

**Council – 19 March 2024**  
**Agenda item 8**  
**Recommendations from Cabinet**  
**12 March 2024**

**Coventry City Council**  
**Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 12 March 2024**

Present:

Members: Councillor G Duggins (Chair)  
Councillor AS Khan (Deputy Chair)

Councillor R Brown  
Councillor K Caan  
Councillor P Hetherington  
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 A Jobbar  
Councillor G Lloyd  
Councillor S Nazir

Non-Voting Opposition  
Members: Councillor P Male  
Councillor R Simpson (Substitute for Councillor G Ridley)  
Councillor S Gray

Other Members: Councillor N Akhtar  
Councillor R Lakha  
Councillor CE Thomas

Employees (by Service Area):

Chief Executive: J Nugent (Chief Executive) M Burrows

Adults and Housing: J Crawshaw, J Reading

Finance and Resources: B Hastie (Director)

Law and Governance: O Aremu, S Bennett

Partnerships and  
Performance: A Cole, L Lambert, M Legard, R Sugars

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

Public Health and Wellbeing:	R Chapman, J Ross
Regeneration and Economy	A Williams (Director), C Booth, D Nuttall, S Weir
Transportation, Highways and Sustainability	C Knight (Director), M Adams
Apologies:	Councillor L Bigham, G Hayre, G Ridley

## Public Business

### 81. **Declarations of Interest**

There were no disclosable pecuniary interests.

## RECOMMENDATION

### 88. **Public Sector Decarbonisation Scheme - Coventry City Council Public Buildings Phase 2**

Cabinet considered a report of the Director of Property Services and Development, which would also be considered by Council on 19 March, 2024, which indicated that the UK has committed to reduce the carbon emissions associated with its public buildings compared to 2017 levels by 50% by 2032 and 75% by 2037. To support this, the Department for Energy Security and Net Zero (DESNZ) has continued offering the Public Sector Decarbonisation Scheme (PSDS), but now requires a local match contribution. The PSDS grant scheme provides grants of up to £325 per tonne of carbon emissions saved by capital energy efficiency and heat decarbonisation projects that directly reduce fossil fuel use.

Coventry City Council has previously been successful in Phase 1 of the grant scheme which has helped the Council reduce emissions from its buildings and schools by over 1000 tonnes of carbon per year.

The Council has now submitted a bid to the Phase 3c grant scheme to support the delivery of a second phase of building decarbonisation projects. Due to the change in criteria for the PSDS grant, a smaller pipeline of buildings than in Phase 1 has been identified as suitable candidates for Phase 2. The proposed scope of works has a combined project value of up to £1.85m with a maximum grant contribution of £786k available via the PSDS grant scheme.

The report sought approval to provide match funding for the project on an “invest to save” basis. Any investment would look to be recovered through revenue savings achieved from reductions in the buildings’ energy bills. Overall, the project is targeting carbon savings of up to 174 tonnes of carbon per year and estimated net savings of £40k per year after repayment of financing costs.

The report indicated that the energy improvement opportunities were identified during the building selection process and that, by delivering all of the measures

together, the Council will achieve reduced carbon emissions associated with these buildings and will deliver financial savings estimated at £40k per year, net of financing costs. The buildings proposed for improvement and the measures proposed were detailed in the report.

Cabinet noted that Scrutiny Co-ordination Committee, had considered the report at their meeting on 11 March, 2024 and a detailed Briefing Note, outlining their consideration, was circulated. Cllr N Akhtar, Chair of the Scrutiny Co-ordination Committee was present at the meeting and outlined a number of concerns raised by the Committee in relation to the financial position of the project and the importance of ensuring the most beneficial interest is obtained. Cabinet received assurances from the Director of Finance and Resources and the Director of Property Services and Development in relation to the financial position, how the match funding would be met and the expected savings which would be achieved by reducing property running costs, as detailed in the financial business case.

