

**Coventry City Council**  
**Minutes of the Meeting of Council held at 2.15 pm on Tuesday, 3 September 2019**

Present:

Members:

Councillor L Bigham (Chair)

Councillor F Abbott	Councillor J Lepoidevin
Councillor N Akhtar	Councillor G Lloyd
Councillor P Akhtar	Councillor A Lucas
Councillor R Ali	Councillor P Male
Councillor A Andrews	Councillor K Maton
Councillor J Birdi	Councillor T Mayer
Councillor J Blundell	Councillor J McNicholas
Councillor R Brown	Councillor C Miks
Councillor K Caan	Councillor J Mutton
Councillor J Clifford	Councillor M Mutton
Councillor G Duggins	Councillor J O'Boyle
Councillor B Gittins	Councillor G Ridley
Councillor L Harvard	Councillor P Seaman
Councillor P Hetherington	Councillor R Singh
Councillor J Innes	Councillor D Skinner
Councillor T Jandu	Councillor H Sweet
Councillor B Kaur	Councillor R Thay
Councillor AS Khan	Councillor C Thomas
Councillor R Lakha	Councillor D Welsh
Councillor R Lancaster	Councillor G Williams
Councillor M Lapsa	

Honorary Alderman:

Mrs H Fitzpatrick  
Mr J Gazey  
Mr T Skipper  
Mr K Taylor  
Mrs J Wright

Apologies:

Councillor M Ali, R Auluck, R Bailey, S Bains, T Khan,  
E Ruane, K Sandhu, T Sawdon, B Singh and S Walsh  
Honorary Aldermen D Batten and S Collins

## **Public Business**

### **29. Minutes of the Meeting held on 18 June 2019**

The minutes of the Meeting held on 18 June 2019 were signed as a true record.

### **30. Exclusion of the Press and Public**

**RESOLVED** that the press and public be excluded under Section 100(A)(4) of the Local Government Act 1972 relating to the private reports on 'Proposed Development of a Regional Materials Recycling Facility with Partnering Authorities' and 'Grant of lease on land in Friargate Business District', on the grounds that they involve the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act as it contains information relating to

**the financial or business affairs of any particular person (including the authority holding that information) and that in all of the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information**

**31. Coventry Good Citizen Award**

On behalf of the City Council, the Lord Mayor presented Raymond Calcott with the Good Citizen Award. His citation read:

“Raymond served in the Royal Navy on HMS Amethyst as an Able Seaman and in 1949 was involved with the Yangtze Incident in China, where a number of his fellow crew members sadly lost their lives and many others were injured. Throughout the years Raymond has served his country and the City of Coventry to the best of his ability without a second thought.

When he retired from work at the age of 66 he became actively involved with the Royal British Legion and has served as President selling many remembrance poppies particularly in West Orchards Shopping Centre.

Raymond is also a member the Royal Naval Association serving in the capacity of Chairman; he is also a member of the HMS Amethyst Association. For many years he has assisted the Lord Mayor's office offering advice for the organisation of Remembrance Sunday and other armed forces events that have taken place within the city. He also travelled with the Lord Mayor to the launch of HMS Diamond where he was introduced to the First Sea Lord Sir Jonathan Band. He has helped to organise the HMS Coventry service at the Cathedral.

For the last 20 years he has been a very active member of the Stoke community taking the role as Chairman of the Stoke Village Residents Association. Through Raymond's work he has shown tremendous commitment to our country, his fellow servicemen and the community of Coventry by investing his time, efforts and resources.

His actions truly reflect his character and he is a worthy recipient of this Good Citizen Award.”

**32. Correspondence and Announcements of the Lord Mayor**

**1. Condolences**

- (a) The Lord Mayor referred to the recent death of former Councillor and Lady Mayoress, Caron Matchet.

Caron had represented Wainbody Ward from 1998 to 2002 and was Lady Mayoress in 2008/09.

Members noted that a letter conveying the City Council's sincerest condolences had been sent to former Councillor and Lord Mayor Andy Matchet.

- (b) The Lord Mayor referred to the recent death of Basil Heatley. Basil was a Coventry Godiva Harriers Member, former world marathon record holder and silver medallist at the Tokyo Olympic Games in 1964.

