

**Cabinet
Council**

6 March 2018
13 March 2018

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration – Councillor J O'Boyle

Ward(s) affected:

City-wide

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Title: Connecting Coventry - Strategic Transport Investment Programme Update

Is this a key decision?

Yes – the proposals have financial implications of over £1m per annum and will have an impact across the whole City.

Executive Summary:

Coventry's Strategic Transport Investment Strategy 'Connecting Coventry' aims to maximise the economic potential of the city through investment in transport infrastructure to support growth and jobs. The strategy was approved by Council in January 2017. It set out an ambitious £620m programme over the next ten years to improve the resilience of the road network, ensuring connectivity to HS2 and job opportunities around the new station, expansion of railway capacity and linking key development and employment sites.

This report provides an update on how the Strategy has progressed over the last 14 months, and seeks further approvals to take forward to delivery.

The Strategy supports the transport infrastructure and development plans for the wider region (see Appendix 1 to the report). Coventry's programme is summarised in Appendix 2 to the report, which outlines four key programmes:

- **Coventry South** – major highway and rail proposals to facilitate growth, especially around Jaguar Land Rover and the University of Warwick and to provide connectivity to HS2 and UK Central;
- **City Centre First** – a major increase in capacity at Coventry Railway Station, highway improvements around the railway station to facilitate not only growth at the railway station but also unlock the western extent of the Friargate development; and city centre infrastructure improvements;
- **Coventry North** – road capacity improvements to the North West of the city and on the A444 and M6 junction 3;
- **Very Light Rail** – investment in the research and development of Very Light Rail and subsequent implementation.

Investment is sought from a number of sources to fund the Strategic Transport Investment programme. One of the main sources is through West Midlands Combined Authority (WMCA) Devolution Deal. Coventry's allocation is £284m (including £37m from the HS2 connectivity package), funding from which must be secured through a bidding process via WMCA's assurance framework. Other key funding sources include Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Local Growth Deal, Department for Transport (DfT), Highways England (HE), developer contributions and prudential borrowing. Excellent progress is being made, with the total funding secured now at £141m and further business cases are awaiting approval or are soon to be submitted.

The award of City of Culture 2021 status to Coventry offers a fantastic opportunity to boost growth for the city and wider sub-region. Having the transport infrastructure in place is critical to facilitate and maximise the benefits of City of Culture. This has prompted a review of programme and it is recommended that the Station Masterplan and city centre infrastructure improvements are brought forward to be delivered by the end of 2020.

It is important that city centre infrastructure improvements required to support City of Culture are delivered in time for 2021 and leave a legacy for Coventry. The schemes previously submitted in Spring 2017 to WMCA via a Strategic Outline Business Case for the city centre included improvements to strategic ring road junctions, to help unlock development land and improve access to cultural destinations. Following the City of Culture award, the city centre infrastructure and public realm programme is under review to ensure that priority schemes are delivered in time for 2021. It is imperative all works are completed ahead of the City of Culture to maximise visitor experience.

To showcase the city's position as a world class centre for innovation, it is proposed to bring forward delivery of a section of the first proposed Very Light Rail route in time for the City of Culture in 2021. The feasibility of this is currently being investigated, and a further report will be brought to Council later this spring if it is considered both deliverable and financially viable to bring forward.

In order to deliver the Very Light Rail project in time for City of Culture, approval is sought to enter into a Contract for Services with Warwick Manufacturing Group (WMG) develop and deliver a safety certified prototype vehicle and track system. The City Council is also collaborating with Dudley Council and WMG on the creation of the Very Light Rail Innovation Centre in Dudley which will create a facility for testing vehicles and track.

It should be noted that there is a robust governance structure in place for the programme that captures risk management for each of the projects within the overarching programme. The budget for each project includes contingency to allow for any cost increases and there is some flexibility to manage funding across the programme, subject to approvals for any variations from funding bodies.

Further to the above, it is imperative that coordination of activities across the road and rail network are managed strategically, given the significant works that are about to commence in the region which will impact on those travelling to Coventry, including HS2, Highways England Smart Motorways schemes at M6 J2-4, M42 J6 and M40/M42 interchange. Coventry City Council will be required to work closely with Transport for West Midlands and neighbouring authorities in order to coordinate activities to support network resilience. Coventry City Council will also be required to work closely with the City of Culture Trust regarding events planning, to ensure that events are coordinated around major planned works. The volume of works taking place will influence the ability of the Council to deliver some of the proposed schemes ahead of 2021, therefore flexibility will be required regarding the timing and approach to delivery.

Finally, in order to deliver an accelerated programme for City of Culture, considerable additional resources will be required, which includes project management, financial, legal and procurement support. It is proposed any additional posts are to be funded out of the capital grant secured for the projects.

Recommendations:

Cabinet is asked to recommend that Council:

1. Delegate authority to the Deputy Chief Executive (Place), following consultation with the Leader, Cabinet Member for Jobs and Regeneration and the Director of Finance and Corporate Services, and in the case of city centre public realm and infrastructure improvements, also the Cabinet Member for City Services to:
 - Determine the final content of the relevant Outline and Full Business Cases and submit funding bids to the West Midlands Combined Authority in relation to the work packages within the Connecting Coventry Programme;
 - Determine the programme for city centre infrastructure and public realm improvements to be delivered ahead of 2021.
 - Determine the final content of the Full Business Case to the Department for Transport for the A46/Stoneleigh Junction Improvement scheme.
 - Determine resource requirements for delivery of the programme and support recruitment of additional posts which are to be capital funded.
2. Note the addition to the Council's 5 Year Capital Programme, as approved by Council on 20th February, 2018, WMCA grant awarded for £12.2m for the Very Light Rail project, including a £4.3m contribution for Dudley Metropolitan Borough Council's Very Light Rail Innovation Centre, which will deliver a facility that the Coventry Very Light Rail system can be tested.
3. Note the addition of the Housing Infrastructure Fund grant awarded for the A45/Eastern Green (£12.7m) and approve addition of the successful A45/Eastern Green project to the Council's 5 year Capital Programme as approved by Council on 20th February, 2018 and delegate authority to the Deputy Chief Executive (Place), following consultation with the Director of Finance and Corporate Services to enter into funding agreements as appropriate.
4. Note the addition of £4m Growth Deal funding for Coventry Station Masterplan highway improvements and £0.95m for improvements to the A45 corridor to the Council's 5 Year Capital Programme as approved by Council on 20th February, 2018 and become the accountable body for grant funding, entering into the necessary legal documentations with Coventry and Warwickshire Local Enterprise Partnership.
5. Authorise procurement of the necessary resources from grant funding sources as set out section 5 of this report to assist with submission of the bids and the delivery of the Connecting Coventry programme through the Shared Professional Services Contract or another compliant public sector framework which are to be funded from this programme;
6. Authorise that Coventry City Council enter into a Services Agreement with Warwick Manufacturing Group for up to £10m for research and development up to a vehicle prototype and track solution for the Coventry Very Light Rail project; see note above

