

Coventry City Council
Minutes of the Meeting of Cabinet held at 10.00 am on Tuesday, 23 February 2021

Present:

Members: Councillor G Duggins (Chair)
Councillor A S Khan (Deputy Chair)
Councillor R Brown
Councillor K Caan
Councillor K Maton
Councillor J O'Boyle
Councillor P Seaman
Councillor P Hetherton
Councillor D Welsh

Non-Voting Deputy
Cabinet Members: Councillor P Akhtar
Councillor G Lloyd

Non-Voting Opposition
Members: Councillor A Andrews
Councillor G Ridley

Other Non-Voting
Members: Councillor L Bigham
Councillor J Clifford
Councillor R Lakha
Councillor R Singh

Employees (by Service):

Chief Executive M Reeves (Chief Executive)

Finance B Hastie (Director of Finance), P Jennings

Law and Governance J Newman (Director of Law and Governance), L Knight,
M Salmon

Business, Investment and Culture A Williams (Director of Business, Investment and Culture),
V Birchall, C Booth, D Nuttall

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

Apologies: Councillor B Gittins and M Mutton

Public Business

73. Declarations of Interest

Councillor R Lakha declared an other interest in the matter referred to in Minutes 79 and 83 below, headed "Entering into a Joint Venture Agreement to Promote a Strategic Land Opportunity" as a Council appointed representative on the

Coventry Airport Consultative Committee. As a non-voting invitee to the Cabinet, Councillor Lakha remained in the meeting but did not speak on this matter.

74. 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 following private reports on the grounds that the reports involve the likely disclosure of information defined in Paragraphs of Schedule 12A of the Act as indicated, as they contain information relating to the financial affairs of a particular person (including the authority holding that information) and in all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information:

Paragraph(s) of Section 12A of the Act.	Minute No.	Report Title.
3	82	Property Acquisition and Acceptance of Grant
3	83	Entering into A Joint Venture Agreement to Promote a Strategic Land Opportunity

75. Council Tax Setting Report 2021/2022

The Cabinet considered a report of the Director of Finance which calculated the Council Tax level for 2021/22 and made appropriate recommendations to Council, consistent with the Budget Report 2021/22.

The report indicated that some of the figures and information set out within the report were identified as provisional, as the Police and Crime Commissioner and the Fire and Rescue Authority precepts had not been confirmed at the time of publication. The Cabinet were advised by the Director of Finance that confirmation had now been received in relation to these precepts and that the figures within the report were all confirmed as accurate.

The report incorporated the impact of the Council's gross expenditure and the level of income it would receive through Business Rates, grants, fees and charges. This resulted in a Council Tax requirement, as the amount that its expenditure exceeds all other sources of income.

The report included a calculation of the Band D Council Tax that would be needed to generate this Council Tax requirement, based on the City's approved Council Tax base. The 2021/22 Band D Council Tax that was calculated through this process had increased by £83.30 from the 2020/21 level.

Each year the Government determined the maximum Council Tax increase that local authorities could set without triggering a referendum. For 2021/22 the Secretary of State had published a report which proposed that the rise in Coventry City Council's Council Tax must be below 5% in 2021/22 to avoid triggering a referendum, comprising a 3% precept for expenditure on adult social care and a maximum of 2% for other expenditure. At the time of writing, the Secretary of

State's report was subject to parliamentary approval. The recommendations within the Budget Report 2021/22 were based on a proposed increase in Council Tax of 4.9%, including a core Council Tax rise of 1.9% and a 3% Adult Social Care Precept.

It was noted that the recommendations followed the structure of resolutions drawn up by the Chartered Institute of Public Finance and Accountancy, to ensure that legal requirements were fully adhered to in setting the tax. As a consequence the wording of the proposed resolutions was necessarily complex.