Members noted that a letter conveying the City Council's sincerest condolences had been sent to Mr Heatley's family.

## **2. Hurricane Dorian**

Councillor Maton spoke in respect of Hurricane Dorian. The hurricane had hit the Bahamas and Abaco Islands on 1 September 2019 causing vast devastation and loss of life. He urged members to consider that, as a City, we take appropriate action in due course to help the victims.

## **3. Presentation of Illuminated Address**

The Lord Mayor presented Councillor John Blundell, Lord Mayor for 2018/19, with his Illuminated Address.

### **33. Petitions**

**RESOLVED** that the following petitions be referred to the appropriate City Council bodies:

(a) **Deterioration of road surface in Walton Close, Binley – 21 signatures, presented by Councillor R Lakha.**

(b) **Request for repair of pavement in Ross Close, Mount Nod – 21 signatures, presented by Councillor G Ridley**

### **34. Declarations of Interest**

There were no declarations of interest.

### **35. Annual Report of Ethics Committee 2018/19**

Further to Minute 3 of the Ethics Committee, the City Council considered the Annual Report of the Ethics Committee which set out the work of the Committee during the 2018-19 municipal year.

**RESOLVED** that the **Annual Report of Ethics Committee for 2018-19 be noted.**

### **36. Revenue and Capital Outturn 2018/19**

Further to Minute 11 of the Cabinet, the City Council considered a report of the Deputy Chief Executive (Place) which outlined the final revenue and capital outturn position for 2018/19 and which reviewed treasury management activity and 2018/19 Prudential Indicators reported under the Prudential Code for Capital Finance. The Audit and Procurement Committee also considered the report at their meeting on 15 July 2019.

The report indicated that the overall financial position included a revenue underspend of £1.0m, which was required to be contributed to the Council's General Fund reserve. At quarter 3, there had been a projected underspend of £1.8m and the report identified the underlying movements between quarter 3 and outturn, which had resulted in an overall underspend of £1.0m.

Appendix 3 to the report detailed the capital and treasury management related prudential indicators.

**RESOLVED that the City Council approve reserve contributions of £4.6m to the Council's General Fund reserve to strengthen the Council's financial resilience, 4.0m to fund the costs of potential future commercial developments and £1.8m to strengthen the Council's reserve for early retirement and redundancy.**

**37. Audit and Procurement Committee Annual Report 2018/19**

Further to Minute 18 of the Audit and Procurement Committee, the City Council considered the Committee's Annual Report which provided an overview of its activity during 2018-19.

**RESOLVED that the Audit and Procurement Annual Report 2018-19 be noted.**

**38. Scrutiny Annual Report 2018/19**

Further to Minute 10 of the Scrutiny Co-ordination Committee, the City Council considered the Scrutiny Annual Report 2018-19 which provided details of the activities and outcomes of the work of the Committee and the five Scrutiny Boards.

**RESOLVED that the Scrutiny Annual Report 2018-19 be noted.**

**39. UK City of Culture 2021 Capital Programme - Approval to receive and be accountable body for additional Capital Funding for the Cultural Capital Investment Fund**

Further to Minute 18 of the Cabinet, the City Council considered a report of the Deputy Chief Executive (Place), which sought acceptance of a £8.51m grant allocation to support the UK City of Culture 2021 and approval for the City Council to become the Accountable Body for this funding.

On 7 December 2017, Coventry was awarded the title of UK City of Culture 2021. The City Readiness programme was formed to maximise the benefits of being awarded the title, addressing the benefits of aligned investment in areas such as city infrastructure; destination promotion and marketing; cultural capital; skills and sector development.

At the meeting of the City Council on the 4 September 2018 (their minute 45/18 referred) approval was given for the City Readiness Programme. The approval gave delegated authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to identify and bid for grant assistance, where available, that supported the aims of the City of Culture, and included the power to accept the terms and conditions of grant funding and the entering into all

necessary legal agreements to secure the grant funding where the level was below the existing Council threshold of £2.5m.

