

Coventry City Council

Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 28 November 2017

Present:

Members: Councillor G Duggins (Chair)
Councillor F Abbott
Councillor L Bigham
Councillor K Caan
Councillor J Innes
Councillor K Maton
Councillor J Mutton
Councillor J O'Boyle
Councillor E Ruane

Deputy Cabinet Members Councillor R Ali
Councillor R Lakha
Councillor C Thomas

Non-Voting Opposition Members: Councillor A Andrews
Councillor G Ridley

Other Members: Councillor R Bailey
Councillor J Lepoidevin
Councillor G Williams

Employees (by Directorate):

Chief Executive's People M Reeves (Chief Executive),
G Quinton (Deputy Chief Executive (People)), P Barnett, L
Gaulton, N Hart, M McGinty
Place M Yardley (Deputy Chief Executive (Place)), M Andrews,
O Aremu, D Cockroft, C Knight, L Knight, R Palmer, R Moon,
D Nuttall, T Miller, J Murphy, A Walster

Apologies: Councillor B Kaur, A Khan

Public Business

72. Declarations of Interest

Councillor Lakha declared a Disclosable Pecuniary Interest in the matter referred to in Minutes 82 and 89 below, headed "Preventative Support – Adult Services". He withdrew from the meeting during the consideration of these matters.

Councillor Thomas declared a Disclosable Pecuniary Interest in the matter referred to in Minutes 85 and 92 below, headed "City Centre South – Early Acquisition of Long Leasehold Property Interests". She withdrew from the meeting during the consideration of these matters.

73. **Minutes**

The minutes of the meeting held on 31st October 2017 were agreed and signed as a true record. There were no matters arising.

74. **Exclusion of Press And Public**

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

Minute No.	Report title
89	Preventative Support – Adult Services
90	Heritage Framework Agreement
91	Coventry’s Bid for City of Culture 2021 – Council Commitment
92	City Centre South – Early Acquisition of Long Leasehold Property Interests
93	National Battery Manufacturing Development Facility – Faraday Challenge

75. **2017/18 Second Quarter Financial Monitoring Report (to September 2017)**

The Cabinet considered a report of the Deputy Chief Executive (Place), which set out the forecast outturn position for revenue and capital expenditure and of the Council’s treasury management activity as at the end of September 2017.

The Cabinet noted that the report was also to be considered by the Audit and Procurement Committee at their meeting on 18th December 2017.

The headline forecast for 2017/18 was an overspend of £3.1m. This had improved since the Quarter 1 position, when it stood at £4.6m, whilst at the same point in 2016/17 there was a projected overspend of £7.1m. Notwithstanding the relative improvement since Quarter 1, and the equivalent position last year, the reasons for the overspend represented some concerning trends for the Council. At a time of continued tightening of local authority resources, the current position still represented one that demanded a strong focus on addressing the underlying issues.

The position continued to reflect areas for which overspends had been reported previously but also incorporated the emergence of new budgetary issues. The main areas of financial pressures resulted from a shortfall in delivering savings targets set in previous budgets in some areas and some local externally driven

demand pressures, in particular, in relation to looked after children and an increase in homelessness. Where relevant, these pressures had been incorporated within the 2018/19 Pre-Budget report, although the expectation was that some of these pressures may increase substantially during 2018/19 compared with the current year.

The Cabinet noted that the capital spending was projected to be £119.9m for the year, a net decrease of £9.1m on the position reported at Quarter 1.

The report also set out the Treasury Management Activity for 2017/18. In relation to interest rates, the economic outlook for the UK remained uncertain, with Brexit negotiations ongoing. However the most recent inflation data indicated that CPI inflation was currently at 3.0%. The Bank of England Committee, who set the official interest, indicated at their last meeting that an increase in interests was likely to be appropriate to return inflation to a lower level and a subsequent meeting of the Committee has approved an interest rate increase to 0.5% applicable from November.

The net long term borrowing requirement for the 2017/18 capital programme was £43.8m, taking into account borrowing set out in Section 2.4 of the report, less amounts to be set aside to repay debt, including non PFI related Minimum Revenue Provision. No long term borrowing had been undertaken for several years, in part due to the level of investment balances available to the authority. Any future need to borrow would be kept under review.

In managing the day to day cash-flow of the authority, short term borrowing or investments were undertaken with financial institutions and other public bodies. The Council currently held no short term borrowing. Short term investments were made at an average interest rate of 0.61%. This rate of return reflected low risk investments for short to medium durations with UK banks, Money Market Funds, Certificates of Deposits, other Local Authorities, Registered Providers and companies in the form of corporate bonds.

In addition, a mix of Collective Investment Schemes or “pooled funds” was used, where investment was in the form of sterling fund units and non-specific individual investments with financial institutions or organisations. These funds were generally AAA rated, were highly liquid as cash, could be withdrawn within two to four days, and short average duration. As at 30th September 2017, the pooled funds were valued at £39.9m, spread across a number of funds identified within the report.

