

Council – 8th September 2020
Recommendation from Cabinet
25th August 2020

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 25th August 2020
(This meeting was held remotely)

Present:

Cabinet Members: Councillor G Duggins (Chair)
Councillor AS Khan (Deputy Chair)
Councillor K Caan
Councillor P Hetherton
Councillor T Khan
Councillor K Maton
Councillor J Mutton
Councillor M Mutton
Councillor J O'Boyle
Councillor P Seaman

Non-Voting Deputy Cabinet
Members:

Councillor P Akhtar
Councillor R Ali
Councillor G Lloyd
Councillor D Welsh

Non-Voting Opposition
Members:

Councillor A Andrews
Councillor G Ridley

Other Non-Voting Members:

Councillor N Akhtar
Councillor R Brown
Councillor R Lakha
Councillor R Singh

By Invitation:

Chief Inspector Suraya Latif, West Midlands Police

Employees (by Service):

Chief Executive

M Reeves (Chief Executive)

Deputy Chief Executive

G Quinton (Deputy Chief Executive)

Communications

N Hart

Finance	P Helm
Housing and Transformation	D Ashmore (Director of Housing and Transformation, M Duffy, J Sandhu
Law and Governance	J Newman (Director of Law and Governance), S Bennett, G Holmes, M Salmon
Property Services and Development	R Moon (Director of Property Services and Development), A Hunt
Streetscene and Regulatory Services	C Hickin, L Nagle
Transportation and Highways	N Cowper
Apologies:	Councillor B Gittins Councillor C Miks Councillor K Sandhu Councillor C Thomas

Public Business

19. Declarations of Interest

As a Director of Friargate JV Project Limited, R Moon, Director of Property Services and Development, declared an interest in the matter referred to in Minutes 27 and 30 below, headed 'Funding and Delivery of Two Friargate'. He remained in the meeting but took no part in the consideration of the matter.

RECOMMENDATION

27. Funding and Delivery of Two Friargate

The Cabinet considered a report of the Chief Executive, that would also be considered by Council at its meeting on 8th September 2020, that sought approval for funding to acquire the land and building to be constructed necessary to deliver the Two Friargate scheme. Appendices to the report provided a Site Plan and the General Masterplan Layout.

A corresponding private report was also submitted to the meeting setting out the commercially confidential matters of the proposals. (Minute 30 below refers.)

The delivery of the Friargate business district was a key corporate priority for the Council. The Council secured £51.2m of grant funding from the West Midlands Combined Authority in 2018 to support the delivery of the next commercial office building, Two Friargate. A condition of the funding was the establishment of the Friargate Joint Venture between the Council and Cannon Cannon Kirk to deliver the wider Friargate development scheme. Following the establishment of the joint venture in January 2019, work on design and development stages for the building

and a tender process to appoint a contractor to deliver the building had been on-going. Two Friargate was due to start on site during Autumn 2020.

The total capital cost of the Two Friargate scheme was anticipated to be £68.2m. This report sought approval for the £17m of funding (in excess of the WMCA grant) to acquire the land and building to be constructed necessary to deliver the Two Friargate scheme.

Friargate was located next to Coventry Railway Station, one of the fastest growing stations outside of London, which was currently benefiting from an £78m masterplan to create a new transport hub, second station building and new car park.

The Cabinet agreed to:

- 1) Authorise officers to arrange for the completion of the Agreement for Lease and all associated legal agreements between the Council and Friargate JV Project Limited necessary to allow the Council to purchase the 250 years long leasehold interest in the land and building to be constructed on Two Friargate (as shown edged red on the plan in Appendix 1 attached to the report).
- 2) Authorise the completion of the Project Development Management Agreement and all associated legal agreements between the Council and Friargate Coventry Developments Limited necessary for the delivery of Two Friargate.
- 3) Authorise the completion of all necessary documentations with statutory undertakers and service providers required for the provision of service to facilitate the delivery of Two Friargate.
- 4) Delegate authority to the Strategic Lead – Property and Development, following consultation with the Finance Manager, the Director of Law and Governance, and the Cabinet Member for Jobs and Regeneration, to undertake the necessary due diligence and approve the final terms of the purchase.
- 5) Recommend that Council:
 - i. Approves capital expenditure up to a capped amount of £17m from prudential borrowing to fund the grant of the 250 years long leasehold interest in the land to the Council and the delivery of the building to be constructed on Two Friargate.
 - ii. Makes available additional working capital in the sum as highlighted in the private version of this report, to match the other Friargate JV Project Limited shareholder's contribution and ensure that the JV Company is adequately funded to promote schemes to investors and secure development in accordance with their business plan.
 - iii. Approves the necessary adjustment to the Capital programme to reflect the capital expenditure incurred in the delivery of Two Friargate.

RESOLVED that Council is recommended to:

- 1) Approve capital expenditure up to a capped amount of £17m from prudential borrowing to fund the grant of the 250 years long leasehold interest in the land to the Council and the delivery of the building to be constructed on Two Friargate.**
- 2) Make available additional working capital in the sum as highlighted in the private version of this report, to match the other Friargate JV Project Limited shareholder's contribution and ensure that the JV Company is adequately funded to promote schemes to investor and secure development in accordance with the business plan.**
- 3) Approve the necessary adjustment to the Capital programme to reflect the capital expenditure incurred in the delivery of Two Friargate.**