

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 25 August 2020
(This meeting was held remotely)

Present:

Cabinet Members: Councillor G Duggins (Chair)
Councillor AS Khan (Deputy Chair)
Councillor K Caan
Councillor P Hetherton
Councillor T Khan
Councillor K Maton
Councillor J Mutton
Councillor M Mutton
Councillor J O'Boyle
Councillor P Seaman

Non-Voting Deputy
Cabinet Members:

Councillor P Akhtar
Councillor R Ali
Councillor G Lloyd
Councillor D Welsh

Non-Voting Opposition
Members:

Councillor A Andrews
Councillor G Ridley

Other Non-Voting
Members:

Councillor N Akhtar
Councillor R Brown
Councillor R Lakha
Councillor R Singh

By Invitation:

Chief Inspector Suraya Latif, West Midlands Police

Employees (by Service):

Chief Executive

M Reeves (Chief Executive)

Deputy Chief Executive

G Quinton (Deputy Chief Executive)

Communications

N Hart

Finance

P Helm

Housing and
Transformation

D Ashmore (Director of Housing and Transformation),
M Duffy, J Sandhu

Law and Governance

J Newman (Director of Law and Governance), S Bennett,
G Holmes, M Salmon

Property Services and
Development

R Moon (Director of Property Services and Development),
A Hunt

Streetscene and
Regulatory Services C Hickin, L Nagle

Transportation and
Highways N Cowper

Apologies: Councillor B Gittins
Councillor C Miks
Councillor K Sandhu
Councillor C Thomas

Public Business

19. Declarations of Interest

As a Director of Friargate JV Project Limited, R Moon, Director of Property Services and Development, declared an interest in the matter referred to in Minutes 27 and 30 below, headed 'Funding and Delivery of Two Friargate'. He remained in the meeting but took no part in the consideration of the matter.

20. Minutes

The minutes of the meeting held on 21st July 2020 were agreed as a true record. There were no matters arising.

21. 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 private report in Minute 30 below headed 'Funding and Delivery of Two Friargate' on the grounds that the report involves the likely disclosure of information as 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 case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

22. 2020/21 First Quarter Financial Monitoring Report (to June 2020)

The Cabinet considered a report of the Director of Finance, that would also be considered by the Audit and Procurement Committee on 19th October 2020, that advised of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of June 2020.

The headline revenue forecast for 2020/21 was for net expenditure to be £28.2m over budget before the application of COVID-19 emergency funding for local government. After the use of this grant, the net over-spend was £6.7m. The Government had indicated that further funding would be available to compensate councils for the loss of income as a result of Covid which would improve this overall position. At the same point in 2019/20 there was a projected underspend of £0.6m.

Excluding the effects of Covid there were overspends in excess of £1m in each of Children's and Young People, Streetscene and Regulatory, and Highways and Transportation.

Early forecasts indicated that the Council's capital spending was projected to be £271.8m and included major scheme expenditure which ranged from investment in the A46 Link Road, Coventry Station Masterplan, Whitley South infrastructure, Public Realm, Secondary Schools expansion and the National Battery Plant. This level of expenditure, if achieved, would exceed that reported in 2019/20.

RESOLVED that the Cabinet:

- 1) Approves the Council's revenue monitoring position incorporating the application of Covid emergency funding.**
- 2) Approves the revised forecast estimated outturn position for the year of £271.8m incorporating: £10.5m net increase in spending relating to approved/technical changes, £9.3m net rescheduling of expenditure from 2021/22 and £0.1m overspend.**
- 3) Agrees to consider any recommendations from Audit and Procurement Committee in due course.**

23. Provision of ICT Hardware, Software and Peripherals

The Cabinet considered a report of the Director of Housing and Transformation that sought authorisation for a procurement process to establish a new contract for the supply of ICT Hardware, software and associated services, to the Council.

Within a corporate ICT environment, it was normal practice to have an agreed refresh cycle for equipment based on the effective life of the equipment, warranty period and budgetary constraints. The refresh cycle normally ranged between 3 and 5 years in most organisations. Once devices went past a warranty period, the total cost of ownership rose rapidly, especially with laptops and tablets. Best practice advice from organisations such as Gartner, suggested that a 3 to 4-year refresh cycle was more appropriate, as once past the 4-year mark, staff could waste up to 3 days per year waiting for their computer to start up.