Under the CIPFA Prudential Code for Capital Finance, authorities are free to borrow, subject to them being able to afford the revenue costs. The framework required that authorities set and monitor against a number of Prudential Indicators relating to capital, treasury management and revenue issues. The indicators and relevant figures as at 30th September 2017 were included in Appendix 6 to the report and highlighted that the Council’s activities were within the amounts set as Performance Indicators for 2017/18.

RESOLVED that the Cabinet:-

- 1. Note the forecast revenue overspend at Quarter 2.**

- 2. Approve the revised capital estimated outturn position for the year of £119.8m incorporating £1m net increase in spending relating to approved/technical changes as detailed in Appendix 2, and £9.1m of expenditure rescheduled into 2018/19 as detailed in Appendix 4.**

76. Medium Term Financial Strategy 2018-21

The Cabinet considered a report of the Deputy Chief Executive (Place), which sought adoption of the Medium Term Financial Strategy.

The previous Medium Term Financial Strategy (MTFS) was approved in October 2016 and set out the financial planning foundations to support the Council's vision and priorities and led to the setting of the Council's revenue and capital budgets. Indications were that the Government was maintaining its commitment to the current 4 year funding settlement for local government. To qualify for this, the Council approved an Efficiency Plan within the previously approved MTFS for 2017-20.

It was acknowledged that local authorities continue to face severe financial pressures and although the previous Government policy of targeting a budget surplus by 2020 had been pushed back, uncertainty as a result of Brexit negotiations and over the future of local government finances meant that the pressure on public finances was unlikely to ease significantly in the foreseeable future. The MTFS 2018-21 assumed that reductions in available revenue resources and spending levels were likely to continue.

At a local level, the Council was faced with a challenging and fluid financial position affected by temporary shortfalls in the delivery of its existing savings plans and growing costs within Children's Services and services related to housing and homelessness. Notwithstanding the approaches set out in the Strategy, the Council would need to maintain a dynamic financial model that took account of changes in its medium term budget position. This may include adopting some measures which would have a short-term focus or which re-evaluated the Council's approach to financial risk.

The report summarised the national and local context that framed the strategy and, taken together, represented a combination of reducing resources, challenging underlying economic and demographic conditions, increased demand, a heightened need to improve the quality of services and new challenges represented by Government reform and local structural and governance relationships. In these circumstances, it was crucial that the Council's financial strategy was both robust and flexible. This would provide the financial foundations required to ensure that Council services were fit for purpose to protect the most vulnerable as well as providing decent core services for every citizen in the City.

The report also set out the financial gap for the following 3 years, based on the 2017/18 approved budget, at the start of the new Budget setting round. This indicated that whilst it was anticipated there would be a balanced budget for 2018/19 and 2019/20, by 2020/21 it was anticipated there would be a financial gap of £11.4m. It was noted that this position was dependent on the achievement of outstanding savings programmes over the medium term. It total these amounted

to c£20m and although there were plans in place to deliver the majority of these, there remained up to £6m of savings for which plans still needed to be formalised.

The Cabinet noted that the Finance and Corporate Services Scrutiny Board (1) had considered the report at its meeting on 15th November 2017 and received a briefing note indicating the Board's support of the recommendations within the report.

RESOLVED that the Cabinet:-

- 1. Note the comments from the Finance and Corporate Services Scrutiny Board (1).**
- 2. Recommend that Council approve the Strategy.**

77. Pre-Budget Report 2018/19

The Cabinet considered a report of the Deputy Chief Executive (Place) which set out a set of new revenue budget proposals for 2018/19 to 2020/21 and an overall Council Tax increase for 2018/19 of c4.9%, including 3% to reflect funding for Adult Social Care as allowed within Government guidelines, as a basis for consultation.

The Council remained committed to seeking to protect its most vulnerable citizens and to delivering a range of core services to everyone in the City at a time of recent large reductions in Government Funding. In the 2017/18 budget setting process, the Council approved proposals to deliver a balanced three year position to 2019/20. This was achieved through a combination of changes to the way that some services were delivered and efforts to increase the Council's degree of self-sufficiency through increased tax revenues and commercial / technical approaches.

Moving forward into a new three year planning period, incorporating the 2020/21 financial year, an updated position was included within the report reflecting revised estimates and new areas of expenditure pressure and savings proposals. It was noted that the Council was faced with new financial challenges stemming from the uncertainty around the Local Government finance environment, greater external pressures in some of its demand led services and continued challenges in driving through the most recent savings targets within its own budgets. The Council's projections of the overall position had worsened significantly in recent months and it was very unlikely that it would be in a position to present a balanced medium term budget in February 2018. Based on the proposals within the report submitted, it was anticipated that there would be a budget gap over the next three years of £3m rising to £19m.

The financial proposals were based on the funding set out in the Local Government Finance Settlement announce in February 2016, an equivalent 2018/19 Settlement Funding Assessment reduction for the Council of £6.3m as part of the Government's 4 year settlement. This was not expected to be altered significantly in forthcoming Government announcements in December 2017 and February 2018.

