



Public report Cabinet Report

Cabinet
Council

18th June 2013
25th June 2013

Name of Cabinet Member:

Cabinet Member (Business, Enterprise and Employment) – Councillor Kelly

Director Approving Submission of the report:

Director of City Services & Development

Ward(s) affected:

All wards are affected, St. Michaels particularly.

Title:

Starting the Friargate Business District to Regenerate the City, Transform the Council and Deliver Savings

Is this a key decision?

Yes

This Project will affect St Michael's ward particularly as it covers the City Centre, but will also impact on other wards through the proposed rationalisation of buildings and the whole of the City in regeneration and economic terms. In addition to this, the decision involves expenditure in excess of £1m and delivers revenue savings of £0.5m per annum.

Executive Summary:

Stimulating new jobs and the local economy by the Council starting the development of a new office based business district at Friargate, next to Coventry Railway Station which has the potential to generate 13,400 permanent jobs over the next 10-15 years is the subject of this report. The Council is proposing to be the first occupier at Friargate giving confidence to others to locate there. This report needs to be read in conjunction with the 'Friargate Bridge' report elsewhere on your agenda which deals with the construction of essential infrastructure at Friargate. By investing in a new building at Friargate, it will allow the Council to transform the way it delivers services to the public and make savings as part of a package of changes which comprise in full:

- a) the construction of a new, Council-owned office building as the first building within the Friargate development
- b) investment in the creation of a new Customer Services Centre in Broadgate
- c) Investment in the Council House as the Civic and Democratic Centre
- d) Investment in a number of other suburban office buildings to support locality based service delivery
- e) The introduction of agile and flexible working arrangements for Council staff to drive productivity and efficiency gains
- f) the rationalisation of the Council's operational office buildings from 27 to 9
- g) the construction of the Friargate Bridge (subject to a separate report on the agenda)

This is a once in a generation opportunity to stimulate a more successful City, by starting the Friargate scheme as a source of jobs, rates and growth. It will give confidence for others to follow and invest as well as encouraging the development of the City Centre South retail scheme. It comes at a time when the City's economy needs stimulating and the Council needs a new approach to meet budgetary and service delivery pressure arising from reduced Central Government resources. The Project will generate ongoing revenue savings and will allow the Council to transform the way it delivers services to the citizens of Coventry.

A dedicated Customer Services Centre will provide huge improvements to the citizens of Coventry in accessing council services. A 'one stop shop' of Council services will avoid the need for customers having to visit different council offices, improving both the customer journey and experience. Furthermore, in the modelling of the customer service centre consideration will be given to how other agencies can work alongside the council providing services in a more integrated way.

It also provides the Council with a future estate that is more energy, carbon and space efficient, and freer from backlog and statutory maintenance requirements, which will permit more agile and flexible use of space and working practices.

To maximise inward investment and job creation potential of Friargate it is essential that the railway station area is fully connected to the City Centre. To address the barrier created by the Ring Road it is proposed to remove the roundabout at Junction 6 and to build a bridge deck across the Ring Road (the 'Friargate Bridge'). This is the subject of a separate Cabinet/Council report on your agenda today. The Friargate Bridge will be funded through the Regional Growth Fund allocation of £12.7m.

Recommendations:

Cabinet to recommend to Council that it:

1. Commits to the wider Friargate development using the Project detailed in this report as a catalyst for jobs, growth and additional rates income.
2. Approves the overall affordability strategy for the Project as set out in this report.
3. Approves the rationalisation and changes to the Council's existing operational estate and its ongoing use, including the creation of a new Customer Services Centre within Broadgate House and the Civic and Democratic Centre in the Council House and the subsequent disposal of assets released.
4. Authorises officers to procure the required contracts and make necessary arrangements to achieve the Council office at Friargate, the Customer Services Centre at Broadgate, the Civic and Democratic alterations to the Council House and to the four suburban hubs, associated ICT infrastructure, project management and decommissioning arrangements at the total estimated capital cost of £59m.
5. Approves the addition of this scheme to the Council's capital programme for 2013/14 onwards and uses its prudential borrowing powers under the Local Government Act 2003 to finance the capital costs of the Project up to £59m.
6. Authorises the Council's section 151 officer to complete a submission to the Coventry and Warwickshire Local Enterprise Partnership and subject to LEP Board approval, onwards to HM Treasury, requesting that the Project benefits from an estimated £31m of prudential borrowing at preferential rates available from HM Treasury.

7. Approves that the capital receipts generated from the disposal of the resulting redundant operational estate be ring-fenced to finance the Project and request officers to prepare a disposal strategy for those assets.
8. Approves £1.7m of the City Deal monies/reserves already budgeted for in the Council's medium term financial strategy are utilised to finance project management costs within the overall approval of project costs in 4 above.
9. Approves project management and design costs of £1.4m that will be incurred at risk up until January/February 2014 when contracts are planned for signature.
10. Uses the recently established Cabinet Advisory Panel (Regeneration and Infrastructure) to provide political guidance and support to the operational aspects of the wider programme, including agreeing the scope and general remit of the programme delivery team as per the proposed governance arrangements in **Appendix 1**.
11. Authorises the Assistant Director – City Centre & Development to negotiate with an incoming second occupier to establish a national HQ, within the Friargate development based on the principles set out in this report and to receive a further Cabinet report at a later date with the details of the arrangement for consideration.
12. Delegates authority to the Director of City Services and Development and the Director of Finance and Legal Services, in consultation with the Leader, Cabinet Member (Business Enterprise & Employment) and Cabinet Member (Strategic Finance and Resources), to award contracts to achieve the Project within the affordability parameters detailed in this report.
13. Delegates authority for any other detailed legal and financial matters to the Director of City Services and Development and the Director of Finance and Legal Services, in consultation with the Leader, Cabinet Member (Business Enterprise & Employment), Cabinet Member (Strategic Finance and Resources) and Cabinet Advisory Panel.

Council is recommended to approve recommendations 1 – 13 made by Cabinet.

List of Appendices included:

- Appendix 1 – Proposed Governance Structure
- Appendix 2 – Coventry Profile 2013 – Centre for Cities
- Appendix 3 – List of existing office assets
- Appendix 4 – List of assets retained
- Appendix 5 – CGI of completed Friargate scheme

Other useful background papers:

- Collaboration Agreement approved by Cabinet on 8th February 2011
- Planning Committee – July 21st 2011, and planning application and decision notice
OUT/2011/0036 on Coventry City Council Planning Portal
- Centre for Cities: Private sector cities, a new geography of opportunity, 2010
- Centre for Cities: Driving growth; supporting business innovation in Coventry and Warwickshire, 2013
- CACI: Retail footprint 2011

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?

