

Council – 4 December 2018

**Recommendation from Cabinet
27 November 2018**

Coventry City Council

Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 27 November 2018

Present:

Members: Councillor G Duggins (Chair)
Councillor A Khan (Deputy Chair)
Councillor F Abbott
Councillor K Caan
Councillor K Maton
Councillor J Mutton
Councillor J O'Boyle
Councillor E Ruane
Councillor P Seaman

Non-Voting Opposition Members: Councillor R Bailey (Substitute for Councillor Andrews)
Councillor G Ridley

Other Members: Councillor Clifford
Councillor R Lakha
Councillor B Kaur
Councillor M Mutton

Employees (by Directorate):

People G Quinton (Deputy Chief Executive (People)), D Ashmore,
J Gregg, N Hart

Place M Yardley (Deputy Chief Executive (Place)), M Andrews,
S Elliott, B Hastie, N Johal, Clayton, P Jennings, R Moon,
J Newman, D Nuttall, M Salmon

Apologies: Councillor R Ali
Councillor P Akhtar
Councillor A Andrews
Councillor J Innes
Councillor T Skipper

Public Business

RECOMMENDATION

83. **Binley Court, Brindle Avenue, Coventry – Investment Acquisition**

The Cabinet considered a report of the Deputy Chief Executive (Place) that would also be considered at the meeting of the Council on 4th December 2018, which sought approval for the freehold acquisition of an income producing office investment known as Binley Court.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposal. (Minute 87 below refers.)

The building comprised a purpose built, two storey, 31,000 sqft, courtyard style office building with secured onsite car parking. It had recently been let on a floor by floor basis on new 10 year leases with break options at year 5, to Orbit Group Limited and Aptiv Services UK limited. The level of return generated was assessed based on the level of risk associated with the length of lease and the security of the income.

The negotiated price had been validated by external property experts as providing 'market value' for the Council. It was intended that the property would be held by the Council as an investment asset and managed by the Council's Commercial Property Management.

The Cabinet agreed to request that Council:

- 1) Approves the terms for the acquisition of the freehold interest in Binley Court (identified edged red on the plan in the Appendix to the report) subject to the current tenancies.
- 2) Delegates authority to the Deputy Chief Executive (Place), advised by and following consultation with the Director of Finance and Corporate Resources and the City Solicitor, to complete the necessary legal documentation"
- 3) Delegates authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Member for Jobs and Regeneration, for any subsequent variation in terms.
- 4) Approves the adjustment of the capital programme to reflect the proposed capital expenditure incurred in the acquisition of the freehold interest in Binley Court.

RESOLVED that the Council is requested to:

- 1) **Approve the adjustment of the capital programme to reflect the proposed capital expenditure incurred in the acquisition of the freehold interest in Binley Court (identified edged red on the plan in the Appendix attached to the report) subject to the current tenancies. Details of the financial commitment are outlined in the private report.**

- 2) Delegate authority to the Deputy Chief Executive (Place) advised by and in consultation with the Director of Finance and Corporate Resources and the City Solicitor to complete the necessary legal documentation”**
- 3) Delegate authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Jobs and Regeneration, for any subsequent variation in terms.**
- 4) Approve the adjustment of the capital programme to reflect the proposed capital expenditure incurred in the acquisition of the freehold interest in Binley Court.**

(Meeting closed at 3.00 pm)

