

Cabinet
Council

13th August 2013
10th September 2013

Name of Cabinet Member:

Cabinet Member (Business, Enterprise and Employment) - Councillor Kelly
Cabinet Member (Public Services) – Councillor Lancaster

Director Approving Submission of the report:

Director of City Services and Development

Ward(s) affected:

Cheylesmore

Title:

Whitley Junction – Road Improvements

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:

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, £6.5million is being made available to the City Council for works to create a new junction on the A444 Styvechale- Cheylesmore Bypass to serve Jaguar Land Rover (JLR) and the adjoining employment land along with improvements to Whitley Interchange. This proposal has the potential to support the creation of 3,750 jobs.

A proposal for a junction on the A444 was put forward as part of the Coventry and Warwickshire Gateway application. Although this has now been called in by the Secretary of State for determination, this does not affect the Whitley junction proposal as this is a stand-alone scheme and it will be the subject of a separate planning application.

The RGF funding agreement with government for the £6.5million stipulates the funding has to be spent by 30 June 2015 and that it has to lead to the delivery of 3,750 jobs by April 2022.

To achieve this tight timescale it is proposed to enter into an Early Contractor Involvement (ECI) arrangement with a contractor who will be co-located with the City Council's appointed design team to develop the scheme and a target price contract. This target price will be fixed by December 2013 subject to this price being £6.5million plus any variations up to £0.5million allowed under the scheme of delegations. Any further variance beyond this amount would need to be considered by the Cabinet and full Council.

It will be necessary to incur development costs up to December 2013 to design and produce the target price. This work is required to establish that the Project is affordable and deliverable and that it will therefore proceed. The estimated spend up to this point (principally design fees, project management and environmental assessment costs) is £0.65million. 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.

The Council has been very successful recently in securing RGF and ERDF (European Regional Development Funding) and, as a consequence, there are a number of high profile projects that will impact on traffic flow in the city during 2014 into 2015. These projects, listed in Appendix D to the report, are collectively known as 'Regenerating Coventry' because they are all designed to help boost economic growth.

To minimize disruption to the travelling public over the next couple of years, the delivery of these projects will be co-ordinated. To help reduce the impact on traffic, a number of enabling schemes have been identified which will need to be implemented before the start of major construction next year. These enabling works are listed in Appendix E to the report and are estimated to cost £0.9m.

Recommendations:

The Cabinet is requested to:

1. Approve project management, design costs and environmental assessment costs of up to £0.65million that will be incurred at risk up until December 2013 when contracts are planned to be signed and the commencement of procurement in advance of Council approval, provided the closing date for tenders is after the Council meeting and there are no costs to the Council if the procurement does not proceed to acceptance of tender.
2. Approve the expenditure of £0.9million on enabling works to support the Regenerating Coventry Programme.
3. Recommend that Council:-
 - a) Approves the addition of this Scheme to the Council's Capital Programme for 2013/14 onwards for the construction of Whitley Bridge and associated works up to £6.5million.
 - b) Delegate authority to the Director of City Services and Development, in consultation with Cabinet Member (Business, Enterprise and Employment), to award the Early Contractor Involvement works contract for the bridge and associated junction improvement works.

Council is recommended to:

1. Approve the addition of this Scheme to the Council's Capital Programme for 2013/14 onwards for the construction of Whitley Bridge and associated works up to £6.5million.
2. Delegate authority to the Director of City Services and Development, in consultation with Cabinet Member (Business, Enterprise and Employment), to award the Early Contractor Involvement works contract for the bridge and associated junction improvement works.

List of Appendices included:

Appendix A – plan of proposed works
Appendix B – outline project delivery plan
Appendix C – Project delivery structure
Appendix D – Regenerating Coventry programme – list of projects
Appendix E – Enabling works for Regenerating Coventry

Background papers:

None

Other useful documents:

Planning Committee – 13th December 2012
These documents can be obtained from the Council's website:
www.coventry.gov.uk/councilmeetings

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 – 10 September 2013

Report title:**Whitley Junction – Road Improvements****1. Context (or background)**

