

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 10 December 2013

Present:

Members: Councillor A Lucas (Chair)
Councillor D Chater
Councillor G Duggins
Councillor D Gannon
Councillor A Gingell
Councillor A Khan
Councillor E Ruane

Deputy Cabinet Member: Councillor Caan

Non-Voting Opposition Members: Councillor A Andrews
Councillor J Blundell

Other Members: Councillor Clifford
Councillor J McNicholas
Councillor T Skipper
Councillor S Thomas

Employees (by Directorate):

Chief Executive's: M. Reeves (Chief Executive), F Collingham, J Moore, J Venn

People B Walsh (Executive Director)

Place N Clews, D Cockroft, C Knight, R Moon

Resources C West (Executive Director), C. Forde, P Jennings, M Salmon

Apologies: Councillors F Abbott, C Fletcher, J Innes, L Kelly, D Kershaw,
R Lancaster, P Townshend

Public Business

90. Declarations of Interest

There were no declarations of Interest.

91. Minutes

The minutes of the meeting held on 19th November 2013 were agreed and signed as a true record. There were no matters arising.

92. **Exclusion of Press And Public**

RESOLVED that the Cabinet agrees to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 relating to the private reports detailed below, on the grounds that they involve the likely disclosure of information relating to the financial or business affairs of any particular person (including the authority holding that information) as defined in Paragraph 3 of Schedule 12A of the Act. In all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Minute No.	Subject	Relevant Paragraphs Of Part 1 of Schedule12A
103	Commercial Property – Ground Lease Disposals	3
104	1 Lincoln Street Land Disposal	3

93. **2013/14 Quarter 2 Revenue and Capital Monitoring and Treasury Management Report (to September 2013)**

The Cabinet considered a report of the Executive Director, Resources, that advised Members of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity in the second quarter of 2013/14.

The current forecast for 2013/14 was a revenue overspend of £1.5m subject to approval of a reserve contribution. This compared to a forecast of £4m at the first quarter. The reported overspend at the same point in 2012/13 was £1.3m. The report outlined the actions planned to bring the 2013/14 position into balance.

The Capital spending forecast as at the second quarter was projected to be £82m. This represented a net increase of £4.1m compared to the £77.9m reported at the first quarter. This increase in the capital programme comprised £3.6m rescheduling of expenditure into 2014/15, £7.8m new spending approvals, and a small underspend of £0.1m. Spending at this revised level would be met by resources previously identified.

RESOLVED that the Cabinet:

- 1) Approves a reserve contribution of £0.8m to fund one-off expenditure relating to temporary additional staffing within Children's Social Care within the People Directorate.**
- 2) Notes the projected revenue overspend and endorses the proposed actions to balance the budgetary position by year-end.**
- 3) Approves the revised capital estimated outturn position for the year of £82m incorporating:**

- (i) **£7.8m increase in spending relating to approved/technical changes (Appendix 2 refers).**
- (ii) **£3.6m net rescheduling of expenditure into 2014/15, (Appendix 4 refers).**
- (iii) **£0.1m net underspending on the Programme.**

94. **Pre-Budget Report 2014/15**

The Cabinet considered a report of the Executive Director, Resources, informing Members that The Chancellor's Spending Round announcement in June 2013 confirmed the Council's future resource allocations from Government, a headline reduction of £19m (11%) of Revenue Support Grant in 2014/15 and an additional £24m (15%) in 2015/16. The cuts came in addition to significant previous reductions in resources made since 2010 and predictions of further reductions for the remainder of the current decade.

In this context, the Pre-Budget Report confirmed the fundamental importance of the Council achieving its existing three year abc savings programme as the starting point for moving towards a balanced Budget position for 2014/15 and beyond. The report detailed the new spending pressures facing the City Council, a small number of new policy initiatives and a range of savings proposals and revised assumptions that would form the basis of this year's formal Budget consultation process. The report also included a revised Discretionary Rate Relief Policy for consultation, proposed in part fulfilment of the Strategic Regeneration and Business Rates abc Review approved within the 2013/14 Budget Setting process.

The proposals were in line with the Council's Medium Term Financial Strategy approved by Council on 3rd December 2013 (their minute 99/13 refers) and would allow for a budget that underpinned the over-arching approach to the challenges that it faced. The approach included, but was not restricted to, Kickstarting the Friargate business district, implementing the Coventry Investment Fund proposals, leading the drive for economic growth and regeneration and supporting the sub-regional City Deal Initiative. The majority of the financial foundations for taking forward the initiatives had already been approved as part of existing decisions and were therefore not subject to specific recommendations within this report. There were specific proposals to enable the Council to continue to support the City's most vulnerable citizens, in particular children in care, those who suffered domestic abuse and lower paid employees.

The report proposed that the budget consultation was carried out on the basis of a rise in Council Tax levels just below the limit set by Government beyond which a referendum would be required. This referendum limit was expected to be 2%. This option made more resources available to the Council both in the short-term and the long-term and would help to protect services provided to the people of Coventry.