It was acknowledged that work would be undertaken to address the 2018/19 budget gap outlined in the report submitted before the final budget report in February 2018. Detail on individual spending and savings were provided within the report and on a line by line basis in Appendix 1.

RESOLVED that the Cabinet:-

- 1. Approve the content of the report, the revenue spending and savings options in Section 2 and Appendix 1 and the broad Capital Programme proposals in Section 2.6 as the basis for the Council's statutory budget consultation process.**
- 2. Approve the proposed approach on Council Tax in Section 2.7 of the report submitted.**

78. Adoption of the Coventry Local Plan and City Centre Area Action Plan

The Cabinet considered a report of the Deputy Chief Executive (Place), which proposed the adoption of the new Coventry City Council Local Plan and City Centre Area Action Plan.

It was noted that, following a period of public examination, the Inspector had now issued her final reports in so far as they related to the City's new Local Plan and City Centre Area Action Plan. The reports concluded that both Plans were sound and legally compliant, subject to the inclusion of identified modifications. This meant that the Council could move to adopt both the Local Plan and the City Centre Area Action Plan. The Inspectors report was attached as Appendix 1 to the report submitted, with the schedule of minor and main modifications recommended, set out at Appendix 2.

Once adopted by the Council, the new Plans will become the basis for determining planning applications from the following day (6th December 2017). The legal framework that governed development plans meant that they will remain subject to a statutory 6 week legal challenge period. This period was expected to run between the 6th December 2017 and 17th January 2018. The Cabinet noted that, should any such challenge arise, it would not directly impact on the material weight afforded to the Plans unless the challenge was successful through the high courts.

The new Local Plan also provided an ongoing blue print for continued joint working with the City's neighbouring authorities in Warwickshire and the wider West Midlands. Both Plans would be monitored on at least an annual basis to ensure they were delivering successfully against their aims and objectives and to assess whether or not they required review, either partially or fully.

RESOLVED that the Cabinet recommend that Council:-

- 1. Adopt the Coventry City Council Local Plan 2011-2031 and the City Centre Area Action Plan in accordance with Section 23 of the Planning and Compulsory Purchase Act 2004 and that together they supersede the policies set out in the Council's 2001 Development Plan as set out in Appendix 6 of the Local Plan Appendices.**

2. **Note that the adopted Coventry Local Plan and City Centre Area Action Plan 2011-2031 are the Submitted Plans – 1st April 2016 as amended by:-**
 - a. **The Inspector’s final report (as appropriate) (Appendix 1).**
 - b. **The Schedule of Main Modifications recommended by the Inspector (Appendix 2).**
 - c. **The Schedule of minor modifications (Appendix 2)**
3. **Request that Adoption Statements and the final Sustainability Appraisal reports are made available on or as soon as possible after 6th December 2017 in accordance with regulation 35 of the Town and Country Planning (Local Planning) Regulations 2012 (as amended).**
4. **Delegate authority to the Head of Planning and Regulatory Services in consultation with the Cabinet Member for Community Development to make further minor modifications to the Plans prior to their final publication, where these modifications are confined to the correction of typographical errors, amendments to policy or paragraph reference numbers and consequential cross referencing.**

79. MiFriendly Cities - Successful Award of Funds under EU Urban Innovative Actions Fund

The Cabinet considered a report of the Deputy Chief Executive (People), which sought approval for the acceptance of a grant from the Urban Innovation Actions Fund and for the Council to act as accountable body and guarantor for the grant.

A partnership led by the Council and Coventry University had been successfully awarded £3.8m in funding to deliver the innovative MiFriendly Cities initiative in Coventry and across the West Midlands.

The MiFriendly Cities project aimed to facilitate and recognise the positive contribution of refugees and migrant’s to the cities civic, economic and social fabric. Refugees and migrants were key factors in deciding what makes a ‘migrant friendly city’ and drive the change on job creation, social entrepreneurship and innovation, active citizenship and communication.

The Council would work in a regional partnership with Birmingham and Wolverhampton local authorities, the West Midlands Combined Authority, as well as Coventry University (including its social enterprise hub), Interserve, Migrant Voice, Migrant Work, Refugee and Migrant Centre for Birmingham and the Black Country. Local the Council would work closely with the Coventry Refugee and Migrant Centre, Coventry Law Centre and the wider Coventry Migration Network or voluntary and community sector partners.

It was noted that participation in this programme presented an opportunity to further enhance the City’s reputation as an International City of Peace and Reconciliation and to contribute towards the City’s priorities, in particular work to create active communities and empowering citizens, protecting the most vulnerable residents in the City and reducing the impact of poverty. Additionally,

the work would contribute to the Council meeting its statutory duties to promote equality of opportunity in employment and to promote community cohesion.

