

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 7 January 2014

Present:

Members: Councillor A Lucas (Chair)
Councillor D Chater
Councillor G Duggins
Councillor A Gingell
Councillor L Kelly
Councillor A Khan
Councillor R Lancaster
Councillor P Townshend
Councillor E Ruane

Deputy Cabinet Members Councillor K Caan

Non-Voting Opposition Members: Councillor J Blundell

Other Members: Councillors S Bains, J Clifford, C Fletcher, P Hetherington, H Noonan, J O'Boyle, S Thomas

Employees (by Directorate):

Chief Executive's M Reeves (Chief Executive), J Moore, J Venn
People B Walsh (Executive Director), P Fahy, M Greenwood, M McGinty, S Roach, A Simpson
Place M Yardley (Executive Director), N Clews, D Cockroft, L Hobbs, A Walster
Resources C West (Executive Director), P Baggott, P Cooke, C Forde, P Jennings, L Knight, L Read

Apologies: Councillor A Andrews, D Gannon, J Innes and D Kershaw

Public Business

106. Councillor Mrs Lucas - New Years' Honours

The Cabinet requested that their congratulations to the Leader of the Council, Councillor Mrs Lucas, on her award of an OBE in the New Years' Honours List be formally recorded.

107. Declarations of Interest

Councillors Lancaster and Townshend declared disclosable pecuniary interests in the matter referred to in Minute 117 headed "Coventry and Solihull Waste Disposal Company (CSWDC) Preference Shares Redemption". They withdrew from the meeting during the consideration of this matter.

108. **Minutes**

The minutes of the meeting held on 10th December 2013 were agreed and signed as a true record. There were no matters arising.

109. **A Bolder Community Services - Outcome of Consultation on Service Changes**

The Cabinet considered a report of the Executive Director, People, which set out proposals for changes to Council services provided by the former Community Services Directorate, resulting in significant efficiency savings.

The People Directorate was formed on 2nd September 2013, bringing together what was previously the Community Services Directorate along with Children and Young People Services, forming the biggest directorate within the Council.

As part of its budget setting process for 2013/14 the City Council set challenging financial targets for what was then the Community Services Directorate. This required the Directorate to save £3m in 2013/14, rising to £8m in 2014/15 and then £15m in 2015/16, as well as contributing to other cross cutting corporate targets. These savings targets were on top of managing existing budgetary pressures which, when added together, increased the total savings to £22.5m by 31st March 2016. These targets needed to be delivered in order for the Council to deliver a balanced budget.

To meet the challenges faced by what was the Community Services Directorate, the 'A Bolder Community Services' (ABCS) programme was established which had membership from key stakeholder organisations including Health, Police, and the voluntary sector. This programme was established in October 2012 and oversaw the development of a number of project areas to deliver the savings required for 2013/14 and 2014/15.

The savings target of £3m for 2013/14 was based on a series of efficiency projects and the delivery of activity that had already received the required approvals. In order to deliver the £8m savings target for 2014/15 a wide ranging set of proposals were made to Cabinet. If the proposals were to proceed to implementation they would result in some closures, reductions and changes in Council services. A consultation programme took place between 27th August 2013 and 15th November 2013.

As a consequence of the consultation process, a number of amendments were made to the proposals. The report submitted detailed the consultation outcomes, the identified impacts of the proposals and made a revised set of recommendations for consideration.

In addition, the Cabinet considered two petitions bearing 1,874 and 1,374 respectively. Mr Hill (Coventry MIND), Councillor O'Boyle and Mr Vincent (Age UK) were invited to the meeting and spoke in support on behalf of the petitioners, who were objecting to a number of the proposals. The Cabinet noted that the objections within the petitions were considered as part of the consultation process and, in some cases, had resulted in amendments being made to the original proposals.

The Cabinet further noted that the Health and Social Care Scrutiny Board (5) had received presentations on the proposals at their meetings held on 6th November and 18th December 2013. A briefing note outlining their support to the proposals was appended to the report. The Scrutiny Board had also requested further reports from the Assistant Director (Commissioning and Transformation) on the development of a Reablement Strategy and the implementation of the proposals outlined in the Cabinet Report.

