

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

Lord Mayor (Councillor Noonan)  
Deputy Lord Mayor (Councillor Hammon)

Councillor Abbott	Councillor T Khan
Councillor Akhtar	Councillor Lakha
Councillor Andrews	Councillor Lancaster
Councillor Auluck	Councillor Lepoidevin
Councillor Bailey	Councillor Mrs Lucas
Councillor Mrs Bigham	Councillor McNicholas
Councillor Birdi	Councillor Maton
Councillor Blundell	Councillor Mrs Miks
Councillor Brown	Councillor Mulhall
Councillor Caan	Councillor J Mutton
Councillor Chater	Councillor M Mutton
Councillor Clifford	Councillor O'Boyle
Councillor Crookes	Councillor Ruane
Councillor Duggins	Councillor Sandy
Councillor Fletcher	Councillor Sawdon
Councillor Galliers	Councillor Singh
Councillor Gannon	Councillor Skipper
Councillor Gingell	Councillor Mrs Sweet
Councillor Harvard	Councillor Taylor
Councillor Hetherington	Councillor Thay
Councillor Howells	Councillor Thomas
Councillor Kelly	Councillor Townshend
Councillor Kershaw	Councillor Walsh
Councillor A Khan	Councillor Welsh

Honorary Aldermen Mr J Gazey, Mrs J Wright

Apologies: Councillor M Ali, S Bains, J Innes and D Skinner

**Public Business**

**69. Minutes of the Meeting held on 9th September, 2014**

The minutes of the meeting held on 9 September 2014 were signed as a true record.

**70. Exclusion of the Press and Public**

**RESOLVED** that the press and public be excluded under Section 100(A)(4) of the Local Government Act 1972 relating to the private reports detailed below 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 and business affairs of a particular person (including the authority holding that information) and that in all

circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- **Coventry Investment Fund Investment into Finance Birmingham Mezzanine Fund (Minute 82)**
- **Public Realm Phase 3 (Minute 83)**
- **Asset Review (Minute 84)**

\*Note: in respect of the item entitled "Asset Review" (referred to in Minute 87 below) which related to Coventry City Council's share in ACL and which was considered and voted on in private for the above mentioned reasons, it was agreed that due to the level of public interest and Members' commitment to ensure public open and transparent debate wherever possible, there would be a discussion in public on this matter (Minute 84 refers).

71. **Debates**

**RESOLVED** that the debates set out at items 13.1 and 13.2 on the agenda, submitted by Councillor Howells and Taylor respectively, be postponed to the next meeting of Council on 11<sup>th</sup> November 2014.

72. **Coventry Good Citizen Award - Mr John 'Nobby' Clarke**

On behalf of the Council, the Lord Mayor presented Mr John 'Nobby' Clarke with the Coventry Good Citizen Award. His citation read:

*"John 'Nobby' Clarke has been instrumental in the setting up and operation of the Coventry winter night shelter, which has been organised under the 'Hope Coventry' churches banner. He has worked extremely hard from taking on the Project Co-ordinator role on 13th December 2013 to the first night of opening the shelter on 18th January 2014, and of course over the weeks that followed. The night shelter could not have been set up without the phenomenal efforts and enthusiasm of Nobby in co-ordinating and organising the project and getting everything off the ground; the night shelter ran until the 31st March 2014.*

*Nobby has worked with the venues and volunteers to provide an atmosphere of safety, welcome and hospitality ensuring that people connected with people; gradually building confidence and developing trusting relationships. Nobby has ensured that lives of vulnerable people have been positively affected through the simple act of generous hospitality shown to them along with genuine love and care.*

*As part of this project Nobby has co-ordinated 7 different churches and over 450 volunteers in order to provide a shelter for up to 20 rough sleepers, with a different church providing shelter on each day of the week. A hot evening meal was provided at each venue by a variety of volunteers, including Sikh and Muslim groups. Ninety individual guests have been registered over the period that the night shelter ran, with up to 22 staying on any one night. Over 1000 bed nights were provided and 25 people have been supported to access more permanent accommodation.*

*Nobby is truly an inspiration to us all and richly deserves the Coventry Good Citizen award."*

73. **Local Democracy Week**

The Lord Mayor referred to the forthcoming Local Democracy Week during 13<sup>th</sup> – 17<sup>th</sup> October 2014. The Council would be hosting a programme of events aimed at encouraging greater democratic engagement, especially among younger people.

