



Public report Cabinet Report

Paragraph 3
Schedule 12A of the Local Government Act 1972

Cabinet
Council

18th June 2013
25th June 2013

Name of Cabinet Member:

Cabinet Member (Business, Enterprise and Employment) - Councillor Kelly

Director Approving Submission of the report:

Director of City Services and Development

Ward(s) affected:

St Michael's

Title:

Friargate Bridge

Is this a key decision?

Yes – although geographically the development site is located within one ward it will have an impact on the whole of the city and the costs will be above the financial threshold of £1million.

Executive Summary:

'Friargate' is the proposed commercial development scheme located on approximately 37 acres of land around Coventry Railway Station. When completed the scheme will provide a new commercial quarter for the City with up to 300,000 sqm of new development, of which over 185,000 sqm will comprise high quality office accommodation. It could create up to 13,400 permanent jobs.

The development is a fundamental part of the future economic growth, job creation and physical regeneration of Coventry and the region over the next 10-15 years. An outline masterplan planning application identifying the scale of change proposed was approved by planning committee on the 24th February 2011. The planning consent is outline so there are a number of reserved matters to be discharged before it can be implemented and highway works are a reserved matter.

To maximise inward investment and job creation potential it is essential that the station area is fully connected to the city centre. To address the barrier created by the Ring Road it is proposed to remove the roundabout at Junction 6 and to build a bridge deck across the Ring Road (the 'Friargate Bridge') to create a new attractive public boulevard route to link into the city centre and

to extend Greyfriars Green to the edge of the Friargate development. The new road layout and bridge is shown in Appendix A.

The proposed boulevard route will run from the front of the station, over the new bridge deck and into the city's central shopping area. In addition, as well as promoting enhanced pedestrian linkages and better visual connections the removal of the roundabout allows for additional land for development to be brought forward. The completion of these works will, through the Collaboration Agreement (approved by Cabinet in 2011) between Friargate LLP and Coventry City Council, require the developer to discharge the reserved matters on its outline planning consent and implement the pedestrian boulevard route from the front of the railway station to the ring road – another transformational element of the masterplan.

The Council has been successful in securing a Regional Growth Fund (RGF) bid on behalf of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP). Within the bid £12.7million is being made available to the City Council for the rebuilding of Ring Road junction 6, making significant road improvements and opening up the Friargate site for greater development and opportunity. The rebuilding of junction 6 will also ensure the Friargate site is integrated into the current city centre and future City Centre South aspirations. The RGF funding agreement with government for the £12.7million stipulates the funding has to be spent by 30 June 2015 and the delivery of over 2,000 jobs by April 2022 through the office space being developed on the site.

To achieve this tight timescale it is proposed to enter into an Early Contractor Involvement arrangement with a contractor who will be co-located with the City Council's appointed design team to develop the scheme and a target contract price. This target price will be fixed by December 2013.

It will be necessary to incur development costs up to December 2013 when the target price will be known. We will be incurring these costs without certainty that the project is affordable and that it will therefore proceed. The estimated spend up to this point (principally design fees and project management costs) is £0.7million. If the Council chooses not to proceed with the bridge, it will not be able to claim from RGF for the costs incurred to this date.

This report should be read in conjunction with the report 'Starting the Friargate business district to regenerate the City, transform the Council and deliver savings' which is also being considered at this meeting.

Recommendations:

Cabinet are requested to:

1. Note the funding award Regional Growth Fund 3 for £12.7million for the purpose of constructing Friargate Bridge.
2. Approve that project management and design costs of £0.7million will be incurred at risk up until December 2013 when contracts would be signed.
3. Approve variations to the collaboration agreement with Friargate LLP to facilitate the bridge and boulevard works to an agreed timescale.
4. Support Friargate in the discharge of the reserved matters under the planning application and the required stopping up orders for the said works.

5. Recommend that Council:
 - a) Approve the addition of this scheme to the Council's Capital Programme for 2013/14 onwards
 - b) Approve the delegation of authority to The Director of CSD in consultation with the Cabinet Member (Business Enterprise & Employment) to award the ECI works contract for the bridge deck

Council are requested to approve the recommendations detailed in 5 (a) & (b).

