

Investment Board

Date	15 April 2019
Report title	Coventry City Centre First – City of Culture
Portfolio Lead	Councilor Bob Sleigh
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Report has been considered by	20th March 2019 – Leadership group meeting WMCA 15th April 2019– Investment Board WMCA 24th May 2019 – WMCA Board

Recommendation(s) for action or decision:

The Investment Board is recommended to:

Recommend to the Investment Board to approve the award of £31.6 Devolution Deal funding to Coventry City Centre First City of Culture programme. This application includes a change control of funds of £11.6m from previously approved schemes and an additional £20m which is proposed to be moved from the Walsgrave and Binley development schemes.

Actions that arose from TAP included the provision of a Benefits Cost Ratio (BCR) for each package, to understand the BCR and Impact Analysis on overall scheme and prioritisation. The BCR and Benefits document is supplied along with this Investment Board Report and relevant appendices.

1. Purpose

- 1.1 Coventry City Council is seeking £31.6m WMCA Devolution Deal funding to help deliver this city centre infrastructure programme. The investment will contribute to the delivery of the 5 strategic packages and get the city ready for City of Culture 2021
- 1.2 The majority of the works are planned to be delivered by the end of 2020 ahead of UK City of Culture 2021, and therefore it is critical that funding is secured as soon as possible to enable programme certainty and construction to commence on the ground.
- 1.3 The City Centre First programme consists of 5 strategic packages of public realm and infrastructure works that are currently at a variety of design and development and delivery stages. In order to deliver the majority of works by 2021, which is a key programme objective, scheme development and procurement is intended to continue in parallel to this Full Business Case going through WMCA's assurance process, so that if funding is successfully secured the schemes are 'shovel ready' for construction commencing in Summer 2019.
- 1.4 The 5 Schemes are focused around The Retail Quarter, The Leisure Quarter, Public Realm Refresh, The Visitor Experience and Travel and Connectivity.

2. Background

- 2.1 The Coventry City Centre First - City of Culture programme is a revised programme of works which have been developed to target 5 specific areas of Coventry city centre in readiness for hosting of City of Culture 2021 and also some 2022 Commonwealth Games events and to ensure a lasting legacy to promote ongoing economic growth.
- 2.2 A Strategic Outline Business Case (SOBC) was submitted in May 2018, requesting approval to progress directly to Full Business Case (FBC) within WMCA's assurance framework process. The FBC was submitted in September 2018 for £61.6m.
- 2.3 In light of WMCA funding availability within the timescales required for expenditure, Coventry City Council has since worked to revise the request for funding to a total amount of £31.6m. We have reviewed and refined our delivery programme, prioritising the scope to reflect the maximum benefit outcomes and the direct impact towards the City of Culture readiness. Alongside this refinement we are proposing to raise a change control form for £11.6m which was originally assigned for the ring road improvement schemes. The amount of the required further £20m would be pulled forward from further funding for Binley and Walsgrave schemes from our Coventry South package.
- 2.4 The council has taken a view that as we have refined our programme and the funding ask down by £30m we have sought to identify the projects which will have the most value for the City of Culture year, are deliverable in time for 2021 and will leave a lasting legacy by adding benefits for the people of Coventry.
- 2.5 The programme aims to get Coventry 'City Ready' to welcome millions of visitors during 2021 and maximise the benefits of this fantastic accolade for the city and wider region to create a lasting impact. Further rational for de-scoping the programme has been made to offer timely city centre focused improvements and also to allow us to request a two stage approval process from WMCA. Allowing us, should approval be met to move quickly with schemes within the £11.6m programme of works before full authorisation for the further

£20m is granted. Coventry Council have prioritised the 5 work packages that are most pertinent to delivering our City of Culture 2021.

