

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 31 August 2021

Present:

Members: Councillor G Duggins (Chair)
Councillor AS Khan (Deputy Chair)
Councillor K Caan
Councillor P Hetherton
Councillor P Seaman
Councillor M Mutton
Councillor R Brown
Councillor K Sandhu
Councillor D Welsh

Non-Voting Deputy
Cabinet Members:

Councillor P Akhtar
Councillor B Gittins
Councillor G Hayre
Councillor G Lloyd

Non-Voting Opposition
Members:

Councillor G Ridley
Councillor P Male

Other Non-Voting
Members:

Councillor N Akhtar
Councillor L Bigham
Councillor J Clifford
Councillor R Lakha
Councillor R Singh
Councillor C Thomas

Employees (by Service):

Deputy Chief Executive

G Quinton (Deputy Chief Executive), M Duffy

Business, Investment and
Culture

A Williams (Director of Business, Investment and Culture),
S Weir

Education and Skills

D Atkinson, P Barnett, N Johal, K Mawby

Finance

B Hastie (Director of Finance), P Jennings

Housing and
Transformation

M Burn, E Franklin

Human Resources

S Newing (Director of Human Resources)

Law and Governance

J Newman (Director of Law and Governance), U Patel,
M Salmon, G Singh Sangha

Public Health and Wellbeing

L Gaulton (Director of Public Health and Wellbeing),
S Chun Lam

Streetscene and Regulatory Services

A Walster (Director of Streetscene and Regulatory Services), A Chowns

Apologies:

Councillor J Innes
Councillor C Miks
Councillor O'Boyle

Public Business

14. Declarations of Interest

There were no disclosable pecuniary interests.

15. Minutes

The minutes of the meeting held on 13th July were agreed as a true record. There were no matters arising.

16. Exclusion of Press and Public

RESOLVED that the Cabinet agrees to exclude the press and public under Sections 100(A)(4) of the Local Government Act 1972 relating to the private report in Minute 27 below headed 'Restructuring Coventry City Council Subsidiaries' on the grounds that the report involves the likely disclosure of information as defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial affairs of a particular person (including the authority holding that information) and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

17. 2021/22 First Quarter Financial Monitoring Report (to June 2021)

The Cabinet considered a report of the Director of Finance, which would also be considered by the Audit and Procurement Committee at their meeting on 27th September 2021, that advised the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of June 2021. The headline revenue forecast for 2021/22 was for net expenditure to be £14.3m over budget before the application of COVID-19 emergency funding for local government. After the use of this grant, the net over-spend was £4.0m. At the same point in 2020/21 there was a projected overspend of £6.7m.

The position included an underlying overspend of £6.5m within Children's Services although £3.8m of this has been attributed to the pandemic and funded from one-off Covid funding accordingly, leaving a net overspend of £2.7m. In order to anticipate the likely future budgetary position within Children's Services it would be necessary to understand more fully the extent to which these pressures would

continue beyond the period when Covid was a significant contributory factor. Looking ahead to next year, it would be a key focus of management to identify the causes and to reduce the budget pressures within Children's Services as a fundamental element of balancing the 2022/23 Budget position.

Elsewhere, budget pressures had emerged within Streetscene and Regulatory Services, Legal and Governance Services and Finance although the overall corporate position was within acceptable tolerances at this stage of the financial cycle.

The Council and the city continued to receive Government support linked to Covid within the 2021/22 financial year. This amounted to c£19m announced to date to support Council services directly and a further c£45m channelled through the Council to support Coventry businesses and external suppliers. Although further allocations could not be ruled out, the pace of funding announcements had slowed markedly reflecting the wider easing of lockdown measures. The scale of any residual Covid related grants was therefore likely to be modest.

The Council's capital spending was projected to be £247.1m and included major scheme expenditure which ranged from investment in to the A46 Link Road, Coventry Station Masterplan, Friargate Building 2 and the Hotel, Air Quality and Secondary Schools expansion. The size of the programme and the nature of the projects within it, continued to be fundamental to the Council's role within the city.

