

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation other than the Council.

Cabinet
Council

9th October, 2012
23rd October, 2012

Name of Cabinet Member:

Cabinet Member (City Services) – Councillor Harvard

Director Approving Submission of the report:

Director of City Services and Development

Ward(s) affected:

St Michaels

Title: Coventry City Centre Public Realm Phase 2

Is this a key decision?

Yes

The report sets out a large programme of expenditure (up to £2.833M).

Executive Summary:

The successful completion of the city centre public realm projects (approved by Cabinet on 21 January 2011 and 8 November 2011) at the end of June has resulted in an extremely positive reaction from residents, developers, investors and visitors to the city, particularly during the Olympic Games this summer. The public realm works focused on making key routes around the city centre attractive and welcoming, and helped to highlight some of the city centre's assets to residents and visitors alike. As well as boosting civic pride in the city, new assets like Broadgate are already having a positive impact on the retail offer in the city, with footfall figures in the Upper Precinct boosted by more than 10% during the fortnight the International Market was held on Broadgate. New financial options have now provided the Council with an opportunity to continue and enhance these public realm works to further encourage investment and regeneration and complement the works already completed.

It is important to note that the first phase was completed on time, despite the extremely short timescale, with only a 1.85% variation in budget – a considerable achievement given the speed of design and build.

This report proposes a total budget for the second phase of up to £2.833m. It is proposed that this would comprise money either released from existing agreements, additional monies provided

by Centro and the private sector, and existing uncommitted City Council resources earmarked for highways and street lighting. No additional call on corporate resources is proposed. It is proposed that the principal schemes will be High Street, the area in front of the Council House; Earl Street; the second access to Pool Meadow (funded by Centro) and associated works to Fairfax Street; Belgrade junction; and Queen Victoria Road/Lidice Place/Spon Street. It is proposed that these works will be completed by Summer 2013.

As with Phase 1, these works do not require funding from the Council's highways maintenance programme (other than where maintenance is due on a 'worst first' basis).

Recommendations:

Cabinet are requested to recommend that Council approve:

1. The updated financing of Coventry 2012 Phase 1 as set out in section 5.1 of the report
2. The delegation of authority to the Cabinet Member (City Services) to agree the detailed works for schemes in Coventry 2012 Phase 2 as set out in appendices B, C and D and their implementation subject to the availability of funding.

Council are requested to approve the above recommendations

List of Appendices included:

- Appendix A – Phase 1 schemes completed
- Appendix B – Phase 2 schemes and cost estimates
- Appendix C – Scheme descriptions
- Appendix D – Plan of phase 1 and phase 2 schemes
- Appendix E – Proposed Governance Arrangements

Other useful background papers:

- Cabinet Report: Coventry 2012 Public Realm – 21st January 2011
- Cabinet Report: Coventry 2012 Public Realm – 8th November 2011

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 – 23rd October, 2012

1. Context (or background)

1.1 The background to the Coventry 2012 Public Realm Project was covered in a report to Cabinet on 21st January 2011. Cabinet approved a programme (as modified by the report to Cabinet on 8th November 2011) to deliver a programme of infrastructure and public realm improvements to:

- Promote regeneration of the city centre
- Provide a lasting legacy for the people of Coventry City Council
- Engender a feeling of pride in Coventry and ensure that the many visitors in 2012 leave with a positive image of the city.

1.2 The Coventry 2012 works are already having a major impact in terms of regeneration. For example:

- The creation of a new square for Broadgate is already having a positive impact on retail trade in the city centre, particularly when large events are being held in the square that are encouraging visitors and residents into the city centre. Total footfall across the city centre was up 3.1% when the International Market was held in Broadgate from 1 August to 12 August, with footfall at the top of Upper Precinct being up 10.6%;
- Cathedral Lanes: following completion of the new look Broadgate, the owners have proposed an ambitious scheme to completely transform the look of the building and to introduce bars and restaurants which will completely revitalise the Broadgate area;
- Bishopgate: Barberry, the developer, has stated that one of the drivers for them investing in Coventry has been the investment in the public realm.

1.3 The Cabinet Report of 8th November split the Coventry 2012 works into committed (and funded) and uncommitted schemes; these were classified in that report as 'green' and 'yellow' schemes respectively. In line with the recommendations of the report, the schemes were subject to rigorous value engineering and further funding was identified, thus enabling some of the uncommitted schemes to be completed in time for July 2012. This programme of works is now referred to as Phase 1 and Appendix A lists the schemes completed.

1.4 A major achievement has been ensuring that overall construction costs have been on target. A significant contributor to this has been the use of the Council's Direct Labour Organization (DLO) on the majority of Station to Bull Yard which resulted in significant cost savings. However, set against this, has been a loss of grant (totalling £140,000) and cost increases because of increased professional fees and site running costs arising from the exceptionally wet weather which prolonged the contract. The net result is a shortfall of funding for Phase 1 of £260,000.