RESOLVED that the Cabinet:-

- 1. Note the comments from the Health and Social Care Scrutiny Board (5) following their consideration of matters contained within this report at their meeting on 18th December 2013.**
- 2. Note that the two petitions submitted on this matter have been considered as part of the consultation process.**
- 3. Note the outcomes of the consultation and, having taken into account the resulting equality impacts and the updated Equality and Consultation Analysis contained within Appendices 1 – 13 of the report, approve the implementation of proposals to:-**
 - (a) Reduce funding to Age UK, Carers Centre, Grapevine and Alzheimer's Society by a 22.5% for each organisation with effect from 1st April 2014 and issue new three year grant aid agreements to these organisations empowering them to use resources flexibly to deliver good outcomes for their respective groups.**
 - (b) Implement reductions for Housing Related Support by taking an individual approach for each organisation. The arrangement for each organisation to be agreed by 1 April 2014 and implemented by 1 July 2014. Consideration of specific impacts to be delegated to the Executive Director (People) and Cabinet Member (Health and Adult Social Care).**
 - (c) Cease care at Jack Ball House and George Rowley House Housing with Care schemes and relocate service users to other Housing with Care schemes within the City.**
 - (d) Close the Day Centres for Older People at Risen Christ and Frank Walsh House and relocate service users to Gilbert Richards.**
 - (e) Relocate the Day Centres for Adults with Learning Disabilities at Curriers Close and Watcombe Centre to Frank Walsh House.**
 - (f) Establish a specialist provision for service users at Brandon Wood Farm following further planning work.**
 - (g) Provide transitional funding to Risen Christ luncheon club to support the centre to make the financial and service adjustments required to continue longer term.**

- (h) **Retain the weekend dementia day service provided at the Maymorn Centre.**
- (i) **Support the proposal to develop a Reablement Strategy with the Clinical Commissioning Group and the offer of six-month initial funding to enable the Aylesford to continue while the strategy work is completed.**
- (j) **Close the in-house Home Support Short Term Service with a target date of 1 July 2014.**

110. Whitefriars Housing Group - Proposed Changes to Enable New Investment in Coventry Homes, a Viable Spirit Quarters Development to Proceed and for the Council to Implement Service Change Proposals

The Cabinet considered a joint report of the Executive Directors, Place and Resources, which set out a number of proposed changes to existing arrangements, to enable new investment in Coventry Homes, for a viable Spirit Quarters development to proceed and for the Council to implement service change proposals.

The Councils approval was sought to refinance Whitefriars debt, which would see £50m invested in refurbishing and improving 7,500 homes in Coventry over five years and £34m invested in providing an extra 340 homes in Coventry. To enable the refinancing arrangements to be concluded the Council would be required to forego Right to Buy receipts. In return, Whitefriars would reinvest an equivalent sum, together with their own share of net Right to Buy Receipts, into a shared fund for improvements to roads and footpaths on Whitefriars estates that had transferred back to the Council under case law arising as result of the 'Guliksen' ruling. The Council, in partnership with Whitefriars, would manage this fund. It was also proposed to release two small sites for new house building to Whitefriars in order for them to build 18 dwellings to rent.

Whitefriars were the lead partner in bringing forward the Spirit Quarters redevelopment in the former NDC area of Wood End, Henley and Manor Farm. The Council, Moat House Community Trust, the Homes and Community Agency (HCA) and Bovis, Keepmoat and Westbury Homes (BKW) were the other partners and stakeholders. The current phase of development was selling very well and the build programme had been accelerated to cope with demand. However, given the scale of the proposed redevelopment, the timescale it would take to deliver the whole scheme and the availability of the additional funding released by refinancing, the viability of the proposals had been reassessed by the partners and revised proposals put forward to conclude work in the area earlier, but on a lesser scale.

