

**Name of Cabinet Member:**

Cabinet Member for Jobs and Regeneration - Councillor O'Boyle

**Director Approving Submission of the report:**

Executive Director for Place

**Ward(s) affected:**

All

**Title:**

*Coventry Station Masterplan Update*

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**Is this a key decision?**

Yes as it has the potential to affect all wards within the City and expenditure is in excess of £1m

**Executive Summary:**

The Coventry Station Masterplan programme is set to deliver transformational improvements to Coventry Railway Station. The Coventry Station Masterplan was developed in response to a 2014 study that looked at the city's future rail needs. It was initially approved at Cabinet in March 2015, funded by Local Growth Deal. Since then, the scheme has developed extensively in terms of design and scope to meet the needs of an aspirational and growing city. This report details the current proposals that have been developed over the last 18 months, in partnership with the rail industry and other stakeholders.

Coventry Station has experienced the highest growth in rail passengers in the last 5 years outside of London. It is one of the busiest stations on the West Coast Mainline, after London and Birmingham New Street, but since opening in 1962 it has seen little investment or updating. It was given Grade II listed status by English Heritage in 1995, due to its modern architecture. Apart from the generally tired nature of the existing buildings, there are genuine capacity issues. It is essential that we create a fitting gateway to the city to underpin the redevelopment at Friargate and wider city regeneration. It is also vital that we create a station that supports continued growth in patronage to underline our case for the retention and enhancement of rail services post HS2. The Station Masterplan is an integral part of the City Centre Area Action Plan and the Coventry and Warwickshire LEP's Strategic Economic Plan, and is central to the City Council's economic regeneration and improving connectivity to the wider region, including UK Central and HS2.

The City Council, working with Friargate LLP, has established a collaborative approach between Network Rail, the Department for Transport, the wider rail industry and Coventry & Warwickshire LEP to develop the proposals to meet these objectives. As a consequence of this work the scope of the scheme has extended and the total programme has increased to £82.4m, which includes £11.8m contingency which is good practice for rail schemes.

Coventry Station Masterplan will deliver extra capacity, accessibility and a better first impression of Coventry, within the station through the following new infrastructure

- A second footbridge connecting all four platforms and extended platform canopies;
- A second station entrance building, facing outwards onto Warwick Road and providing step free access to platforms;
- A 644 space multi-storey car park;
- A bus interchange connected directly to the station building via a new access tunnel under Warwick Road;
- Highway improvements;
- Bay platform (NUCKLE 1.2)

The highway improvements will provide the bulk of the infrastructure required to deliver the Friargate Masterplan and make provision for future Rapid Transit services via the railway station. A detailed summary of the scheme changes and enhanced programme from March 2015 to date can be found in Appendix 1.

The Coventry Station Masterplan works will be delivered in conjunction with NUCKLE 1.2, its 'sister' scheme, which provides a new bay platform to enable service between Coventry and Nuneaton of two trains per hour, and provides extra capacity for additional services to support major events at Coventry Arena. The relocation of the existing Coventry to Nuneaton service into the bay platform will also improve performance and provide reliability benefits to longer distance services through the main station platforms.

As previously agreed, £27.4m is available for the Coventry Station Masterplan. In addition a further £0.96m was approved for the Station Access scheme by Cabinet as part of the Friargate Bridge deck scheme. This funding is sufficient to deliver the station access tunnel under Warwick Road, the new footbridge and canopies, partly fund the NUCKLE 1.2 bay platform and develop the detailed designs for the other elements.

Additional funding options are being sought to fund the rest of the Masterplan programme, subject to Member approval including:

- A package of West Midlands Combined Authority (WMCA) Devolution Deal and CWLEP Local Growth Deal 3 funds; and
- Prudential borrowing will be used to finance the 644 space multi storey car park, repaid from car parking income received which will be used to repay capital in interest charges (the change in ownership of parking at the station is subject to Department for Transport approval which has been received 'in principle').

Construction of the bus interchange, car park, new station building and highway works will not commence until the above funding has been secured and ongoing commercial negotiations with Friargate LLP concluded, which is anticipated by autumn 2017, well before construction works are due to commence in 2019 for these elements. However, there are ongoing design and project management costs being incurred and these cost will be incurred at risk until this point.

A combination of further Growth Deal, Network Rail and partner funding (Warwickshire County Council and Coventry City Council) has already been committed to the NUCKLE 1.2 scheme, as part of the overall NUCKLE 1.2 scheme budget of £18M.

The Masterplan works at the station will be complemented by £2.4M of works funded by Network Rail and currently being delivered by Virgin Trains, which is providing enhancements to the existing station building. This is further complemented by the recent improvements to the station forecourt area and Station Square undertaken by Coventry City Council and Friargate LLP.

Subject to funding approval, it is expected that all works will be completed by 2021.

Much of the land required for the Masterplan proposals and NUCKLE 1.2 scheme is within the ownership of Network Rail. Some of the land required for the scheme are also subject to leases or other interests, or owned by various third parties. This report seeks approval at this stage to commence negotiations with all necessary landowners for the acquisition of their interests to enable delivery of the various aspects of the proposals. The Council may need to exercise Compulsory Purchase Order (CPO) powers if required to deliver the bus interchange and parts of the new highway infrastructure if land interests can't be secured by negotiation. Should this be required, a further cabinet report will be submitted to seek approval to agree land acquisition costs as a result of negotiations, or to authorise the use of and/or make the necessary order for the implementation of CPO powers if deemed necessary. The scheme design has aimed to minimise the extent of third party land required and there are clear benefits of introducing new road links and improving highway capacity for all stakeholders, however land assembly will remain a risk to the delivery project until this has been achieved.

