

**Coventry City Council**  
**Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 29 November 2016**

Present:

Members: Councillor G Duggins (Chair)  
Councillor L Bigham  
Councillor F Abbott  
Councillor K Caan  
Councillor J Innes  
Councillor K Maton  
Councillor J Mutton  
Councillor J O'Boyle  
Councillor E Ruane

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

Deputy Cabinet Members  
(Non-Voting  
Representatives): Councillor P Akhtar  
Councillor R Lakha  
Councillor P Seaman  
Councillor C Thomas

Other Members: Councillor R Bailey  
Councillor J Birdi  
Councillor D Gannon  
Councillor L Kelly  
Councillor R Lancaster  
Councillor J McNicholas  
Councillor M Mutton  
Councillor K Taylor  
Councillor G Williams

Employees (by Directorate):

Chief Executives M Reeves (Chief Executive)

People J Gregg, R Sugars, C Whiteley

Place M Yardley (Executive Director), D Cockroft, C Hickin, L Nagle,  
K Seager, A Simpson,

Resources C West (Executive Director), J Newman, M Salmon, A West

Apologies: Councillor R Ali, A Khan and D Welsh

## **Public Business**

### **59. Declarations of Interest**

There were no disclosable pecuniary interests declared.

### **60. Minutes**

The minutes of the meeting held on 1<sup>st</sup> November 2016 were agreed and signed as a true record.

There were no matters arising.

### **61. 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 73 below headed ‘Coventry Investment Fund: Cathedral Lanes Phase 2’ 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.**

### **62. 2016/17 Second Quarter Financial Monitoring Report**

The Cabinet considered a report of the Executive Director of Resources, which would also be considered by the Audit and Procurement Committee on 19<sup>th</sup> December 2016, that provided details of the forecast outturn position for revenue and capital expenditure and the Council’s treasury management activity as at the end of September 2016.

The headline revenue forecast for 2016/17 was an over spend of £7.1m. This had worsened since the Quarter 1 position when it stood at £6.4m. At the same point in 2015/16 there was a projected overspend of £4.7m.

This level of overspend was unprecedented and the worsening of an already challenging financial position signified the need for management to take decisive action to pull this back to balance or near balance by year-end. The Council’s Strategic Management Board had begun immediate implementation of a series of actions which were set out in section 5.1 of the report.

Capital spending was projected to be £88.9m for the year, a net decrease of £10.9m on the quarter 1 position. This decrease in the Capital Programme included £13.0m of expenditure that had been rescheduled into future years.

At its meeting of 26<sup>th</sup> September 2016 when it considered the quarter 1 monitoring report (their minute 25/16 referred), the Audit and Procurement Committee recommended that comments be forwarded to Cabinet regarding the non-achievement of savings in the revenue budget and the volume of rescheduling within the Capital Programme. These matters were addressed in the report.

**RESOLVED that the Cabinet:**

- 1) Notes the forecast revenue overspend at Quarter 2.**
- 2) Endorses the actions set out in section 5.1 of the report to be taken by senior management to address the revenue budgetary control overspend.**
- 3) Approves the revised capital estimated outturn position for the year of £88.9m incorporating: £2.1m net increase in spending relating to approved/technical changes set out in Appendix 2 to the report and £13.0m net rescheduling of expenditure into 2017/18 set out in Appendix 4 to the report.**
- 4) Notes the comments made by Audit Committee and the responses to those comments within the report.**

**63. Pre-Budget Report 2017/2018**

The Cabinet considered a report of the Executive Director of Resources that outlined, as a basis for consultation, a set of new revenue budget proposals for 2017/18 to 2019/20 and an overall Council Tax increase of just under 4%.

The Council continued to seek to protect its most vulnerable citizens and to deliver a range of core services to everyone in the City. Nevertheless, continued large Government funding cuts meant that it was increasingly difficult for the Council to maintain this commitment. The savings put forward for consultation in the report affected a range of fundamental services provided by the Council.

The financial proposals were based on the funding set out in the Local Government Finance Settlement announced in February 2016 - a headline 2017/2018 grant loss for the Council of £12m. This would be confirmed in forthcoming Government announcements in December 2016 and February 2017. Further context was provided in the report of the large grant losses suffered by the Council since 2010.

