

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 10 March 2020

Present:

Members: Councillor G Duggins (Chair)
Councillor A Khan (Deputy Chair)
Councillor K Caan
Councillor P Hetherington
Councillor K Maton
Councillor J Mutton
Councillor M Mutton
Councillor J O'Boyle
Councillor P Seaman

Deputy Cabinet Members Councillor P Akhtar
Councillor R Ali
Councillor G Lloyd

Non-Voting Opposition Members: Councillor J Blundell (Substitute for Councillor A Andrews)
Councillor G Ridley

Other Members: Councillor N Akhtar
R Lakha

Employees (by Directorate):

People: G Quinton (Deputy Chief Executive (People)), D Ashmore, J
Crawshaw

Place: T Cowley, B Hastie, L Knight, R Moon, J Newman, G Payne,
S Wiles

Apologies: Councillors A Andrews, B Gittins, T Khan and D Welsh

Public Business

93. Declarations of Interest

There were no disclosable pecuniary interests.

94. Minutes

The minutes of the meetings held on 18th and 25th February 2020, were agreed and signed as true records.

95. Exclusion of Press and Public

RESOLVED that the Cabinet agrees to exclude the press and public under Sections 100(A)(4) of the Local Government Act 1972 relating to the following private reports on the grounds that the 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:

Minute No.	Report title
105	Options to Improve the Provision of Temporary Accommodation for Single Homeless People through Property Acquisition
106	Options to Increase the Supply of Affordable Permanent Housing for Households Living in Temporary Accommodation
107	Oak House, Binley Business Park, Coventry – Investment Acquisitions
108	Phase 2A Belgrade Place, Upper Wells Street, Coventry – Investment Acquisitions

96. **2020/21 Transportation and Highways Maintenance Capital Report**

The Cabinet considered a report of the Deputy Chief Executive (Place), which set out the integrated capital programme for the maintenance and enhancement of the City's highways and transport infrastructure.

Proposals brought together a £10.9m integrated capital programme, funded through annual government local transport funding, City Council resources and Citizen Housing Right to Buy receipts. Specific details of each project was set out in the Appendices to the report.

The report indicated that the basic principles for the year's maintenance and integrated transport programme were:

- i. Continue the programme of rectifying damage and maintaining the City's roads, through a prioritised programme (worst first) based on the Council's Highways Asset Management Plan.
- ii. Continue to invest in preventative / proactive maintenance.
- iii. Carry out packages of complementary schemes to support the continued growth of the City, such as road safety and traffic management schemes to complement public realm and connecting Coventry Proposals.
- iv. Provide a programme of footway improvements funded from the Citizen Housing Group Investment Fund, as part of a £2.43m investment which will be delivered over the next financial year.

The Cabinet noted that, as part of the West Midlands Devolution Deal, HM Government agreed to devolve a consolidated local transport budget and provide a multi-year transport funding settlement, which comes under the control of the West Midlands Combined Authority Elected Mayor. However, although a firm commitment of funding was available for 2020/21, the commitment for future years was still to be confirmed.

RESOLVED that, the Cabinet:

- 1. Approve the 2020/21 programme of schemes marked A in table 4 of the report submitted.**
- 2. Delegate authority to the Cabinet Member for City Services to approve a programme of schemes marked B in table 4 of the report.**

97. Impact of European City of Sport 2019

The Cabinet considered a report of the Deputy Chief Executive (Place), which detailed the impact of the European City of Sport 2019 on the City.

In May 2018, it was announced that Coventry had been awarded the status of ACES European City of Sport 2019. It was noted that the City would have a defining 10-year period (2012/2022) in relation to sport, physical activity and leisure. The European City of Sport award formed a significant part of that decade of change, during which Coventry will have been a host city for the Olympic Games, hosted numerous international sporting events, invested over £100m in sports and leisure facilities, been the UK City of Culture 2021 and a host city for the 2022 Commonwealth Games.

The report indicated that over 180 events were delivered under the European City of Sport throughout the year. These events ranged from local events to major international events. The year enabled over 170,000 people to get involved in a variety of events, projects and activities that had been organised to support the aim of getting more people moving and helping to reduce health inequalities. In addition, over 500 volunteers supported the year, with over 2,500 hours of volunteering by the Coventry Ambassadors.

Over the course of 2019, Coventry opened a number of state-of-the-art sports and leisure facilities in the City, costing in excess of £100m, that transformed sporting and physical activities opportunities for the city's residents. These have included The Wave (Waterpark); Alan Higgs Centre 50 metre swimming pool; walking and running routes in parks; University of Warwick Sport and Wellness Hub; University of Warwick Athletics Track; 7 artificial cricket wickets and a 5 lane net facility; and footgolf at the War Memorial park. This investment and continued development of additional facilities such as indoor bowls provision, has created a landmark year to remember for sport, physical activity and leisure in the City.

