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**Report to**

Scrutiny Co-ordination Committee

**Report of**

Councillor Duggins

**Title**

Report Back on the Work Of Outside Bodies - Coventry Venture Capital Ltd

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**1 Purpose of the Report**

- 1.1 This report sets out details of the work of Coventry Venture Capital Ltd over the preceding twelve months and details of attendance by the City Council's representatives.

**2 Recommendations**

- 2.1 That the City Council continue to appoint a Director to the Board of Coventry Venture Capital Ltd and also authorise that same person to exercise the Council's vote at Company Member meetings.

**3 Information on Work of Outside Body**

- 3.1 The Coventry Venture Capital Fund was originally set up in the 1980s as a vehicle for the Council and the West Midlands Enterprise Board to make venture capital investments in new and growing companies.
- 3.2 In 1993 the £200,000 balance on the fund was invested by the Council in a new building at the University of Warwick Science Park, along with additional financing from West Midlands Enterprise Board.
- 3.3 Coventry Venture Capital jointly manages the property investment with the University of Warwick Science Park Limited. In return for the investment the Council received 5,000 preference shares in the Coventry Venture Capital Limited, representing 17.5% of the company.
- 3.4 The new building was originally leased to a Government education agency and this was extended in February 2010 until end August 2018. The lease was then assigned to another government agency, CAF/CASS, in 2011.
- 3.5 The Company has three directors: one nominated by the City Council and two by West Midlands Enterprise Ltd. The Company's business relates only to contractual arrangements and therefore the role of the Directors in practice is limited to ensuring that the Company complies with its legal obligations.

#### 4 Benefits to the City Council of the Appointment

4.1 The appointments enable the Council to protect its interest in this Company. The Council receives rental income of £15,000 per annum, which is used to support the Council's regeneration work. This continues to represent a good return on the Council's original investment. The Company makes a small annual profit (£352 in 2011/12) and has net assets of £86k.

#### 5 What Financial Contribution Does the Council Make to this Organisation

5.1 The Council made a contribution of £200,000 in 1993. In return for the investment the Council received 5,000 preference shares in Coventry Venture Capital Ltd, representing 17.5% of the company. The Council has made no other financial contributions to the company since that time.

5.2 In addition the Council receives rental income in the region of £15,000 per annum.

#### 6 Attendance Record and Remuneration for the Appointment

6.1 Councillor Duggins is the Council's representative. He did not attend the annual general meeting on 30th October 2012 but voted by proxy.

6.2 There is no remuneration associated with the appointment.

List of background papers

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Papers open to Public Inspection

**Description of paper:**

Previous reports to Scrutiny Co-ordination Committee

**Location:** CH59

Schedule of City Council Appointments to Outside Bodies