
A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Cabinet
Council

14 March 2023
21 March 2023

Name of Cabinet Member:

Cabinet Member for Housing and Communities – Councillor D Welsh

Director approving submission of the report:

Director of Business, Investment and Culture

Ward(s) affected:

St. Michaels

Title:

City Centre Cultural Gateway Project

Is this a key decision?

Yes - the proposals involve financial implications in excess of £1m per annum.

Executive summary:

This report is seeking approval for the main construction works for the City Centre Cultural Gateway, which includes the creation of a Collections Centre for nationally significant cultural, arts and historical artefacts, in collaboration with the Partners - Arts Council England (ACE), British Council (BC) and Culture Coventry Trust (CCT); along with the development of a newly Cultural Hub by Coventry University.

On 23rd February 2021, Council approved the acquisition of the former IKEA building to facilitate the development of the proposed Collection Centre, along with additional professional design fees to develop the designs through to RIBA Stage 4 (contractor procurement), subject also to finalising the commitment of the Partners (through a Partnership Agreement) to the underwriting of these fees should the project not proceed.

Currently, the designs for both the Collection Centre and the Cultural Hub are progressing through the RIBA Stage 4 – Detailed Design, towards the final phase of this stage whereby the construction works are tendered for contract.

Recommendations:

Cabinet is recommended to request that Council:

- 1) Approve capital expenditure of a sum specified in the Private Report to be financed from prudential borrowing to fund the construction and professional fees for the Collection Centre development within the City Centre Cultural Gateway Project
- 2) Approve capital expenditure of a sum specified in the Private Report to be financed from prudential borrowing to fund the construction and professional fees for the Cultural Hub (Coventry University) development within the City Centre Cultural Gateway Project
- 3) Approve capital expenditure of a sum specified in the Private Report to be financed from prudential borrowing to fund the construction and professional fees for the Future Proofing – enclosure, shell and core works to Floors 1 and 2.
- 4) Delegate authority to the Director of Business, Investment and Culture and Interim Chief Executive (Section 151 Officer), following consultation with the Cabinet Member for Housing and Communities, to undertake the necessary due diligence and finalise terms of Agreements for Lease between Coventry City Council and Arts Council England, British Council and Culture Coventry in respect of the Collection Centre development.
- 5) Delegate authority to the Director of Business, Investment and Culture and Interim Chief Executive (Section 151 Officer), following consultation with the Cabinet Member for Housing and Communities, to undertake the necessary due diligence and finalise terms of an Agreement for Lease between Coventry City Council and Coventry University in respect of the Cultural Hub development.
- 6) Authorise the commencement of all necessary procurement for works or services necessary to bring into effect the recommendations set out in 1) to 3) above.
- 7) Delegate authority to the Director of Business, Investment and Culture and Interim Chief Executive (Section 151 Officer), following consultation with the Chief Legal Officer, following the conclusion of the procurement tender to award contracts due to the tight timescale involved.

Council is recommended to:

- 1) Approve capital expenditure of a sum specified in the Private Report to be financed from prudential borrowing to fund the construction and professional fees for the Collection Centre development within the City Centre Cultural Gateway Project.
- 2) Approve capital expenditure of a sum specified in the Private Report to be financed from prudential borrowing to fund the construction and professional fees for the Cultural Hub (Coventry University) development within the City Centre Cultural Gateway Project.
- 3) Approve capital expenditure of a sum specified in the Private Report to be financed from prudential borrowing to fund the construction and professional fees for the Future Proofing – enclosure, shell and core works to Floors 1 and 2.
- 4) Delegate authority to the Director of Business, Investment and Culture and Interim Chief Executive (Section 151 Officer), following consultation with the Cabinet Member for Housing and Communities, to undertake the necessary due diligence and finalise terms of Agreements for Lease between Coventry City Council and Arts Council England, British Council and Culture Coventry in respect of the Collection Centre development.

