



To: Scrutiny Co-ordination Committee

Date: 8th January 2020

Subject: Friargate Development Progress Update

1 Purpose of the Note

- 1.1 To update the Scrutiny Co-ordination Committee on progress with the Friargate business district development scheme.

2 Recommendations

- 2.1 Scrutiny Co-ordination Committee are recommended to:

- 1) Note the contents of this briefing note
- 2) Identify any comments or recommendations for the appropriate Cabinet Member
- 3) Receive a further progress report in 2020/21 municipal year

3 Information/Background

- 3.1 In January 2018, Cabinet and Council approved the receipt of £51.2m of grant funding from the West Midlands Combined Authority (WMCA) to support the delivery of the first phase of development within the Friargate business district masterplan area. Cabinet and Council also approved the creation of a joint venture (JV) company between the City Council and Friargate LLP to oversee and accelerate the delivery of buildings within the Friargate development. The JV was legally established in February 2019 as “Friargate JV Project Limited” and the Council is now the joint freeholder of the majority of the land within the Friargate area.
- 3.2 Since the JV company was established, significant progress has been made in taking forward the necessary design development stages and legal agreements to deliver the next two buildings within the first phase of development (a hotel and a commercial office building) and key updates are provided below.
- 3.3 Friargate Hotel
- 3.4 The delivery of high quality hotel developments in the city has been a long held ambition for the Council and is a key priority for the Council due to the expected influx of visitors during City of Culture 2021 and Commonwealth Games 2022, the role they play in boosting the city’s image and inward investment potential, the need to provide suitable accommodation to service the city’s growing economy and the lack of ‘upmarket’ hotels currently operating within the city centre.
- 3.5 On the 27th August 2019, Cabinet approved the necessary terms and expenditure to bring forward a high quality, boutique “Hotel Indigo” that will set a new standard for hotel accommodation in the city. The 100 room hotel will also provide a restaurant and bar open to the public, gym facilities for guests and will create over 40 new jobs in the city.

- 3.6 The hotel scheme received planning permission on the 19th December 2019 and work is due to start on site in early 2020 with a completion date of the first quarter 2021.
- 3.7 Two Friargate
- 3.8 The Friargate business district will include a range of Grade A commercial office buildings which will provide the platform for significant inward investment into the city, the creation of thousands of new jobs and the realisation of millions of pounds of additional business rates for the Council.
- 3.9 “Two Friargate” (which has the benefit of a full reserved matters planning consent) will deliver 184,000 sqft of office space (135,000 sqft lettable space) that will set a new benchmark for commercial office space in the city and will be able to compete with the best the wider region has to offer. The building will be one storey taller than the “One Friargate” Council offices and include 12 storeys of commercial office space and a ground floor suitable for a high quality restaurant, café or retail use. It will be targeting a BREEAM (Building Research Establishment Environmental Assessment Method) “Excellent” rating, signifying a very high level of sustainability credentials, and a 1:8 workspace density, which will maximise the rental income the Council will receive from lettings in the building.
- 3.10 The Council is currently undertaking due diligence on the programme, costs and lettability of this building in conjunction with our commercial advisors, Cushman and Wakefield, and the Friargate JV. It is anticipated that a report to Members will be brought forward during 2020 setting out officer recommendations for next steps.
- 3.11 Residential opportunities
- 3.12 Given the location next to Coventry station (one of the fastest growing stations in terms of passenger numbers in the UK) and the wider housing demand within the region, the delivery of new homes will play a key part in the Friargate story and the masterplan identifies the sites for hundreds of new homes.
- 3.13 The Council is engaging with potential funding partners to discuss opportunities to accelerate the delivery of these homes through the utilisation of relevant funding streams these partners may be able to make available. Updates and recommendations will be provided to Members through the usual governance routes as this work progresses.
- 3.14 The Friargate JV may look to update and refresh the current masterplan (which was granted outline planning consent in 2011) to reflect the delivery of the Coventry station masterplan, the early delivery of the hotel within the scheme and to ensure that the masterplan is as up to date as possible.

4 Conclusions

- 4.1 Since the Friargate JV was formally established in February 2019, development proposals for buildings within the masterplan have accelerated significantly. Through the early delivery of the hotel and the completion of the necessary design work and due diligence on Two Friargate, the stage is set for significant investment and delivery to commence during 2020.

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