ICT and Digital worked to restrict the equipment provided to staff to a single manufacturer, as this simplified the overall support process and reduced the Total Cost of Ownership. ICT and Digital issued a range of models from Lenovo to suit the workload of the user, but the costs of the different types were very similar. Some users needed high specification kit (e.g. PAs who were accessing multiple calendars and mailboxes needed bigger processing capability) and other users less so. Due to the Authority's size and nature of the market, the Council could not transact directly with manufacturers and had to contract with a distributor instead.

The existing hardware contract was supplied by CDW Limited and was procured via a further competition under a Crown Commercial Services public sector procurement framework. The contract commenced on the 27 April 2017 for a 3-year term with the option to extend for a further 1-year period, which had been

taken. The contract was due to expire on the 26 April 2021 and so to ensure compliance with the Public Contract Regulations 2015, the Council was required to procure a new contract for its future ICT hardware expenditure.

Procurement Services had identified the Crown Commercial Services RM6068 Framework as the most suitable procurement route for a new contract. The framework's Lot 1 covered Hardware and Software and Associated Services framework, allowing the purchase of hardware such as end user devices, infrastructure hardware, consumables and peripheral equipment. 'Close to the box' services were also included such as image load, asset tagging, delivery, installation, user handover, removal of packaging and disposal of old equipment which were services CDW currently provided as part of 'zero touch' allowing minimal to no work from ICT on devices arriving before they could be used by staff. The Lot also allowed for the purchase of software which would be an extension of the scope of the current hardware contract, but it was felt that this would be advantageous to include. This would support the compliant procurement of ad-hoc and off the shelf software where it was identified as being value for money to do so.

It was proposed to undertake a further competition via the suppliers on Lot 1 of the RM6068 Framework for a new ICT Hardware contract. The contract would be awarded for a period of 3 years with the option to extend for 2 further years for the value of up to £12.5m over the maximum 5-year contract term. It was envisaged that spend on ICT hardware would increase. This was due to increased demand for the organisation to be working agile but also increased in supply chain costs due to the global economic position and the uncertainty surrounding Brexit.

The further competition process would be commenced to ensure that a new contract was in place for April 2021.

The Cabinet took the opportunity to place on record their thanks for the work of ICT Officers over the months since the COVID-19 lockdown. The support they had provided to Members and Officers was greatly appreciated.

RESOLVED that the Cabinet:

- 1) Authorises a procurement process to establish a new 3-year contract, with the option to extend for two further years, for the supply of ICT Hardware, software and associated services to the Council.**
- 2) Delegates authority to the Director of Housing and Transformation to agree the award of contract following a further competition process using the Crown Commercial Services (CCS) RM6068 Framework Lot 1: Hardware & Software & Associated Services.**
- 3) Authorises the City Council to enter into a Contract with the successful supplier for a potential maximum 5-year period.**

24. **2020/21 Transportation and Highway Maintenance Capital Programme - Additional Funding**

The Cabinet considered a report of the Director of Transportation and Highways that detailed an additional funding block from Central Government's Challenge Fund for the maintenance and enhancement of the City's Highway infrastructure. The report was supplementary to the 2020/21 Transportation and Highway Maintenance Capital Programme report to Cabinet on 10th March 2020 (Minute 96/19 referred).

The basic principles for the spend of the additional funding were:

- i. Focus on improving pavements, predominantly used by vulnerable residents, from place of residence to destination point.
- ii. Continue the programme of rectifying damage and maintaining the City's pavements, through a prioritised programme based on the Council's Highways Asset Management plan.

The Department for Transport confirmed the Highways Maintenance Challenge Fund additional funding allocations to the West Midlands Combined Authority area on 15th May 2020. The funding was for critical highway maintenance activity. Based on the EOI submission the allocation made available to Coventry as Highway Maintenance Block was £2.060m, this was predicated on improving roads and pavements on bus routes which used the unclassified roads across the West Midlands. Within Coventry the study showed that Coventry's pavements were in greater need of maintenance than roads on the lengths of the routes submitted, however where there was a need for road repairs these would be attended to as part of the work. A previous study identified locations where there were likely to be a higher proportion of vulnerable residents based on areas of sheltered housing and proximity to GP surgeries, health centres, shops, churches and meeting halls. Table 1 in the report detailed the sites where these objectives were best met.