RESOLVED that, the Cabinet recommend that Council:

1. **Note the following Council Tax base amounts for the year 2021/22, as approved by the Cabinet on 12th January 2021, in accordance with Regulations made under Section 31B of the Local Government Finance Act 1992 ("the Act"):**

- (a) **82,717.1 being the amount calculated by the Council as its Council Tax base for the year for the whole Council area;**

- (b)

Allesley	330.0
Finham	1,513.9
Keresley	309.2

being the amounts calculated by the Council as its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

2. **That the following amounts be now calculated by the Council for the year 2021/22 in accordance with Sections 31A, 31B and 34 to 36 of the Act:**

- (a) **£774,235,566** **being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils (*Gross Expenditure and reserves required to be raised for estimated future expenditure*);**

- (b) **£627,959,949** **being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3) of the Act (*Gross Income including reserves to be used to meet the Gross Expenditure but excluding Council Tax income*);**

- (c) **£146,275,617** **being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year;**

(d) £1,768.38

$$\frac{2(c)}{1(a)} = \frac{£146,275,617}{82,717.1}$$

being the amount at 2(c) above divided by the amount at 1(a) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. (*Average Council Tax at Band D for the City including Parish Precepts*).

(e) £46,673

being the aggregate amount of all special items referred to in Section 34(1) of the Act. (*Parish Precepts*);

(f) £1,767.82

$$= 2(d) - \frac{2(e)}{1(a)} = £1,768.38 - \frac{£46,673}{82,717.1}$$

being the amount at 2(d) above, less the result given by dividing the amount at 2(e) above by the amounts at 1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which no special item relates. (*Council Tax at Band D for the City excluding Parish Precepts*);

(g)

Coventry (unparished area)	£1,767.82
Allesley	£1,809.33
Finham	£1,781.75
Keresley	£1,806.28

being the amounts given by adding to the amount at 2(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year of dwellings in those parts of its area to which one or more special items relate (*Council Taxes at Band D for the City and Parish*).

(h)

Valuation Band	Parts which no special item relates to	Parish of Allesley	Parish of Finham	Parish of Keresley
A	£1,178.55	£1,206.22	£1,187.84	£1,204.19
B	£1,374.97	£1,407.26	£1,385.80	£1,404.88
C	£1,571.40	£1,608.30	£1,583.78	£1,605.59
D	£1,767.82	£1,809.33	£1,781.75	£1,806.28
E	£2,160.67	£2,211.40	£2,177.70	£2,207.68
F	£2,553.52	£2,613.48	£2,573.64	£2,609.07
G	£2,946.37	£3,015.55	£2,969.59	£3,010.47
H	£3,535.64	£3,618.66	£3,563.50	£3,612.56

being the amounts given by multiplying the amounts at 2(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. Note that for the year 2021/22 the Police and Crime Commissioner for the West Midlands and the West Midlands Fire Authority have stated that the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwelling shown below:

Valuation Band	Police and Crime Commissioner for the West Midlands	West Midlands Fire and Rescue Authority
	£	£
A	118.37	42.02
B	138.09	49.03
C	157.82	56.03
D	177.55	63.04
E	217.01	77.04
F	256.46	91.05
G	295.92	105.06
H	355.10	126.07

4. That having calculated the aggregate in each case of the amounts at 2(h) and 3 above, the Council, in accordance with Sections 30 and 36 of the Act hereby sets the following amounts as the amounts of Council

Tax for the year 2021/22 for each part of its area and for each of the categories of dwelling shown below:

Valuation Band	Parts to which no special item relates	Parish of Allesley	Parish of Finham	Parish of Keresley
	£	£	£	£
A	1,338.94	1,366.61	1,348.23	1,364.58
B	1,562.09	1,594.38	1,572.92	1,592.00
C	1,785.25	1,822.15	1,797.63	1,819.44
D	2,008.41	2,049.92	2,022.34	2,046.87
E	2,454.72	2,505.45	2,471.75	2,501.73
F	2,901.03	2,960.99	2,921.15	2,956.58
G	3,347.35	3,416.53	3,370.57	3,411.45
H	4,016.81	4,099.83	4,044.67	4,093.73

- 5. Determines that its relevant basic amount of Council Tax for 2021/22 is not excessive in accordance with the principles set out in the Secretary of State's report, under Sections 52ZC and 52ZD of the Act.**

76. Budget Report 2021/2022

The Cabinet considered a report of the Director of Finance, which set out the proposals for the Council's final revenue and capital budget for 2021/22.

