

CABINET

9th October 2012

Cabinet Members Present:
Councillor Duggins (Deputy Chair)
Councillor Harvard
Councillor Kelly
Councillor Kershaw
Councillor Mrs Lucas
Councillor J. Mutton (Chair)
Councillor O'Boyle
Councillor Ruane
Councillor Townshend

Non-Voting Opposition
Representatives present: Councillor Blundell

Other Members Present:
Councillor Mrs Abbott
Councillor Mrs Bigham
Councillor Hetherton
Councillor Innes
Councillor Lakha
Councillor M Mutton

Employees Present:
H. Abraham (Customer and Workforce Services Directorate)
J. Applegarth (Children, Learning and Young People Directorate)
S. Bennett (Customer and Workforce Services Directorate)
P. Boulton (City Services and Development Directorate)
V. Castree (Chief Executive's Directorate)
D. Cockcroft (City Services and Development Directorate)
S. Crawley (City Services and Development Directorate)
A. Durrant (Customer and Workforce Services Directorate)
C. Forde (Finance and Legal Services Directorate)
C. Green (Director of Children, Learning and Young People)
H. Harding (Finance and Legal Services Directorate)
B. Hastie (Finance and Legal Services Directorate)
S. Iannantuoni (Customer and Workforce Services Directorate)
P. Jennings (Finance and Legal Services Directorate)
N. Mills (City Services and Development Directorate)
R. Moon (City Services and Development Directorate)
D. Nuttall (City Services and Development Directorate)
M. Reeves (Chief Executive)
A. Simpson (Children, Learning and Young People Directorate)
B. Walsh (Director of Community Services)
C. West (Director of Finance and Legal Services)
M. Yardley (Director of City Services and Development)
T. Zhang (Finance and Legal Services Directorate)

Apologies
Councillor Foster
Councillor Khan
Councillor McNicholas (By Invitation)

RECOMMENDATIONS

Public Business

43. Exclusion of Press and Public

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the items of business referred to as follows:

| Minute | Item | Paragraph |
|--------|--|-----------|
| 57 | Coventry City Centre Public Realm Legacy Phase 2 | 1, 2, 3 |
| 58 | Cultural Trusts Review | 3, 4 |
| 59 | Canley Regeneration Programme – Land Disposal and Regeneration Proposals | 3, 4 |
| 60 | Coventry Gateway | 3, 4 |

44. Declarations of Interest

Councillor Blundell declared a Discloseable Pecuniary Interest in the matter the subject of Minutes 52 and 58 below relating to “Cultural Trusts Review”. He left the meeting for consideration of both of these items.

47. Cycle Coventry – Local Sustainable Transport Fund

The Cabinet considered a report of the Director of City Development and Services which sought approval to deliver a package of cycle schemes which would be delivered in the Southwest, North and Northeast of the City.

The City Council submitted a bid in February 2012 to the Department for Transport’s Local Sustainable Transport Fund (LSTF). The objective of the fund was to deliver local transport schemes which helped to support local economic growth and reduce carbon emissions. The bid was successful and secured £3.496m of funding for the period 2012/13 to 2014/15. The City Council was also a partner in a regional bid to the LSTF fund led by Centro. This bid was successful and secured £33.2m, of which £3.430m will be spent in Coventry. The overall scheme, entitled ‘Cycle Coventry’, was made up of the two projects totalling £6.926m. The project would aim to improve facilities for pedestrians and cyclists in the southwest, north and northeast of the city by creating a network of cycle routes. The routes would link together major destinations such as employment and education sites, including the city centre, to residential areas such as Tile Hill, Canley, Henley and Foleshill. The network of routes would be supported by a large package of revenue grant funded initiatives which would offer practical sustainable transport information and training to local residents and workers. The project would also

have a positive impact on improving public health by encouraging more people to cycle.