RESOLVED that the Cabinet:

- 1) Approves £2.06m be added to the 5-year Capital Programme.**
- 2) Approves the 2020/21 additional programme of schemes detailed in Paragraph 2.6, Table 1 of the report.**
- 3) Delegates authority to the Cabinet Member for City Services, to approve any changes to the additional 2020/21 programme.**

25. **Proposed Renewal of the City-Wide Public Space Protection Order**

The Cabinet considered a report of the Director of Streetscene and Regulatory Services that sought permission to renew the City-wide Public Space Protection Order that was created in October 2017 and was due to expire October 2020. Appendices attached to the report provided a copy of the proposed Draft Order and impact statements.

The Public Space Protection Order had conditions within it to address the unauthorised use of 'off-road' motorbikes and other specific mechanically propelled vehicles in the city and would also seek to control the drinking of alcohol and use of Nitrous Oxide (laughing gas) in public spaces.

The Council could renew the existing PSPO under the Anti-Social Behaviour, Crime and Policing Act 2014 to control the public consumption of alcohol (away from licensed premises). As there had been controls on public drinking in the City for nearly 30 years there was no strong evidential basis demonstrating problems with public drinking. However, the legislation only required the Authority to be satisfied that without controls it was "likely" that issues would occur without controls in place.

The Order classified Nitrous Oxide canisters (laughing gas) in a similar fashion to alcohol, and that officers were given powers to seize and dispose any canisters found in a person's possession.

The Order made it an offence to be in possession of a "mechanically propelled vehicle". The Public Space Protection Order stated that it was an offence if the person didn't have, appropriate insurance to use the vehicle on public roads, or they didn't have the expressed permission of the landowner. If a landowner permitted use for off road biking, they would be subject to planning and noise nuisance legislation where applicable.

RESOLVED that the Cabinet approves the renewal of the Citywide Public Space Protection Order and agrees to make this Order effective on 3rd October 2020, the day before the existing Order is due to expire.

26. **Ring Road - Swanswell Viaduct Refurbishment, Phase 2**

The Cabinet considered a report of the Director of Transportation and Highways, that would also be considered by Council at its meeting on 8th September 2020, on further funding from the Department for Transport Local Highways Maintenance Challenge Fund for Phase Two of the Swanswell Viaduct Refurbishment Scheme. Appendices to the report provided a Location Plan and Project Delivery Structure.

The Swanswell Viaduct Refurbishment scheme involved the structural refurbishment of substandard elements on the Swanswell Viaduct Junction 1 – 4 of the Coventry Ring Road. Following award of funding from Tranche 1 of the Department for Transport Local Highways Maintenance Challenge Fund, Phase 1 of the refurbishment was completed in 2018.

The Council had been successful in securing a further £5.0million through the same Fund for Phase 2 of the Scheme with a requirement for 2.5% (£250k) contribution from the Council. In total £5.25 million was available to spend on the refurbishment of the structure. Department for Transport conditions required all funds to be spent by the end of financial year 2020/21.

RESOLVED that the Cabinet recommends that Council:

- 1) Authorises the Council to accept and add Department for Transport Local Highways Maintenance Challenge Fund of £5.0million grant for the purposes of refurbishing the Swanswell Viaduct, to the Council's 5 Year Capital Programme.**
- 2) Delegates authority to the Director of Transportation and Highways, following consultation with the Cabinet Member for City Services, to agree detailed terms of the transaction and to enter into the relevant legal agreements and associated documents necessary to complete the transaction and appoint the contractor to deliver the works.**

27. Funding and Delivery of Two Friargate

The Cabinet considered a report of the Chief Executive, that would also be considered by Council at its meeting on 8th September 2020, that sought approval for funding to acquire the land and building to be constructed necessary to deliver the Two Friargate scheme. Appendices to the report provided a Site Plan and the General Masterplan Layout.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 30 below refers.)