- 5) Delegate authority to the Director of Business, Investment and Culture and Interim Chief Executive (Section 151 Officer), following consultation with the Cabinet Member for Housing and Communities, to undertake the necessary due diligence and finalise terms of an Agreement for Lease between Coventry City Council and Coventry University in respect of the Cultural Hub development.
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- 7) Delegate authority to the Director of Business, Investment and Culture and Interim Chief Executive (Section 151 Officer), following consultation with the Chief Legal Officer, following the conclusion of the procurement tender to award contracts due to the tight timescale involved.

List of Appendices included:

None

Background papers:

None

Other useful documents

None

Has it or will it be considered by scrutiny?

No

Has it or will it be considered by any other council committee, advisory panel or other body?

No

Will this report go to Council?

Yes - 21 March 2023

Report title: City Centre Cultural Gateway Project

1. Context (or background)

- 1.1. On 4th February 2020, IKEA announced that it was proposing to close its Coventry store in mid-2020. However, the circumstances of COVID-19 that resulted in a national lockdown from 22nd March 2020, meant that the store effectively closed permanently from this date.
- 1.2. The announced closure of the IKEA store coincided with detailed discussions that were ongoing between Coventry City Council (CCC), Arts Council England, the British Council and Culture Coventry Trust (the Partners), in consultation with Coventry University, as to the feasibility of developing a partnership 'Collections Centre' of national significance, on an alternative city centre location in Coventry.
- 1.3. The collaboration between the City Council and the three Partner organisations therefore sought to identify and closely examine the opportunity to repurpose the existing landmark building of the former IKEA premises within the city centre, as opposed to creating a new purpose-built facility on an alternative city centre site.
- 1.4. On 23rd February 2021, Council approved the acquisition of the former IKEA building; along with a further approval for the capital expenditure in respect of the design works; and to enter into Agreements for Lease with the three Partners (Arts Council England; British Council; Culture Coventry Trust).
- 1.5. Since then, the project has changed its working title to become the "City Centre Cultural Gateway" and has identified three phases –
 - Phase 1 – Collections Centre
 - Phase 2 – Cultural Hub
 - Phase 3 – Future Proofing
- 1.6. *Phase 1* – working with the Partners, the Collections Centre phase involves the conversion of some specified Floors into bespoke facilities for the storage, care and management of nationally significant arts, cultural and heritage artefacts.
- 1.7. *Phase 2* – the Cultural Hub phase is proposed by Coventry University, to provide a range of cultural educational, engagement, training, and professional development opportunities.
- 1.8. *Phase 3* – the 'shell and core' works to the remaining Floors will facilitate future letting of these huge floor plates, by enclosing (shell) the floors; and providing essential (core) services to the floor for future service connection and distribution.

2. Options considered and recommended proposal

- 2.1. Option 1 – Development of Collections Centre; Cultural Hub; Future Proofing of Remaining Floors through Shell and Core Works (Recommended)

Option Overview

- 2.1.1 This recommended option involves the development of all three Phases of the project (as outlined above) simultaneously.

- 2.1.2 This would mean that the development of the Collections Centre; Cultural Hub; and the 'Shell and Core' conversion of the remaining Floors would be procured and funded as a single capital scheme.
- 2.1.3 This would in turn secure the tenancy of the two national Partners (Arts Council England and British Council) and Culture Coventry Trust for a period as specified in the Private section of this Report.
- 2.1.4 It would also secure the tenancy of Coventry University for a term as specified in the Private section of this Report.
- 2.1.5 It would secure the future suitability of letting the remaining Floors, through the enclosure (shell) of these floors along with provision of essential (core) services for the benefit of future tenancies.

Current Status

- 2.1.6 All three Phases of the project have currently been developed through RIBA Stage 3 (Developed) design.
- 2.1.7 Accordingly, all three Phases of the project have progressed into the RIBA Stage 4 (Technical) design process, which is the stage that carries the detailed designs into a formal set of Employer's Requirements for contract tender.
- 2.1.8 Following a process of public consultation and exhibitions, all three Phases have been submitted as a single Planning Application, including an overarching façade design that draws all the floors into a single and seamless façade appearance.
- 2.1.9 Work has commenced on securing consultancy support to test the options for the future use and letting of the remaining floors.