Yes

25th June 2013

Report title: Starting the Friargate Business District to Regenerate the City, Transform the Council and Deliver Savings

1. Context (or background)

Coventry's Economy

- 1.1 Coventry has great potential for growth with two global universities, an unrivalled location, exceptional motorway, rail and air transport infrastructure and a talent pool for employers to recruit from, yet Coventry's economy is underperforming by nearly £1billion per annum and its City Centre performs poorly compared to other cities, being 47th in the UK list of shopping Centres, despite being the 13th largest City. As the gateway to the Coventry and Warwickshire regional economy the City Centre is not pulling its weight. There is headroom for growth and the City and its City Centre need an economic stimulus to reverse this decline.
- 1.2 The Centre for Cities, an independent urban research organisation, classified cities in 2010 as buoyant, stable or struggling. Whilst Coventry's economy was classified as 'stable' they did indicate that it was close to being classified as 'struggling', and indicated that 11,900 jobs would be needed to bring the City's employment average up to the UK average. Compared to 63 other UK Cities, Coventry was performing less well across a number of economic indicators including business start-ups, business stock and economic activity per head, skills, employment, earnings and house prices. Coventry's economy has less private sector jobs and more public sector jobs when compared to other cities. The full suite of indicators is attached as **Appendix 2**.
- 1.3 Whilst there are indications that Coventry has been weathering the recession well and some parts of the local economy are growing, there is a lack of suitable built or readily available business premises to accommodate this growth. It is for this reason that Centre for Cities have recently recommended that the Council and the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) continue to prioritise funding for improvements to Coventry City Centre as it is the gateway to the region and acts as a hub for businesses.
- 1.4 Friargate has the potential to radically change the City Centre and the Coventry and Warwickshire economy, by creating a new office based business district next to the railway station that could create permanent and temporary jobs that will boost the local economy and strengthen the catchment area for the City Centre South shopping scheme. Whilst the scheme has outline planning permission it lacks an anchor office that signals confidence in the Project and provides the impetus to regenerate this area through redevelopment, making it more accessible and integrating it with the City Centre through public realm improvements including the Friargate Bridge.

What is Friargate and what is its potential

- 1.5 'Friargate' is the name given to the redevelopment scheme located on approximately 37 acres of land next to Coventry Railway Station. When completed the mixed use scheme of 300,000m² will provide a new business district for the City of which 185,000m² will comprise high quality office accommodation. There will, in addition, be provision for ancillary retail, hotel and leisure uses along with residential uses.
- 1.6 Friargate has the potential to be an engine of economic growth, job creation and physical regeneration of Coventry over the next 10-15 years re-emphasising the importance of the City Centre to the regional economy. It has the potential over this period to generate:
 - 13,400 permanent jobs and
 - 7,800 temporary construction jobs,

- Grow the local economy by £1.1 billion per annum
- Change the welcome to the City at the Railway Station through public realm and access improvements through the Friargate Bridge and public boulevard route and
- Boost the catchment spend potential of the City Centre South retail and leisure offer, and
- Grow business rates that the Council will be able to retain by £11m per annum when fully developed and
- Be a low carbon exemplar development

1.7 Outline planning permission for the Friargate masterplan was granted on 21st July 2011. The success of the wider Friargate development as part of the City Centre's regeneration depends on integrating the Friargate site with the City Centre. To achieve this it is essential to overcome the visual and physical barrier posed by junction 6 of the ring road. It is proposed to achieve this by creating a 'green bridge deck' the "Friargate Bridge" over the Ring Road extending Greyfriars Green to the edge of the site and removing the roundabout and associated slip roads and structures. Warwick Road will be returned to its pre ring road alignment and a more simplified junction will be created allowing all vehicle movements except a right turn from Warwick Road in-bound onto the Ring Road, for which alternative arrangements will be made. Improved access to the railway station is also required. These works are integral to the Friargate project and proposed to be largely funded by Regional Growth Fund monies. The Council undertaking these works requires the Friargate developer to build a pedestrian boulevard route from the front of the railway station to the ring road, completing a high quality link from the station to the City Centre. This will transform the environment of this part of the City Centre in accordance with the Collaboration Agreement agreed with the developer to bring the site forward for development and approved by Cabinet on 8th February 2011. The construction and funding of the Friargate Bridge forms the subject of a separate report on your agenda today.

Stimulating the development of Friargate

- 1.8 The remainder of this report concerns a proposal that the Council construct and occupy the first building on the site to kick-start its physical development, demonstrate the City's confidence in its potential and anchor the Friargate development for other occupiers and investors to follow. It also seeks authority to negotiate with a national organisation to move its UK headquarters to the site, which would incorporate both its current local operations together with additional staff from elsewhere in the UK. This move would also create additional floorspace to let speculatively.
- 1.9 Securing the infrastructure funding for the Friargate Bridge to integrate the Friargate development into the City Centre is the first stimulus for its redevelopment. Securing its first significant occupier is the next major stimulus as it demonstrates real confidence in the development's potential as a business location, and paves the way for real activity on the site in terms of demolition of existing buildings and construction of new. In short, it sets the tone of expectation for the rest of the development and demonstrates that Friargate and Coventry is open for business.
- 1.10 The problem every new development faces is securing its first significant occupier, this is particularly so for Friargate as it tries to build an office based mixed use commercial district that Coventry has never had. Other occupiers and investors are cautious about making the first move partly because the concept is new for Coventry and partly because it is launching, five years into a difficult national economy which has taken its toll on the business, construction and development industry.

1.11 Discussions have been held between the Council, the developer and a potential occupier of a second building at Friargate, in the light that the Council may act as the anchor occupier at Friargate. The potential occupier has indicated strongly that they would follow the City Council to Friargate if the Council was to make the first move, but not otherwise. The occupier a national organisation and household name would establish its UK headquarters at Friargate relocating both local staff together with a mixture of some of its staff elsewhere in the UK and taking on new staff. The organisation would take c40,000 sq ft in a building of 80,000 sq ft meaning that there would be an additional c40,000 sq ft available for private renting.

Why would the City Council occupy a building and move some of its operations to Friargate?

1.12 The Council's resources are under significant pressure. Significant funding reductions from central government and policy changes are unprecedented. In the forthcoming comprehensive spending review, it is likely that local government will continue to bear further significant formula grant reductions. Delivering services in new ways and maximising the efficiency of staff, property assets and new technology are essential to managing the financial impact in order to protect the most vulnerable in the City.

1.13 As the Council shrinks, the state of our property estate and the way that we use it holds the Council back from major change because it is inflexible in use. The proposal you are being asked to consider will generate ongoing revenue savings and can be considered to be an 'invest to save' proposal.

1.14 At the same time as this pressure on resources, the Government is giving local authorities greater freedom to generate its own resources through business rates retention. Under business rate reforms, the Council is able to retain half of any new business rates growth which will be used to fund essential services. Friargate has the potential to generate £11m per annum of new business rates that the Council will be able to retain when it is fully developed in 10-15 years' time. It is an opportune time to use the Council's borrowing powers and assets to kick-start the Friargate scheme, to drive business rate growth, jobs and the regeneration of the City.

