4. Delegate authority to the Executive Director of Place and Executive Director of Resources to make modifications (if necessary) to the Infrastructure Investment Agreement between the Council and the LLP which takes into consideration all legal and financial implications.**
- 5. Delegate authority to the Executive Director of Place and Executive Director of Resources in consultation with the Cabinet Member for Jobs and Regeneration to serve all necessary notices on the existing tenant of the subject land so as to gain vacant possession of the land in order to allow the proposals in the report submitted to proceed.**
- 6. Approve the inclusion of the external funding, once secured, on the Council’ approved Capital Programme, delegating authority to the Executive Director of Resources to reflect as appropriate once the spend profile is known.**

8. Authority for Attendance at Conference

RESOLVED that the Cabinet approve the attendance of Councillor Blundell, Chris West (Executive Director of Resources) and Barry Hastie (Assistant Director, Finance) at the CIPFA Annual Conference to be held in Manchester from 12th to 14th July 2016.

9. Outstanding Issues

The Cabinet considered a report of the Executive Director of Resources, that contained the list of outstanding issues and summarised the current position in respect of each item.

RESOLVED that the Cabinet approves the dates for future consideration of matters relating to the outstanding issues items listed in the report.

10. **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.

Private Business

11. **Development of Whitley South**

Further to Minute 7 above, the Cabinet considered a private report of the Executive Director of Place that set out confidential aspects of proposals for the development of land at Whitley South.

RESOLVED that the Cabinet recommend that Council:-

1. **Approve that the Council agree to be responsible for the grant allocation and utilises the funds received to procure the construction of the infrastructure required at Whitley South.**
2. **Approve that the Council enters into an agreement (the “Infrastructure Investment Agreement”) whereby it will agree that the LLP will procure (as agent for the Council) delivery of the infrastructure works up to the value of the grant funding.**
3. **Delegate authority to the Executive Director of Place and the Executive Director of Resources to vary the Sale and Infrastructure Agreement between the Council and the LLP dated 2nd December 2014 to enable the delivery of Whitley South and to extend the existing Sale and Infrastructure Agreement for such period as is necessary to secure the Council’s position with regard to the Gateway Scheme.**
4. **Delegate authority to the Executive Director of Place and the Executive Director of Resources to make modifications (if necessary) to the Infrastructure Investment Agreement between the Council and the LLP which takes into consideration all legal and financial implications.**
5. **Delegate Authority to the Executive Director of Place and the Executive Director of Resources, in consultation with the Cabinet Member for Jobs and Regeneration to serve all necessary notices on the existing tenants so as to gain vacant possession of the land in order to allow the proposals contained in the report submitted to proceed.**
6. **Approve the inclusion of the sum indicated in the report submitted on the Council’s approved Capital Programme, delegating authority to the Executive Director of Resources to reflect at appropriate once the spend profile is known.**

12. **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 2.25 pm)