List of Appendices included:

Appendix A– plan of proposed works
Appendix B – outline project delivery plan
Appendix C – Project delivery structure

Background papers:

None

Other useful documents:

Cabinet Report: Collaboration Agreement Heads of Terms – February 8th 2011
Planning Committee –July 21st 2011
Ourspace – June 18th 2013

These documents can be obtained from the Council's website www.coventry.gov.uk

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 25th June 2013

**Report title:
Friargate Bridge**

1. Context (or background)

- 1.1 The redevelopment of the land and buildings adjacent to the Coventry's West Coast Mainline Railway Station to provide a new commercial quarter for the city together with improved connectivity between the station and the city centre has been a long term aspiration of the Council. This vision has been supported and incorporated into planning policy.
- 1.2 'Friargate' is located on approximately 37 acres of land around Coventry Railway Station. When completed the scheme will provide a new commercial quarter for the City of up to 300,000 sqm of new development, of which over 185,000 sqm will comprise high quality office accommodation. There will, in addition, be provision for retail, hotel and leisure uses along with residential. It has the potential to create up to 13,400 jobs.
- 1.3 Friargate is a fundamental part of the future economic growth, job creation and physical regeneration of Coventry and the region over the next 10-15 years. It is an essential element of the plans to regenerate the city centre and complements the 'City Centre South' retail development proposals. Outline permission was granted on July 21st 2011 with highways and access being reserved matters. One of the conditions of the planning permission requires that subsequent planning applications must conform to the principles of the approved masterplan which includes Friargate Bridge.
- 1.4 The success of the development depends on the integration of the site with the city centre. To achieve this it is essential that the barrier posed by Ring Road junction 6 is removed. It is proposed to remove the roundabout, associated slip roads and structures and to deck over the ring road to create Friargate Bridge. Warwick Road will be returned to its original (pre ring road) alignment and a much simplified junction created. A new junction and approach to provide access to the railway station is also required. The plan in Appendix A shows the proposed layout.
- 1.5 The cost estimate is based on a Capita Symonds and McAlpine feasibility study into the design and delivery of the works and includes all project management costs. The construction costs have been verified by our engineering consultants, Jacobs and the project team. Early Contractor Involvement in the design process will ensure value engineering opportunities are identified. The target price will be determined in December 2013 following completion of detailed design.
- 1.6 The completion of these works will oblige the developer (Cannon Kirk) to build the pedestrian boulevard route from Station Square to the Ring Road. This will complete a high quality link from the station to the city centre and transform the environment of this part of the city centre. This obligation arises from the Collaboration Agreement approved by Cabinet on February 8th 2011.
- 1.7 It is clearly essential that the rebuilding of junction 6 takes place as early as possible to help kick-start the Friargate development and attract much needed jobs and investment to the city.

2. Options considered and recommended proposal

- 2.1 An opportunity to finance the works at junction 6 has arisen through a successful bid to the Department of Business Innovation and Skills (BIS) for RGF3. The RGF supports projects and programmes that lever private investment to create economic growth and sustainable employment.
- 2.2 The total allocation to CWLEP was £24.4million of which they have awarded £12.7million for the works to create the Friargate Bridge. The other proposed RGF projects are improvements to Junction 12 M40 (Gaydon) and Whitley Interchange (JLR site).
- 2.3 One critical requirement for receiving RGF is that all of the funding needs to be spent by June 2015.
- 2.4 This is a very challenging timescale for the bridge works. Following a planning workshop in March it became clear that work on design, procurement and statutory processes had to start immediately. The outline project delivery plan is shown in Appendix B.
- 2.5 A variety of procurement options have been assessed: design and build, build only and early contractor involvement (ECI). Only ECI was found to meet the tight deadline. This entails procuring a contractor early to work with the council and its appointed design team to develop the scheme and a target price.
- 2.6 As there was insufficient time for a full OJEU process, the contractor is being procured using the Highway Agency's Asset Support Framework. This framework is the most appropriate for this type of work and had the added advantage of being available for our use free of charge and OJEU compliant. The design team is being appointed through our new Professional Services Contract Framework which went live on June 1st 2013 which is also OJEU compliant.
- 2.7 The contractor, design team and city council staff will be co-located. This integrated team approach will deliver value for money and ensure, crucially, that the project is delivered on time.
- 2.8 The team will develop a detailed design and a target cost by December 2013. The target cost will be based on an agreed schedule of rates and will be subject to a 'pain/gain' mechanism whereby the contractor and the council will share the benefits or costs of any variance to the target price. This incentivises the contractor and the client to look for ways of saving costs on the project.
- 2.9 It is proposed that the Director of CSD is authorised, in collaboration with the Cabinet Member for Business, Enterprise and Employment, to enter into a contract with the successful contractor to deliver the bridge works subject to the target price being within the current estimate.
- 2.10 The chosen method of procurement will ensure that the costs of the scheme are kept as low as possible whilst fully meeting the objectives of the masterplan and creating a high quality environment. The majority of the cost is in the structural work and a comprehensive exercise was undertaken to ensure that the most cost effective structural solution (taken on a whole life costing basis) has been selected.
- 2.11 In terms of statutory processes, the developer is intending to submit the reserved matters application in June and a decision is expected at the end of July 2013, timescales are currently subject to legal advice. The new highways layout requires a comprehensive set of Traffic Regulation Orders (TROs) which the City Council are intending to advertise mid-