The Council's services and its financial position were moving gradually towards a business as usual position as the year progressed with activity and impacts arising from the Covid pandemic starting to subside. Some pockets of service activity continued to be significantly affected although often this was not resulting in a net financial cost. It was clear though that significant financial risk remained in relation to the underlying funding position for local government as well as the future trajectory of Covid costs and funding within a few service areas. It remained a financial imperative therefore to focus on the medium-term horizon and for the Council to tackle the anticipated legacy effects of Covid.

Appendices to the report provided details of: the Revenue Position: Detailed Directorate Breakdown of Forecast Outturn Position; the Capital Programme: Analysis of Budget/Technical Changes; the Capital Programme: Estimated Outturn 2021/22; the Capital Programme: Analysis of Rescheduling; and Prudential Indicators.

RESOLVED that the Cabinet:

- 1) Approves the Council's revenue monitoring position incorporating the application of Covid emergency funding.**
- 2) Approves the revised forecast capital outturn position for the year of £247.1m incorporating: £32.5m rescheduling from 2019/20 outturn, £18.8m net increase in spending relating to approved/technical changes, £24.4m net rescheduling of expenditure into future years and a small £0.2m underspend.**

18. **Empty Dwellings Strategy 2021-2026**

The Cabinet considered a report of the Director of Streetscene and Regulatory Services that sought approval of an amended “Empty Dwellings Strategy for 2021 - 2026”.

The provision of good quality housing for Coventry residents was a priority for the City Council. The report proposed a new Empty Dwellings Strategy for 2021 - 2026, a copy of which was appended to the report, which set out the housing scene in Coventry and how the Council would target long term empty dwellings in the city which could be a magnet for vandalism, anti-social behaviour and a wasted housing resource.

The new strategy would replace the current Council policy on empty dwellings and would take into account changes in legislation and the housing market in Coventry. It would also tie together the adopted Coventry Local Plan 2017 which detailed how Coventry City Council would meet the future house building needs up to 2031 and the need to consider the city’s existing housing stock and in particular the quality of homes provided via the Private Rented Sector (PRS).

RESOLVED that the Cabinet approves the amended Empty Dwellings Strategy 2021 – 2026, attached at Appendix 1 to the report.

19. **Social Value and Sustainability Policy**

The Cabinet considered a report of the Director of Law and Governance that sought approval of the updated Social Value and Sustainability Policy for Coventry. A copy of the Policy was attached as an appendix to the report.

Coventry City Council recognised the potential and impact of embedding Social Value in its procurement processes and contracts with third parties, as well as in its work with partner organisations and communities. The vision was to ensure that Coventry as a city embedded the social value ethos, to consider activities holistically, taking account of the wider economic, social and environmental effects, which would enable challenge of inequalities and the promotion of diversity and inclusion, delivery of sustainability, support for the local economy and to work with the local community.

The report recommended that Cabinet approved an updated Social Value Policy for Coventry. The policy committed the Council to take action through its procurement and contract management activities to ensure that social value and sustainability outcomes were maximised through the supply of goods, services and works to the Council. Furthermore, social value was embedded throughout the City Council’s other policies and within the planning application process.

This policy was an evolution and replacement of the current Social Value Policy which was adopted by Cabinet on the 11th February 2014. Following a recommendation of the Finance and Corporate Services Scrutiny Board (1), the Cabinet Member for Strategic Finance and Resources requested that Officers draft a revised Social Value Policy.

The key elements of the policy were to:

- o Build social value into council contracts and major planning applications to maximise the impact gained from all money spent from the Councils budgets and from major developments within the City.
- o Increase the proportion of the council's expenditure which goes to local businesses and providers rather than those outside of the area.
- o Raise the living standards of Coventry residents and commit to working towards the Joseph Rowntree Living Wage.
- o Introduce systems for assessing and measuring social value.
- o Commit to working with partner agencies (in a One Coventry way) to develop further how to achieve social value.
- o Create links between Social Value delivery and the United Nations 17 sustainable development goals.

