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Coventry City Council

Agenda

Cabinet Member for Jobs, Regeneration and Climate Change

Time and Date

1.00 pm on Thursday, 18th December, 2025

Place

Diamond Rooms 1 and 2 - Council House, Coventry

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes** (Pages 3 - 6)
 - a) To agree the Minutes of the meeting held on 12 November, 2025
 - b) Any matters arising
4. **Exclusion of Press and Public**

To consider whether to exclude the press and public for the item of private business for the reasons shown in the report.
5. **Supporting Coventry Market and its Traders** (Pages 7 - 16)

Report of the Director of Property Services and Development

To consider two petitions relating to Coventry Market, bearing 723 and 549 signatures.

The petitions are sponsored by Councillors R Bailey and J Blundell respectively who have been invited to attend the meeting for the consideration of this item, along with the Petition Organisers.
6. **Mercia Business Centre, Westwood Way Westwood Business Park, Coventry - Lease Regear (Surrender and Re-grant)** (Pages 17 - 26)

Report of the Director of Property Services and Development.
7. **Outstanding Issues**

There are no outstanding issues.

8. Any Other Items of Urgent Public Business

Private Business

9. Mercia Business Centre, Westwood Way Westwood Business Park, Coventry - Lease Regear (Surrender and Re-grant) (Pages 27 - 38)

Report of the Director of Property Services and Development

(Listing officer:- A Hunt – e mail Adam.Hunt@coventry.gov.uk)

10. Any Other Items of Urgent Business

Julie Newman, Director of Law and Governance, Council House, Coventry

10 December, 2025

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett, Governance Services, Email Suzanne.bennett@coventry.gov.uk

Membership: Councillor J O'Boyle, Cabinet Member

By invitation Councillors J Blundell (Shadow Cabinet Member) and R Bailey

Public Access

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**Suzanne Bennett, Governance Services, Email
Suzanne.bennett@coventry.gov.uk**

Agenda Item 3

Coventry City Council

Minutes of the Meeting of Cabinet Member for Jobs, Regeneration and Climate Change held at 1.00 pm on Wednesday, 12 November 2025

Present:

Members: Councillor J O'Boyle (Cabinet Member)

By Invitation: Councillor J Blundell (Shadow Cabinet Member)

Employees (by Directorate):

Law and Governance: S Bennett, J Redfern

Property Services and
Development: A Hunt

Public Business

7. Declarations of Interest

There were no disclosable pecuniary interests.

8. Minutes

The Minutes of the meeting held on 29 July, 2025 were agreed and signed as a true record.

There were no matters arising.

9. Exclusion of Press and Public

RESOLVED that the press and public be excluded under Section 100(A)(4) of the Local Government Act 1972 for the private report contained in Minute 13 below headed 'Former Coventry Swimming Baths, Fairfax Street' on the grounds that the report involves the likely disclosure of information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act, as it contains information relating the identity, financial business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services, and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10. Former Coventry Swimming Baths, Fairfax Street

The Cabinet Member considered a report of the Director of Property Services and Development which indicated that the former Coventry Swimming Baths on Fairfax Street have been closed since 2020. During that time, the Council has been

working with its regeneration partner Coventry Regeneration Limited (“CRL”), who are a Special Purpose Vehicle of Redford Developments Limited (previously called “Rainier”), to undertake extensive and comprehensive work to seek viable and sustainable uses for the buildings. Despite extensive efforts, no realistic reuse option has been able to be brought forward.

The cost of mothballing the former Swimming Baths is currently costing the taxpayer approx. £400k per year. Given that there is no realistic chance of reusing of the buildings, as well as the cost to the public purse, the report detailed proposals to take forward the necessary steps set out below in order to realise the demolition of the buildings:

- Prepare and submit an application to secure a Listed Building Consent (the Swimming Baths are Grade II listed) for the demolition of the buildings. The Council will jointly fund the cost of this work with CRL. As part of the work to date, there has been extensive engagement with Historic England and they confirmed that they will not object to an application for the demolition of the Swimming Baths.
- Once a consent is secured, this will put the Council in the best place to seek to secure the funding required for the actual demolition of the buildings. This will also pave the way working alongside CRL to undertake further work to ultimately realise a high quality regeneration scheme on the site of the former Swimming Baths for the benefit of Coventry and its communities.