1.15 The proposal that is being recommended to you requires the Council to:

- Stop investing in most of the existing office estate and sell residual buildings
- Close 18 buildings, when a replacement is ready
- Invest in a single replacement building at Friargate for all business activity except customer facing, civic and democratic activities
- Focus all face to face customer activity in one City Centre location in the shopping Centre at Broadgate House - this would also ensure that footfall would continue to remain in and around the shopping centre
- Focus civic and democratic activity at the Council House
- Support area based service delivery through four suburban hubs
- Introduce agile working to maximise the investment in a new building and technology
- Reduce duplication of activity because of a more focussed approach to service delivery and smaller estate through an efficiency headcount reduction of 70 posts

1.16 This proposal will have the following benefits:

- Annual revenue savings of at least £0.5m per annum after paying for borrowing costs
- The creation of 1,000 temporary construction jobs
- A better customer experience for residents of Coventry
- A better civic use of the Council House
- A carbon and energy efficient building
- A green travel plan for employees based in the office buildings

- The extension of heatline to Friargate
- It will kick-start the wider Friargate redevelopment and create economic growth and regeneration for the City of Coventry, including business rate growth

Doing nothing is not an option

- 1.17 The proposal being recommended to you is bold. It is also a leap of faith in the ability of the City to transform its offer to businesses, grow the local economy and jobs, changing the way we work and the welcome Coventry gives to visitors to the City. It will maximise the use of our property, people, technology and financial assets for the benefit of the City and the Council alike. It will send a clear message that Coventry is a place of choice for people to invest, live, and work.
- 1.18 Doing nothing is not an option, it will not grow the City or its economy. It will limit the ability to make major changes to the way the Council operates and it will require future capital investment for the upkeep of an office estate that will continue to remain inflexible, underutilised and carbon poor.

2. Options considered and recommended proposal

- 2.1 In 2010 officers conducted a high level options review of the office buildings used by the Council in the delivery of services. Only one option considered had the potential to link the Council's office requirements to wider regenerative benefit to the City, this has been worked up in more detail and is the 'Friargate' scheme which forms Option 2 of this report. It is compared to the Option 1 which is to continue to maintain the existing office based estate and investing in it over a comparable period of (44 years).
- 2.2 In completing the option appraisal we have looked at (a) the value for money of the options – which means modelling the cost of each option over a 44 year period including capital and revenue costs discounted back to compare the options at current prices (b) we have then assessed whether the option that represents value for money is affordable when compared with Council budgets.

Option 1 - Continue to maintain and use the existing office based estate

- 2.3 This option continues to utilise the 27 buildings currently used for a combination of public facing activity through 14 reception points, operational based accommodation for staff delivering services away from the buildings and supporting administration and process driven activities, often in the same building.
- 2.4 This option provides a poor customer experience for members of the public, often being passed from building to building particularly if they require multiple Council services which are housed in different buildings.
- 2.5 These buildings provide 53,700m² of accommodation for 2,960 staff on a one workplace / workstation per member of staff basis. 10 of these buildings are in the City Centre, 4 are edge of City Centre and the remainder (13) are in suburban locations. These buildings are listed in **Appendix 3**.
- 2.6 These buildings generate 4,700 tonnes of carbon from energy consumed, have a space allocation of 12m² per person, house nearly 700 cellular offices and hold an estimated 24,000 linear metres of paper filing. An office utilisation study in 2010 of 5 of our larger office buildings identified that workstation usage was 43% and meeting room utilisation 17%.

- 2.7 This estate has a repairs backlog, measured from condition surveys at £23m, primarily based on the need to replace elements of building fabric and renewal of services. The youngest building in the portfolio is 40 years old and the oldest over 100 years old.
- 2.8 To continue to run the existing estate over the next 44 years it has been assumed for the purpose of the appraisal that backlog maintenance is undertaken, lifecycle maintenance and refurbishment undertaken and expenditure made on furniture, fitting and equipment is made. This capital expenditure over the appraisal period amounts to a required capital investment of £63m. Option 1 has a whole life cost, which includes capital investment and running costs at current prices of £122m (excluding interest costs).

Option 2 - The Friargate based option

- 2.9 This option is based on a smaller estate of 9 buildings, 8 retained and one new building to be built at Friargate. Eight of the buildings including the new building at Friargate, will be used for operational support and administrative processes and organised in a hub and spoke configuration to support patch based and specialist service delivery. City Centre customer facing services will be delivered from a single point in Broadgate, a Customer Services Centre, accessed from the Upper Precinct walkway in Council owned property. Specific customer access will be retained in four suburban buildings supporting the activities conducted there. In all, public reception points will be reduced to 6. This will be coupled with work to reconfigure the ways that customers access Council services including the opportunities to utilise technology to encourage self-service where possible under the **abc** programme. Civic and democratic functions will continue to be delivered from the Council House, but customer facing activity in the Council House will move to the Broadgate Customer Services Centre. 18 buildings will be disposed and the capital receipts generated used to contribute to the financing of the project. Of the new estate 3 buildings are in the City Centre, three are on the edge of the City Centre and the remainder four are in suburban locations. These buildings are listed in Appendix 3. The business case assumes that Elm Bank 'one of the edge of centre' buildings is exited in year five. The Council also aims to work towards an exit of Southfields as the programme is implemented.
- 2.10 These buildings will provide an office estate going forward two thirds smaller than the current footprint at 18,350 m². The new building at Friargate will be 14,000 m² of this total. Staff will be able to work in an agile and flexible way according to the workstyle most suited to their job. This means that all staff will have access to a desk or a facility to access the Council's IT systems within Council buildings, but staff will not have a desk dedicated to their sole use. This proposal is more than a physical project and requires a programme of change in the way that the Council works and utilise space. It provides a platform for wider transformation change across the Council and the next stages of the **abc** programme.
- 2.11 This smaller estate will reduce the Council's carbon footprint from its office estate by a third to just over 3,000 tonnes, largely as a result of constructing the new building at Friargate to a BREEAM excellent status which is naturally ventilated and partly through heating it from the Heatline scheme which will be extended to the Friargate development as part of this proposal. Space allocation per person would be reduced to 8m² per person and on site paper storage and filing reduced by 87% to one linear metre per person. Archival filing will be held electronically as a design principle and will require digitisation of paper records through electronic document management (EDMS) as a major feature of this proposal. Off site and on site storage and filing will be very limited and avoided as a design principle.
- 2.12 The Friargate building will not contain any cellular offices. It will however be well equipped with meeting rooms and break out space for staff to conduct confidential discussions and meetings.

- 2.13 A 3% headcount efficiency of working from fewer buildings and the reduction in duplication of building based activity has been factored into the business case, meaning that the smaller estate will house 70 fewer staff. This efficiency saving is at the bottom end of efficiency savings achieved by peer authorities in similar circumstances and is only achievable by rationalising the operational estate fundamentally through Option 2. Option 2 also delivers significant reductions in property running costs and further details are provided in section 5.
- 2.14 This newer and smaller estate would require new investment in the new building together with investment in the Customer Services Centre and the Democratic Centre, lifecycle maintenance and refurbishment undertaken and expenditure made on furniture, fitting and equipment over its lifecycle. Option 2 will incur capital expenditure over the appraisal period of £59m. Option 2 has a whole life cost, which includes capital investment and running costs at current prices of £94m.
- 2.15 Option 2 – Friargate – is value for money and is the preferred financial option, because it has a £28m lower whole life cost (and lower overall capital cost) than Option 1.
- 2.16 The Council will use its borrowing powers to finance the Project and deliver Option 2. The Council will make significant savings on day to day property and other running costs which will be used to pay for the costs of the borrowing and deliver net overall savings. This means the project overall will save the Council money and is affordable.
- 2.17 Over 44 years the Project will deliver £24m savings in net terms after the costs of borrowing. This equates to £0.5m net savings per year.