The report indicated that the proposed service changes arising from 'A Bolder Community Services' recommended that care provided at Jack Ball and George Rowley House be ceased and that day care services for Adults with Learning Difficulties be relocated to Frank Walsh House. The Council occupied a small annex of each of these 'Houses' by way of long lease from Whitefriars. Whitefriars have agreed to accept a surrender of the leases of the annexes to Jack Ball and

George Rowley House and any necessary change of use required for the Frank Walsh House proposals to proceed be undertaken at no cost to the Council, subject to the approval of the Whitefriars Board

RESOLVED that the Cabinet:-

- 1. Approve the Council foregoing Right to Buy receipts receivable as part of the original stock transfer agreement, to enable Whitefriars to refinance its debt thus releasing new resources for investment in Coventry homes.**
- 2. Approve receiving a sum equivalent to 'Right to Buy' receipts from Whitefriars, together with Whitefriars own share of net Right to Buy receipts, in order to meet highway repair obligations that have transferred to the Council as a result of the 'Guliksen' ruling and that these resources form a shared fund within the annual highway maintenance programme to address neighbourhood priorities, prioritised in conjunction with Whitefriars on the same basis (worst first) as the allocation of existing highway repair resources.**
- 3. Approve a reduced Spirit Quarters scheme for consultation with local residents and delegate authority to the Spirit Quarters Project Board, in consultation with the Cabinet Members (Business, Enterprise and Employment) and (Housing and Heritage), to agree the level of investment and support in the Manor Farm estate and to approve homes no longer being redeveloped.**
- 4. Subject to Whitefriars Board approval, approve the surrender of leases at Jack Ball House and George Rowley House and any necessary changes to the lease at Frank Walsh House at no cost to the Council to enable the Council to implement its proposals for service change contained in the Bolder Community Services report elsewhere on your agenda.**
- 5. Delegate authority to the Executive Director, Resources to complete any necessary changes to existing legal agreements and any new legal agreements necessary to give force to the changes above and to achieve this in a tax efficient manner.**
- 6. Subject to recommendation (1) and (2), approve the addition of the works to the Council's capital programme for the purposes described, delegating authority to the Executive Director, Resources and Executive Director, Place in consultation with the relevant Cabinet Members to determine the exact value of joint Council and Whitefriars investment in 2013/14.**

111. Council Tax Base 2014/15

The Cabinet considered a report of the Executive Director, Resources, which sought approval of the 2014/15 Council Tax Base as required under the Local Authority (calculation of Council Tax Base) Regulations 2012.

In addition, following the localisation of Business Rates in April 2013, it was necessary for each authority to estimate the amount of business rates to be collected in the forthcoming financial year. The report recommended delegating the authority for determining this estimate to the Executive Director, Resources in consultation with the Cabinet Member (Strategic Finance and Resources).

The Council tax base was the measure of the taxable capacity of an area for the purpose of calculating an authority's Council Tax. It represented the estimated number of Band D equivalent chargeable dwellings for the year. It also took into account the authority's estimated Council Tax collection rate.

The report made the necessary calculations in accordance with the Local Authorities (Calculation of Council tax base) Regulations 2012 to establish the Council tax base for the City Council and its parishes. These regulations applied to financial years beginning 1st April 2013 onwards, and included the impact of the change from awarding Council Tax benefit to the introduction of a Council Tax Reduction Scheme.

Under the Reduction Scheme, the Council Tax base was reduced according to the amount of reductions awarded under the scheme, as the authority would be foregoing the relevant Council Tax income and instead would receive grant income outside of the Council Tax arrangements. These reductions were reflected in the calculation of the Council tax base, in order to calculate the correct amount of band D Council Tax for the billing authority (Coventry City Council), the major precepting authorities (West Midlands Police and Crime Commissioner and the West Midlands Fire and Rescue Authority), and the local precepting authorities (Allesley Parish Council and Keresley Parish Council)

It was estimated that the effect on the tax base of the Reduction Scheme would be to reduce it by 20.87%. The financial impact of the reduction in tax base would be partially offset by a grant from central government. The tax bases for the parishes of Allesley and Keresley would also be reduced by 20.87% as a result of the Council Tax Reduction Scheme. It was proposed that the Council transfers an element of the grant described above to offset the impact of the reduced tax base on tax income for the parish councils. It was proposed that Allesley and Keresley receive payments of £730 and £409 respectively to offset the effect of the tax base reduction. These payments had been calculated to offset 90% of the effect of the tax base reduction, in keeping with the approach adopted nationally. The details of the calculations were provided in appendix D to the report.