Strategic Implications

- 2.1.10 The approval of all three Phases underpins the context of the development becoming a 'cultural hub' for the city, securing partnerships with two national cultural organisations and strengthening the partnership with Coventry University through the development of a Cultural Hub for the city.
- 2.1.11 Attracting two national arts and cultural Partners will facilitate the growth and development of wider cultural partnerships in the city, thereby contributing to the city's Cultural Strategy.
- 2.1.12 Furthermore, the co-location of the national partners into a Collections Centre with Culture Coventry Trust will present a further opportunity to work collaboratively for exhibition content and curation at the Herbert Art Gallery and Museum.
- 2.1.13 The development of the Collections Centre will also ensure that Culture Coventry Trust's stored vehicle collection and its social history and archaeology collections can be relocated into bespoke, co-located storage accommodation.
- 2.1.14 Equally, the incorporation of a Cultural Hub will present further partnering opportunities, such that a Creative Directors forum has already been established between the creative leads for the Arts Council Collection, British Council, Culture Coventry, Coventry University and Coventry City Council, to explore existing and future synergies in creative ambitions.

- 2.1.15 The opportunity for the Collections Centre partnership to work alongside Coventry University's Cultural Hub will provide an environment that encourages shared professional learning and development of collections management, with curatorial and teaching staff co-located on site.
- 2.1.16 The shell and core of the remaining floors will facilitate the exploration of other cultural partnerships and uses to further strengthen the identity of a cultural hub.
- 2.1.17 Future letting of the remaining floors will provide significant opportunity to further activate the building.
- 2.1.18 The options appraisal for the remaining floors would also explore opportunities for growing community cultural partnerships to make it more accessible to a range of cultural organisations, who often find it challenging to secure creative and collaborative working spaces.
- 2.1.19 The delivery of all the phases of the City Centre Cultural Gateway into a cultural hub for the city will be an exemplar of city centre regeneration through the transformation of a former, large-scale abandoned retail space into a new, innovative and energised beacon of cultural activity as real legacy of the UK City of Culture 2021.

Development Implications

- 2.1.20 The Collections Centre designs and specifications are extremely specialised and bespoke to the demands and conditions of storing some of the nation's most valuable cultural, arts and heritage artefacts.
- 2.1.21 The works for the Cultural Hub involve major changes to the façade through the incorporation of significant glazing.
- 2.1.22 This additional glazing would bring inherent value to these floors, which will underpin the marketability of future lettings beyond the term of the Coventry University lease.
- 2.1.23 The shell and core conversion of the remaining floors at this stage is initiated by the fact that these floors cannot be used for car parking in the future.
- 2.1.24 Therefore, the basis of the recommendation is to have the intrusive works of enclosing and servicing these floors carried out within the main construction contract and prior to the occupation of the floors above by the Collections Centre partners.
- 2.1.25 Therefore, the professional team are currently working to determine the extent of intrusive works that could be carried out in the future (i.e. once the building has been tenanted).
- 2.1.26 The completion of these intrusive works to enclose these floors will secure the future letting and rental potential once the specific uses and tenants are known following some feasibility work.
- 2.1.27 The approval of all three Phases facilitates a single and seamless façade design for the outside of the building, to provide it with a new cultural identity, as a marked shift from its previous identity as an IKEA store.
- 2.1.28 The construction market is particularly volatile so that there is an inherent risk in tendering the construction contract within such a market.

- 2.1.29 Therefore, the Project Team are currently working with the Professional Team to assess the procurement options for tendering the scheme and how the cumulative value of delivering all three Phases might bring procurement benefit / advantage or procurement risk.
- 2.1.30 The approval of all three Phases would ensure that the RIBA Stage 4 (Technical) designs can be completed as a single piece of work and that there is more likelihood of meeting some demanding programme challenges, with the national Partners having timebound leases within their current locations.