Recommended option to pursue

- 2.18 Officers recommend the pursuit of option 2, the Friargate based option. This is for three reasons, the regenerative impact it will have on the City, the opportunity it presents to transform service delivery and the savings it releases.
- 2.19 The regenerative impact is based on the Council kick starting the Friargate scheme by being the first occupier to commit to a building there. This will give confidence to other investors and occupiers considering locating at Friargate and unlock the jobs and economic potential of the site.
- 2.20 The transformational impact is based on the opportunity it gives the Council to change the way that we work by bringing staff together into mainly one building, by improving and transforming the way that the Council interacts with its customers and by improving the civic role of the Council House. There are also wider opportunities for transforming the way that public services more widely are delivered within the City as the project develops.
- 2.21 In financial terms the project is value for money and delivers revenue savings.

Additional opportunity to pursue

- 2.22 Officers have had early discussions with a national organisation, based in London and with a local representation about them moving to the Friargate site and the Council supporting this move by underwriting some of the risks involved. For example, this may include a break point for a proportion of the second occupier's lease that the Council would underwrite. These discussions have also extended to the developer who has indicated a willingness to build additional space on a speculative basis and at risk as part of this proposal which would bring in a further new occupier. The benefits of this arrangement are that it would secure a second c80,000 sq ft building with associated business rates growth. This proposal would if successful result in approximately 350 jobs moving to Friargate, 100 which would be relocated from elsewhere in the UK or newly created and 250 from

elsewhere nearby. A further recommendation is for officers to continue these negotiations and bring definite proposals for your approval at a subsequent date.

3. Results of consultation undertaken

- 3.1 Council staff will need to be fully engaged in the Project in order to deliver the changes and this is already in progress through staff briefings. Formal consultation processes with staff and Trades Unions will take place as required during the programme. The Friargate Bridge project has been the subject of public consultation as part of the planning process.
- 3.2 As part of the process so far, a detailed and comprehensive communications strategy has been developed which is aimed at ensuring all stakeholders are aware of the changes and informed throughout the programme as it progresses. This has and will include going forward, focussed workshops for staff and other stakeholders, regular press releases and the ongoing use of social networking where applicable.
- 3.3 The wider Friargate development was granted outline planning permission on 21st July 2011. The Council's proposed building plot was identified and the overall site layout was approved. As the Project develops and the programme team work with the developer to agree design principles, a planning application for the Council's new building will be submitted for consideration early in 2014.
- 3.4 There will be ongoing dialogue with access groups and staff to ensure that the project reflects the needs of people with disabilities including those within the Customer Services Centre.

4. Timetable for implementing this decision

- 4.1 The anticipated completion for the programme of works, i.e. fully operational and Council staff occupying the new building, and the necessary changes in the way that we work, is December 2016. Within the overall programme funding for costs of a project delivery team have been included involving some additional and existing resource utilisation. This will require a governance arrangement as per **Appendix 1** and will require ongoing support from Members and senior officers. It is proposed to use the recently established Cabinet Advisory Panel (Regeneration and Infrastructure) to ensure that appropriate political engagement, steer and escalation processes are in place. This Advisory Panel includes opposition representation.

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

The project was approached by looking at two options;

Option 1 - Continue to maintain and use the existing office based estate

Option 2 - The Friargate option

5.2 Value for money

- 5.2.1 The value for money of each option was assessed using 'HM Treasury Green Book standard analysis'. This is the recommended approach for capital investment decisions. The financial assumptions have been modelled over 44 years, this takes account of the period between now and 2016 when the Council will prepare for the new building and deliver adaptations to existing buildings. The new building will be operational for a period of 40 years, which is the minimum expected life of the building.

5.2.2 The Friargate option has a whole life cost of £94m (and a capital cost of £59m) and the option to stay in our existing buildings has a whole life cost of £122m (and a capital cost of £63m). Friargate therefore has a £28m lower whole life cost than Option 1. Friargate is the preferred financial option from a value for money perspective. A business case was developed to demonstrate that the Friargate option is affordable for the Council.

5.3 Affordability position and strategy

5.3.1 The Council will use its Prudential Borrowing powers to finance the capital costs of the Project. The capital costs included in the business case for the project are detailed in Table 1. Up to £10m of these capital costs are programmed to be incurred at later stages in the project e.g. lifecycle cost.

Table 1: Project Capital costs

Cost type	£m
New building at Friargate	£40.3m
Land, fixtures and fittings and Lifecycle costs	£12.3m
Investment in Broadgate House (Customer Services Centre), Council House (Democratic Centre) and suburban hubs	£1.9m
ICT & Decommissioning costs	£2.8m
Project Management and delivery	£1.7m
TOTAL	£59m

5.3.2 The affordability position of the Project including the cost of borrowing are shown in Table 2.

5.3.3 The Council will make significant savings on day to day property and other running costs which will be used to pay for the costs of the borrowing and deliver net overall savings. This means the Project overall will save the Council money and is affordable. Over 44 years the Project will deliver £24m savings in net terms after the costs of borrowing. This equates to £0.5m net savings per year. This is an invest to save project.

Table 2 – Affordability position of the Project

	Total over 44 years	Average per annum
	£'m	£'m
Borrowing costs (capital and interest)	101.35	2.30
Revenue costs	98.52	2.25
Budgets available	(168.34)	(3.83)
Efficiency savings	(55.45)	(1.26)
Total cost /(saving)	(23.92)	(0.54)

5.3.4 The Council will use its Treasury Management arrangements to minimise the costs of borrowing where possible to benefit the affordability position of the project. This includes only borrowing at a point in time when this is required in line with the timing of capital

costs being incurred and the wider cashflow position of the Council. The Council intends to bid to utilise the preferential prudential borrowing rate being made available by HM Treasury through the Local Enterprise Partnership for £31m of the borrowing should this provide a benefit to the Council financially.