The report followed on from the Pre-Budget Report approved by Cabinet on 15th December 2020, which had since been subject to a period of public consultation. The proposals within the report now formed the basis of the Council's final revenue and capital budget for 2021/22 incorporating the following details:

- Gross budgeted spend of £774m (£30m increase from 2020/21)
- Net budgeted spend of £244m (£5m and 2% higher than 2020/21) funded from Council Tax and Business Rates less a tariff payment of £19.8m due to Government.
- A Council Tax Requirement of £146.3m (£4.9m and 3% higher than 2020/21); reflecting a City Council Tax increase of 4.9% detailed in the separate Council Tax Setting report on today's agenda.
- A number of new expenditure pressures and technical savings proposals.
- A Capital Strategy including a Capital Programme of £220.4m including expenditure funded by Prudential Borrowing of £32.2m.
- The Council's Medium Term Financial Strategy and an updated Treasury Management Strategy, Capital Strategy and a Commercial Investments Strategy.

The financial position set out in the Budget Report is based on the Final 2021/22 Local Government Finance Settlement. The core funding position broadly matched that of 2020/21 although there were several new one-off funding streams, linked in the main to the effects of COVID-19. The position after 2021/22 remained uncertain and would be subject to the Government's medium-term spending decisions and decisions about any revised local government financial

allocation model and a new Business Rates retention model. As a result it was impossible to provide a robust financial forecast at this stage and the Council had included some prudent planning figures. Initial assumptions indicated the likelihood that there would be a substantial gap for the period following 2021/22. The view of the Director of Finance was that the Council should be planning for such a position.

The Pre-Budget Report was based on an increase in Council Tax of 4.9% and this position had been maintained for the final proposals in the report now submitted. This incorporated an increase of 1.9%, which was within the Government's limit of 2% above which a referendum would need to be held plus a further 3% Adult Social Care (ASC) Precept in line with Government expectations. The Precept was trailed in the 2020 Spending Review and included in the Local Government Settlement as the means for councils to maintain their "core spending power". Pending the delayed ASC Green Paper – the policy document which it was hoped would set out future funding arrangements for ASC – the precept was essential to enable councils including Coventry to manage increases in the costs of care. In total, the rise in Council Tax bills would be the equivalent of around £1.25 or less a week for a typical Coventry household.

The Local Government Finance Settlement was announced as having broadly maintained local government funding, supplemented with new grant funding to compensate councils for the effects of the Covid pandemic. In reality, the Council's Budget position included forecast costs and income loss from Covid for which it would not receive total compensation. Overall, the Council had been left needing to address a significant financial gap which had been balanced by additional Council Tax resources, lower costs in contingency budgets and a proposed contribution from reserve balances. All these proposals were set out in detail in Appendix 1 of the report. Where these were different to the proposals that were included in the Pre-Budget Report, this had been indicated within the appendix.

The proposals did not provide the Council with a balanced medium term position beyond 2021/22. The Council's current medium term bottom line incorporated a combination of future inflationary and service pressures, uncertain specific grant resources and potential Government resource reductions. Some of the future funding assumptions were speculative at this stage and would be revised through 2021 as any changes to local government finance and as the longer term impacts of Covid become clearer. The initial approach would however be dictated by a need to make significant further efficiencies from, or generate further income within, Council services. The Council's development of a 'One Coventry' transformation programme was being refined and it was planned that it would become a key part of work programmes to feed into Budget proposals for 2022/23.

Whatever the future holds for national changes to local government finance the Council remained committed to strengthening its own financial self-sustainability and the need to support the vibrancy and growth of the city. Over the coming year the Council would invest in both new and existing schemes and support its existing financial interests, including those that have been affected detrimentally by Covid. The Council's view was that this continues to be the correct approach. A more passive strategy would risk the Council being further exposed to central government funding decisions and losing value within its portfolio of external

interests. The Council's existing financial resilience and its belief in the city's long-term economic strength meant that this remained an ideal time to commit to Coventry's reset and recovery.