1.5 As part of developing the funding package referred to in the 8th November 2011 Cabinet Report, almost £1 million has been negotiated from previously committed capital funding in return for a commitment to spend on public realm schemes in the city centre. This provides the opportunity to develop a Phase 2 to build on and complement the benefits achieved from Phase 1. The aim of Phase 2 is to complete the provision of high quality public realm based on the 'medieval' routes linking major attractions and development sites within the city centre as shown in Appendix D. The Cycling Coventry project (see separate report to this Cabinet) will complement the Phase 2 works by providing high quality links into and out of the city centre for cyclists and pedestrians.

1.6 Other opportunities for Phase 2 result from discussions with the private sector which is keen to work with the City Council to improve the city centre. Additionally, Centro have allocated funding for the creation of a second access to Pool Meadow on the basis of establishing a comprehensive scheme which includes the re-engineering of a section of Fairfax Street.

2 Options considered and recommended proposal

2.1 **Option 1 Do minimum:** The Phase 1 schemes have been designed so that they are free standing and not reliant on any further phases. For minimal investment (up to £50,000), the de-cluttering exercise could be completed. Furthermore, given the benefits outlined in paragraph 1.2 resulting from the investment to date, there is a very good case to complete the transformation of the city centre roads and pavements to ensure Coventry is best placed to take advantage of the next economic upturn. It should also be noted that over £1 million of the funding identified for Phase 2 is tied to city centre improvements.

2.2 **Option 2 Implement all or part of Phase 2:** Appendix B sets out the full list of Phase 2 proposals. This is as per the list provided in the 8th November Cabinet Report with the addition of the second access at Pool Meadow and new junctions to replace the signals by the Belgrade Theatre and the Police Station. The scheme to replace the signals by the Belgrade has arisen from ongoing operational difficulties with the existing signals.

2.3 Appendix C provides a more detailed description and justification of the schemes and Appendix D shows how Phase 1 and Phase 2 schemes combine to provide a comprehensive transformation of the city. The outcome will be a network of high quality routes linking existing attractions and proposed development sites.

2.4 The total estimated construction value of the Phase 2 schemes (including professional fees) is £2.833M. The table below sets out the proposed funding sources:

Funding Source	Amount £'000
Capital programme (previously approved)	993
Centro	250
Private sector contribution (potential)	200 (min)
Maintenance programme	50
Cycling Coventry	100
Revenue Street Lighting Legacy Budget	500 (13/14 and 14/15)
LTP	1000 (13/14 and 14/15)
TOTAL	3,093 (min)

2.5 The above funding would fully fund the balance of Phase 1 and achieve all of the proposed Phase 2 works and fees, subject to external contributions coming to fruition. However, timing of spend would not fully match the timing of resources as approximately £750k of the proposed resources are not available until 2014/15. If approved, this would require cashflowing the accelerated spend within the current and forthcoming capital programmes.

2.6 It is proposed that the DLO delivers all of the Phase 2 works. Experience using the DLO on Phase 1 has demonstrated excellent value for money and the quality has also been good. The use of the DLO also allows for greater cost control and reduces risk in the face of design changes or unforeseen circumstances given our ability to redeploy teams flexibly and quickly when needed.

2.7 Appendix B sets out Phase 2 schemes in priority order; the availability or otherwise of external funding and changes to council finances may amend this order.

- 2.8 In addition to the schemes listed in Appendix B, there are also proposals being developed to continue the improvements along Gosford Street beyond the ring road flyover. These proposals are being developed in partnership with Coventry University; the timescale will be dependent on negotiations with the University. There are also proposals to remove the footbridge over the Ring Road at the top of Bishop Street and to replace it with a surface level crossing to improve access to the canal basin. This future scheme, to be funded through a section 106 agreement linked to the Barberry development, will complete a key link in the cross city centre route from the railway station to the canal basin, and will be the subject of a subsequent report.
- 2.9 The advantage of implementing Phase 2 over a short period of time is that it will complete the transformation of the driving environment within the city centre by creating consistency thus helping reduce speeds and improve conditions for pedestrians and cyclists. This is particularly relevant in view of the Cycling Coventry project and our ability to extend good quality walking and cycling routes out into the suburbs.
- 2.10 To oversee the delivery of Phase 2, to minimize risk and to ensure value for money, a comprehensive governance arrangement is proposed as set out in Appendix E. This is similar to the arrangement for Phase 1 but is less reliant on external support in order to reduce costs.