- 5.3.5 The business case assumes the Council funds £1.7m of project team costs from either reserves or the City Deal funding allocated in the 2013/14 budget setting process to reduce the borrowing requirement.
- 5.3.6 Revenue costs are the estimated costs of running the Council's building at Friargate and includes heating, lighting and cleaning.
- 5.3.7 Budgets available are those budgets we will ringfence to the project going forward to facilitate the affordability strategy.
- 5.3.8 The difference between revenue costs and budgets available represents savings that will be achieved by delivering the project. These are (a) £800k per annum saving on property running costs including heating, lighting, repairs and cleaning (b) a commercial income target of £70k c) £220k associated with Treasury Management activities to minimise borrowing costs d) existing revenue planned maintenance budgets that will be ring-fenced to the scheme and provide a net saving of £490k against current planned maintenance costs in the existing estate.
- 5.3.9 In addition, efficiency savings will be delivered and represent a reduction of around 70 staff totalling £1.26m per annum.
- 5.3.10 The affordability modelling does not include the additional positive impacts of business rate growth from the Friargate scheme which are significant and £11m per annum over a 10-15 year period. The affordability modelling does not include other positive benefits on the City's economy including jobs and spend by new workers in the City Centre.
- 5.3.11 The operational estate's rationalisation involves the closure of a number of buildings over a period of time. The exact disposal strategy is yet to be agreed however it is recommended that where possible, the properties be openly marketed for sale. For certain buildings there may be a potential to discuss disposal opportunities with local partners to ensure that the buildings the Council no longer need are used to benefit the City Centre. The business case assumes capital receipts will need to be ringfenced to the Project to support the affordability strategy. Officers will bring forward a disposal strategy for the buildings before any move to the Friargate build.
- 5.3.12 There are potential abortive costs estimated at £1.4m which would be incurred should the project commence in June 2013, but not proceed to contract in January/February 2014. The costs include project management (£0.3m) and design/survey (£1.1m) works.
- 5.3.13 The detail of the financial implications associated with securing a second building on the Friargate development will form part of a subsequent report to Cabinet/Council.
- 5.3.14 The financial standing of Friargate LLP will be regularly monitored. Friargate are in regular discussions with Funders to ensure that existing obligations under the collaboration agreement and any changes required as a result are met.

5.4 Legal implications

- 5.4.1 The Council and Friargate LLP are already in a contractual relationship under a collaboration agreement to support Friargate with compulsory purchase orders if required and once the highway works are completed, to sell surplus land arising from highways that are stopped up as well as the disposal of the freehold of Central Six (sub

lease at a peppercorn) and Grosvenor Street Car Park on terms previously reported. The collaboration Agreement was agreed by Cabinet at its meeting in February 2011, and these capital receipts have not been factored into the business case.

- 5.4.2 For this Project to proceed the Council will need to acquire some of the site of the new building from Friargate and there will be a separate but linked transaction under a sale agreement for the land purchased under section 120 of the Local Government Act 1972. The Council will then undertake a procurement exercise to appoint a contractor under the Public Contracts Regulations 2006 for the construction of the offices on the land acquired from Friargate. As part of the sale agreement Friargate will enter into an agency arrangement to provide its own design team and project manage the office construction. If Friargate's design team fails to deliver a building within budget, programme constraints and to the Council's specification then the Council will not be liable for any design costs under the agency arrangement, and this is a risk that Friargate LLP will take. The Council's programme team will ensure that the Council's expectations are met. If however, the Council, for whatever reason (over and above those stated above) decides to withdraw from the process then the Council will be liable to abortive costs and will need to reimburse Friargate LLP accordingly. The likely running total, to the point at which the Council cannot withdraw (contractor mobilisation) is indicatively £1.4m. For the avoidance of doubt, this would constitute a breach of contract and therefore the Council would be legally required to reimburse Friargate and contractor appointed following the procurement.
- 5.4.3 The Council can use its powers under the Local Government Act 2003 for prudential borrowing.
- 5.4.4 Any disposal of the Council offices will be in compliance with the best consideration obligation under section 123 of the local Government Act 1972 and in accordance with a disposal strategy to be approved by Cabinet that seeks early marketing and negotiations designed to minimise the impact on the City Centre estate that will be vacated.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

6.1.1 The delivery of the Project will help achieve many of the Council's key objectives, including:

6.1.2 ***Coventry, proud to be a City that works...for jobs and growth***

The Project will provide the catalyst for a large-scale development of a new business district within the City. This new district will only be 1 hour away from London and is within close proximity to a number of other key business-orientated cities (Birmingham, Milton Keynes London etc.) along the M1/M40 corridor and in the West and East Midlands.

Despite the national economic downturn, office prices are continuing to rise in London and large employers are ever-looking to reduce their office space costs. Coventry is within easy commuting distance to the capital and businesses are keen to base themselves within high quality, premium office buildings that Friargate is able to offer.

The wider Friargate development is expected to support 13,400 permanent jobs plus a further 7,800 jobs for the duration of the construction phases.

Approximately 1,200 jobs will be created as a result of this Project, a second occupier in a separate building and the Bridge Deck projects alone.

6.1.3 ***Coventry, proud to be a City that works...for better streets and pavements***

The Project, together with the Friargate Bridge will create a more functional and controlled traffic flow in and around the train station. Furthermore, the wider infrastructure that will develop as a result of the Project (Key Route, new pavements, new road networks) will ensure fluid pedestrian and vehicle traffic movements across the entire development. Together with the Friargate Bridge scheme, the Project will see real investment in the general infrastructure which will properly link the train station to the heart of the City.

6.1.4 ***We will...be honest, fair and transparent when we make decisions***

The Project is an opportunity to significantly enhance the way in which the Council does business and manages public services. As part of the Project, the delivery team will ensure that staff and other stakeholders are regularly and openly engaged to create a transparent and honest approach as it progresses.

6.1.5 ***We will...celebrate all that's good about our City and its future***

The City has massive potential for economic growth and to return Coventry to a bustling place where people want to live, work and play. The City has untapped potential – we have two global universities, an unrivalled location and transport infrastructure, a talented recruitment pool and headroom for growth. At the moment we are stuck. The gap between the successful cities and Coventry is widening. We need to change that and doing nothing is not an option. An economic stimulus is needed and the Project is the catalyst needed to help achieve this.

6.2 **What is the impact on the organisation?**

6.2.1 **Customers**

The project involves the creation of a dedicated Customer Services Centre for all City Centre face to face contact on the first floor of Broadgate House accessed from the Upper Precinct walkway. The cost of converting the first floor has been included in the business case for the Project.

6.2.2 **Human Resources**

The Project will clearly affect Council employees as for many their place of work and method of working will change as the Project is implemented. It will mean those currently working in City Centre offices (apart from a small number working in the Council House and some working in the Customer Services Centre) and a small number currently working outside of the City Centre will relocate to the new building.

Employees will be affected in a variety of different ways:

- **Working environment;** the workspace will be open plan there will be an improved physical working environment with properly regulated environmental conditions, optimum temperatures, humidity lighting and acoustics. The provision of a safe attractive and stimulating working environment should result in improved motivation and productivity and should contribute positively towards recruitment and retention issues.

Office facilities will be shared and the workspace will be predominantly open plan with no partitions thereby removing many physical barriers and promoting a culture of openness.

Those buildings designated as “touchdown” hubs around the city will be upgraded to match the specification of the main City Centre building.

- **Agile / individual ways of working;** There will be fewer dedicated desks, workstations will no longer be regarded as a single individuals’ personal domain and space will be allocated according to function not grade. Employees will no longer have a fixed desk or office and less personal storage and associated office furniture. It will be possible to work anywhere anytime from a range of locations according to the needs of the job and staff and location independent agile working practices such as desk sharing, mobile and working from home where appropriate will be adopted and encouraged.