RESOLVED that the Cabinet:-

- 1. Note the success of the partnership work between the City Council and Coventry University and other West Midlands partners in developing the MiFriendly Cities initiative.**
- 2. Recommend that the Council approve acceptance of a grant in excess of £2.5m in relation to the Urban Innovation Actions Fund, authorise the City Council to act as accountable body and guarantor for the available funds and delegate authority to the Deputy Chief Executive (People) to enter into the appropriate grant aid agreements with project partners.**

80. Coventry Station Masterplan Procurement Strategy Update

The Cabinet considered a report of the Deputy Chief Executive (Place), which set out proposals for the procurement of the Coventry Station Masterplan and sought approval to go out to tender.

The Coventry Station Masterplan programme was set to deliver transformational improvements to Coventry Railway Station. The £82m Coventry Station Masterplan was developed in response to a 2014 study that looked at the City's future rail needs. The initial masterplan was approved by Cabinet in March 2015 and had subsequently been developed to ensure that it met the needs of an aspirational and growing City. The revised masterplan was approved by Cabinet on 24th January 2017.

The masterplan project would deliver a new footbridge, bay platform, second station building and multi-storey car park, bus interchange and new highway infrastructure. As the scheme developed, the procurement strategy had been reviewed and refined to ensure best value for money was achieved. In addition, extensive market testing had been undertaken to help shape a revised procurement strategy.

In order to successfully procure and deliver the improvements, the packages of work for the masterplan had been grouped into six packages:-

- Footbridge and Canopies
- Substation and Services
- NUCKLE 1.2 (Bay Platform)
- 2nd Entrance and multi-storey car park
- Bus Interchange
- Highways

The report indicated that there were two options for how to procure the construction for the scheme, either via an open competitive OJEU process led by the Council or, alternatively, a direct agreement with Network Rail. It was considered that an OJEU tender procedure would drive competition and offer best value.

RESOLVED that the Cabinet:-

- 1. Approve to proceed with the procurement for the design and construction of the six packages of the Coventry Station Masterplan Scheme.**
- 2. Delegate authority to the Deputy Chief Executive (Place) and the Cabinet Member for Jobs and Regeneration to authorise award of contracts.**
- 3. Note that Cabinet approval will be sought in the event that contract values are over £1m above the approved contingency level for each contract.**
- 4. Delegate authority to the Deputy Chief Executive (Place) to enter into the relevant legal agreements and associated documents necessary to contract with the selected suppliers for the delivery of the six packages of the Coventry Station Masterplan Scheme, following the approved procurement activity.**

81. Indoor Pitch Facility at The Alan Higgs Centre

The Cabinet considered a report of the Deputy Chief Executive (Place), which sought approval to provide a financial facility arrangement to enable the development of an indoor pitch facility at the Alan Higgs Centre, as part of a larger development scheme.

The Coventry and Warwickshire Award Trust (CAWAT) owns the Alan Higgs Centre, and sought a loan of up to £1.5m from the Council to enable them to re-provide the current indoor pitch facility which would be displaced by the provision of the new 50m pool. The new indoor pitch facility would primarily be for community use.

The Cabinet noted that if CAWAT secured the funding from the Council, this would enable them to begin development of the site in time to ensure that the indoor pitch facility would be ready from September 2018, limiting the period of disruption to community access to the facilities.

It was proposed that the financial facility arrangement would be in the form of a 40 year loan to CAWAT, on a commercial basis and at a fixed commercial rate of interest. This financial arrangement would be at no net cost to the Council, instead the loan would generate a surplus for the Council, as the cost of borrowing for Council funds were lower than the commercial rate at which the Council would lend.

RESOLVED that the Cabinet recommend that Council:-

- 1. Approve in principle the grant of a loan facility up to the sum of £1.5m to the Coventry and Warwickshire Award Trust, at a commercial rate of interest for a period of up to 40 years as detailed in section 5.1 of the report submitted, for the provision of an indoor pitch facility at the Alan Higgs Centre.**

2. **Approve the addition of up to £1.5m to the capital programme.**
3. **Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services (Section 151 Officer), in consultation with the Cabinet Member for Public Health and Sport and the Legal Services Manager, to undertake all necessary due diligence and to finalise the terms and details of the loan arrangement and to thereafter manage the loan facility. The authority under this recommendation shall include the power to negotiate and agree variations to the terms of the loan facility.**

82. **Preventative Support - Adult Services**

The Cabinet considered a report of the Deputy Chief Executive (People), which set out the outcome of review work and the proposed changes for preventative support across 4 specific priority areas.

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

The delivery of an effective preventative support was an important element of supporting people early in order to maintain their independence and prevent or reduce the need for social care or health support. Providing support in the way was a key element of the strategy for Adult Social Care as well as enshrined in the Care Act 2014.

Preventative support was currently provided by a range of voluntary and third sector organisations, who were commissioned by both the Council and the Coventry and Rugby Clinical Commissioning Group (CRCCG) through a range of contracts and grants, all of which were due to expire in March 2018.