The proposed Listed Building Application for the demolition of the Swimming Baths does not include any proposals for the demolition of the adjacent Sports Centre (The Elephant). It was noted that work is currently continuing to be undertaken to seek users and occupiers for that building.

A corresponding private report detailing confidential commercial and financial matters, was also submitted for consideration (Minute 13 below referred).

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change, subject to consideration of the corresponding private report, :

- 1) **Approves proposals to take forward the necessary work to bring forward a Listed Building Application for the demolition of the former Coventry Swimming Baths in Fairfax Street**
- 2) **Approves the acceptance of £50,000 grant funding from Homes England to be utilised towards the Council’s contribution to the costs of the Listed Building Application**
- 3) **Approves the use of £252,000 from existing capital receipts to fund the remainder of the Council’s contribution towards the £514,000 cost of the preparation and submission of the Listed Building Application, with the remaining cost being provided by CRL.**

- 4) Authorises that the existing Exclusivity Agreement between the Council and CRL be varied to align with the principles set out in the Heads of Terms contained at Appendix 1 of the corresponding private report.
- 5) Delegates authority to the Director of Property Services and Development, following consultation with the Director of Law and Governance, the Director of Finance and Resources and the Cabinet Member for Jobs, Regeneration and Climate Change, to:
 - Undertake all necessary due diligence; and
 - Thereafter, enter into the legal agreements and any associated matters resulting from the decisions which are required in order to bring into effect the Recommendations set out in this report.

11. Outstanding Issues

There were no outstanding issues.

12. Any Other Items of Urgent Public Business

There were no other items of urgent public business.

13. Former Coventry Swimming Baths, Fairfax Street

Further to Minute 10 above, the Cabinet Member for Jobs, Regeneration and Climate Change considered a private report of the Director of Property Services and Development which set out the confidential commercial and financial matters relating to the proposed demolition of the former Coventry Swimming Baths, Fairfax Street.

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change, having considered the corresponding public report,:

- 1) Approves proposals to take forward the necessary work to bring forward a Listed Building Application for the demolition of the former Coventry Swimming Baths in Fairfax Street
- 2) Approves the acceptance of £50,000 grant funding from Homes England to be utilised towards the Council's contribution to the costs of the Listed Building Application
- 3) Approves the use of £252,000 from existing capital receipts to fund the remainder of the Council's contribution towards the £514,000 cost of the preparation and submission of the Listed Building Application, with the remaining cost being provided by CRL.

- 4) Authorises that the existing Exclusivity Agreement between the Council and CRL be varied to align with the principles set out in the Heads of Terms contained at Appendix 1 of the report.
- 5) Delegates authority to the Director of Property Services and Development, following consultation with the Director of Law and Governance, the Director of Finance and Resources and the Cabinet Member for Jobs, Regeneration and Climate Change, to:
 - Undertake all necessary due diligence; and
 - Thereafter, enter into the legal agreements and any associated matters resulting from the decisions which are required in order to bring into effect the Recommendations set out in this report.

14. Any Other Items of Urgent Private Business

There were no other items of urgent private business.

(Meeting closed at 1.35pm)



Cabinet Member for Jobs, Regeneration and Climate Change

18 December 2025

Name of Cabinet Member:

Cabinet Member for Jobs, Regeneration and Climate Change – Councillor J O’Boyle

Director approving submission of the report:

Director of Property Services and Development

Ward(s) affected:

St. Michael’s

Title:

Supporting Coventry Market and its Traders

Is this a key decision?

No

Executive summary:

This report sets out recommendations to:

- provide rent relief to Coventry Market traders; and
- continue to provide Business Rates relief for Coventry Market traders.

In addition to the above, it also provides information regarding the pursuit of options for longer term improvements to the Market along with details of two petitions for consideration that have been received in relation to Coventry Market.