The new footbridge, station building and multi-storey car park will be delivered under Network Rail Permitted Development Rights and require Listed Buildings Consent, while planning permission will be required to deliver the new bus interchange. Friargate LLP will submit a reserved matters application for changes to the highway.

### **Recommendations:**

Subject to the outcome of ongoing commercial negotiations with Friargate LLP, Cabinet is requested to:-

- (1) Approve the revised cost plan as detailed in section 5.1, and authority to submit a funding bid through the WMCA Devolution Deal. Delegate authority to the Executive Director for Place to become the accountable body, and authority to the S151 Officer to enter into the appropriate funding agreements with the Coventry & Warwickshire Local Enterprise Partnership, West Midlands Combined Authority and Department for Transport;
- (2) Approve the preferred option designs for Phase 2 of the Coventry Station Masterplan shown in appendix 2, option B to take forward to detailed design for the remaining elements including the bus interchange, second station building and multi-storey car park at Coventry Station and the completion of technical, legal and regulatory industry approvals for these remaining scheme elements;
- (3) Approve the enhanced footbridge scheme and associated canopy extensions design as shown in appendix 4 option B as the City Council's preferred option;
- (4) Approve the addition of an enhanced highway scope that includes western and eastern highways works as shown in appendix 4;
- (5) Delegate to the Executive Director for Place [after consultation with Cabinet Member for Jobs and Regeneration] authority to survey land and to negotiate the acquisition of all land interests necessary to deliver all aspects of the Masterplan proposals;
- (6) Approve the submission of the necessary planning applications to deliver the bus interchange and highway infrastructure as shown in appendix 2 and 4 respectively;
- (7) Approve that NUCKLE 1.2 funding be packaged with the Coventry Station Masterplan and any funding shortfall can be made up with Devolution Deal funding, subject to approval via the WMCA Assurance Framework;

- (8) Approve to proceed the procurement for the design and construction of the footbridge and canopies, detailed design for the wider scheme and procurement of a Rail Advisors Framework to provide external rail expertise for this project and future requirements;
- (9) Note that a further cabinet report will be tabled before awarding construction contracts for the scheme for Member approval;
- (10) Delegate authority to the Executive Director for Place, to
  - a. Contract with suppliers for the delivery of the design at Coventry Station;
  - b. Negotiate and enter into on behalf of the Council all associated agreements that support construction and completion of design, including but not limited to Asset Protection Agreements with Network Rail and agreements with rail industry parties to facilitate investment in the station;
  - c. Negotiate and contract with Network Rail and other land owners for the necessary land access and rights in order to construct the Coventry Station Masterplan and NUCKLE 1.2 proposals;
  - d. Negotiate and enter into an agreement with the Department for Transport for the City Council to fund and enter into ownership of the multi-storey car park;
  - e. Agree award of contracts following competitive tender procedures for the detailed design for the wider scheme and procurement of a Rail Advisors Framework.
  - f. To become the accountable body for Local Growth Deal 3 if successful.

Cabinet is requested to recommend that Council:

- (11) Subject to the outcome of ongoing commercial negotiations with Friargate LLP:-
  - a. Approve the revised cost plan as detailed in section 5.1, give authority for prudential borrowing of £10.9m subject to final approval by the Department for Transport and authority to submit a funding bid through the WMCA Devolution Deal.
  - b. Delegate authority to the Executive Director for Place to become the accountable body if successful and authorise the Executive Director for Resources to enter into the appropriate funding agreements with the Coventry & Warwickshire Local Enterprise Partnership and West Midlands Combined Authority.
  - c. Delegate authority to the Executive Director for Place following consultation with the Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources to effect any draw down resources from the programme contingency budget referred to in section 5.1, table 1.

Council are recommended:-

- (1) Subject to the outcome of ongoing commercial negotiations with Friargate LLP:-
  - a. Approve the revised cost plan as detailed in section 5.1, give authority for prudential borrowing of £10.9m subject to final approval by the Department for Transport and authority to submit a funding bid through the WMCA Devolution Deal.
  - b. Delegate authority to the Executive Director for Place to become the accountable body if successful and authorise the Executive Director for Resources to enter into the appropriate funding agreements with the Coventry & Warwickshire Local Enterprise Partnership and West Midlands Combined Authority.
  - c. Delegate authority to the Executive Director for Place following consultation with the Cabinet Member for Jobs and Regeneration and Cabinet Member for Strategic Finance and Resources to effect any draw down resources from the programme contingency budget referred to in section 5.1, table 1.

**List of Appendices included:**

Appendix 1: Summary of Station Masterplan changes since March 2015  
Appendix 2: Coventry Station Scheme Options Plans – Option A and Option B  
Appendix 3: Indicative visualisations of Coventry Station Scheme  
Appendix 4: Plans of footbridge options – Option A and Option B  
Appendix 5: Proposed Highway Layout  
Appendix 6: Land acquisition plan

**Background papers:**

None

**Other useful documents:**

Cabinet 16<sup>th</sup> August, 2011: NUCKLE (Phase 1) – Submission of Best and Final Bid to DfT  
Cabinet 30<sup>th</sup> August 2011: NUCKLE (Phase 1) – s151 Officer Declaration for Best and Final Bid to DfT  
Cabinet 3<sup>rd</sup> January 2012: NUCKLE (Phase 1) – Project Cost and Funding Update  
Cabinet 4<sup>th</sup> March 2014: NUCKLE (Phase 1, Package 1)  
Cabinet 3<sup>rd</sup> March, 2015: Coventry Station Regeneration and associated rail improvements  
Cabinet 24<sup>th</sup> January 2017: Connecting Coventry  
All of the above are available from the Council's website:

<http://moderngov.coventry.gov.uk/ielistmeetings.aspx?Committeeld=124>

**Has it been or will it be considered by Scrutiny?**

No – Although this report will not be referred to Scrutiny, the Business, Economy and Enterprise Scrutiny Board considered this subject matter at their meeting on 12<sup>th</sup> October, 2016.