- 2.6 The City Council has been working to respond to this growing challenge over the last 8 years, following success in obtaining funding from a number of sources for investment in the city's public realm and transport infrastructure. Over £150m of improvements have been delivered over this period, and this has started to make a real difference in the look and feel of the city. This is helping shape the drivers for people visiting the city centre, with more focus on links to culture, tourism and leisure alongside retail, rather than retail being the focus attraction.
- 2.7 For Coventry there is a need to change perceptions of the city as a place to visit and spend time in order to attract investment, retain talent and grow the visitor economy. Additionally, Coventry has one of the lowest graduate retention rates in the UK, the City of Culture programme give the council an opportunity to change the city and create a place where young professionals want to live, work and play.
- 2.8 Some of the projects which have been partly Coventry and Warwickshire Local Enterprise Partnership (CWLEP) funded are now in the construction phase.
- 2.9 The bid for funding to deliver the programme for City of Culture is aligned with both the Coventry City Centre Area Action Plan and the Coventry Local Development Plan.
- 2.10 The key project outcomes are:
- Improvements to public realm in strategic locations across the city to improve access and the urban environment;
 - Enhanced lighting, safety and sustainability
 - Protecting places project
 - Improved connectivity
 - Improvements to the highway network in strategic locations to reduce congestion and improve network resilience;
 - Creation of new cycle links
 - Improvements to Coventry's urban traffic control system through an enhanced communication network and utilising improved technologies, delivery of improved signage and wayfinding across the city, using Apps to help with journey planning and intelligent parking solutions;
 - Investing in improvements to park and ride facilities, coach parking and Pool Meadow bus station
- 2.11 A significant amount of preparation and planning work has been completed in the development of the City of Culture Programme. This includes the preparatory works, such as surveys, modelling and appraisals, required to support the development of the detailed design for the improvement schemes that forms the core of the project.
- 2.12 Planning applications have been approved though the CCC planning team
- 2.13 Early contractor involvement to support and inform the scheme design during the development of the work packages is taking place, along with design discussions with the CCC DLO team. This involvement has assisted in the scheme design and in establishing robust scheme cost estimates

2.14 The Full Business Case has previously been approved by TAP, IAG and Leadership team.

3. Financial Implications

3.1 A total of £31.6m is sought from WMCA which will make up the remaining funding to be secured to deliver the £44.83m project. The funding package for the scheme is as follows:

CAPITAL FUNDING	TOTAL £m	TIMESCALE
WMCA Devolution Deal	31.6	May 2019 – WMCA Board
CWLEP Growth Deal	11.94	Funding secured
Other Public Sector	0.11	Funding secured
Private Sector	0.51	Funding secured
Coventry City Council	0.67	Funding secured
TOTAL CAPITAL EXPENDITURE	44.83	

CAPITAL FUNDING	TOTAL £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
WMCA Devolution Deal	31.60		10.16	18.06	3.38
CWLEP Growth Deal	11.94	3.40	6.54	2.00	
Other Public Sector	0.11	0.11			
Private Sector	0.51	0.06	0.45		
Coventry City Council	0.67	0.22	0.45		
TOTAL CAPITAL EXPENDITURE	44.83	3.79	17.60	20.06	3.38

3.2 The cashflow includes contingency for completeness, if not all contingency is required the Council would propose to allocate any spare funding against the programme to deliver uplift in quality and extent of works completed to maximise additionality, creativity and positive impacts of the project

PACKAGE NAME	SCHEME NAME	TOTAL £m	18/19 £m	19/20 £m	20/21 £m	21/22 £m
DEVELOPMENT	Scheme Development	4.16	3.29	0.87		

RETAIL QUARTER	Upper Precinct	9.00	0.50	6.00	2.50	
	Hertford Way & Market Way	7.50		1.50	6.00	
	Corporation Street	0.45		0.45		
LEISURE QUARTER	Hertford Lane / Shrub Walk	0.84		0.84		
	Greyfriars Lane Extension	2.15		1.50	0.65	
	Warwick Lane	0.23		0.23		
	Pepper Lane	0.49		0.49		
	Water Park Public Realm	1.48		1.48		
	Inspire / Bull Yard	0.85		0.85		
PUBLIC REALM	Hertford Street	0.44		0.44		
	Anti-Terrorism Public Realm Refresh	1.00		1.00		
VISITOR EXPERIENCE		2.70		1.00	1.70	
	Travel Planning Website	0.50			0.50	
	Screens & Digital	1.00			1.00	
	Drapers Hall / Bayley Lane	0.60			0.40	0.20
	Unity Lawn	0.06			0.06	
TRAVEL & CONNECTIVITY	City Centre Lighting Enhancement	1.00		0.25	0.75	
	Wayfinding	1.50		0.50	1.00	
	Canal Tow Path	1.23			0.50	0.73
	City Centre Cycling	1.50			1.00	0.50
	Pool Meadow / White Street	2.00			2.00	
	Bishop Street	0.70			0.50	0.20
	Airfax Street / Britannia	2.75			1.00	1.75
London Road Crossing	0.70		0.20	0.50		
TOTAL CAPITAL EXPENDITURE		44.83	3.79	17.60	20.06	3.38

3.3 The upfront costs of the project are being funded from a mix of public sector sources, including CWLEP Local Growth Deal. £0.6m was requested via the SOBC for scheme development, Coventry City Council is cashflowing this amount at risk until funding is secure.

3.4 In light of WMCA funding availability within the timescales required for expenditure, Coventry City Council has since worked to revise the request for funding to a total amount of £31.6m. We have reviewed and refined our delivery programme, prioritising the scope to reflect the maximum benefit outcomes and the direct impact towards the City of Culture readiness.