Coventry City Council took back ownership of the Market in November 2024 from the previous owners, Royal London. This means the Council is now in a position where it is in control of the Market and is able to look at options for support and investment. Going forwards, the Market and its traders will massively benefit from the £450m investment into the adjacent City Centre South scheme and the thousands of new residents that will live next door. In the short term, however, whilst the scheme is being built and the areas surrounding the Market need to be hoarded off for health and safety reasons, the Council has considered the impact to the trading environment for the Market and this report contains proposals to seek to address this.

Recommendations:

The Cabinet Member for Jobs, Regeneration and Climate Change is recommended to:

- 1) Consider and note the two petitions as detailed in paragraph 2 of this report, together with any comments raised at the meeting.
- 2) Approve the proposal to provide rent relief to Coventry Market Traders who satisfy the criteria set out in section 3.2.3 of this report to be funded from existing resources.
- 3) Note that the Business Rates relief for applicable Coventry Market traders provided by way of discretion under section 69 of the Localism Act 2011 will be extended to also cover the 2026/27 and 2027/28 calendar year.
- 4) Note that Officers will be exploring options to secure funding to improve the external façade of Coventry Market and any subsequent decision will be the subject of separate Governance approvals as required.
- 5) Note that Officers will be working with specialists and key stakeholders to look at options for long term improvement to Coventry Market to ensure it has a financially viable future and any subsequent decision making will be the subject of separate Governance approvals as required.
- 6) Delegate authority to the Director of Property Services and Development, following consultation with the Director of Law and Governance, the Director of Finance and Resources and the Cabinet Member for Jobs, Regeneration and Climate Change to take all necessary, incidental or ancillary steps for the carrying into effect any of the recommendations set out in this report including but not limited to the authority to make necessary variations to the criteria set out in section 3.2.3 of this report.

List of Appendices included:

N/A

Background papers:

N/A

Other useful documents

N/A

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?

No

Report Title: Supporting Coventry Market and its Traders

1. Context (or background)

- 1.1 Coventry Market is a hugely important asset which has been serving Coventry's communities since the 1950s. The Market sells a huge variety of goods and services and is a key footfall generator for the city centre. The Market has more than 150 stalls located on its ground floor and, as a reflection of previous shopping habits, these stalls sell a huge variety of different products. This includes fresh food, hot food and drinks, food from around the world, beauty and hospitality services, bric-a-brac, household goods, ironmongery and many other goods and services. However, similar to the retail sector and "High Streets" generally, the Market has been struggling for many years in terms of vacancy levels, the trading environment and financial performance (the Market currently operates at a loss to the Council of c.£80k per year).
- 1.2 The Market is located on Rover Road and is adjacent to the Council's flagship regeneration scheme for the city, City Centre South (CCS), where £450m of public and private investment is transforming the city centre and delivering over 1,500 new homes, new business and job opportunities and high quality landscaped public spaces and streets. The Council has been working for a number of years to seek to ensure that any negative impacts arising from the scheme on the Market are minimised and that the Market can benefit from the investment and new residents who will live within the surrounding area.
- 1.3 There are two key elements to highlight from this ongoing prioritisation of the Market. Firstly, a key focus of the negotiations by Council officers with the CCS developer when the scheme was being designed was to ensure that the impact on the Market and traders was minimised as far as possible. This included securing that the Market could remain open and trading during the demolition works, construction and delivery of the scheme; that appropriate servicing arrangements were put in place so that the traders could continue to service their businesses without major disruption; and to ensure that any negative impacts from the hoardings were minimised wherever possible.
- 1.4 Furthermore, as part of the preparatory work for CCS, the Council put a huge amount of energy into negotiating with the previous owners of the Market, Royal London, to take the ownership of the Market back from them to put the Council in a stronger place to be able to secure investment to deliver longer term improvements for the Market and its traders. The Council took ownership back of the Market in November 2024 (before then the Council only managed it on behalf of the owners Royal London). The arrangements during the period when Royal London owned it and the Council managed it meant that neither party was incentivised to invest in improving the Market so capital spend has been minimal for many years. This has meant that the building has deteriorated and there has been no investment planning aligned with a forward looking management strategy to make the Market relevant for 21st century retail needs. There is now an opportunity to change that.
- 1.5 Whilst options for longer term improvement are worked up for consideration, there is a more immediate challenge. The delivery of the CCS scheme requires a significant part