RESOLVED that, the Cabinet recommend that Council recognise the impact of Coventry's European City of Culture 2019 in the build up to the UK City of Culture 2021 and Commonwealth Games 2022 and support the ongoing legacy of the title.

98. **Temporary Accommodation Charging Policy**

The Cabinet considered a report of the Deputy Chief Executive (People), which set out the proposed Temporary Accommodation Charging Policy.

The Council's Housing and Homelessness Strategy (2019-24) set out Coventry's ambitious agenda and how through the four pillars of prevention, support for people, improved accommodation and greater housing supply, the council aimed to tackle homelessness and continue to create a city fit for today and future generations.

Households placed into temporary accommodation (excluding hostels) who were not in receipt of housing benefit were not currently contributing towards rental costs. In addition to meet the cost of the accommodation, the Council also met the costs for utilities and council tax and the full cost of storing a household's furniture until they leave temporary accommodation.

In December 2019, permission was granted to undertake a public consultation on a draft Temporary Accommodation Charging Policy. The draft policy proposed utilities charges and council tax, storage and contributions towards rent through a licence fee. The consultation ran from 13th December 2019 to 7th February 2020. The results of this consultation, including key suggestions and recommended changes to the draft policy were set out in Appendix B of the report submitted.

The report indicated that concerns were raised over the proposal to use pre-payment meters for temporary accommodation due to them being more expensive than quarterly billing and the risk of self-disconnection. A working group had therefore been established between third sector organisations and the Council to work together to find the most appropriate method for utilities payments and to address other issues that may materialise.

RESOLVED that, the Cabinet:

1. **Approve the implementation of the Housing and Homelessness Service's Temporary Accommodation Charging Policy from April 2020. The Policy includes making Households in Temporary Accommodation responsible for:**
 - **Utilities;**
 - **Council Tax;**
 - **Storage Fees; and**
 - **For those not in receipt of full housing benefit contribution to the rent on the property through a licence fee.**
2. **Approve the recommendation that the Council pays the first month of storage for every household in Temporary Accommodation who places their furniture and other belongings into Council arranged storage.**
3. **Note the working group established to explore the most financially viable methods for households in Temporary Accommodation to make utilities payments and reduce their energy bills.**

99. **Options to Improve the Provision of Temporary Accommodation for Single Homeless People Through Property Acquisition**

The Cabinet considered a report of the Deputy Chief Executive (People) which set out options to improve the provision of temporary accommodation for single homeless people through property acquisition.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 105 below refers.)

The Council had legal duties to provide accommodation to homeless people who are eligible and in priority need. In recent years demands on the Housing and Homelessness service have increased with an attendant rise in the use and cost of temporary accommodation. This situation had resulted in a significant financial pressure for the Council, primarily due to the increasing demand and high cost of temporary accommodation. For 2019/20 it was forecast that the cost to the Council of households in temporary accommodation would be in excess of £9m.

The Council responded with a new Housing and Homelessness Strategy, including the recommissioning of Homelessness-related Support Service contracts, review of key policies and procedures, improvements in temporary accommodation options available for families and significant reductions in the amount paid for this accommodation.

Various schemes were underway to reduce the cost of temporary accommodation, including developments at Caradoc Hall and Frank Walsh House. Additionally, the Council continued to look at alternative forms of accommodation that could reduce the gap between the temporary accommodation cost and housing benefit subsidy grant, which is the cost met by the Council. Through negotiating better rates with existing accommodation providers, the Council had reduced costs over £1m per annum.

Although the Council no longer owned any Council houses following the housing stock transfer to Whitefriars in September 2000, it is able to own properties providing the total housing stock remains under 200 dwellings under exemption from the Secretary of State. In practice this meant that the council could develop or acquire a small amount of residential property directly, presenting new options to improve the quality and reduce the costs of temporary accommodation.

Under current housing benefit legislation, direct Council ownership of temporary accommodation attracted a higher subsidy than most other forms of temporary accommodation. To maximise the subsidy that the Council could claim and reduce the cost to the council, it was proposed to purchase properties for use as supported accommodation for single individuals.

RESOLVED that, the Cabinet recommend that Council:

- 1. Approve the proposals and delegate authority to the Director of Housing and Transformation, following consultation with the Cabinet Member for Communities and Housing, to identify the properties and to agree detailed terms of the transactions and to enter into the relevant**

legal agreements and associated documents necessary to complete the transaction.