As part of Local Democracy Week, the Lord Mayor would be hosting a Youth Quiz at the Herbert Art Gallery and Museum on Wednesday 15<sup>th</sup> October and invited Members to join in. Other events included Virtual Council, Question Time, A Democracy Workshop and a Year 12 School Debate.

74. **Petitions**

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

- (1) Request for dropped kerbs on Rylston Avenue, Beake Avenue, Headington Road, Instone Road and the Scotchill – 110 signatures – presented by Councillor Birdi.**
- (2) Speeding on Earlsdon Avenue South – 25 signatures – presented by Councillor Taylor.**
- (3) Request for improvement to pavements in Cannon Close and Stareton Close – 35 signatures – supported by Councillor Taylor.**
- (4) Objection to Planning Application FUL/2014/2855 – 77 signatures – presented by Councillor Akhtar.**
- (5) Request for Joan Ward Street, Wrigsham Street, Thomas Landsdale Street and Hocket Street be included in the Cheylesmore East residents parking scheme – 205 signatures – presented by Councillor Bailey**
- (6) Request to reconsider residents parking scheme for The Martyrs Close and Mile Lane – 86 signatures – presented by Councillor Bailey.**

75. **Declarations of Interest**

Councillor Hammon declared disclosable pecuniary interests in the matters referred to in Minutes 78 and 83 (Public Realm Phase 3 - public and private reports). He withdrew from the meeting for the consideration of these matters.

76. **Changes to the Constitution: Appointments to Appeals Committee**

Further to Minute 39/14 of the Cabinet Member (Policing and Equalities) meeting, the City Council considered a report of the Executive Director, Resources which outlined proposals to change the Constitution to allow Cabinet Members to sit on Appeals Committees.

The Appeals Committee had responsibility for the determination of appeals against any decision made by or on behalf of the Council where there is a statutory right of appeal. Some appeals, such as school admission appeals, were excluded from its terms of reference. In practice most, if not all, appeals heard by employees although occasionally there is an appeal in connection with social services home care charges. Membership of the Committee is drawn on an ad hoc basis from a pool of members who have received relevant training.

At present, the Appeals Committee Procedure Rules at Part 3J of the Constitution did not allow Cabinet Members to sit on the Committee. The report recommended that the Constitution should be amended to permit Cabinet Members to sit on the Committee provided that they have received appropriate training. The ability to do this would be restricted to appeals by employees only and there is no proposal to extend membership to non-employee appeal hearings such as care charge appeals. It was also proposed to extend membership to non-employee appeal hearings such as care charge appeals. It was also proposed that the operation of the new arrangements should be reviewed in the next municipal year to ensure that they are delivering the anticipated improvements.

**RESOLVED that the City Council approve the amendment of paragraph 1 of Part 3J of the Constitution to remove the prohibition on Cabinet Members sitting on the Appeals Committee in connection with appeals by employees only, subject to their receiving appropriate training beforehand.**

77. **Coventry Investment Fund Investment into Finance Birmingham Mezzanine Fund**

Further to Minute 62/14 of the Cabinet, the City Council considered a report of the Executive Director, Place, and the Executive Director, Resources, that sought approval of proposals to invest funds from the Coventry Investment Fund in to the Finance Birmingham Mezzanine Fund.

A corresponding private report detailing the commercially confidential aspects of the proposals was also submitted to this meeting for consideration.

The Coventry Investment Fund (CIF) had been put in place to invest in real growth opportunities and grow Coventry's business rates. Investment was envisaged right the way through from manufacturing businesses to retail businesses, leisure services and road improvements and include the development of the Council's commercial property portfolio, with a view to getting the best return possible from its assets.

