



Cabinet Member (Business, Enterprise and Employment)

Time and Date

11.00 am on Friday, 2nd May, 2014

Place

Committee Room 3 - Council House

Public Business

1. **Apologies**

2. **Declaration of Interests**

3. **Minutes** (Pages 3 - 6)

(a) To agree the minutes of the Cabinet Member (Business, Enterprise and Employment) meeting held on 10th February, 2014

(b) Matters Arising

4. **Exclusion of the Press and Public**

To consider whether to exclude the press and public for the items of private business for the reasons shown in the reports.

5. **Seven Stars Industrial Estate and Whitley Deport: Grant of Easement and Freehold Sale of Land** (Pages 7 - 12)

Report of the Executive Director, Place

6. **Land at Wheler Road, Coventry** (Pages 13 - 22)

Report of the Executive Director, Place

7. **Outstanding Issues**

There are no outstanding issues.

8. **Any Other Public Business**

To consider any other items of public business which the Cabinet Member decides to take as a matter of urgency because of the special circumstances involved.

Private Business

9. **Seven Stars Estate and Whitley Depot: Grant of Easement and Freehold Sale of Land** (Pages 23 - 28)

Report of the Executive Director, Place

(Listing Officer: Stewart Smith: Telephone 02476 832825)

10. **Land at Wheler Road. Coventry** (Pages 29 - 38)

Report of the Executive Director, Place

(Listing Officer: Graham Stephens: Telephone 02476 832577)

11. **Any Other Private Business**

To consider any other items of private business which the Cabinet Member decides to take as a matter of urgency because of the special circumstances involved.

Chris West, Executive Director, Resources, Council House Coventry

Thursday, 24 April 2014

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett (Tel. 024 7683 3072).

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting OR if you would like this information in another format or language please contact us.

Suzanne Bennett

Telephone: (024) 7683 3072

e-mail: Suzanne.bennett@coventry.gov.uk

Membership:-

Councillor L Kelly, Cabinet Member (Business, Enterprise and Employment)

By Invitation:-

Councillor Taylor, Shadow Cabinet Member (Business, Enterprise and Employment)

Agenda Item 3

Minutes of the Meeting of Cabinet Member (Business Enterprise and Employment) held at 10.15 a.m. on 10th February, 2014

Present:

Cabinet Member: Councillor Kelly

Shadow Cabinet Member: Councillor Taylor

Other Members Present: Councillor Skipper, Chair of Business, Economy and Enterprise Scrutiny Board (3) (For Minute 39 below)

Employees (by Directorate):

Place: R. Moon, N. Clews, A. Walimia

Resources: S. Bennett, K. Larson, J Sprayson

Public Business

35. Declarations of Interest

There were no declarations of interest.

36. Exclusion of the Press and Public

RESOLVED that approval be given to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 for consideration of the private report in Minute 44 below relating to “Sale of Freehold Land: Bredon Avenue Doctor’s Surgery” on the grounds that the report involves the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and that in all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

37. 567 -575 Foleshill Road/1 Blackwell Road – Progress Report

The Cabinet Member considered a report of the Executive Director, Place, which indicated that approval had been given to extend the period the Council has to buy back land known as 567-575 Foleshill Road/1 Blackwell Road from 7 years to 10 years to allow the purchaser of the freehold, Edgewick Family and Education Centre (EFEC) additional time to raise the funding necessary to complete the development of a building.

The report indicated that during the last 12 months some progress had been made, external block work had been largely completed, window opening formed and a large part of the roof constructed. However, a substantial amount of work was still required to complete the building.

RESOLVED that, after due consideration of the report and the matters raised

at the meeting, the Cabinet Member (Business, Enterprise and Employment) notes progress on the construction of a community building on land known as 567-575 Foleshill Road/1 Blackwell Road, as referred to in paragraph 1.4 of the report and requests a further progress report on this issue in 12 months time.

38. Disposal of Land at the Rear of 11 Gulson Road and 56 Seagrove Road

The Cabinet Member considered a report of the Executive Director, Place, which indicated that, following a review of the Council's land holdings, a number of surplus sites and buildings had been identified for disposal where there were no strategic reasons for the Council to continue to retain them.