The proposed governance structure for the delivery of the package of cycling schemes was detailed in an appendix to the report and included the establishment of a Members Advisory Panel, comprising Councillors J Mutton (Chair), Harvard, Khan, McNicholas and Andrews.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend that Council:

- (a) Approve the programme of capital schemes detailed in table 3 scheduled to take place in 2012/13; note the proposals for additional schemes in years two and three, and delegate these future approvals to the Cabinet Member (City Services).**
- (b) Approve the package of revenue grant funded schemes detailed in table 4 and note the proposed revenue programme led by Centro detailed in table 5 of the report.**
- (c) Approve the governance structure set out in appendix 2 of the report.**
- (d) Delegate approval to sign legally binding funding agreements with Centro and the Department of Transport to support delivery of the regional LSTF project titled Smarter Network – Smarter Choices, and the local project titled Cycle Coventry to the Director of City Services and Development, in consultation with the Cabinet Member (City Services)**

48. The Application of Transition Arrangements to Pension Auto-Enrolment

The Cabinet considered a report of the Director of Customer and Workforce Services which set out details relating to the transition arrangement in respect of the application of transition arrangements to pension auto enrolment.

From October 2012, the law on workplace pensions was changing and employers were required to automatically enrol their 'eligible' workers into a workplace pension.

There were various 'staging' dates when employers must begin the automatic enrolment into their pension schemes. The City Council would begin to apply automatic enrolment from 31 March 2013.

However, the pension auto-enrolment requirements allowed employers to delay auto-enrolment for eligible workers and apply a 'transition' period. In effect, this meant that the Council could opt to delay auto-enrolment until 30 September 2017, subject to certain conditions.

There were significant financial benefits to the Council of applying the transition period. Were the Council to auto-enrol the eligible employees into the pension scheme in April 2013, the additional cost of the employer's pension contribution would be in the region of £3M - £4M per annum. This would add a further significant financial pressure in an already challenging financial climate.

There was also an opportunity to utilise a 'postponement' facility for all employees for whom auto-enrolment still applies (e.g. new starters). Postponement provided a short-window of delay that gives the employee more time to consider whether they want to join or opt out of the scheme. If these employees are auto-enrolled and leave the scheme after the first month, the contributions cannot be reclaimed by either the City Council or the employee. Postponement enabled the City Council and the employee to avoid these costs.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend that Council:

- (a) Apply the transition arrangements in order to delay pension auto-enrolment until September 2017.**
- (b) Apply the 'postponement' option in order to ensure the avoidance of costs incurred by any new starters who decide to opt out of the pension scheme.**

51. Coventry City Centre Public Realm Legacy Phase 2

The Cabinet considered a report of the Director of City Services and Development which detailed the second phase of the City Centre Public Realm Legacy. A corresponding private report detailing financially confidential aspects of the proposals was also submitted to this meeting (Minute 57 below refers).

The successful completion of the city centre public realm projects (approved by Cabinet on 21 January 2011 (Minute 116/10) and 8 November 2011 (Minute 75/11)) at the end of June had resulted in an extremely positive reaction from residents, developers, investors and visitors to the city, particularly during the Olympic Games this summer. The public realm works focused on making key routes around the city centre attractive and welcoming, and helped to highlight some of the city centre's assets to residents and visitors alike. As well as boosting civic pride in the city, new assets like Broadgate were already having a positive impact on the retail offer in the city, with footfall figures in the Upper Precinct boosted by more than 10% during the fortnight the International Market was held on Broadgate. New financial options have now provided the Council with an opportunity to continue and enhance these public realm works to further encourage investment and regeneration and complement the works already completed.

The report indicated that it was important to note that the first phase was completed on time, despite the extremely short timescale, with only a 1.85% variation in budget – a considerable achievement given the speed of design and build.

The report proposed a total budget for the second phase of up to £2.833m. It was proposed that this would comprise money either released from existing agreements, additional monies provided by Centro and the private sector, and existing uncommitted City Council resources earmarked for highways and street lighting. No additional call on corporate resources is proposed. It was also proposed that the principal schemes would be High Street, the area in front of the Council House; Earl Street; the second access to

Pool Meadow (funded by Centro) and associated works to Fairfax Street; Belgrade junction; and Queen Victoria Road/Lidice Place/Spon Street. It is proposed that these works will be completed by Summer 2013.

