

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 13 February 2024

Present:

Members: Councillor G Duggins (Chair)
Councillor L Bigham
Councillor R Brown
Councillor K Caan
Councillor P Hetherton
Councillor J O'Boyle
Councillor K Sandhu
Councillor P Seaman
Councillor D Welsh

Non-Voting Deputy
Cabinet Members:

Councillor S Agboola
Councillor P Akhtar
Councillor G Hayre
Councillor A Jobbar
Councillor G Lloyd
Councillor S Nazir

Non-Voting Opposition
Members:

Councillor G Ridley
Councillor R Simpson (Substitute for Councillor P Male)

Other Non-Voting
Members:

Councillor R Lakha
Councillor C Thomas

Employees
(by service area):

Business, Investment and
Culture

D Hope, S Weir

Communications
Education and Skills

K Nelson (Chief Partnerships Officer), C Webb

Finance

B Hastie (Director of Finance and Resources (Section 151 Officer))

Law and Governance

J Newman (Chief Legal Officer), S Chantler, A Chowns,
M Salmon

Property Services and
Development

R Moon (Director of Property Services and Development),
A Hunt

Public Health and Wellbeing A Duggal (Director of Public Health and Wellbeing)

Streetscene and Regulatory Services C Eggington

Apologies: Councillor N Akhtar
 Councillor A S Khan
 Councillor P Male
 Councillor C Miks

Public Business

62. Declarations of Interest

There were no disclosable pecuniary interests.

63. Minutes

The minutes of the meeting on 9th January 2024 were agreed and signed as a true record. There were no matters arising.

64. 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 74 below headed ‘City Centre South Additional Grant Funding’ 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.

65. 2023/24 Third Quarter Financial Monitoring Report (to December 2023)

The Cabinet considered a report of the Chief Operating Officer (section 151 Officer), which would also be considered at the meeting of Audit and Procurement Committee on 18th March 2023, that advised Cabinet of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of December 2023. The net revenue forecast position after management action was a net overspend of £8.5m. At the same point in 2022/23 the projected overspend was £8.5m.

It should be recognised that the position above included several largely one-off actions that had already been taken to reduce the overspend, which meant that the underlying position was significantly higher than had been experienced in recent years. The Council had implemented a range of measures since quarter 1, to manage down the overspend to a less severe level. This included: recruitment controls; discretionary spending controls; and alternative funding opportunities.

The Council continued to face budget pressure within both Adults and Children's Social Care, Housing, and Streetscene Services. Other smaller but still significant overspends were also being reported in Transportation and Highways, and Business Investment and Culture. Financial pressures were being caused by a combination of continuing high levels of inflation, increased service demands, difficult conditions within social care markets and recruitment difficulties in some services.

During the year a number of councils with social care responsibilities had reported large in-year budgetary difficulties and it was clear that there were systemic problems for the whole sector which represented a serious threat to its financial sustainability.

The Council's capital spending was projected to be £127.6m and included major schemes progressing across the city. 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. Inflationary pressures were also affecting capital projects. The assumption was that stand-alone projects that were already in-progress would be delivered as planned but that future projects that had not yet started may need to be re-evaluated to determine their deliverability within previously defined financial budgets.

The materiality of the emerging financial pressures, both revenue and capital, had renewed the imperative to maintain strict financial discipline and re-evaluate the Council's medium-term financial position. This was reflected in the Pre-Budget report which was currently out for consultation.

RESOLVED that Cabinet:

- 1) Approves the Council's Third Quarter revenue monitoring position.**
- 2) Approves the revised forecast capital outturn position for the year of £127.6m incorporating £9.6m net increase in spending relating to approved/technical changes and £11.7m of net rescheduling of expenditure into future years.**

66. Coventry One Strategic Plan and Education Capital Programme 2023 - 2027

Cabinet considered a report of the Chief Partnerships Officer on the proposed Coventry One Strategic Plan and Education Capital Programme 2023-2027.

Under Section 14 of the Education Act 1996, Coventry City Council had a statutory duty to ensure sufficient school places and fair, appropriate access to education. It was the Council's role to plan, commission and organise school places in a way that raised standards, managed supply and demand.