RESOLVED:

That Cabinet:

- 1) Notes the concerns raised by the Scrutiny Co-ordination Committee, together with the assurances provided in relation to those concerns.
- 2) Approves the acceptance of a Public Sector Decarbonisation Scheme grant of up to the sum of £786k from the Public Sector Decarbonisation Scheme, if successful, to be utilised on the delivery of the Project as set out in the report.
- 3) Delegates authority to the Director of Finance and Resources, following consultation with the Director of Property Services and Development, the Director of Law and Governance, Cabinet Member for Jobs, Regeneration and Climate Change and the Cabinet Member for Strategic Finance and Resources, to undertake all necessary due diligence and actions required to enter into a grant funding agreement with Department for Energy Security and Net Zero (or nominee).

**That Cabinet recommends that Council:**

- 1) Approves the proposal to allocate up to £1m of corporate capital funding, funded from prudential borrowing towards Public Building Decarbonisation Phase 2 works with a total capital value of up to £1.85m as set out in the report ("the Project"), subject to successful award of the PSDS grant.**
- 2) Delegates authority to the Director of Finance and Resources, following consultation with the Director of Property Services and Development, the Director of Law and Governance, Cabinet Member for Jobs, Regeneration and Climate Change and the Cabinet Member for Strategic Finance and Resources, to approve the final scope and finances allocated to the Project, including in the event that grant funding is not successful.**

- 3) Delegates authority to the Director of Finance and Resources, following consultation with the Director of Property Services and Development, the Director of Law and Governance, Cabinet Member for Jobs, Regeneration and Climate Change and the Cabinet Member for Strategic Finance and Resources, to commence any necessary procurement activities and finalise the terms and conditions of the required contracts to facilitate delivery of the Project.**
  
- 4) Approves the addition of up to £1.85m to the Capital Programme to reflect the delivery of the works recommended as part of this report.**

**RECOMMENDATION**

**Public Business**

**91. West Midlands Investment Zone**

Cabinet considered a report of the Director of Regeneration and Economy, which would also be considered by Council on 19 March, 2024, which indicated that the UK Government has invited the West Midlands Combined Authority (WMCA) to prepare a proposal for a West Midlands Investment Zone (WMIZ). The sectoral focus for WMIZ will be advanced manufacturing, which is an excellent fit with the One Coventry Plan ambition to increase the economic prosperity of the city and region. A total of £160m in funding is available for WMIZ over a ten-year period, and this will be used for tax incentives for investors in WMIZ sites, capital funding to prepare these sites for development, and revenue schemes designed to develop the target sector. The WMIZ proposals will also allow business rates growth on designated sites to be retained locally for 25 years for reinvestment in the development of the Advanced Manufacturing Sector. Business rates will be retained above existing levels on a “no detriment” basis such that no Local Authority will be worse off through its involvement in the WMIZ.

The WMIZ includes sites in Coventry/Warwick, Birmingham and Wolverhampton. There are four sites in Coventry and Warwick District; Whitley East in Coventry and Whitley South, Coventry Airport and Segro Park in Warwick District. Whitley East has been allocated as an employment site in the Coventry Local Plan. The WMIZ £160m budget includes an initial £23m for infrastructure works to prepare the Coventry Airport site for development, and this report seeks approval to accept that funding together with any additional funding that becomes available from the IZ budget up to a total value of £35m. The report also sought delegated approval to enter into a Memorandum of Understanding for business rates retention related to the Whitley East site.

Governance decisions for WMIZ will be taken by a WMIZ Joint Committee / Board which Coventry City Council, Warwick District and Warwickshire County Council will all be represented on. West Midlands Universities including Coventry University and University of Warwick are also non-voting members of this group. A Coventry and Warwickshire Investment Zone office group will meet to ensure that consistent briefings are provided to Coventry and Warwickshire members of the WMIZ Joint Committee / Board.