As with Phase 1, these works did not require funding from the Council's highways maintenance programme (other than where maintenance was due on a 'worst first' basis).

The Cabinet sought and received assurances in relation to equality issues and engagement with representatives of disabled and blind and partially sighted people. The Cabinet welcomed the fact that the Council had submitted an application for the European Commission's 3rd "Access City Award", which was an EU Award for "Accessible Cities" which recognised Cities providing an accessible environment, particularly for people with disabilities. The Council's application demonstrated Coventry's aspiration to provide an accessible environment for all. Cabinet also noted that the impact of the project would be subject to continual review and was included in the work programme for the Streets and Neighbourhood Action; Street Scene Scrutiny Board (4).

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend that Council:

- (a) Approve the updated financing of Coventry 2012 Phase 1 as set out in section 5.1 of the report**
- (b) Approve the delegation of authority to the Cabinet Member (City Services) to agree the detailed works for schemes in Coventry 2012 Phase 2 as set out in appendices B, C and D and their implementation, subject to the availability of funding.**

52. Cultural Trusts Review

The Cabinet considered a report of the Chief Executive which outlined and recommend a new way forward for Coventry's cultural Trusts, recommending the Council support a merger of Coventry Heritage and Arts Trust (CHAT, including the Herbert Art Gallery and Museum, The Lunt Roman Fort and Priory Visitor Centre) and Coventry Transport Museum (CTM) to form one new entity (which is most likely to be in the form of a company limited by guarantee or a trust), with the Belgrade Theatre continuing to operate independently as a separate theatre trust. For the purpose of the report, the new entity shall be referred to as a 'Trust' on the understanding that some other type of legal entity may be chosen.

A corresponding private report detailing financially confidential aspects of the proposals was also submitted to this meeting (Minute 58 below refers).

Coventry City Council (CCC) currently provided c£4 million a year in total annual grant support and service fees to the Belgrade Theatre, CHAT and CTM. The economic climate and public spending cuts arising from the Comprehensive Spending Review (CSR) meant that savings to the Council from the grants and service fees to all three Trusts needed to be found.

The City's cultural offer played a key part in the regeneration of Coventry, and the Cultural Trusts Review - undertaken through collaboration and close consultation with the Trusts - has aimed to ensure the cultural attractions managed by the three Trusts have a viable future, are operated as efficiently as possible and can market themselves effectively to local, regional and national audiences so they can be sustained, grow and succeed in the future.

The report also outlined ways of delivering greater efficiencies across these new structures through the sharing of some services with the Belgrade Theatre and it outlines potential options to generate more revenue.

The recommended "Two Trusts" model generates a total saving of £665,000 per annum in grant/service fees, with delivery of full annual savings from 2014/15. The merger of CTM and CHAT saves £393,000 per annum made primarily through streamlining management arrangements. The Belgrade Theatre would remain in its current form and deliver savings of £272,000 a year by 2014/15 by way of a 25% grant reduction. The anticipated phasing of these savings is detailed in the Private Report.

The Wellness, Liveability and Public Health Scrutiny Board (1) had considered the report at their meeting held on 8th October 2012. A Briefing Note detailing their consideration of this item, together with the following recommendations, had been circulated and the Cabinet Member (Neighbourhood Action, Housing, Leisure and Culture) requested that those recommendations be approved by Cabinet:-

- (1) That the Wellness, Liveability and Public Health Scrutiny Board receive timely reports back on the implementation of the approved option.
- (2) That there is a clear communications strategy for publishing the reasons behind the proposed changes to the Trusts
- (3) That the Trusts work together to maximise opportunities to market their facilities and the City
- (4) The Board acknowledge the opportunities for the Trusts to raise income through fee charging touring exhibitions. However, they would like the Trusts to be mindful of creating as many opportunities for Children and Young People in the City to access these exhibitions through group offers for example via schools and communities groups.
- (5) The Board wanted to encourage repeat visits to the heritage sites and suggested the Trusts consider, when selling tickets for touring events, allowing re-admittance on the same ticket for the duration of the exhibit.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet approve the above recommendations received from the Wellness, Liveability and Public Health Scrutiny Board (1) and recommend that Council:

Approve the recommended establishment of a new company limited by guarantee, to take over the existing premises, employees, assets, liabilities and contracts of CHAT and CTM, which would receive a phased total reduction of £393,000 per annum in Council grant/service fees by 2014/15.