7. Should the bids referred to in this report be successful, authorize officers to enter into the necessary legal documentations to secure the funding required to deliver the Connecting Coventry Programme;
8. Delegate authority to the Deputy Chief Executive for Place and the Director of Finance and Corporate Services (following consultation with the Leader, the Cabinet Member for Jobs and Regeneration and the Monitoring Officer) to enter into necessary legal agreements in order to deliver the Connecting Coventry programme, including property, legal, commercial and collaboration agreements with partners and contractors.
9. Approve that the Council act as the accountable body, and delegate authority to the S151 Officer to enter into the appropriate funding agreements with the Coventry and Warwickshire Local Enterprise Partnership, West Midlands Combined Authority and Department for Transport and partners who will be recipients of grant funding, including Warwickshire County Council, Transport for West Midlands and Warwick Manufacturing Group.

Council is recommended:

1. To delegate authority to the Deputy Chief Executive (Place), following consultation with the Leader, Cabinet Member for Jobs and Regeneration and the Director of Finance and Corporate Services, and in the case of city centre public realm and infrastructure improvements, also the Cabinet Member for City Services to:
 - Determine the final content of the relevant Outline and Full Business Cases and submit funding bids to the West Midlands Combined Authority in relation to the work packages within the Connecting Coventry Programme;
 - Determine the programme for city centre infrastructure and public realm improvements to be delivered ahead of 2021.
 - Determine the final content of the Full Business Case to the Department for Transport for the A46/Stoneleigh Junction Improvement scheme.
 - Determine resource requirements for delivery of the programme and support recruitment of additional posts which are to be capital funded.
2. To note the addition to the Council's 5 Year Capital Programme, as approved by Council on 20th February, 2018, WMCA grant awarded for £12.2m for the Very Light Rail project, including a £4.3m contribution for Dudley Metropolitan Borough Council's Very Light Rail Innovation Centre, which will deliver a facility that the Coventry Very Light Rail system can be tested.
3. To note the addition of the Housing Infrastructure Fund grant awarded for the A45/Eastern Green (£12.7m) and approve addition of the successful A45/Eastern Green project to the Council's 5 year Capital Programme as approved by Council on 20th February, 2018 and delegate authority to the Deputy Chief Executive (Place), following consultation with the Director of Finance and Corporate Services to enter into funding agreements as appropriate.
4. To note the addition of £4m Growth Deal funding for Coventry Station Masterplan highway improvements and £0.95m for improvements to the A45 corridor to the Council's 5 Year Capital Programme as approved by Council on 20th February, 2018 and become the accountable body for grant funding, entering into the necessary legal documentations with Coventry and Warwickshire Local Enterprise Partnership.

5. To authorise procurement of the necessary resources to assist with submission of the bids and the delivery of the Connecting Coventry programme through the Shared Professional Services Contract or another compliant public sector framework which are to be funded from this programme.
6. To authorise that Coventry City Council enter into a Services Agreement with Warwick Manufacturing Group for up to £10m for research and development up to a vehicle prototype and track solution for the Coventry Very Light Rail project.
7. Should the bids referred to in this report be successful, authorize officers to enter into the necessary legal documentations to secure the funding required to deliver the Connecting Coventry Programme.
8. To delegate authority to the Deputy Chief Executive for Place and the Director of Finance and Corporate Services, (following consultation with the Leader, the Cabinet Member for Jobs and Regeneration and the Monitoring Officer) to enter into necessary legal agreements in order to deliver the Connecting Coventry programme, including property, legal, commercial and collaboration agreements with partners and contractors.
9. To approve that the Council act as the accountable body, and delegate authority to the S151 Officer to enter into the appropriate funding agreements with the Coventry and Warwickshire Local Enterprise Partnership, West Midlands Combined Authority and Department for Transport and partners who will be recipients of grant funding, including Warwickshire County Council, Transport for West Midlands and Warwick Manufacturing Group.

List of Appendices included:

Appendix 1 – Outline strategic transport strategy
 Appendix 2 – Location plan for the Coventry Strategic Transport Package
 Appendix 3 – Resource Package

Background papers:

None

Other useful documents:

Reports:

Council 31st May 2016: Implementing the Devolution Agreement – Provision for Mayoral West Midlands Combined Authority
 Cabinet 24th January 2017 - City Centre South
 Cabinet 24th January 2017 - Coventry Station Masterplan Update
 Cabinet 24th January 2017 - Connecting Coventry Strategic Transport Investment Programme
 Cabinet 13th February 2018 - Coventry Station Masterplan Land Acquisition
 Cabinet 6th March 2018 - Public Realm Phase 5
 Cabinet 6th March 2018 - 2018/19 Transportation and Highway Maintenance Capital Report

All previous reports are available via the Council's website:

<http://democraticservices.coventry.gov.uk/mgListCommittees.aspx?bcr=1>

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?