The 2017/18 Pre-Budget position would reflect additional income from continued growth in the City's Council Tax-Base – the taxable capacity within the City. It would also be based on an assumed overall Council Tax increase of just under 4%, including 2% to reflect a further amount for Adult Social Care. The Council Tax increase would be subject to Council approval in February 2017.

At the start of this budget setting process, the Council faced significant budget gaps. In addition, the Council now anticipated that savings approved previously for 2017/2018 would not be achieved in line with the original timescale. After taking this delay in meeting savings targets into account, the starting budget gap stood at £19m for 2017/2018 rising to £36m in later years.

The proposals in this report reduced the 2017/2018 gap to £1m and if any of them were not accepted this would increase the size of the gap. Further work would seek to balance the Budget between now and the final Budget Report in February 2017. Details on individual savings were provided in Section 2 of the report and on a line by line basis in Appendix 1 to the report.

**RESOLVED that the Cabinet:**

- 1) Approve the content of the report, the revenue spending and savings options in Section 2 of the report and Appendix 1 to the report and the broad Capital Programme proposals in section 2.8 of the report, as the basis for the Council's budget consultation process.**
- 2) Approve the proposed approach on Council Tax in Section 2.9 of the report.**

**64. Unaccompanied Asylum Seeking Children - National Transfer Scheme**

The Cabinet considered a report of the Executive Director of People that detailed three schemes proposed by Central Government to support and care for unaccompanied asylum seeking and refugee children.

The report had also been considered by the Education and Children's Services Scrutiny Board (2) at its meeting on 10<sup>th</sup> November 2016 and a briefing note detailing additional recommendations from the Board was attached to the report for Members consideration.

The City Council had always welcomed and cared for unaccompanied asylum seeking children who had arrived in Coventry and the City Council had been clear in its commitment to welcome refugees to the City. The need to now welcome and support many more unaccompanied asylum seeking children who had been displaced as a result of events abroad was critical.

The Government had made a number of commitments in relation to supporting and caring for children. A number of local authorities were already engaging in the commitments made across a range of central government initiated schemes. The response of local authorities had been welcomed by Government and close working between central government and local government would continue to find constructive solutions.

Three schemes relating to children had been issued by Central Government for local authorities to consider and adopt.

The first scheme was to request those local authorities that had not already done so to register for the National Transfer Scheme (NTS) which launched at the beginning of July. The Government was proposing an equal distribution of unaccompanied children between local authorities, with the NTS the mechanism to achieve this.

The second scheme was to request that Local Authorities confirm the total number of unaccompanied children that could be placed in the authority for the remainder of this financial year, noting the 0.07 threshold operating under the NTS.

The third scheme was to consider taking children and their families under the Vulnerable Children's Resettlement Scheme. These were children who had been identified as the most vulnerable and at risk of child labour, forced marriage, child carers and other forms of abuse and exploitation. It was expected that the majority of these children would be accompanied by family or carers.

**RESOLVED that the Cabinet:**

- 1) Approves and endorses the three schemes proposed by Central Government to support and care for unaccompanied asylum seeking and refugee children.**
- 2) Notes that the City Council has registered for the National Transfer Scheme (this decision having been made by the Chief Executive in consultation with the Leader as a decision having been required in an emergency).**
- 3) Delegates responsibility to the Executive Director of People to confirm the total number of unaccompanied children that could be placed in the City for the remainder of this financial year.**
- 4) Confirms the City Council's commitment to welcoming children and families identified under the Vulnerable Children's Resettlement Scheme.**
- 5) Notes the financial implications of resolving to support and care for unaccompanied asylum seeking and refugee children as detailed in this report.**
- 6) Notes that meeting the needs of this vulnerable group places a potential financial burden on the Local Authority and partners (NHS and Schools).**
- 7) Agrees to promote locally and nationally that all councils take an equal financial responsibility for these children.**
- 8) Agrees to petition Central Government for a fair funding formula.**

**65. Outcome of Fair Funding Consultation**

The Cabinet considered a report of the Executive Director of People that informed Members of the results of the consultation on proposed changes to the Fair Funding Scheme of Delegation ("the Scheme") and sought approval for recommended changes to the Scheme and the Fair Funding Formula.

Under Section 48 of the School Standards and Framework Act 1998, Local Authorities (LAs) were required to have schemes of delegation which set out the financial controls and arrangements that would operate between schools and the LA. Any proposed revisions to these schemes and/or the Fair Funding Formula must be the subject of consultation and required approval by the Schools Forum.