- 1.1 Access to Jaguar Land Rover (JLR) at Whitley is currently from Whitley Interchange which suffers from peak time congestion. To allow for potential expansion of JLR and the development of the adjoining development land, a number of proposals have been put forward to develop an access directly off the A444 Cheylesmore/Styvechale Bypass.
- 1.2 The recent proposals for the Coventry and Warwickshire Gateway development included a new all movements junction on the A444. This was part of a package of extensive highway works to serve the proposed 439,000 square metres of B1, B2 and B8 (business park, manufacturing and warehousing) development on land around Baginton Airport.
- 1.3 The Gateway application has been called in by the Secretary of State for determination; however, this does not affect the junction proposal as this is a stand alone scheme which will support the creation of 3750 jobs and will provide much needed relief to Whitley Interchange. These works will be the subject of a separate planning application.
- 1.4 In more detail, the works include the provision of a new bridge over the A444 immediately to the south of the existing bridge which provides access to Jaguar Land Rover (JLR). New slip roads will be provided to allow all movements to take place at this junction; this will avoid the need for drivers entering from the south, or wishing to go south, having to use Whitley Interchange. The scheme is shown in Appendix A to the report.
- 1.5 The junction will be implemented to allow access to the Gateway development should this proceed in the future. This will include provision for bus lanes utilising the existing bridge over the A444 and facilities to connect into the proposed cycle routes.
- 1.6 At Whitley Interchange the road layout will be changed to improve capacity. As part of the changes, dedicated bus lanes will be provided from Daventry Road to the bridge referred to in paragraph 1.5. This is essential to ensure people from across the city will be able to access the new jobs.
- 1.7 A full planning application will be required for this scheme and will need to be submitted by early October 2013 in order to meet the tight timescales for this project.
- 1.8 The City Council, on behalf of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP), was successful in obtaining £6.5million of Regional Growth Funding for the works described above. This is part of the £23.45million award which was reported to Cabinet on 12 February 2013 and Council on 26 February 2013. One of the grant conditions is that this money has to be spent by June 30th 2015; another is that it has to lead to the creation of 3,750 jobs over the next 9 years. In addition the grant is only available on the basis that there is a fully funded scheme in place.
- 1.9 The City Council has also been very successful in securing Regional Growth Funding and European Regional Development Funding for projects aimed at growing the city's economy. These projects are collectively known as the 'Regenerating Coventry' programme and are listed in Appendix D. Because of the funding conditions it is going to be necessary for most of these schemes to be delivered simultaneously in 2014 and early 2015.

2. Options considered and recommended proposal

- 2.1 To meet the very tight timetable to deliver this scheme, and to avoid the risk of losing any grant, it is proposed to adopt the same delivery model being used for the Friargate Bridge (as described in the Cabinet report of 18th June 2013).
- 2.2 This approach will include the appointment of a design team using our new Professional Shared Services Contract and Early Contractor Involvement (ECI) using the Highway Agency's Asset Support Framework.
- 2.3 This joint team will be based in Civic Centre 4 and will use the experience of the contractor working with the design team and our own staff to ensure we deliver the most cost effective solution within the given time constraints.
- 2.4 Another major time constraint will be the impact on traffic flow. The Friargate Bridge works on A429 Warwick Road, the Highway Agency's Toll Bar works on the A45/A46 and the works to A4600 Ansty Road (also the subject of a report to this cabinet) will all be happening at the same time as Whitley Bridge. Therefore it is essential that the chosen design solution is also one which has the least impact on traffic flow; this will be a critical factor in determining the chosen solution.
- 2.5 The indicative cost of the bridge and associated highway works are estimated to be in the region of £6.5million. It is proposed to develop a robust target price 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.
- 2.6 In the event that the Gateway does not proceed, improved access to this part of the proposed development would still be required and, therefore, the Whitley Bridge works can be implemented independently of Gateway. If this site alone is fully developed during the 9 year monitoring period it has the potential to create enough employment to comply with the grant conditions and allow the use of the RGF money. Furthermore, the new junction will provide much needed congestion relief to Whitley Interchange.
- 2.7 It is proposed that the Director of City Services and Development is authorised, in consultation with the Cabinet Member (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 funding available of £6.5million plus any variations of £0.5million allowed under the scheme of delegations. Any further variance beyond this amount would need to be considered by Cabinet and full Council.
- 2.8 The new highways layout requires a comprehensive set of Traffic Regulation Orders (TROs) which the City Council are intending to advertise by September 2013. Any representations will be reported to the Cabinet Member (Public Services) in November 2013.
- 2.9 In terms of the new junction, this has been subject to rigorous assessment and modelling. A number of design options were considered and rejected, principally because of their land take and impact on the local environment. As this scheme is now proceeding independently from the Gateway scheme, a full planning application will be required. This planning application will need to include an environmental

impact assessment, a traffic impact assessment and a noise impact assessment. It is intended that this will be submitted early October 2013.