Finance Birmingham recently launched a £56m mezzanine based business support loan programme in the West Midlands. Finance Birmingham had approached the City Council for investment in the mezzanine fund with an offer to match any contribution the Council would make up to the value of £5m. For a £5million investment by the Council a further £5m would be added through the Fund. Finance Birmingham would not require any resources from the Council until 2015/2016 at the earliest and would effectively be the managing agent for the Council for its investment, but would not take any management fee from the

Council. The investment by the council would be ring fenced for businesses within Coventry.

The allocation of £5m would enable projects to progress in the City that would not otherwise be able to, in addition to generating substantial returns on investment.

**RESOLVED that the City Council**

- (a) Approves the investment of £5m of the Coventry Investment Fund in the Finance Birmingham Mezzanine Fund.**
- (b) Approves that investment decisions involving the use of the Coventry Investment Fund allocated to the Finance Birmingham Mezzanine Fund be delegated to the Investment Committee of Finance Birmingham.**

**78. Public Realm Phase 3**

Further to Minute 63/14 of the Cabinet, the City Council considered a report of the Executive Director, Place, which sought approval for a programme of works for Public Realm Phase 3 as a result of the existing public realm works attracting significant further funding.

A corresponding private report detailing the commercially confidential aspects of the proposals was also submitted to this meeting for consideration.

Coventry's very successful programme of public realm improvements in the city centre had attracted significant further funding totalling £18.8m, which included £7.5m European Regional Development Fund (ERDF) grant, £5m Growth Deal, £3.6m private sector investment, £0.642m Growing Places funding and £0.164m from Centro.

Including previously approved resources, this would provide £18.8m for a third phase of public realm improvements. Phase 3 would include improvements at 5 strategic locations in the city centre:

- Gosford Street and Coventry University campus
- Belgrade Plaza
- Junction One and pedestrian link to the Canal Basin
- Broadgate/Hertford Street
- Lidice Place

These schemes would complete the 'medieval-cross' of improvements, as originally set out in Coventry City Centre Public Realm report to Cabinet in October 2012, to connect major development sites, visitor attractions and shopping areas. Once completed the routes between the Friargate/Railway Station and the Canal Basin and Far Gosford Street to Spon Street would have been transformed and would complete an important element of the Council's ambitious programme to transform the city centre and make Coventry great again.

The public realm improvements had been instrumental in attracting significant interest in the leasehold of Cathedral Lanes shopping centre to create a new

restaurant/bar quarter. In addition, many targets from the original public realm programme for the attraction of new businesses and the creation of new jobs had been exceeded. The 2013 Coventry City Centre Survey reported some encouraging results compared to previous years, with an increase in visitor spend, an 8% rise in the number of people visiting the city centre in the evening, and also a rise in the number of people that stated visiting city centre events had increased their use of the city centre. 59% of those questioned were in agreement that the public realm Phase One works had improved the city centre.

It was proposed that the works would be delivered between autumn 2014 and spring 2016. The ERDF funding had been allocated against Gosford Street, Belgrade Plaza and the Canal Basin public realm improvement schemes. Spend and delivery of these projects would need to have been made by 31st December 2015. There was more flexibility regarding the Growing Places, Growth Deal and Coventry Investment Fund funding timescales. The Growth Deal money available was £2m for 2015/16 and a further £3m for 2016/17 so expenditure would be accelerated under the capital programme, subject to formal award of the funding.

The Public Realm Programme had been designated a West Midlands 'sink fund' by Department for Communities and Local Government (DCLG). This was a fantastic opportunity, as it meant that should other projects in the region underspend and grant becomes available, there would be an opportunity for further funding to be awarded to Public Realm Phase 3.