The report did not set the actual level of Council Tax in Coventry; that would be set by Council on the 25th February 2014. The determination of the tax base was one part of the process and must occur before 31st January each year.

The technical nature of this report reflected the fact that the tax base calculation was prescribed by statute. The tax base measured all properties in an area, relative to a band D property even though this is not representative of the typical domestic property in Coventry. In fact 88% of properties in Coventry fall into bands A to C, which attract lower bills than Band D properties.

The 2012 Local Government Finance Act changed the method of allocating the revenue obtained from Business Rates. Local authorities would retain a

proportion of their business rates and, in addition, would either be charged a tariff or, as was the case for Coventry City Council, receive a top-up in order to maintain funding at levels similar to those received historically. It would also mean that the authority's future resources would be impacted by 49% of any increase or decrease in business rates. Central Government would be affected by 50% of any change, and the West Midlands Fire and Rescue Authority would experience the remaining 1% effect. West Midlands Police would not be affected by changes in business rates.

Regulations now required the Council to formally set an estimate of the business rates for the area for the forthcoming financial year by 31st January at the latest. This estimate was subject to a number of variable components and new financial regulations that required technical interpretation. Therefore, it was recommended that the Executive Director, Resources be given delegated authority to agree the business rates estimate in consultation with the Cabinet Member (Strategic Finance and Resources) both for 2014/15 and on an on-going basis. The Scheme of Delegation for Employees (in Part 3 of the Constitution) would need to be amended to reflect this new delegation. The Executive Director, Resources had delegated powers under paragraph 3.7 of the Constitution to make changes to the Scheme of Delegation to ensure that all delegated powers were assigned to relevant employees and would exercise this power to amend the Constitution accordingly.

RESOLVED that the Cabinet:-

1. **Agree that the Council Tax collection rate for 2014/15 be set at 98.5%**
2. **Agree that, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amounts calculated by the City Council for 2014/15 shall be:**

a net tax base of 73,201.0 for the whole of the City Council area made up as follows:

Allesley Parish	298.3
Keresley Parish	208.9
All Other Coventry City Council Wards	72,693.8
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TOTAL	73,201.0

3. **Agree that the following grant payments should be made to parish councils to reflect the impact in 2014/15 of Council Tax reductions on their tax bases:**

Allesley Parish	£730
Keresley Parish	£409
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TOTAL	£1,139

4. **Delegate authority to the Executive Director, Resources, in consultation with the Cabinet Member (Strategic Finance and Resources), to determine an estimate of the business rates for the forthcoming financial year (completing the National Non Domestic Rates 1 (NNDR1) form), prior to submission to government.**
5. **Delegate on-going authority to the Executive Director, Resources to determine annually the business rates estimate, in consultation with the Cabinet Member (Strategic Finance and Resources) and that he exercises his delegated power to amend the Scheme of Delegation for Employees (Part 3 of the Constitution) accordingly.**

112. Increasing Pupil Places Programme 2014 Phase 2 : Corpus Christi, Hollyfast, Little Heath, Park Hill and Whitley Abbey Primary Schools

The Cabinet considered a report of the Director of Education and Inclusion which set out proposals for Phase 2 of the Increasing Pupil Places Programme 2014.

The Increasing Pupil Places Programme 2014 involves ten schools. The first five schools were approved by the Cabinet as Phase 1 in June 2013. These schools were Aldermoor Farm Primary School, Broad Heath Primary School, Clifford Bridge Primary School, Coundon Primary School and Frederick Bird Primary School. Approval was now sought for the proposals and capital funding of a further five schools under phase 2 of the programme, these being Corpus Christi, Hollyfast, Little Heath, Park Hill and Whitley Abbey Primary Schools.

An Official Journal of the European Community (OJEU) tender process was carried out between February and May 2013 to select a consultant design team and partnering contractor. Associated Architects (lead consultants) and Wates Construction (partnering contractor) had developed the extension proposals in collaboration with key stakeholders. Planning applications had been submitted in October 2013 for all five schools. Enabling works would be completed in time for the schools to increase their intake capacity from September 2014 and the main construction works completed for January 2015. The report submitted detailed the specific proposals for each of the five schools and, appended to the report, were illustrations of the designs for each of the schools.