**RESOLVED**

That Cabinet:

- 1) Notes the aspirations of, and supports the principle of participation in, the West Midlands Investment Zone (WMIZ) proposed to benefit the

WMCA area and Warwick District, conditional upon there being agreed no detriment position in respect of business rates income.

- 2) Notes the governance arrangements for the WMIZ as set out in Appendix 2 to the report.
- 3) Agrees in principle to entering into a Memorandum of Understanding (MoU) regarding business rates and their retention across the WMCA area and the Warwick District Council (WDC) area and delegate authority to the Director of Finance and Resources (s151) and the Cabinet Member for Strategic Finance and Resources to enter into this agreement.

**That Cabinet recommends that Council:**

- 4) **Approves acceptance of up to £35m in West Midlands Investment Zone (WMIZ) funding, noting that initially £23m will be available for infrastructure provision on the Coventry Airport site (subject to the conditions of the grant being satisfactory).**
- 5) **Grants delegated authority to the Director of Regeneration and Economy, following consultation with the Director of Finance and Resources, the Director of Law and Governance, and Cabinet Member for Jobs, Regeneration and Climate Change, to:**
  - a) **Undertake all necessary due diligence in relation to acceptance of the WMIZ funding allocation.**
  - b) **Continue to negotiate on all the matters associated with this report and to take such action as is deemed necessary, incidental or ancillary to or in consequence of bringing into effect the recommendations contained in this report, including but not limited to entering into any associated legal agreements (including the authority to effect any lease variations/surrender and any associated documents if appropriate) that are necessary to deliver the West Midlands Investment Zone.**
- 6) **Authorises the addition to the 5 Year Capital and/or Revenue Programme (as appropriate) of any West Midlands Investment Zone funding received by the Council up to a maximum of £35m.**

**RECOMMENDATION**

**Public Business**

**92. City Centre Cultural Gateway Project Update**

Cabinet considered a report of the Director of Regeneration and Economy, which would also be considered by Council on 19 March, 2024, which sought approval for additional capital funding to cover an increase in cost for the main construction works to the former IKEA building which will be known as the City Centre Cultural Gateway (CCCG). The CCCG will be a landmark destination that will be home to a Collections Centre of national significance and will bring together multiple partners and investors across creative, cultural and technology sectors to engage local people.

Approval had previously been given for the acquisition and development of the CCCG, however currently the economic conditions and volatility within the construction market have returned tender prices from a selected Contractor that take the overall project cost beyond the approval by Council in March 2023 (Minute 127/23 refers).

A corresponding private report detailing commercially sensitive confidential matters was also submitted for consideration (Minute 97 below refers).

The project will bring together a collaboration of key national and local partners: Arts Council England (ACE), British Council (BC), Culture Coventry Trust (CCT) and Coventry University. Coventry University will be developing a new Cultural Hub that will offer a student gallery, café, library and exhibition space, dance studio, conference area, artists' studios, post-production filming facilities and a shop to sell students' artwork, with some of these facilities being accessible to the public.

The report also sought future additional capital (under delegation once there has been a developed and approved business case for future tenancies), for the basic fitting out of Floors 1 and 2 to enable them to earn future rental income.

**RESOLVED that Cabinet recommends that Council:**

- 1) Approves capital expenditure of a further sum in the amount set out in the private element of the Report to be financed from prudential borrowing to fund the construction and professional fees for delivery of the City Centre Cultural Gateway Project.**
- 2) Delegates authority to the Director of Finance and Resources, following consultation with the Director of Regeneration and Economy, the Director of Law and Governance and the Cabinet Member for Housing and Communities, to approve capital expenditure**

of a further sum in the amount set out in the private element of the Report to be financed from prudential borrowing to fund the construction and professional fees to be utilised towards the delivery of further works to Floors 1 and 2 , only once there has been a developed and approved business case for future tenancies.