No

Report title: Connecting Coventry - Strategic Transport Investment Programme Update

1. Context (or background)

- 1.1 Coventry is a dynamic and rapidly growing city where transport investment is needed to keep pace with expected change. In 2004 the city's population was under 300,000. It has grown steadily since to 345,000 and is forecast to reach over 415,000 in the next 20 years. Furthermore, in the proposed next Local Plan period up to 2031, an additional 42,000 houses in or around Coventry will be needed along with nearly 50,000 jobs to meet the needs of our growing City.
- 1.2 In order to realise the city's true economic potential and to deliver the local plan aspirations, it is going to be necessary to invest in and lobby for investment in schemes beyond the city's boundaries as well as further schemes within the city. Council approved an ambitious programme of schemes (road and rail) to help drive this growth in January 2017.
- 1.3 Since Council approval there has been excellent progress on the delivery of the strategy, with governance in place for all programmes and a further £44m funding approved. A total of £141m has therefore already been secured to date against the £636m programme which includes:
- Highways England committing £65m for Binley roundabout upgrade which is due to commence Spring 2020;
 - £4m WMCA and DfT funding for scheme development of the Coventry South package;
 - £42.6m funding for Coventry Station Masterplan, including the recent award of £4m Growth Deal 3 for highway improvements;
 - £14.6m for Very Light Rail Research and Development; £12.73m Housing Investment Fund grant for infrastructure improvements to unlock development land in Eastern Green
 - £0.95m Growth Deal funding for improvements to the A45 corridor

A further £39.4m devolution deal funding is expected to be awarded by WMCA Board on 9th March for Coventry Station Masterplan, subject to approval of the full business case, taking *Coventry's secured funding to over £180m.*

- 1.4 The principal objectives of this investment are to:
- Protect and enhance Coventry's 'unique selling point' as an attractive place to invest due to its central location and major freight facilities;
 - Provide connectivity to the jobs that will be created by the arrival of High Speed Rail and the new Birmingham Interchange station near the NEC and the planned major employment development (known as 'UK Central') along with the recently announced plans for Birmingham Airport;
 - Improve connectivity to the East Midlands and the logistics 'golden' triangle that is essential for supporting supply chains to industry;
 - Provide greater resilience to the motorway and trunk road network: when problems occur on the M6 the A45 and other routes around Coventry are frequently brought to a standstill and this undermines the attraction of the city as a place in which to invest;
 - Provide benefits for local users of the network and businesses from increased resilience;
 - Increase the number of destinations served directly from Coventry Railway Station: the economic case for this was set out in the 'Coventry Rail Story' which was reported to Cabinet on 3rd March, 2015.

1.5 A radical programme of interventions is therefore needed over the next few years to help facilitate future jobs and growth. Coventry's response includes the following key projects:

- Expansion of Coventry Station: additional platform and a doubling of passenger capacity through a new entrance, additional car parking, new footbridge and bus interchange;
- Infrastructure improvements in the city centre, including ring road junction upgrades and public realm;
- A new road link to the south and west of Coventry to provide connectivity to HS2/UK Central and an alternative route for diverted M6 traffic;
- An increase in strategic park and ride sites to the south of the city, including Tile Hill Station through expansion of car park facilities;
- Improvements to A444 and J3 M6 and implementation of the 'Keresley Link Road' to drive growth in the north of the city; and
- A 'step change' in the quality of public transport through the delivery of an innovative Very Light Rail system,

1.6 The Coventry City of Culture award has added an additional dimension to the strategy, in terms of creating a real opportunity to make a significant impact on the city ahead of 2021, and ensure a lasting legacy is created. This report sets out the work that has been undertaken in the last 14 months on these key projects and how they are to be taken forward to delivery, including what schemes are recommended to be brought forward to be delivered ahead of 2021.

2. Options considered and recommended proposal

2.1 The Connecting Coventry Programme consists of four key work packages that in turn are made up of a number of linked schemes which together will deliver outcomes greater than the sum of their individual parts. The four main work packages locations are shown in Appendix 2 and are outlined in more detail below.

2.2 Coventry South Package

2.2.1 The south of Coventry is rapidly developing as a major research and employment hub, with both Jaguar Land Rover and the University of Warwick having major investment and expansion plans. Developments at UK Central in Solihull as well as HS2 will provide further employment opportunities and major housing sites are likely to come forward during the next Local Plan period that will put additional pressure on the existing transport network.

2.2.2 During peak times when roads are congested, Coventry has limited connectivity to UK Central, Birmingham Airport and HS2 via the A45. A number of interventions have been introduced over the last few years to improve traffic flow on the A45 corridor, but these only provide short to medium term relief. The connectivity problems are magnified when an accident occurs on the motorway network which leads to major re-routing of traffic onto the A45 and other routes around Coventry often causing grid lock. A longer term solution is therefore necessary which can facilitate the expected growth, connect Coventry citizens to future employment opportunities and enhance the resilience of the strategic road network.

2.2.3 A Strategic Outline Business Case has been submitted to WMCA for this package, and £0.8m secured for scheme development. Further to this £2.8m has been secured from the DfT for scheme development to the south and west of Coventry. £19.6m DfT funding

was previously allocated to a scheme to upgrade the Kenilworth Road/A45 junction, but a decision has been taken to divert these funds to the A46 Stoneleigh Junction, which will be subject to a full DfT Business Case. The business case is due to be submitted late spring 2018. A separate business case will also be submitted to WMCA for match funding.

2.2.4 As part of the Coventry South package proposed interventions include:

- Major capacity improvements to the A46 junctions with A428 (Binley) and B4082 (Walsgrave) to be delivered as part of Highways England's Road Investment Strategy;
- A major capacity improvement to the A46 junction with Stoneleigh Road south of Coventry to address current capacity problems in the area to improve access to the University of Warwick) and allow Stoneleigh Park to develop; this scheme is referred to as A46 Link Road Phase 1;
- A new road to provide capacity for future growth, including at the University of Warwick and Westwood Business Park, linking A46 Stoneleigh Road junction to the University of Warwick (referred to as A46 Link Road Phase 2);
- An extension of the above new road to link to UK Central at Solihull either via a route directly onto the A45 or A452 (referred to as A46 Link Road Phase 3);
- A new strategic park and ride facility in the south of Coventry to cater for future growth.
- Additional car park provision at Tile Hill Station to meet the needs of growing passenger use.
- Improvements to the A45 corridor to improve traffic flow and reduce congestion.
- A new junction will be created on the A45 with new highway infrastructure to help support housing growth at Eastern Green.