June. Any representations will be reported to the Cabinet Member for Public Services in August 2013.

- 2.12 In terms of the new junction, this has been subject to rigorous assessment and a number of design options have been tested. These included looking at traffic signals, roundabouts and priority ('give way') junctions.
- 2.13 Friargate Bridge is one of a series of projects aimed at regenerating this part of the city. To ensure consistency in terms of delivery and specification a comprehensive governance structure, as shown in Appendix C, has been established. The strategic Friargate Board includes the Cabinet Member for Business, Enterprise and Employment and the Director of CSD. There is a specific project board for Friargate Bridge chaired by the Assistant Director of Planning & Transport & Highways.

3. Results of consultation undertaken

- 3.1 The masterplan proposals were the subject of considerable consultation as part of the planning process. As a result of the discussions at planning committee the Friargate Liaison Group was created where the developers and appropriate council officers have met regularly with local residents to advise them of progress and issues arising from the scheme. The Liaison Group has been advised of the Regional Growth Funding proposal.
- 3.2 For the specific bridge proposals, there has been early engagement with a number of stakeholders including:
 - Friargate Liaison Group
 - Standard Life (owners of Central 6)
 - Network Rail
 - Virgin Trains
 - Stagecoach
 - Travel De-Courcey
 - National Express
 - King Henry VIII School
- 3.3 The purpose of the early engagement has been to explain the proposals, the need for the development, provide reassurance regarding temporary traffic management arrangements and to establish points of contact for ongoing communication. The project team have developed a communications plan which sets out how consultation and communications will be undertaken throughout the project.

4. Timetable for implementing this decision

- 4.1 The project delivery plan in Appendix B sets out the implementation timetable.

5. Comments from Director of Finance and Legal Services

5.1 Finance

- 5.1.1 The project costs are based on financial modelling using the following assumptions;

- *Design costs* which include feasibility and preliminary design, detailed design and on site costs;

- *Construction costs* which include preparatory work, bridge deck and central piers, demolition, road works and public realm;
- *Project Management costs* which include the cost of external consultant support and appointment of external posts/back filling;
- *Other costs* which include service diversions, ground conditions, landscaping, profit, service bridge, asbestos, offsite enabling costs and contingency;
- Budget available is RGF funding of £12.7million.

5.1.2 Revenue costs are expected to be minimal with any costs being met by existing budgets or revenue income from advertising on the bridge deck.

5.1.3 Included in the costs are potential abortive costs of up to £0.7million which may be incurred if the project does not proceed to contract. These costs may be incurred for project management and for design/survey work. Project management abortive costs could be up to £0.1million and design/survey work could be up to £0.6million. Abortive costs will only be incurred if we opt not to appoint a contractor and before any formal contract is signed. A contract is likely to be signed with the preferred contractor during December 2013, after which point we are contractually obliged and there is no opportunity to withdraw.

5.2 Legal implications

5.2.1 Any public works carried out that are part of the public realm and are over the EU thresholds will be tendered under the Public Works Contract Regulations 2006. The use of the highway Agency's framework does comply with 2006 regulations.