- (a) Approve that the Belgrade Theatre remains a separate organisation with a phased reduction in the Belgrade Theatre grant to achieve a total reduction of £272,000 per annum in Council grant to the Theatre by 2014/15.**
- (b) Delegate authority to the Director of City Services & Development and the Director of Finance & Legal Services in consultation with the Cabinet Member (Neighbourhood Action Housing Leisure and Culture) and the Cabinet Member (Strategic Finance and Resources) to:**
 - (i) Approve the development of a detailed transition plan with the Trusts and the final savings profile for 2013/14 to achieve the Two Trusts operating model.**
 - (ii) Agree the necessary financial means to achieve the objective of full transfer to a new Trust company, limited to a maximum level of one off funding as detailed in the Private Report to enable CHAT and CTM to implement the process of a managed wind-down and transfer to the new Trust to achieve the required savings. This will be linked to agreed measures in the grant/services agreements.**
 - (iii) Agree the detail of Letters of Comfort (if required) by the Trusts' auditors in line with the financial parameters and objectives detailed in this report for signature by the Council's Section 151 Officer.**
 - (iv) Take the necessary steps in conjunction with CHAT and CTM for the formation of the new company, its governance and membership arrangements and to agree any Member representation on its Board of Directors.**
 - (v) Following the establishment of the new company, to authorise the Council to enter into a grant aid agreement and assign the current leases of Coventry Transport Museum, Herbert Art Gallery and Museum, Lunt Roman Fort and Priory Visitor Centre to the new company.**

53. Canley Regeneration Programme – Land Disposal and Regeneration Proposals

The Cabinet considered a report of the Director of City Services and Development which sought approval for the freehold sale, a revised disposals strategy and the package of investment proposals required to deliver the first phase of the Canley regeneration scheme agreed with the community.

A corresponding private report detailing financially confidential aspects of the proposals was also submitted to this meeting (Minute 59 below refers).

In March 2007, Cabinet approved in principle a programme of physical, social and economic regeneration in Canley, to be funded from the reinvestment of capital received from the sale of Council owned land within the Canley programme area. In addition, Cabinet agreed a procurement strategy for delivering the necessary receipts, based on a developer partner model, together with other measures that would ultimately deliver the regeneration scheme.

Following extensive survey and design work, a master plan for the holistic regeneration of Canley was agreed in consultation with the community, which was subsequently developed into an outline planning application. Outline planning permission was formally granted, in March 2010.

Market conditions and consequent changes in the way property companies fund developments had favoured an incremental approach to land disposals and, following comprehensive marketing of Site D (shown hatched on Plan 1 of the report), a freehold disposal had been provisionally agreed, for housing development.

The report outlined the community benefits, results of consultation undertaken and a proposed timetable for implementing the proposal.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend that Council:

- (a) Delegate authority to the Director of City Services & Development and the Director of Finance and Legal Services in conjunction with the Cabinet Member (City Development), to conclude the freehold disposal of Site D, as detailed on the plan appended to the report.**
- (b) Delegate authority to the Director of City Services & Development and the Director of Finance and Legal Services in conjunction with the Cabinet Member (City Development) to procure and deliver the community benefits set out in paragraph 2.7 of the report.**

54. Coventry and Warwickshire Gateway

The Cabinet considered a report of the Director of City Services and Development which set out the position in respect of the Coventry and Warwickshire Gateway and sought approvals around the development agreement, leasehold transfer of land and approval of costs of sale.

A corresponding private report detailing financially confidential aspects of the proposals was also submitted to this meeting (Minute 60 below refers).