In order to ensure that the support provided beyond the end of these existing arrangements remained focussed and delivered positive outcomes for the people of the City with the available resources, the Council and CRCCG undertook a programme of work to review and then re-commission support across four priority groups: carers; people with physical impairments or dementia; mental health conditions; and adults with learning disabilities. Voluntary and third sector providers were fully engaged in the process of the review, including the setting of the priority areas and outcomes. Stakeholder views were also actively sought to support the development of proposals for future services.

As well as targeting support on priority groups, the review work also sought to deliver a saving for the Council of £0.5m for delivery in 2018/19 from the existing Council spend of £3.01m per annum as part of the budget setting process in February 2017.

The report detailed the outcome of the review work and set out the proposed changes for the support across each of the priority areas and, following a grant application process, sought approval to enter into grant arrangements for a period of five years.

The Cabinet noted that the Scrutiny Co-ordination Committee had considered the report at its meeting on 22nd November 2017 and a briefing note detailing their support of the recommendations was circulated.

RESOLVED that the Cabinet:-

- 1. Note that the Scrutiny Co-ordination Committee support the recommendations within the report.**
- 2. Approve the award of community based preventative support grant funding to 12 organisations for the delivery of 11 grant proposals for a period of five years from 1st April 2018.**

83. Heritage Framework Agreement

The Cabinet considered a report of the Deputy Chief Executive (Place), which set out proposals for the Council to enter into a Strategic Partnership with the Historic Coventry Trust for the transfer of the Council's historic properties.

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

The Council own a number of historically important heritage assets that were under used and required significant capital investment. The Council neither had the funds or the expertise to restore the properties and, at present, the condition of these buildings was deteriorating. It had been estimated that capital expenditure in excess of £3m would be required to ensure that they would be put back into a state of reasonable order.

To save and protect these assets for future generations, it was proposed to transfer identified heritage assets to the Historic Coventry Trust (HCT) to refurbish, maintain and manage. The HCT would be able to secure grant funding to enable them to refurbish and bring these properties back into use. The identified properties were:-

- Council owned properties in Burges
- Charterhouse Heritage Park
- Drapers Hall
- Anglican and Non-Conformist Chapels in London Road Cemetery
- Lychgate Cottages (3-5 Priory Row)
- Swanswell and Cook Street Gatehouses
- Whitefriars Gatehouse and adjoining land
- Whitefriars Monastery and adjoining land

The proposed Framework Agreement would establish an exclusivity period of five years for HTC to acquire the properties. To activate the transfer, the HTC would have to submit a robust business case on a case by case basis to the Council for approval, satisfying set criteria, detailed within the report, illustrating how the properties could be managed and maintained for the long term benefit of the people of Coventry.

The aims of the HTC (a registered charity) were to raise funds for the historic properties for their restoration and reuse, thereby securing the assets for future generations, whilst improving and building upon the City Centre offer as a cultural and tourist destination.

It was also proposed that the Cabinet Member for Community Development become a Trustee and Board Member of the HCT in order to represent the Council and ensure the long term protection of the assets.

RESOLVED that the Cabinet recommend that Council:-

- 1. Approve that the Council enter into the Framework Agreement with Historic Coventry Trust for a period of five years.**
- 2. Delegate authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Jobs and Regeneration to transfer identified assets to Historic Coventry Trust subject to receipt of a satisfactory business case and secured funding satisfying the set criteria.**
- 3. Appoint the Cabinet Member for Community Development to the Board of Trustees for the Historic Coventry Trust.**
- 4. Delegate authority to Legal Services Manager to execute all the necessary documentation to give effect to all the subsequent transfers.**
- 5. Approve the set criteria that the Historic Coventry Trust must satisfy in their business case before the historic asset transfer can be completed, as set out in paragraph 2.1.14 of the report submitted.**
- 6. Delegate authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Jobs and Regeneration, to make any subsequent variation in relation to the terms of the proposals in this report.**

84. Coventry's Bid for UK City of Culture 2021 - Council Commitments

The Cabinet considered a report of the Deputy Chief Executive (Place), which set out proposals for the Council's financial commitments for the UK City of Culture programme if the Bid is successful and for a reduced contribution towards bid legacy if the City is not selected as the UK City of Culture 2021.

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

On 14th July 2015, the Council unanimously approved that the Coventry City of Culture Steering Group lead on the development of a whole-city bid for the title of UK City of Culture 2021, in doing so putting together a realistic and credible bid budget and creating a special delivery vehicle to manage the bid process. As a consequence of these decisions, the Coventry City of Culture Trust was established to lead the bid and was formally incorporated and received charitable status.

In January 2017, the Department for Digital, Culture, Media and Sport (DCMS) formally launched the competition for the title of UK City of Culture 2021. In July 2017, Coventry was selected as one of five destinations shortlisted for the title and in September 2017, the Trust submitted the City's final bid document. Members of the Independent Advisory Panel and DCMS have since visited the City.