- 3) Notes that the Agreement for Lease between Coventry City Council and Arts Council England, British Council and Culture Coventry in respect of the Collection Centre Development will include a mechanism that facilitates the ability for a request to be made to the City Council to deliver Partner Variations (including fit-out works) on their behalf with the cost being repaid to the City Council.
- 4) Delegates authority to the Director of Finance and Resources, following consultation with the Director of Regeneration and Economy, the Director of Law and Governance and the Cabinet Member for Housing and Communities, to undertake the necessary due diligence including approving any incidental and ancillary actions required to bring into legal effect the recommendation set out in Recommendation (3) above.

## **Private Business**

### **97. City Centre Cultural Gateway Project Update**

Further to Minute 92 above, the Cabinet considered a private report of the Director of Regeneration and Economy, that would also be considered at the meeting of Council on 19 March 2024, which set out the commercially sensitive confidential matters relating to the City Centre Cultural Gateway Project Update.

**RESOLVED that Cabinet recommends that Council:**

- 1) Approves capital expenditure of a further sum in the amount set out in the private report to be financed from prudential borrowing to fund the construction and professional fees for delivery of the City Centre Cultural Gateway Project.
- 2) Delegates authority to the Director of Finance and Resources, following consultation with the Director of Regeneration and Economy, the Director of Law and Governance and the Cabinet Member for Housing and Communities, to approve capital expenditure of a further sum in the amount set out in the private report to be financed from prudential borrowing to fund the construction and professional fees to be utilised towards the delivery of further works to Floors 1 and 2, only once there has been a developed and approved business case for future tenancies.
- 3) Notes that the Agreement for Lease between Coventry City Council and Arts Council England, British Council and Culture Coventry in respect of the Collection Centre Development will include a mechanism that facilitates the ability for a request to be made to the

**City Council to deliver Partner Variations (including fit-out works) on their behalf with the cost being repaid to the City Council.**

- 4) Delegates authority to the Director of Finance and Resources, following consultation with the Director of Regeneration and Economy, the Director of Law and Governance and the Cabinet Member for Housing and Communities, to undertake the necessary due diligence including approving any incidental and ancillary actions required to bring into legal effect the recommendation set out in Recommendation (3) above.**



## RECOMMENDATION

### Public Business

93. **Procurement of a New Contract for the Supply of Electricity and Ancillary Services**

Cabinet considered a report of the Director of Regeneration and Economy, which would also be considered by Council on 19 March, 2024 which indicated that electricity spending fluctuates due to various factors like global events affecting energy markets. The current Council's electricity contract ends on 30 September, 2024 and covers electricity for over 250 Council facilities and around 100 other places like schools. By starting the process early, the chosen supplier can buy energy over time instead of all at once, which helps avoid sudden price increases in the market.

Since 2016, the Council has been using the Eastern Shires Purchasing Organisation (ESPO) framework to buy electricity. ESPO acts as an intermediary, allowing the Council to access wholesale markets typically only available to large buyers. While this framework has helped manage market volatility to some extent, it's not very flexible and historically has not taken full advantage of renewable energy and new market opportunities.

By partnering with E.ON as the new Strategic Energy Partner, the Council can access a customized supply arrangement that opens up opportunities to save costs and generate revenue from new energy market mechanisms. This partnership allows the Council to tap into E.ON's expertise and resources in ways that weren't possible before.

The recommended option presents the best available opportunity for the Council to minimise the costs associated with the supply of electricity. Besides potential cost savings and flexibility, this new approach also aims to deliver more social value directly related to the Council's electricity needs.

A corresponding private report detailing commercially sensitive confidential matters was also submitted for consideration (Minute 98 below refers).

The report sought approval to enter contracts with E.ON UK PLC and its subsidiaries Npower and E.ON Next, as part of the Strategic Energy Partnership contract procured via competitive dialogue in compliance with Procurement Regulations 2015, signed on September 12, 2023.