2.10 To ensure that the Whitley junction works and the other 'Regenerating Coventry' proposals listed in Appendix D to the report are properly co-ordinated, a strategic co-ordination team has been established. This team is developing a traffic management and communications strategy to ensure that the city keeps moving.

2.11 Part of the traffic management strategy is to implement low cost improvements at the key junctions listed in Appendix E. These are referred to as the 'enabling works' and are estimated to cost £0.9million. An ERDF bid has been submitted to support these works and the outcome will be known in October. If the bid is unsuccessful the scale of the enabling works to be undertaken would be reduced. The remaining cost of the works will be apportioned to the Regenerating Coventry projects subject to their own affordability constraints. It should be noted that these enabling works will provide improvements to traffic flow beyond 2015, supporting the growth of the City.

3. Results of consultation undertaken

3.1 The Gateway proposals were the subject of considerable consultation as part of the planning process, including public advertisements and presentations to local ward forums and a developer forum. With respect to the Whitley scheme there have been concerns about the impact on Whitley Common, this will be considered as part of the planning application process.

3.2 For the specific bridge proposals, there has been early engagement with a number of stakeholders including:

- JLR
- St Modwen
- Centro
- National Express
- Stagecoach
- De Courcey

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 to the report sets out the implementation timetable.

5. Comments from Director of Finance and Legal Services

5.1 Finance

5.1.1 Revenue costs are expected to be minimal with any costs being met by existing budgets.

5.1.2 As there is no guarantee that the target price of £6.5million will be acceptable, the expenditure on project management and design between now and December must be considered to be "at risk". However, the level of the risk will reduce as the detailed design stage progresses and confidence on the robustness of the emerging target price will also increase. It is planned that half way through the design stage the

design will be frozen and as such expenditure will also be frozen. At this point a detailed analysis will be undertaken on the emerging target price and the estimated costs of construction.

5.1.3 The method of construction and the type of materials used for the bridge will have a bearing on the cost of the project. These details will emerge during as part of the detailed design.

5.1.4 Abortive costs will only be incurred if we opt not to appoint a contractor and before any formal contract is signed. It is estimated that these will amount to a maximum of £0.65million. This estimate is based on 10% of the indicative capital costs of the scheme and is included in the £6.5million capital total. These can broken down as follows:

Table 2: Summary of at risk costs

Task	Cost £'000s
Project Management	100
Design fees costs	550
Total	650

5.1.5 Enabling works of £0.9m are subject to an ERDF bid, the outcome of which will not be known until October.

5.1.6 The Gateway and Whitley sites are key to the Council's objectives to drive growth in jobs, commercial floorspace and business rate income, which has financial targets within the Council's medium term financial strategy.

5.2 Legal implications

5.2.1 Any public works carried out that 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.

5.2.2 In order to meet the timescale it is intended to obtain Procurement Board approval to the construction contract with the intention of commencing the procurement in advance of Council approval. The invitation to tender would be very clear that the procurement was subject to member approval. The closing date of the procurement would be after the date of Council to ensure that any changes arising out of the member approval could be incorporated into the tender. If the procurement does not proceed to acceptance the parties that submit a bid cannot claim abortive costs from the Council if they proceed on an at risk basis.

5.2.3 The RGF funding comes with conditions about the creation of a minimum of 3,750 jobs by 2022 which the Council alone cannot comply with. Negotiations will take place with the adjoining land owners to obtain a covenant to comply with the grant condition for the creation of jobs. There may still be some exposure to grant clawback on the Council if that grant obligation is not fulfilled by either party.

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 Whitley Junction Road Improvements will help achieve a number 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 to this site
- ***Making places and employment sites easily accessible for Coventry people*** – in a physical sense including direct access for public transport providers, new cycle lanes to the site and pedestrian crossing facilities.
- ***Improving Coventry's environment and tackling climate change*** – by creating a sustainable business location.

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 project workshop has been held to identify the main risks and associated mitigation measures. The principal risks to the project are cost and time (RGF funding could be lost 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 The impact to the organisation will be the generation of additional work for officers within City Services and Development Directorate. The resources required to successfully deliver this large project are being brought together into a “Regenerating Coventry” group. These will be located together and include a combination of existing employees and additional resources required to deliver these significant projects within the strict timetable required in order to satisfy the grant conditions.