It was estimated that the total costs, based on the scheme design proposals, would £12,326,157. This was to be funded by a mixture of existing and future Central Government allocations and other grants.

RESOLVED that the Cabinet recommend that Council:

1. **Approve plans for the extensions and modifications to Corpus Christi, Hollyfast, Little Heath, Park Hill and Whitley Abbey Primary Schools in line with the proposals included in the report.**
2. **Approve the programme of £12,326,157 by the City Council to include expenditure for the extensions and modifications to Corpus Christi, Hollyfast, Little Heath, Park Hill and Whitley Abbey Primary Schools and Park Hill Play Group as set out in Table 5.1.2. of the report.**

113. **Polling District and Polling Place Review**

The Cabinet considered a report of the Executive Director, Resources, which set out the outcome of a review of parliamentary polling places and proposed a revised polling district and polling place scheme for Coventry.

The report indicated that Section 18C(1) of the Representation of the People Act 1983 (RPA 1983) placed a duty on all UK local authorities to review their parliamentary polling places within 18 months of a Parliamentary Election. The Electoral Commission had advised that the formal review process must take place between 1st October 2013 and 1st February 2015, and no part of the formal review could be carried out before 1st October 2013. In view of this advice, the Cabinet Member (Community Safety and Equalities) Electoral Arrangements Advisory Panel agreed a timetable for the review. The notice of the review was published on 7th October 2013.

The Cabinet were advised that the annual audit of electors was currently being conducted, with the revised register being published on 17th February 2014. The review needed to be completed in sufficient time to allow the revised register to be published using the revised polling districts, and allowing adequate time to book polling stations for the local and European parliamentary elections in 2014.

The Appendices to the report set out the Draft Revised Polling District and Polling Place Scheme; suggested roads/properties to be moved from one polling district to another; provided maps detailing the suggested polling district boundaries with the future proposed polling district names for the 18 wards; responses to the consultation; and the Acting Returning Officer's recommendations regarding polling stations together with any comments received from the Ward Councillors

The Cabinet were advised that, since publication of the report, one of the proposed polling places within Bablake Ward had become unavailable. It was therefore proposed that the revised polling district and polling place scheme be approved subject to the location of a suitable alternative for polling districts Aa and Ac being reported to Council at their meeting on 14th January 2014, along with a revised location plan.

RESOLVED that the Cabinet recommend that Council consider and approve the revised polling district and polling place scheme, subject to the location of the polling place for polling districts Aa and Ac being amended, the location of which will be provided at their meeting together with a revised plan.

114. **International Transport Museum**

The Cabinet considered a report of the Executive Director, Place, which sought approval for the provision of unsecured cash-flow support of up to £2m to Culture Coventry for the duration of works, in advance of receipt of grants, for the International Transport Museum scheme.

The International Transport Museum scheme comprised a significant development of one of Coventry's key cultural assets, the Coventry Transport Museum. The scheme would include bringing back into economic use the Old Grammar School,

one of Coventry's most important historic buildings, which was currently unused and on the English Heritage 'At Risk' Register.

It was expected that the project would re-fresh and further energise the cultural offer and visitor experience at Coventry Transport Museum, enabling the museum to reflect the depth of Coventry's role in pushing the frontiers of transportation manufacturing, whilst at the same time stimulating interest in emerging new technologies. The development would deliver a much-enhanced, ground breaking museum which would build on Coventry's role as a centre of innovation in world transportation, to attract new visitors to the City.

Subject to award, on 16th April 2013 Cabinet gave approval for the Council to act as guarantor for the European Regional Development Fund (ERDF) grant contribution for the scheme. ERDF funding of £3.1m and Heritage Lottery Fund grant of £4.63m had been secured for the scheme, but the grant could only be claimed retrospectively in phases, on evidence of expenditure. Further to analysis of the grant funding profile and its wider business plan, Culture Coventry had therefore requested that the Council provide cash-flow support for the scheme to enable its successful delivery.

Within the current profile for the scheme, Council cash-flow support to Culture Coventry would be required from April 2014 at an initial level of £0.25m, rising to a peak of £2m in January 2015. Full reimbursement of the cash-flow support provided would be anticipated by June 2015 by the retention of grant payments by the Council to repay the cash flow support.