of the city centre to be hoarded off whilst demolition and construction occurs. This is necessary to ensure the safety of the public and the contractors working on the site. The hoardings are necessarily located very close to the Market and its entrances and the Council recognises that this may be having an impact on footfall and the trading environment for the stallholders. It is for these reasons that a proportionate and time limited level of financial support (via rent and Business Rates relief) for the traders is being proposed.

2. Petitions

2.1 Two petitions have also been received in relation to Coventry Market.

2.2 The first petition bears a total of 723 signatures and reads:-

“Coventry Market – Improve Access after Disruptions Following Redevelopment”.

The petition requests:-

- i) Changes to the hoarding and construction barriers in place for the City Centre South development; and
- ii) If no changes are possible then a suspension or lessening of rents

The second petition bears a total of 549 signatures and reads:-

“Support the Coventry Market Traders. The iconic round market is open but due to building work around it, people think it's closed or cannot find it. Please support them by visiting and shopping for all kinds of everything”.

2.4 The petition organisers together with the petition sponsors, Councillors Bailey and Blundell, have been invited to attend the meeting to present their petitions.

3. **Options considered and recommended proposal**

3.1 Option 1. To not provide any additional financial support for the Market traders, beyond the support already being provided, and only continue to provide communications and marketing support (not recommended)

3.1.1 As set out in paras 1.3 and 1.4 above, ensuring that the Market can operate and trade through the delivery of the CCS scheme has been a key priority for the Council for a number of years. It is also important to recognise that the Council has been working with representatives of the Market Traders Committee since the early Summer to discuss and agree ways of supporting the Market now that the CCS scheme is on site and demolition occurring. This dialogue has resulted in a range of initiatives to support traders and footfall:

- Business rates relief for all applicable traders for 2025/26
- Improvements to the hoardings and signage promoting the Market
- Ongoing dialogue about optimising management and lettings arrangements
- Drop in sessions with the City Centre South developer to set out scheme timings, benefits and mitigation measures
- Initiation of a communications and marketing campaign to promote the market

3.1.2 The main construction works that will directly impact the area adjacent to Coventry Market (the delivery of 115 new homes and new, landscaped public spaces) are targeted to be completed by mid 2028. From that point onwards, access to the market will be simpler, a greatly enhanced servicing route will be open and the impact of the works will have substantially receded. However, whilst it is recognised that the CCS scheme will undoubtedly bring a range of significant benefits to the Market traders in due course, in the short term there is a need to provide additional support whilst the most impactful construction activities (including changes to servicing and unloading) are happening and, therefore, the option to not provide any additional support is not recommended.

3.2 Option 2. Provide additional financial support and approve the recommendations that are the subject of this report (recommended)

3.2.1 Recognising the direct impact of the CCS works on the trading environment of the Market, it is proposed that the following form of financial support is provided to Market traders:

3.2.2 Rent relief (including Service Charge)

3.2.3 The Rent relief will be effected by providing traders with the equivalent of two quarter's rent concession during the 2026 calendar year and one quarter's rent concession during the 2027 calendar year. This offer would only initially be made available to those traders who are not in an arrears position and it will be effected through a pro rata reduction in traders' rental payments. It should also be noted that delegated authority (see recommendation 6) is being sought which allows for variations to the criteria set out in this section of the report to be made.

3.2.4 Business Rates relief

3.2.5 Those traders who are liable for Business Rates are currently benefitting from Business Rates relief for 2025/26. It is proposed that this continues for 2026/27 and 2027/28.

3.3 Further support

3.3.1 As well as the support identified above, the Council will continue to engage in dialogue with the Market traders and provide a broad range of communications and marketing support.