**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 – 24<sup>th</sup> January 2017

## **Report title: *Coventry Station Masterplan Update***

### **1. Context (or background)**

- 1.1 Coventry Station has experienced very high rail growth, becoming one of the busiest stations on the West Coast Mainline, and passenger demand is forecast to continue to increase significantly, particularly with the Friargate development around the station. Passenger activity at the station is forecast to increase from circa 6.9m trips per annum today to 7.5m pa in 2023 and nearly 11m pa in 2043, contrasting with just 2.25m pa in 2001. The station has suffered from a lack of investment and is experiencing capacity issues that will start to increasingly displace passenger activity to other stations and modes of transport. This will undermine the role of the station in supporting city centre regeneration and its ability to attract and retain inter-city rail services, which significantly benefit the city economy. Consequently, working with the Coventry & Warwickshire LEP, Friargate LLP and rail industry partners, a station Masterplan has been developed and funding sources identified.
- 1.2 The station is the focus of the City's flagship Friargate regeneration scheme; the Friargate Masterplan was approved in 2011. Over £20m has already been invested in improving the public realm and routes leading to the station and Network Rail are investing over £2m in upgrading the existing station buildings as part of the National Stations Improvement Programme (NSIP). The City Council is currently delivering a new access tunnel under Warwick Road in preparation for the delivery of the Masterplan, this will ultimately connect the new station building with the bus interchange and existing station car park to the west of Warwick Road. Furthermore, the station will provide the city's gateway to HS2, so it is essential the station is fit for purpose.
- 1.3 The NUCKLE project includes the provision of a bay platform at Coventry Station. This will allow 2 trains an hour to run between Coventry and Nuneaton, additional trains to run to the Coventry Arena supporting major events, as well as providing greater operating flexibility to the existing station. Originally the bay platform was going to be delivered at the same time as the new stations at Coventry Arena and Bermuda Park, but a lack of availability of signalling contractors and corresponding prohibitive price for the works meant the bay platform had to be delayed. It is now proposed to deliver the bay platform as part of the Coventry Station Masterplan programme and to combine funding sources and management effort.
- 1.4 To develop and deliver the Masterplan a comprehensive governance structure has been established and the partners, including Network Rail, Virgin Trains and Friargate LLP, continue to work collaboratively to develop the Masterplan options.
- 1.5 Since the March 2015 report more funding opportunities have become available, as detailed in section 5 of the report. The scope of the scheme has increased significantly, with principal factors including a far larger multi-storey car park facility, higher quality specifications and finishes including a glazed double height station building, glazed footbridge and extended canopies and a weatherproof bus interchange facility, along with the addition of new elements in the highway package. Consequently the scheme costs have increased to £82.4m which reflects the increased scope plus increased contingency costs which are detailed in Appendix 1.

## **2. Options considered and recommended proposal**

### **Coventry Station Masterplan – Elements & Options**

#### **2.1 Overview**

- 2.1.1 Development of the station Masterplan has identified a number of critical infrastructure elements that need to be provided at Coventry Station, including a new footbridge, station building, car parking and bus interchange.
- 2.1.2 The station improvements need to tackle capacity and create a high quality gateway to the city to provide a positive passenger experience, including potential investors. The station is the first and last experience of the city for many visitors and it is important to tackle these issues to ensure the impression is positive.
- 2.1.3 There are two station Masterplan layout options (see Appendix 2 plans A and B). These are based on the options developed from the March 2015 report in conjunction with Friargate LLP, and have been designed to meet the needs of the rail industry and accord with the Friargate Masterplan wherever possible. The existing outline planning consent for Friargate includes the creation of additional station entrances off Warwick Road, new car parking on existing station land and the creation of new station pick-up and drop-off facilities.
- 2.1.4 The primary difference between the two main layout options (shown in Appendix 2) is the location of the multi storey car park, which in Option A is on the existing surface level car park to the west of Warwick Road next to the proposed new bus interchange; and in Option B is accommodated to the east of Warwick Road above the new station entrance building.
- 2.1.5 While Option A is more in keeping with the Friargate Masterplan, Option B provides a more attractive and integrated passenger experience. The Station Masterplan needs to deliver an improved passenger experience, and create a high quality user friendly gateway to the city to ensure a sustainable level of future growth and demand to not only retain the excellent north-south train links Coventry has, but also increase cross country services and improve connections from east to west and across the Midlands. Extensive engagement has taken place with the rail industry who state a strong preference for Option B in operational terms. Both options would require amendment to the Friargate Masterplan where it covers land in Network Rail ownership. Network Rail are fully supportive of the Station Masterplan project and support the use of their land to enhance the railway.
- 2.1.6 In order to meet the overall programme it is necessary to approve an option to take the scheme design forward to GRIP 4 outline design approval in principle stage. Given the reasons outlined above, it is recommended that Option B is taken forward.
- 2.1.7 A Very Light Rail Rapid Transit network is proposed as part of the Coventry Strategic Transport Investment Programme and West Midlands Combined Authority funding is sought to develop and deliver such a rapid transit system for the city, which would be integrated with the railway station.

#### **2.2 Station Building and Multi Storey Car Park**

- 2.2.1 The new station building has been designed to complement the existing building (see visualisations in Appendix 3). The building will be accessible from platform level and also from Warwick Road. The new Station Access tunnel currently being constructed on Warwick Road will link into the new building, providing a seamless transition for passengers between the bus interchange and railway station.