Coventry and Warwickshire Gateway was a major new development of strategic importance for Coventry and Warwickshire, delivering upwards of 14,000 new jobs for the region by creating circa 4.5million square feet of commercial space.

Following the unsuccessful bid by the Local Enterprise Partnership (LEP) to have the site designated as an Enterprise Zone, both Warwick District Council and Coventry City Council have worked together to develop a strategy to bring the site into economic use with the developers Roxhill Developments who represent Rigby holdings who have the long leasehold interest in Coventry Airport.

The outline planning application for the development had been submitted in September 2012 to both Coventry City Council and Warwick District Council. It was anticipated that the applications should be considered by both Planning authorities before the end of the year.

Coventry and Warwickshire Gateway would also help deliver a new infrastructure solution with the Highways Agency having announced a major £100m road improvement scheme at Tollbar junction which will be married up to the Gateway scheme infrastructure.

The Council owned a significant proportion of the land within the proposed scheme area, the majority of which was currently agricultural land. It is the intention for the parties to enter into a conditional development agreement that ensured best value for the Councils land whilst giving the developer, Roxhill Developments the certainty that they required around assembling the site ahead of investing the significant at risk costs producing detailed development proposals for the overall site.

In order to prepare and progress an appropriate development agreement, the Council would incur up front legal, surveying and highway modelling fees which were proposed to be offset against any future disposal proceeds.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend that Council:

- (a) Approve that negotiations continue with Roxhill for the Council to enter into a development agreement where it will dispose of a 999 year leasehold interest in land at best consideration to enable the comprehensive development of Coventry and Warwickshire Gateway.**
- (b) Delegate authority to the Director of City Services and Development and the Director of Finance in consultation with Cabinet Member for City Development to finalise the financial terms of the leasehold transfer of the Council's land.**
- (c) Delegate to the Director of City Services and Development the negotiation of vacant possession of part of the Council's land within Coventry and Warwickshire Gateway.**
- (d) Approve the upfront costs of sale which will be recovered from the sale proceeds should the disposals proceed.**

Private Business

57. Coventry City Centre Public Realm Legacy Phase 2

Further to Minute 51 above, the Cabinet considered a private report of the Director of City Services and Development which detailed which detailed financially confidential information in relation the second phase of the City Centre Public Realm Legacy.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend that Council:

- (a) Approve the updated financing of Coventry 2012 Phase 1 as set out in section 5.1 of the report**
- (b) Approve the delegation of authority to the Cabinet Member (City Services) to agree the detailed works for schemes in Coventry 2012 Phase 2 as set out in appendices B, C and D and their implementation, subject to the availability of funding.**

58. Cultural Trusts Review

Further to Minute 52 above, the Cabinet considered a private report of the Chief Executive which outlined financially confidential aspects of the proposals in relation to the proposed new way forward for Coventry's cultural Trusts., recommending the Council support a merger of Coventry Heritage and Arts Trust (CHAT, including the Herbert Art Gallery and Museum, The Lunt Roman Fort and Priory Visitor Centre) and Coventry Transport Museum (CTM) to form one new entity (which is most likely to be in the form of a company limited by guarantee or a trust), with the Belgrade Theatre continuing to operate independently as a separate theatre trust. For the purpose of the report, the new entity shall be referred to as a 'Trust' on the understanding that some other type of legal entity may be chosen.

The Wellness, Liveability and Public Health Scrutiny Board (1) had considered the report at their meeting held on 8th October 2012. A Briefing Note detailing their consideration of this item, together with the following recommendations, had been circulated and the Cabinet Member (Neighbourhood Action, Housing, Leisure and Culture) requested that those recommendations be approved by Cabinet:-

- (1) That the Wellness, Liveability and Public Health Scrutiny Board receive timely reports back on the implementation of the approved option.
- (2) That there is a clear communications strategy for publishing the reasons behind the proposed changes to the Trusts
- (3) That the Trusts work together to maximise opportunities to market their facilities and the City
- (4) The Board acknowledge the opportunities for the Trusts to raise income through fee charging touring exhibitions. However, they would like the Trusts

to be mindful of creating as many opportunities for Children and Young People in the City to access these exhibitions through group offers for example via schools and communities groups.