RESOLVED that the Cabinet:

- (1) Approves the content of the report, the spending and savings options in Section 2 of the report and Appendix 1 of the report and the**

proposed approach on Council Tax in paragraph 1.7 of the report, as the basis for the Council's budget consultation process.

- (2) Approves the revised Discretionary Rate Relief policy set out in Appendix 2 of the report, as a basis for public consultation.**

95. **Coventry Council Plan**

The Cabinet considered a report of the Chief Executive that sought approval of the new Coventry Council Plan.

The previous Council Plan was adopted in 2011 with progress monitored through half yearly performance reports. At the meeting of the Cabinet on 9 July 2013 (minute 29/13 referred) the Cabinet noted that whilst good progress had been made over the last two years, there were significant challenges facing the City that should be reflected in a revised plan for 2013/14 onwards. The new Plan provided the strategic direction and priorities for the Council for the next 10 years and reflected the Council's aspirations for Coventry.

RESOLVED that the Cabinet recommends that the Council approves the new Council Plan attached as Appendix 1 to the report.

96. **University of Warwick and Westwood Business Park Congestion Relief Scheme**

The Cabinet considered a report of the Executive Director, Place, that outlined proposals to deliver a scheme to reduce congestion, improve bus service reliability and provide improved facilities for pedestrians and cyclists around the University of Warwick, Westwood Business Park and the A45.

The total package would cost £5.222m and was all externally funded: £1.725m of government grant funding from the national 'Local Pinch Point Fund', subject to a successful outcome of the bidding process; and £3.497m from the University of Warwick through planning obligations. This was a partnership scheme between Coventry City Council, the University of Warwick and the Department for Transport. To satisfy the grant conditions, work would need to start in January 2014 to enable completion by the middle of 2015.

RESOLVED that the Cabinet are requested to recommend that Council:

- 1) Approves the delivery of the University of Warwick and Westwood Business Park Congestion Relief Scheme totalling £5.222m as detailed in Sections 1 and 2 of the report.**
- 2) Approves Coventry City Council capital expenditure of £1.725m funded by external grant from the Department for Transport.**
- 3) Delegates authority to sign legally binding funding agreements with the Department for Transport and University of Warwick, including section 151 officer sign-off, by the Executive Director of Resources, in**

consultation with the Cabinet Member (Public Services) for the grant funding.

97. Amendments to Terms of Reference for West Midlands Joint Committee

The Cabinet considered a report of the Executive Director, Place, that recommended that Council approved changes to the terms of reference of the West Midlands Joint Committee (WMJC) which had been agreed by the Joint Committee, but which required approval by all constituent Districts. Consequently the same recommendation was being taken to all District's Cabinets and Councils.

Cabinet were also being asked to give authority for the Leader to support a proposal to the Secretary of States for Transport and Communities and Local Government for structural changes to the West Midlands Integrated Transport Authority (ITA) which the ITA intended to submit. The Department for Transport had asked that the ITA demonstrated support from all constituent Districts for the proposed structural changes. Consequently the same recommendation was being taken to all District's Cabinets and Councils.

Both changes were related and would affect the governance covering transport delivery in all Wards of Coventry. The aim of the changes was to improve the efficiency and effectiveness of regional activity and to strengthen transport governance.

There were no direct financial implications arising from the recommendations in the report, as the proposals only related to governance arrangements at this stage. However, the WMJC and the ITA formed key elements of the governance arrangements through which Government devolved funding to the West Midlands and onto each local authority.

RESOLVED that the Cabinet:

- 1) Accepts the amended terms of reference of the West Midlands Joint Committee as set out in Appendix 2 of the report insofar as they relate to executive functions of the Council, and that the Council Solicitor and Assistant Director Legal and Democratic Services be authorised to take any necessary and consequential actions to give effect to this decision.**
- 2) Authorises the Leader of the Council, in consultation with the Chief Executive, to send or sign a letter of support to the relevant Secretary of States in connection with the proposed structural changes to the Integrated Transport Authority.**

98. MIPIIM 2014 - Authority for Attendance 11th - 14th March 2014

The Cabinet considered a report of the Executive Director, Place, that sought approval for the attendance of a Coventry delegation at MIPIIM 2014 being held on 11th – 14th March 2014 in France.

MIPIIM continued to be the leading international real estate forum and global market place that brought together industry decision-makers from around the world. The primary objective for attendance was to attract and encourage

investment into Coventry as part of an overall strategy to create and sustain jobs in the region. Participating and exhibiting at MIPIM provided a unique opportunity to profile Coventry and Warwickshire projects, achievements and development opportunities to major decision makers and intermediaries in the UK and international property markets, promoting the region as a location for investment and development, with particular reference to City Centre South, Friargate, City Deal and promoting Coventry as a UK Key City. MIPIM also provided the opportunity to enhance the perception and image of Coventry and Warwickshire. The Monitoring Officer confirmed that she had considered the request and had no concerns.