2.2.5 Warwickshire County Council is leading on the delivery of improvements to A46/Stoneleigh Interchange. Works are due to commence later this year. Coventry City Council and Warwickshire County Council will jointly submit a Full Business Case to WMCA and DfT to obtain funding for the project in the spring. Coventry City Council are the accountable body for the DfT and WMCA funding. A grant aid agreement will need to be entered into between Coventry City Council and Warwickshire County Council accordingly which protects Coventry City Council as the accountable body and ensures delivery of the project. Warwickshire are leading on scheme development (with input from Coventry City Council) for further infrastructure improvements to the south and west of Coventry, which are still at early development stages, with a view to submitting an Outline Business Case to DfT and WMCA later in 2018. The delivery of the scheme by Warwickshire County Council on CCC behalf is compliant with the State Aid Rules. Furthermore it is also compliant with the Procurement Regulations in accordance with Regulation 12 of the Public Contracts Regulations 2015.

2.2.6 It should be noted that the costs for delivery of the A46/Stoneleigh Interchange have increased by £8.65m since the January 2017 report. Part of this is due to some of the elements of Phase 2 of the project being brought forward to help futureproof the junction. Other costs increased have incurred due to the scope of the scheme increasing in response to consultation and engineering requirements, an increase in projected land acquisition costs and additional traffic management to minimise disruption to the operation of the junction during the works. Warwickshire County Council is seeking funding sources to cover the additional costs and it is anticipated additional WMCA funds above the original allocation of £3.6m will be sought in relation to works that are being brought forward from Phase 2 of the programme. Warwickshire County Council is working to identify further potential match funding sources which may include WCC's Capital Investment Fund, Highways England and HS2.

- 2.2.7 TfWM is leading on the scheme development for the enhancement of car parking provision at Tile Hill Rail Station. Coventry City Council is the accountable body for the WMCA funding for this project, and are working in partnership with TfWM on the delivery of the scheme. It is anticipated that subject to planning, works will commence on site next year. A business case will be submitted to WMCA to secure the £8m for the scheme later in 2018.
- 2.2.8 Coventry City Council is leading on scheme development for a strategic park and ride facility to the south of Coventry; this facility could serve the University and Science Park as well as the city centre. £0.4m WMCA funding has been awarded and a consultant will be commissioned to undertake an initial feasibility study regarding options which could include connections via rail, bus and Very Light Rail.
- 2.2.9 Highways England (HE) are committed to improving the Binley and Walsgrave roundabouts on the A46. In February 2017 a public exhibition took place regarding Binley roundabout. Planning is expected to be submitted in summer 2018, with the start of construction planned for spring 2020. Less information is currently available on the Walsgrave scheme, but this is expected to be on site following completion of the Binley roundabout upgrade in 2022 and is expected to be fully funded by HE.
- 2.2.10 The objective of the improvements to the A45 corridor is to reduce areas of congestion, improve road safety and to remove barriers between local residential areas that are sited either side of the A45 highway. With the introduction of upgraded traffic signals and the linking of the major junctions along the A45, between Festival Roundabout and Broad Lane, traffic movements can be controlled and managed in a more efficient manner. The junction proposals for A45/Pickford Way/Park Hill Drive will provide a mechanism to reduce congestion whilst also creating a safer walking route and cycling link from Park Hill Drive into Allesley Park using controlled pedestrian crossing points. Scheme development will also be undertaken to look at options to improve connectivity from the south and west of the city to the A45.
- 2.2.11 The A45 scheme will directly support major economic investment and growth planned in the South Coventry area.
- 2.2.12 The Council have successfully bid for over £12.7m Housing and Infrastructure Fund (HIF) grant for infrastructure improvements to the A45. This will include building a bridge with slip roads to form a new junction onto the A45 at Pickford Green, a new road and making provision for utilities to support the creation of 2,250 new homes at the Eastern Green Sustainable Urban Extension. Further information is awaiting on a wider West Midlands Forward Funding bid which is due to be announced in the 2018 Autumn Statement, which may result in further funding for Coventry to deliver infrastructure to support housing growth.

2.3 City Centre First Package

- 2.3.1 The City Centre is currently the focus of significant re-development plans to create jobs, improve the retail and leisure offer. Developments such as Friargate, City Centre South, the new destination water park and leisure facility together with the Council's ongoing public realm improvements, will help to make Coventry a more attractive city for residents, visitors and businesses alike. With the awarding of the City of Culture for 2021, there is a fantastic opportunity to make sure that the millions of visitors gain a positive impression of the city.

Coventry Station Masterplan

- 2.3.2 Coventry Station is a hugely important gateway for the city as well as being a vital future link to HS2 and UK Central. Approval was granted to proceed with the preferred option for Coventry Station Masterplan on 24th January, 2017. Two reports have followed this, securing approval for the procurement strategy for construction in November 2017 and land acquisition in February 2018.
- 2.3.3 Since the last report, a full business case for the project has been submitted to West Midlands Combined Authority for £39.4m for the remaining funding required to make up the £82.4m package. The secure funding comprises Coventry and Warwickshire Local Enterprise Partnership Local Growth Deal, Network Rail and prudential borrowing. The WMCA devolution deal funding is due to be approved early March 2018.
- 2.3.4 Works are due to commence on site in late spring 2018, beginning with works to construct a new footbridge and canopy extensions, along with a new substation. Originally all works were due to be completed by 2021, but in light of Coventry's successful bid for City of Culture 2021, the programme is now being brought forward to be delivered by the end of 2020 in time for City of Culture. This is important as the railway station will be a key gateway for visitors to the city. Despite the acceleration of the programme, the project can still be delivered within budget.
- 2.3.5 In order to achieve revised programme date, work that was phased to minimise impact on existing station car parking now needs to be delivered in parallel. Therefore, alternative temporary rail replacement parking needs to be provided to avoid a detrimental impact on rail passengers. A site has been identified to the west of Warwick Road within the Friargate development to deliver the temporary car parking facility. This requires Coventry City Council to enter into an agreement with Friargate Coventry LLP and subsequently lease the land to Virgin trains. This arrangement would be required up until the new multi-storey car park is operational, which will be autumn 2020. Coventry City Council may wish to retain the additional car parking through to the end of 2021 to provide additional capacity for City of Culture visitors.
- 2.3.6 The freehold of land that the bus interchange will be delivered on is currently owned by Network Rail, which is then subject to a long lease arrangement with third parties. The Council would ideally like to acquire the freehold of the land in order for the Council to have full ownership and control of this land in the future if Network Rail agree to transfer for a nominal fee due to the wider benefits they are receiving from the Station Masterplan. The Council are currently in negotiations with the third parties to acquire these interests by private treaty or in the event that a deal can't be reached the Council will seek to use its compulsory purchase powers (see Coventry Station Masterplan Land Acquisition Cabinet Report, 13th February 2018) In order to deliver the bus interchange the Council need to acquire, as a minimum, both leasehold interests and either agree any variations to the headlease or negotiate a new lease with the freeholder of the land.
- 2.3.7 It is proposed the new bus interchange will be operated by Transport for West Midlands (TfWM). Commercial negotiations are currently underway to agree the operating and leasing arrangements. The Council will enter into the appropriate legal documentation with TfWM to reflect the commercial negotiations taking place and ensure its interests are adequately protected. The operating costs of the facility are estimated to be between £0.2-0.3m per annum and the Council are working with TfWM to identify how these costs can be covered. The Council will ensure the operational agreement with TfWM will comply with State Aid and Procurement Regulations.