The Council has not secured its own planning consent for the bridge works but will rely and carry out the works under the outline consent that Friargate has for the development. Friargate will lead on the discharge of the reserved matters supported by the Council under the collaboration agreement. As the planning consent is with Friargate it is the entity which must secure the stopping up orders under section 247 of the Town and Country Planning Act 1990.

The RGF funding will come with conditions about the creation of jobs which the Council alone cannot comply with. It will therefore require a legal obligation from Friargate to comply with the grant condition on the number of jobs to be created within its development over a nine year period. There may still be some exposure to grant clawback on the Council if that grant obligation is not fulfilled by either party.

5.2.2 The Council has the power to regulate the flow of traffic and to install pedestrian crossings through the 1984 Road Traffic Regulation Act.

6. Other implications

6.1 **How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

The delivery of the Friargate project will help achieve many of the priority themes of the Sustainable Community Strategy and objectives within the Councils Corporate Plan. These include:

- ***A prosperous Coventry with a good choice of jobs and business opportunities for all the city's residents*** - by providing significant opportunities for existing and new business to locate into the predominate office development providing them a quality environment which will provide them with the profile to develop and expand their business
- ***A safer and more confident Coventry-*** by designing out crime within the new development, removing the subways and bringing more life and activity to the areas of the scheme over a longer period of the day
- ***Making Coventry's streets, neighbourhoods, parks and open spaces attractive and enjoyable places to be*** - by improving and extending Greyfriars Green, providing new high quality public spaces and routes through the development and creating a new predominantly commercial neighbourhood in which the city can be proud
- ***A good choice of housing to meet the needs and aspirations of the people of Coventry-*** by providing a range of city centre living opportunities taking advantages of its key sustainable transport location
- ***Making places and services easily accessible for Coventry people*** – by in a physical sense making the scheme area including a new route to the railway station and buildings constructed around it more accessible to those with a disability. Also providing opportunities for new and improved services and activities to locate in the area increasing the opportunities for the people of Coventry and the region
- ***A creative, active and vibrant Coventry*** - by providing a new business district for the City which will bring an increase to the number of people who work, live, use and play in the area improving the visually and economic environment of the area
- ***Improving Coventry's environment and tackling climate change*** – by creating a sustainable business location around a transport interchange and delivering highly resource efficient business premises. Additionally the expansion of green space in the city centre will help reduce the heat trapped in the city and increase biodiversity.

6.2 How is risk being managed?

6.2.1 To mitigate the risk there is a comprehensive governance structure in place to ensure correct procedures are being followed and that the programme is maintained. A risk workshop has been held to identify the main risks and associated mitigation measures which have been outlined in the report. The principal risks to the project are cost, time (we lose funding if the project is not substantially complete by June 2015) and challenge of the statutory processes.

6.3 What is the impact on the organisation?

6.3.1 This has already been addressed in the report for the Friargate development.

6.4 Equalities / EIA

6.4.1 Under the Equality Act 2010 the provision of public highway and regulation of traffic are services to which equality must be considered. Access Development and disability groups have been consulted regarding the scheme and will be engaged throughout the design and build process. Contractors bidding for the construction work must demonstrate their approach to involving small firms, ethnic minority businesses, social enterprises and third sector suppliers within the supply chain, and also how they will support the education and training of young people. Local people will be engaged throughout the project and appropriate consideration given to protected characteristics.

6.5 Implications for (or impact on) the environment

6.5.1 The Friargate scheme is a development located in a highly sustainable location with its unrivalled accessibility adjacent to the West Coast main line railway station, bus routes and the city centre. The intention of the developer is to develop the office accommodation to meet the Breeam excellent environmental standards, helping to reduce its occupier's carbon footprint.