- 2.2.2 The projected costs for the building have increased by £1.9m to reflect the high quality design specification which has changed significantly since the original concept design tabled in the last report (refer to Appendix 1 for breakdown). Since that time, the shape and form of the second entrance building has evolved considerably following a change in architects with a focus on pedestrian desire lines and user experience. The resultant design development has increased the overall footprint of the two storey station building and provides a superior quality gateway building with double height glazing facing the platforms, along with a new enhanced pedestrianised Station Square to enable connectivity with the existing Station building.
- 2.2.3 A retail strategy has been commissioned to look at the retail opportunities that will be presented by the new station building, whilst continuing to be consistent and complementary to the Friargate proposals. Up to 5 new retail units will be created to supplement the existing retail at the station and improve passenger experience. The income from the retail unit leases will be retained by the Station Operator to offset maintenance liability costs. Coventry City Council should not incur any costs for liability as this will be included in the new West Coast franchise arrangements in 2018.
- 2.2.4 As noted in paragraph 2.6, the preferred location of the MSCP is to the east of Warwick Road. The new car park in this location will provide a minimum of 644 spaces, which could increase to 687 if the Department for Transport approve a derogation to reduce the number of Disability Discrimination Act compliant spaces to be in line with existing demand at Coventry Station. The car park will provide 339 replacement spaces from existing rail parking lost through the scheme, 150 additional spaces for rail growth and up a further 187 for the Friargate development. The car park will be managed alongside the council's existing parking stock, and in accordance with the City wide car park management plan. The original de-scoped option for the car park only included a basic facility providing 339 rail replacement spaces. At the time of the March 2015 report the car park design and facilities was proposed to be very basic due to funding constraints. Since other funding opportunities have become available the car park has been designed to meet future needs, and the increase in spaces, building size and consequential additional fire and safety measures, along with high quality specification has resulted in a cost increase of £7.2m (please refer to Appendix 1 for further detail).
- 2.2.5 It is proposed to fund the car park through prudential borrowing. The Department for Transport (DfT) have been approached about allowing the City Council to retain the car parking income to recover the cost of prudential borrowing.
- 2.2.6 The rail industry will take on and operate the new station building and footbridge, with the associated retail income at the station (from the retail units noted in 2.10 above) being sufficient in the long run to cover operating costs for the enhanced facilities and the loss of car parking income (from the 339 car park spaces that move from West Coast franchise to the City Council as noted in 2.11 above). DfT has confirmed its 'in principle' support for this as a mechanism for attracting funding to the scheme, subject to putting the appropriate formal agreements into place with DfT and Network Rail.

### 2.3 ***Footbridge & Canopies***

- 2.3.1 There are also two options for the new footbridge. The original Option A proposed (see Appendix 4 which formed part of costs in the March 2015 paper) is a very basic clad footbridge with a small glazed section at shoulder height, with 'caterpillar stairs' letting in limited light and shortened canopies. The alternative preferred Option B (also shown in Appendix 4) is a fully glazed option which was designed in response to revisiting the design principles and aspirations of the Station Masterplan to ensure the station provides an impressive gateway to Coventry and complements the existing listed buildings. This option offers a higher roof on the stairs to provide more natural light and better vision for passengers, and includes extended canopies to provide more coverage for passengers

and to tie in with the existing station. Both options are deliverable in terms of buildability and timescales but Option B costs £1.7m more.

- 2.3.2 A new substation is required to be constructed in parallel with the footbridge and canopies, in order to supply the new lifts. The substation is for rail supply only, and will replace the current substation which is at capacity.

## 2.4 **Bus Interchange**

- 2.4.1 The bus interchange will provide a high quality facility for bus passengers, which will all be under cover from the elements. The facility will provide up to 6 bus bays with provision for rail replacement coaches. This has changed since the March 2015 report, as detailed in Appendix 1, resulting in a £2.6m uplift to reflect the change from a very basic facility to the current proposals. We need to encourage more direct buses to Friargate to provide access to jobs from deprived areas of the city.

- 2.4.2 The land required for the proposed bus interchange is subject to a number of interests and covenants, these which will need to be acquired by the Council in order to allow the development of the bus interchange to continue. In order to achieve this the Council wishes to enter into negotiations with the land owner of Central Six. Should negotiation with the landowners by private treaty fail to be achieved, the Council may need to consider the potential use of CPO powers which would be the subject of a separate report to Cabinet with the justifications and reasons for taking that action clearly set out. For this element of the scheme, £0.6M design, project management and legal fees will be incurred until this stage on the scheme, however the risk of these costs being abortive is minimal as if negotiation is unsuccessful CPO powers can be used to acquire the land. This will be detailed in the further report to Cabinet requesting the use of Compulsory Purchase Order powers.

- 2.4.3 Bus passengers will be able to access the new interchange facility directly from Warwick Road via a new building, which will have lift facilities. The bus interchange will connect with the new building via a covered walkway, while the new pedestrian tunnel under Warwick Road will provide direct access to the new station building and platforms. Indicative visuals of the proposals can be seen in Appendix 3.

- 2.4.4 It is proposed, subject to agreement, that Transport for West Midlands (TfWM) will manage the new bus facility.

## 2.5 **Highways**

- 2.5.1 Since the last Cabinet report the scope of the Masterplan has extended and the programme now includes a large amount of new highways infrastructure, which has resulted in a significant increase in costs (£18.9M, which includes £4m contingency). Full details of the costs are set out in section 5.1 below. The highway works are necessary to support the operation of the Station. Where possible the design has followed the alignment of the Friargate Masterplan to avoid future abortive works. The proposals include a new link road to the west of Warwick Road, connecting the road into Central Six to the ring road (see Appendix 5). This will enable operation of the new bus interchange and provide resilience for current use and future growth.