An area of land at the rear of 11 Gulson Road and 56 Seagrove Road, shaded and hatched green on the plan attached to the report, is currently held as Statutory Allotment Land within the portfolio of Streetscene and Greenspace, Place Directorate. However, the land has never been cultivated for allotment use and as a result, this area of land has become substantially overgrown and is frequently used for fly tipping and anti-social behaviour. This site, together with the adjacent land shown edged red on the plan attached to the report, have therefore been identified to be included within the Strategic Land Availability Assessment.

RESOLVED that, after due consideration of the report and the matters raised at the meeting, the Cabinet Member (Business, Enterprise and Employment):-

- (1) Approves the application to be made to the Secretary of State to de-register the Allotments Land shown coloured green on the plan attached to the report as Appendix 1**
- (2) Approves the Deed of Surrender of Part under the Master Lease in respect of the Allotment Land to be de-registered**
- (3) Approves the disposal of the land edged red on the plan attached to the report as Appendix 3 under Section 123 of the local Government Act 1972**
- (4) Delegates authority to the Executive Director, Resources to complete the necessary legal documentation to achieve the above.**

39. Supporting Business Investment in Coventry: Recommendations from Business, Economy and Enterprise Scrutiny Board (3)

The Cabinet Member considered a report of the Executive Director, Resources which indicated that, at its meeting on 13th November, 2013, the Business, Economy and Enterprise Scrutiny Board (3) had considered how business investment is supported in Coventry. The purpose of the meeting was to review:-

- What is being done to encourage new business start ups
- What is being done to encourage the growth of existing businesses and;
- What are the constraints/barriers to carrying out this work?

The report detailed the Scrutiny Board's consideration of this issue and outlined four recommendations that the Scrutiny Board had made to the Cabinet Member (Business, Enterprise and Employment).

Councillor Skipper, Chair of the Scrutiny Board, attended the meeting and acknowledged the work already being taken by the City Council to support business investment; provided further information in relation to the Scrutiny Board's consideration of this matter; and thanked the Cabinet Member for her support of the Scrutiny Board's recommendations.

RESOLVED that, after due consideration of the report and the matters raised at the meeting, the Cabinet Member (Business, Enterprise and Employment):-

- (1) Investigates opportunities to promote local Small and Medium Enterprises (SME) access to procurement opportunities across public sector employers such as the police, fire service and NHS, building on the good practice developed by the City Council and other neighbouring authorities.**
- (2) Explores ways the Council can support SMES to reduce their direct costs.**
- (3) Explores opportunities to share risks in relation to SMEs taking on apprentices, including reviewing the model whereby colleges operate as employers, such as North Warwickshire College, Apprentice Training Agency.**
- (4) Encourages partners to identify ways of supporting SMEs to work with the universities to innovate and invest in research and development.**

40. Lease of ROSE Community Centre, Spon End, Coventry

The Cabinet Member considered a report of the Executive Director, Place which sought approval to grant a 30 year lease of the ROSE Community Centre in Hope Street, Spon End, as identified on a plan attached to the report, to ROSE Community Centre Limited, at nil consideration in accordance with the Council's Community Asset Transfer Policy. The granting of a longer term lease will give the Organisation the benefit of security of their occupation to ensure the continued successful use of the Centre for the benefit of the community. The long term lease will also enable the Organisation to seek external grant funding.

RESOLVED that, after due consideration of the report and the matters raised at the meeting, the Cabinet Member (Business, Enterprise and Employment) grants a 30 year lease of ROSE Community Centre, Hope Street, Spon End, Coventry at a peppercorn rent to ROSE Community Centre Ltd.

41. Sale of Freehold Land; Bredon Avenue Doctor's Surgery

The Cabinet Member considered a report of the Executive Director, Place, which indicated that terms have been agreed to dispose of the Council's freehold

interest in the Bredon Avenue Doctor's surgery. The extent of the freehold interest was shown edged red on the plan attached to the report.

A corresponding private report detailing confidential financial matters was also submitted for consideration (Minute 44 below refers)

The property is leased to the current general practitioner who acquired the business in 2012. The acquisition of the freehold will enable him to secure funding for a major improvement programme. This disposal is consistent with the ground lease disposals policy approved by Cabinet on 10th December 2013.