Coventry City Councils Contract Procedure Rules already took steps to ensure that at least 2 out of 3 quotes for contracts up to £100,000 were from local companies and that social value considerations in line with the existing Social Value toolkit were considered as part of tender exercises, but this policy looked to build on successes to date, enhance commitment to sustainability and to formalise and measure Social Value and Sustainability outcomes more clearly.

Social value returns would be monitored and reported on an annual basis to Cabinet Member for Strategic Finance and Resources and to the Procurement Board. The first year of the policy would be a baseline year with targets set subsequently to increase the amount of social value secured.

RESOLVED that the Cabinet:

- 1) Approves the Social Value and Sustainability Policy, attached as an Appendix to the report, which will supersede the current Social Value Policy.**
- 2) Delegates authority to the Director of Law and Governance to implement the Policy.**

20. **Managed Service Provider for Temporary Agency Workers**

The Cabinet considered a report of the Deputy Chief Executive that sought approval for the procurement of a new three-year contract with the option to extend for one further year for a managed service provider for temporary agency workers.

The Council currently had a call off contract for the supply of temporary agency workers. This acted as a support contract if the Council's first choice sourcing routes of employment from the casual working pool or fixed term appointments were unsuccessful in fulfilling temporary staffing vacancies.

The current provider delivered a managed service provider (MSP) solution which involved supplying their own temporary workers as well as workers from a 2nd tier of suppliers, that the provider managed on behalf of the Council. Twenty-nine 2nd tier supplier supplied agency workers to the Council in the last year. The 2nd tier suppliers tended to be used for more specialist requirements such as social care.

As part of the contract, an electronic ordering system was supplied by the provider to allow the Council and suppliers to communicate requirements, supply c.v.'s, upload key support documentation for new starters and for the completion of timesheets. This ensured the Council quicker access to the temporary market, real time visibility of the status of requests and an electronic, auditable trail for all transactions.

The benefits that appointing a managed service provider brought to the Council included:

- Contracting with one supplier with expertise of the market who could then source from an extensive supplier pool on the Council's behalf.
- A supplier that could manage all of the employment and IR35 legislation that were significantly higher in the temporary agency market.
- A saving in resource in staff not having to engage the market and contract manage multiple suppliers.
- One point of contact for all requirements and queries.
- Benefitting from lower rates by accumulating spend with one supplier.
- Obtaining management information on the Council's ongoing agency spend.
- A significant reduction in the number of invoices the Council would have to process and pay.

Some investigation was completed prior to the procurement of the existing contract about the possibility of removing the contract and the Council potentially establishing its own 'agency'. The idea was raised following another West Midlands Authority establishing an in-house agency, removing the need for an MSP contract. The findings found that the implementation and ongoing costs would be significant and would not eliminate the need for agencies particularly in specialised markets such as social care. For these reasons establishing the Council's own in-house agency to replace an MSP service was not recommended. In the last year a working group had revisited exploring mechanisms for the Council to potentially manage some of its temporary agency requirements in the future, but this had not progressed to anything definitive and would not be possible to implement prior to the current agency contract expiring.

The spend through the agency contract had been falling over a number of years. Over the last year, the contract had seen an increase in spend due to the Council's COVID response and the need to recruit additional resource to support the Council with new requirements or to support the existing workforce. The increased spend was also a result of Human Resources Recruitment work to move temporary contract requirements from alternatively procured contracts, onto the agency contract. This had increased the overall spend under the agency contract but delivered overall savings to the Council on the margins the alternative contracts charged.