The Coventry One Strategic Plan, first presented to Council on 2nd October 2018 (minute 46/18 referred), set out pupil forecasts for special, primary, and secondary pupils across education planning areas in response to rising or falling pupil cohorts across the city. It outlined the strategy proposed by the Local Authority and the Coventry Education Partnership to meet the additional places required in secondary provision from 2023-2027. Work had also been undertaken to look at

the Special School provision and the primary estate in line with falling birth rates and new housing, outlining how to mitigate against these factors.

It was proposed that this strategy would be a flexible plan, able to adapt to shifting mechanisms of parental preference, unforeseen changes in supply and demand of school places, and future birth rates. To do this, the One Strategic Plan would be monitored and updated annually with presentation to the Cabinet Member for Education Portfolio, and Cabinet, alongside a wider process of constant review of School Place Planning. In addition, the procuring of places would take place annually so as not to create an unstable number of school places.

This partnership commitment signified a statement of intent to collaborate and work in partnership to achieve the best possible outcomes for children and young people in Coventry, ensure the sustainability of Coventry schools, and to enable the City Council to meet its statutory obligations. As part of this process, numerous options had been discussed at both full Coventry Education Partnership meetings, and the Secondary Headteacher Executive. The preferred option presented below had been approved by the Coventry Education Partnership as being the best valid option keeping in line with statutory requirements as outlined by the DfE to:

- i. Spend capital funding efficiently.
- ii. Safeguard the quality of places in the system.
- iii. Manage down spare capacity in the estate where it exists.

Capital allocations to meet projected shortfalls in provision were provided by the Education Skills Funding Agency (ESFA) to all Local Authorities based on the data provided in the annual School Capacity return (SCAP). Demand for places minus the supply of places was multiplied by a cost per pupil place to inform the final allocation. This return informed the ESFA of the expected change in pupil numbers over the next few years, the current capacity of schools to meet those numbers and the planned changes to that capacity.

Since 2022 there had been a large increase in the number of pupils moving into the city each academic year. The impact of this in-year movement had been that more spaces were required in schools than forecast, using up spare capacity and causing sufficiency pressures in some year groups. In response, a review and update of pupil forecast methodology had taken place, and additional school expansions as set out in the report.

RESOLVED that Cabinet:

- 1) Authorises the programme of work outlined within the proposed Coventry One Strategic Plan for Primary, Secondary and Special Educational Needs (SEN) Education.**
- 2) Delegates authority to the Chief Partnerships Officer to agree the most appropriate procurement route for the works to be delivered and awarded.**
- 3) Subject to acting within existing budgets, authorises the acquisition of such land by way of agreement as is required to facilitate sufficiency of school places within Coventry.**

- 4) **Delegates authority to the Director of Property Services and Development and Chief Partnerships Officer, following consultation with the Chief Operating Officer and Chief Legal Officer, to undertake all necessary due diligence including acceptance of terms for such Acquisition and the entering into appropriate legal agreements.**
- 5) **Authorises the funding stream as set out in section 2.4 of the report to be utilised for the delivery of programme of works in relation to primary, secondary and SEND places within the Coventry One Strategic Plan.**
- 6) **Notes the increased fees for academy conversion recoupment charges as set out in section 4 of the report.**

67. **Local Development Scheme (LDS) Update**

Cabinet considered a report of the Director of Streetscene and Regulatory Services that provided an update on the Local Development Scheme and sought approval of the draft Scheme.

Local Plans must be considered for review at least once every five years, as laid out in the National Planning Policy Framework. Further to Cabinet and Councils decision to progress with a full review of the Coventry Local Plan in November 2022 (minute 52/22 referred) and December 2022 (their minute 84/22 referred) respectively, the Local Development Scheme had been updated to indicate the timescales and the ongoing process of the review. The Local Authorities Local Development Scheme should be kept up to date and made publicly available in order to enable the local community and interested parties to be informed of progress.

Further to the initial stage of public consultation held between 18th July and 29th September 2023, the timescales had been reviewed and an updated LDS produced, attached as an Appendix to the report.

RESOLVED that Cabinet agrees to adopt the draft Local Development Scheme 2023-2025, attached as an Appendix to the report.

68. **Smokefree Generation 2030 - Local Authority Funding Allocation**

Cabinet considered a report of the Director of Public Health and Wellbeing that sought approval of grant funding for 2024/25 for stop smoking programmes to support the plan for a smokefree generation by 2030.

