

Council

15 May 2018

**Capital Investment Fund - A46 Stoneleigh
Junction Improvements**

Recommendations from Cabinet

That Council:

1. Supports the use of a maximum of £10.000m of the Capital Investment Fund to deliver improvements to the A46 Stoneleigh Junction, as part of an overall scheme costing £33.100m.
2. Agrees that any future funding needed above this level is found from within the existing resources of the Transport and Economy Business Unit.
3. Agrees to the funding allocated from the Capital Investment Fund being reduced on a £ for £ basis if alternative sources of funding become available.
4. Agrees that, should the full funding package not be approved by the Department for Transport and the West Midlands Combined Authority and a decision made to abandon the scheme, the revenue impacts of costs incurred to that point should fall upon the existing resources of the Transport and Economy Business Unit.
5. Approves the addition of the A46 Stoneleigh Junction Improvements scheme to the capital programme at an estimated cost of £10m, funded from the Capital Investment Fund.

1.0 Purpose of this report and context

- 1.1. As part of the 2018/19 budget, Council approved the roll forward of the unspent budget for the Capital Investment Fund (CIF) as well as a further allocation of £23.000m. The Fund therefore currently has £69.035m to be allocated over the next two years. Of this, £37.350m is notionally allocated to eight priority schemes, whose full allocations may be confirmed by Members following submission of successful business cases to the CIF Panel. One of those priority schemes is the A46 Stoneleigh Junction Improvements, and this report makes recommendations to support the usage of £10.000m of this total on this scheme.
- 1.2. Following an evaluation against the criteria for the Fund agreed by Elected Members, Corporate Board support bringing the proposals forward for

approval. The evaluation panel's findings are described in section 4.

2.0 Description of the Scheme

2.1 The A46 Stoneleigh Junction Improvement Scheme, also known as Phase 1 of the A46 Link Road Programme, will see a major improvement implemented at the Stoneleigh junction on the A46 between Coventry and Kenilworth to form a gyratory layout with a two bridge roundabout. This will involve installing a new bridge to the east of the existing junction and realigning Stoneleigh Road and Dalehouse Lane to the west of the junction. These revised arrangements will help address existing congestion and safety issues at the junction whilst also improving access to the University of Warwick and Stoneleigh Park. The scheme should also bring benefits to local communities during the construction of High Speed 2 (HS2).

2.2 The scheme layout is attached as Appendix A, the scheme development responding to technical and operational requirements, and also to the results of the public engagement exercise, now includes pedestrian and cycle facilities on both sides of the junction with controlled crossings at the slip roads.

2.3 The proposed improvements to the A46 Stoneleigh Junction form part of a number of construction works to take place in the area, namely changes to Stoneleigh Park, HS2 early works and HS2 main works. As part of the interface programming with these works, and in order to support the minimisation of the impact of HS2 construction traffic on the local road network, a key aim of the project is to complete works to tie in with the reported peak in HS2 construction traffic in spring 2020.

2.4 The funding package for the scheme is as follows:

Funding Source	Amount
DfT Growth Deal 1 (committed)	£1.542m
DfT Growth Deal 1 (to be secured)	£18.058m
WMCA Devolution Deal (to be secured)	£3.500m
WCC CIF (to be secured)	£10.000m
TOTAL	£33.100m

2.5 As part of the first Growth Deal agreed between Government and the Coventry and Warwickshire LEP, £19.600m was secured by Coventry City Council (CCC) towards the A46 Stoneleigh Junction Improvements. One of the principal drivers for this investment was to improve access to the University of Warwick and south west Coventry more generally.

- 2.6 Of the £19.600m, £1.542m has been allocated by the Department for Transport (DfT) to CCC for scheme development. This work has included the development of an outline feasibility design, completion of environmental, ecological and archaeological surveys and investigations, preparation of the required land assembly, preparation of the planning application documentation, and preparation of the formal applications for release of funding. Release of the remaining monies from the DfT is subject to a Full Business Case application, and this application can only be made following the planning approval, confirmation of land assembly and confirmed tender prices.
- 2.7 As part of the Devolution Deal agreed between the West Midlands Combined Authority (WMCA) and CCC for improvement works in the South Coventry Package, £3.500m was also earmarked towards the A46 Stoneleigh Junction. Release of these monies is subject to a Full Business Case application to the WMCA.
- 2.8 Following scheme development, a revised scheme estimate, assured by an external independent consultant, sets the anticipated cost of the overall scheme at £33.100m.
- 2.9 The bid to the CIF is for the remaining £10.000m to fund the scheme. The DfT will not approve their full funding until they have confirmation that the remainder of the funding package – from WCC and WMCA – is approved.
- 2.10 To progress the scheme to meet HS2 timescales, it is necessary for further spending, currently estimated at £2.000m of the £10.000m being requested in this report, to be incurred before DfT are able to confirm the full funding package. Should DfT decide not to provide the full funding, the Council would be left with the choice to either provide the remainder of the funding itself, seek alternative funding or to abort the scheme. In the latter situation, the costs incurred to date would need to revert to revenue budgets in the year of the decision. The Council is therefore carrying this risk by agreeing to fund works ahead of DfT decision, and Cabinet are asked to recommend that such impacts would fall upon the existing revenue resources of the Transport and Economy Business Unit.