3.5 Alongside this refinement we are proposing a change control form for £11.6m which was originally assigned for the ring road improvement schemes.

3.6 The amount of the required further £20m would be pulled forward from further funding for Binley and Walsgrave schemes from our Coventry South package.

3.7 Current cost estimates have been provided by cost consultants based on the latest design and market rates. This BCR will be recalculated as a result of the de-scoped price, and ongoing analysis and discussion taking place with the Professional services team for the purposes of the full business case submission. It is anticipated that the scheme will offer high value for money.

3.8 A full BCR analysis and paper is attached to this report as requested at TAP.

4. Legal Implications

4.1 The delivery of the programme by CCC and its appointed sub-contractors is compliant with the State Aid Rules and the Procurement Regulations in accordance with Regulation 12 of the Public Contracts Regulations 2015.

5. Equalities Implications

5.1 The delivery of the programme by CCC and its appointed sub-contractors is compliant with the State Aid Rules and the Procurement Regulations in accordance with Regulation 12 of the Public Contracts Regulations 2015.

6. Inclusive Growth Implications

6.1 The programme will support the delivery of safe and vibrant communities through the creation of high quality public spaces which will help to bring communities together, as well as offering apprenticeship opportunities for local people during scheme construction and ensuring the city is accessible for all. The evaluation report from Hull 2017 identified that there was a strong sense of ownership among local residents: nearly all residents attended at least one cultural activity in 2017 (over 95%) and over half of the audiences attending cultural events in 2017 were from Hull. This outcome will be measured through the annual visitor's survey, which measures a number of parameters including perceived safety and compares to previous years. Participation by residents in cultural events will also be measured. Apprenticeship opportunities will be measured directly through construction contracts.

6.2 The Community Benefits Manager has a set of tangible measures, linked directly to the Public Sector Reform and the WMCA SEP all aligned in order to measure the direct social impact that the public realm development programme will have.

6.3 Wider WMCA Implication

The WMCA provides the scale and capacity to respond to the opportunity of devolution and go further and faster in enabling economic growth and the SEP outlines that the WMCA is determined to seize the opportunities offered through devolution to deliver a robust and ambitious vision for the West Midlands in 2030. Through providing support through Devolution Deal funding for the UK City of Culture 2021 and the Commonwealth Games 2022, the West Midlands has a unique once in a generation opportunity to invest in infrastructure to showcase the region and accelerate achieving its ambitious vision to help 'build a healthier, happier, better connected and more economically prosperous

West Midlands'. For Coventry there is a need to change perceptions of the city as a place to visit and spend time in order to attract investment, retain talent and grow the visitor economy.

- 6.4 Coventry's City Centre First City of Culture programme supports a number of the strategic objectives of the WMCA SEP, which includes delivering better transport links and infrastructure improvements, unlocking land for development, helping to promote health and wellbeing, and creating significant opportunities to boost employment, improve the environment and create a more economically prosperous West Midlands.
- 6.5 The support of the West Midlands Combined Authority in the bid process was a valuable part of the journey towards the award of City of Culture 2021 with input from the Mayor, other civic leaders and businesses to the process. Furthermore, the support of the WMCA has been an important aspect of showing regional support which will in turn levering significant national investment into the economy via UK City of Culture.
- 6.6 City of Culture and the redevelopment of Coventry City Centre is anticipated to attract record numbers of visitors, and a number national partners have already visited the city and are committed to finding resources and support for Coventry. These include the BBC, Tate, Arts Council England, Channel 4, Heritage Lottery Fund, Spirit of 2012, Big Lottery, British Film Institute, British Council and national museums. The City of Culture Trust are working on plans for new talent pipelines to build skills and capacity in the city with partners such as the BBC and Channel 4 and others such as the Performing Rights Foundation and Clore Leadership. This is clearly an advantage for the wider WMCA and not just for Coventry.

6.7 Link to WMCA SEP outcomes

Transport: The interventions will help to further improve Coventry's integrated transport network as well as creating infrastructure to unlock economic growth and improve access to employment opportunities. As well as making improvements to physical infrastructure, the enhancement of digital and communications infrastructure will also be an important part of creating a more resilient and efficient network, through improved urban traffic control, signage and wayfinding and the promotion of more sustainable modes of transport. Public transport will need to play a key part in supporting the success of both the City of Culture and Commonwealth Games. Having a safe and efficient transport network will be key to the success of City of Culture, as well as to that of the Commonwealth Games, and will help support a more resilient West Midlands network. This can be measured through a number of parameters, with the direct benefits will including metres of new road, cycle paths and footways constructed and improved and traffic flows compared to previous years where investment in urban traffic control is made. More indirect benefits include improved journey times, reflecting reduced congestion, increased patronage on public transport and increased walking and cycling activity for journeys to and from the city centre. Cordon counts for the city centre will be used to derive this data, supplemented by additional surveys of rail and bus passengers.