6.6 Implications for partner organisations?

6.6.1 The impact on partner organisations will continue to be reviewed.

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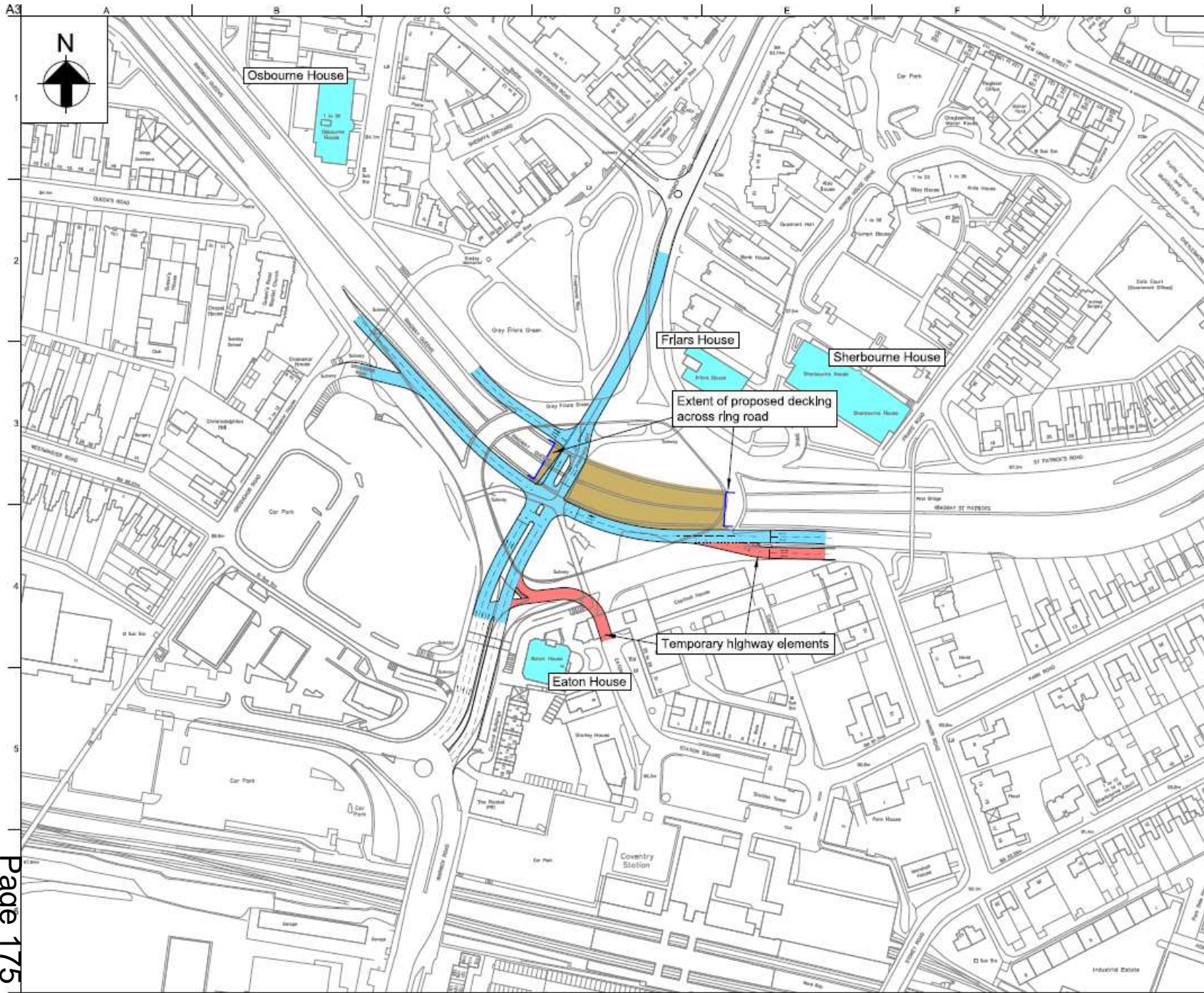
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Appendices



Key:

- New Roads
- Temporary Roads

01	15/04/13	NS	CM	PS
First Issue				
Issue	Date	By	Checked	Approved

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Client
Frlargate Coventry LLP

Job Title
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Drawing Title
Proposed Junction 6 Scheme