- (5) The Board wanted to encourage repeat visits to the heritage sites and suggested the Trusts consider, when selling tickets for touring events, allowing re-admittance on the same ticket for the duration of the exhibit.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet approved the above recommendations from the Wellness, Liveability and Public Health scrutiny Board (1) and recommend that Council:

- (a) **Approve the recommended establishment of a new company limited by guarantee, to take over the existing premises, employees, assets, liabilities and contracts of CHAT and CTM, which would receive a phased total reduction of £393,000 per annum in Council grant/service fees by 2014/15.**
- (b) **Approve that the Belgrade Theatre remains a separate organisation with a phased reduction in the Belgrade Theatre grant to achieve a total reduction of £272,000 per annum in Council grant to the Theatre by 2014/15.**
- (c) **Delegate authority to the Director of City Services & Development and the Director of Finance & Legal Services in consultation with the Cabinet Member (Neighbourhood Action Housing Leisure and Culture) and the Cabinet Member (Strategic Finance and Resources) to:**
- (i) **Approve the development of a detailed transition plan with the Trusts and the final savings profile for 2013/14 to achieve the Two Trusts operating model.**
- (ii) **Agree the necessary financial means to achieve the objective of full transfer to a new Trust company, limited to a maximum level of one off funding as detailed in the Private Report to enable CHAT and CTM to implement the process of a managed wind-down and transfer to the new Trust to achieve the required savings. This will be linked to agreed measures in the grant/services agreements.**
- (iii) **Agree the detail of Letters of Comfort (if required) by the Trusts' auditors in line with the financial parameters and objectives detailed in this report for signature by the Council's Section 151 Officer.**
- (iv) **Take the necessary steps in conjunction with CHAT and CTM for the formation of the new company, its governance and membership arrangements and to agree any Member representation on its Board of Directors.**

- (v) **Following the establishment of the new company, to authorise the Council to enter into a grant aid agreement and assign the current leases of Coventry Transport Museum, Herbert Art Gallery and Museum, Lunt Roman Fort and Priory Visitor Centre to the new company.**

59. Canley Regeneration Programme – Land Disposal and Regeneration Proposals

Further to Minute 53 above, the Cabinet considered a private report of the Director of City Services and Development which contained details of financially confidential information in respect of the proposals regarding the freehold sale, a revised disposals strategy and the package of investment proposals required to deliver the first phase of the Canley regeneration scheme agreed with the community.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend that Council:

- (a) **Delegate authority to the Director of City Services & Development and the Director of Finance and Legal services in conjunction with the Cabinet Member (City Development), to conclude the freehold disposal of Site D, as detailed on the plan appended to the report.**
- (b) **Delegate authority to the Director of City Services & Development and the Director of Finance and Legal Services in conjunction with the Cabinet Member (City Development) to procure and deliver the community benefits set out in paragraph 2.7 of the report.**

60. Coventry and Warwickshire Gateway

Further to Minute 54 above, the Cabinet considered a private report of the Director of City Services and Development which contained details of financially confidential information in respect of the Coventry and Warwickshire Gateway and sought approvals around the development agreement, leasehold transfer of land and approval of costs of sale.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend that Council:

- (a) **Approve that negotiations continue with Roxhill for the Council to enter into a development agreement where it will dispose of a 999 year leasehold interest in land at best consideration to enable the comprehensive development of Coventry and Warwickshire Gateway.**
- (b) **Delegate authority to the Director of City Services and Development and the Director of Finance in consultation with Cabinet Member (City**

Development) to finalise the financial terms of the leasehold transfer of the Council's land.

- (c) Delegate to the Director of City Services and Development the negotiation of vacant possession of part of the Council's land within Coventry and Warwickshire Gateway.**
- (d) Approve the upfront costs of sale which will be recovered from the sale proceeds should the disposals proceed.**

(Meeting closed at: 3.20 pm)