3.0 Key Issues

- 3.1 At its meeting on 8 December 2016, Cabinet resolved:

To approve the development of the A46 Link Road scheme, working in partnership with Warwick District Council and Coventry City Council, and authorise the Strategic Directors for Communities and Resources to take all necessary steps to prepare the scheme for implementation including:

- (i) Finalising designs and determining land requirements;
 - (ii) Negotiating terms for any necessary land acquisitions and alterations to private accesses;
 - (iii) Agreeing and implementing a communications strategy;
 - (iv) Submitting applications for planning permission and any other requisite consents;
 - (v) Making any necessary side roads orders under sections 14 and 125 of the Highways Act 1980;
 - (vi) Agreeing arrangements with Highways England for developing the proposed scheme and negotiating the statutory agreements for the execution of the scheme on its behalf.
- 3.2 At its meeting on 21 March 2017, Cabinet resolved (amongst other things) to authorise the making of a Compulsory Purchase Order (CPO) for the acquisition of the land to enable the junction construction (to run alongside negotiations to secure voluntary acquisition).
- 3.3 At the time it was envisaged that a further report would be brought to Cabinet for the inclusion of the A46 Link Road – Stoneleigh project into the Capital Programme, to invite tenders, to award a contract and to complete the required land acquisition.
- 3.4 The planning for the A46 Link Road – Stoneleigh is now being progressed towards delivery with an expected completion date in 2020, with the aim of delivery in advance of the anticipated peak of proposed construction works by HS2 Ltd in the area.
- 3.5 The current active work streams are:
- (i) Negotiating terms for the required land acquisitions,
 - (ii) Development of the detailed design, shown in general arrangement on plan 9.2.A46-83/014Rev D within Appendix A
 - (iii) Submission of the planning application;
 - (iv) Development of agreements with Highways England for the scheme development (to permit the County Council to carry out work on the A46, a trunk road);
 - (v) Preparation of the CPO and Side Roads Orders;
 - (vi) Development of the Business Case for issue by CCC to the Department for Transport (DfT) in support of the funding application, the principle of which has already been agreed with them.
 - (vii) Development of the Business Case for issue by CCC to the West Midlands Combined Authority (WMCA) in support of the funding application, the principle of which has already been agreed with them.
 - (viii) Engagement with the Scape Civil Engineering and Infrastructure

Framework contractor, Balfour Beatty for early contractor involvement to develop the construction programme, detailed risk register and tender price.

3.6 A planning application was submitted to Warwickshire County Council as Local Planning Authority in December 2018, and will be considered by Regulatory Committee in due course subject to the resolution of issues raised through technical approval.

3.7 At its meeting on 19 April 2018, Cabinet resolved to recommend that Council approve the recommendations set out in this report, and, subject to such approval, to authorize the inviting of tenders and the award of tenders and acquisition of land subject to confirmation of a completed funding package.

4.0 Evaluation by the Capital Investment Fund Panel

4.1 The Panel has considered the bid and scored the scheme at 62.3/100 and therefore recommend that Cabinet support the allocation of the requested funding. The scores awarded in each section were:

Alignment with the organisation’s strategic objectives (15% weighting): 4.3/5;

Financial viability (30% weighting): 3.3/5;

Strategic investment/Economic growth (as a scheme planned to deliver these specific objectives, 45% weighting): 2.4/5;

Political social and environmental impact (10% weighting): 4/5.

4.2 The Panel’s evaluation report is attached in Appendix B.

5.0 Timescales associated with the decision and next steps

5.1 Subject to the recommendations being agreed it is the following key milestones are programmed:

Key Date	Activity
May/ June 2018	Completion of detailed design Planning Application heard at WCC Regulatory Committee
June 2018	Submission of WMCA Application
August 2018	Receipt of Tender price
August/Sept 2018	Submission of DfT Application
Autumn 18/19	Receipt of funding approvals from external bodies
Autumn 18/19	Completion of Land Acquisitions

Autumn 18/19	Completion of Agreements with Highways England and Statutory Orders
Spring 2019	Start of main construction works
Winter 2020	Scheme open to traffic

Note that the dates for construction have been amended from those reported to Cabinet to reflect current progress, and the expected release of funding.

Background papers

Appendix A -Scheme plan

Appendix B -CIF Panel Evaluation Report

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The report was circulated to the following members prior to publication for the Cabinet meeting:

Local Member(s): Councillors Alan Cockburn, John Cooke, Wallace Redford and Dave Shilton.

Other members:

Communities Spokespersons: Councillors Richard Chattaway, Jenny Fradgley and John Horner.

Cabinet Portfolio Holders: Councillors Peter Butlin and Jeff Clarke.