To facilitate the funding received the Cultural Capital Investment Fund had been created to combine all capital funding both internal and external to support and improve the cultural infrastructure. Investment in the city's infrastructure created a legacy and ensured the benefits of UK City of Culture 2021 were felt by future generations.

As a result of actions undertaken, an allocation of £8.51m was announced in the UK Government's Autumn Budget 2018 to support capital funded works to support the UK City of Culture 2021. It was confirmed that the funding would be distributed by Arts Council England to Coventry City Council, subject to their grant management processes and conditions.

The Council had also been successful in securing £2.4m Growth Deal Funding from the August open call led by the CWLEP to support the City's cultural capital infrastructure.

**RESOLVED that the City Council:**

- 1) Approves the £8.51m grant allocation acting as Accountable Body on behalf Arts Council England to support Capital funding works in 2019/20 and 2020/21 in preparation for Coventry hosting the UK City of Culture 2021.**
- 2) Delegates authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to accept the terms and conditions of the grant, to enter into the necessary legal agreements to secure the grant and add to the Capital Programme as necessary.**
- 3) Approves that the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services be given delegated authority to approve all elements of capital expenditure associated with Recommendation 1 above.**
- 4) Approves the £2.4m Growth Deal to be added to the Capital Programme as necessary.**

**40. Proposed Development of a Regional Materials Recycling Facility with Partnering Authorities**

Further to Minute 23 of the Cabinet, the City Council considered a report of the Deputy Chief Executive (Place) on the proposed development of a regional materials recycling facility with partnering authorities. A site location plan was attached as an appendix to the report.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals (Minute 44 below refers).

The City Council currently paid c.£1.6million per year to the private sector for the treatment of recyclable material collected in Coventry (including haulage to the

treatment facility in London and any recycle value benefit). This cost had increased substantially over the last five years. Evidence from recent procurement exercises in both Coventry and neighbouring authorities showed that this upward trend of cost was likely to continue with substantial rises as the private sector continued to move the risk of end market prices and legislation more and more to local authorities.

In 2017/2018 a feasibility study was undertaken to consider the technical and economic viability of developing a Material Recycling Facility to serve Coventry City Council (CCC), neighbouring authorities, and commercial businesses across the region. This study indicated a positive business case, subject to more detailed information. During the last 12 months a detailed Business Case was developed to determine the viability of a Materials Recycling Facility, which concluded that a facility with a capacity of 120,000 – 175,000 tonnes would be commercially viable. CCC currently collected c.24,000 tonnes of recyclable waste per annum.

To make the construction of a Materials Recycling Facility financially viable and, in order to share the risks and benefits of this project, a formal agreement has been formed with five other local authorities: Nuneaton and Bedworth Borough Council; North Warwickshire Borough Council; Rugby Borough Council; Solihull Metropolitan Borough Council; and Walsall Council.

The Business Case considered in this report had therefore been developed assuming the recyclable materials from each of these authorities would be committed to the Project, thereby making the facility cost effective, whilst leaving some tonnage head room for commercial growth and the future needs of the Partner Councils, or the addition of more Partner Councils.

The existing Local Plan had made provision for future waste management facilities in Coventry by allocating the site adjacent to the current Energy from Waste plant on Bar Road. The project described within this report proposed to use c.50% of this site to develop the Material Recycling Facility.

**RESOLVED that, subject to the consideration of the private report on this matter, the City Council:**

- a) Approves the use of its powers under Section 12 of Local Government Act 2003 and Section 1 of the Localism Act 2011 to establish AssetCo between the Council and the Partner Councils and to acquire shares in the AssetCo.**
- b) Approves a loan facility to AssetCo on commercial market terms to facilitate the construction and operation of the Materials Recycling Facility.**
- c) Approves expenditure under Joint Working Arrangement (2) in respect of the Council's share of development costs up to the point of financial close, to be funded from earmarked reserves.**
- d) Delegates authority to the Deputy Chief Executive Place and the Director of Finance and Corporate Services, in consultation with the City Solicitor and the Cabinet Member for City Services, to**

**finalise and agree the detailed terms of the transaction with AssetCo. The authority under this delegation shall also include:**

