

Cabinet Member for Jobs, Regeneration and Climate Change

30 July 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 Michaels

Title:

Leasehold Disposal of Broadgate House

Is this a key decision?

No - It is not anticipated that the financial value of this decision will exceed the threshold for a key decision.

Executive summary:

Broadgate House is a listed mixed-use building in the heart of Coventry's city centre. Currently the upper floors are offices occupied by Council staff but there is a planned phased programme of service relocation to alternative Council accommodation due to commence shortly in order to deliver a significant on-going cost saving.

Once Broadgate House becomes vacant and surplus to the Council's requirements, which is anticipated to be in the Autumn of 2025, there will be a need to identify an alternative use for the former office space.

This report seeks approval for officers to commence marketing Broadgate House and for the disposal of a long leasehold interest.

Recommendations:

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

1. Declare Broadgate House, surplus to the Council's requirements.
2. Approve the long leasehold disposal of Broadgate House via an open market process.
3. Delegate authority to the Director of Property Services & Development and Director of Legal Services, following consultation with the Cabinet Member for Jobs, Regeneration and Climate Change and the Cabinet Member for Strategic Finance and Resources, to select a purchaser, and conclude the legal documentation and grant of a new long lease over the property.
4. Approve the use of the capital receipt being applied to off-set the costs of relocating staff and services from Broadgate House with any surplus receipt being added to corporate resources.

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: Disposal of Broadgate House

1. Context

Location

- 1.1 Broadgate House is located within the pedestrianised, mixed-use area of the city centre, adjacent to residential, leisure and retail occupiers and situated on the edge of City Centre South development area.
- 1.2 Broadgate House includes a number of elements of public art including plaster friezes as well as the popular 'Peeping Tom/ Lady Godiva' clock, all of which form an important part of Coventry's heritage and will be preserved.

The Property

- 1.3 Broadgate House is a Council owned freehold Grade II listed building.
- 1.4 Constructed as part of the initial phase of the post war regeneration of Coventry's city centre. The Festival of Britain architectural style building opened in 1953 as a mixed-use development.
- 1.5 Broadgate House currently comprises retail accommodation to the ground floor, with five storeys of office accommodation above. The office accommodation totals approximately 6,200 sq m (66,000 sq ft).
- 1.6 The L shape building includes a number of pieces of public art including the Lady Godiva clock feature and a bridge link walkway between Broadgate and Hertford Street with sculptural panels beneath the bow windows and a mosaic panel depicting the sixteenth century Coventry Martyrs as well as carvings to the stone clad columns which must be retained and preserved.
- 1.7 The ground floor retail units and the leisure unit are let to commercial tenants, with the Council receiving the rental income and managing a service charge. The upper floors are currently occupied by Council staff, however, the Council has decided to relocate staff to alternative Council accommodation.

Proposed Scheme

- 1.8 It is anticipated that the opportunity to refurbish the upper floors of this prominent and imposing building will engender a range of interested investors and developers to bring forward a range of proposals. The Council would welcome a range of uses to be incorporated including the encouragement of private and affordable residential accommodation but excluding student housing.
- 1.9 The intention is to effect a disposal by way of an agreement for lease and new long lease of the upper floor space. The Council will retain the ground floor retail units and will maintain the rental income from those commercial lettings.

2. Options considered and recommended proposal

Option 1 – Do Nothing (Not recommended)

- 2.1 A do nothing approach would result in the upper floors of Broadgate House being vacant and incurring holding costs for the Council whilst not providing the opportunity to attract additional investment in the city centre.

Option – 2 An alternative use by the Council (Not recommended)

- 2.2 Once vacated, the Council has no current need or planned use for the upper floors of Broadgate House and has declared the building surplus to requirements.

Option – 3 Let the building as offices or for an alternative commercial use (Not recommended)

- 2.3 Commercial property agents have been approached informally and advise that there is no demand for Broadgate House in its current state but there may be limited demand for refurbished offices.
- 2.4 Investment required to secure an office letting would be significant due to the extensive refurbishment works required to bring Broadgate House up to modern office standards.
- 2.5 The high capital cost, void period and risks associated with securing tenants mean this option is not recommended.

Option 4 – Secure a development Partner or the Council undertakes a residential conversion itself (Not recommended)

- 2.6 For the Council to undertake a change of use conversion itself it would require capital funds and new resource, or a development partner would need to be selected to undertake the works on the Council's behalf.
- 2.7 Due to the timing and specialised nature of the project it is not recommended that the Council deliver the development itself or go through the procurement process to select a development partner to work with on the scheme jointly.

Option 5 – Dispose of a long lease (Recommended)

- 2.8 The recommendation is to dispose of Broadgate House to a developer with the upper floors re-developed and occupied for alternative uses.
- 2.9 Student housing would not be considered a suitable use for the building.
- 2.10 A long leasehold disposal is the most financially prudent option, providing a receipt and avoiding vacant holding costs. A disposal will see Broadgate House in continued use and will result in jobs and new homes within the City Centre.

2.11 The Council intends to retain the ground floor commercial retail units and shall continue to maintain the rental income from those commercial lettings.

3. Results of consultation undertaken

3.1 No public consultation has been undertaken.

4. Timetable

4.1 It is anticipated that Broadgate House will be marketed with terms agreed with a developer in three to six months. Subject to planning consents and listed building consent the developer could be on site within 12 to 18 months.

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

5.1 Financial implications

5.1.1 The financial implications of this transaction include a receipt for Broadgate House on disposal and the removal of a vacant liability and vacant holding costs for the Council.

5.1.2 Holding costs will depend on what activities are still required post disposal, for example security, insurance, utilities and so on. In the short term holding costs will be met from existing budgets and the overall post disposal saving will contribute to the organisations saving targets.

5.1.3 Any capital receipt will be recycled into covering the capital costs incurred in relocating staff from the building. Any surplus will contribute to corporate resources.

5.1.4 More detailed analysis will be provided once marketing has been undertaken and there is a proposed scheme.

5.2 Legal implications

5.2.1 The Council has the power to dispose of land and is required to obtain the best consideration reasonably obtainable, in accordance with the provisions of S.123 of the Local Government Act 1972.

5.2.2 A new long lease will be drafted once the terms of a transfer agreement have been agreed and approved by Commercial Property Management and the Developer.

5.2.3 More detailed analysis will be provided once marketing has been undertaken and there is a proposed scheme.

5.2.4 Officers will report back to Cabinet Member detailing the final terms of the agreed disposal

6. Other implications

6.1. How will this contribute to the One Coventry Plan?

The closing of Broadgate House will deliver an on-going cashable saving contributing to Corporate Savings targets. The development proposal will bring investment, a new residential development and avoid a vacant property in the City Centre.

6.2. How is risk being managed?

Risks will be monitored and managed during the course of the disposal process and at developer selection stage.

6.3. What is the impact on the organisation?

There may be an impact on the budget of the Property and Development service if units which are currently let are included within the sale. There will be a positive impact on the facilities management budget.

6.4. Equalities / EIA?

- 6.4.1 An Equality Impact Assessment (EIA) has been considered with a full EIA not required as the proposal is a property transaction where the Council services have already been relocated

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

Re-utilising an existing property is a sustainable approach particularly when compared to new build or a demolition and new build.

6.6. Implications for partner organisations?

N/A

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