Legal and Financial Implications

- 2.1.31 A capital grant for a sum as specified in the Private section of this Report contributed towards the acquisition of the building, with this grant being protected by way of a covenant that the building should be principally used for arts and cultural purposes.
- 2.1.32 Each of the three Phases of the project have separately costed capital expenditure requirements, which have then been modelled alongside business cases for recouping such investment through rentalisation and / or capital contributions.
- 2.1.33 The capital expenditure has been rentalised to the tenants over terms as specified in the Private section of this Report.

Next Steps

- 2.1.34 The RIBA Stage 4 designs will be taken through to the formulation of Employers Requirements to be tendered to the construction market through an agreed compliant procurement route.
- 2.1.35 A Planning Application has been submitted for the entirety of the scheme (i.e. all three Phases), so that Planning Consent should be obtained either prior to or during the tender period.
- 2.1.36 Contract tenders will be received and assessed against a quality and cost matrix to select a preferred contractor.
- 2.1.37 Agreements for Lease with each of the respective Partners and Coventry University will be finalised prior to the appointment of a Contractor.

2.2. Option 2 – Do Nothing (Not Recommended)

Option Overview

- 2.2.1 This option is whereby CCC unilaterally decides to discontinue the project in its entirety, thereby abandoning the development of all three Phases of the project.

Strategic Implications

- 2.2.2 In relation to discontinuing the Collections Centre Phase, this would result in the Partners all having to find alternative locations for their collections storage, against the backdrop of existing leases that are already timebound.
- 2.2.3 This would result in the potential for considerable reputational risk and could affect the relationship between Coventry City Council and the two national Partners in the future.

- 2.2.4 The opportunity for growing and developing the partnerships with the national Partners would be compromised and opportunities within the city would be lost.
- 2.2.5 Culture Coventry Trust would need to find alternative accommodation for its vehicle storage and for its social history and archaeology collections.
- 2.2.6 In relation to the Coventry University Phase, there would also be reputational risk and the risk of damage to a crucial strategic partnership within the city.
- 2.2.7 The opportunity for the partnership between the Collections Centre Partners, Coventry University and Coventry City Council to have a meaningful and strategic impact within the city would be compromised, if not lost.

Development Implications

- 2.2.8 The City Council would need to quickly determine whether to seek alternative uses for the building or to dispose of the asset.
- 2.2.9 The Planning Application would need to be immediately withdrawn.

Financial Implications

- 2.2.10 Coventry City Council would not need to finance the development and delivery of all three Phases.
- 2.2.11 The expenditure incurred to date on professional fees would be irrecoverable under the terms of the Collaboration Agreement with Partners and Coventry University.
- 2.2.12 The capital grant towards the acquisition of the building would be at risk of clawback under circumstances where the building was not to be used for a cultural purpose or was to be disposed.
- 2.2.13 Coventry City Council would continue to incur holding costs (i.e. for the vacant building), but this risk would be substantially mitigated through the ownership of the asset.

2.3. Option 3 – Development of the Collections Centre Phase Only (Not Recommended)

Option Overview

- 2.3.1 This option would fund and continue to develop the Collections Centre Phase only and discontinue the Coventry University – Cultural Hub and Future Proofing Phases of the project.

Strategic Implications

- 2.3.2 In relation to the Coventry University Phase, there would be reputational risk and the risk of damage to a crucial strategic partnership within the city.
- 2.3.3 The opportunity for the wider partnership between the Collections Centre Partners, Coventry University and Coventry City Council to have a meaningful and strategic impact within the city would be compromised, if not lost.
- 2.3.4 A new use and tenant would need to be found to occupy these floors, with such a tenant needing to conform to the cultural use requirement as contained within the capital grant covenant.

2.3.5 The future uses of the remaining floors would most likely be substantially limited without the shell and core works being included within the design development and construction contract, as these works could compromise the integrity of the arts collections if they were to be undertaken once the Partners were in situ.

2.3.6 This could limit the ability to attract another cultural partner / use to these floors and therein impact upon an opportunity to further animate the building.