3.3.2 The Council is also going to work with the West Midlands Combined Authority (WMCA) who have recently appointed an organisation called "Good 2 Great" through its Market Boost programme to provide business support to Market traders and, from January 2026, we will be linking this organisation up with a number of traders to provide this support.

3.4 Longer term improvements

3.4.1 It is important to recognise the significant benefits the CCS scheme will bring to the city and the Market traders. This scheme will realise £450m of investment in the city centre, create high quality, landscaped public spaces next to the Market, provide opportunities for new jobs and businesses and also provide much needed affordable homes. It will also result in thousands of new residents living next door to the Market and there is an opportunity for the Market to become the main amenity, retail and leisure offer for these new residents. The CCS scheme will also significantly improve the servicing arrangements for the Market traders through the provision of a new, covered service yard. The operating environment for the traders will also be greatly enhanced as it will no longer be hidden away behind shops and within poor quality service yards and will instead sit within a new landscaped environment. This provides the context to look at longer term opportunities for investment into the Market and Officers will explore options for funding for these improvements and opportunities to help create a sustainable future for the Market and its traders.

3.4.2 This work will include exploring options for improving the external façade of the Market. The current façade has deteriorated significantly over many decades, looks tired and doesn't offer an inviting welcome and "front door" for the Market. The Council is proposing to work with key stakeholders, including the CCS developer and Market traders, to identify improvements (such as windows, doors, external lighting, shutters, signage, paintwork etc) for the façade and sources of funding for the work (recognising that the Market is a Grade 2 listed structure). The improvements to the façade are also given greater emphasis by the fact that by mid 2028 the Market will be "opened up" and will sit within fantastic new public realm and next to high quality new homes. Without improvements to the façade, the contrast between old and new will be telling.

3.4.3 Improvements to the external appearance of the Market is only one, albeit necessary, step in helping to create a sustainable trading environment for the traders and a sustainable financial position for the Council. Identifying the longer term "offer" and focus for the Market needs to be a priority and the Council will be working with specialists in the Market sector to identify options and business cases for change and investment in the Market. This work will also be undertaken with the involvement of key stakeholders which will include the CCS developer and Market traders. As options are developed, there will be reports back to Members through Governance approval processes.

4. Results of consultation undertaken

- 4.1** The Council has engaged with representatives of the Market Traders Committee regarding forms of support available for the traders, how impacts of the CCS scheme can be mitigated and timescales for the opening of the new development.

5. Timetable for implementing this decision

- 5.1 If the proposals that are the subject of this report are accepted then it is anticipated that the rent reduction will commence from March 2026 (to coincide with billing dates) and the Business Rates reduction will continue from April 2026.
- 5.2 Timescales for any future decision making regarding capital investment into the Market are unknown at this stage.

6. Comments from Director of Finance and Resources and Director of Law and Governance

6.1 Financial Implications

As set out in para 3.2.3 above, the proposal is for the equivalent of two quarter's rent relief during 2026 and one quarter's rent relief during 2027 for those market traders not in significant arrears. The rent relief will take the form of a pro rata rent reduction across rent payments during these two calendar years.

The maximum financial impact is anticipated to be £573,000 including Business Rates relief, this will be partly managed through the Corporate Collection Fund for Business Rates and the balance managed within the existing resources held within the Commercial Property budgets.

6.2 Legal Implications

Section 1 of the Localism Act 2011 provides a general power of competence for local authorities. It gives local authorities the same power to act that an individual generally has, provided it is not prohibited by other legislation.

The Subsidy Control Act 2022 is applicable from 4 January 2023. All public authorities must have regard to the Act and Business Rate and Rent Relief like other subsidy or support measures may be subject to these conditions.

Legal Services will work with the relevant officers to ensure that the manner in which the rent and business rates relief is implemented accords and complies with all applicable legal legislation and guidance.

The rent and Business Rates relief is intended to apply to all groups that qualify for such relief equally regardless of the individuals they represent and in particular any protected characteristics such individuals may have. Therefore, it is not anticipated that there will be any impact on such individuals for the purposes of the Equality Act 2010

7. Other implications

7.1 How will this contribute to the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

This proposal is a necessary step to support SME businesses operating in the Market which supports the One Coventry Plan objective “Improving the economic prosperity of the city and region”.