Health and Wellbeing: The creation of more accessible and attractive walking and cycling routes will help improve the city's health. Coventry became a Marmot City in 2013, and was one of seven cities across the UK invited to participate in the Marmot Network, which aims to improve the health, well-being and life changes of the people in

Coventry and reduce inequalities. The provision of improved infrastructure to encourage physical activity and enable accessibility for all is vital to help improve the health of the city, and will support Coventry's age friendly city agenda. The indirect benefit could be captured via cordon counts as above.

Employment: The programme will offer a direct benefit in terms of the creation of over 500 construction jobs required to support delivery of the public realm and infrastructure works, as well as project managers, engineers and other skilled disciplines required to support programme delivery. The programme will target a minimum of 5% apprenticeships for construction contracts, supply chain and local businesses which will be a requirement of the procurement process. Once the infrastructure is in place, it will support improved access to employment sites, as well as unlocking land for employment opportunities and creating a more vibrant city centre environment to encourage inward investment and boost economic growth. This is all crucial to help achieve the target of 2,116 new jobs to be created by 2021 as a result of City of Culture, and to create a legacy to continue to boost prosperity and growth. This benefit can be measured directly by the number of construction jobs and apprenticeships created as a result of the programme of works and area of brownfield employment land unlocked.

Environment: The Transport and Innovation Exhibition will provide a great opportunity to showcase the latest cutting edge technologies that are being developed, trialled and manufactured in our region. This includes Very Light Rail, connected and autonomous vehicles, electric private vehicles and taxis, electric buses and battery technology which will all help reduce carbon emissions, improve air quality and create a more sustainable future. Improved cycle and walking infrastructure will also help support this agenda through encouraging more sustainable travel. The council has recently adopted the Coventry Connected SPD, which includes travel planning requirements for new developments and parking standards. The council is also developing a Very Light Rail system and introducing electric vehicle charging points and promoting electric taxis. In addition, the Local Air Quality Action Plan includes support for residents and businesses to make sustainable travel choices.

Economic: This programme and all of the above benefits will ultimately help to transform Coventry and the wider region to increase productivity and prosperity. We know that investing in infrastructure is critical to unlocking growth and recognise that City of Culture and the Commonwealth Games present a unique opportunity for the city and region that will act as a catalyst for growth that will help realise the benefits of investment at an accelerated rate. The programme will also contribute to improved connectivity to UKC and HS2 which is key objective of Coventry's strategic transport investment strategy to maximise the effects of agglomeration. A key market that this programme will help support is the tourism sector, which has to date suffered a lack of investment in Coventry. Investment in enhanced public realm to improve access to and the setting of some of the city's best heritage assets and destinations will help to boost tourism, attract inward investment and increase visitor spend in the city and wider region

7. Geographical Area of Report's Implications

7.1 The benefits to the West Midlands are likely to include:

- Tourism – more hotel beds sold and spin off promotion of attractions, events and festivals

- Significant work for cultural producers – RSC, Motionhouse, Birmingham Opera etc.
- Activation of new and improved transport infrastructure for events and promotion to national and international markets with the airport and other partners
- Potential links to education and health related programmes
- Media profile – through travel, arts, political and business journalists
- Increased access to world class culture in Coventry for West Midlands population – 43% of existing Coventry audiences are from elsewhere in the West Midlands
- Increased business engagement in culture with potential longer-term gains for the region – we already have several non-Coventry based sponsors
- Access to national partners who are also principal members
- Engagement in stakeholder events
- Potential West Midlands Growth Company involvement in major funding bids e.g. Explore England and in international marketing
- Spin off benefits to the region from national conferences linked to 2021
- Access to our research, monitoring and evaluation work
- Branding and association package commensurate with investment
- Legacy to support and enhance the regional visitor offer for the 2022 Commonwealth Games

8. Other Implications

8.1 The full BCR report attached provided detailed analysis of the Transport BCR of 1.25 and the Adjusted BCR of 1.88. In addition, the enhanced benefit report details at length benefits forecast regarding People, Place, Business and Economic Benefits. It also highlights the need to mitigate risk as a benefit to City of Culture delivery in 2021.

9. Schedule of Background Papers

Body	Date	Detail
WMCA SOBC	Sept 18	Initial SOBC
WMCA FBC	Feb 19	Revised FBC
WMCA TAP	March 18	TAP endorsed the Full Business Case to progress to IAG Investment Advisory Group
WMCA IAG	March 18	The investment case was approved to progress to WMCA Leadership Team.

10. Appendices

BCR Summary report and BCR appendices