

Coventry City Council
Minutes of the Meeting of Cabinet Member for Jobs, Regeneration and Climate Change held at 1.00 pm on Thursday, 18 December 2025

Present:

Members: Councillor J O'Boyle (Chair)

Councillor J Blundell (Shadow Cabinet Member)

Others Members present: Councillor R Bailey (for item contained in Minute 18 below)

Employees (by Directorate):

Law and Governance S Bennett, J Redfern

Property Services and Development R Moon (Director), M A Hunt, M Gahir

Public Business

15. Declarations of Interest

There were no disclosable pecuniary interests.

16. Minutes

The Minutes of the meeting held on 12 November, 2025 were agreed and signed as a true record.

There were no matters arising.

17. Exclusion of Press and Public

RESOLVED that the press and public be excluded under Section 100(A)(4) of the Local Government Act 1972 for the private report contained in Minute 22 below headed 'Mercia Business Centre, Westwood Way Westwood Business Park, Coventry – Lease Regear (Surrender and Re-grant) ' on the grounds that the report involves the likely disclosure of information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act, as it contains information relating the identity, financial business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services, and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

18. Supporting Coventry Market and its Traders

The Cabinet Member for Jobs, Regeneration and Climate Change considered a report of the Director of Property Services which indicated that Coventry Market is

a hugely important asset which has been serving Coventry's communities since the 1950s. The Market has 150 stalls and sells a huge variety of goods and services and is a key footfall generator for the city centre. However, similar to the retail sector and "High Streets" generally, the Market has been struggling for many years in terms of vacancy levels, the trading environment and financial performance (the Market currently operates at a loss to the Council of c.£80k per year).

The Market is located on Rover Road and is adjacent to the Council's flagship regeneration scheme for the city, City Centre South (CCS), where £450m of public and private investment is transforming the city centre and delivering over 1,500 new homes, new business and job opportunities and high quality landscaped public spaces and streets. The Council has been working for a number of years to seek to ensure that any negative impacts arising from the scheme on the Market are minimised and that the Market can benefit from the investment and new residents who will live within the surrounding area.

The report highlights two key elements from this ongoing prioritisation of the Market. Firstly, a key focus of the negotiations by Council officers with the CCS developer when the scheme was being designed was to ensure that the impact on the Market and traders was minimised as far as possible. This included securing that the Market could remain open and trading during the demolition works, construction and delivery of the scheme; that appropriate servicing arrangements were put in place so that the traders could continue to service their businesses without major disruption; and to ensure that any negative impacts from the hoardings were minimised wherever possible.

Furthermore, as part of the preparatory work for CCS, the Council put a huge amount of energy into negotiating with the previous owners of the Market, Royal London, to take the ownership of the Market back from them to put the Council in a stronger place to be able to secure investment to deliver longer term improvements for the Market and its traders. The Council took ownership back of the Market in November 2024 (before then the Council only managed it on behalf of the owners Royal London). The arrangements during the period when Royal London owned it and the Council managed it meant that neither party was incentivised to invest in improving the Market so capital spend has been minimal for many years. This has meant that the building has deteriorated and there has been no investment planning aligned with a forward looking management strategy to make the Market relevant for 21st century retail needs.

Whilst options for longer term improvement are worked up for consideration, there is a more immediate challenge. The delivery of the CCS scheme requires a significant part of the city centre to be hoarded off whilst demolition and construction occurs. This is necessary to ensure the safety of the public and the contractors working on the site. The hoardings are necessarily located very close to the Market and its entrances and the Council recognises that this may be having an impact on footfall and the trading environment for the stallholders.

Recognising the direct impact of the CCS works on the trading environment of the Market, the report proposed that proportionate and time limited financial support is provided to Market traders. Firstly, rent relief (including Service Charge), to be effected by providing traders with the equivalent of two quarter's rent concession

during the 2026 calendar year and one quarter's rent concession during the 2027 calendar year. This offer would only initially be made available to those traders who are not in an arrears position and it will be effected through a pro rata reduction in traders' rental payments. It should also be noted that delegated authority (see recommendation 6) was being sought which allows for variations to the criteria set out in the report to be made.

Secondly, those traders who are liable for Business Rates are currently benefitting from Business Rates relief for 2025/26. It is proposed that this continues for 2026/27 and 2027/28.

As well as the financial support proposed, the report indicated that the Council will continue to engage in dialogue with the Market traders and provide a broad range of communications and marketing support. The Council will also work with the West Midlands Combined Authority (WMCA) who have recently appointed an organisation called "Good 2 Great" through its Market Boost programme to provide business support to Market traders and, from January 2026, the Council will be linking this organisation up with a number of traders to provide this support.