RESOLVED that, after due consideration of the report and the matters raised at the meeting, the Cabinet Member (Business, Enterprise and Employment) approves the disposal of the freehold of the surgery at 232 Bredon Avenue in accordance with the agreed terms detailed in the private report.

42. **Outstanding Issues**

There were no outstanding issues

43. **Any Other Items of Public Business**

There were no other items of public business.

Private Business

44. **Sale of Freehold Land; Bredon Avenue Doctor's Surgery**

Further to Minute 41 above, the Cabinet Member considered a report of the Executive Director, Place, which detailed confidential financial matters in relation to the disposal of the Council's freehold interest in Bredon Avenue Doctor's surgery.

RESOLVED that, after due consideration of the report and the matters raised at the meeting, the Cabinet Member (Business, Enterprise and Employment) approves the disposal of the freehold of the surgery at 232 Bredon Avenue in accordance with the agreed terms detailed in the report.

45. **Any Other Items of Private Business**

There were no other items of private business.

(Meeting closed at: 10.45am)



Public report
Cabinet Member

Paragraph 3
Schedule 12A of the Local Government Act 1972

A separate report is submitted in the private part of the agenda in respect of this item as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972.

Cabinet Member (Business, Enterprise and Employment)

2nd May, 2014

Name of Cabinet Member:

Cabinet Member (Business, Enterprise and Employment) – Councillor Kelly

Director Approving Submission of the report:

Executive Director - Place

Ward(s) affected:

Cheylesmore

Title:

Seven Stars Industrial Estate & Whitley Depot: Grant of Easement and Freehold Sale of land.

Is this a key decision?

No

Executive Summary:

Western Power Distribution (WPD) is recabling the high voltage link between Whitley and Hearsall Common sub-stations in order to upgrade the electricity distribution network in Coventry. To achieve this they have approached the Council, first for an easement to lay a replacement cable through Whitley Depot and secondly to purchase land at Seven Stars Industrial Estate.

Recommendations:

Cabinet Member is requested to

Approve the grant of an easement to lay and maintain a high voltage cable at Whitley Depot and the disposal of the freehold of the freehold land at Seven Stars Industrial Estate in accordance with the agreed terms reported on the private part of this agenda.

Delegate officers in both Place and Resources Directorates to complete the necessary legal documentation and collect the agreed consideration.

List of Appendices included:

A plan of the land at Seven Stars Industrial Estate shown edged red is attached.

Other useful background papers:

There are no background papers.

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Whitley Depot and Seven Stars Industrial Estate; Grant of Easement and Sale of Land

1. Context

- 1.1 Western Power Distribution (WPD) is in the process of expanding existing sub-stations at Hearsall Common and Seven Stars Industrial Estate and linking the two sub-stations with a new High Voltage cable. WPD have approached the Council, first for consent to lay a cable through Whitley Depot to replace an existing cable and secondly, purchase land comprising approximately 1 acre at Seven Stars Industrial Estate to extend the Whitley sub-station.
- 1.2 The site at Seven Stars Industrial Estate was purchased by the Council in 2002 with a view to providing additional parking and industrial space. The land has not been developed as the pressing need for additional parking and development no longer exists.

2. Options considered and recommended proposal

- 2.1 It is open to the Council to reject this approach and insist that WPD use their statutory powers to progress both transactions. Officers consider it is unlikely that this would achieve a better financial outcome for the Council. If the new cable does not replace the existing cable route in Whitley Depot this would involve routing the cable in the highway in Allard Way and London Road, adding to traffic disruption in this area.
- 2.2 Officers have considered the proposals and it is recommended that the Council proceeds to the grant the easement to WPD and sell the freehold land at Seven Stars Industrial Estate to WPD.

3. Results of consultation undertaken

- 3.1 No consultations have been undertaken.

4. Timetable for implementing this decision

- 4.1 Western Power is anxious to proceed as soon as possible and licence has therefore been granted to enter the Whitley Depot site.

5. Comments from Executive Director, Resources

- 5.1 Financial implications
There will be no income loss from the sale of the land at Seven Stars Industrial Estate and the deed of easement will not affect income generation from Whitley Depot.

The capital receipt will contribute towards corporate resources for this financial year, 2014-2015.