City Centre Infrastructure and Public Realm

- 2.3.8 A strategic outline business case was submitted to WMCA in summer 2017. The proposed ring road junctions to be improved reported in the January 2017 cabinet report included junctions 1 (Canal Basin), 4 (Whitefriars) and 5 (TechnoPark). This was subject to identifying suitable match funding for the schemes and a full business case to be submitted for WMCA to secure £11.6m towards the programme.
- 2.3.9 Since January 2017, the Council has further developed the schemes along with a wider city centre public realm programme. Due to the further development of the wider programme and emergence of key interfaces such as the development proposals for Upper Precinct, the priority for investment in infrastructure has changed. A formal variation request will be required to be submitted to WMCA to obtain approval to reallocate the £11.6m indicative funding to other schemes, and will be subject to a Full Business Case.
- 2.3.10 The City Council is embarking on further development of its public realm programme in response to City of Culture. The investment needs to target key strategic sites which will make the biggest difference, and ensure works can be completed ahead of 2021. There is potentially funding within the Coventry South package that could be reallocated for public realm and city centre infrastructure. A separate cabinet report on Public Realm Phase 5 will be taken to Cabinet for approval on 6th March, 2018, which will address the city centre elements to be potentially funded from the Council's WMCA devolution deal funding, which will be subject to approval of the variation from WMCA via their assurance framework.
- 2.4 Coventry North Package
- 2.4.1 The north western side of the city suffers from significant congestion as a result of a road network that was never designed to accommodate current levels of demand. Potential future housing and employment growth in this part of the city will be hindered or create unacceptable impacts to local access without a long term solution to increase the capacity of the road network between the A4114 Holyhead Road corridor in the west and the A444 Jimmy Hill Way corridor in the north.
- 2.4.2 In addition to the lack of capacity in the local road network, the capacity of the nearby M6 Junction 3 also represents a significant barrier to movement between Coventry, the motorway network and Nuneaton and Bedworth, creating a further barrier to growth in the north of the city.
- 2.4.3 To address these barriers the proposed interventions within the Coventry North package include:
- A new link road supported by enhancements to the existing road network to provide an outer orbital linking A4114 with A444;
 - Capacity improvements to M6 Junction 3.
- 2.4.4 A masterplan exercise is proposed to be undertaken to further look into the issues and options, including the potential for a new junction onto the M6. Coventry City Council will work with Warwickshire County Council, North Warwickshire BC, Nuneaton and Bedworth BC and Highways England on the masterplan exercise. A Strategic Outline Business Case has been submitted to WMCA for £0.3m to fund a consultant to undertake the initial feasibility study and options work. This will then inform an Outline Business Case to secure further funding to develop the options through to delivery.

- 2.4.5 This is an important package which is required to help support delivery of Coventry's Local Plan and support aspirations of our partners to maximize opportunities for connectivity to jobs and unlock land to deliver new homes.

2.5 Coventry Very Light Rail

- 2.5.1 In order to make the step change in transport provision that is needed, it was agreed at Cabinet in January 2017 that an integrated rapid transit network is required to enable residents to access employment, education and training opportunities across the city and to integrate with heavy rail and other public transport to access HS2 and job opportunities outside Coventry and at UK Central.
- 2.5.2 In March 2017 £2.4m of Growth Deal Funding was secured from Coventry and Warwickshire Local Enterprise Partnership to research and develop a light rail vehicle.
- 2.5.3 A Strategic Outline Business Case was also submitted to WMCA in Summer 2017 to secure further funding to initiate research into a high quality light rapid transit system to provide the step change required in transport provision. £12.2m of a £55m funding allocation was awarded in December 2017, which includes a £4.3m contribution to Dudley's Very Light Rail Innovation Centre, where the VLR vehicle and track form can be tested. Both Coventry City Council and Dudley Metropolitan Borough Council are working with Warwick Manufacturing Group (WMG) who are market leaders in VLR research and development, and have the necessary technical expertise to turn VLR from concept into reality. The state of the art facility at Dudley will provide an important asset to the Coventry VLR project to enable required testing and evaluation to take place in a research environment.
- 2.5.4 The key deliverables of the research and development of the project are to deliver a fully tested prototype vehicle, track and charging system, which if successful will proceed to a first route.
- 2.5.5 The current programme timescale for operation of the first Very Light Rail route in Coventry is 2023/2024. Following the award of UK City of Culture 2021, the feasibility of delivering the first part of this route in time for 2021 is being investigated. This would be a great opportunity to showcase the new technology and to promote Coventry as a city of innovation therefore encouraging inward investment and promoting jobs growth. The project team are working with DfT and TfWM to develop options for delivering the demonstration route in time for 2021, together with an operating strategy. A report will be presented to Cabinet later in the spring setting out options and costs.
- 2.5.6 In order to keep the momentum on the project including the possibility to deliver a potential project in time for City of Culture, approval is also sought to enter into a Contract for Services with Warwick Manufacturing Group (WMG) for up to £10m. WMG will be responsible for the development and delivery of a safety certified prototype vehicle and track system. In the unlikely event that the research and development project is unsuccessful, WMCA have confirmed that funding won't be clawed back.
- 2.5.7 In order to leave a lasting legacy, it is proposed that further testing of the technology continues post 2021, including developing autonomous operation. This will help shape the service that will be running on the extended first route, which is due to be operational by 2023/24. The City of Culture track will form part of the permanent route, which will be extended for the longer term service.