7.2 How is risk being managed?

To protect the Council’s position as a robust and fair landlord, the Council will only be providing rent relief to those traders who are not in a significant arrears position and the rent reduction will be phased over the calendar year.

7.3 What is the impact on the organisation?

The main impact will be on the budget position of the Property and Development service area as the loss of income will create pressure on the service’s budget.

7.4 Equalities / EIA?

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

An Equality Impact Assessment (EIA) has been considered. As the proposal relates to a standardised approach for rent and business rates relief for traders operating within Coventry Market, officers are of the view that the recommendations in this report will not have a negative effect. Further EIAs will be considered if and when further investment plans for the Market are brought forward for consideration.

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

N/A at this stage. If there were to be demolition in future it will be managed in accordance with the Council’s environmental management policies.

7.6 Implications for partner organisations?

N/A.

Report author:

Name: Adam Hunt

Title: Strategic Lead – Property and Development

Service Area:

Property and Development

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Enquiries should be directed to the above person

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Suzanne Bennett	Governance Services Officer	Law and Governance	28/11/25	28/11/25
Barrie Strain	Head of Revenues and Benefits	Finance and Resources	28/11/25	03/12/25
Names of approvers for submission: (officers and members)				
Finance: Helen Williamson	Finance Manager	Finance and Resources	28/11/25	03/12/25
Legal: Oluremi Aremu	Head of Legal Services and Procurement	Law and Governance	28/11/25	03/12/25
Director: Richard Moon	Director of Property Services and Development	Property and Development	28/11/25	03/12/25
Members: Cllr J O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change	-	03/12/25	08/12/25

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A separate report is submitted in the private part of the agenda in respect of this item, as it contains information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972 as amended. 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 Member for Jobs, Regeneration and Climate Change

18 December 2025

Name of Cabinet Member:

Cabinet Member for Jobs, Regeneration and Climate Change - Councillor J O'Boyle

Director Approving Submission of the report:

Director of Property Services and Development

Ward(s) affected:

Westwood

Title:

Mercia Business Centre, Westwood Way Westwood Business Park, Coventry – Lease Regear. (Surrender and Re-grant)

Executive Summary:

This report brings commercial terms to the Cabinet Member for consideration, requesting approval to the surrender of the current leases on Mercia Business Centre and to the simultaneous regrant of a new long lease. This would facilitate the demolition of the existing buildings to be replaced with purpose-built student accommodation and ancillary commercial accommodation. The student accommodation scheme was approved at Planning Committee on 31 July 2025 and is subject to completion of a Section 106 agreement.

Westwood Business Park is evolving into a student accommodation hub on the north side of Westwood Way, where Mercia Business Centre is located, bringing economic opportunities for the City and delivering financial returns to help support the delivery of services to Coventry residents.

Purpose-built student accommodation supports the University of Warwick as a leading place of learning and research in the UK, providing businesses an opportunity to recruit their future skilled workforce and help strengthen the economy of the city.

The proposed scheme for Mercia Business Centre involves the Council and the developer entering into an Agreement for Lease which will be conditional on the developer 1) securing an acceptable planning permission for the proposed development, 2) entering into a building contract and 3) acquiring the interests of the existing occupational leasehold interests.

This report sets out the options considered by the Council and the proposed recommendations needed to facilitate the delivery of the new student accommodation and ancillary ground floor commercial development.

Recommendations:

The Cabinet Member for Jobs, Regeneration and Climate Change is recommended, subject to the consideration of the additional confidential information contained in the corresponding private report to:

1. Approve the surrender of the existing leases across the former Mercia Business Centre site at Westwood Business Park.
2. Approve the simultaneous grant of new 153-year lease(s) to Skybridge Property Limited or their nominated investment fund or investor, to facilitate the development of up to 1,006 bed Purpose-built student accommodation scheme with a new ground rent.
3. Delegate authority to the Director of Property Services and Development, following consultation with the Director of Finance and Resources, the Director of Law and Governance and the Cabinet Member for Jobs, Regeneration and Climate Change, to negotiate and finalise the terms of the grant of the new lease(s), to undertake the necessary due diligence, complete all necessary legal documentation to facilitate the completion of the transaction and to take all necessary, incidental or ancillary steps for the carrying into effect any of the recommendations set out in this report.

