

Council – 25th February 2014
Recommendation from Cabinet
11th February 2014

Minutes of the meeting of Cabinet held at 2.00 pm. on 11th February 2014

Present:

Cabinet Members: Councillor D Chater
Councillor G Duggins
Councillor D Gannon
Councillor A Gingell
Councillor Kelly
Councillor R Lancaster
Councillor E Ruane
Councillor P Townshend (Chair)

Deputy Cabinet Members: Councillor Caan
Councillor Howells

Non-voting Opposition Members: Councillor Andrews

Other Members: Councillor McNicholas

Employees (by Directorate):

Chief Executive's: M Reeves (Chief Executive), F Collingham, R Nawaz,
R Tennant, J Venn

People: Brian Walsh (Executive Director), P Fahy

Place: M Yardley (Executive Director) C Knight, A Williams

Resources: C West (Executive Director), B Hastie, H Lynch,
M Salmon, L Welton

Apologies: Councillor J Innes, D Kershaw, A Khan, A Lucas

Public business

RECOMMENDATION

128. Friargate Bridge – Additional Works

The Cabinet considered a report of the Executive Director, Place on further funding that had been secured from the European Regional Development Fund (ERDF) for additional works at Friargate Bridge.

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

The details of the bridge scheme were reported to Cabinet on 18th June 2013 (their minute 13/13 refers). Since then a further £7.2million has been secured from the ERDF. The ERDF would be match funded using previously secured £12.7million Regional Growth Fund (RGF), a further £0.07million contribution from RGF for project management, along with a private contribution from Friargate Coventry LLP. The additional ERDF would bring the total investment in public realm around the station and Friargate to over £20million. By maximising grant funding opportunities the City Council was now able to deliver the following works:

- Creation of a high quality tunnel beneath Warwick Road to provide a second entrance to Coventry station.
- Re-modelling of Station Square to allow the early (2015) completion of the pedestrian boulevard from the front of the station to Greyfriars Green.
- Contribution to the Pedestrian Boulevard and public realm.
- Bus priority measures in and around the station to help maintain reliability during and after the works.

This award was fantastic news for the City and would significantly enhance the Friargate development. The early completion of the Pedestrian Boulevard and enhancement to the quality of the public realm would help to attract business and ensure the development's success. It would also kick-start much needed improvement to the City's Railway Station – the fastest growing outside of London. A master plan for the Station was being developed by the Council working jointly with Centro and the rail industry: the new tunnel under Warwick Road and the works to Station Square would provide the first significant steps to achieving this plan.

It was necessary to incur development costs up to June 2014 when the target price for the additional work was known, without certainty that the project was affordable and that it would therefore proceed. The estimated spend up to this point (principally utilities costs, design fees and project management costs) was £0.744million. If the Council chose not to proceed with the additional works, it would not be able to claim from ERDF or RGF for the costs incurred to this date.

The Bridge Deck target price was to be originally agreed in December 2013 as detailed in the June Cabinet Report, however this had slipped to the end of February 2014 to enable the Contractor, Costain, to have more certainty regarding the design to be priced, which would result in a more accurate target contract price and present less risk to the City Council. As a result of this, it was necessary to award Costain with an early works instruction for site clearance and mobilisation during February 2014, to enable them to still meet the programme of substantial completion in March 2015. Previous Cabinet approval was for a total of £0.7million costs to be spent at risk until the target contract price was agreed. To enable the early works to proceed, an Early Works Agreement up to the value of £0.350million was required, along with approval to spend a further £0.350million project management, design and service costs at risk until target cost was agreed, totalling a further £0.7million. This was additional to the £0.7million previously agreed for project management, design and Early Contractor Involvement costs up to agreement of the target price.

The City Council was required to enter into a grant funding agreement for the ERDF funding with the Department for Communities and Local Government (DCLG). In order to meet DCLG's funding programme, the grant funding agreement was required to be completed in January 2014, therefore retrospective approval for delegation of authority is requested for the Executive Director, Place, to enter into the agreement. A contribution of the ERDF would be allocated to Friargate LLP, who would be providing match funding to deliver the pedestrian boulevard. A "back-to-back" Grant Aid Agreement (GAA) was required between the City Council and Friargate Coventry LLP to execute this funding, with the City Council as accountable body. It was standard practice within GAAs to transfer as much risk as possible to the successful applicant and project deliverer.

RESOLVED that the Cabinet recommends that the Council:

- a) Approve the addition of this Scheme to the Council's Capital Programme for 2013/14 onwards for the construction of the additional work up to £7.235million.**
- b) Approve the delegation of authority to the Executive Director, Place, in consultation with the Cabinet Member (Business, Enterprise and Employment) to award the ECI works contract for the additional works.**
- c) Approve the delegation of authority of the Executive Director, Place, to enter into a Grant Aid Agreement with Friargate Coventry LLP for the delivery of the Pedestrian Boulevard.**
- d) Retrospectively approve the delegation of authority of the Executive Director, Place, to enter into a Grant Funding Agreement for the European Regional Development Fund funding with the Department for Communities and Local Government.**

(Meeting finished at XXXX p.m.)