- 2. Approve the addition to the capital programme of an amount outlined in the private report to meet the cost of acquisition and refurbishment of properties for use as temporary accommodation for single homeless people, funded from borrowing.**

100. **Options to Increase the Supply of Affordable Permanent Housing for Households Living in Temporary Accommodation**

The Cabinet considered a report of the Deputy Chief Executive (People) which set out proposals to increase options for the supply of affordable permanent housing for households living in temporary accommodation.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 106 below refers.)

The Council had been experiencing an increase in the number of households living in temporary accommodation. The length of time households were required to live in temporary accommodation was also increasing. Not only was this unsuitable for households but it also placed significant financial pressure on the housing service. Critically, there was insufficient and affordable permanent accommodation available. Increasing the supply of this type of accommodation was a key priority of the Council.

The gap between the cost of temporary accommodation and housing benefit subsidy grant was met by the Council and as activity had increased in temporary accommodation, this was creating a significant financial pressure.

A proposal was put forward by Cornerstone Partnership, a social enterprise, offering the Council access to affordable permanent accommodation. Access to the properties would be passed over a 2-year period but would ultimately give access to 103 permanent properties at the Local Housing Allowance rental level for the City. Nomination rights would enable the Council to fill these properties with families from temporary accommodation, ending main housing duty and reducing temporary accommodation activity.

It was noted that all aspects of the proposal had been considered and compared against other possible options. The outcome of this work was that this option would create financial benefits and allow quick access to a large number of affordable permanent properties. It was therefore proposed to enter into a 15-year transaction with Cornerstone Partnership for the supply of temporary accommodation for two years and permanent accommodation for fifteen years.

RESOLVED that, the Cabinet recommend that Council:

- 1. Approve the amount specified in the private report, to be funded from the Housing and Homelessness Revenue Budget over the 2 year period.**
- 2. Approve the Cornerstone partnership transaction and delegate authority to the Director of Housing and Transformation, following**

consultation with the Cabinet Member for Communities and Housing, to agree detailed terms of the transaction and to enter into the relevant legal agreements and associated documents necessary to complete the transaction.

101. Oak House, Binley Business Park, Coventry - Investment Acquisitions

The Cabinet considered a report of the Deputy Chief Executive (Place) which set out proposals for the acquisition of a commercial investment property, Oak House, Binley Business Park, Coventry.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 107 below refers.)

The subject property was a purpose built, 2 storey, detached office on a well located and popular business park extending to 9,400 sqft with 48 on site designated parking spaces.

It was proposed that the Council would acquire the 999 year long leasehold interest in the land and the buildings. As the current tenant's lease ends in June 2020, the reversionary yield for the unit was set to improve. This would be by either negotiating a new lease with the current tenant on improved terms or alternatively following the refurbishment of the property letting to a new tenant.

It was noted that the Council already owned the Freehold of the estate. The level of return generated was assessed based on the level of risk associated with the length of leases and the security of income. The negotiated price had been validated by external property experts as providing 'market value' for the Council. It was intended that the property would be held by the Council as an investment asset and managed by the Council's Commercial Property Management team.

RESOLVED that, the Cabinet recommend that Council:

- 1. Approve the use of its powers under Section 12 of the Local Government Act 2003 and Section 1 of the Localism Act 2011 to acquire the leasehold interest in Oak House, subject to the occupational tenancy, for a sum identified within the private report.**
- 2. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Director of Finance and Corporate Services and the City Solicitor, to undertake the necessary due diligence, negotiate and finalise the terms of the acquisition of the properties and to complete all necessary legal documentation to facilitate the completion of the transaction.**
- 3. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Members for Jobs and Regeneration and Strategic Finance and Resources, for any subsequent variation in terms.**

4. **To approve the necessary adjustment to the Capital Programme to reflect the capital expenditure incurred in the acquisition of the Oak House interest.**

102. **Phase 2A Belgrade Plaza, Upper Wells Street, Coventry – Investment Acquisitions**

The Cabinet considered a report of the Deputy Chief Executive (Place) which set out proposals for the acquisition of a commercial investment property, Phase 2A Belgrade Plaza, Upper Wells Street, Coventry.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 108 below refers.)

The property was 100% let and comprised 129,500 sqft of mixed use, city centre accommodation including a hotel, restaurants, convenience store, gym and residential accommodation.

It was proposed that the Council acquire the long leasehold interest in the land and receive the income from the occupational tenants. 70% was secured against two strong tenants with leases for between 11 and 22 years.

The level of return generated was assessed based on the level of risk associated with the length of leases and the security of the income. The negotiated price had been validated by external property experts as providing 'market value' for the Council. It was intended that the property would be held by the Council as an investment asset and managed by the Council's Commercial Property Management team.