- 2.5.2 The highway works will also deliver the infrastructure needed to deliver the bulk of the Friargate Masterplan. The plans also include a new highway link to the east of Warwick Road to the new multi-storey car park. The permanent road link will require the demolition of Central Flats, which is part of the Friargate Masterplan and will again unlock development land. There will be an interim highway arrangement in place until this time. Any final investment decisions are subject to the outcome of the ongoing commercial negotiations with Friargate LLP.

2.5.3 The land acquisition plan shown in Appendix 6 identifies the land required in order to deliver the temporary and permanent new highway layout. Further detail on the land acquisition strategy is set out in 2.26 onwards. There is currently a risk to the delivery of the new highway infrastructure until all the land interests shown in the plan are acquired for this element of the scheme, £0.7m for design, project management and legal costs are projected to be incurred up to this stage. The risk of these costs being abortive is minimal as if negotiations are unsuccessful the back stop option is to use CPO powers to acquire the land. This will be detailed further in the further report to Cabinet requesting the use of Compulsory Purchase Order powers.

## 2.6 ***Planning Strategy***

2.6.1 Planning permission will be required in order to deliver the new bus interchange, while the footbridge, station building and multi-storey car park will be delivered under Network Rail Permitted Development Rights.

2.6.2 A planning strategy has been developed in discussion with Friargate LLP, as a lot of the new infrastructure falls within their original outline permission for the Friargate Masterplan.

2.6.3 Network Rail will submit Requests for Prior Approval to Coventry City Council, along with applications for Listed Building Consent, given the new infrastructure's proximity to the existing Listed Building.

2.6.4 Friargate LLP will submit a reserved matters application for the new highway, due to the links to their development. The project team is working closely with Planning Officers to ensure that there is a robust business case in place and all due processes are followed to minimise the risk of challenge.

## 2.7 ***Land Strategy***

2.7.1 Appendix 6 highlights the third party land required by the project to deliver the new infrastructure. A Land Acquisition Strategy is in place, whereby the project team, in conjunction with CCC's Legal Team and external supporting lawyers have outlined an action plan and timetable for acquiring the necessary land.

2.7.2 The majority of land required to deliver the scheme is on Network Rail operational land. They are fully on board with supporting the property process required to enable construction and handover of facilities on this land, which will be undertaken as part of the statutory Minor Modification and LC7 disposal processes.

2.7.3 The bus interchange and some of the new highway require acquisition of third party land interests in order to be delivered. There is a covenant on the land proposed for the bus interchange that needs to be removed in order to change approved usage. The new link road connecting Central 6 to the ring road has been designed on a temporary alignment between existing units, but will require removal of some of the existing car park spaces in order to accommodate it. Negotiations will take place with all those whose interests will be required and CPO will only be used as a measure of the last resort. A further cabinet report will be tabled later in 2017 to seek approval for land acquisition following negotiations and potentially use of CPO powers if required.

2.7.4 The permanent eastern highway layout will be implemented following demolition of Central Flats, when the leases expire in 2020 following discussions and agreement with Friargate LLP on the release/acquisition of the freehold. An interim solution will be in place to enable access to the multi-storey car park until this point.

## 2.8 ***NUCKLE Phase 1 Package 2***

- 2.8.1 Although NUCKLE 1.2 has historically been a separate scheme, with different governance arrangements and funding to Masterplan, it is integral to the Masterplan scheme and development of the station especially in capacity terms. It is therefore proposed to deliver the bay platform as an integral part of the Masterplan programme.
- 2.8.2 Cost increases on NUCKLE 1.1 have resulted in less funding being available for NUCKLE 1.2, creating a funding gap. The options are therefore not to deliver the bay platform or to seek alternative funding to cover the deficit.
- 2.8.3 If the bay platform is not delivered this will make it impossible to achieve 2 trains an hour between Coventry and Nuneaton and will rule out provision of a full package of events trains for the Arena. It will also limit further service enhancements to Coventry and therefore could impact on the success of Friargate and economic growth.
- 2.8.4 Alternative funding options include Devolution Deal funding and further Growth Deal bids. Further details are provided in the Finance section. It is recommended that this option is pursued and that development of the scheme through to the end of outline design is continued, alongside discussions with Network Rail on delivery of the works. At this stage a firm capital cost estimate will be provided, which will be the subject of a further report back to Cabinet. This will also include an estimate of any revenue costs for the additional train services; this will only be clear once the outcome of the bidding exercise for the new West Midlands Rail Franchise is known. It should be noted that Members previously approved a subsidy of £0.676m per annum to be shared 50/50 with Warwickshire County Council at the Cabinet meeting held 3rd March 2015.
- 2.8.5 Through lessons learnt from the delivery of NUCKLE 1.1 we have worked closely with Network Rail to progress the scheme through the design process. However some significant delays have occurred during this development stage and the NUCKLE Operational Board has agreed that the scheme development up to the end of outline design (GRIP 4) should be tendered. Despite these changes to the delivery mechanism it appears prudent for the Council and its partner, Warwickshire County Council, to progress the development of the outstanding NUCKLE 1.2 elements.
- 2.8.6 In order to give comfort to both Partners in approving further development of NUCKLE 1.2, a Pre-Financial Close and Delivery Agreement will be signed by both partners. It is anticipated that full financial close, and an associated further funding agreement, will be ready at the end of the outline design stage based on a fuller understanding of the costs and risks of delivering the scheme.

