

Agenda Item 7
Council – 19th March 2024
Recommendation from Cabinet
13th February 2024

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on 13th February 2024

Present:

Members: Councillor G Duggins (Chair)
Councillor L Bigham
Councillor R Brown
Councillor K Caan
Councillor P Hetherton
Councillor J O'Boyle
Councillor K Sandhu
Councillor P Seaman
Councillor D Welsh

Non-Voting Deputy
Cabinet Members:

Councillor S Agboola
Councillor P Akhtar
Councillor G Hayre
Councillor A Jobbar
Councillor G Lloyd
Councillor S Nazir

Non-Voting Opposition
Members:

Councillor G Ridley
Councillor R Simpson (Substitute for Councillor P Male)

Other Non-Voting
Members:

Councillor R Lakha
Councillor C E Thomas

Employees (by Service Area):

Business, Investment and Culture D Hope, S Weir

Education and Skills K Nelson (Chief Partnerships Officer), C Webb

Finance B Hastie (Director of Finance and Resources (Section 151 Officer))

Law and Governance J Newman (Chief Legal Officer), S Chantler, A Chowns, M Salmon

Property Services and Development	R Moon (Director of Property Services and Development), A Hunt
Public Health and Wellbeing	A Duggal (Director of Public Health and Wellbeing)
Streetscene and Regulatory Services	C Eggington
Apologies:	Councillor N Akhtar Councillor A S Khan Councillor P Male Councillor C Miks

Public Business

RECOMMENDATION

71. City Centre South Additional Grant Funding

Cabinet considered a report of the Director of Property Services and Development, that would also be considered by Council at its meeting on 19th March 2024, which sought approval to accept additional West Midlands Combined Authority (WMCA) Funding of up to £12.24m to facilitate the delivery of the City Centre South project.

A corresponding private report detailing confidential matters was also submitted for consideration (Minute 74 below refers).

City Centre South would deliver transformational improvements to Coventry city centre through the creation of a new residential led community providing new homes, jobs, commercial and leisure opportunities and high-quality public spaces.

The Council's development partner, Shearer Property Regen Ltd (SPRL), led by Hill Developments were continuing to move the scheme forward and have made considerable progress since being appointed as the funding partner under the terms of the Development Agreement between the Council, SPRL and Shearer Property Group (SPG).

This report sought formal approval to the next stage of the project following the previous Council Decisions in December 2022 (their minutes 85/22 and 91/22 referred) which approved the provision of Council funding to the scheme.

Since the recommendations contained in the December 2022 reports were approved, a significant amount of work had been undertaken to progress the scheme, including the Compulsory Purchase Order (CPO) being confirmed by the Secretary of State, the delivery of high-quality new premises for the Shopmobility scheme and a significant amount of ground investigations and surveys being undertaken. However, changes in fire safety regulations proposed earlier this year in the wake of the Grenfell disaster had required changes to the design of, and timescales for, the scheme resulting in viability challenges which needed to be resolved before the scheme could commence further.

These changes announced by Michael Gove, Secretary of State for Levelling Up, Communities & Housing, in July 2023, would require all residential buildings over 18m in height to incorporate dual stair cores and additional fire-fighting lifts to improve means of escape and building safety in the event of fire. This change was not anticipated at the time the previous reports were considered.

This change in regulation has had a significant, adverse effect on scheme viability due to increasing build costs and reduced sales/lettable area, thus depressing overall scheme viability. In order to address this issue and to prevent the scheme from stalling the Council had been able to successfully negotiate an additional grant assistance from the West Midlands Combined Authority (WMCA) of up to £12.24m (“Additional WMCA Funding”) in addition to the £98.8 million pounds already provided. The report therefore requested authority to accept the Additional WMCA Funding and delegated authority to amend the Development Agreement with SPRL and Grant Agreements with WMCA in order to be able to apply this funding towards the delivery of the scheme.

Cabinet agreed to:

- 1) Approve the acceptance of the Additional WMCA Funding of up to £12.24m to be added to the £98.8m previously secured which will be utilised to facilitate the delivery of City Centre South.
- 2) Delegate authority to the Director of Property Services and Development, following consultation with the Chief Operating Officer (Section 151 Officer), the Chief Legal Officer, the Cabinet Member for Jobs, Regeneration and Climate Change, the Cabinet Member for Strategic Finance and Resources and the Cabinet Member for Housing and Communities, to undertake the necessary due diligence and approve and enter into the legal agreements and undertakings necessary to give effect to recommendation 1) above.
- 3) Add the additional WMCA Funding to the Council’s 5 Year Capital Programme.

RESOLVED that Council be recommended to:

- 1) Approve the acceptance of the Additional WMCA Funding of up to £12.24m to be added to the £98.8m previously secured which will be utilised to facilitate the delivery of City Centre South.**
- 2) Delegate authority to the Director of Property Services and Development, following consultation with the Chief Operating Officer (Section 151 Officer), the Chief Legal Officer, the Cabinet Member for Jobs, Regeneration and Climate Change, the Cabinet Member for Strategic Finance and Resources and the Cabinet Member for Housing and Communities, to undertake the necessary due diligence and approve and enter into the legal agreements and undertakings necessary to give effect to recommendation 1) above.**
- 3) Add the Additional WMCA Funding to the Council’s 5 Year Capital Programme.**