List of Appendices included:

Appendix 1 - Proposed Site plan

Other useful background papers:

[Planning Documents and Committee Report of 31 July 2025](#)

[Planning Committee Minutes of 31 July 2025](#)

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

1. Context (or background)

- 1.1 The subject property is a collection of two-storey office buildings comprising 23 units with associated parking built in the late 1980/early 1990's, located on Torwood Close on the northern side of Westwood Way. It has been occupied by a variety of businesses and has been let on mainly short term occupational tenancies, three of which are partially occupied and nine vacant units (approx. 40% of the property).
- 1.2 The site, which extends to approximately 2.89 acres (1.17 Ha) is subject to seven headleases granted for a term of 125 years from 22 November 1988 expiring on the 21 November 2113. A capital premium payment was received by the Council when granting the original leases hence the current rent passing is a peppercorn. The leases currently restrict the use of each demise to offices. The developer, Skybridge Property Mercia Limited (SPML) is acquiring the headleases from the long leaseholders.
- 1.3 SPML are proposing to construct a purpose-built student housing development of up to 1,006 beds with ground floor commercial. They have agreed to acquire the headleases from Mercia Business Village (Coventry Ltd), which have an unexpired term of 88 years.
- 1.4 SPML are seeking a new 153-year lease (which allows the proposed development on the land outlined in red in Appendix 1). The new lease is to include of a piece of amenity land currently accommodating trees and shrubs on the corner of Westwood Way and Torwood Close (shown hatched red on the plan). The amenity land is owned by the Council and is also part of the adopted highway.
- 1.5 SPML intend to forward sell the completed development to an investor or investment fund. As such the Council may be asked to grant the lease in the name of the fund or investor. If the funder requires the demise to be split across two separate leases rather than a single lease, officers will review the arrangement to ensure it continues to meet the Council's requirements, and its position remains fully protected.
- 1.6 The Council has been professionally advised by independent property consultants Avison Young in the commercial negotiations around the terms of the new lease to ensure 'best consideration' is obtained.
- 1.7 The Business Park has already seen other sites on the estate redeveloped for high quality student housing and the advice provided by Avison Young is that due to the changing nature of the way offices are occupied, the demand for older second-hand office space, such as that at Westwood Business Park, is low and does not show signs of improvement. Therefore, finding suitable alternative uses for the land which can support the continued growth and improved experience of students attending the University of Warwick, is important for effective land use and economic growth for the city.

A resolution to grant planning permission is in place under application no. PL/2025/0000722/FULM.

2. Options considered and Recommended Proposal

Option 1 – Proceed with the grant of a new lease (Recommended)

- 2.1 To accept the surrender of the existing leases with Mercia Business Village (Coventry) Ltd (current leaseholder) and grant a new 153-year lease to Skybridge Property Ltd or their nominated investment fund or investor (new leaseholder).
- 2.2 To include in the demise the amenity land on the corner of Westwood Way and Torwood Close.
- 2.3 The new lease is to be granted on the basis of a new annual ground rent. The new annual ground rent and terms of the lease including rent review are outlined in the private version of this report.

Option - 2 Not to proceed with the redevelopment (Not recommended)

- 2.4 To not accept the surrender and regrant of a new lease will mean that the current property owners will have to continue to try and let the vacant offices.
- 2.5 The Council would not benefit from any income from the site until the lease ends in 2113.
- 2.6 It is anticipated that the current occupational tenants that have already made plans to move will be disrupted further. With the limited demand for offices in the area, it is expected the leaseholder would seek to renegotiate the existing lease terms with the Council to allow alternative uses.
- 2.7 Accordingly, it is recommended that the property transactions outlined in Option 1 are approved.