In accordance with the Constitution, the report also informed Council of the decision undertaken by the Chief Executive on 19<sup>th</sup> December 2023 to exercise emergency functions to secure an immediate hedging of energy using an interim 12 month standard flex contract which will be superseded by the supply contract in the report should the recommendations be approved.

**RESOLVED that Cabinet recommends that Council:**

- 1) Approves the proposal to enter into an electricity supply contracts pursuant to the Strategic Energy Partnership for the supply of electricity up to 31<sup>st</sup> March 2030.**
- 2) Delegates authority to the Director of Finance and Resources, following consultation with the Director of Regeneration and Economy and the Director of Law and Governance, to finalise the terms and conditions of the supply contract and any other legal agreements required to facilitate delivery of the electricity supply and its ancillary services.**
- 3) Delegates authority to the Head of Energy Services, following consultation with the Director of Regeneration and Economy, to oversee the ongoing management of the wholesale purchasing strategy during the term of the contract.**
- 4) Notes the exercise of the emergency functions by the Chief Executive on 19<sup>th</sup> December 2023 pursuant to Paragraph 3.8 (a) of Part 2M of the Constitution to secure an immediate hedging of energy using an interim 12 month standard flex contract.**

#### **Private Business**

**98. Procurement of a New Contract for the Supply of Electricity and Ancillary Services**

Further to Minute 93 above, the Cabinet considered a private report of the Director of Regeneration and Economy, that would also be considered at the meeting of Council on 19 March, 2024, which set out the commercially sensitive confidential matters relating to the procurement of a new contract for the supply of electricity and ancillary services.

**RESOLVED that Cabinet recommends that Council:**

- 1) Approves the proposal to enter into an electricity supply contracts pursuant to the Strategic Energy Partnership up to the value as identified in the private report for the supply of electricity up to 31<sup>st</sup> March 2030.**
- 2) Delegates authority to the Director of Finance and Resources, following consultation with the Director of Regeneration and Economy and the Director of Law and Governance, to finalise the terms and conditions of the supply contract and any other legal agreements required to facilitate delivery of the electricity supply and its ancillary services.**
- 3) Delegates authority to the Head of Energy Services, following consultation with the Director of Regeneration and Economy, to**

**oversee the ongoing management of the wholesale purchasing strategy during the term of the contract.**

- 4) Notes the exercise of the emergency functions by the Chief Executive on 19<sup>th</sup> December 2023 pursuant to Paragraph 3.8 (a) of Part 2M of the Constitution to secure an immediate hedging of energy using an interim 12-month standard flex contract.**



**Agenda item 12**  
**Recommendations from Cabinet**  
**Member for Policing and**  
**Equalities**  
**18 March 2024**

**Coventry City Council**  
**Minutes of the Meeting of Cabinet Member for Policing and Equalities held**  
**at 9.00 am on Monday, 18 March 2024**

Present:

Councillor AS Khan (Cabinet Member)  
Councillor P Akhtar (Deputy Cabinet Member)  
Councillor P Male (Shadow Cabinet Member)

Employees (by Service Area):

Finance: E Dewar

Law and Governance: J Newman (Director), S Bennett, J Redfern

**Public Business**

**15. Declarations of Interest**

There were no disclosable pecuniary interests.

**RECOMMENDATION**

**17. Proposed Amendments to the Constitution**

The Cabinet Member for Policing and Equalities considered a report of the Director of Law and Governance which indicated that the Council's Constitution sets out how the Council carries out its business and makes decisions. It is a living document and is reviewed and updated from time to time to ensure that it meets changing legislative requirements and reflects changes in practise within the Council.

