

ITEM 14

**Recommendation from Cabinet
10th 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 Members: Opposition 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

102. Phase 2A Belgrade Plaza, Upper Wells Street, 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, Phase 2A Belgrade Plaza, Upper Wells Street, Coventry.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 108 below refers.)

The property was 100% let and comprised 129,500 sqft of mixed use, city centre accommodation including a hotel, restaurants, convenience store, gym and residential accommodation.

It was proposed that the Council acquire the long leasehold interest in the land and receive the income from the occupational tenants. 70% was secured against two strong tenants with leases for between 11 and 22 years.

The level of return generated was assessed based on the level of risk associated with the length of leases 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 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 Phase 2A Belgrade Plaza, subject to the seven occupational tenancies, for a sum identified in 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 Member for Jobs and Regeneration and Cabinet Member for 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 Phase 2A Belgrade Plaza.**