Coventry City Council (CCC) led the procurement process for the existing contract with collaboration from Solihull Metropolitan Borough Council (SMBC) who also used the same contract. The existing contract was procured using ESPO's (Eastern Shires Purchasing Organisation) Managed Services for Temporary Agency Resource framework (MSTAR2). This allowed aggregate spend for both councils to achieve greater savings and efficiencies both by driving down prices and by resourcing one tender process instead of two. The contract was due to expire on the 25th June 2022 and had no contractual extensions available. Due to

the value of spend the Council must follow the Public Contract Regulations 2015 and compliantly procure a new contract. It had been agreed between SMBC and CCC that CCC would again lead the re-procurement of the new contract.

Procurement Services had investigated 3 compliant procurement routes available for the new contract. Further details on these were detailed in paragraph 2.2 of the report. From the routes investigated, it was felt that the route that proposed the greatest value and lowest risk to be a further competition via ESPO's Managed Services for Temporary Agency Resource framework (MSTAR3). Further details on the reasoning for this were detailed in paragraphs 2.3 – 2.6 of the report.

RESOLVED that the Cabinet:

- 1) Authorises the procurement of a new three-year contract with the option to extend for one further year for a managed service provider for temporary agency workers to commence from the 25th June 2022 and expire on the 24th June 2026 (if extension is taken).**
- 2) Delegates authority to the Director of Law and Governance to agree the award of contract(s) following a further competition using Eastern Shires Purchasing Organisations (ESPO) Managed Services for Temporary Agency Resource 3 (MSTAR3) Lot 1b.**
- 3) Authorises the City Council to enter into Contract(s) with the successful supplier of the further competition for a three-year contract with the option to extend for one further year.**

21. One Coventry Plan Annual Performance Report 2020/2021

The Cabinet considered a report of the Chief Executive that set out the progress made towards the One Coventry Plan in 2020-21. Appendices to the report provided the One Coventry Annual Performance Report 2020/21 and the Performance Management Framework 2021/22.

The One Coventry approach helped to shape the way the Council worked with its partners to improve the city and improve people's lives. It included the Council's vision and priorities, new ways of working, and core areas of activity to deliver the One Coventry Plan objectives, key strategies, and approaches. A One Coventry approach would be taken to the Council Plan refresh, putting the needs of communities at the heart of the continued vision to be "globally connected; locally committed".

This annual performance report set out the progress made towards the One Coventry Plan in 2020-21. For each objective, the report set out the trends, actions taken, and performance metrics to provide an assessment of the progress made against previous years and with other places. This year's report set out the progress made against an incredibly challenging year where the Covid-19 pandemic had wreaked havoc on health and wellbeing, jobs and employment, and business and economy.

It was intended that the current One Coventry Plan (2016-24) would be refreshed during 2021, to create greater alignment between the key themes and priorities that were emerging in the city and regionally, and the work that was undertaken across Council services and with partners.

The report had been considered by the Scrutiny Co-ordination Committee at their meeting on 26th August 2021. They requested that additional information be included in the Performance Report. They had no recommendations for Cabinet.

RESOLVED that the Cabinet:

- 1) Approves the One Coventry Plan Annual Performance Report 2020/21.**
- 2) Notes the intention to refresh the current One Coventry Plan (2016-24) to reflect emerging priorities.**

22. Refugee Transition Outcomes Fund (RTOF) Project

The Cabinet considered a report of the Director of the Director of Public Health and Wellbeing on the Refugee Transition Outcomes Fund (RTOF) Project.

Coventry had a long tradition of welcoming people to the city from all over the world. The City Council supported this tradition and aimed to enable and empower all those who had arrived in this welcoming city, to thrive and prosper. In line with this aim, the City Council Migration team had managed and continued to manage projects and partnerships across a number of externally funded programmes including through EU (Urban Innovative Actions) and UK Government (Ministry of Housing Communities and Local Government and Home Office) projects. It also had a strategic responsibility for supporting newly arriving migrants and played a key part in supporting the city's Local Migration Network.

Following a competitive bidding process, Big Issue Invest (BII) were successful in their bid for outcome-based funding for the Home Office project known as The Refugee Transitions Outcomes Fund. A condition of the fund was that projects must include Social Impact Bonds, which allowed for up-front cash investment to be provided by a social investor so that the Home Office only paid for outcomes if and when achieved.