The report also indicated that it is important to recognise the significant benefits the CCS scheme will bring to the city and the Market traders. This scheme will realise £450m of investment in the city centre, create high quality, landscaped public spaces next to the Market, provide opportunities for new jobs and businesses and also provide much needed affordable homes. It will also result in thousands of new residents living next door to the Market and there is an opportunity for the Market to become the main amenity, retail and leisure offer for these new residents. The CCS scheme will also significantly improve the servicing arrangements for the Market traders through the provision of a new, covered service yard. The operating environment for the traders will also be greatly enhanced as it will no longer be hidden away behind shops and within poor quality service yards and will instead sit within a new landscaped environment. This provides the context to look at longer term opportunities for investment into the Market and Officers will explore options for funding for these improvements and opportunities to help create a sustainable future for the Market and its traders.

This work will include exploring options for improving the external façade of the Market. The current façade has deteriorated significantly over many decades, looks tired and doesn't offer an inviting welcome and "front door" for the Market. The Council is proposing to work with key stakeholders, including the CCS developer and Market traders, to identify improvements (such as windows, doors, external lighting, shutters, signage, paintwork etc) for the façade and sources of funding for the work (recognising that the Market is a Grade 2 listed structure). The improvements to the façade are also given greater emphasis by the fact that by mid 2028 the Market will be "opened up" and will sit within fantastic new public realm and next to high quality new homes. Without improvements to the façade, the contrast between old and new will be telling.

Improvements to the external appearance of the Market is only one, albeit necessary, step in helping to create a sustainable trading environment for the traders and a sustainable financial position for the Council. Identifying the longer term "offer" and focus for the Market needs to be a priority and the Council will be working with specialists in the Market sector to identify options and business cases

for change and investment in the Market. This work will also be undertaken with the involvement of key stakeholders which will include the CCS developer and Market traders. As options are developed, there will be reports back through Governance approval processes.

Two petitions have also been received in relation to Coventry Market. The first petition bears a total of 723 signatures and reads:-

“Coventry Market – Improve Access after Disruptions Following Redevelopment”.

The petition requests:-

- i) Changes to the hoarding and construction barriers in place for the City Centre South development; and
- ii) If no changes are possible then a suspension or lessening of rents

The second petition bears a total of 549 signatures and reads:-

“Support the Coventry Market Traders. The iconic round market is open but due to building work around it, people think it's closed or cannot find it. Please support them by visiting and shopping for all kinds of everything”.

One of the petition organisers together with the petition sponsors, Councillors Bailey and Blundell, attended the meeting to present their petitions. The petition organiser present and the sponsors indicated their support for the recommendations contained in the report.

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change:-

- 1) Considers and notes the two petitions, together with the comments raised at the meeting.**
- 2) Approves the proposal to provide rent relief to Coventry Market Traders who satisfy the criteria set out in section 3.2.3 of this report to be funded from existing resources.**
- 3) Notes that the Business Rates relief for applicable Coventry Market traders provided by way of discretion under section 69 of the Localism Act 2011 will be extended to also cover the 2026/27 and 2027/28 calendar year.**
- 4) Notes that Officers will be exploring options to secure funding to improve the external façade of Coventry Market and any subsequent decision will be the subject of separate Governance approvals as required.**
- 5) Notes that Officers will be working with specialists and key stakeholders to look at options for long term improvement to Coventry Market to ensure it has a financially viable future and any**

subsequent decision making will be the subject of separate Governance approvals as required.

- 6) Delegates authority to the Director of Property Services and Development, following consultation with the Director of Law and Governance, the Director of Finance and Resources and the Cabinet Member for Jobs, Regeneration and Climate Change to take all necessary, incidental or ancillary steps for the carrying into effect any of the recommendations set out in this report including but not limited to the authority to make necessary variations to the criteria set out in section 3.2.3 of this report.**

19. Mercia Business Centre, Westwood Way Westwood Business Park, Coventry - Lease Regear (Surrender and Re-grant)

The Cabinet Member for Jobs, Regeneration and Climate Change considered a report of the Director of Property Services and Development that sought approval to the surrender of the current leases on Mercia Business Centre and to the simultaneous regrant of a new long lease. This would facilitate the demolition of the existing buildings to be replaced with purpose-built student accommodation and ancillary commercial accommodation. The student accommodation scheme was approved at Planning Committee on 31 July 2025 and is subject to completion of a Section 106 agreement.

The report indicated that Westwood Business Park is evolving into a student accommodation hub on the north side of Westwood Way, where Mercia Business Centre is located, bringing economic opportunities for the City and delivering financial returns to help support the delivery of services to Coventry residents.

Purpose-built student accommodation supports the University of Warwick as a leading place of learning and research in the UK, providing businesses an opportunity to recruit their future skilled workforce and help strengthen the economy of the city.