3.0 Results of consultation undertaken

- 3.1 A public consultation exercise was undertaken in early 2011 which resulted in significant changes to the design of the schemes. Over 2,500 people took part in this exercise. Since then, there has been an ongoing discussion with city centre stakeholders, access groups and Centro.
- 3.2 The Spon Street package has been developed in consultation with and as a result of discussions with Spon St Traders and the proposals for the Upper Well St/Corporation St junction have been developed following discussions with West Orchards and Deeleys for example. Consultation with Access Groups has led to a number of changes including modifications to kerb heights and the use of more zebra crossings. All schemes incorporate trees and grass wherever practical in response to repeated calls for more greenery in the city centre.
- 3.3 There have also been discussions with developers and potential investors to understand what is important to them in terms of transforming the city centre and ensuring it is a place where businesses want to be located.

4. Timetable for implementing this decision

- 4.1 Subject to approval it is proposed to start work on the second access to Pool Meadow in Autumn 2012. Works in the Council House Square/Earl Street/Jordan Well area and around Fairfax Street will be linked into the Heatline works. Subject to funding, it is proposed that all of Phase 2 would be completed by the end of June 2013.

5. Comments from Director of Finance and Legal Services

- 5.1 Financial implications

The November 2011 report identified a shortfall which required managing from a combination of additional resource and/or reduced programme. Whilst still not completely finalised, the Phase 1 cost is expected to total £10,685m. The revised resourcing position has changed to reflect external contribution negotiation and final grant values, and is expected to be as follows:

	£m
ERDF Grant	3.360
Approved Corporate Capital Resources	3.083
Capital – LTP	1.917
PFI Savings	0.518
Centro contributions	0.518
Private Sector contributions	0.494
Other Grants	0.344
Revenue	0.191
	10,425

The total resource shortfall for Phase 1 is £0.260m of which £0.140m is due to loss of ERDF grant.

The future additional costs identified in this report amount to £2.833m. In addition, the phase 1 variance of £0.260m requires financing and must be the first call on remaining resources. A total resource requirement of £3,093k is therefore required. This can be funded from a combination of primarily existing resources and requires no additional corporate funding, as follows:

Funding Source	Amount £'000
Capital programme (previously approved)	993
Centro	250
Private sector contribution (potential)	200 (min)
Maintenance programme	50
Cycling Coventry	100
Revenue Street Lighting Legacy Budget	500 (13/14 and 14/15)
LTP	1000 (13/14 and 14/15)
TOTAL	3,093 (min)

The use of £250k revenue and £500k capital in relation to 14/15 resources will require cashflowing if the programme of works is approved in full.

5.2 Legal implications

The schemes listed in Appendix B will be delivered under the Council's general highway improvement/traffic management powers except in relation to any new or amended formal pedestrian crossings/traffic regulation orders/traffic-calming which will be implemented following a separate statutory notice/objection process.

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 completed Phase 1 works are already demonstrating their ability to help attract investment into the city centre (see paragraph 1.2) and will be instrumental in helping to attract interest for the South Side redevelopment and thereby create jobs. By promoting the city centre in this way, jobs and investment will be attracted to the city in line with the Council's Job Strategy.

6.2 How is risk being managed?

A clear set of governance proposals, as outlined in paragraph 2.10, will be adopted which will ensure that as with Phase 1, risks are effectively managed. The programme board will, as before, be chaired by the Assistant Director, Planning Transport and Highways.

As with Phase 1 the Programme Manager will maintain a Risk Log which will be regularly updated. The work on Phase 1 and development work on Phase 2 has helped to improve our understanding of the risks.

6.3 What is the impact on the organisation?

The reduction in expenditure on the Integrated Transport Block means that there continues to be sufficient resource to work on Phase 2. The DLO will be working to capacity which will improve its trading account.

6.4 Equalities / EIA

The proposals will make movement around the city centre easier for everyone. This is because of the removal of unnecessary street furniture and measures to reduce the dominance of vehicular traffic. However, access by car for those that need it will be maintained. Discussions with the Access Groups and representative organizations are underway to ensure that the design of Broadgate and other areas properly reflects access needs.

There have been regularly meetings with the Access Development Group and the Coventry and Warwickshire Access Committee to review the impact of Phase 1 schemes and to consider the design of Phase 2. In particular, we have been working closely with the Guide Dogs Association to ensure we properly consider the needs of blind and partially sighted people.

6.5 Implications for (or impact on) the environment

The changes proposed will help to make movement around the city centre easier for people on foot and cycle. Vehicular movements will benefit from the removal of traffic signals which will reduce stopping and starting and therefore carbon dioxide emissions. The reduction in street furniture will reduce raw material consumption and therefore carbon dioxide emissions.

6.6 Implications for partner organisations?

The main objective of these changes is to 'kickstart' the regeneration of the city centre and to improve perceptions of the city. This will bring major benefits to all organizations that have a stake in the city.

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