Social Impact Bond projects entailed the setting up of a Special Purpose Vehicle (SPV), which was a subsidiary to the social investor, in this case BII. The bid was a consortium regional bid comprising Birmingham, Coventry, Sandwell and Wolverhampton local authorities with the largest cohort of asylum seekers accommodated locally and respective partner organisations. The Council and its partners (St. Francis Church of Assisi, Ashley Community Housing (ACH) and Spring Housing) supported development of BII's bid and had been awarded £622,283 of funding through the RTOF.

The Big Issue Group was dedicated to supporting and tackling the issue of poverty and inequality in the UK. Founded in 2005, Big Issue Invest extended The Big Issue's mission by financing the growth of sustainable social enterprises. Since 2013, BII had invested in successful Social Impact Bonds/Social Outcomes

contracts from a dedicated Outcomes Investment Fund (£10m) and was currently managing commitments of over £7m into 19 investees.

The RTOF was a £13.99m Home Office initiative which sought to improve employment, housing and wider integration outcomes for newly recognised refugees. The project was funded until March 2024 and would enable the city to offer intensive support to former asylum seekers granted leave to remain in the last 18 months.

The total regional project award was £2,463,900 and aimed to support 361 individuals across four local authority areas. Coventry's portion of the funding was £622,283 which would assist 93 people, with Coventry City Council's portion of the outcome funding being £184,237 and Coventry City Council's partners portion of the outcome funding being £438,046. There remained the potential to increase number of participants supported over the lifetime of the Project, but it was dependent on the success of the project and the availability of additional funding from the Home Office.

Whilst the proposal was based on a partnership approach, delivery across each Local Authority area was based on local delivery models supported by local providers with considerable experience of working with this cohort of participants.

RESOLVED that the Cabinet:

- 1) Notes the success of the partnership work between Coventry City Council, other Local Authorities and the wider delivery partnership in developing the funding bid.**
- 2) Notes that BII and its consortium bidding partners (which include Coventry City Council) have been successful in their bid for the Home Office funding.**
- 3) Authorises Coventry City Council to accept funding up to £622,283 under the Refugee Transition Outcomes Fund, subject to the satisfactory conclusion of (4) below.**
- 4) Delegates authority to the Director of Public Health and Wellbeing, following consultation with the Director of Finance and the Director of Law and Governance, to undertake all necessary due diligence which shall also include the authority to enter into any legal agreement necessary to facilitate the ability for Coventry City Council to participate in the project.**

23. European Social Fund 2014-2020 - European Structural & Investment Funds (ESIF) - Coventry - ESF Application to Youth Employment Initiative

The Cabinet considered a report of the Director of Education and Skills on the European Social Fund 2014-2020 – European Structural and Investment Funds (ESIF) –Coventry - ESF Application to Youth Employment Initiative. The report provided information on the new bid and requested Members' approval for the Council to act as accountable body guarantor and delivery partner for this Funding Programme.

The 2014-2020 ESIF Programme was launched in March 2015, it would now run until 2023 in the UK.

A Cabinet report was approved on 26 November 2015 (minute 70/15 referred) for successful projects from the first round of funding under the Programme. In that report it was noted that further rounds of funding would be available and that the Council would seek to apply in those rounds.

A further Cabinet report was approved on 18th February 2020 (minute 79/19 referred) and at Council on 25th February 2020 (their minute 90/19 referred), to draw down up to a further £11.38m from ESIF for three Phase 2 Programmes. These programmes were now all successfully providing additional support to local residents.

A further call for applications under the Youth Employment Initiative (Priority 1.3) was released by the Department of Work and Pensions in January 2021. A further Council led application was therefore submitted in response to this call. The application had been successful, and the Council had now been offered a Funding Agreement to secure these funds and commence delivery of the Programme. The total project cost of this application (Grant plus Match Funding from the City Council and delivery partners) was £3.17m, with just over 66% of these costs being made available from the ESIF grants to support the applications. The Council had again taken a leadership role by bringing partners together from across the Coventry and Warwickshire Local Enterprise Partnership area to develop projects and programmes that would lead to improved employment prospects across the City and the sub-region. The Council had an outstanding track record of securing, managing and delivering EU-funded employability support programmes.