Scale at A3
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Information

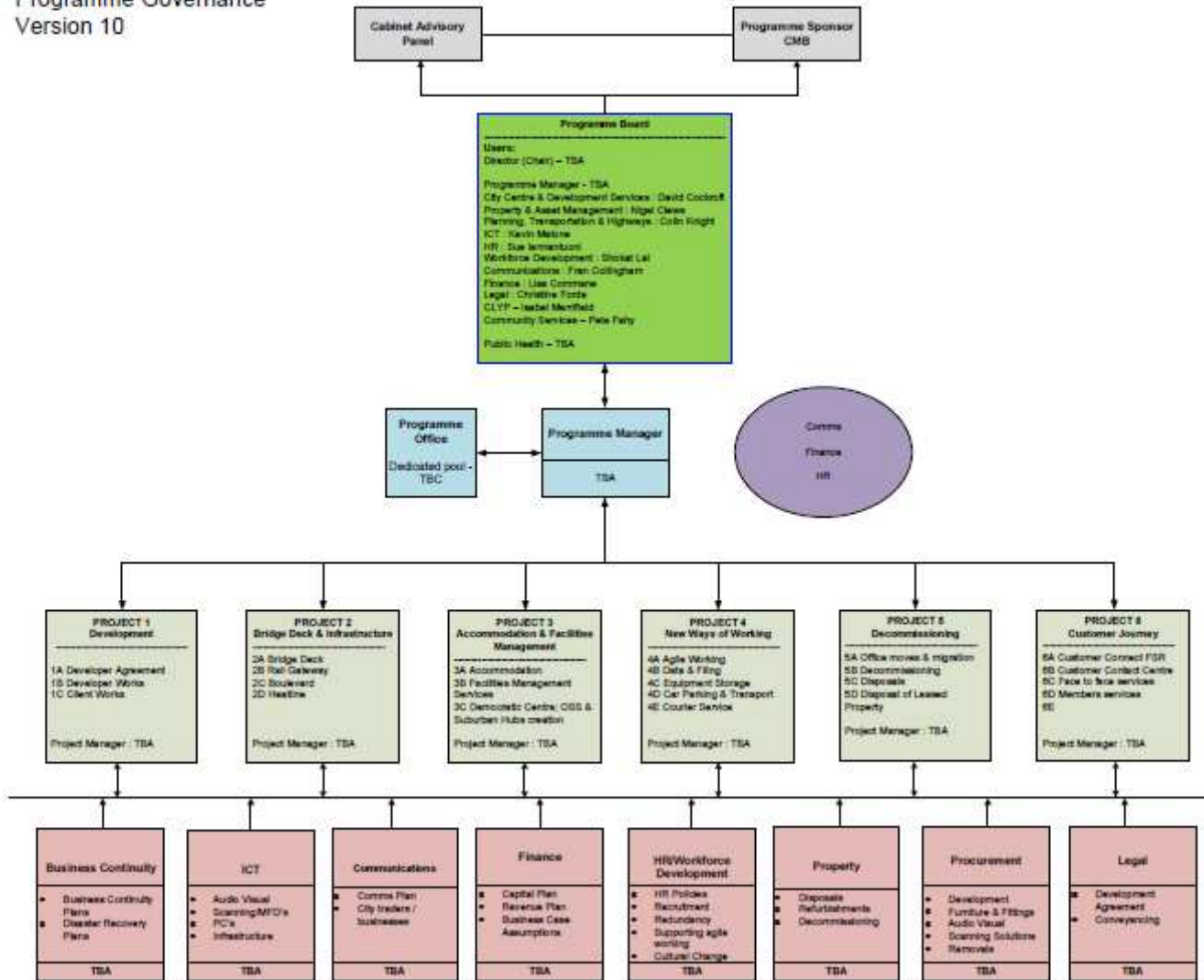
Job No 122200-00	Drawing No CH002	Issue 01
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Appendix B
Outline Project Delivery Plan

Key Project Milestone	Timescale
Commence stakeholder engagement	April 2013
Prepare contract documentation	May 2013
RGF contract awarded	May 2013
Submit reserved matters planning application	June 2013
Advertise TROs	June 2013
Submit Stopping Up Orders	June 2013
Award Design Contract	June 2013
Award ECI Contract	July 2013
Finalise highway 3D design	July 2013
Complete preliminary structural design	July 2013
Reserved Matters Approved	July 2013
TROs Approved	August 2013
Complete detailed structural design	November 2013
Stopping Up Orders Approved	November 2013
Target cost approved	December 2013
Award Build Contract	December 2013
Site mobilisation	January 2014
Construction start	February 2014
Construction complete	May /June 2015

Appendix C Project Delivery Structure

Kick-Start | Bridge Deck | Friargate
Programme Governance
Version 10



STAKEHOLDER GROUPS



FRIARGATE BRIDGE PROJECT DELIVERY GOVERNANCE STRUCTURE