2.5.8 Governance & Resources

- 2.5.9 There is already a robust governance structure in place to manage the Strategic Transport Investment Programme, which includes a Programme Board that meets quarterly, alongside more regular project boards and programme team meetings.
- 2.5.10 In order to deliver an accelerated programme for City of Culture, additional resources will be required, which includes project management, financial, legal and procurement support. It is proposed any additional posts are to be funded out of the capital grant secured for the projects.
- 2.5.11 It is imperative that coordination of activities across the road and rail network are managed strategically, given the significant works that are about to commence in the region which may impact on those travelling to Coventry, including HS2, Highways England Smart Motorways schemes at M6 J2-4, M42 J6 and M40/M42 interchange. Coventry City Council will be required to work closely with Transport for West Midlands and neighbouring authorities in order to coordinate activities to support network resilience. Coventry City Council will also be required to work closely with the City of Culture Trust regarding events planning, to ensure that events are coordinated around major planned works. A Strategic Network Coordination post will be recruited to perform this key role during the delivery of the works.
- 2.5.12 It should be noted that there is a comprehensive risk assessment in place for each of the projects within the programme. There is contingency in the budget for each project at the appropriate level for stage of development. There may be some flexibility within the overall funding programme, any variations will be subject to approval from the relevant funding bodies.

3. Results of consultation undertaken

- 3.1 Consultation events took place in 2017 for the Coventry Station Masterplan and A46/Stoneleigh Interchange upgrade. Further consultation will take place during 2018 for the A46 Link Road programme. No consultation has been carried out to date for the remaining packages within the Connecting Coventry Programme, which are conceptual or at an early stage of feasibility or development. A thorough exercise of engagement and consultation will be carried out at the appropriate stage of each scheme's development.
- 3.2 If the City of Culture Very Light Rail scheme is deemed feasible, a public engagement event will take place during the spring, with a formal consultation to follow as part of the Transport and Works Act Order process.

4. Timetable for implementing this decision

- 4.1 Subject to approval, work will continue on development of the Connecting Coventry Programme. Delivery will commence later this year for both the Coventry Station Masterplan and A46/Stoneleigh Interchange works, along with city centre infrastructure and public realm improvements.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

- 5.1.1 The WMCA is the accountable body for the Devolution Deal Investment Programme financing. Coventry's Strategic Transport Investment Programme indicative allocation of WMCA funds is £284m, however this is subject to a series of business cases for each strategic work stream to produce more robust scheme costs, followed by formal approval of businesses cases by the WMCA.
- 5.1.2 All capital funding formally allocated to Coventry from within the £284m indicative allocation will be financed by WMCA borrowing, the resulting debt servicing costs also being financed by the WMCA.
- 5.1.3 Since last reported the original Connecting Coventry programme has increased by a net £15.5m to £636m. The changes are due to the successful HIF funding for Eastern Green and increased costs for A46 Link Road Phase 1 of £8.65m, less funding of £6.8m identified for City Centre First projects now re-directed to Public Realm improvements. Warwickshire County Council have indicated they are exploring avenues to address the funding gap of £8.65m relating to the A46/Stoneleigh junction project.
- 5.1.4 The additional programmes relating to the A45 corridor improvements and the Housing infrastructure Fund, for which all funding is secure, represent a further £14m programme cost increase, creating a total planned programmed spend of £636m.
- 5.1.5 The further £44m of funding secured for the Connecting Coventry programme since the last Cabinet Report is demonstrated in Table 1:

Table 1 – Funding Secured Since January 24th 2017 Cabinet report

PROJECT	FUNDING	SCHEME	£m
Coventry South	WMCA UK Central	A46 Link Road	0.20
	WMCA UK Central	Coventry South Park & Ride	0.40
	WMCA HS2	Tile Hill Station Car Park	0.20
City Centre First	Growth Deal	Coventry Station Masterplan	4.05
	Prudential Borrowing	Coventry Station Masterplan	10.90
	Other Public Sector	Coventry Station Masterplan	1.64
Very Light Rail	WMCA UK Central	Very Light Rail	12.20
A45 Corridor	Growth Deal	A45 Corridor	1.70
HIF	HIF Grant	Eastern Green	12.73
TOTAL			44.02

- 5.1.6 Table 2 below outlines the current forecasted £636m programme and the status of the funding. The majority of funding is still as yet either not secure or unfunded, however work to secure the remaining funding is continuing to progress in parallel with the process to secure WMCA funds. No funding will be committed, nor costs therefore incurred to any schemes unless funding for that particular project is fully secure. Total secure funding to

date is therefore £140m, against the revised planned programme of £636m. Appendix 3 also presents this in greater detail.

Table 2 – Current Connecting Coventry Strategic Transport Investment Programme

PROJECT	SCHEME	PROGRAMME 24th JAN 2017 £m	CHANGES	CURRENT ESTIMATED PROGRAMME £m	SECURE FUNDING £m	UNSECURE FUNDING £m	UNFUNDED £m
City Centre First	Coventry Station Masterplan	82.01		82.01	42.61	39.40	0.00
	Ring Road Jct Improvements	18.35	-6.80	11.55		11.55	0.00
	SUB TOTAL	100.36	-6.80	93.56	42.61	50.95	0.00
Coventry South	A46 Link Road Phase 1	21.10	10.77	31.87	1.54	21.67	8.65
	A46 Link Road Phase 2	70.00	-2.12	67.88	1.85	66.03	0.00
	A46 Link Road Phase 3	80.00		80.00	0.10	79.90	0.00
	Binley & Walsgrave Jct	120.00		120.00	65.00	55.00	0.00
	Coventry South Park & Ride	20.00		20.00	0.40	19.60	0.00
	Tile Hill Station Car Park	8.00		8.00	0.20	7.80	0.00
	SUB TOTAL	319.10	8.65	327.75	69.09	250.01	8.65
Coventry North	A45 to A444 Keresley Link	42.50		42.50	0.00	42.50	0.00
	M6 Jct 3 Improvements	100.40		100.40	0.00	100.40	0.00
	SUB TOTAL	142.90	0.00	142.90	0.00	142.90	0.00
Very Light Rail	Phase 1 - R&D	14.66		14.66	14.66		0.00
	Phase 2 - First Route	42.80		42.80		42.80	0.00
	SUB TOTAL	57.46	0.00	57.46	14.66	42.80	0.00
UK CENTRAL SUB-TOTAL		619.82	1.85	621.67	126.36	486.66	8.65
A45 Corridor	A45 / Leam Road Junction	0.75	0.15	0.90	0.90		0.00
	A45 Pickford Way		0.20	0.20	0.20		0.00
	A45 UTC Update		0.25	0.25	0.25		0.00
	A45 Link Road		0.35	0.35	0.35		0.00
	SUB TOTAL	0.75	0.95	1.70	1.70	0.00	0.00
Housing Investment Fund (HIF)	Eastern Green		12.73	12.73	12.73		0.00
	SUB TOTAL	0.00	12.73	12.73	12.73	0.00	0.00
NON UK CENTRAL SUB-TOTAL		0.75	13.68	14.43	14.43	0.00	0.00
GRAND TOTAL		620.57	15.53	636.10	140.79	486.66	8.65