RESOLVED that the Cabinet:

- 1) Notes the success of European Funding via European Structural and Investment Funds in delivering the City's education, skills and economic aspirations and continues to support the Council bidding for European Funds that are still available via the European Structural and Investment Funds (ESIF) Programme and which will support the objectives of the Economic Growth and Prosperity Strategy 2018 – 2022 and the One Coventry Council Plan 2016 – 24.**
- 2) Approves the acceptance of the ESF grant funding, totalling £2.11m from European Structural and Investment Funds to be utilised in delivering the City's priorities as set out in this report.**
- 3) Delegate authority to the Director of Education and Skills, in consultation with the Director of Finance and the Director of Law and Governance, to negotiate final terms and entry into: (a) the grant funding agreement to secure the ESIF funding with the City Council acting as the Accountable Body for the funding: and (b) back to back funding agreement with such delivery partners as deemed necessary to deliver the City's priorities as set out in this report.**

24. **Restructuring Coventry City Council Subsidiaries**

The Cabinet considered a report of the Director of Law and Governance, that had been considered by the Scrutiny Co-ordination Committee at their meeting on 26th August 2021 (their minute 16/21 referred) and would also be considered at the meeting of the Council on 8th September 2021, on proposals for restructuring Coventry City Council subsidiaries. An Appendix to the report provided the Terms of Reference for the Shareholder Committee. A briefing note containing recommendations from Scrutiny Co-ordination Committee consideration of the report, had been circulated.

A corresponding private report detailing confidential financial matters was also submitted for consideration (Minute 27 below refers).

The City Council's portfolio of wholly owned company investments and joint ventures companies had grown in both volume and complexity over a number of years. A full list of the City Council's company investments was detailed in the report.

Each of these investments had been considered separately by the City Council at the point of purchase and / or investment through detailed due diligence, along with reports to the Cabinet and Council to recommend the appropriate course of action. Equally each investment had its own governance structure which regulated how the company or joint venture operated and performed. However, there was currently no single internal process to allow the City Council to consider the performance of its investments, including the mix of commercial investments and suitable apportionment of risk across different sectors.

In response to the City Council's auditors (Grant Thornton) advocating improvements in the overarching arrangements for the Council's commercial investments, the report sought approval of a revised governance structure for the City Council's commercial investments through the establishment of new sub-committee of Cabinet , the Coventry City Council Shareholder Committee. Along with the grouping of all wholly owned investments under a single parent Company, HoldCo. The proposed governance structure for the City Council's commercial investments was set out in the report.

To facilitate the structure and following independent advice from Pinsent Mason LLP and Deloitte LLP, the report also sought:

- the transfer of shares in all wholly owned companies to HoldCo, and the assignment to the City Council of new shares in HoldCo.
- The adoption of all relevant terms of reference and policies for the Shareholder Committee and HoldCo.
- The financial restructuring of North Coventry Holdings (NCH), in order to release funds back to the City Council.

RESOLVED that the Cabinet:

- 1) **Approves the following recommendations from Scrutiny Co-ordination Committee, that:**

