

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the identity, 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.

Scrutiny Co-ordination Committee
Coventry Shareholder Committee

12 March 2026
17 March 2026

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:
None

Title:
Friargate JV Company - Business plan and financial update

Is this a key decision?
No

Executive summary:

Friargate JV Project Limited (the “Company”) was incorporated on 17th December 2018 as a jointly owned property management and development trading company between the City Council and Friargate Holdings 2 Limited with each party holding equal shares. The aim of the Company centres on developing a property portfolio consisting of both commercial and residential properties that is available for sale or rent in accordance with the Friargate Masterplan.

The business of the Company is governed by a Shareholders Agreement which sets out the governance arrangement between the Shareholders in relation to a number of matters including the review of the Company against the Business Plan which is the subject of this report.

The Company has operated under an initial business plan focussed on acting commercially to bring forward the development of the whole of the Friargate Masterplan prioritising the construction of the first phase of development consisting of the following:

- a) the delivery of four commercial buildings and a hotel; and
- b) Where possible, to act in good faith to bring forward the wider development of the Friargate Masterplan in an expeditious manner

This report sets out the Business Plan for the Company during the period between 2026 - 2030, which provides for the company's vision and broad strategic objectives and monitoring and assurances on the financial position to secure the ongoing viability of the Company.

The business plan states that the Company will act commercially to bring forward development in accordance with the Friargate Masterplan Objectives in order to:

- a) Maximise on every commercial opportunity available
- b) Trade in such a manner that acts in the best interest of the Company
- c) Optimise the financial return to the Shareholders
- d) Make a positive contribution to the delivery of commercial and residential schemes to meet commercial and housing needs in all segments of the market

Recommendations:

The Scrutiny Co-ordination Committee is recommended to:

- 1) Consider the report and identify any additional recommendations to the Coventry Shareholders Committee

The Coventry Shareholder Committee is recommended to:

- 1) Consider any comments and/or recommendations from Scrutiny Co-ordination Committee
- 2) Consider and approve the draft Friargate Business Plan 2026 – 2030 as set out in Appendix 1 of the corresponding private element of this report.
- 3) Note the financial update on the Company as set out in the Appendix of this report.

List of Appendices included:

Financial Update 2026/2027

Background papers:

None

Other useful documents

Cabinet and Council Report – Friargate Joint Venture – 9 January 2018 and 16 January 2018 respectively

Has it or will it be considered by Scrutiny?

Yes – Scrutiny Coordination Committee 12 March 2026

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

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Friargate JV Company - Business plan and financial update

1. Context (or background)

- 1.1. Friargate JV Project Limited (the “Company”) was incorporated on 17th December 2018 as a jointly owned property management and development trading company between the City Council and Friargate Holdings 2 Limited with each party holding equal shares. The aim of the Company centres on developing a property portfolio consisting of both commercial and residential properties that is available for sale or rent in accordance with the Friargate Masterplan.
- 1.2. The Company has operated under an initial business plan focussed on acting commercially to bring forward the development of the whole of the Friargate Masterplan prioritising the construction of the first phase of development consisting of the following (the “**Company Objectives**”):
 - a) the delivery of four commercial buildings and a hotel; and
 - b) Where possible, to act in good faith to bring forward the wider development of the Friargate Masterplan in an expeditious manner.

Development of Property and Business Plan

- 1.3. To date, the Company has facilitated the delivery of one commercial building (known as Friargate Two), a hotel (known as Hotel Indigo) and infrastructure works to unlock further plots within the overall Friargate Masterplan. It should be noted that the Council has played an influential role in facilitating development of the Friargate Masterplan through securing grant funding (used towards the delivery of Friargate Two) and leveraging its influence to bring Hotel Indigo (a four star hotel in the City).
- 1.4. The Company is under an obligation to keep the Business Plan under review and the document at Appendix 1 of the corresponding private element of this report sets out the Business Plan for the Company during the period of the next four years.
- 1.5. The Company continues to act commercially to bring forward the development of the whole of the Property it owns in accordance with the aims of the Company Objectives, the delivery of which are to be underpinned by the following principles:
 - a) Maximising on every commercial opportunity available
 - b) Trading in such a manner that acts in the best interest of the Company
 - c) Optimising the financial return to the Shareholders
 - d) Making a positive contribution to the delivery of commercial and residential schemes to meet commercial and housing needs in all segments of the market
- 1.6. Any receipts received by the company following sale of landholdings shall (unless otherwise resolved by the Shareholders) be applied initially towards the provision of

sufficient working capital and reserves as deemed necessary by the Board to ensure the proper discharge and delivery of the Objectives.

The construction and delivery of future buildings shall be determined as part of the ordinary course of business of the Company with decisions on timing and mechanisms being determined by the Company in accordance with its governance arrangements.

Estate Management

- 1.7. The largest asset held by the Company is its landholding within the Friargate Masterplan boundary. Accordingly, the Company ensures proper management of the property assets of the Company whilst the development and sale of future plots are explored.
- 1.8. Further details of the estate management activities are set out in the updated business plan attached at Appendix 1 of the corresponding private element of this report.