The Government's new 'Stopping the Start: our new plan to create a Smokefree Generation' plan was published in October 2023. This plan aimed to create a smokefree generation by 2030. Part of this plan was for Local Authorities to increase spend on stop smoking programmes and commissioned services, targeting populations where smoking prevalence was highest.

Key steps of the proposal included:

- Legislating to raise the age of sale one year every year from 2027 onwards.
The proposed legislation would make it an offence to sell tobacco products to

anyone born on or after 1 January 2009 which would stop children turning 14 or younger this year from ever legally being sold tobacco products.

- Increasing funding for local authority Stop Smoking Services from next year - £520k additional funding allocation for Coventry, recurrent for 5 years from April 2024.
- Increased funding for awareness raising campaigns by £5 million this year and £15 million from next year onwards.
- Increased funding for enforcement on illicit tobacco and e-cigarettes by £30 million from next year.
- Evaluating the findings from the youth vaping consultation on specific measures to tackle the increase in youth vaping.

Coventry City Council had been notified that it would be awarded a grant of £520,304 annually from April 2024 until March 2029. This would be an annual agreement. To be eligible to accept the funding, existing spend on stop smoking services must be ringfenced, continuing to support stop smoking programmes and services.

The Office for Health Inequalities and Disparities (OHID) set the priorities it expected the grant to be used for. A detailed proposal would be developed and submitted for Coventry in line with these priorities, along with data and reporting.

RESOLVED that Cabinet:

- 1) Agrees to accept the “Stopping the Start” Grant in the sum of £520,304 for 2024/25 noting that future grants may be the subject of further reports.**
- 2) Delegates authority to the Director of Public Health and Wellbeing to undertake the necessary procurement exercises and/ or enter into grant agreements with external organisations (to a value no higher than the “Stopping the Start” Grant sum of £520,304) to meet the deliverable requirements of the “stopping the Start” Grant.**
- 3) Delegates authority to the Director for Public Health and Wellbeing, following consultation with the Chief Legal Officer, to enter into the necessary legal agreements to give effect to the above recommendations.**

69. Proposed Statutory Consultation of the Designation of a New HMO Licensing Scheme 2025-2030

Cabinet considered a report of the Chief Legal Officer on the proposed statutory consultation of the designation of a new Houses in Multiple Occupation Scheme (HMOs).

The provision of good quality housing for Coventry residents was a key priority for the City Council.

HMOs were a major concern in Coventry. It was estimated that Coventry was one of the top 14 authorities having the highest number of HMOs in England and

Wales with around 6,800 HMOs or 26% of the total Private Rented Sector (PRS) stock.

Planning policy had been developed by the Council to create and sustain an appropriate 'mixed and balanced communities', by encouraging the spread of sustainable and viable options for accommodation. Notwithstanding, the city did have large areas where HMOs within the PRS were substantial in number.

It was recognised that there were many good quality landlords operating in the city, but unfortunately there were also those who did not maintain their properties leaving tenants at risk and giving potential problems to neighbouring properties.

Under the Housing Act 2004 the Government had legislated to provide local authorities with powers to tackle poor quality HMOs in the PRS through Mandatory Licensing, however this only related to those HMOs that had 5 or more occupants from two or more households.

HMOs with 3 or 4 occupants from 2 or more households formed an unusually high percentage of houses in the city (approx. 63%) and provided much needed accommodation for residents, particularly students who would typically live in this type of accommodation following their first year at university.

In 2019 the Council approved a report to designate the whole of its area subject to Additional Licensing which provided a mechanism to secure the improvement of all of the HMO stock in the city. When it was first introduced the overall purpose of the licensing scheme was to: 'alleviate the housing situation by setting and maintaining minimum standards across the city in the most vulnerable sector of Coventry's private rental market'.

The scheme ran for a period of 5 years, it commenced on 4th May 2020 and would cease on 4th May 2025 and meant that all HMOs including properties converted into self-contained flats without Building Regulation Approval (sec 257 HMOs); required a licence.