5.1.7 It should be noted that due to the desire to bring forward some of the projects within the programme to be delivered in time for City of Culture, some changes are being proposed to the originally agreed split of the £284m allocation. This includes potential future

reallocation of some funding from the Coventry South package (originally earmarked for Binley and Walsgrave schemes) to the City centre package, to fund further city centre infrastructure and public realm improvements. This will be subject to WMCA approval, and if successful will be reported back to Members in due course.

5.2 Legal implications

- 5.2.1 While Coventry City Council is the accountable body for the funding, some of the projects being delivered require passporting grant to partners, including Warwickshire County Council, Transport for West Midlands and Dudley Metropolitan Borough Council. In order to do this legal agreements need to be in place between Coventry City Council and the recipients which protects the Council's interest as accountable body
- 5.2.2 The project team delivering Connecting Coventry will work alongside legal team to ensure compliance and mitigation of any legal risks associated with this report.

5.3 Procurement implications

Consultancy support required to assist with building business cases and funded bids will be procured via the Shared Professional Services Framework. Consultancy support to develop the detailed business cases through Assurance Framework will be procured under a mini-competition process to ensure value for money, through the successor to the current Shared Professional Services Framework, ensuring all UK and EU legislation is adhered to.

On approval of funding, procurement at appropriate stages of scheme development and construction will be let in line with both the Council's Rules for Contracts and the Public Contract Regulations 2015, in close consultation with the Council's Procurement Services with approval being reviewed by Place and corporate Procurement Panel and Procurement Board at the necessary financial values. Where appropriate frameworks are available and offer the Council value for money, we will look to make use of these to expedite timescales for delivery across all contracts. It is proposed that the Council's Direct Labour Organisation (DLO) will carry out some of the public realm improvements and junction improvements for A45/Pickford Way/Park Hill Drive.

A Voluntary Ex-Ante Transparency Notice (VEAT) has recently been published in the Official Journal of the European Union (OJEU) to inform the market that the Council is entering into a Contract for Services with WMG/WU for research and development services in relation to Very Light Rail. This notice informs the market that the Council is entering into this arrangement as a research and development agreement whereby it believes that WMG/WU are the only organisations that can provide this service and that there is now an urgency in the delivery of this service in order to be in with a possibility of achieving a demonstrable system in time for City of Culture 2021.

6. Other implications

6.1 How will this contribute to achievement of the Council's Plan?

The aim of setting up the West Midlands Combined Authority is to promote economic growth and improve the provision of transport. This is in line with the Council's aim to deliver prosperity and social justice by ensuring that local people, including those who are most disadvantaged, are able to benefit from that growth.

6.2 How is risk being managed?

A robust governance structure is in place to manage risk. A programme risk register is established which highlights key risks and put in place appropriate mitigation.

6.3 What is the impact on the organisation?

The combined authority and the development of the Connecting Coventry Programme as part of the Devolution Deal will use the time and resources of councillors and senior officers. A combined authority will not replace the Council and its responsibilities and services will remain the same.

6.4 Equalities / EIA

The Connecting Coventry Programme will improve economic outcomes and transport in the area. No adverse impact on any group protected under the Equalities Act is anticipated in this decision.

6.5 Implications for (or impact on) the environment

None identified at this stage but all packages within the Connecting Coventry Programme will undergo an appropriate environmental impact assessment as part of the scheme development phase.

6.6 Implications for partner organisations?

Coventry City Council will work closely with Transport for West Midlands through scheme development and delivery.

Some of the schemes cross authority boundaries, therefore the Council will be working with Warwickshire County Council, Warwick District Council and Solihull Borough Council on these schemes as appropriate within the governance structure.

Coventry City Council is working with a number of partners on the Coventry Station Masterplan project, including Network Rail, Virgin Trains, Friargate Coventry LLP and land owners.

Coventry City Council is also working with a number of partners on the Coventry Very Light Rail project, including Dudley Metropolitan Borough Council, Warwick Manufacturing Group, the University of Warwick and Transport for West Midlands.