The recommended Capital Programme proposals were a key part of the Council's approach and amounted to £220.4m in 2021/22. The proposals reflected the Council's ambitions for the city and included: the latter stages of extensive public realm works in the city centre; extensive highways infrastructure works including specific schemes relating to air quality, Pinchpoint and the Eastern Green Housing Infrastructure Fund (HIF); final stages of the redevelopment of Coventry Railway Station (the Station Masterplan); the initial construction phase of a second office building within the Friargate district of the city; the initial construction phase also of the Council's Materials Recycling Facility and continuation of the A46 link road to the south of the city. Over the next 5 years the Capital Programme was estimated to be £480m as part of on-going massive investment delivered by and through the City Council.

The annual Treasury Management Strategy, incorporating the Minimum Revenue Provision policy, and also the Commercial Investment Strategy were set out within the report. These covered the management of the Council's treasury and wider commercial investments, cash balances and borrowing requirements. These strategies and other relevant sections of the report reflected the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code and Prudential Code for Capital Finance, as well as statutory guidance on Minimum Revenue Provision (MRP) and Investments. The Council's Medium Term Financial Strategy, considered previously by the Council's Finance and Corporate Services Scrutiny Board and consistent with the proposals within the report was also included for approval as an Appendix to the report submitted.

RESOLVED that the Cabinet recommend that Council:

- 1. Approve the spending and savings proposals in Appendix.**
- 2. Approve the total 2021/22 revenue budget of £774m in Table 1 and Appendix 3, established in line with a 4.9% City Council Tax increase and the Council Tax Requirement recommended in the Council Tax Setting Report considered on today's agenda.**
- 3. Note the Director of Finance's comments confirming the adequacy of reserves and robustness of the budget in Section 5.1.2 and 5.1.3.**
- 4. Establish and Innovation and Development Fund as set out in section 5.1.2 with decisions on the Fund delegated to the Strategic Management Board following consultation with the Leader, Deputy Leader and Cabinet Member for Strategic Finance and Resources.**
- 5. Approve the Capital Strategy incorporating the Capital Programme of £220.4m for 2021/22 and the commitments arising from this programme totalling £479.6m between 2021/22 to 2025/26 detailed in Section 2.3 and Appendix 4 (that element represented by reports on the same agenda in relation to The Albany Theatre and the Collections Centre is subject to approval of these reports).**

6. **Approve the Council's Treasury Management Strategy and Minimum Revenue Provision Statement for 2021/22 in Section 2.4 and the Prudential Indicators and limits described and detailed in Appendix 6a, the Commercial Investment Strategy for 2021/22 in Section 2.5 and Appendix 5, the Commercial Investment Indicators detailed in Appendix 6b and the Medium Term Financial Strategy in Appendix 7.**

77. Albany Theatre Trust Capital Project

The Cabinet considered a report of the Director of Business Investment and Culture, which set out proposals to award a grant of £2.908m towards a capital project at the Albany Theatre, and required borrowing.

The proposed project comprised improvements to the studio theatre, building of three new studio spaces and improvements to the café and front of house areas. The project had been developed to create a viable future business model for the operator, Albany Theatre Trust, which was currently unsustainable. The proposed investment would increase the Trust's potential to generate earned and contributed income through growth in hires, the public-facing cultural programme and associated secondary spend.

The Albany had been identified as a significant cultural asset for the City. In recent years the theatre had been increasing its attendances, its outreach and training programmes. The improvements to the premises would build on previous investment, facilitate increased use and opportunities for cultural participation for the benefit of the residents of the City. This would contribute to the legacy of the City of Culture title.

The report indicated that £500,000 of the funding required had been earmarked from the City of Culture Capital Fund managed by the Council. The remaining capital sum of £2.408m required to meet the total cost of the capital project was proposed to be funded from prudential borrowing, and the resulting debt repayment cost incorporated into the formal budget setting report for 2021/22.