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 will be consulted regarding the scheme. 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 improved access arrangement proposed for pedestrians and cyclists will have a direct impact on helping to achieve both climate change and air quality targets. Improving access arrangements for buses and vehicles will reduce congestion and therefore reduce carbon emissions from stationary vehicles.

6.6 Implications for partner organisations?

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

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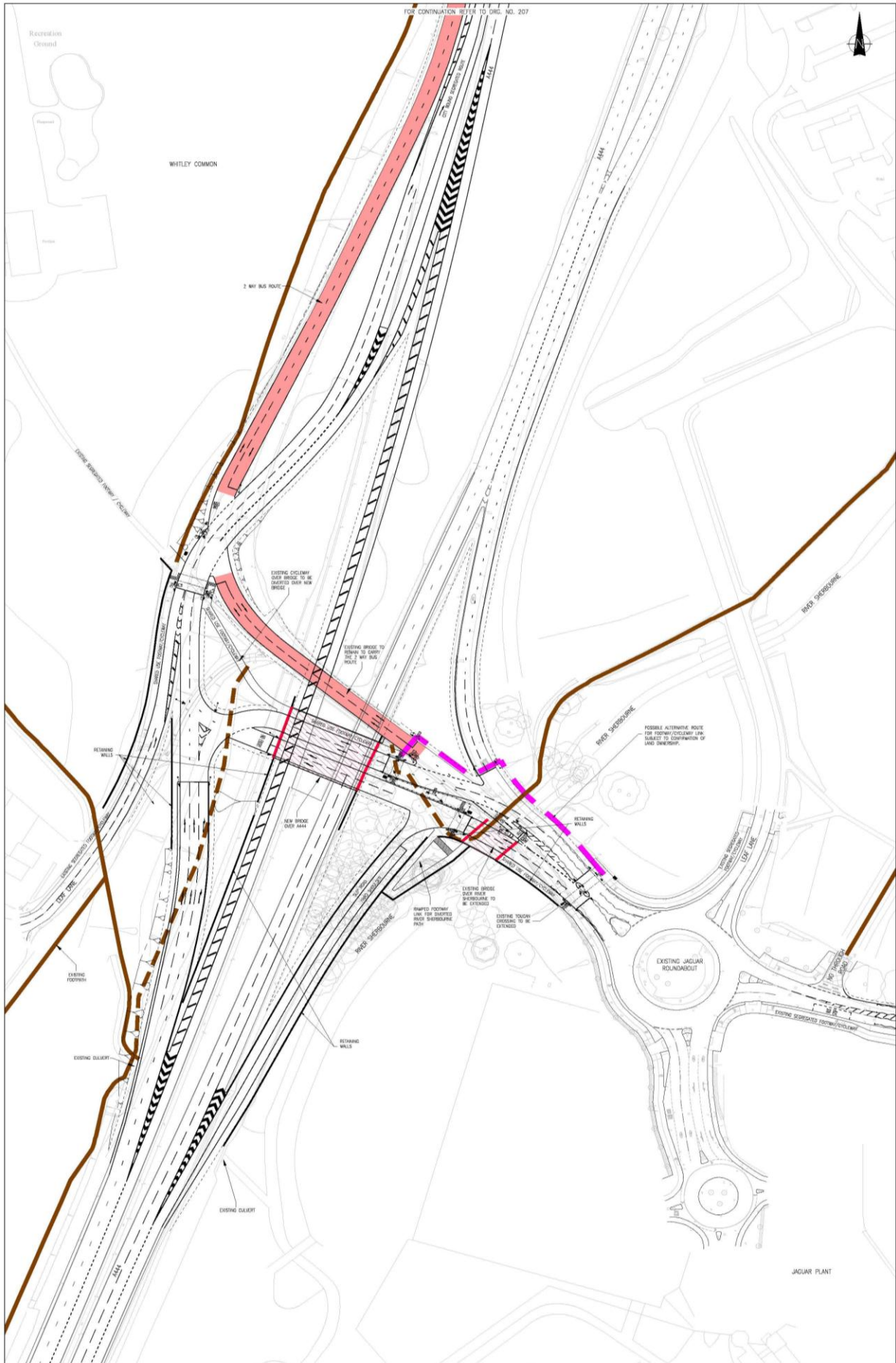
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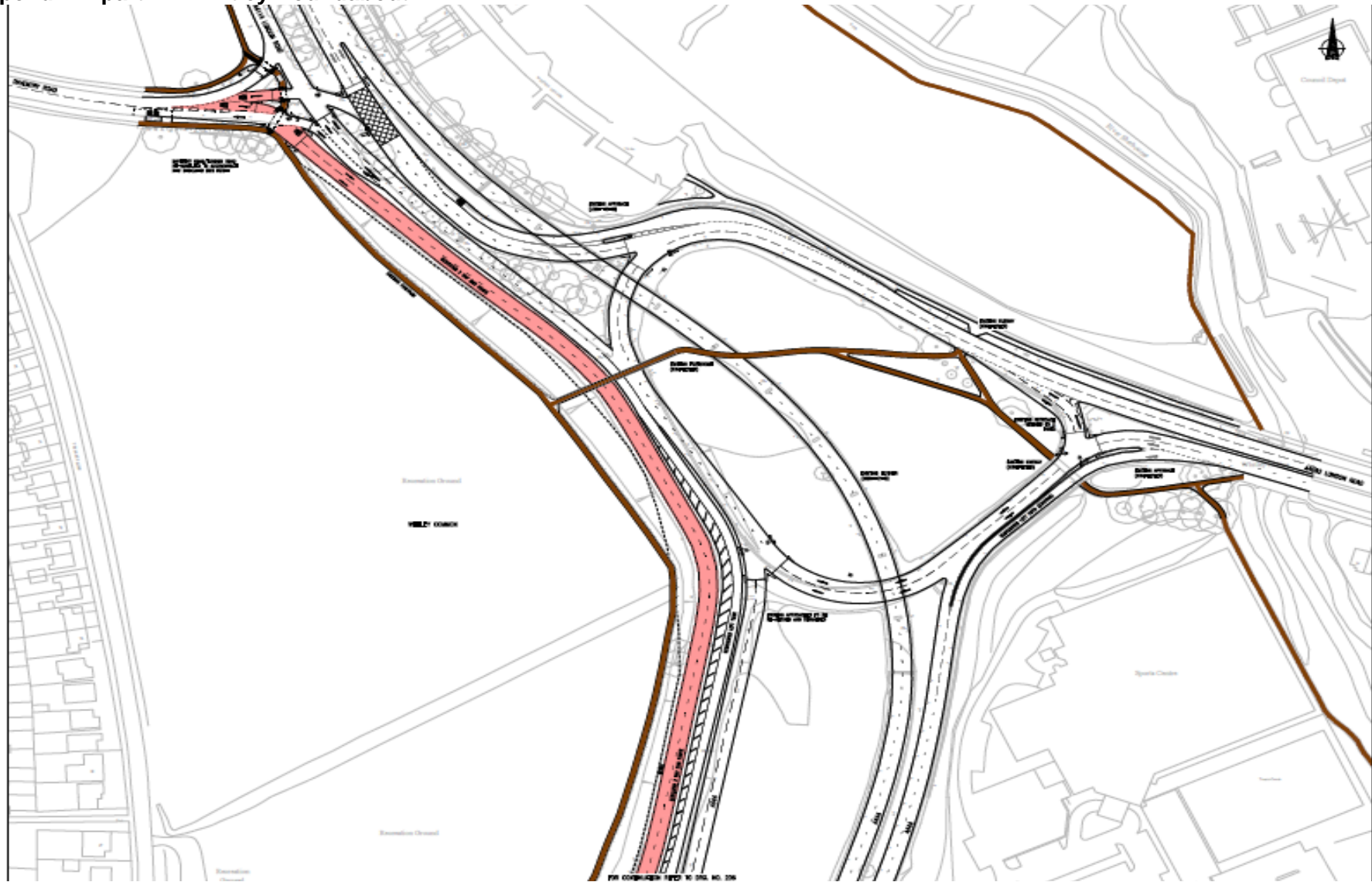
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Councillor Lancaster	Cabinet Member (Public Services)		22.07.13	26.07.13

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Appendix A part 1 – Whitley Junction