Employees will have the equipment they need to operate from a workstation and they will have an allocated amount of space for their personal storage. Workstations will be used in a flexible way such that a member of staff might move from desk to desk each day. Employees will be fully trained to enable them to undertake /adapt to new ways of working.

- **FTE reduction;** co-location of teams and services should result in a number of efficiencies particularly where current FTE effort or structures are designed due to existing accommodation arrangements. There is potential for reduction in duplication in a number of areas for example admin/management/supervisory/facility roles and services. It is anticipated as a minimum that there will be a potential headcount reduction of approximately 70 FTE.
- **Changes to traditional structures;** aside from duplication of effort the co-location of teams and services could result in opportunities to change traditional structures with greater potential for flatter structures and a more flexible use of resources creating opportunities for employees to work flexibly across teams – streamlining the number of different individual roles within the Council. This could mean more flexible / generic roles and potentially fewer specialist jobs (currently there are 2000 different job codes within the organisation).

As well as more effective use of resource a greater degree of flexibility amongst employees creates opportunities to broaden the employee skills base, assist with future staff development and potentially improves motivation and job satisfaction.

- **Changes to organisational ways of working;** the co-location of teams and services creates improved opportunities for cross departmental working greater collaboration, exchange of ideas and problem solving, grows skills and experience and potentially improves motivation and job satisfaction.

Agile working encourages and promotes an atmosphere of trust where the emphasis in performance management is more about the outputs from individuals rather than their attendance at work and whether they are seated at their desk. This has the potential to improve productivity and the way the organisation manages performance which in turn could lead to improved levels of motivation and job satisfaction.

The introduction of agile working and the co-location of teams and service also presents the opportunity to change traditional routines procedures and unnecessary bureaucracy.

- **Improved communication;** the co-location of teams and services has the potential to improve the flow of communication through the reduction of the communication hierarchies and channels; having fewer or more streamlined communication methods and creating opportunities for more upward exchange /challenge. Improved communication could lead to increased levels of motivation and job satisfaction.

Co-location increases the ability of services, teams and individuals to respond and adapt and react more quickly, speedier decision making; it also creates the ability /capacity to spot and exploit potential opportunities.

- **Terms and conditions;** no specific terms and conditions have been identified as requiring change to enable this project to be implemented. However the production of guidance in relation to agile working methods may be necessary along with a review of policies and /or procedures to ensure they align with proposed new ways of working.
- **Training and development;** employees will be fully trained to enable them to adapt to these changes for example; agile working methods, changes to working practices and how they can make the best use of the equipment available.
- **Consultation and engagement;** employees and trades unions will be engaged and consulted throughout the life of the project on issues that impact on employees this is to ensure employment related issues are managed effectively and appropriately.

6.2.3 **Members**

The Project will affect Elected Members through focussing democratic activities on the Council House in particular the Project will create replacement Committee Rooms in the Council House for those which will be lost in Civic Centre 3 and will remove customer facing activities currently conducted in the Council House to the Broadgate Customer Services Centre. The costs of implementing these changes are included in the Business Plan for the Project.

6.2.4 **ICT**

It is expected that the new office environment will provide fewer desks than employees, and that agile and flexible working will be widely adopted in a major change from current practices. In order to successfully make the transition to both a new office environment, and agile working, it is expected that a number of new technologies will be required. It is important to note that to achieve success, new technology will have to be accompanied by significant changes to working practices and current Council culture. New technologies expected include the following:

- **Unified Communications**
The Council is in the process of procuring a Unified Communications system which will replace our aging telephony estate. The old system can't effectively support agile working, and in any case is nearing the end of its supported life. The new solution will combine the features of modern communications systems, incorporating instant messaging, voice and video conferencing as well as traditional telephony functions, and will be well placed to support agile working.

practices. The Council expects to deploy the new technology during 2014/15, enabling staff to become acquainted with it ahead of the major office move.

- **Electronic Document Records Management System [EDRMS]**

The Council has begun the process to procure a corporate wide EDRMS which will provide a technology platform on which all traditionally paper based documentation can be stored and accessed electronically. This technology will assist in significantly reducing the required storage space as the vast majority of paper documents will be scanned and filed in the new system. Additional advantages include holding only one copy of any document, and being able to associate it with other computer based records – for example, associating delivery notes with associated invoices and purchase orders. It is vital that this technology is in place prior to a move to Friargate as it is crucial for reducing the need for paper storage: the Council will not hit its storage target on the new site without this technology.
- **Resource Booking System**

The Council will introduce a new Resource Booking System to replace existing systems and provide a simple mechanism by which rooms, parking spaces and hot desks [amongst many other things] can be booked by employees irrespective of their location. Again, this technology is critical in enabling a transition to flexible and agile working practices.
- **Wireless Network**

Already deployed in many Council buildings, the wireless network will also apply in the new building, enabling network access from any location. Again, a key component in the overall flexible/agile working agenda.

6.3 Implications for (or impact on) the environment

- 6.3.1 The Council's new office building will be within an extremely sustainable development. The Council's new building will target a 'BREEAM Excellent' accreditation which reflects a carefully considered, well-engineered and sustainable design solution. The designs will also look to maximise the use of natural light and ventilation and will incorporate a state-of-the-art building management system to carefully monitor the working environment which will control lighting levels and heating outputs – all of which will actively look to minimise energy consumption.
- 6.3.2 In addition to this, the building (together with the wider Friargate development) will be heated by the district energy scheme known as Heatline which uses waste heat generated by the Waste to Energy Plant on the London Road. It has been estimated that the carbon emitted from the new office-based estate compared to the existing will be reduced by over a third (34.2%) from 4,698 tonnes to 3,092 tonnes. The Heatline network will be extended to the Friargate project.
- 6.3.3 Linked to this project is the Bridge Deck at Junction 6 of the ring road. The works will reduce the amount of public highway and the new layout will calm and discourage through traffic whilst actively managing the flow of vehicle movement in and around the area. The Bridge Deck will also create a new green space, roughly the size of a rugby pitch, which will incorporate new trees, shrubs and plants which will have a positive impact on the environment.
- 6.3.4 This project is not just physical. There needs to be a culture change across the entire organisation to a) reduce the reliance of private cars as a means by which to travel to and from work, b) empower and educate staff to use Council offices more efficiently and c) encourage agile, flexible and home-working practices. To assist this process, and to

comply with planning conditions, a Green Travel Plan will need to be prepared which will capture staff travelling habits and will actively look to improve the impact of travel by staff and visitors to and from our new building.

- 6.3.5 Finally, the building will also incorporate proper cycle storage, showering and changing facilities to encourage staff and visitors to cycle to and from the building.

6.4 Equalities / EIA

- 6.4.1 A full Equalities Impact Assessment has not been undertaken at this stage, but will be as individual elements proceed.
- 6.4.2 Part of the Project is deliver a single point of access for face to face services accessible from the Upper Precinct on the first floor of Broadgate House, and the principle design consideration will be creating good access for the disabled to this facility. Other groups with protected characteristics are unlikely to be affected by this proposal. Making all face to face activities accessible from one location will improve general accessibility to advice and services from the Council.
- 6.4.3 The construction of a new building at Friargate will primarily impact on staff. The new building will be fully DDA compliant and include dedicated disabled parking on site.
- 6.4.4 The creation of replacement committee rooms in the Council House will need to address physical access to improve accessibility of the disabled for participation in democratic activity and this will be addressed in the detailed design stage.
- 6.4.5 As the Project progresses, and service redesign is completed for occupying services in the smaller estate, individual EIAs will be conducted to ensure that the Project removes barriers to access to public services affected and delivered from the estate.