Development Implications

2.3.7 If any of the three Phases were not taken forward at this stage, then there would be a requirement to redesign the façade to incorporate those aspects that were not to be carried into the tender process and construction contract.

2.3.8 The floors intended for the development of the Cultural Hub would return to being a shell and core design until a new Partner were confirmed.

Financial Implications

2.3.9 Coventry City Council would not need to finance the development and delivery of Phases 2 and 3, being the development of the Coventry University – Cultural Hub; and the Future Proofing of the remaining floors.

2.3.10 Coventry City Council would not receive rental revenue from Coventry University to cover the capital and capital financing of Phase 2, along with some costs associated with Phase 1.

2.3.11 The expenditure incurred to date on professional fees for the Coventry University RIBA Stage 3 development would be irrecoverable.

2.3.12 The capital grant towards the acquisition of the building would be at risk of clawback under circumstances where the building was not to be principally used for a cultural purpose.

2.3.13 Coventry City Council would continue to incur a proportion of holding costs associated with servicing the remaining floors.

2.4. Option 4 – Development of the Collections Centre and Coventry University - Cultural Hub Phases Only

Option Overview

2.4.1 This option would finance and continue to develop the Collections Centre and Coventry University – Cultural Hub Phases only and discontinue the Future Proofing Phases of the project.

Strategic Implications

2.4.2 The future uses of the remaining floors would most likely be substantially limited without the shell and core works being included within the design development and construction contract, as these works could compromise the integrity of the arts collections if they were to be undertaken once the Partners were in situ.

2.4.3 This could limit the ability to attract another cultural partner / use to these floors and therein impact upon an opportunity to further animate the building.

Development Implications

- 2.4.4 If any of the three Phases were not taken forward at this stage, then there would be a requirement to redesign the façade to incorporate those aspects that were not to be carried into the tender process and construction contract.

Financial Implications

- 2.4.5 Coventry City Council would not need to finance the development and delivery of Phases 3, being the Future Proofing of the remaining floors.
- 2.4.6 The future letting of these floors for rental income would be affected to the extent that the intrusive works of enclosing the floors and providing essential services to the floors could be limited by the impact upon the collections.

3. Results of consultation undertaken

- 3.1 In 2017, Coventry City Council approved a 10-year Cultural Strategy (2017-2027), which was informed by structured primary research eliciting over 2,000 responses; involving over 12 hours of cultural strategy workshops; 20 hours of workshops linked to the city's bid for UK City of Culture; in-depth audience analysis; an audit of the existing cultural and heritage resources in the city; a tourism profiling study; and desk top research analysis.
- 3.2 The Coventry Cultural Strategy 2017-2027 identifies 'Seven Big Ideas' to bring life and substance to the Strategy's principles and goals. The fifth of these 'Big Ideas' is 'The Nation in Coventry', which recognises that "Coventry is well positioned as a showcase for the nation – with 40 million people within two hours travel time. The city will work to develop a plan to make Coventry a city of choice for national collections, events and productions".
- 3.3 A subsequent 'Cultural Capital Prioritisation Strategy' report in 2018 referenced the opportunity to improve the quality and accessibility of museum storage facilities in the city, noting the potential to relocate other local and national collections into aligned or stand-alone facilities.
- 3.4 Through Feasibility, Acquisition and Assurance stages of the project work, consultation on proposed shared Collections Centre facilities and the suitability of the former IKEA site for this purpose, has been undertaken with lead officers (and their architects and professional team advisors, where appointed) of Arts Council England, British Council and Culture Coventry.
- 3.5 A Public Exhibition Event was held on site on 21st February and 22nd February as part of the necessary Planning Consultation. The event on the 21st February, was an invitation-only event for those residents who live immediately adjacent to the site, whilst the event on the 22nd February was a wider public exhibition, which was publicised via the Let's Talk Coventry website, social media, local press and leaflet drop. The exhibition material was also available online.