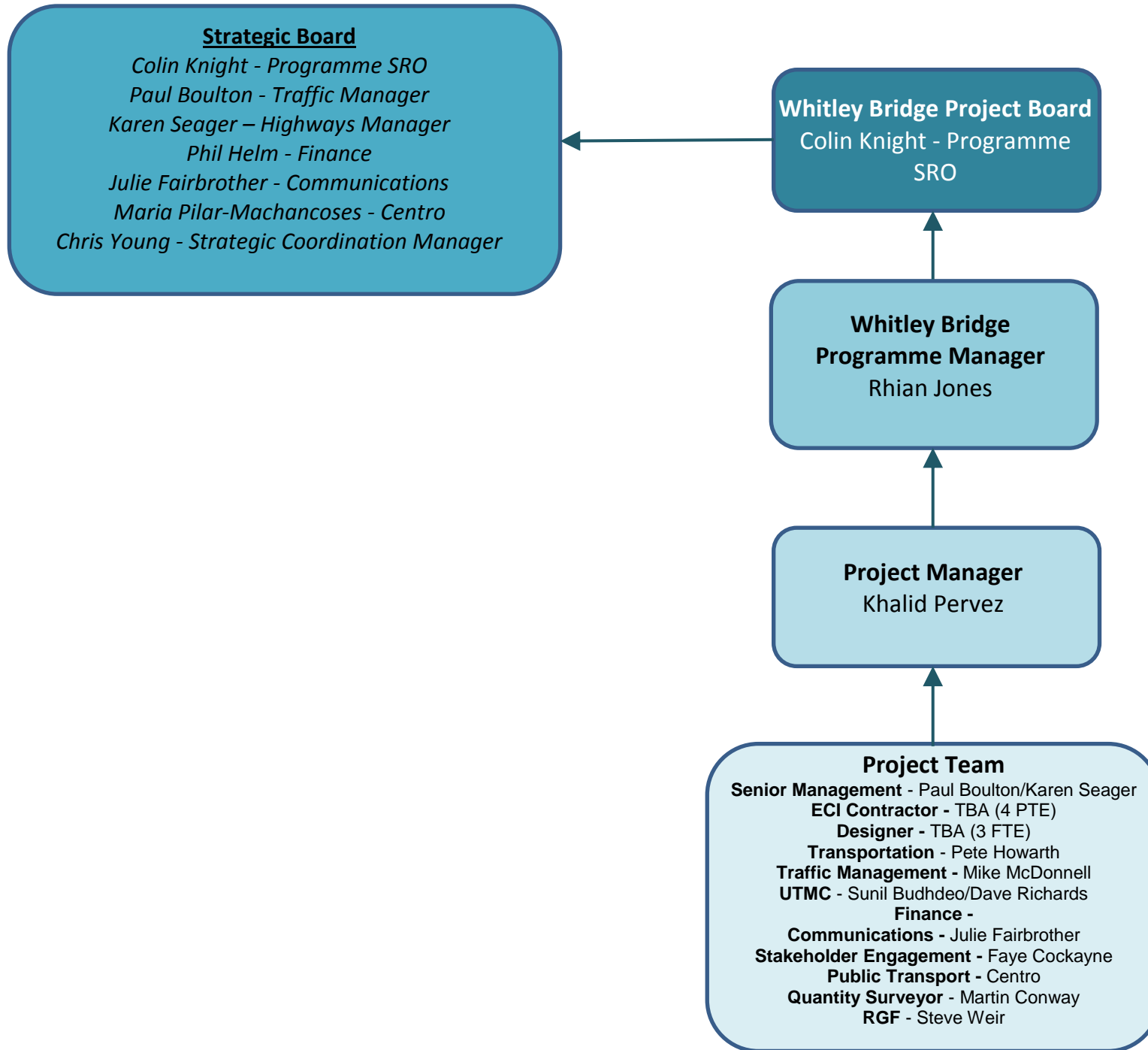
Appendix A part 2 – Whitley Roundabout



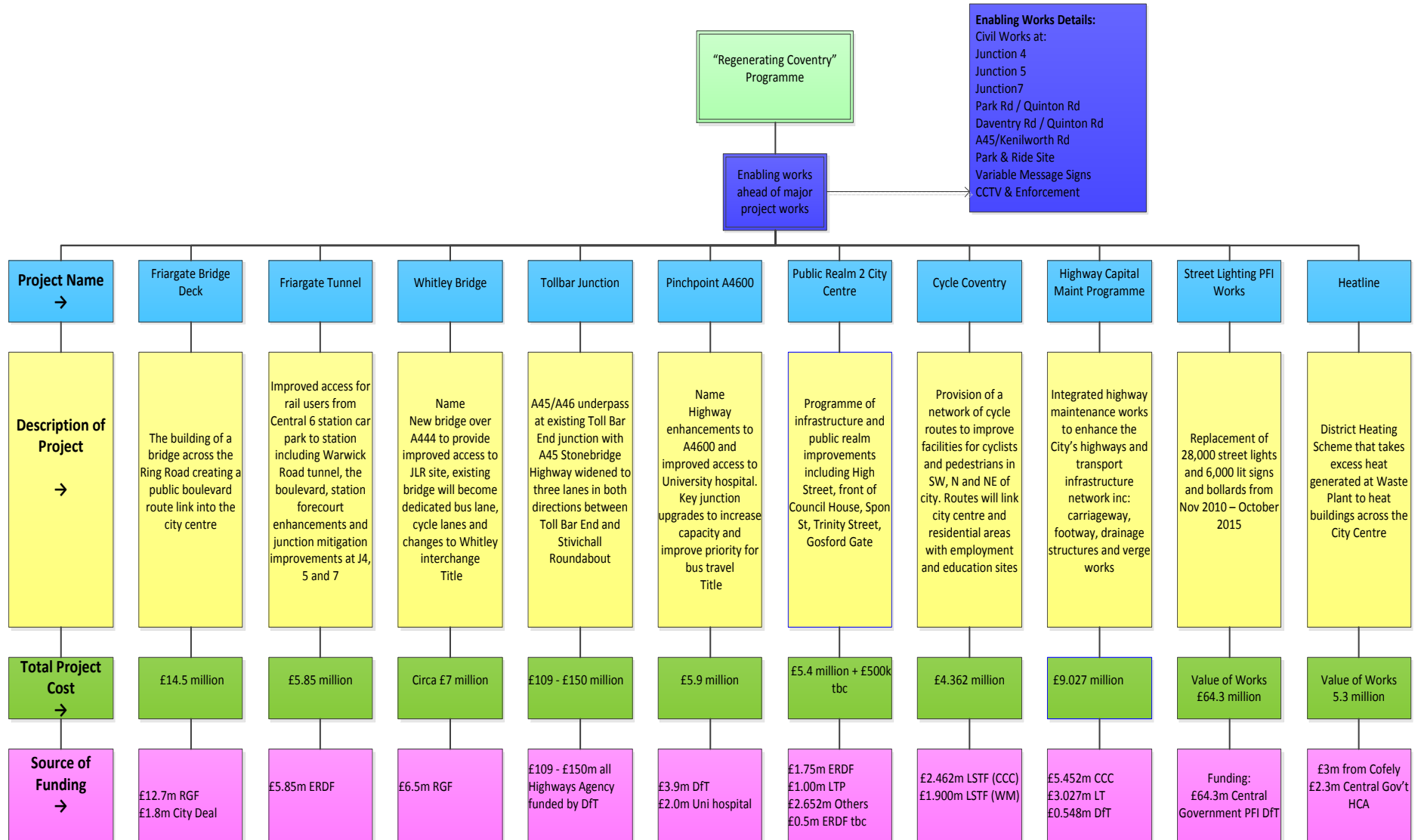
Appendix B
Outline Project Delivery Plan

Key Project Milestone	Timescale
Cabinet approval sought	August 2013
Commence stakeholder engagement	August 2013
Prepare contract documentation for design contract and construction contract	August 2013
Council approval sought	September 2013
Award design contract	September 2013
Advertise Traffic Regulation Orders (TRO's)	September 2013
Award Early Contractor Involvement contract	September 2013
Planning Application submitted	October 2013
Finalise highway design	October 2013
Complete preliminary structural design	October 2013
TRO's approved	November 2013
Complete detailed structural design	November 2013
Target Cost Approved	December 2013
Planning decision known	December 13 / January 14
Site mobilisation	May 2014
Construction start	June 2014
Construction complete	June 2015

WHITLEY BRIDGE GOVERNANCE STRUCTURE



“Regenerating Coventry”



Appendix E
List of Enabling Works

Junction 4 Ring road
Junction 5 Ring road
Junction 7 Ring road
Junction of Quinton Rd and Daventry Rd
Junction of Park Rd and Quinton Rd
Junction of A45 and Kenilworth Rd
Additional Variable Message Signs (VMS)
Additional traffic monitoring cameras