6.5 Implications for partner organisations?

- 6.5.1 The Project may afford opportunities for other partner organisations to have face to face customer representation in the Customer Services Centre, subject to contributions towards costs. However, partner organisations will need to indicate quickly if they want to be involved in this part of the Project to enable scope and design freeze if the Project is not to be delayed or financially pressured. Officers will contact partner organisations to understand their appetite for this.
- 6.5.2 The new building at Friargate does not include partner space and it would be detrimental to the delivery of the project to include at this stage. However, the second building that is being negotiated will include speculative space and could accommodate partner organisations if they want to be part of these changes in the City.

6.6 How is risk being managed?

The financial climate and the need for a financial stimulus in the City to grow jobs and rates presents risks associated with not approving this report and moving forward with the Project including the risk of further economic decline. The remainder of this section will deal with risk management associated with the Project.

Risk will be managed in accordance with the Council's risk management arrangements. The Governance arrangements will include regular review of risks associated with the project and this has been actively managed to date through the Project Team and existing Project Board.

This is a major infrastructure and change project for the Council. It also involves significant reputational risk for the Council. It is important to establish a comprehensive project governance framework that allows for the Project to be delivered in the required timescale, but also allows clear and speedy decision making, escalation of issues where required and appropriate stakeholder engagement as the Project proceeds. It is proposed to use the recently established Cabinet Advisory Panel (Regeneration and Infrastructure) to provide political guidance to the project as part of the overall governance requirements, set out in **Appendix 1**.

The six key risks associated with the Project are set out below together with mitigation measures that will be used to manage the risks set out. The risks are:

- Regeneration risk
- Cultural and organisational change risk
- Vacated estate risk
- Programme Delivery risk
- Financial and Budgetary risk
- Reputational risk

6.6.1 **Regeneration risk**

There is a risk that despite the Council's investment, the Friargate development will not attract inward investment and the consequential jobs and rates growth on the scale the and at the pace anticipated.

Mitigation measures – The Friargate is a 10-15 year project that will change the face of this part of the City Centre. Friargate LLP have invested significantly on acquiring the site and achieving planning over the past 5 years and have a strong commitment to the scheme (demolitions, public realm) through the existing collaboration agreement. The Council and developer are in active discussions with a second occupier and a building that will include some speculative space to let. The separate but linked investment in the Friargate Bridge deck will remove the barrier presented by the ring road to Friargate's integration into the City Centre and create the best environment to attract new businesses to the location. The Friargate developers will actively market the availability of the site based on the Councils' decisions and the Council will align its Business Investment Team activities to ensure that the Council works actively with the developer on all inward investment enquiries.

6.6.2 **Cultural and organisational change risk**

The Project is predicated on the Council as an organisation changing the way it works to improve the way that customers are managed and to drive operational changes in the way that we deliver savings, and there is a risk that these changes are not delivered when the new building and customer service centre opens and the reduced estate takes effect.

Mitigation measures – As part of the Project delivery, a workstream will be established to deal specifically with this issue and resources have been included in the Business Plan for this. Customer management, location independent and agile working are well established concepts utilised in both public and private sector settings elsewhere and there is a lot to learn from the experiences of others. The key mitigation will involve early and sustained staff engagement with the change process that gives staff a 'say' in some of the choices that will be made as the project moves forward. The change programme is dependent on ICT improvements that liberate staff from a fixed desk location, and these are already well in train with the Councils existing ICT investment strategy.

6.6.3 Vacated estate risk

There is a risk that the vacated City Centre estate has a negative impact on the City when it is vacated in 3.5 years' time.

Mitigation measures – The key areas affected are the Civic Centres 1- 4 complex and the Christchurch/Spire House office complex, both of which will be vacated as part of the reorganisation of the estate. Both areas adjoin areas of existing or proposed activity, in that Civic Centres 1-4 adjoin Coventry University's campus area and Christchurch/Spire adjoins the City Centre South development site. Whilst proposals for the re-use of sites and buildings to be vacated are not currently well developed, part of the workstream for decommissioning these buildings will involve the development of a disposal strategy which seeks to market the early opportunity of the availability of these buildings, reduce the impact they would have as void buildings and promote their positive redevelopment and reuse to strengthen the opportunities to add to the vitality and viability of the City Centre

6.6.4 Programme Delivery Risk

The Project involves a number of physical projects that need to be delivered simultaneously, including new building, building adaptations, new infrastructure, building closures and disposals and staff moves. There is a risk that one or more projects delay the implementation of others.

Mitigation Measures – It is proposed to manage all the projects as one programme, each with their own governance arrangements, but with an overall programme management team that co-ordinates the work of all. The programme manager will trouble shoot and escalate problems to an overall project board and onwards where necessary to the Cabinet Advisory Panel (Regeneration and Infrastructure). Regular reporting and communication of progress to all stakeholders is an important remit of the Programme Office to be established. Resources have been included in the Business Plan for this Programme office to be established.

6.6.5 Financial and Budgetary risk

There is a risk that the Capital and running costs assumed in the Business Case exceed predictions and savings are not delivered.

Mitigation measures – The business case has been developed using assumptions from service and technical experts and external benchmarks, with support from the Special Projects Finance Team. Assumptions have been prudently assessed and tested. The project delivery team includes individuals with the skills, knowledge and experience of delivering complex projects, and this will be supplemented with additional appointments to cover specific skill requirements. The governance arrangements will include regular progress and financial reporting on the programme.

6.6.6 Reputational risk

The Council is taking a bold step to kickstart the local economy, change the way it works and deliver savings on the basis of a sound business case that demonstrates value for money. There is a reputational risk associated with not delivering these outcomes that needs to be weighed against the risks associated with continuing decline of the City Centre.

Mitigation measures – It is important that the Council continues to articulate why it is taking these steps and the impact of not taking them. Communication to all stakeholders is important and a detailed communications plan will be an important element of the

Project delivery. The governance arrangements will also ensure that within the Council, these risks will be monitored by the Cabinet Advisory Group (Regeneration and Infrastructure) which has cross party representation.