## 2.9 ***Procurement***

- 2.9.1 It is envisaged the procurement for the construction of the Footbridge and Canopies will be delivered through a direct agreement with Network Rail, who are deemed best placed to manage the risk of working in direct vicinity around a live railway. CCC will ensure that Network Rail use a procurement route that is compliant with all UK and European legislation.
- 2.9.2 Ongoing feasibility and design of the footbridge and canopies, multi storey car park and station building will be procured through Warwickshire County Council's Shared Professional Services Framework and the successor of this agreement, from June 2017. The procurement strategy for the construction of the car park and station buildings currently being reviewed, however, it envisaged that an Open or Restricted OJEU procedure will be undertaken to drive competition and best value.
- 2.9.3 On-going project management support will be delivered through Warwickshire County Council's existing Rail Advisors framework and from early 2017, through CCC's replacement Rail Advisors Framework agreement.

### **3. Results of consultation undertaken**

- 3.1 The proposals have been clearly set out in public papers, agenda's and reports of both the Coventry & Warwickshire Local Enterprise Partnership and former Coventry & Warwickshire Local Transport Body, the funding bodies which have allocated funding. Additionally Coventry City Council's Business, Economy and Enterprise Scrutiny Board (3) considered the principles of the proposed scheme during a public meeting in April 2014.
- 3.2 Additionally the NUCKLE scheme is well known and subject to regular press coverage and a number of previous public committee reports.
- 3.3 Any further elements of delivery requiring planning consent will also be subject to the normal planning consultations.

### **4. Timetable for implementing this decision**

- 4.1 The pedestrian footbridge between Coventry Station platforms along with platform canopy extensions is to be constructed in 2018/19.
- 4.2 The construction of the pedestrian access under Warwick Road is to be carried out within the area of public highway during 2016/17 and 2017/18, with connecting elements (subject to the successful conclusion of negotiations regarding the acquisition of land interests) being completed along with the associated building components to be constructed on the existing station car parks. The timing of works will be designed to minimise construction traffic impacts as far as is practicable.
- 4.3 Design development, legal agreements and negotiations for the remaining elements of work are also to be undertaken in 2016/17, with all of these elements being constructed and made operational by the end of the financial year 2020/21. Securing the additional train service as part of NUCKLE 1.2 between Coventry and Nuneaton will be subject to rail industry processes for timetable change.

## 5. Comments from Executive Director, Resources

### 5.1 Financial implications

#### 5.1.1 Capital Costs

Table 1 – Breakdown of Capital Costs from Original Cabinet Report March 2015

Phasing of Programme	Scheme Elements	Cabinet March 2015 £	Indicative Scheme Costs £	Variance from Original Budget £
	CCC INTERNAL COSTS	152,634	152,634	0
1	Rocket Pub	153,290	153,840	550
1	Substation	0	1,233,000	1,233,000
1	Footbridge and Canopies	5,952,823	7,647,608	1,694,785
1	NUCKLE 1.2	15,325,000	18,130,176	2,805,176
2	Multi-Storey Car Park	3,760,058	11,056,842	7,296,784
2	Secondary Entrance	6,547,555	8,443,478	1,895,923
2	Bus Interchange	1,110,176	3,743,356	2,633,180
2	Highway Works	0	17,030,000	17,030,000
	Total Contingency	3,628,464	11,750,611	8,122,147
		36,630,000	79,341,544	42,711,545
1	Access Tunnel	960,072*	£3,062,649	2,102,577
	Total Station Masterplan	37,590,072	82,404,193	44,814,122

\*Warwick Road Station Access Tunnel costs £0.960m costs were for scheme development, the balance is the construction costs

- 5.1.1.1 The original programme approved in March 2015 was for £37.6m, as per Table 1. The costs were based on high level concept design. Since then, further funding opportunities have arisen and the scheme has developed extensively and subsequently costs have increased to reflect a much wider scope of works, as well as higher quality specification. Appendix 1 outlines the changes between the March 2015 and current report in terms of deliverables and costs. The current cost estimate of the full package of Coventry Station Masterplan works to the targeted standard is £82.4m (including the access tunnel). Costs are based on estimates, and will be more robust at the point of tendering construction of the scheme, which will be late 2017. Consequently the programme cost includes £11.8m contingency, which is in line industry standards.
- 5.1.1.2 Appendix 1 provides explanations for changes to the scheme costs. Of the £44.8m increase in costs since Cabinet in March 2015, key changes include enhancement of design quality outputs, including enhanced station building and the new glazed footbridge and significant changes in the size of the multi storey car park resulting in the change instead of replacing the existing 339 rail car park being used for the development, to a design to accommodate rail growth and Friargate development growth. The design and modelling of the car park will be subject to the final approval from DfT and the train franchise to secure all rail car park income. Other changes to the scheme include the additional works for highways which are new to the scheme since the report in March 15.
- 5.1.1.3 The costs for land acquisition have been calculated on the basis of high level evaluations, with contingency. These costs are captured within the budgets for the bus interchange and, Friargate west highway. These costs need to be further developed following surveys and negotiations with land owners. A further report will be taken to Cabinet with more

robust costings following this process, and only at this point with Council be required to make a commitment.

- 5.1.1.4 The option to prudentially borrow finance to fund the multi-storey car park has been subject to extensive financial modelling, based on methods used for funding transport interchange works at Wolverhampton Station. This option allows Coventry City Council to retain the income from the car park, which is projected to generate sufficient income to result in a small surplus in c£0.055m in year one, with an average of c£0.2m per annum over a 10 years, 2% return on investment. The model assumes a prudent approach to full occupancy after 15 years of opening. The car park will however revert back to Network Rail at a specified time to be agreed between CCC and the Department for Transport. The lease negotiated would need to be for a period which ensures the City Council receives payback of its initial capital investment plus interest.
- 5.1.1.5 The cost to deliver the capital works of the NUCKLE 1.2 element (a six car bay platform at Coventry station and remodelling of Coventry North Yard and a crossover at Arena to support shuttle services for events) is estimated to be £18m. Funding secured for the project so far is £14m, it is proposed that the £4m gap will be funded through the Devolution Deal.