RESOLVED that the Cabinet recommend that Council:

- 1. Approve the provision of unsecured cash-flow support of up to £2m to Culture Coventry for the duration of the works, in advance of receipt of grants for the International Transport Museum scheme.**
- 2. Delegate authority to the Executive Director, Place and Executive Director, Resources in consultation with the Cabinet Member (Housing and Heritage) to approve the profile and timing of cash-flow support to Culture Coventry to successfully deliver the development scheme.**

115. Sub-Regional Joint Committee

The Cabinet considered a report of the Chief Executive, which sought approval for the establishment of a Sub-Regional Joint Committee for Coventry and Warwickshire.

Coventry City Council worked closely with a number of other local authorities and other organisations to promote the economic growth and prosperity of Coventry. Local economic geography along with Government policy on economic growth, including the establishment of the Coventry and Warwickshire Local Enterprise Partnership (LEP), had led to increased partnership working between the seven local authorities in Coventry and Warwickshire along with Hinckley and Bosworth Borough Council.

The delivery of a Coventry and Warwickshire City Deal and the future allocation of Government local growth funding both require the establishment of formal local government arrangements at a sub-regional level. After consideration of the governance options that were available to the sub-region, it was proposed that a sub-regional Joint Committee be set up to address economic development, regeneration and strategic planning at a sub-regional level, with the view towards moving to a sub-regional Economic Prosperity Board when this is possible.

Appendix 1 of the report set out the recommended draft terms of reference for the Coventry and Warwickshire Joint Committee and it was proposed that authority be delegated to the Leader of the Council to agree any final outstanding details with the other members of the Joint Committee.

It was expected that Local Authorities be represented on the Joint Committee by the Leader of the Council. The draft terms of reference required each council to appoint a named substitute elected member. It was recommended that Coventry should nominate the Cabinet Member (Business, Enterprise and Employment) to be the Council's named substitute.

RESOLVED that the Cabinet recommend that Council:

- 1. Approve the establishment of Coventry and Warwickshire Joint Committee to address economic development, regeneration and strategic planning at a sub-regional level.**
- 2. Approve the draft terms of reference set out in appendix 1 in principle, and delegate authority to the Leader of the Council to agree final details with the other local authorities on the Joint Committee.**
- 3. Agree that there is potential to widen the remit of the Joint Committee over time with the agreement of the constituent local authorities.**
- 4. Approve that the Leader should represent Coventry City Council on the Coventry and Warwickshire Joint Committee with the Cabinet Member (Business, Enterprise and Employment) as named substitute member.**
- 5. Endorse the approach of moving towards a sub-regional Economic Prosperity Board when this is possible.**

116. Coventry and Warwickshire City Deal

The Cabinet considered a report of the Chief Executive which sought endorsement of the Coventry and Warwickshire City Deal and approval of the cost sharing proposals for local authority partners.

Coventry and Warwickshire was one of 20 areas that were invited to take part in the second wave of City Deals. The purpose of City Deals was to drive local economic growth and jobs with each one a “bespoke” agreement between a local area and central Government that reflected the different needs of the local area’s functional economic geography.

The Coventry and Warwickshire City Deal (the City Deal) focused on the advanced manufacturing and engineering sector and aimed to promote sustained economic growth and create jobs in the sub region. The City Deal would establish a Coventry and Warwickshire Business Support Clearing House that would deliver a range of bespoke business support services to support local businesses to grow and create local jobs by assisting them to invest in skills; supporting innovation through better access to research and development; and by supporting them to access both finance and development opportunities.

The Clearing House would be a subsidiary company limited by guarantee of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP). The Clearing House Managing Director would report directly to the CWLEP, who would manage the day to day operations. Councils through the Joint Committee would be able to hold the CWLEP to account on the outcomes of the Clearing House. The accountable body would be a Local Authority given responsibility for the funding used to support the City Deal.

The expected outcomes of the City Deal included over 15,000 new jobs by 2025 (including 8,800 in the advanced manufacturing and engineering sector); support for growth in 450 companies; and a new motor test track for the automotive sector at Fen End in Warwickshire. The City Deal included £25m of public sector investment and over £67m of private sector investment.

