

OFFICER / CABINET MEMBER DECISION REPORT FORM

(NB. all decisions should comply with Article 13.2 of the constitution)

1. Decision made

Cheltenham Borough Council will enter into the following agreements to deliver the Minster Innovation Exchange project

1. Agreement to enter into a joint venture and form a Limited Liability Partnership between CBC, Workshop Cheltenham Ltd and Minster Innovation Exchange LLP.
2. Agreement to enter into a lease on Chester Walk Car Park between CBC and Minster Innovation Exchange Limited Liability Partnership
3. Letter of Intent to enter into a Design & Build Agreement between CBC and Workshop Cheltenham Ltd

2. Identity of the Decision Maker

Paul Jones, Executive director finance & assets

3. Date of Decision

11th February 2021

4. Reasons for Decision

At Cabinet of 10th November 2020 and Council of 16th November 2020, the following recommendation in relation to the **Minster Innovation Exchange project** was agreed.

1 Approve the council accepting the award of the Tier 2 Growth Hub residual grant of £433,638 and taking over the role of promoter of the Growth Hub and delegate authority to the Managing Director Place and Growth, in consultation with the Cabinet Member Finance and the Borough Solicitor, to agree final terms and contract for the Growth Hub grant with the LEP.

2 Approve the council entering into a joint venture (including the incorporation of the new limited liability partnership (LLP)) with WSC to manage MIE and delegate authority to the Executive Director Finance & Assets, in consultation with the Cabinet Member Finance and the Borough Solicitor, to:

- a. agree the final terms of the Joint Venture;
- b. approve the form of and the council entering into any documents required to put in place or otherwise facilitate the creation of the Joint Venture;
- c. take any decisions (to include, without limitation, the approval of all documents) considered necessary by the Executive Director Finance & Assets to facilitate the creation and/or operation of the Joint Venture.

4. Approve the council entering into a contract with WSC for WSC to deliver the design and build of the MIE subject to the final terms being agreed and, in accordance with Contract Rule 6.2.1, agree to waive the requirements of the council's Contract Rules to enable the design and build agreement to be entered into provided that the estimated value remains

under the applicable threshold for a full procurement process determined by the Public Contracts Regulations 2015.

5. Delegate authority to the Executive Director of Finance and Assets, in consultation with Cabinet Member Finance, to agree the final terms of the design and build agreement and such other documents as may be required relating to the construction and delivery of the MIE and to approve the council entering all required documentation, including a commercial lease to the LLP for the management of the MIE.

At Cabinet of 8th October 2019, the following recommendation in relation to the Minster Innovation Exchange project was agreed.

1. Approves the proposal for facilitating the Workshop Cheltenham project, including a tier 2 growth hub, on Chester Walk car park;
2. Approves the freehold disposal of that part of St George's Road car park (shown edged red on Plan 1) to Gloucestershire County Council as consideration for the acquisition of land at Chester Walk (shown edged on Plan 2);
3. Delegates authority to the Director of Corporate Projects, in consultation with the Cabinet Member for Finance and Assets and the Head of Property and Asset Management, to settle Heads of Terms for the exchange of land referred to in recommendation 2) above and for the grant of a lease, not exceeding 10 years from the date of grant, at a rent representing the best consideration that can reasonably be achieved;
4. Authorises the Borough Solicitor to enter into any legal agreements considered necessary or desirable for the Council to put into effect the recommendations in this report.
5. Approves the necessary capital expenditure on works at St George's Road car park pursuant to the land swap, as per paragraph 5.2 and delegates' authority to the Head of Property and Asset Management to agree and implement the works with GCC.

After reviewing and agreeing the terms of the agreements detailed in section 1, Decision Made, with advice from our legal advisors, Anthony Collins Solicitors LLP, CBC is happy to agree the final terms and enter into the agreements as detailed. This decision will enable delivery of the Minster Innovation Exchange project to enhance the social and economic value by regenerating the area served by CBC

In order to simplify the accounting arrangements for the consolidation of the MIE LLP with the council's accounts, it is considered prudent to align the financial periods to year ending 31 March annually. As such, a decision has been made to extend the length of the lease of the land on which MIE will be constructed to the LLP beyond the 10 years approved by Cabinet in November 2020 from the date of opening of MIE (estimated to be November 2021) to 31 March 2022 and allow a further rent free period for the LLP, in addition to the 12 months agreed by Cabinet, during this period. It is estimated that this will cost the council circa £7,500 (net of rent retained within the LLP reserves). During the period, no profits will be distributed allowing the LLP to build its reserves.

5. Alternative options considered and rejected

All agreements are inter-related and to not enter into one or more of them would result in inability to deliver the project.

6. Background documents

Cabinet report 10th November 2020 and Council report 16th November 2020

https://democracy.cheltenham.gov.uk/documents/s34097/2020_11_10_Minster%20Innovation%20Exchange_report%2010112020%20Cabinet.pdf

Cabinet Report 8th October 2019

https://democracy.cheltenham.gov.uk/documents/s30825/2019_10_08_Workshop%20Cheltenham_Appendix%201_Report%20and%20Risk%20Assessment.pdf

7. Any Consultation undertaken

Legal advice from Anthony Collins Solicitors LLP
Assistance from the LEP.(Growth Hub funding agreement)
The Cabinet Member Finance (Rowena Hay) was consulted on the decision.

8. Results of consultation (where undertaken)

The Leader of the Council (Rowena Hay) was supportive of the decision.

9. Any Conflict of Interest declared by an Executive Member who is consulted on the decision

None

10. Dispensation

Was a dispensation given by the Head of Paid Service (Chief Executive) to Cabinet Members to participate in consultation on officer (or Cabinet Member) executive decisions where they have a conflict of interest in respect of any declaration of interest listed at 9 ?

Yes

N/A

Date of dispensation

11. Supporting Report

Final reports attached ?

Yes

No

12. Confidential or Exempt Information

Confidential or Exempt information ?

Yes

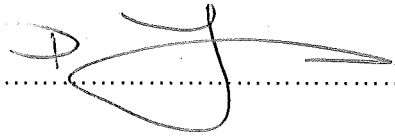
No

☒ Y

Name of document(s) which are confidential or exempt...

Lease for Chester Walk
Limited Liability Partnership Agreement
Limited Liability Partnership Resolution
Design and Build Letter of Intent

Signature.....



Date.....

11-2-2021