4. Timetable for implementing this decision

- 4.1 Subject to Cabinet and Council approval, it is anticipated that the programme for the City Centre Cultural Gateway will be as follows:
- Stage 4 Design Completed – 13th June 2023
 - Planning Submission – 6th March 2023

- Estimated Planning Decision – 31st May 2023
- Stage 4 Cost Report – 5th July 2023
- Tender Period Ends – 16th August 2023
- Tender review/AFLs/Approvals Completes – 1st November 2023
- Mobilisation on Site – 2nd November 2023
- Construction starts – 30th November 2023
- Construction completes – 29th November 2024

5. Comments from Chief Operating Officer (Section 151 Officer) and Chief Legal Officer

5.1 Financial Implications

Capital cost and Affordability

5.1.1 The anticipated total cost of the proposed scheme (to include all three Phases) includes the initial acquisition of the site, the design fees, and the cost of all construction works. External partners have requested that the City Council (as lead partner and owner) finance the redevelopment, backed by long lease/rent agreements to fund the borrowing costs.

5.1.2 A business case for each Phase has been modelled over a number years as specified in the Private section of this Report, with the overarching target being that proposals are cost neutral or better in revenue terms to the City Council.

Phase 1 – Collection Centre

5.1.3 This Phase includes the costs associated with the acquisition of the building (partially offset by grant funding, along with professional design fees, both of which were approved in February 2021. These costs do not therefore form part of the recommendations of this report.

5.1.4 The cost of borrowing has been calculated over a term as specified in the Private section of this Report, being the length of the leases to be entered into with each of the respective tenants. The assumed average rent represents the rentals to be paid by the tenants.

Phase 2 - Coventry University Cultural Hub

5.1.5 The total cost of Phase 2 including the cost of design and fees is to be financed with annual rental income from Coventry University funding repayments.

Phase 3 – Future Proofing of remaining Floors

5.1.6 These floors have not yet been let and therefore no rental income has been assumed at this stage.

Business Rates and Running Costs

5.1.7 Each tenant would be responsible for funding any of their respective any business rates liabilities. Similarly, tenants would also be responsible for meeting each of their respective liabilities for running costs and landlord service charges.

5.1.8 Coventry City Council would continue to be responsible for meeting rates and running cost liabilities for any void areas / floors.

5.2 Legal Implications

- 5.2.1 Section 1 of the Local Government Act 2003 gives the Council the power to borrow money for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs.
- 5.2.2 In accordance with the Council's Contract Procedure Rules, all Contracts over £1 million on a per annum basis must be presented to Cabinet. As well as compliance with internal procurement rules set out in the Contract Procedure Rules, the Council must ensure compliance with procurement law where applicable.
- 5.2.3 The Council should also consider and build the following into procurement processes:
- Stakeholder engagement
 - Efficient commissioning and sourcing arrangements
 - Best value considerations, including social and environmental value, as well as economic
 - Contract management

6. Other implications

- 6.1. The delivery of the proposal outlined in this report will help deliver a range of economic development and cultural legacy objectives that will help to realise the Council's strategic ambitions for a more vibrant and economically prosperous city.
- 6.2 The delivery of the City Centre Cultural Gateway project will directly contribute to Coventry Cultural Strategy objectives for capital; Partnership; Life-Long Learning and Economic Growth.
- 6.3 The recommended proposal will further contribute to the Council's core aims of:
- **Making the most of our assets and developing the city centre** – repurposing of a vacant city centre building as a new cultural asset for the city, increasing access to local and national arts, cultural and heritage collections; attracting inward investment; creating new jobs; attracting two national partners to locate key cultural services to the city for the long-term period of their leases. Initial, high-level economic modelling estimates that delivery of the City Centre Cultural Gateway project has the potential to support temporary construction jobs; jobs in arts, culture, tourism and hospitality related sectors; and generate circa £185m in Gross Value Added (GVA) for Coventry and the West Midlands over a 10-year period.
 - **Improving educational outcomes** – the proposal offers the potential to develop new learning, education and training opportunities aligned to the City Centre Cultural Gateway Project and associated activities. Coventry has a strong cultural educational offer within the city, provided not only by schools and education services but also through both universities, colleges and arts businesses. The City Centre Cultural Gateway project will present the opportunity to widen access to key local and national collections and develop a centre of excellence in collections care, curation, management and associated disciplines. With the inclusion of Coventry University's Cultural Hub, there will be strong links to the national partners in the Collection Centre, which will also serve to strengthen the educational provision.
 - **Raising the profile of Coventry through promoting Coventry as a visitor destination and centre for arts and culture** – Goal 5 (Economic Growth) of the Coventry Cultural Strategy identifies Coventry as a culturally vibrant, attractive and