RESOLVED, that the Cabinet gives approval for the following Coventry delegation to attend the Marche International Des Professionnels De L'Immobilier – MIPIM 2014 Conference, to be held in France between 11th – 14th March 2014:-

Councillor Lucas, Leader of the Council

Councillor Kelly, Cabinet Member (Business, Enterprise & Employment)

Martin Reeves – Chief Executive

Martin Yardley – Executive Director, Place

David Cockroft – Assistant Director City Centre & Development Services

Two further support officers from the Place Directorate

(Note: The Chief Executive sought and received clarification that officers would not be required to book annual leave for attendance at the Conference.)

99. **Commercial Property - Ground Lease Disposals**

The Cabinet considered a report of the Executive Director, Place, which detailed the work of the Strategic Property Review Team in identifying a list of income producing ground lease properties from within the commercial portfolio where there was an opportunity to either restructure leases to grow rental income, or dispose of the asset and use the capital receipt to pay off debt.

A corresponding private report detailing confidential financial matters was also submitted for consideration.

The Fundamental Service Review “Strategic Review of Property” A60 required the Council to save £3m per annum from its property portfolio by 2016/17. The targets could only be achieved by a combination of property solutions including rationalisation of operational property, optimisation of the commercial property portfolio and the disposal of some property assets.

RESOLVED that the Cabinet recommend that Council:

- 1) Approves the list of properties set out in appendix 1 of this report for lease restructure or freehold disposal subject to detailed terms being approved in accordance with the Council’s constitution and in compliance with Section 123 of the Local Government Act 1972.**
- 2) Approves that the proceeds of any disposal be allocated to reduce debt servicing costs in accordance with the Council’s Medium Term**

Financial Strategy, which provides that prudential borrowing should be repaid from capital receipts as they are generated.

- 3) Approves that the savings realised through debt reduction are allocated against the savings targets for the Strategic Review of Property - Fundamental Service Review.**
- 4) Delegates authority to the Assistant Director - Property Asset Management, to approve the terms of the individual lease restructures and freehold disposals.**

100. 1 Lincoln Street - Land Disposal

The Cabinet considered a report of the Executive Director, Place, that sought approval to proceed with the land sale of 1 Lincoln Street to the preferred purchaser.

A corresponding private report detailing confidential financial matters was also submitted for consideration.

1 Lincoln Street was the site of the former Salvation Army Hostel. A vacant and cleared development site extending to approximately 1.45 acres, it had been marketed for sale, by tender, in July 2013, with unconditional bids for the freehold interest in the site were called for by the 20th September 2013. From the 89 tender packs the highest compliant tender was received from the Gurdwara Guru Nanak Parkash for the site, accordingly this bid was selected as the Council's preferred purchaser providing best consideration for the Council.

RESOLVED that the Cabinet:

- 1) Approves the terms for the land transfer of the land at 1 Lincoln Street as detailed in the private report.**
- 2) Delegates authority to the Executive Director, Place, and Executive Director, Resources, to complete all the necessary legal documents in connection with the sale.**

101. 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 notes the dates for future consideration of matters relating to the outstanding issues items listed in the report.

102. 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.

103. **Commercial Property - Ground Lease Disposals**

Further to Minute 99 above, the Cabinet considered a report of the Executive Director, Place, that detailed confidential financial matters in relation to the list of income producing ground lease properties from within the commercial portfolio where there was an opportunity to either restructure leases to grow rental income, or dispose of the asset and use the capital receipt to pay off debt.

RESOLVED that the Cabinet recommend that Council:

- 1) **Approves the list of properties set out in appendix 1 of the report for lease restructure or freehold disposal subject to detailed terms being approved in accordance with the Council's constitution and in compliance with Section 123 of the Local Government Act 1972.**
- 2) **Approves that the proceeds of any disposal be allocated to reduce debt servicing costs in accordance with the Council's Medium Term Financial Strategy, which provides that prudential borrowing should be repaid from capital receipts as they are generated.**
- 3) **Approves that the savings realised through debt reduction are allocated against the savings targets for the Strategic Review of Property – Fundamental Service Review.**
- 4) **Delegates authority to the Assistant Director Property Asset Management to approve the terms of the individual lease restructures and freehold disposals.**

104. **1 Lincoln Street - Land Disposal**

Further to Minute 100 above, the Cabinet considered a report of the Executive Director, Place, that detailed confidential financial matters in relation to the land sale of 1 Lincoln Street to the preferred purchaser.

RESOLVED that the Cabinet:

- 1) **Approves the terms for the land transfer of the land at 1 Lincoln Street as outlined in paragraph 5.1.1 of the report.**
- 2) **Delegates authority to the Executive Director, Place, and Executive Director, Resources, to complete all the necessary legal documents in connection with the sale.**

105. **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)