Financial Update

- 1.9. The Appendix to this report sets out a summary of the financial position of the company following its last financial year.
- 1.10. Further financial information is also contained in the corresponding private element of this report

Other matters

- 1.11. This Business Plan shall be valid for four years and will be reviewed by the Company on an annual basis with any amendments being undertaken in accordance with the governance arrangements set out in the Shareholder's Agreement.
- 1.12. As new buildings are being delivered, the Company will establish and maintain a Marketing Strategy to ensure that the full potential of the Masterplan as a destination for commercial and residential opportunities is promoted.

2. Options considered and recommended proposal

2.1. Option 1– Do nothing (Not recommended)

The Company's Shareholders' Agreement requires the Board of Directors to keep the Business Plan under review and for any update to be provided to the Shareholders for comment before it is adopted and this report meets this requirement. Failure to keep the Business Plan under review will result in the Company not maximising the Company Objectives and failing to comply with the terms of the Shareholders' Agreement.

This option is therefore not recommended.

2.2. Option 2 – Approve the Company business plan 2026-2030 (Recommended)

In accordance with the provisions of the Shareholders' Agreement, the Board of Directors have reviewed the current business plan and determined that this needs to be updated. Approving the Company business plan will facilitate the ability of the Company to have clear direction endorsed by the Shareholders and progress the planned activities accordingly. This is the recommended option.

3. Results of consultation undertaken

3.1. No consultation has been undertaken.

4. Timetable for implementing this decision

- 4.1. Upon approval of this report, the Company will be notified that the Council has received and approved the Company Business Plan 2026 - 2030 and can therefore be adopted by the Company as the updated Business Plan for the planned period (subject to the annual review).
- 4.2. Further performance updates on implementation of the Company Business Plan 2026 - 2030 will be provided at subsequent Coventry Shareholder Committee meetings.

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

5.1. Financial Implications

The Council purchased a 50% equity stake in the Friargate JV Company at its inception, which was used to secure the land within the Friargate Masterplan which was necessary to deliver the Company's objectives.

The existing cash balances for the Company at the end of the last financial year are viewed as sufficient working capital to carry out the activities in the business plan.

There will be no financial obligation on the Council to invest or provide additional project funding as part of this report.

Further details on the financial update of the Company are contained in the corresponding private element of this report.

5.2. Legal Implications

The Company is complying with the governance requirements set out in the Shareholders' Agreement. The updated Business Plan subject to this report will be reviewed by the Company on an annual basis and any subsequent amendments will be brought back to the Shareholder Committee for their comment and endorsement.

6. Other implications

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

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

The objectives of the Company presents a significant opportunity to act as an interface between the existing city centre projects and also as a catalyst for other private sector investment creating jobs and boosting investment within the Friargate Masterplan.

The Company also contributes to achievement of the visions set out in the One Coventry Plan 2022 – 2030 by:

Improving the economic prosperity of the city and regions - delivering new jobs, and providing a positive impact on the local economy; and

Council's role as a partner, enabler and leader – leveraging relationships with stakeholders and interested parties towards securing third party investment into the development of the Friargate Masterplan.

6.2. How is risk being managed?

The primary risk is the abortion of projects at any stage in their development due to project acceptance criteria not being met. This is governed and mitigated by a clear gateway process within the agreement which must demonstrate value for money alongside other key criteria in order for a plot to be developed.

The project risks (such as technical risk, planning, construction, etc) will be project specific, and will be defined, and managed through the gateway process, such that any investment decision and final business case contemplates such risks and puts in adequate measures to mitigate and/or compensate for the same.

The updated Business Plan also identifies ensuring that all development and management activities is compliant with building regulations and safety. The Company continues to maintain an active oversight of health and safety, both during enabling works and throughout any construction. This is achieved through all contractors submitting and maintaining suitable construction phase plans, method statement and risk assessments prior to any works being undertaken.

In implementing the updated Business Plan, the Shareholders and the Board of Director will work in partnership to effectively manage the risks arising through the implementation of the company objectives set out in the updated Business Plan.

6.3. What is the impact on the organisation?

The Council continues to provide ongoing time committed from the two CCC Directors who sit on the Company Board of Directors.

6.4. Equalities / EIA?

The Public Sector Equality Duty (PSED) contained in section 149 of the Equality Act 2010 requires public authorities to have due regard to several equality considerations when exercising their functions. While the Council does not have control over the operations of the Company and are not involved in day-to-day operations, it does have significant influence in its capacity as Shareholder. It is therefore important for the Council to consider the PSED in its role as a shareholder.

No equality impact assessment has been carried out as the recommendations in this report do not constitute a new project or review existing / develop new Council strategies, policies, guidelines or services.

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

The development of the Friargate Masterplan by the Company will deliver office accommodation, reflecting modern day standards and building regulations. The use of new materials will eliminate energy loss from the fabric of the buildings and promote energy efficiency, resulting in a reduction in carbon emissions and utility costs for occupiers.

Commercial buildings constructed as part of the Friargate Masterplan scheme will have the benefit of connecting to the Heatline network allowing all future tenants to connect to the renewable energy source.

6.6. Implications for partner organisations?

None

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