Table 2 – Breakdown of Resources

<b>Programme Resourcing</b>	£	£
<b>Total Secure Funding</b>		28,132,125
<b>New Funding</b>		
Prudential Borrowing	10,922,067	
Local Growth Deal 3	3,950,000	
Devo Deal - Connecting Coventry	24,400,000	
Devo Deal - HS2 Connectivity	15,000,000	
		54,272,067
<b>Total</b>		<b>82,404,193</b>

- 5.1.1.6 The gap in resources to fund the total programme is £54,272,067. The funding strategy in place to resource the gap as per Table 2 assumes a prudential borrowing requirement for the Multi Storey Car Park £10.9m, in addition grant from Local Growth Deal round 3 £3.9m and Devolution Deal as part of our WMCA Connecting Coventry bid £24.4m, with a further £15m from Devo Deal HS2 connectivity package, giving an overall programme of £82.4m.
- 5.1.1.7 The current secure funding package for Coventry Station is £28.1m. An assessment has been undertaken of what can be delivered for the available funding. This determines that the funding would be expended in April 2019, as a result the scheme would deliver the footbridge and canopies, new substation and a completed detailed design (GRIP 5) for the Phase 2 elements and highways, alongside the majority of the NUCKLE 1.2 scheme costs. Implementation of Phase 2 elements and highway infrastructure works would be postponed until such time funding can be delivered.
- 5.1.1.8 The capital financial contribution by Department for Transport through Network Rail to NUCKLE 1.2 will be a fixed sum of £5m, this will be drawn down from Network Rail as the project progresses.
- 5.1.1.9 While the costs are still indicative, the Programme Board will manage the funds within the approved budget in order to maximise value and seek to manage the programme within the indicative programme above. The scheme could be de-scoped if required to deliver

some improvements around the station within the current secured budget, but the impact would not be in line with the aspirations outlined in this report. The scheme phases are outlined in Table 1, Phase 1 to be delivered up to 2018/19, followed by Phase 2 between 2019/20-2021/22. The budget will be managed within each phase, if all proposed resources are not forthcoming within the project timescales the preferred option would be to delay delivery of the unfunded elements until such a time funding is available to ensure the high quality specification is achieved.

### **5.1.2 Revenue Costs (subsidy)**

5.1.2.1 No revenue implications for the City Council have been identified for the Coventry Station Masterplan elements.

5.1.2.2 It is anticipated that the station facilities constructed (excluding the car parking) will generate additional revenue, and that this will be off-set against the increased management and maintenance liabilities arising from the new infrastructure, which will ultimately be operated and maintained by the Station Facility Operator.

5.1.2.3 The lease negotiated with the DfT will need to be for a period long enough to ensure that the income from car parking is more than sufficient to cover both the operating costs and capital and interest payments due on any borrowing.

5.1.2.4 CCC and WCC are currently seeking to secure the revenue financial contributions with the bidders for the new West Midlands Rail Franchise. When the franchise is awarded we will thus have a clear idea of subsidy requirements. Members previously approved CCC and WCC would subsidise the service up to £0.338m each. There is a risk that the new franchise does not fund any additional subsidy requirements for NUCKLE 1.2, however CCC are working the West Midlands Rail to try and get the best deal for Coventry from the new franchise to minimise this risk.

## **5.2 Legal implications**

5.2.1 The Local Authority has wide powers to enter into arrangements such as those proposed in this report. Under Section 111 of the Local Government Act 1972 a local authority, such as Coventry City Council and its partner, Warwickshire County Council, has powers to do anything calculated to facilitate, or is conducive or incidental to the discharge of its functions. The Local Government (Contracts) Act 1997 also gives power to Local Authorities to enter into contracts with third parties.

5.2.2 Coventry City Council and Warwickshire County Council can use the general power of competence under the Localism Act 2011 to enable them to go ahead with the proposed scheme. This allows the authority to do anything which an individual may do which is only subject to any specific restrictions set out in any legislation, of which there are none in respect of the proposals set out in this report.

- 5.2.3 Coventry City Council will be required to submit a planning application in order to seek permission for the delivery of the bus interchange, while Friargate LLP will make a Reserved Matters Application under their 2011 Outline permission for the highway infrastructure changes.

## 6. Other implications

The City Council has taken advantage of recent changes in railway regulations to become a 'station investor' at Coventry station. Taking this role means changes to the station layout to implement the various elements of the Masterplan can be proposed; the scope of change can be managed directly with the relevant rail industry stakeholders; any compensation for disruption caused can be negotiated directly with the affected party; and for a five year period it will mean that Coventry City Council becomes a consultee on any other parties change proposals for the station.

### 6.1 How will this contribute to the Council Plan [www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/)?

*A prosperous Coventry with a good choice of jobs and business opportunities for all the city's residents.*

This scheme improves the links through the designated regional investment priority zone, bringing people, from the north of the zone, to the city centre and the heart of the Friargate development.

*Making places and services easily accessible for Coventry people*

The Coventry to Nuneaton corridor suffers from traffic congestion. The population density and level of activity in the corridor is growing and will create increasing demand for transport. There are large scale redevelopments planned in Coventry city centre and redevelopment around the Ricoh Arena continues. This scheme will provide a credible public transport option, now and in the future, for travel along the corridor and enable robust green travel plans to be implemented.

*Improving Coventry's environment and tackling climate change*

The scheme would provide a credible public transport service that would make modal shift to rail travel a reality; therefore reducing the number of people using the congested highway, and reducing the CO<sup>2</sup> emissions; therefore improving the impact on the environment.