**RESOLVED that the City Council:**

- 1. Authorises the new programme of works for Public Realm Phase 3 totalling £18.8m to be added to the approved capital programme for 2014/15 and 2015/16, utilising £7.5M European Regional Development Fund to part fund Gosford Street, Belgrade Plaza and the Canal Basin Junction One Public Realm improvements.**
- 2. Subject to funding agreement and conditions, authorises the accelerated expenditure of £5m Growth Deal grant to part-fund the Public Realm Programme, £2m will be made available in 2015/16 and a further £3m in 2016/17 but will all be spent in 2015/16 and cashflowed by the Capital Programme.**
- 3. Delegates authority to the Executive Director, Place, in consultation with Cabinet Members (Public Services) and (Business, Enterprise and Employment) to agree the detailed works for Schemes in Coventry City Centre Public Realm Phase 3 as set out in Appendix A of the report submitted and their implementation.**
- 4. Authorises the City Council to act as guarantor and delegates authority to the Executive Director, Place, in conjunction with the Executive Director, Resources, to enter into grant aid agreements with Department for Communities and Local Government (DCLG) on European Regional Development Fund (ERDF) terms and conditions for the £7.5M ERDF awarded, and any further funding that becomes available from DCLG as part of the 'sink fund'.**

79. **Question Time**

There were no questions.

80. **Statements**

The Cabinet Member (Children and Young People), Councillor Ruane, made a statement in respect of the “Children’s Services Improvement Plan”.

Councillor Lepoidevin responded to the statement.

81. **Asset Review - Discussion in Public**

In relation to Minute 84 below relating to “Asset Review”, and in light of Members’ commitment to ensuring public, open and transparent debate wherever possible, the City Council debated and discussed the issues and principles that they were able to before going into private session as it would entail the disclosure of commercially sensitive information which included the sale of the City Council’s shareholding in Arena Coventry Ltd to London Wasps Holdings Ltd (Wasps). The effect of the proposed commercial transaction is that the City Council would no longer be involved in the management or operational running of the Ricoh Arena.

In particular, Members discussed and debated:

- The importance of having the interest of people of Coventry at the heart of any decision about the future ownership of ACL.
- The commitment that any deal relating to the Ricoh Arena would not be approved unless the following three tests were satisfied:
  - (1) A good deal for the City
  - (2) The security and future of Coventry City Football Club
  - (3) The security and future of Coventry Rugby Club
- The need to ensure the continued regeneration in the North East of the City.
- The long term commitment to the City given by Wasps, who are focussed on the success of their Club and were committed to delivering an ambitious programme for the community and to bringing more sport to Coventry.
- The expectation that the Ricoh Arena could now go from strength to strength, raising Coventry’s profile both nationally and internationally.
- The intention of Wasps to develop the Ricoh Arena as a conference centre plus a training facility in the future would benefit the City.

**Private Business**

82. **Coventry Investment Fund Investment into Finance Birmingham Mezzanine Fund**

Further to Minute 67/14 of the Cabinet and Minute 77 above, the City Council considered a report of the Executive Director, Place, detailing the commercially confidential elements of the proposals to invest funds from the Coventry Investment Fund in to the Finance Birmingham Mezzanine Fund.

**RESOLVED that the City Council:**

- (a) Approves the investment of £5m of the Coventry Investment Fund in the Finance Birmingham Mezzanine Fund.**
- (b) Approves that investment decisions involving the use of the Coventry Investment Fund allocated to the Finance Birmingham Mezzanine Fund be delegated to the Investment Committee of Finance Birmingham.**

**83. Public Realm Phase 3**

Further to Minute 68/14 of the Cabinet and Minute 78 above, the City Council considered a report of the Executive Director, Place, detailing the commercially confidential elements of the proposals for a programme of works for Public Realm Phase 3 as a result of the existing public realm works attracting significant further funding.

**RESOLVED that the City Council:**

- 1. Authorise the new programme of works for Public Realm Phase 3 totalling £18.8m to be added to the approved capital programme for 2014/15 and 2015/16, utilising £7.5M ERDF to part fund Gosford Street, Belgrade Plaza and the Canal Basin Junction One public realm improvements.**
- 2. Subject to funding agreement and conditions, authorise the accelerated expenditure of £5m Growth Deal grant to part-fund the public realm programme, £2m will be made available in 2015/16 and a further £3m in 2016/17 but will all be spent in 2015/16 and cashflowed by the capital programme.**
- 3. Retrospectively authorise expenditure at risk to date of the sum indicated in the report on the Gosford Street scheme until the Joint Working Agreement with Coventry University is in place, and approve further spend at risk to the sum indicated up to the signing of the Joint Working Agreement**
- 4. Authorise the City Council to enter into a Deed of Grant and Covenant with Coventry University for a term indicated in the report based on the Heads of Terms agreed between both parties in line with the plan illustrating the area referred to, as shown in Appendix E.**
- 5. Delegate authority to the Executive Director, Place, in consultation with Cabinet Members (Public Services) and (Business, Enterprise and Employment) to agree the detailed works for schemes in Coventry city centre Public Realm Phase 3 as set out in Appendix A and their implementation.**