The Constitutional Advisory Panel at its meeting on 26 February, 2024 considered proposed changes to the Constitution. These were:-

- a) Amendments to the Contract Procedure Rules as set out in Part 3G of the Constitution
- b) Amendments to the Financial Procedure Rules as set out in Part 3F of the Constitution

In relation to the Contract Procedure Rules, the report indicated that the Health Care Services (Provider Selection Regime) Regulations 2023 (“PSR”) is a new set of rules which govern the arrangement of healthcare services in England, introduced by regulations made under the Health and Care Bill, and which came in to force as of 01 January 2024. The PSR must be followed for all applicable procurement activity by Integrated Care Boards (ICBs), the NHS and Local Authorities. Relevant authorities must follow one of seven (7) processes when procuring health care services. In addition, there is no threshold to the PSR, meaning that all applicable activity, regardless of value, must follow the new Regulations.

The proposed amendments to the Contract Procedure Rules (“CPRs”) are the second of three changes being considered by Council following the inclusive procurement changes in December 2023 and anticipated changes with the introduction the new Procurement Act coming in summer 2024.

The proposed amendments reflect new governance arrangements specific to procurement activity captured by the PSR and can be summarised as follows:

- Reference to and background of the Provider Selection Regime (reflected in Section 1).
- Bespoke governance process for Health Care services (reflected in Section 2 and throughout relevant sections). Unlike the PCR2015 and other associated public procurement regulations, there are no thresholds associated with the Provider Selection Regime (PSR), meaning all contracts of all values are captured within the PSR. As such, in order to maintain oversight of decision-making processes to ensure compliance with the transparency requirements of the PSR, all procurement activity relating to healthcare services caught under the PSR are to be brought to Procurement Panel / Board.
- Removal of permitted exceptions to the Contract Procedure Rules for Health Care services. There are no thresholds relating to the Provider Selection Regime, and as such, all contracts entered in to relating to Health Care services are required to comply with the legislation.
- Establishing a default position of utilising the Competitive Process under the PSR to drive value for money. Utilisation of any of the other permitted procurement processes and deviation away from the default position will need to be justified through the appropriate governance documentation brought to Procurement Panel or Procurement Board.

The Constitutional Advisory Panel agreed that all of the proposed amendments, as detailed in Appendix A in the report, should be recommended to the Cabinet Member for Policing and Equalities for approval.

In relation to the Financial Procedural Rules the report indicated that Legal Services, in consultation with the Council’s Financial Services, have conducted a review of the approval requirements for grant income and grant expenditure set out in the Constitution following feedback from its officers. The Council is regularly under extreme pressure to accept and administer grants in short timescales imposed by funding bodies. If such timescales are not complied with the Council may not be able to accept the grant.

It is considered that the current constitutional requirements affect the Council in efficiently accepting and administering grant in the necessary timescales. Currently the approval requirements for grant income and grant expenditure can at times lead to unnecessary complication and inefficient governance. It is considered that the approval requirements for grant income and grant expenditure should be amended so that (where relevant) approval can be sought for both the acceptance of the Grant Income and delegated authority to facilitate the Grant Expenditure at the same time where possible and drive efficiency in the governance approval process. In addition, the current constitutional requirements have resulted at times in the exercise of the Chief Executive Emergency Powers where time does not permit the approval of Council. The proposed changes will help to reduce such instances.

The proposed changes to Part 3F Financial Procedure Rules can be summarised as follows and are recommended in furtherance to the Council's on-going commitment to effective governance arrangements:-

- Administrative changes (titles).
- Updated procedural requirements for filing of grants on the grant register.
- Updated financial thresholds.
- Updated officer and member approval requirements.

The Constitutional Advisory Panel agreed that all of the proposed amendments, as detailed in Appendix B, should be recommended to the Cabinet Member for Policing and Equalities for approval.

**RESOLVED that the Cabinet Member for Policing and Equalities recommends that Council:-**

- 1) Approves the proposed amendments to the Contract Procedure Rules (Part 3G of the Constitution) as detailed in Appendix A to the report with immediate effect**
- 2) Approves the proposed amendments to the Financial Procedure Rules (Part 3F of the Constitution) as detailed in Appendix B to the report with immediate effect**
- 3) Authorises the Director of Law and Governance to make any necessary amendments to the Constitution.**