The Department for Education (DFE) published the "Schools Revenue Funding 2017 to 2018: Operational Guide". This set out the school revenue funding arrangements for 2017/18. The DFE had not introduced any directed changes for 2017/2018.

The Local Authority proposed some changes to the formula, as summarised in section 2 of the report, and the consultation document containing the proposals was circulated to Head Teachers including Academy Head Teachers/Principals, Chairs of Governing Bodies, Trades Unions, Diocesan authorities, the Coventry Governors Association, members of the Schools Forum, Early Years Free Entitlement providers in the private, voluntary and Independent (PVI) sectors and Elected Members on 5th October 2016. The consultation period ended on 4th November 2016. A summary of consultation responses was attached as an appendix to the report.

Stakeholder groups were briefed throughout the consultation period, including Trade Union representatives, Primary and Secondary Head Teachers, and the School Forum. The consultation document also sought to act as an information document to school stakeholders regarding anticipated local budget pressures.

**RESOLVED that the Cabinet:**

- 1) Approves the recommended changes to the Fair Funding Formula and Fair Funding Scheme of Delegation, which are summarised in section 2 of the report.**
- 2) Delegates authority to the Director Education, Libraries & Adult Learning and the Executive Director of Resources, in consultation with the Cabinet Member for Education and the Schools Forum, to make necessary amendments to the final detail of the recommended changes, in order to comply with the School Finance (England) Regulations 2015, and implement any other necessary changes.**

**66. Academies Act 2010 - Grant of Long Leases to Proposed Academy Conversion of Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools**

The Cabinet considered a report of the Executive Director of People that informed Members that the Governing Bodies of Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools had agreed to convert to academy status and had made successful applications to the Secretary of State for an Academy Order under the Academies Act 2010. Hearsall would join the Inspire Multi Academy Trust as a sponsored academy; Keresley Grange and Parkgate the Futures Multi Academy Trust; Stanton Bridge and Courthouse Green would both become single academy trusts.

In response, the Council was required under Schedule 1 of the 2010 Act (as amended by Schedule 14 of the Education Act 2011 ("the 2011 Act")) to either sell the freehold interest in the land and premises or grant a 125-year long lease at a peppercorn rental for the land and/or buildings within its ownership that had been wholly or mainly used for the purposes of the schools in the period of 8 years

ending on the day on which an Order was made. The Council had opted to grant a long lease in each case.

The Council was also required to agree an Asset Transfer Agreement which covered the transfer of furniture, equipment and other assets and also provided warranties covering transferring information and pre and post conversion issues.

Details of: the Exemplar Lease Agreement for academy converter; Exemplar Lease for SSO Property; Lease Plans for individual school sites; and Exemplar Asset Transfer Agreement were attached as appendices to the report.

**RESOLVED that the Cabinet:**

- 1) Approves the grant and completion of 125-year leases for Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools at a peppercorn rental from the Council;**
- 2) Approves the Council entering into the Commercial Transfer Agreement for Stanton Bridge, Hearsall, Keresley Grange, Parkgate and Courthouse Green Primary Schools; and**
- 3) Delegates authority to the Executive Director for People, following consultation with the Cabinet Member for Education and Skills, to agree any amendments to the legal agreements arising from further consideration by the academy sponsor.**

**67. Creation of a City Centre Public Spaces Protection Order - Public Consultation**

The Cabinet considered a report of the Executive Director of Place that contained a draft Public Spaces Protection Order (PSPO) and sought permission to consult the general public, partners and businesses on its potential introduction.

In order to ensure that the City Centre was an attractive destination for residents, shoppers and businesses, the Local Authority need to minimise any behaviours that may be detrimental to the quality of life in this locality and potentially deter people from visiting the City Centre.

A City Centre PSPO would assist in this matter and simplify the response of officers from the Police and the City Council in dealing with various anti-social activities. This order would recognise that some of those considered to be causing issues had their own vulnerabilities and would seek to offer support and assistance, rather than simply rely on enforcement.

Details of the Draft Public Space Protection Order for Coventry City Centre, a Map outlining area covered, the Buskers code of conduct; the proposed Consultation Document, Partner Impact Statements and relevant supporting evidence, and the Equality and Consultation Analysis were attached as appendices to the report.