RESOLVED that, the Cabinet recommend that Council:

1. **Approve the use of its powers under Section 12 of the Local Government Act 2003 and Section 1 of the Localism Act 2011 to acquire the leasehold interest in Phase 2A Belgrade Plaza, subject to the seven occupational tenancies, for a sum identified in the private report.**
2. **Delegate authority to the Deputy Chief Executive (Place), following consultation with the Director of Finance and Corporate Services and the City Solicitor, to undertake the necessary due diligence, negotiate and finalise the terms of the acquisition of the properties and to complete all necessary legal documentation to facilitate the completion of the transaction.**
3. **Delegate authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources, for any subsequent variation in terms.**
4. **To approve the necessary adjustment to the Capital Programme to reflect the capital expenditure incurred in the acquisition of Phase 2A Belgrade Plaza.**

103. **Outstanding Issues**

There were no outstanding issues.

104. **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.

105. **Options to Improve the Provision of Temporary Accommodation for Single Homeless People Through Property Acquisition**

Further to Minute 99 above, the Cabinet considered a private report of the Deputy Chief Executive (Place), setting out the commercially confidential matters relating to the proposed options to improve the provision of temporary accommodation for single homeless people through property acquisition.

RESOLVED that, the Council recommend that Council:

1. **Approve the proposals and delegate authority to the Director of Housing and Transformation, following consultation with the Cabinet Member for Communities and Housing, to identify the properties and to agree detailed terms for the transaction and to enter into the relevant legal agreements and associated documents necessary to complete the transaction.**
2. **Approve the addition to the capital programme of an amount outlined within the report to meet the cost of acquisition and refurbishment of properties for use as temporary accommodation for single homeless people.**

106. **Options to Increase the Supply of Affordable Permanent Housing for Households Living in Temporary Accommodation**

Further to Minute 100 above, the Cabinet considered a private report of the Deputy Chief Executive (Place), setting out the commercially confidential matters relating to the proposed options to increase the supply of affordable permanent housing for households living in temporary accommodation.

RESOLVED that, the Council recommend that Council:

1. **Approve expenditure of the amount specified within the report, to be funded from the Housing and Homelessness Revenue Budget over the 2 year period.**
2. **Approve the Cornerstone partnership transaction and delegate authority to the Director of Housing and Transformation, following consultation with the Cabinet Member for Communities and Housing, to agree detailed terms of the transaction and to enter into the relevant legal agreements and associated documents necessary to complete the transaction.**

107. Oak House, Binley Business Park, Coventry - Investment Acquisitions

Further to Minute 101 above, the Cabinet considered a private report of the Deputy Chief Executive (Place), setting out the commercially confidential matters relating to the proposed acquisition of Oak House, Binley Business Park, Coventry, as a commercial investment property.

RESOLVED that, the Cabinet recommend that the Council:

- 1. Approve the use of its powers under Section 12 of the Local Government Act 2003 and Section 1 of the Localism Act 2011 to acquire the leasehold interest in Oak House, subject to the occupational tenancy, for a sum identified within the report.**
- 2. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Director of Finance and Corporate Services and the City Solicitor, to undertake the necessary due diligence, negotiate and finalise the terms of the acquisition of the properties and to complete all necessary legal documentation to facilitate the completion of the transaction.**
- 3. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Members for Jobs and Regeneration and Strategic Finance and Resources, for any subsequent variation in terms.**
- 4. To approve the necessary adjustment to the Capital Programme to reflect the capital expenditure, of the sum identified within the report, incurred in the acquisition of the Oak House interest.**

108. Phase 2A Belgrade Plaza, Upper Wells Street, Coventry – Investment Acquisitions

Further to Minute 102 above, the Cabinet considered a private report of the Deputy Chief Executive (Place), setting out the commercially confidential matters relating to the proposed acquisition of Phase 2 Belgrade Plaza, Upper Wells Street, Coventry, as a commercial investment property.

RESOLVED that, the Cabinet recommend that Council:

- 1. Approve the use of its powers under Section 12 of the Local Government Act 2003 and Section 1 of the Localism Act 2011 to acquire the leasehold interest in Phase 2A Belgrade Plaza, subject to the seven occupational tenancies, for a maximum expenditure sum identified within the report.**
- 2. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Director of Finance and Corporate Services and the City Solicitor, to undertake the necessary due diligence, negotiate and finalise the terms of the acquisition of the properties and to complete all necessary legal documentation to facilitate the completion of the transaction.**

- 3. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources, for any subsequent variation in terms.**
 - 4. To approve the necessary adjustment to the Capital Programme to reflect the capital expenditure, to the sum indicated within the report, incurred in the acquisition of Phase 2A Belgrade Plaza.**
109. **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)