After extensive negotiations the Coventry and Warwickshire City Deal has been agreed between central Government and CWLEP; the seven local authorities in Coventry and Warwickshire and Hinckley and Bosworth Borough Council. As part of the City Deal the eight local authorities will set up a Joint Committee to provide robust governance arrangements for the City Deal.

The proposed local authority financial contribution to the City Deal was a total of £1,123,202 made up from contributions from all eight local authorities. Coventry City Council's contribution of £0.48m and Warwickshire County Council's contribution of £0.53m make up the most of the funding, with each of the District Councils contributing to the rest. The funding allocation was set out in more detail in appendix 2 to the report.

RESOLVED that the Cabinet recommend that Council:

- 1. Agree that Coventry City Council should formally endorse the Coventry and Warwickshire City Deal set out in Appendix 1.**
- 2. Approve the cost sharing proposal as recommended by the Chief Financial (section 151) Officers of the City Deal local authority partners as detailed in the main body of the report and in Appendix 2. Costs range from £1.1m to be met from local authority partners in year 1 with on-going costs rising to £3.2m (year 5) which will be met by the CWLEP partners on the basis that contributions from private sector partners and grant funding being pursued are forthcoming.**
- 3. Agree to fund the Council's share of the estimated costs of City Deal of £0.48m to support the year 1 operating costs.**

4. Support the approach of applying to European Union and Single Local Growth Fund sources of funding to support the on-going costs for City Deal taking into account any match funding requirements.

117. Coventry and Solihull Waste Disposal Company (CSWDC) Preference Shares Redemption

The Cabinet considered a report of the Executive Director, Place, which set sought approval of proposals in relation to Preference Shares Redemption from Coventry and Solihull Waste Disposal Company (CSWDC).

The Council currently owned 66 of the 99 ordinary shares in the Coventry and Solihull Waste Disposal Company. The remaining 33 ordinary shares were held by Solihull Council. Coventry and Solihull Councils also held preference shares in CSWDC, in the same proportions as the ordinary shareholding. Coventry Council held £7.55m of preference shares. These preference shares were used historically to provide initial financing into CSWDC by the Council. They were shown as a liability in the CSWDC balance sheet and as an investment in the Council accounts. This meant they could be paid back in full or in part to the Councils at any time, subject to agreement by both Council shareholders and CSWDC.

CSWDC had paid dividends on the ordinary shares as the profitability and cash position of the Company have allowed. The Council's Medium Term Financial Strategy (MTFS) currently assumed a £1.3m ordinary dividend in 2013/14 and ongoing. No dividends were paid in relation to the preference shares.

Over recent months, the Council, along with Solihull Council, had engaged with CSWDC to see what additional returns the Company might be able to provide to the shareholders, given the significant financial challenges that both Councils face. CSWDC had sufficient distributable reserves and cash to enable up to £3.6m (of which £2.4m (2/3) would relate to Coventry City Council), rather than the estimated £1.33m to be released to the Council in 2013/14. The proposal was that this cash be released as a redemption of a proportion of the preference shares held in the Company by each of the Councils rather than a dividend. The proposal would have benefits for the Council as it would enable a significant increase in the amount of cash that could be released in 2013/14. It would also benefit the Company in that it strengthens their balance sheet by reducing their liabilities. The redemption of the preference shares by the Council would mean that the total value of the preference shares Coventry held in the Company would reduce from £7.55m at 31st March 2013 to £5.15m, releasing the value during 2013/14 in cash.

Officers in the Resources Directorate were currently working up proposals on the Budget report for 2014/15, which would be considered by the Cabinet in February 2014. This work would take account of both the benefit described in this report and the longer term financial returns from CSWDC in seeking to balance the medium term financial position of the Council in the current challenging context. It was proposed that the capital receipt arising from the redemption be switched to revenue, to support the medium term financial strategy.

RESOLVED that the Cabinet:-

- 1. Make a recommendation to Council through the Budget Report in February 2014 on the proposals for allocation of the additional £1.06m arising from this decision.**
- 2. Approve the switching of the capital receipt to revenue to support the medium term financial strategy.**

118. Outstanding Issues

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

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

119. 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.

(Meeting closed at 3.30 pm)