The delivery of the Friargate business district was a key corporate priority for the Council. The Council secured £51.2m of grant funding from the West Midlands Combined Authority in 2018 to support the delivery of the next commercial office building, Two Friargate. A condition of the funding was the establishment of the Friargate Joint Venture between the Council and Cannon Cannon Kirk to deliver the wider Friargate development scheme. Following the establishment of the joint venture in January 2019, work on design and development stages for the building and a tender process to appoint a contractor to deliver the building had been on-going. Two Friargate was due to start on site during Autumn 2020.

The total capital cost of the Two Friargate scheme was anticipated to be £68.2m. This report sought approval for the £17m of funding (in excess of the WMCA grant) to acquire the land and building to be constructed necessary to deliver the Two Friargate scheme.

Friargate was located next to Coventry Railway Station, one of the fastest growing stations outside of London, which was currently benefiting from an £78m masterplan to create a new transport hub, second station building and new car park.

RESOLVED that the Cabinet:

- 1) Authorises officers to arrange for the completion of the Agreement for Lease and all associated legal agreements between the Council and Friargate JV Project Limited necessary to allow the Council to purchase the 250 years long leasehold interest in the land and building to be**

constructed on Two Friargate (as shown edged red on the plan in Appendix 1 attached to the report).

- 2) Authorises the completion of the Project Development Management Agreement and all associated legal agreements between the Council and Friargate Coventry Developments Limited necessary for the delivery of Two Friargate.
- 3) Authorises the completion of all necessary documentations with statutory undertakers and service providers required for the provision of service to facilitate the delivery of Two Friargate.
- 4) Delegates authority to the Strategic Lead – Property and Development, following consultation with the Finance Manager, the Director of Law and Governance, and the Cabinet Member for Jobs and Regeneration, to undertake the necessary due diligence and approve the final terms of the purchase.
- 5) Recommends that Council:
 - i. Approves capital expenditure up to a capped amount of £17m from prudential borrowing to fund the grant of the 250 years long leasehold interest in the land to the Council and the delivery of the building to be constructed on Two Friargate.
 - ii. Makes available additional working capital in the sum as highlighted in the private version of this report, to match the other Friargate JV Project Limited shareholder's contribution and ensure that the JV Company is adequately funded to promote schemes to investors and secure development in accordance with their business plan
 - iii. Approves the necessary adjustment to the Capital programme to reflect the capital expenditure incurred in the delivery of Two Friargate.

28. **Outstanding Issues**

There were no outstanding issues.

29. **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.

30. **Funding and Delivery of Two Friargate**

Further to Minute 27 above, the Cabinet considered a private report of the Chief Executive, that would also be considered by Council at its meeting on 8th September 2020, that set out the commercially confidential matters relating to the funding and delivery of Two Friargate. Appendices to the report provided a Site Plan and the General Masterplan Layout.

RESOLVED that the Cabinet:

- 1) Authorises officers to arrange for the completion of the Agreement for Lease and all associated legal agreements between the Council and Friargate JV Project Limited necessary to allow the Council to purchase the 250 years long leasehold interest in the land and building to be constructed on Two Friargate (as shown edged red on the plan in Appendix 1 attached to the report).**
 - 2) Authorises the completion of the Project Development Management Agreement and all associated legal agreements between the Council and Friargate Coventry Developments Limited necessary for the delivery of Two Friargate.**
 - 3) Authorises the completion of all necessary documentations with statutory undertakers and service providers required for the provision of service to facilitate the delivery of Friargate Two.**
 - 4) Delegates authority to the Strategic Lead – Property and Development, following consultation with the Finance Manager, the Director of Law and Governance and the Cabinet Member for Jobs and Regeneration, to undertake the necessary due diligence and approve the final terms of the purchase.**
 - 5) Cabinet recommends that Council:**
 - i. Approves capital expenditure up to a capped amount of £17m from prudential borrowing to fund the grant of the 250 years long leasehold interest in the land to the Council and the delivery of the building to be constructed on Two Friargate.**
 - ii. Makes available additional working capital up to the sum now indicated to match the other Friargate JV Project Limited shareholder’s contribution and ensure that the JV Company is adequately funded to promote schemes to investors and secure development in accordance with their business plan.**
 - iii. Approves the necessary adjustment to the Capital programme to reflect the capital expenditure incurred in the delivery of Two Friargate.**
- 31. 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 2.50 pm)