It was acknowledged that the award of UK City of Culture represented more than a title. As the bidding process had demonstrated, it was an opportunity to create new partnerships, to bring communities together and to celebrate the rich heritage and unique qualities of a city. It was also an opportunity, through culture, to raise the profile of a city, to attract new investors and to enable significant regeneration in and of the place. The city effectively would have the benefit of the title for seven years from announcement, through delivery year to three years legacy.

The Council had already demonstrated significant commitment to the process of bidding, but it was considered advantageous to provide certainty of that ongoing commitment, and the security of all the title stands for, should UK City of Culture 2021 be awarded to Coventry.

Coventry had developed a partnership Cultural Strategy 2017-2027 which would endure and remain vibrant, whether or not the City was successful in its bid for UK City of Culture. The Council had, over the past three years, directly invested in the city's independent cultural sector and through Great Place and Cultural Destinations awards, to work that has commenced to reposition the city as a destination for tourism and events will progress. However, by demonstrating a clear financial commitment to (i) the City of Culture build-up programme (ii) the comprehensive programme for 2021, and (iii) the legacy period to 2024, the Council signalled its commitment for the next seven years, until a new city would deliver UK City of Culture 2025. Through phasing such investment, the Council secured sustainability in such arrangements and provided for a stable period of planning and delivery.

It was noted that, should Coventry's bid for City of Culture not be successful, the commitment of the City to its Cultural Strategy remained. Coventry would not realise the significant benefits outlined in the bid documentation, nor would it achieve the profile and recognition so many consider it should. However, by committing to a £1m investment in legacy, the Council would continue to demonstrate its commitment to the transformative power of culture and the strength of new partnerships formed through the bidding process. The scale of emerging work could not compete with that which would be realised by a successful bid, but the Council's commitment would be likely to lever additional investment and the foundations for cultural growth, investment and impact in the city would be strengthened.

RESOLVED that the Cabinet recommend that Council:-

- 1. Commit £4.75m of Corporate Reserves for the UK City of Culture 2021 build-up programme, title year and legacy programme (across the period 2018-2024), to be drawn down if the City is awarded the title.**

2. **Commit £0.75m of Corporate Reserves for cultural capacity funding as a legacy from the bidding process and commitment to the Coventry Cultural Strategy 2017-2027, should the City not be awarded the UK City of Culture 2021 title, to provide leverage to secure other partner commitments through the City of Culture Trust.**
3. **Approve the Council acting as guarantor for the UK City of Culture 2021 programme, should Coventry be awarded the title for 2021.**
4. **Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to finalise the terms and condition of the Guarantee.**

85. **City Centre South - Early Acquisition of Long Leasehold Property Interests**

The Cabinet considered a report of the Deputy Chief Executive (Place), which set out proposals for the Council's early acquisition of a third party's long leasehold property interests in the City Centre South red line boundary area and, subject to the acquisition being successful, the demolition of Coventry Point.

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

The City Centre South (CCS) scheme was a mixed use regeneration scheme in Coventry city centre. The site was located in a pedestrianised shopping area, which was built after World War II. The area and buildings are not fit for purpose for modern retailing requirements and provided an extremely poor environment. The general trend was one of decline and, for this reason, the area had been identified for regeneration for a considerable number of years. A plan showing the CCS red line boundary area was attached as Appendix 1 to the report submitted. It was noted that the Council had secured a £98.8m grant from the West Midlands Combined Authority towards the cost of the CCS scheme.

The Council already owned the majority of the land and property interests in the CCS red line boundary area. However, there were a number of properties that were held by third parties. Some of these long leasehold property interests comprised of the assets of 21-25 Hertford Street, 26-48 Hertford Street, 13-21 Shelton Square and Coventry Point. The opportunity to acquire these long leasehold interests had arisen, with the purchase needing to be completed by 31st December 2017. The report submitted set out the benefits of acquiring the long leasehold interests at this stage.

RESOLVED that the Cabinet recommend that the Council:-

1. **Approve the terms of the acquisition of the long leasehold property interests at 21-15 Hertford Street, 26-48 Hertford Street, 13-21 Shelton Square and Coventry Point, subject to the current tenancy.**
2. **Delegate authority to the Deputy Chief Executive (Place) in conjunction with the Legal Services Manager to undertake the necessary due diligence and to complete the necessary legal documentation.**

3. **Delegate authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Jobs and Regeneration, for any subsequent variation in terms.**
4. **Delegate authority to the Deputy Chief Executive (Place) and S151 Officer in consultation with the Leader and the Legal Services Manager to make any additional early land acquisitions as is deemed necessary where such acquisition represents value for money.**
5. **Delegate authority to the Deputy Chief Executive (Place) and S151 Officer in consultation with the Cabinet Member for Jobs and Regeneration and the Cabinet Member for Strategic Finance and Resources to draw down funding from the West Midlands Combined Authority to undertake the demolition of Coventry Point.**

86. **National Battery Manufacturing Development Facility - Faraday Challenge**

The Cabinet considered a report of the Deputy Chief Executive (Place), which set out proposals for a consortium consisting of the Council, Coventry and Warwickshire Local Enterprise Partnership and WMG (Warwick University's specialist manufacturing division) to work together to develop a proposals to develop a national battery manufacturing development facility in the area.