RESOLVED that the Cabinet recommend that Council:

1. **Approve a grant of up to £2.908m be provided to the Albany Theatre Trust to support the capital proposal summarised in Section 2 of the report submitted, subject to the conditions set out in Section 6.2.**
2. **Noting that £500,000 of the required total has been earmarked from funds already approved, approve that additional capital expenditure for this purpose of up to £2.408m is added to the approved capital programme, to be funded from prudential borrowing.**
3. **Note that, subject to the approval of the report submitted, estimated annual debt services costs of c£250k will be incorporated into the 2021/22 (and ongoing) budget report for approval by full Council.**
4. **Delegate authority to the Director of Business, Investment and Culture and the Director of Finance, following consultation with the Cabinet**

Member for Housing and Communities and the Cabinet Member for Strategic Finance and Resources, to take all necessary steps to negotiate and enter into all necessary legal agreements to effect the recommendations in the report submitted.

78. Property Acquisition and Acceptance of Grant

The Cabinet considered a report of the Director of Business, Investment and Culture, which set out proposals for the acquisition of the IKEA premises and adjoining land and property at Croft Road, Coventry for the purpose of creating a nationally significant Collections Centre for the storage, care and management of cultural, arts and historic artefacts. In addition, the report sought acceptance of capital grant towards the new Collections Centre project, along with the design and professional fees that would be required to take the scheme through detailed design and tendering.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 82 below refers.)

It was noted that the IKEA premises closed for business in March 2020 and the long leasehold interest was available for purchase. The purchase price, fees and taxes, were set out in the corresponding private report. The Council already owned the freehold for the site.

The Council had been working with Arts Council England, the British Council, Culture Coventry Trust and, more latterly, Coventry University, to explore options for converting the building to a new shared national Collections Centre facility, along with associated education, skills and learning facilities to provide opportunities for much greater public access and engagement with these extensive and important collections. The modelling of the options within the building has arrived at a 'base' option which has proved to be technically deliverable and financially viable, with the capital expenditure, fees and costs of capital financing being serviced through the rent received over the length of the leases, subject to agreeing terms with partners.

There is ongoing feasibility work to explore the deliverability of more expansive options, such that the report submitted was seeking only to acquire the premises and obtain further fees for detailed development, on the basis that a further report would be submitted once further feasibility had been undertaken as the these more expansive options.

Having arrived at a base option that was technically deliverable and financially viable, the timing to acquire the premises was driven by the small window of availability to secure proposed capital grant funding towards the acquisition, the details of which were set out in the corresponding private report.

RESOLVED that, the Cabinet:

- 1. Approve the acquisition of the leasehold interest n the site shown edged red in Appendix 1 of the report submitted.**

- 2. Approve additional professional fees of £1.311m to develop the option designs to RIBA Stage 3 and Stage 4 (contractor procurement through a compliant process) subject also to finalising commitment of partners (through a Partnership Agreement) to the underwriting of these fees should the project not proceed.**
- 3. Delegate authority to the Director of Property Services and Development and the Director of Business, Investment and Culture, following consultation with the Director of Law and Governance and the Director of Housing and Transformation, to commence the necessary procurement for the appointment of the professional design team including any necessary contract extensions.**
- 4. Delegate authority to the Director of Property Services and Development and the Director of Business, Investment and Culture, following consultation with the Director of Finance, the Director of Law and Governance, the Cabinet Member for Jobs and Regeneration and the Cabinet Member for Housing and Communities, to undertake the necessary due diligence and finalise the terms of the leasehold transaction and acquisition between the Council and IKEA Properties Investments Limited.**
- 5. Note that the principal partners, subject to their own due diligence processes and final approvals on terms delegated to the respective Chief Executives or identified representatives, have approved the principle of entering into Agreements for Lease with the Council as tenants within the new Collections Centre.**
- 6. Delegate authority to the Director of Property Services and Development and the Director of Business, Investment and Culture, following consultation with the Director of Finance, the Director of Law and Governance, the Cabinet Member for Jobs and Regeneration and the Cabinet Member for Housing and Communities, to finalise the necessary negotiations and any due diligence associated with the Heads of Terms for each of the partners and the entry into the new Agreements for Lease arrangements between the parties.**
- 7. Recommend that the Council:**
 - a) Approve capital expenditure in the sum specified in the corresponding private report for the purchase (plus acquisition fees and Stamp Duty Land Tax) cost to fund the acquisition of the leasehold interest of the site shown edged red in Appendix 1 of the report submitted and to include this within the approved capital programme which shall be funded from a combination of capital grant and prudential borrowing.**
 - b) Delegate authority to the Director of Business, Investment and Culture and the Director of Finance, following consultation with the Cabinet Member for Strategic Finance and Resources, the Cabinet Member for Jobs and Regeneration and the Cabinet Member for Housing and Communities, to identify and bid for**