- i. the power to enter into the relevant legal agreements and associated documents necessary to complete the transaction with AssetCo;**
- ii. (in relation to the management of the loan facility) the power to negotiate and agree variations to the terms of the loan facility;**
- iii. the power for the Council to provide such services as is deemed necessary (e.g. HR and/or Payroll) to AssetCo;**
- iv. The power to enter into the Service Level Agreement with AssetCo committing the Councils waste tonnage for 20 years.**

**e) Approves the addition to the Councils approved capital programme for the purposes of delivering the Materials Recycling Facility.**

#### **41. Grant of lease on land in Friargate Business District**

Further to Minute 24 of the Cabinet, the City Council considered a report of the Deputy Chief Executive (Place) on proposals to grant a lease on land within the Friargate Business District. Appendices to the report provided a Site Plan and the Masterplan General Arrangement.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals (Minute 45 below refers.)

The City Council had a long-held ambition to realise the delivery of high-quality new hotels within the City and currently had the option to acquire a site for this purpose within the Friargate Business District. There was now an opportunity to secure the delivery of a four star 'Hotel Indigo' for the city, to be open and operational in the early part of 2021.

Given the unproven market for higher end hotels within Coventry city centre (there had been no hotel of a four-star equivalent for approximately 50 years) and the cost of delivering such a hotel within such an early phase of Friargate, a development of this quality required the support of the Council through:

- a contribution to the delivery of public realm and the provision of utilities infrastructure in the surrounding area to the site
- a disposal of the land at a value that may be less than the prevailing market value of that site
- the making available of up to 50 car parking spaces (which will be the subject of a separate lease).

**RESOLVED that the Cabinet approves the necessary adjustment to the Capital programme to reflect the capital expenditure incurred in the acquisition of the leasehold interests within the Friargate Business District.**

#### **42. Question Time**

Councillors K Maton, K Caan, P Hetheron, T Khan and AS Khan provided written answers to the questions set out in the Questions Booklet together with oral responses to supplementary questions put to them at the meeting.

43. **Statements**

There were no statements.

44. **Proposed Development of a Regional Materials Recycling Facility with Partnering Authorities**

Further to Minute 40 above, the City Council considered a private report of the Deputy Chief Executive (Place), setting out the commercially confidential matters relating to the proposed development of a regional materials recycling facility with partnering authorities.

**RESOLVED that the City Council:**

- a) **Approve the use of its powers under Section 12 of Local Government Act 2003 and Section 1 of the Localism Act 2011 to establish AssetCo between the Council and the Partner Councils and to acquire shares in the AssetCo for the value of the sum now indicated.**
- b) **Approve a loan facility to AssetCo on commercial market terms up to the value of the sum now indicated to facilitate the construction and operation of the Materials Recycling Facility.**
- c) **Approve expenditure under Joint Working Arrangement (2) of the sum now indicated in respect of the Council's share of development costs up to the point of financial close, to be funded from earmarked reserves.**
- d) **Delegate authority to the Deputy Chief Executive Place and the Director of Finance and Corporate Services, following consultation with the City Solicitor and the Cabinet Member for City Services, to finalise and agree the detailed terms of the transaction with AssetCo. The authority under this delegation shall also include:**
  - i. **the power to enter into the relevant legal agreements and associated documents necessary to complete the transaction with AssetCo;**
  - ii. **(in relation to the management of the loan facility) the power to negotiate and agree variations to the terms of the loan facility;**
  - iii. **the power for the Council to provide such services as is deemed necessary (e.g. HR and/or Payroll) to AssetCo;**
  - iv. **the power to enter into the Service Level Agreement with AssetCo committing the Councils waste tonnage for 20 years.**



- e) **Approve the addition of the sum now indicated to the Councils approved capital programme for the purposes of delivering the Materials Recycling Facility.**

45. **Grant of lease on land in Friargate Business District**

Further to Minute 41 above, the City Council considered a private report of the Deputy Chief Executive (Place), setting out the commercially confidential matters relating to proposals to grant a lease on land within the Friargate Business District.

**RESOLVED that the City Council approves the necessary adjustment to the Capital programme to reflect the capital expenditure incurred in the acquisition of the leasehold interests within the Friargate Business District.**

(Meeting closed at 3.15 pm)