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

The report indicated that more and more car manufacturers were announcing their intention to move towards building electric cars, and the demand for batteries would increase sharply over the next ten to twenty years. Currently, expertise in battery development was concentrated in Asia, Germany and the United States, with the UK lagging behind.

The UK Government announced the Faraday Challenge, part of the Industrial Strategy Fund during the summer of 2017. It aimed to fund battery research and development work to ensure that the demand for batteries led to the creation of jobs in the UK rather than overseas.

One of the strands of the Faraday Challenge aimed to bridge the gap between battery research in universities and large-scale battery production by car manufacturers. The national battery manufacturing development facility (NBMDF) aimed to bridge this gap by providing an environment where universities, SMEs and car manufacturers could collaborate on battery development using state of the art equipment.

The University of Warwick, Coventry and Warwickshire Local Enterprise Partnership and the Council had come together to develop a proposition in response to the Faraday Challenge. The bid was submitted earlier in the autumn and had now got through to the final stage of the bidding process, with an announcement on the successful bid expected from Government imminently. The Council was confident that Coventry and Warwickshire offered the best solution for the Government's aspiration in this area. It had been estimated that the value of

the NBMDf's work could be worth as much as £1bn to the economy and create 10,000 jobs in the West Midlands.

It was acknowledged that the Council had a significant role in making this happen by bringing its expertise to the partnership. This included financial management, Government liaison, and a strong knowledge and experience in securing, managing and delivering economic development over many years, both in Coventry and the wider sub-region. In addition the Council had a proven track record in being the accountable body for successful large scale external funding and investment.

RESOLVED that the Cabinet recommend that Council:-

- 1. Authorise that the Council accept the Faraday Challenge funding and to act as accountable body on behalf of the Coventry and Warwickshire Local Enterprise Partnership.**
- 2. Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to accept the terms and conditions of the grant, to enter into the necessary agreement to secure the grant and add to the Capital Programme as necessary.**
- 3. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Member for Jobs and Regeneration, to:**
 - determine the final content of the relevant business cases required to submit the bid to the West Midlands Combined Authority**
 - submit the relevant Strategic Outline Business Cases to the West Midlands Combined Authority in relation to the work packages within the National Battery Manufacturing Development Facility Programme**
 - progress the business cases to the final stage in accordance with the Combined Authority's Assurance Framework**
- 4. Should the bids to the West Midland Combined Authority be successful; that Coventry City Council enters into the necessary legal documentations to secure the funding required to deliver the National Battery Manufacturing Development Facility Programme.**

87. Outstanding Issues

The Cabinet considered a report of the Deputy Chief Executive (Place) that contained a list of outstanding issue items that would be submitted to future meetings of the Cabinet and summarised the current position in respect of each item.

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

88. **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.

Private business

89. **Preventative Support - Adult Services**

Further to Minute 82 above, the Cabinet considered a private report of the Deputy Chief Executive (People) that set out confidential aspects of the outcome of review work and the proposed changes for preventative support across 4 specific priority areas.

The Cabinet noted that the Scrutiny Co-ordination Committee had considered the report at its meeting on 22nd November 2017 and a briefing note detailing their support of the recommendations was circulated.

RESOLVED that the Cabinet:-

- 1. Note that the Scrutiny Co-ordination Committee support the recommendations within the report.**
- 2. Approve the award of community based preventative support grant funding to 12 organisations for the delivery of 11 grant proposals for a period of five years from 1st April 2018.**

90. **Heritage Framework Agreement**

Further to Minute 83 above, the Cabinet considered a private report of the Deputy Chief Executive (Place), which set out the confidential aspects of proposals for the Council to enter into a Strategic Partnership with the Historic Coventry Trust for the transfer of the Council's historic properties.

RESOLVED that the Cabinet recommend that Council:-

- 1. Approve that the Council enter into the Framework Agreement with Historic Coventry Trust for a period of five years.**
- 2. Delegate authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Jobs and Regeneration to transfer identified assets to Historic Coventry Trust subject to receipt of a satisfactory business case and secured funding satisfying the set criteria.**
- 3. Appoint the Cabinet Member for Community Development to the Board of Trustees for the Historic Coventry Trust.**
- 4. Delegate authority to Legal Services Manager to execute all the necessary documentation to give effect to all the subsequent transfers.**

5. **Approve the set criteria that the Historic Coventry Trust must satisfy in their business case before the historic asset transfer can be completed, as set out in paragraph 2.1.14 of the report submitted.**
6. **Delegate authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Jobs and Regeneration, to make any subsequent variation in relation to the terms of the proposals in this report.**

91. **Coventry's Bid for City of Culture 2021 - Council Commitments**

Further to Minute 84 above, the Cabinet considered a private report of the Deputy Chief Executive (Place), which set out the confidential aspects of proposals for the Council's financial commitments for the UK City of Culture programme if the Bid is successful and for a reduced contribution towards bid legacy if the City is not selected as the UK City of Culture 2021.

