

**ITEM 13**

**Recommendation from Cabinet  
10<sup>th</sup> March 2020**

**Coventry City Council**

**Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 10 March 2020**

Present:

Members: Councillor G Duggins (Chair)  
Councillor A Khan (Deputy Chair)  
Councillor K Caan  
Councillor P Hetherington  
Councillor K Maton  
Councillor J Mutton  
Councillor M Mutton  
Councillor J O'Boyle  
Councillor P Seaman

Deputy Cabinet Members Councillor P Akhtar  
Councillor R Ali  
Councillor G Lloyd

Non-Voting Opposition Members: Councillor J Blundell (Substitute for Councillor A Andrews)  
Councillor G Ridley

Other Members: Councillor N Akhtar R Lakha

Employees (by Directorate):

People: G Quinton (Deputy Chief Executive (People)), D Ashmore, J Crawshaw

Place: T Cowley, B Hastie, L Knight, R Moon, J Newman, G Payne, S Wiles

Apologies: Councillors A Andrews, B Gittins, T Khan and D Welsh

**RECOMMENDATION**

**101. Oak House, Binley Business Park, Coventry - Investment Acquisitions**

The Cabinet considered a report of the Deputy Chief Executive (Place) which set out proposals for the acquisition of a commercial investment property, Oak House, Binley Business Park, Coventry.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 107 below refers.)

The subject property was a purpose built, 2 storey, detached office on a well located and popular business park extending to 9,400 sqft with 48 on site designated parking spaces.

It was proposed that the Council would acquire the 999 year long leasehold interest in the land and the buildings. As the current tenant's lease ends in June 2020, the reversionary yield for the unit was set to improve. This would be by either negotiating a new lease with the current tenant on improved terms or alternatively following the refurbishment of the property letting to a new tenant.

It was noted that the Council already owned the Freehold of the estate. The level of return generated was assessed based on the level of risk associated with the length of leases and the security of 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 team.

**RESOLVED that, the Cabinet recommend that Council:**

- 1. Approve the use of its powers under Section 12 of the Local Government Act 2003 and Section 1 of the Localism Act 2011 to acquire the leasehold interest in Oak House, subject to the occupational tenancy, for a sum identified within the private report.**
- 2. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Director of Finance and Corporate Services and the City Solicitor, to undertake the necessary due diligence, negotiate and finalise the terms of the acquisition of the properties and to complete all necessary legal documentation to facilitate the completion of the transaction.**
- 3. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Members for Jobs and Regeneration and Strategic Finance and Resources, for any subsequent variation in terms.**
- 4. To approve the necessary adjustment to the Capital Programme to reflect the capital expenditure incurred in the acquisition of the Oak House interest.**