grant assistance, where available, that supports the aims of the Collections Centre project. The delegated authority given under this recommendation shall include the power to accept the terms and conditions of grant funding and the entering into all necessary legal agreements to secure such grant funding.

79. Entering into a Joint Venture Agreement to Promote a Strategic Land Opportunity

The Cabinet considered a report of the Director of Property Services and Development and the Director of Business, Investment and Culture, which set out proposals to enter into a joint venture arrangement with Coventry Airport Limited in order to promote the Coventry Airport site as a location for a Gigafactory or, if the Gigafactory proposal is not forthcoming, employment led commercial development.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 83 below refers.)

The delivery of a Gigafactory, making batteries for electric cars on a mass scale was a key national and regional priority and would be a key part of the UK's efforts to deliver the technology that can remove the dependence on fossil fuels within the economy. The Council believed that Coventry and Warwickshire were well placed to be the location for a Gigafactory given its proximity to large scale automotive production throughout the West Midlands.

A Gigafactory could deliver up to 4,000 new jobs directly, as well as thousands more in the supply chain, and would lead to significant investment in the local economy. The West Midlands Mayor and West Midlands Combined Authority (WMCA) and the leaders of all constituent authorities have all agreed that Coventry Airport is the preferred regional site for a Gigafactory.

Coventry Airport Limited have a 150-year lease on the site, expiring in 2160 and the Council is the freeholder of the site. These arrangements mean that neither party is able to take forward any proposals on the Airport site without the full co-operation of the other, hence the need for a joint venture to take the forward this opportunity.

RESOLVED that, the Cabinet:

- 1. Approve the Council entering into a joint venture arrangement with Coventry Airport Limited to promote the Coventry Airport site for use as a Gigafactory or employment led commercial development.**
- 2. Delegate authority to the Director of Property Services and Development and the Director of Law and Governance, following consultation with the Director of Finance and Corporate Services and the Cabinet Member for Jobs and Regeneration, to undertake the necessary due diligence and approve the structure of the joint venture arrangements and, thereafter, enter into any associated legal agreements (including the authority to effect any lease variations / surrender and any future disposal if appropriate) that are necessary to**

deliver the joint venture arrangements and give effect to the recommendations with in the report submitted.

- 3. Approve expenditure of up to £250,000 from reserves in advance of future capital receipts to fund the workstreams required to further develop the Gigafactory proposal (including further technical and feasibility and business case development).**
- 4. Approve expenditure of up to £1m (as a 50% share) from reserves in advance of future capital receipts to fund the work streams required to take forward the entry into the joint venture arrangements, the submission of the planning application and disposal process (if appropriate) for the Coventry Airport site.**

80. Outstanding Issues

There were no outstanding issues.

81. 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.

Private business

82. Property Acquisition and Acceptance of Grant

Further to Minute 78 above, the Cabinet considered a private report of the Director of Business, Investment and Culture, which set out the commercially confidential matters relating to the proposals for the acquisition of the IKEA premises and adjoining land and property at Croft Road, Coventry for the purpose of creating a nationally significant Collections Centre for the storage, care and management of cultural, arts and historic artefacts. In addition, the report sought acceptance of capital grant towards the new Collections Centre project, along with the design and professional fees that would be required to take the scheme through detailed design and tendering.