prosperous city and sets the ambition that as a cultural city, we work to enrich the lives and environment for all residents. The Strategy aims to address the need of the city to improve the way it promotes itself as a major tourist destination for the West Midlands and as a result through a better articulated tourism offer, successfully attract more visitors, increase spend and secure and sustain new businesses and investment. The proposed project provides Coventry with a lasting physical and economic legacy from UK City of Culture 2021 and provides the opportunity to promote the city as a national centre of excellence for collections management, with an aligned exhibition programme offering the potential to promote the city to cultural audiences and academics

6.4 How is risk being managed?

- 6.4.1 The project is part of the Cultural Capital Investment Programme. The Programme comprised 15 cultural capital projects and is now managing two legacy projects and managing funds over £48m. The programme reports both to the Council's Capital Programme Board and the City Centre Cultural Gateway Board chaired by the Acting Chief Executive and Chief Operating Officer. The Programme operates under an Assurance Framework which was developed in conjunction with the City Council's legal team and sets out how the programme will operate, manage and monitor projects.
- 6.4.2 The project has a comprehensive risk register that covers the whole scheme, which is regularly reviewed by the Project Team and reported monthly to the City Centre Cultural Gateway Board.
- 6.4.3 Throughout the RIBA Stage 3 design stage of the project, a well-developed design has ensured that the ongoing detail of requirements is drawn from the various Partners and Coventry University as a future tenant. Accordingly, the RIBA Stage 3 Report has been approved and signed off by all of the respective parties as representing the design requirements.
- 6.4.4 The RIBA Stage 4 (Technical) Designs will provide further detail into the Employers Requirements for tender, so that there is more certainty around the capital cost being set against well-defined specifications.
- 6.4.5 The risk of capital expenditure requirements escalating as a result of economic factors is being mitigated through regular cost updates to understand the impact of construction indices; and work is ongoing to determine the preferred procurement route for the construction contract, which will also have a significant impact on the tendered costs.
- 6.4.6 The risk of changes within Prudential Borrowing interest rates is being managed through the constant monitoring of rates and such sensitivity being modelled as appropriate.
- 6.4.7 There is a risk that the vacant remaining floors are not let or take longer than anticipated to let, thereby affecting the return on investment for these floors. This risk is being mitigated through some current feasibility work into uses and by the knowledge that without the shell and core works, these floors would likely be vacant forever.
- 6.4.8 Similarly, there is a risk that the floors intended for use by Coventry University for the Cultural Hub might be vacant for a period of time beyond the agreed term. This risk is being mitigated through detailed modelling assumptions and through the overall impact that the refurbishment work will have on attracting future lettings.

6.5 What is the impact on the organisation?

- 6.5.1 The impact to the organisation will be primarily on officers within Finance, Business, Investment and Culture, Property Services and Development and Legal Services Divisions, who will be responsible for undertaking the work to conclude the negotiations to enter into the Agreements for Leases and Leases as well as running a significant project ensuring it meets its main objectives and full potential.

6.6 Equalities / EIA?

- 6.6.1 Section 149 of the Equality Act 2010 requires the Council in the exercise of its functions to have due regard to the need to:

eliminate discrimination, harassment, victimisation and other form of conduct prohibited under the act; and,

to advance equality of opportunity and to foster good relations between persons who share a relevant protected characteristic (age, disability, gender re-assignment, pregnancy and maternity, race, religion and belief, sex, and sexual orientation) and persons who do not share it.

