



To: Business, Economy and Enterprise Scrutiny Board (3)

Date: 2nd November 2016

Subject: Friargate Progress

1 Purpose of the Note

- 1.1 To update members of the Business, Economy and Enterprise Scrutiny Board (3) on progress on the Friargate Development.

2 Recommendations

- 2.1 The Business, Economy and Enterprise Board (3) is recommended to:
- 1) Consider the content of the briefing note and note progress made to date.
 - 2) Identify any recommendations to the appropriate Cabinet Member.

3 Information/Background

- 3.1 On 25 June 2013 Council approved that the organisation support the development of the Friargate Business District to regenerate the City, transform the Council and deliver savings by the construction of a new Council owned office building at Friargate, the construction of a new bridge deck, the rationalisation of its operational property estate and the subsequent disposal of property assets vacated through such rationalisation.
- 3.2 Since this time the Friargate development has achieved the following milestones:
- Construction of CCC building 1 has commenced with an estimated completion date of mid-2017.
 - Highway works to junction 6 complete
 - The boulevard linking the station to city centre is completed.
 - Heatline connection to Friargate underway
 - Demolition/clearance of site completed
 - Planning permission granted on building 2
 - Discussions with RICS around pre-let of building 2 on-going.
 - Further discussions with further office occupiers [and hotel operators] underway.
 - Discussions on securing of £50m of commitment from Combined Authority to allow development of buildings 2/3 to expedite development
 - Sale of Civic Centre 1-4, Elm Bank and vacation of West Orchards House.

- 3.3 In the early discussions on Friargate and based on the rates retention originally suggested by Government the scheme was estimated to produce circa £22.9m of rates payable of which half would be able to be retained by the Council. More recent discussions suggest the Council may be able to retain a bigger proportion up to 100% on this basis the scheme could produce an additional £22.9m of annual income to the Council if fully developed out.
- 3.4 At present discussions are ongoing with the RICS and potential other occupiers to build up the viability to commence on building no 2.
- 3.5 A business case for investment using the moneys earmarked from the Combined authority is also underway

Appendix 1 - Masterplan

David Cockroft
Assistant Director – City Centre and Major Project Development
Place Directorate
Email: david.cockroft@coventry.gov.uk
Tel: 024 7683 3964