### 6.2 How is risk being managed?

Arrangements are in place within the Place Directorate to deliver the accountable body role ensuring that procedures are in place to manage risk. There is a robust governance structure in place for the programme whereby risks are managed by programme and project team level and reported to board. Regular risk workshops are undertaken on all projects to ensure active monitoring and management. Standard rail industry procedures and appropriate contractors and contracts will be used throughout.

The primary areas of risk relate to cost uncertainty and land issues, which is why it is important to commence the negotiation process as soon as possible to mitigate potential programme delay and manage costs effectively.

Planning is also a risk. The Council will submit a planning application for the scheme, while Friargate LLP will submit a Reserved Matters application in relation to works on the highways that overlap with the Friargate Masterplan. The Council will work closely with Friargate LLP throughout this process.

Financial risk to the Council will be managed through the establishment of an appropriate legal commitment between the partners and contractors, specifying both capital and revenue contributions, and the establishment of a risk sharing basis.

### **6.3 What is the impact on the organisation?**

#### **6.3.1 HR Implications**

Managing complex rail projects requires a significant level of expertise not normally held within Local Authority. Consequently a specialist client side rail project management company has been commissioned to provide a team of senior Officers from Place and People Directorates with appropriate support. The Officer team comprises representatives from finance, legal and transport and property teams.

### **6.4 Equalities / EIA**

A significant part of the scheme appraisal process used to secure funding assesses the impact of equality. Equality impact assessments are in place and there is a stakeholder management plan in place to ensure mobility groups are consulted throughout the design and construction of the works. All aspects of the scheme will be Disability Discrimination Act (DDA) compliant.

### **6.5 Implications for (or impact on) the environment**

A significant part of the scheme appraisal process used to secure funding assesses the impact of environment. This has been demonstrated through the submission to the funding bodies. The scheme has clear environmental benefits in terms of providing an enhanced public transport interchange to encourage modal shift.

### **6.6 Implications for partner organisations?**

The schemes are jointly promoted by CCC, Warwickshire County Council and the Coventry and Warwickshire Local Enterprise Partnership.

Network Rail and Friargate LLP, as important stakeholders, are involved in the progression of the scheme.

If the scheme is not delivered the CWLEP area will lose one of its priority schemes.

The scheme is also important on a regional level in terms of connectivity to UK Central and HS2. The City Council is working closely with Transport for West Midlands on both of these regionally and nationally important schemes. Finally the station is also an important connection within Midlands Connect which is striving to better connect the East and West Midlands, and opportunities are being explored to improve cross country services at Coventry Station.

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**APPENDIX 1: Summary of Station Masterplan changes since March 2015**

Phasing of Programme	Scheme Elements	Cabinet March 2015 Scheme Costs £	January 2017 Indicative Scheme Costs £	Variance from Original Budget £	Explanation of changes
1 & 2	CCC Staff Costs	152,634	152,634	0	No change
1	Rocket Pub Demolition	153,290	153,840	550	Slight increase in overall costs due to protecting historical assets
1	Substation	0	1,233,000	1,233,000	This is a new element introduced to address power capacity required for new infrastructure
1	Footbridge and Canopies	5,952,823	7,647,608	1,694,785	Enhanced design including high quality glazing and extended canopies has resulted in a cost increase
1	NUCKLE 1.2	15,325,000	18,130,176	2,805,176	NUCKLE 1.2 has increased in scope to include crossover at Arena. London Midland development costs weren't previously included and fees have increased due to change in project delivery method, but would have been over £1M higher if the scheme had continued with Network Rail delivery led option.
2	Multi-Storey Car Park	3,760,058	11,056,842	7,296,784	The multi storey car park has increased significantly in size from the original option which was to replace existing spaces only, the preferred current option is to create an additional 305 spaces for rail and development growth. £0.75m of the costs are attributed to additional fire and safety measures required due to the increase in building size. The March 2015 cabinet report recognised the total cost estimate for the scheme was higher (£8m) but was required to be de-scoped to meet available budget at the time of the report.
2	New Station Building	6,547,555	8,443,478	1,895,923	Since the last report the shape and form of the second entrance building has evolved considerably with a change in Architects focusing on pedestrian desire lines and user experience. The resultant design development has increased the overall footprint of the two storey station building and provides a superior quality gateway building with double height glazing facing the platforms and eastwards to Station Square to enable perceived connectivity with the existing Station building.
2	Bus Interchange	1,110,176	3,743,356	2,633,180	The bus interchange scope has changed from a basic facility open to the elements to a fully integrated facility connecting into the new station building, which is fully weatherproofed with capacity for 6 buses and 2 coaches, and includes a new building with lift and stairs to enable access to and from Warwick Road.
2	Highway Works	0	17,030,000	17,030,000	The earlier version of the station Masterplan assumed no highways works were required, however following more detailed design and extensive modelling it has been identified a new north-south link road to the west of Warwick Road as essential to operation of traffic around the station, along with new highway links on the eastern side of Warwick Road to access the new multi-storey car park and kiss and ride facilities.
	Total Contingency	3,628,464	11,750,611	8,122,147	Scheme contingency has increased as a percentage of overall scheme costs. Rail industry standard contingencies have been applied
	<b>SUB TOTAL</b>	<b>36,630,000</b>	<b>79,341,544</b>	<b>42,711,544</b>	

1	Warwick Road Access Tunnel	960,072	£3,062,649	2,102,577	Previously the Station Access came under the Friargate J6 improvements budget, however this was time constrained due to grant funding deadlines. Due to various design issues and services the works couldn't be delivered within the funding timescales, thus the whole scheme now requires funding through the station Masterplan budget and is an integral part of the project.
	<b>TOTAL STATION MASTERPLAN</b>	<b>37,590,072</b>	<b>82,404,193</b>	<b>44,814,122</b>	