**RESOLVED that the Cabinet:**

- 1) Agrees the wording of the proposed PSPO and the suggested area to be covered by the Order, as set out in Appendices 1 and 2 to the report.**
- 2) Authorises officers to consult with partners, businesses and the general public on the proposed PSPO and the suggested area to be covered by the Order.**
- 3) Requests that a further report is brought back to Cabinet with the findings of the consultation and subsequent recommendations.**

**68. Bus Lane Review**

The Cabinet considered a report of the Executive Director of Place that proposed to review the operation of bus lanes on the city's road network.

In Coventry over the last 15 years there had been a 20% increase in traffic on the City's road network. This was reported by the Department for Transport on a quarterly and annual basis. In a recent report in the Sunday Times newspaper traffic information company Inrix analysed congestion over the four-year period in 18 urban areas. Whilst London was reported as having the worst levels of congestion, Coventry was reported as having one of the fastest rising levels of congestion due to population and economic growth.

A further concern associated with high levels of traffic and congestion was the impact this had on air quality. The Environment Act 1995 made local authorities responsible for assessing air quality in their areas. If air quality in any area of the city was not good enough, the Authority would need to declare an air quality management area (AQMA) and prepare an Action Plan to improve it. In 2009 the whole of Coventry was declared as an AQMA because of its high levels of nitrogen dioxide (NO<sub>2</sub>) and therefore the Authority was required to produce an Action Plan to tackle emissions generated by traffic as the main contributor to poor air quality.

The Traffic Management Act 2004 required the Council to secure the expeditious movement of traffic on the authority's road network. In the face of increasing congestion and air quality issues the Council was proposing to review the operation of all of its bus lanes to effectively fulfil its statutory duties under this Act.

There were currently 22 bus lanes in Coventry totalling 8 kilometres in length. In addition there were bus priority measures at 11 signalised junctions and there were 7 bus gates. All bus lanes were in operation 24 hours a day, 7 days a week.

Discussions took place with Transport for West Midlands (formerly Centro) and representatives from the bus operators, about how to approach the bus lane review. In July 2016 a group of councillors and council officers visited the City of Liverpool to talk to their Cabinet Member and Project Manager and learn from their experiences of implementing a similar review of bus lanes in their City.



It was proposed that an evidence based trial in 4 phases be undertaken, each containing about 2km of bus lane. The first phase was expected to start in January 2017 and would run for 6 months; the bus lanes would be suspended using an Experimental Traffic Regulation Order. During the 6 month period, journey time data for buses and all other vehicles would be collected along with bus punctuality and reliability. The data would be evaluated along with the pre-trial suspension journey time data and the results would be used to advise and enable the Cabinet Member for City Services to make a decision on the permanent removal, or retention of the bus lanes.

During the trial and in order to reduce congestion and pollution, the City Council was committed to promoting bus travel and would work with Transport for West Midlands and the bus operators to develop and implement more effective means of improving bus journey time, reliability and punctuality. This would include selective vehicle detection at traffic signals, such as providing late running buses priority at signals.

**RESOLVED that the Cabinet:**

- 1) Approves the commencement of a review of the bus lanes in Coventry, as set out in the report.**
- 2) Agrees to monitor throughout the trial suspension period the effect of the trial and that a report detailing the results of this monitoring and any associated recommendations be presented to the Cabinet Member for City Services for a decision on whether the trial suspensions were made permanent or whether any of the bus lanes were re-instated.**
- 3) Delegates authority to the Cabinet Member for City Services for the continuation of the remaining 3 phases of the bus lane review.**
- 4) Delegates authority to the Cabinet Member for City Services to use existing Transportation and Highways Maintenance Capital Programme funding to undertake the necessary works to enable the proper suspension of bus lanes.**

**69. Boundary Commission for England Review of Parliamentary Constituencies: Consultation Response**

The Cabinet considered a report of the Executive Director of Resources on the City Council's response (detailed in Appendix 1 to the report) to a consultation on the Boundary Commission for England review of Parliamentary constituency boundaries.

In September 2016, the BCE published initial proposals for new parliamentary constituency boundaries and was consulting on these until Monday 5th December 2016. The BCE stated that the electorate of the City of Coventry was too small to continue to be allocated three whole parliamentary constituencies and proposed that changes be made to two of them. This included combining two Solihull Borough wards with wards in Coventry to create a new constituency called Coventry West and Meriden.

