

Time began	2.30 pm
Time ended	2.44 pm

## **Leader of the Council Cabinet Member Meeting 6 December 2013**

Present: Councillor Bayliss

In Attendance: Councillor Redfern

### **17/13      Apologies**

There were no apologies.

### **18/13      Late Items**

There were no late items.

### **19/13      Declarations of Interest**

There were no declarations.

### **20/13      Bike Park Project, 34 Full Street, Derby**

The Leader received a report of the Strategic Director of Neighbourhoods on Bike Park Project, 34 Full Street, Derby. The report was presented by the Director of Planning and Property Services and a Senior Valuer.

It was reported that the Bike Park project was considered by Council Cabinet on 12 June 2013 and would provide a bike park facility and cycle hub, including showers, bicycle maintenance, the sale of bicycles and bicycle equipment, a cafe and associated services, at 34 Full Street.

It was further reported that it was proposed that Derby City Council (DCC) take a lease of the building and renovate, convert and fit it out for the Bike Park project and that the Council would then grant an underlease to The Park Bikeworks CIC (PBW), who would provide the services listed at 1.1 of the report.

The Council Cabinet report dated 12 June 2013 stated that a commercial rent would be payable by PBW to DCC, and the Council Cabinet resolution was:

‘To agree to the council taking a lease on premises in Full Street and that after significant building improvement works, to be carried out by the council, the premises would subsequently be leased out to Park Bikeworks Limited at a commercial rent’.

The Leader noted that since June, lengthy and complex negotiations had taken place to agree a robust agreement with PBW and that as a result of these discussions officers were not in a position to put forward a lease which commanded a commercial rent, rather a lease which was a commercial agreement. It was reported that

onerous clauses contained within the lease favouring the Landlord (DCC), which would enable the project to be delivered and which would safeguard the Council's position, had the effect of suppressing the rent that the market would pay for the property under this lease.

Councillor Redfern asked how the refurbishment of the building was funded. It was reported that the proposal was for the works to be wholly funded from the Local Sustainable Transport Fund allocation. It was further reported that the Council had been successful in a £4.9m Local Sustainable Transport Fund bid to the Department for Transport.

Councillor Redfern asked if a robust due diligence audit was being undertaken as at 4.5 of the report. It was reported that an audit had to be undertaken to ensure the future sustainability of the business before the Derby Enterprise Growth Fund released grant funding that PBW had applied for. It was noted that if PBW was successful in that application, it could use the grant to support staff fees, overheads and start-up costs.

**Resolved to agree to vary Council Cabinet decision 08/13 by approving that the premises at 34 Full Street be leased to Park Bikeworks Limited as a commercial agreement.**

MINUTES END