- 5.2 Legal implications
Officers within Place Directorate are satisfied that the consideration satisfies the Council's requirement to achieve the best value reasonably obtainable in accordance with the requirements of Section 123 of the Local Government Act 1972.
Officers within Legal Services, Resources Directorate will complete the necessary legal documentation to transfer the freehold land and enter into the deed of easement and will collect the agreed consideration upon completion.

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

6.1.1 The receipts generated by these transactions will contribute towards the Council maintaining a balanced budget in the medium term, thus preserving services for the people of Coventry.

6.1.2 The sale and deed of easement will enable WPD to progress their plans to invest their plans to invest in infrastructure for the benefit of the people of Coventry.

6.2 How is risk being managed?

This proposal will help mitigate the risk of the Council being unable to maintain a balanced budget.

6.3 What is the impact on the organisation?

There will be no significant impact on the organisation.

6.4 Equalities / EIA

An equality impact assessment is a process designed to ensure that a policy, project or service does not discriminate against any disadvantaged or vulnerable people. Section 149 of the Equality Act 2010 imposes an obligation on Local Authorities to carry out an equality impact assessment when the local authority is exercising a public function.

An equality impact assessment has not been undertaken by officers as the proposal set out in this report relates to the granting of or the creation of a legal interest in the land and does not constitute a change in service delivery policy or the exercise of a public function.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

There are no implications for any partner organisations.

Report author(s):**Name and job title:**

Stewart Smith – Surveyor Manager – Commercial Property Management

Directorate:

Place Directorate

Tel and email contact:

024 7683 2825 Stewart Smith

stewart.smith@coventry.gov.uk

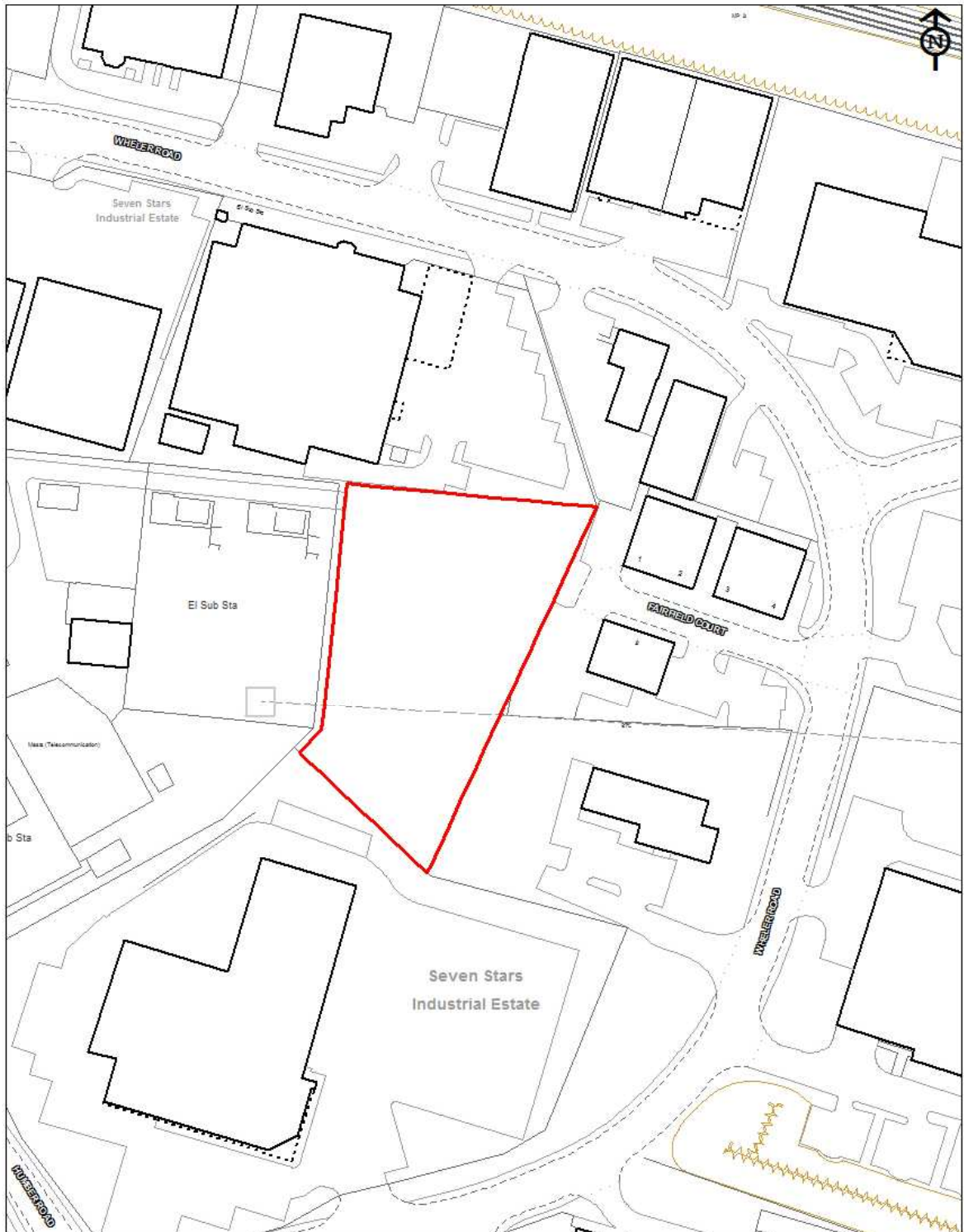
Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Nigel Clews	Assistant Director – Property Asset Management	Place	26/3/14	28/3/14
Other members				
Names of approvers for submission: (officers and members)				
Finance: Mark Williams	Lead Accountant Business Partner	Resources	31/3/14	31/3/14
Legal: Julie Sprayson	Principal Legal Executive – Commercial Team	Resources	01/04/14	01/04/14
Director: Martin Yardley	Executive Director	Place	17/04/14	17/04/14
Members: Councillor Kelly	Cabinet Member (Business Enterprise and Employment)		17/04/14	17/04/14