The proposed scheme for Mercia Business Centre involves the Council and the developer entering into an Agreement for Lease which will be conditional on the developer:-

- 1) Securing an acceptable planning permission for the proposed development
- 2) Entering into a building contract and
- 3) Acquiring the interests of the existing occupational leasehold interests.

The subject property is a collection of two-storey office buildings comprising 23 units with associated parking built in the late 1980/early 1990's, located on Torwood Close on the northern side of Westwood Way. It has been occupied by a variety of businesses and has been let on mainly short term occupational tenancies, three of which are partially occupied and nine vacant units (approx. 40% of the property).

The site, which extends to approximately 2.89 acres (1.17 Ha) is subject to seven headleases granted for a term of 125 years from 22 November 1988 expiring on the 21 November 2113. A capital premium payment was received by the Council when granting the original leases hence the current rent passing is a peppercorn. The leases currently restrict the use of each demise to offices. The developer, Skybridge Property Mercia Limited (SPML) is acquiring the headleases from the long leaseholders.

SPML are proposing to construct a purpose-built student housing development of up to 1,006 beds with ground floor commercial. They have agreed to acquire the headleases from Mercia Business Village (Coventry Ltd), which have an unexpired term of 88 years. SPML are seeking a new 153-year lease (which allows the proposed development on the land outlined in red in Appendix 1). The new lease is to include a piece of amenity land currently accommodating trees and shrubs on the corner of Westwood Way and Torwood Close (shown hatched red on the plan). The amenity land is owned by the Council and is also part of the adopted highway.

SPML intend to forward sell the completed development to an investor or investment fund. As such the Council may be asked to grant the lease in the name of the fund or investor. If the funder requires the demise to be split across two separate leases rather than a single lease, officers will review the arrangement to ensure it continues to meet the Council's requirements, and its position remains fully protected.

The Council has been professionally advised by independent property consultants Avison Young in the commercial negotiations around the terms of the new lease to ensure 'best consideration' is obtained.

The Business Park has already seen other sites on the estate redeveloped for high quality student housing and the advice provided by Avison Young is that due to the changing nature of the way offices are occupied, the demand for older second-hand office space, such as that at Westwood Business Park, is low and does not show signs of improvement. Therefore, finding suitable alternative uses for the land which can support the continued growth and improved experience of students attending the University of Warwick, is important for effective land use and economic growth for the city.

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change, subject to the consideration of the additional confidential information contained in the corresponding private report,:

- 1. Approves the surrender of the existing leases across the former Mercia Business Centre site at Westwood Business Park.**
- 2. Approves the simultaneous grant of new 153-year lease(s) to Skybridge Property Limited or their nominated investment fund or investor, to facilitate the development of up to 1,006 bed Purpose-built student accommodation scheme with a new ground rent.**

3. **Delegates authority to the Director of Property Services and Development, following consultation with the Director of Finance and Resources, the Director of Law and Governance and the Cabinet Member for Jobs, Regeneration and Climate Change, to negotiate and finalise the terms of the grant of the new lease(s), to undertake the necessary due diligence, complete all necessary legal documentation to facilitate the completion of the transaction and to take all necessary, incidental or ancillary steps for the carrying into effect any of the recommendations set out in this report.**

20. **Outstanding Issues**

There were no outstanding issues.

21. **Any Other Items of Urgent Public Business**

There were no other items of urgent public business.

22. **Mercia Business Centre, Westwood Way Westwood Business Park, Coventry - Lease Regear (Surrender and Re-grant)**

Further to Minute 19 above, the Cabinet Member for Jobs, Regeneration and Climate Change considered a private report of the Director of Property Services and Development which set out the confidential commercial and financial matters relating to the surrender of the current leases on Mercia Business Centre and to the simultaneous regrant of a new long lease.

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change, having considered the corresponding public report,:

1. **Approves the surrender of the existing leases across the former Mercia Business Centre site at Westwood Business Park.**
2. **Approves the simultaneous grant of new 153 year lease(s) to Skybridge Property Limited or their nominated investment fund or investor, to facilitate the development of up to 1,006 bed Purpose-built student accommodation scheme with a new ground rent on the terms as detailed in the report.**
3. **Delegates authority to the Director of Property Services and Development, following consultation with the Director of Finance and Resources, the Director of Law and Governance and the Cabinet Member for Jobs, Regeneration and Climate Change to negotiate and finalise the terms of the grant of the new lease, to undertake the necessary due diligence, complete all necessary legal documentation to facilitate the completion of the transaction and to take all necessary, incidental or ancillary steps for the carrying into effect any of the recommendations set out in this report.**

23. **Any Other Items of Urgent Private Business**

There were no other items of urgent private business.

(Meeting closed at 1.40pm)