- 6.6.2 Having regard to the need to advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share it involves having due regard, in particular, to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of the persons who share that characteristic that are different from the needs of persons who do not share it; and,
- encourage persons of the relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

- 6.6.3 The Equality Duty has been considered and it is felt that an Equalities Impact Analysis is not required as the proposal's concerns are for commercial reasons and no Council service or group will be impacted.

6.7 Implications for (or impact on) climate change and the environment?

- 6.7.1 The professional design team for the project include the specific appointment of a sustainability consultant – Eight Associates – who were commissioned to produce a sustainability statement.

- 6.7.2 The sustainability statement demonstrated the development's holistic approach to sustainable design and construction. It summaries the contribution that the design will make to creating a more sustainable development, drawing on information provided by specialist consultants and design reports and identifying key features intrinsic to achieving low carbon development.

- 6.7.3 The design team has significant experience in delivering schemes that are considered highly sustainable, either through application of formal green building rating systems, such as BREEAM and Home Quality Mark, as well as applying benchmarks from standards such as Passivhaus Design and adopting precedents from industry exemplary sustainable developments.

6.7.4 The scheme will adopt the following sustainable features:

- Energy strategy info to be confirmed by ESD
- Implement a site waste management plan and stringent resource efficiency benchmarks
- Follow best practice policies in terms of air, water and ground pollution and appoint a contractor who will register for the Considerate Constructors Scheme
- Achieve a 25% improvement in water consumption (litres/person/day) compared to BREEAM's notional baseline performance
- Utilise sustainable transport, including access to public transport and inclusion of cycle storage facilities
- Minimise embodied carbon through efficient design, procurement of materials from a local source, or with a high-recycled content
- Be of high build quality, surpassing the minimum Building Regulations
- Ensure all materials are responsibly sourced and of low environmental impact where feasible
- Consider health and wellbeing through design and operational procedures, including optimum indoor air quality and thermal comfort
- Protect the existing ecological value of the site.

6.8 Implications for partner organisations?

6.8.1 The delivery of the proposal outlined in this Report will secure benefits for each of the Collections Centre partners as follows:

Arts Council England –The proposed New Collections Centre offers ACE the opportunity to increase capacity and efficiency through a single, long-term solution. The partnership, city centre Collections Centre model provides further opportunities to grow audiences and expand public access to the Arts Council Collection, with dedicated shared spaces where school pupils, community groups, researchers and professionals can access and experience the Collection. The proposal also provides the opportunity for ACE to directly respond to several of the recommendations from The Mendoza Review (2017), particularly in relation to dynamic collection curation and management; establishing a strategic approach to sharing skills and infrastructure; and contributing to placemaking and local priorities.

British Council – the British Council has also been seeking a long-term solution to its collection requirements. The Collection Centre provides clear benefits to the British Council through: providing ample space for the current Collection with the capability of accommodating future growth; providing a centrally located facility with good transport links (for logistics and improving access for British Council staff, stakeholders, students and professional visitors); allowing for greater collaboration and facility sharing with the Arts Council Collection and city's collections; creating a significant legacy opportunity for the national partners with Coventry UK City of Culture 2021.

Culture Coventry Trust – the proposed new Collections Centre facilitates the securing of Coventry's collections, managed by Culture Coventry Trust, into a more bespoke and suitable collections environment, with enhanced public access to the parts of the city's vehicle and human history collections that are not currently on display within current museum exhibitions at the Herbert Art Gallery and Museum; and Coventry Transport Museum. The partnership with two national collections partners further provides an opportunity to significantly enhance and re-imagine the positioning of the Herbert Art Gallery and Museum – through the creation of an enhanced exhibition programme that will enable it to reach wider and more diverse audiences.

Coventry University – the involvement of Coventry University in the creation of an aligned Cultural Hub co-located with the Collections Centre provides a unique opportunity to create an international centre of excellence in collections care and management, providing direct managed access to teaching, collections and high-quality facilities for professionals, academics, students and researchers.

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