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Appendix



PLACE DIRECTORATE
 PROPERTY MANAGEMENT DIVISION
 FLOOR 9 CIVIC CENTRE 4
 MUCH PARK STREET
 COVENTRY CV1 2PY
 TEL: 024 7683 3054



Martin Yardley - Director of Place Directorate
 Nigel Clews - Assistant Director Property Asset Management

Fairfield Court Western Power Distribution

Scale 1:1250
 O.S. Ref. No: 3577 SW
 Drawn by: LPL
 LPR- 52 - 2014
 Date: 18/03/2014

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Public Report

Cabinet Member

Paragraph 3
Schedule 12A of the Local Government Act 1972

A separate report is submitted in the private part of the agenda in respect of this item, as it contains information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972 as amended. The grounds for privacy are that it refers to the identity, financial and business affairs of any particular person (including the authority holding that information) and it relates to information relating to an individual. The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Cabinet Member (Business, Enterprise and Employment)

2nd May 2014

Name of Cabinet Member:

Cabinet Member (Business, Enterprise and Employment) – Councillor Kelly

Director Approving Submission of the report:

Executive Director, Place

Ward(s) affected:

Cheylesmore

Title:

Land at Wheler Road, Coventry

Is this a key decision?

No

Executive Summary:

The Council is the freeholder of a site at Wheler Road, Coventry which is leased to Shay Property Investments S.ar.L (“SPI”) on a ground lease which expires in 2110. The property comprises a site with a purpose built retail warehouse unit.

The property is currently sublet to Matalan on an occupational sublease which expires in 2021. When Matalan took an assignment of the sublease from Homebase Limited the user clause was widened for the duration of the sublease and in consideration for this variation a payment was made to the Council.

To allow Matalan to continue to trade after 2021, when the occupational sublease expires, SPI have requested that the user clause be widened for the remainder of the ground lease term and will pay the Council a premium for this lease variation.