RESOLVED that, the Cabinet:

- 1. Approve the acquisition of the leasehold interest of the site shown edged red in Appendix 1 of the report submitted.**
- 2. Approve additional professional design fees of £1.311m to develop the detailed option designed to RIBA Stage 3 and Stage 4 (contractor procurement through a compliant process), subject also to finalising commitment of the partners (through a Partnership Agreement) to the underwriting of these fees should the project not proceed.**
- 3. Delegate authority to the Director of Property Services and Development and the Director of Business, Investment and Culture, following consultation with the Director of Law and Governance and the Director of Housing and Transformation, to commence the necessary**

procurement or the appointment of the professional design team including any necessary contract extensions.

- 4. Delegate authority to the Director of Property Services and Development and the Director of Business, Investment and Culture, following consultation with the Director of Finance, the Director of Law and Governance, the Cabinet Member for Jobs and Regeneration and the Cabinet Member for Housing and Communities, to undertake the necessary due diligence and finalise the terms of the leasehold transaction and acquisition between the Council and IKEA Properties Investments Limited.**
- 5. Note that the principal partners, subject to their own due diligence processes and final approvals on terms delegated to their respective Chief Executives or identified representatives, have approved the principle of entering into Agreements for Lease with the Council as tenants within the new Collections Centre.**
- 6. Delegate authority to the Director of Property Services and Development and the Director of Business, Investment and Culture, following consultation with the Director of Finance, the Director of Law and Governance, the Cabinet member for Jobs and Regeneration and the Cabinet Member for Housing and Communities, to finalise the necessary negotiations and any due diligence associated with the Heads of Terms for each of the partners and the entry into the new Agreements for Lease arrangements between the parties.**
- 7. Recommend that Council:**
 - (a) Approve capital expenditure to the sum identified within the report submitted (plus acquisition fees and Stamp Duty Land tax to the sum identified) to fund the acquisition of the leasehold interest of the site shown edged red in Appendix 1 and to include this within the approved capital programme which shall be funded from a combination of capital grant and prudential borrowing as set out in the report.**
 - (b) Delegate authority to the Director of Business, Investment and Culture and the Director of Finance, following consultation with the Cabinet Member for Strategic Finance, the Cabinet Member for Jobs and Regeneration and the Cabinet Member for Housing and Communities, to identify and bid for grant assistance, where available, that supports the aims of the Collections Centre project. The delegated authority under this recommendation shall include the power to accept the terms and conditions of grant funding and the entering into all necessary legal agreements to secure such grant funding.**

83. Entering into a Joint Venture Agreement to Promote a Strategic Land Opportunity

Further to Minute 79 above, the Cabinet considered a private report of the Director of Property Services and Development and the Director of Business, Investment and Culture, which set out the commercially confidential matters relating to proposals to enter into a joint venture arrangement with Coventry Airport Limited in order to promote the Coventry Airport site as a location for a Gigafactory or, if the Gigafactory proposal is not forthcoming, employment led commercial development.

RESOLVED that, the Cabinet:

- 1. Approve the Council entering into a joint venture arrangement with Coventry Airport Limited to promote the Coventry Airport site for use as a Gigafactory or employment led commercial development.**
- 2. Delegate authority to the Director of Property Services and Development and the Director of Law and Governance, following consultation with the Director of Finance (the Section 151 Officer) and the Cabinet Member for Jobs and Regeneration, to undertake the necessary due diligence and to approve the structure of the joint venture arrangements and, thereafter, enter into associated legal agreements (including the authority to effect any lease variations / surrender and any future disposal if appropriate) that are necessary to deliver the joint venture arrangements and to give effect to the recommendations within the report submitted.**
- 3. Approve expenditure of up to £250,000 from reserves in advance of future capital receipts to fund the workstreams required to further develop the Gigafactory proposal (including further technical feasibility and business case development).**
- 4. Approve expenditure of up to £1m (as a 50% share) from reserves in advance of future capital receipts to fund the work streams required to take forward the entry into the joint venture arrangements, the submission of the planning application and disposal process (if appropriate) for the Coventry Airport site.**

84. 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 10.30 am)