6. **Authorise the City Council to act as guarantor and delegate authority to the Executive Director, Place in conjunction with the Executive Director, Resources to enter into grant aid agreements with DCLG on ERDF terms and conditions for the £7.5M ERDF awarded, and any further funding that becomes available from DCLG as part of the 'sink fund'.**

#### 84. **Asset Review**

Further to Minute 70/14 of the Cabinet and Minute 81 above, the City Council considered a report of the Assistant Director, Financial Management, which detailed commercially confidential matters in relation to asset review.

Since it opened in August 2006 the Arena has been a significant success. In that time it has created in excess of 3,500 jobs, including the associated retail park, and has become a high profile venue for concerts, conferences, exhibitions and sporting events. In the summer of 2012 Coventry became an Olympic city as the Ricoh Arena played host to Olympic football matches. The Arena has also hosted European Cup rugby matches, under 21 football internationals and professional darts, tennis and snooker competitions. It has also played host to some major music concerts including Take That, Oasis, Coldplay and Bruce Springsteen. In addition it was the home venue for Coventry City Football Club from 2006 until the end of the 2012/13 season.

The report set out the proposal that the City Council (through North Coventry Holdings Ltd) sells 100% of its shares in Arena Coventry Ltd to London Wasps Holdings Ltd for the sum indicated in the report. This represents 50% of the total shares of Arena Coventry Ltd. The effect of this commercial transaction is that the City Council would no longer be involved in the management or operational running of the Ricoh Arena.

The Arena is managed by Arena Coventry Limited (ACL), a company which is owned 50% by the City Council (via North Coventry Holdings Ltd [NCHL]) and 50% by the Alan Edward Higgs Charity (AEHC) (via Football Investors Ltd [FIL]). ACL 2006 is a wholly owned subsidiary of ACL and for the purposes of this report where ACL is referred to unless otherwise stated this comprises ACL and its subsidiary ACL 2006. ACL 2006 holds a lease to operate the Arena site dated 19<sup>th</sup> December 2003 and for a term of 50 years. The term of existing lease expires in 39 years' time on 16<sup>th</sup> December 2053. There was a proposal for the lease to be extended to a term indicated in the report.

It is proposed that the £14m existing loan provision would remain in place so that the City Council would maintain its position as banker for this commercial loan facility. As part of the future governance arrangements for ACL it has been agreed that, for at least as long as the City Council's loan is still outstanding, the City Council will have the right to appoint a non-executive director to the Board of the Company. In the short-term, the Council's nominee will have observer status but may assume full rights and responsibilities of a non-executive director at a later date or remain as an observer.

**RESOLVED that the City Council unanimously:**

- a. Approves the sale of shares in Arena Coventry Limited currently held by the Council via North Coventry Holdings Limited for the sum indicated in the report to London Wasps Holdings Limited.
- b. Approves the sale of a lease extension to Arena Coventry (2006) Limited for a term indicated in the report.
- c. Delegate authority to the Chief Executive in consultation with the Leader of the City Council to determine whether or not to appoint an observer or Non-Executive Director to the Board of ACL following the sale of the Council's shares and if so to nominate the observer/NED and terms of that appointment and any subsequent replacement.
- d. Endorse the delegation of authority to the Assistant Director Finance and the Council Solicitor as appropriate, in consultation with the Leader and Deputy Leader of the Council, to make any variations or new requirements to give effect to the proposals that are deemed necessary.

(Meeting closed at 5.10 pm)

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Chair

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Date