- I. **Cabinet agree the recommendations contained in the report.**
 - II. **Training is offered to other relevant Elected Members as well as those specifically appointed to the Board of Directors, on an annual basis.**
 - III. **Annual reports to Scrutiny Co-ordination Committee include information about the income provided by HoldCo. that is spent on public services and that appropriate communications reflect this.**
- 2) **Approves the use of its powers under Section 12 of Local Government Act 2003 and Section 1 of the Localism Act 2011 to establish HoldCo, a wholly owned subsidiary to act as a holding company.**
 - 3) **Approves the use of its powers under Section 12 of Local Government Act 2003 and Section 1 of the Localism Act 2011 to transfer the current shares in Tom White Waste Limited, Coombe Abbey Park Limited and North Coventry Holdings which are currently held by the Council, into HoldCo and set up the subsidiary companies as set out in paragraph 3.2 of the report.**
 - 4) **Delegates authority to the Chief Executive, following consultation with the Director of Finance, the Director of Law and Governance and the Cabinet Member for Strategic Finance and Resources, to finalise the necessary due diligence and finalise the terms of, and enter into, the relevant legal agreements as well as any associated documents deemed necessary to complete the transaction.**
 - 5) **Approves the implementation of the governance structure and Terms of reference for the Shareholder Committee, Delegations Policy and the Conflicts Policy as shown in the appendices to the report.**
 - 6) **Notes that the Leader shall exercise his authority under Local Government Act 2000 to appoint Members onto the Shareholders Committee to represent the Council as sole shareholder of HoldCo.**

Recommends that Council:

- 7) **Delegates authority to the Director of Finance following consultation with the Cabinet Member for Strategic Finance and Resources, the ability to carry out the necessary legal and financial transactions to facilitate a reduction in the share capital in North Coventry Holdings. The authority under this delegation shall also include the power to determine how any payments released as a consequence of the reduction in share capital in North Coventry Holdings is to be treated.**
- 8) **Authorises the Director of Law and Governance to make the necessary amendments to the Council's Constitution arising from this report.**

25. Outstanding Issues

There were no outstanding issues.

26. **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.

27. **Restructuring Coventry City Council Subsidiaries**

Further to Minute 24 above, the Cabinet considered a private report of the Director of Law and Governance, setting out the commercially confidential matters relating to the restructuring of Coventry City Council subsidiaries.

RESOLVED that the Cabinet:

- 1) **Approves the following recommendations from Scrutiny Co-ordination Committee, that:**
 - I. **Cabinet agrees the recommendations contained in the report.**
 - II. **Training is offered to other relevant Elected Members as well as those specifically appointed to the Board of Directors, on an annual basis.**
 - III. **Annual reports to Scrutiny Co-ordination Committee include information about the income provided by HoldCo. that is spent on public services and that appropriate communications reflect this.**
- 2) **Approves the use of its powers under Section 12 of Local Government Act 2003 and Section 1 of the Localism Act 2011 to establish HoldCo, a wholly owned subsidiary to act as a holding company.**
- 3) **Approves the use of its powers under Section 12 of Local Government Act 2003 and Section 1 of the Localism Act 2011 to transfer the current shares in Tom White Waste Limited, Coombe Abbey Park Limited, and North Coventry Holdings which are currently held by the Council, into HoldCo and set up the subsidiary companies as set out in paragraph 3.2 of the report.**
- 4) **Delegates authority to the Chief Executive, following consultation with the Director of Finance, Director of Law and Governance and the Cabinet Member for Strategic Finance and Resources, to finalise the necessary due diligence and finalise the terms of, and enter into, the relevant legal agreements as well as any associated documents deemed necessary to complete the transaction.**
- 5) **Approves the implementation of the governance structure and Terms of reference for the Shareholder Committee, Delegations Policy and the Conflicts Policy as shown in the appendices to the report.**
- 6) **Notes that the Leader shall exercise his authority under Local Government Act 2000 to appoint Members onto the Shareholders Committee to represent the Council as sole shareholder of HoldCo.**

Recommends that Council:

- 7) Delegates authority to the Director of Finance following consultation with the Cabinet Member for Strategic Finance and Resources, the ability to carry out the necessary legal and financial transactions to facilitate a reduction in the share capital in North Coventry Holdings. The authority under this delegation shall also include the power to determine how any payments released as a consequence of the reduction in share capital in North Coventry Holdings is to be treated.**
 - 8) Authorises the Director of Law and Governance to make the necessary amendments to the Council's Constitution arising from this report.**
- 28. 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 3.10 pm)