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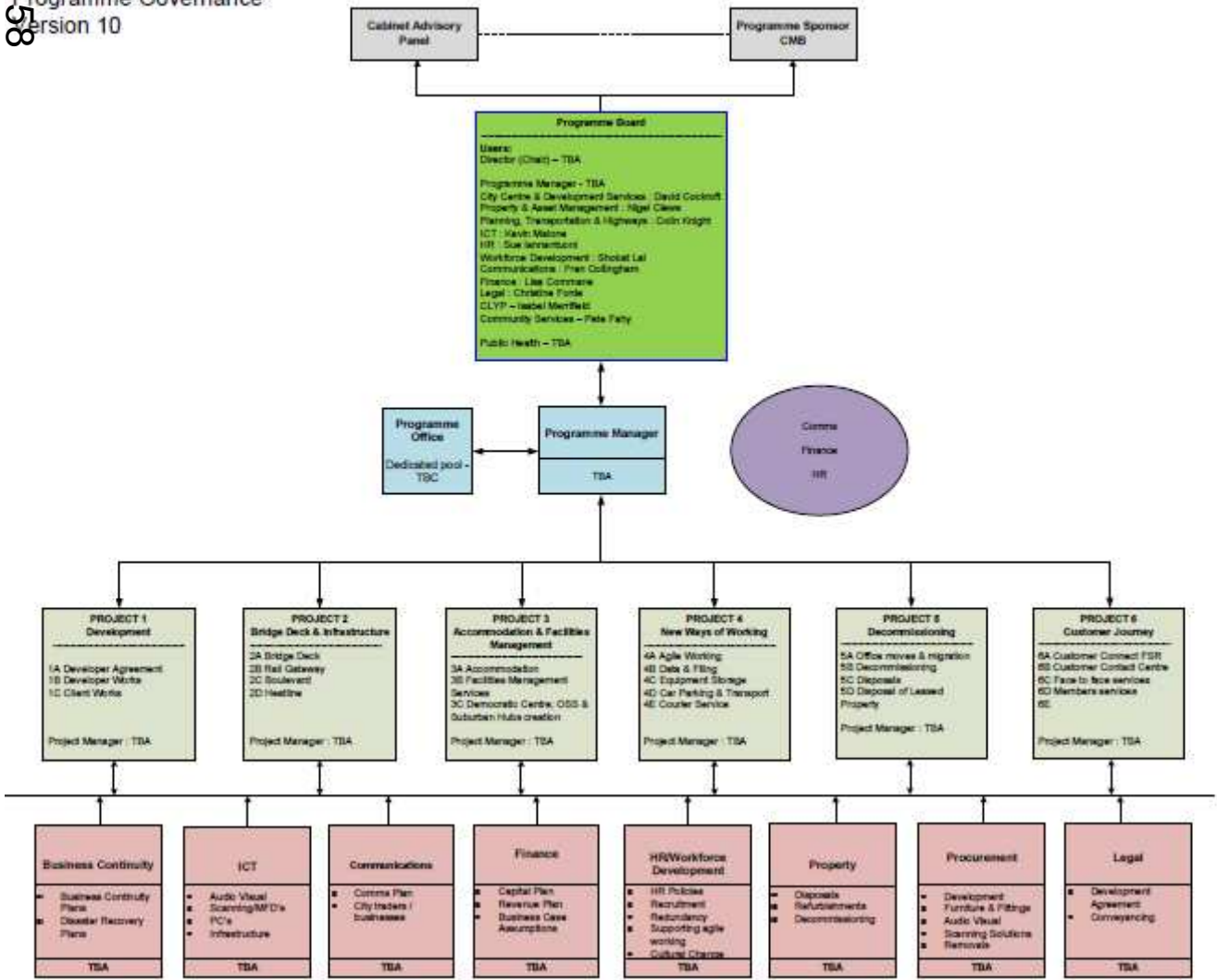
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This report is published on the Council's website:
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Kick-Start | Bridge Deck | Friargate
 Programme Governance
 Version 10



STAKEHOLDERS GROUPS

- Internal Audit
- Friargate Development Group
 - Coventry City Council
 - Friargate
- Information Governance Forum
- Trade Unions
- Stakeholder Stakeholders
 - Labour Group
 - Society
 - Committee
 - Cabinet
 - Council
- Customer Connect FSR
- City Centre traders

Coventry Profile 2013 – Centre for Cities

Coventry	Measure	Rank	Measure	Rank	UK Average
Area km ²	100	(52/64)			
People					
Total population, 2011	318,600	(29/64)			63,232,600
Population change 2010-11			0.4%	(44/64)	1.5%
Business & Innovation					
Business start-ups per 10,000 pop 2011			35.5	(23/64)	41.3
Business stock per 10,000 pop 2011			242	(46/64)	337.6
Foreign owned businesses, 2010			5.8%	(8/64)	5.8%
Patents per 100,000 op, 2011			5.7	(15/64)	4.7
GVA per capita, 2011			£18,400	(37/64)	£20,873
Skills					
High level qualifications, 2011	55,800		26.8%	(37/64)	32.7%
No formal qualifications, 2011	34,600		16.6%	(60/64)	10.9%
5A*-C GCSEs inc Maths & English, 2011			54.1%	(35/60)	59.9%
Jobs					
Employment, 2012	136,100		64.8%	(53/64)	70%
Private to public sector ratio, 2011			2.1	(48/63)	2.7
Private sector jobs change, 2010-11	-400		-0.4%	(44/63)	1.1%
Industrial structure					
Manufacturing jobs, 2011	14,400		10.2%	(26/63)	
Knowledge intensive service jobs, 2011	25,200		17.7%	(10/63)	
Public service jobs, 2011	46,100		32.5%	(16/63)	
Earnings					
Average weekly wages, 2012	£450	(29/64)			£487
Change in real wages, 2011-12	£8	(9/64)	1.8%	(9/64)	£10
Unemployment					
JSA claimant count, Nov 2012	9,340		4.5%	(37/64)	3.8%
Youth claimant count, Nov 2012	2,440		4.9%	(21/64)	
Long term claimant count, Nov 2012	2,640		1.3%	(40/64)	1.0%
Claimant count change, from Feb 2008	2,650		1.2	(13/64)	
Housing					
Average House price, 2011	£136,200	(46/63)			£224,700
Housing stock change, 2010-11	730		0.6%	(21/63)	
Affordability ratio, 2011			6.1	(45/63)	
Environment					
CO ₂ emissions per capita (t), 2010			5.6%	(15/64)	7.6
Digital connectivity					
Postcodes with superfast broadband, 2012			57.3%	(44/63)	

Source: Centre for Cities – Coventry Profile 2013

Option 1 – List of existing office assets

City Centre	
Broadgate House	Civic Centre 4
Christchurch House	Spire House
Civic Centre 1	24 & 42 New Union Street
Civic Centre 2	West Orchard House
Civic Centre 3	Council House
Edge of Centre	
Whitley	James Brindley
Southfields	Elm Bank
Suburban	
9 North Avenue	312a Charter Avenue
Enterprise House	200 Telfer Road
Harp Place	Stoke House
Eburne Adult Education Centre	Coundon Family Centre
Faseman House	257 Stretton Avenue
Logan Assessment Centre	312 Charter Avenue
	Moat House Neighbourhood & Leisure Centre

Option 2 – List of assets retained

City Centre
Friargate
Council House – Democratic Centre
Broadgate House – Customer Services Centre
Edge of Centre
Whitley
Southfields
Elm Bank
Suburban
Coundon Family Centre
257 Stretton Avenue
312 Charter Avenue
Moat House Leisure & Neighbourhood Centre



CGI of completed Friargate / Bridge Deck

Proposed building location Plot C09