3. Results of consultation undertaken

Public consultation was undertaken on the Planning Application ([ref: PL/2025/0000722/FULM](#)).

4. Timetable for implementing this decision

- 4.1 Subject to the approval of the recommendations contained in this report, it is advised that the lease agreements are in a form which can be completed and are ready for signature. The agreement for lease would be conditional on 1) the developer securing planning consent and 2) entering into the building contract for the delivery of the works, and 3) securing vacant possession of the premises.
- 4.2 Having secured a resolution to grant planning permission at Planning Committee on 31 July 2025, the developer is seeking to commence development as soon as possible to try and deliver the development to be ready for students to occupy the building at the start of the 2029 academic year or latest by 2030. To achieve this, the developer is looking to complete agreements as soon as possible. If this timescale is not achieved, then a delay of a further 12 months would be incurred which will mean that the improved income for the Council is also delayed by a year.

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1 Financial implications

- 5.1.1 The Commercial Property Team will ensure that the correct income will be received from the developer to the Council in line with agreed timescale at various stages.
- 5.1.2 The rent deposit held by the Council as security can only be released when the Commercial Property Team are satisfied that agreed financial measures are met by the tenant.
- 5.1.3 The Commercial Property Team will ensure that a rent review is carried out in line with the agreement.

5.2 Legal implications

- 5.2.1 The Council is under an obligation to obtain the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972 in respect of disposals of interest of land/property.
- 5.2.2 Officers have sought independent valuation advice to ensure this transaction meets the Council's statutory duty referred to in 5.2.1.
- 5.2.3 Officers within the Legal Services will complete the necessary legal documentation effecting the surrender of the existing leasehold interest and the simultaneous grant of a long leasehold interest and will collect the agreed payments upon completion.

6. Other implications

6.1 How will this contribute to achievement of the One Coventry Plan?

Facilitating the redevelopment of the property will support the economic development of the City delivering and enabling the One Coventry Plan priorities of 'Improving the economic prosperity of the city and regions and 'Continued financial sustainability of the Council' creating additional long term revenue which can be allocated to support the delivery of Council services into the future.

6.2 How is risk being managed?

- 6.2.1 The risks around the delivery of the development are mitigated with the developer already having secured a resolution to grant planning consent for the scheme.
- 6.2.2 The Council having secured three years rent in advance provides income at the start of the lease as detailed in the private version of the report.
- 6.2.3 A rent deposit following completion of the development and to be topped up if ever drawn down, will provide another layer of protection to the Council and released upon the Tenant satisfying agreed financial criteria. This will be monitored by the Property Team.

- 6.2.4 The long stop date is a deadline for the developer to complete the project in time.
- 6.2.5 The tenant is also asked to keep the Council informed of the project milestones so that risks can be identified early and managed in time.

6.3 What is the impact on the organisation?

- 6.3.1 The impact to the organisation will include increased commercial income generated by the land.
- 6.3.2 Work will be required by both the Property and Development Team in negotiating the detail of the disposal with the purchaser and officers within Legal Services who will prepare and complete the necessary legal documentation and collect the payment of the agreed up-front monies.

6.4 Equality Impact Assessment (EIA)

- 6.4.1 An Equality Impact Assessment has not been undertaken as the proposal concerns the disposal of land for redevelopment, and no Council service or group will be impacted.

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

The newly completed development will deliver an environmentally more efficient building helping the city de-carbonise by reducing its energy consumption.

6.6 Implications for partner organisations?

There are no implications for any partner organisations.

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Helen Williamson	Finance Manager	Finance and Resources	27 November 2025	28 November 2025
Adam Hunt	Strategic Lead Property & Development	Property and Development Services	28 November 2025	1 December 2025
Suzanne Bennett	Governance Services Co-ordinator	Law and Governance	3 December 2025	3 December, 2025
Names of approvers for submission: (officers and members)				
Richard Moon	Director of Property Services and Development	Property and Development Services	28 November	3 December 2025
Cllr J O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change		3 December 2025	8 December 2025

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Appendix 1



Agenda Item 9

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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