

Coventry City Council
Minutes of the Meeting of Cabinet Member for Jobs, Regeneration and Climate
Change held at 11.00 am on Thursday, 15 July 2021

Present: Councillor J O'Boyle (Cabinet Member)

Members:

Other Members: Councillor N Akhtar, Chair of the Scrutiny Co-ordination Committee

Employees (by Directorate): P Beesley, Property
S Bennett, Law and Governance
T Herbert, Transportation and Highways
A Hunt, Property
C Knight, Director of Transportation and Highways
D Nuttall, Strategic Lead – City of Culture

Apologies: Councillor P Male

Public Business

1. Declarations of Interest

There were no declarations of interest.

2. Minutes

The Minutes of the meeting of the meeting held on 25 November, 2020 were agreed and signed as a true record.

There were no matters arising.

3. Surrender of Existing Lease and Simultaneous Re-grant of a New 150 Year lease in Relation to 49-51 Corporation Street

The Cabinet Member considered a report of the Director of Property Services and Development which indicated that, as part of the Cultural Capital Investment Programme (investment in the City's infrastructure creating a legacy and ensuring that the benefits of UK City of Culture 2021 are felt by future generations), the Council have awarded £5m of programme funding to the Belgrade Theatre Capital Project, which consists of three phases.

The Belgrade is Coventry's largest producing theatre, seating 850 in its main auditorium. It is the premiere space for live performing arts in the City Centre. The Cultural Capital investment in the Belgrade Theatre has enabled the Belgrade Theatre Trust to refurbish the main auditorium and to extend and rebrand the café, including a redevelopment of the Burbidge room creating much needed

conference and workshop space. The final (third) phase will see the redevelopment of the Jaguar public house in Corporation Street which will deliver a new digital space for young people and enable the creation of shared working space/workshop/small conferencing space and two apartments.

The former Jaguar public house (51 Corporation Street) has been closed for several years and the long leasehold interest of 49-51 Corporation Street was acquired by Complex Development Projects (CDP) in 2017. It was acquired following discussions between CDP and the Belgrade Theatre Trust.

CDP and the Belgrade Theatre Trust have approached the Council seeking to end the current lease of the premises and the granting of a new 150 year lease, to be consistent with the Belgrade's main lease, with a request that the Council forgo the capital lease premium value of the new lease in return for a commensurate, but deferred reduction in grant funding from the City Council. This would make it affordable for the Belgrade and allow the proposed third phase of the development programme to proceed.

The Council is therefore being requested to forgo the capital sum of £129,885 which would otherwise be payable immediately as a premium for the grant of a new long lease, in order to allow CDP to grant the new sublease to the Belgrade at only £650 per annum.

In accordance with the Constitution, Councillor N Akhtar, Chair of the Scrutiny Co-ordination Committee attended the meeting for this item and agreed the need for urgency so that call-in arrangements would not apply. The reason for urgency was that there is an urgent need to complete the surrender and regrant of a new 150 year lease for the property as this enables the third phase of Belgrade Theatre development plan to be completed and occupied. It is also important that as the majority of the £5m development cost for the whole scheme is coming by way of grant funding and that as the accountable body, the Council secures the grant funding outcomes agreed, of which phase 3 is part.

Also there is a desire to complete the works as soon as possible during the City of Culture year, enabling the maximum use of the new space. To this end Complex Development Projects (CDP) who own the long lease of the building, have commenced the refurbishment works for the Belgrade at risk. They are looking for payment from the Belgrade for the internal construction works as soon as possible. The Belgrade cannot get access to the grant for this to pay CDP until the new lease is in place.

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change:-

- 1. Accepts the surrender of the existing leasehold interest and authorises the simultaneous grant of a new 150 year lease to CDP for a £11,365 premium and £650 annual ground rent in respect of the premises known as 49-51 Corporation St, Coventry and shown on the plan attached to Appendix 1 of this report.**

2. **Agrees to forgo the sum of £129,885 which would otherwise be due, in order to allow CDP to grant a sublease to the theatre at £650 per annum, subject to a commensurate reduction in grant funding from the City Council once the final phase of the development works is operational and generating income.**
3. **Delegates authority to the Director of Business Investment and Culture, and Director of Finance, in consultation with the Cabinet Member for Strategic Finance and the Cabinet Member for Housing and Communities, to agree the timing and value of a future grant reduction, which will take into account the operating environment and financial business plan of the Belgrade Theatre Trust once the project has been implemented.**
4. **Delegates authority to the Director of Property Services & Development following consultation with the Director of Finance and the Director of Law and Governance to undertake the necessary due diligence and complete all necessary legal documentation to facilitate the completion of the transaction.**
5. **Delegates authority to the Director of Property Services & Development following consultation with the Cabinet Member for Jobs, Regeneration and Climate Change and the Cabinet Member for Strategic Finance and Resources for any subsequent variation in terms.**

4. Palmer Lane Regeneration

The Cabinet Member considered a report of the Director of Transportation and Highways which indicated that, since 2019, the Council has transformed the city centre through a £44m programme of investment in the Public Realm. The impact of this work has been significant, attracting developers to invest in the city and preparing the city centre to become host of UK City of Culture 2021. This investment will be complemented by the next phase of the Public Realm improvements due to be completed later this year, using Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Local Growth Deal grant and West Midlands Combined Authority funding.

Palmer Lane is a proposed regeneration scheme located within St Michaels Ward and within the City Centre boundaries, it is noted for being the point within the city that the River Sherbourne can be viewed. The Palmer Lane regeneration scheme aims to turn a part of the city centre into a visitor experience, deculverting the Sherbourne, supporting the repurposing of the Illingworth building and creating a new public space to spend time near the river. The scheme will include extensive landscaping, enhanced lighting and sustainability improvements to the area. It ties in with the works which have recently taken place on the Burges. Concept designs were detailed in an appendix to the report.

The scheme was approved in principle by Cabinet as part of the Public Realm Phase 5 report in March 2018. As a complement to the Public Realm 5 (PR5)

works taking place in the city centre as a result of the approvals in that report, there is a need for an additional £0.95m to fund the regeneration of Palmer Lane and take advantage of external funding. This gap funding of £0.95m has been identified from Council Corporate Capital Receipts. The delivery of the Palmer Lane scheme has a total cost of £1.659m.

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change:-

- 1. Approves the addition of £0.95m to the Capital Programme to fund the overall estimated £1.6m scheme.**
- 2. Delegates authority to the Director of Transportation and Highways to conclude negotiations and enter into legal agreements with various landowners for parcels of land to be acquired or leased by the Council and/or for licences to be entered into to enable works to be carried out and for agreements to be entered into and/or for leases to be granted by the Council to third parties over land in the Council's ownership in order for the scheme to be viable.**
- 3. Notes the exercise of the delegated authority to commence the procurement exercise to appoint a works contractor for the delivery of the infrastructure requirements of the project and to award the contract to the successful tenderer.**
- 4. Delegates authority to the Director of Transportation and Highways, following consultation with the Director of Law and Governance, to approve grant expenditure to any such external body, third party or person as is deemed necessary for the delivery of the Palmer Lane project up to a maximum sum of £250,000.**

5. Outstanding Issues

There were no outstanding issues.

6. Any Other Items of Urgent Public Business.

There were no items of urgent public business.

(Meeting closed at 11.20 am)