Recommendations:

The Cabinet Member is recommended to:

1. Approve the variation to the ground lease subject to the payment of a premium
2. Delegate authority to the Executive Director, Resources to complete the deed of variation and collect the agreed premium

List of Appendices included:

A plan of the site is attached

Other useful background papers:

There are no background papers

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

1. Context (or background)

- 1.1 The site, which is shown edged red on the attached plan, is leased by the Council to Shay Property Investments S.ar.L (“SPI”) under a ground lease for a term of 175 years from 1985 at a peppercorn rent. A purpose built retail warehouse unit was constructed on the site by the ground lessee. The lease restricts the use of the premises to a DIY centre, light industrial and warehousing.
- 1.2 In 2000 the Council entered into a Deed of Variation to widen the user clause to permit the property to be used by Matalan for retail use (Class A1). In consideration for the Deed of Variation a premium was paid to the Council. The consent under the Deed of Variation expires in 2021 when the sublease to Matalan comes to an end.
- 1.3 The Council has been approached by SPI with a request that the user is now widened for the remainder of the ground lease term, which will allow Matalan to continue to trade from the premises after 2021.
- 1.4 In view of the specialist nature of the retail warehouse market, through competition the Council appointed Savills to act on its behalf in negotiations with the ground lessee.
- 1.5 The premium has been recommended by Savills as representing best value under Section 123 of the Local Government Act 1972.

2. Options considered and recommended proposal

- 2.1 **Accept the Offer-** Savills, who represent the Council recommend that the offer of a premium is accepted and the ground lease be varied.
- 2.2 **Decline the Offer-** it is open for the Council to reject the offer, which would result in the user provisions contained in the ground lease remaining restricted and Matalan being unable to trade from the property after 2021. SPI would then be seeking a new tenant for a DIY centre, light industrial or warehousing use. This would not generate a capital receipt and there would be no savings through debt reduction.
- 2.3 It is recommended that the Council accept the offer and enter into a Deed of Variation to widen the user clause in the ground lease for the remainder of the term.

3. Results of consultation undertaken

- 3.1 None undertaken

4. Timetable for implementing this decision

- 4.1 Providing Cabinet approval is secured, it is expected that this receipt will be received within this financial year

5. Comments from Executive Director, Resources

- 5.1 Financial implications

This report if approved would generate a capital receipt, which in line with corporate policy would contribute to capital receipt assumptions within the Medium Term Financial Strategy (MTFS).

This receipt in particular will help to deliver receipt targets within the MTFS for disposals planned in relation to the Strategic Property FSR

5.2 Legal implications

The consideration for a Deed of variation to widen the user clause within the ground lease represents best value reasonably obtainable by the Council and has been verified by the Council's appointed agent. This meets the Council's obligation to obtain best value under the requirements in Section 123 of the Local Government Act 1972.

The Executive Director, Resources will complete the Deed of Variation in accordance with appropriate procedures and will collect the agreed consideration upon completion of the Deed.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The saving outlined will contribute to the Council maintaining a balanced budget in the medium term thus helping to preserve services for the people of Coventry.

6.2 How is risk being managed?

This is a capital receipt

6.3 What is the impact on the organisation?

The impact to the organisation will be minimal however it will generate additional work for officers within Place and Resources Directorate in dealing with the Deed of variation.

Property Implications

The proposed transaction will contribute towards the corporate financial targets as mentioned in 5.1 above

6.4 Equalities / EIA

An equality impact assessment is a process designed to ensure that a policy project or service does not discriminate against any disadvantaged or vulnerable people. Section 149 of the Equality Act 2010 imposes an obligation on Local Authorities to carry out an equality impact assessment when the local authority is exercising a public function.

An equality impact assessment has not been undertaken by officers as the proposal set out in this report relates to the granting of or the creation of a legal interest in the land and does not constitute a change in service delivery policy or the exercise of a public function.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

There are no partner implications

Report author(s):

Name and job title:

Graham Stephens - Surveyor Manager - Commercial Property Management

Directorate:

Place Directorate

Tel and email contact:

024 76382577

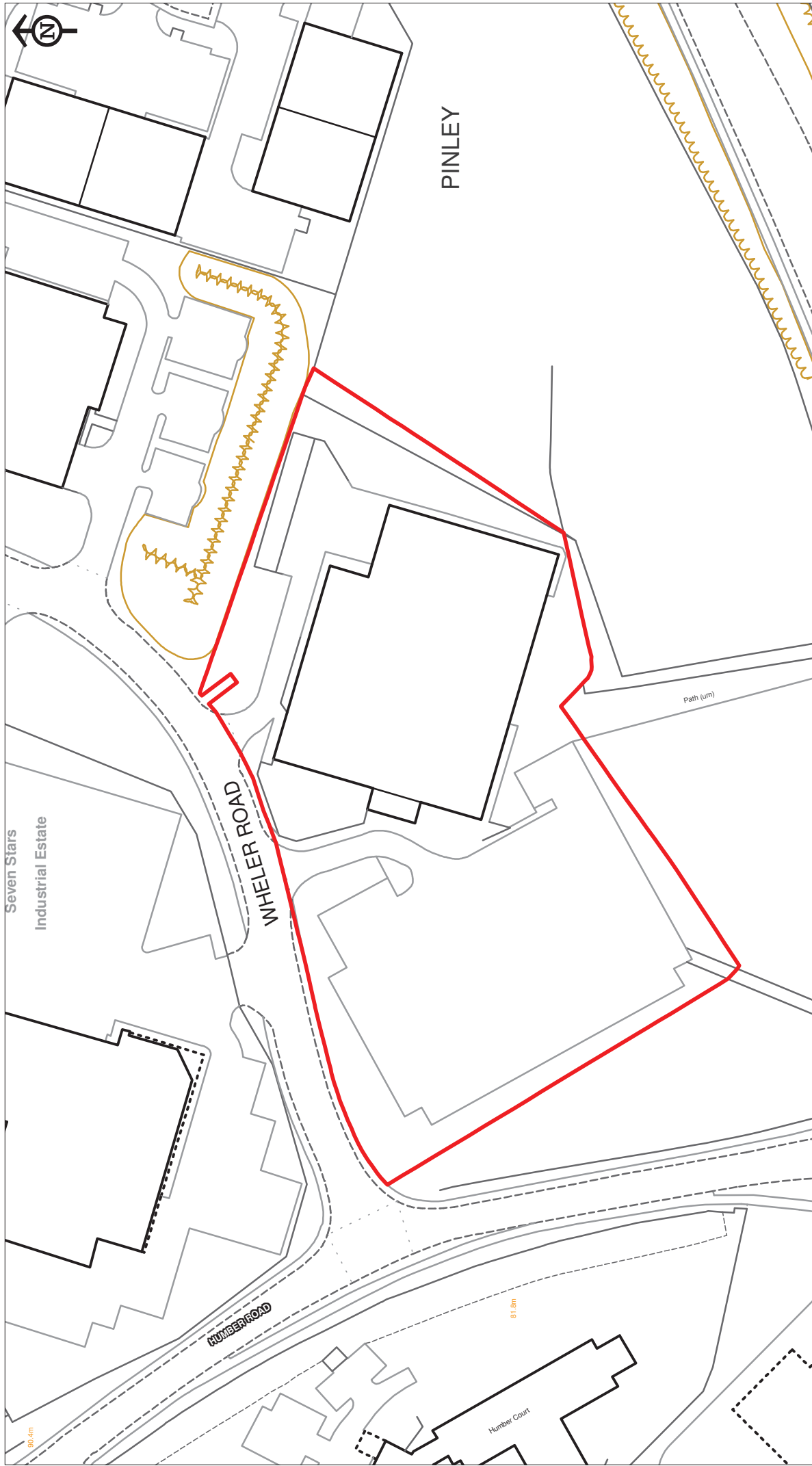
Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Nigel Clews	Assistant Director - Property Asset Management	Place		
Lara Knight	Governance Services Team Leader	Resources	9/4/14	9/4/14
Other members				
Names of approvers for submission: (officers and members)				
Finance: Phil Helm	Resources	Finance & legal	2/4/14	4/4/14
Legal: Julie Sprayson	Resources	Finance & legal	2/4/14	2/4/14
Director: Martin Yardley	Executive Director - Place			
Members: Councillor Kelly	Cabinet Member (Business, Employment and Enterprise)			

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Land in Wheler Road

Scale 1:1250
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Date:07/04/2014

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PLACE DIRECTORATE
PROPERTY MANAGEMENT DIVISION
FLOOR 9, CIVIC CENTRE 4
MULH PARK STREET
COVENTRY CV1 2PY
Tel:024 7683 3054



Coventry City Council

Martin Yardley - Director of Place Directorate
 Nigel Clews - Assistant Director Property Asset Management

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