The review of Parliamentary constituency boundaries was being undertaken following the Government's decision to reduce the number of parliamentary constituencies across the UK from 650 to 600 and equalise the number of electors in each constituency.

The BCE, an independent and impartial non-departmental public body responsible for reviewing Parliamentary constituency boundaries in England, periodically reviewed all Parliamentary constituencies in England. It was currently conducting a review on the basis of rules set by Parliament in 2011 under the Parliamentary Voting System and Constituencies Act 2011, which required the Commission to make recommendations for new parliamentary constituency boundaries. They involved a significant reduction in the number of constituencies in England (from 533 to 501) and required that constituencies, apart from two specified exceptions, had an electorate no smaller than 71,031 and no larger than 78,507. The West Midlands has been allocated 53 constituencies – a reduction of six from the current number.

At the conclusion of its review the BCE would make a formal report to the Government during September 2018, recommending any changes appropriate to the distribution, size, shape, name or designation of constituencies in England. The Government would turn the recommendations of the BCE into draft legislation and if Parliament approved the legislation, the recommended changes would be implemented for the next General Election after the date on which the legislation was passed.

The Cabinet agreed that the Council's response to the consultation also include concerns about the effects of a reduction in the number of Members of Parliament from 650 to 600, in particular, that the reduction would contribute to the democratic deficit and that there was a need to ensure adequate representation to deal with matters that arose from Brexit.

**RESOLVED that the Cabinet recommends that Council endorses the City Council's response to the consultation set out at Appendix 1 to the report, together with the following additional paragraph:**

**“Furthermore, this reduction in Members adds to the growing democratic deficit which is already significant. This will be compounded when repatriation of powers from the European Union to the UK takes place. This will also be accompanied by a further reduction in elected representatives at a time when legislation will require even greater scrutiny.”**

**70. Coventry Investment Fund: Cathedral Lanes Phase 2**

The Cabinet considered a report of the Executive Director of Place that sought retrospective approval for a new loan facility to support the second phase of the Cathedral Lanes development.

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

In 2014, the Council awarded a Coventry Investment Fund (CIF) loan to Shearer Property Group (SPG) who own Cathedral Lanes shopping centre. The loan award

made SPG's plans to redevelop the centre as a leisure scheme and open several new restaurants, commercially viable. The first phase of the scheme had been very successful, and had formed a key part of the Council's overall plans for regeneration of the City Centre.

It was necessary to enter into the loan agreement in advance of Cabinet and Council approval to allow SPG to meet the deadline for renegotiation of their Senior Loan. This was undertaken in consultation with the Cabinet Member for Strategic Finances and Resources and the Cabinet Member for Jobs and Regeneration, who agreed on the basis that a retrospective report was submitted.

SPG now wished to proceed with the second phase of the redevelopment which would include more new restaurants and bring with it further regeneration benefits and increases in business rates. The loan would be made on appropriate commercial terms and would be subject to usual Council controls on such lending.

**RESOLVED that the Cabinet:**

- 1) Recommends that Council retrospectively approves the variation to the previous loan agreement granted to Shearer Property Group in September 2014 in relation to the refurbishment of Cathedral Lanes.**
- 2) Recommends that Council delegates authority to the Executive Director of Place and the Executive Director of Resources, following consultation with the Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources, to manage the new revolving loan facility. The authority under this recommendation shall include the power to negotiate and agree variations to the terms of the new revolving loan facility.**

**71. Outstanding Issues**

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

**RESOLVED that the Cabinet approves the date for future consideration of matters relating to the outstanding issues item listed in the report.**

**72. 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.

**73. Coventry Investment Fund: Cathedral Lanes Phase 2**

Place Further to Minute 70 above, the Cabinet considered a private report of the Executive Director of Place that set out confidential aspects of proposals for retrospective approval for a new loan facility to support the second phase of the Cathedral Lanes development.

**RESOLVED that the Cabinet:**

- 1) Recommends that Council retrospectively approves the variation, as set out in section 1 of the report, to the previous loan agreement granted to Shearer Property Group in September 2014 for £2million in relation to the refurbishment of Cathedral Lanes.**
- 2) Recommends that Council delegates authority to the Executive Director of Place and the Executive Director of Resources, following consultation with the Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources, to manage the new revolving loan facility. The authority under this recommendation shall include the power to negotiate and agree variations to the terms of the new revolving loan facility.**

**74. 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 3.35 pm)