RESOLVED that Cabinet:

- 1) Having considered the Additional Licensing Review Report 2023, resolves that there is a need to make a new designation for a citywide Additional Licensing Scheme commencing from 5th May 2025.**
- 2) Authorises a citywide statutory 12-week consultation beginning on 26th of February 2024 and ending on 17th of May 2024.**
- 3) Requests a future report setting out the responses received to the statutory period of public engagement, proposed HMO licensing policy, standards and fees and charges for the new Additional Licensing scheme.**

70. Business Energy Advice Service (BEAS)

Cabinet considered a report of the Business, Investment and Culture on the Business Energy Advice Service.

In the first half of 2023, West Midlands Combined Authority (WMCA) and its Constituent Authorities and Universities had worked with government to design a programme of energy efficiency audits and Capital Grants covering the West Midlands International Territorial Level (ITL) 1 region. The scheme was developed in response to concerns that the West Midlands contained a relatively high proportion of energy intensive businesses (notably manufacturers) and that rising energy costs was a major threat to the long-term competitiveness of a significant number of businesses and could put jobs at risk. The West Midlands Industrial Energy Taskforce, which was charged with exploring this issue, concluded that a more in-depth business support and finance programme was required to complement the Decarbonisation Net Zero Programme that was being funded through UK Shared Prosperity Fund (UKSPF), which Coventry City Council was delivering for Coventry businesses, which was agreed by Cabinet in February 2023 (minute 92/22 referred).

In total, government had allocated £24.6m to the West Midlands ITL1 region, with the region needing to deliver energy efficiency audits to 4,000 businesses by March 2025, and awarded Capital Grants of up to £100,000 to support some of these businesses to tackle financial barriers to implementing capital investments to improve energy efficiency. The expectation was that the activities would improve energy consumption by reducing energy bills and therefore improve productivity and reduce carbon emissions and would both protect good quality jobs and create new skilled jobs.

Given the size of the geographical area being targeted, a consortium of Delivery Partners has been developed. Coventry had been included within the WMCA delivery area, and similar to the UKSPF Decarbonisation Net Zero Programme delivery arrangements, Coventry City Council (CCC) had been selected to deliver Energy Audits for Coventry businesses as part of a consortium led by Aston University. In addition, Coventry City Council had been selected to administer the Capital Grants fund for Coventry businesses, as part of a consortium led by Birmingham City Council.

The BEAS programme was initially being delivered in the West Midlands as a national Pilot up to March 2025. It is not clear what government's plans were for the programme beyond that date.

The total BEAS funding currently allocated to Coventry City Council amounted to £1,689,679.00 up to March 2025. It included £346,000.00 to deliver 277 Energy Audits to Coventry businesses, plus £1,343,679.00 to deliver grants of up to £100k to Coventry businesses and associated programme management and grant administration costs. Out of such totals, CCC's revenue for Project Management and Grant Administration staff would be £9,700.00 until March 2024 and then £192,000.00 to fund staff from April 2024-March 2025. It should be noted that the funding for Coventry, which was part of the WMCA area allocation, was indicative and the value could change depending on levels of demand and take-up from the other Constituent Authority areas.

To account for potential high levels of demand from Coventry businesses and the fact that potential underspend at regional level for other LAs, could mean further Grant funds for Coventry, the report also requested authority to accept further grant allocation up to the total sum of £2.5m of BEAS funding to deliver Energy Audits, and for delegated authority to enter into funding agreements. Delegated authority was also sought to contract with Lead Delivery Partners in order to complete this work.

RESOLVED that the Cabinet:

- 1) Approves the acceptance of BEAS funding £1,689,679 for delivery and management of Energy Audits and any further allocation up to and including grants up to a maximum of £2.5m.**
- 2) Grants delegated authority to the Director for Business, Investment and Culture, following consultation with the Chief Operating Officer and the Chief Legal Officer and following consultation with the relevant Cabinet Member(s), to undertake all necessary due diligence in relation to the funding allocation, including the authority to establish and implement the grant scheme necessary to deliver the BEAS.**
- 3) Grants delegated authority to the Director for Business, Investment and Culture, following consultation with the Chief Operating Officer and the Chief Legal Officer and following consultation with the relevant Cabinet Member(s), to enter into back-to-back contracts with the Lead Delivery Partners – Aston University for Energy Audits and Birmingham City Council for Capital Grants and any other external providers that may be required to deliver some activities, as deemed necessary.**

71. City Centre South Additional Grant Funding

Cabinet considered a report of the Director of Property Services and Development, that would also be considered by Council at its meeting on 19th March 2024, which sought approval to accept additional West Midlands Combined Authority (WMCA) Funding of up to £12.24m to facilitate the delivery of the City Centre South project.