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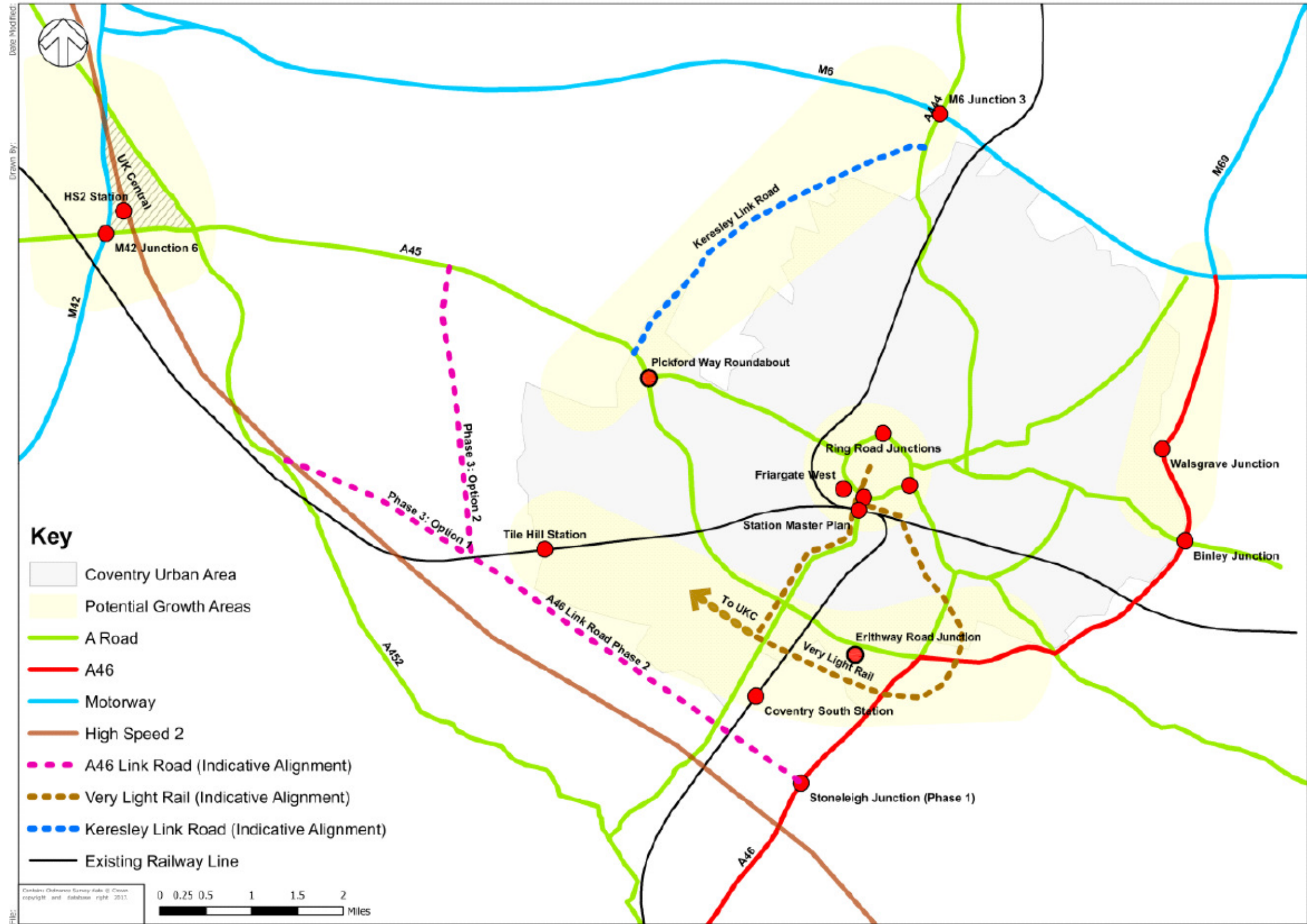
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APPENDIX 2 – Location plan for the Coventry Strategic Transport Package



Appendix 3: Resource Package

		SECURE FUNDING £m									UNSECURE FUNDING £m					UNFUNDED £m	
PROJECT	SCHEME	Growth Deal	DfT	UKC+C WMCA	HS2 WMCA	Highways England	HIF	Prudential Borrowing	Other Public Sector	Sub-Total	DfT & Local Majors	UKC+C WMCA	HS2 WMCA	Private Developer	Sub-Total	Sub-Total	Grand Total
Coventry South Package	A46 Link Road Phase 1 (Stoneleigh Jct)		1.54							1.54	18.06	3.61			21.67	8.65	31.86
	A46 Link Road Phase 2	0.50	1.25	0.10						1.85	30.00	30.54		5.50	66.04		67.89
	A46 Link Road Phase 3			0.10						0.10	30.00	46.90		3.00	79.90		80.00
	Binley & Walsgrave Junctions					65.00				65.00		50.00		5.00	55.00		120.00
	Coventry South Park & Ride			0.40						0.40		17.60		2.00	19.60		20.00
	Tile Hill Station car park expansion				0.20					0.20			7.00	0.80	7.80		8.00
	SUB TOTAL	0.50	2.79	0.60	0.20	65.00	0.00	0.00	0.00	69.09	78.06	148.65	7.00	16.30	250.01	8.65	327.75
City Centre First	Coventry Station Masterplan	25.05	5.00					10.92	1.64	42.61	24.40	15.00			39.40		82.01
	Ring Road Junction Improvements									0.00		11.55			11.55		11.55
	SUB TOTAL	25.05	5.00	0.00	0.00	0.00	0.00	10.92	1.64	42.61	24.40	26.55	0.00	0.00	50.95	0.00	93.56
Coventry North Package	A45 to A444 Keresley Link									0.00		15.00		27.50	42.50		42.50
	M6 Junction 3 Improvements									0.00	68.80	6.60		25.00	100.40		100.40
	SUB TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	68.80	21.60	0.00	52.50	142.90	0.00	142.90
Very Light Rail	Phase 1 - Research & Development	2.46		12.20						14.66					0.00		14.66
	Phase 2 - First Route									0.00		27.80	15.00		42.80		42.80
	SUB TOTAL	2.46	0.00	12.20	0.00	0.00	0.00	0.00	0.00	14.66	0.00	27.80	15.00	0.00	42.80	0.00	57.46
UK CENTRAL SUB-TOTAL		28.01	7.79	12.80	0.20	65.00	0.00	10.92	1.64	126.36	171.26	224.60	22.00	68.80	486.66	8.65	621.67
A45 Corridor	A45 / Leam Road Junction	0.90								0.90					0.00		0.90
	A45 Pickford Way Roundabout	0.20								0.20					0.00		0.20
	A45 UTC Upgrade	0.25								0.25					0.00		0.25
	A45 Link Road	0.35								0.35					0.00		0.35
	SUB TOTAL	1.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.70	0.00	0.00	0.00	0.00	0.00	0.00	1.70
Housing Investment Fund (HIF)	Eastern Green						12.73			12.73					0.00		12.73
	SUB TOTAL	0.00	0.00	0.00	0.00	0.00	12.73	0.00	0.00	12.73	0.00	0.00	0.00	0.00	0.00	0.00	12.73
NON UK CENTRAL SUB-TOTAL		1.70	0.00	0.00	0.00	0.00	12.73	0.00	0.00	14.43	0.00	0.00	0.00	0.00	0.00	0.00	14.43
GRAND TOTAL		29.71	7.79	12.80	0.20	65.00	12.73	10.92	1.64	140.79	171.26	224.60	22.00	68.80	486.66	8.65	636.10