RESOLVED that the Cabinet recommend that Council:-

1. **Commit £4.75m of Corporate Reserves for the UK City of Culture 2021 build-up programme, title year and legacy programme (across the period 2018-2024), to be drawn down if the City is awarded the title.**
2. **Commit £0.75m of Corporate Reserves for cultural capacity funding as a legacy from the bidding process and commitment to the Coventry Cultural Strategy 2017-2027, should the City not be awarded the UK City of Culture 2021 title, to provide leverage to secure other partner commitments through the City of Culture Trust.**
3. **Approve the Council acting as guarantor for the UK City of Culture 2021 programme, should Coventry be awarded the title for 2021.**
4. **Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to finalise the terms and condition of the Guarantee.**

92. **City Centre South - Early Acquisition of Long Leasehold Property Interests**

Further to Minute 85 above, the Cabinet considered a private report of the Deputy Chief Executive (Place), which set out confidential aspects of proposals for the Council's early acquisition of a third party's long leasehold property interests in the City Centre South red line boundary area and, subject to the acquisition being successful, the demolition of Coventry Point.

RESOLVED that the Cabinet recommend that Council:-

1. **Approve the terms of the acquisition from the Company identified for the long leasehold property investments in 21-25 Hertford Street, 26-48 Hertford Street, 13-21 Shelton Square and Coventry Point, subject to the current tenancy, up to a value indicated in the report submitted.**

2. **Delegate authority to the Deputy Chief Executive (Place) in conjunction with the Legal Services Manager to undertake the necessary due diligence and to complete the necessary legal documentation.**
3. **Delegate authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Jobs and Regeneration, for any subsequent variation in terms.**
4. **Delegate authority to the Deputy Chief Executive (Place) and S151 Officer in consultation with the Leader and the Legal Services Manager to make any additional early land acquisition as is deemed necessary by way of Private Treaty, where such acquisition represents value for money.**
5. **Delegate authority to the Deputy Chief Executive (Place) and S151 Officer in consultation with the Cabinet Member for Strategic Finance and Resources to draw down funding from the West Midlands Combined Authority to undertake the demolition of Coventry Point.**

93. **National Battery Manufacturing Development Facility - Faraday Challenge**

Further to Minute 85 above, the Cabinet considered a private report of the Deputy Chief Executive (Place), which set out confidential aspects of the proposals for a consortium consisting of the Council, Coventry and Warwickshire Local Enterprise Partnership and WMG (Warwick University's specialist manufacturing division) to work together to develop a proposals to develop a national battery manufacturing development facility in the area.

RESOLVED that the Cabinet recommend that Council:-

1. **Authorise that the Council accept the Faraday Challenge funding of the sum indicated within the report and to act as accountable body on behalf of the Coventry and Warwickshire Local Enterprise Partnership.**
2. **Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to accept the terms and conditions of the grant, to enter into the necessary agreement to secure the grant and add to the Capital Programme as necessary.**
3. **Authorise the establishment of a joint venture private Limited Company between the Council and the preferred partners as detailed in the report to run the National Battery Manufacturing Development Facility and the appointment of Director of Finance & Corporate Services and Director of Property and Project Management as company directors.**
4. **Delegate authority to the Legal Services Manager in consultation with Cabinet Member for Jobs and Regeneration to take the necessary steps to establish the joint venture company, including approval of a shareholder agreement to be entered into between the Council and the preferred partners.**

- 5. Authorise the use of part of the Faraday Challenge grant to facilitate the construction of the building and to purchase the necessary equipment and fund start up and operational costs (“the Facility”).**
 - 6. Authorise the Council to transfer the Facility (by way of a lease) to the joint venture company and collect a return for the company’s use of the Council owned assets (the building and the equipment).**
 - 7. Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to undertake all due diligence and finalise the terms of any such transfer of the Facility to the joint venture company.**
 - 8. Authorise the use of the return received from the use of the Facility to cover any staff costs required as a consequence of the Council’s involvement in the project.**
 - 9. Authorise submission of a funding bid to the West Midlands Combined Authority to secure grant funding to the sum indicated in the report and, if successful, to enter into a grant aid agreement with the West Midlands Combined Authority to fund and deliver the National Battery Manufacturing Development Facility as set out in the report.**
 - 10. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Member for Jobs and Regeneration, to:**
 - determine the final content of the relevant business cases required to submit the bid to the West Midlands Combined Authority**
 - submit the relevant Strategic Outline Business Cases to the West Midlands Combined Authority in relation to the work packages within the National Battery Manufacturing Development Facility Programme**
 - progress the business cases to the final stage in accordance with the Combined Authority’s Assurance Framework**
 - 11. Should the bids to the West Midland Combined Authority be successful; that Coventry City Council enters into the necessary legal documentations to secure the funding required to deliver the National Battery Manufacturing Development Facility Programme.**
- 94. 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 3.15 pm)