A corresponding private report detailing confidential matters was also submitted for consideration (Minute 74 below refers).

City Centre South would deliver transformational improvements to Coventry city centre through the creation of a new residential led community providing new homes, jobs, commercial and leisure opportunities and high-quality public spaces.

The Council's development partner, Shearer Property Regen Ltd (SPRL), led by Hill Developments were continuing to move the scheme forward and have made considerable progress since being appointed as the funding partner under the terms of the Development Agreement between the Council, SPRL and Shearer Property Group (SPG).

This report sought formal approval to the next stage of the project following the previous Council Decisions in December 2022 (their minutes 85/22 and 91/22 referred) which approved the provision of Council funding to the scheme.

Since the recommendations contained in the December 2022 reports were approved, a significant amount of work had been undertaken to progress the scheme, including the Compulsory Purchase Order (CPO) being confirmed by the Secretary of State, the delivery of high-quality new premises for the Shopmobility scheme and a significant amount of ground investigations and surveys being undertaken. However, changes in fire safety regulations proposed earlier this year in the wake of the Grenfell disaster had required changes to the design of, and timescales for, the scheme resulting in viability challenges which needed to be resolved before the scheme could commence further.

These changes announced by Michael Gove, Secretary of State for Levelling Up, Communities & Housing, in July 2023, would require all residential buildings over 18m in height to incorporate dual stair cores and additional fire-fighting lifts to improve means of escape and building safety in the event of fire. This change was not anticipated at the time the previous reports were considered.

This change in regulation has had a significant, adverse effect on scheme viability due to increasing build costs and reduced sales/lettable area, thus depressing overall scheme viability. In order to address this issue and to prevent the scheme from stalling the Council had been able to successfully negotiate an additional grant assistance from the West Midlands Combined Authority (WMCA) of up to £12.24m (“Additional WMCA Funding”) in addition to the £98.8 million pounds already provided. The report therefore requested authority to accept the Additional WMCA Funding and delegated authority to amend the Development Agreement with SPRL and Grant Agreements with WMCA in order to be able to apply this funding towards the delivery of the scheme.

RESOLVED that Cabinet:

- 1) Approves the acceptance of the Additional WMCA Funding of up to £12.24m to be added to the £98.8m previously secured which will be utilised to facilitate the delivery of City Centre South.**
- 2) Delegates authority to the Director of Property Services and Development, following consultation with the Chief Operating Officer (Section 151 Officer), the Chief Legal Officer, the Cabinet Member for Jobs, Regeneration and Climate Change, the Cabinet Member for Strategic Finance and Resources and the Cabinet Member for Housing and Communities, to undertake the necessary due diligence and approve and enter into the legal agreements and undertakings necessary to give effect to recommendation 1) above.**
- 3) Agrees to add the additional WMCA Funding to the Council’s 5 Year Capital Programme.**

72. Outstanding Issues

There were no outstanding issues.

- 73. 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.

74. City Centre South Additional Grant Funding

Further to Minute 71 above, Cabinet considered a private report of the Director of Property Services and Development, that would also be considered at the meeting of Council on 19th March 2024, which set out the commercially confidential matters relating to proposals for City Centre South additional grant funding. An Appendix to the report provided the Deloitte Review of Additional Funding Request Report.

RESOLVED that Cabinet:

- 1) Approves the acceptance of the Additional West Midlands Combined Authority funding of up to £12.24m to be added to the £98.8m previously secured which will be utilised to facilitate the delivery of City Centre South.**
- 2) Delegates authority to the Director of Property Services and Development, following consultation with the Chief Operating Officer (Section 151 Officer), the Chief Legal Officer, the Cabinet Member for Jobs, Regeneration and Climate Change, the Cabinet Member for Strategic Finance and Resources and the Cabinet Member for Housing and Communities, to undertake the necessary due diligence and approve and enter into the legal agreements and undertakings necessary to give effect to recommendation 1) above.**
- 3) Add the Additional WMCA Funding to the Council's 5 Year Capital Programme.**

75. 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 3.05pm)