Pre-Scrutiny questions and answers on reports being considered by Cabinet on 10 August 2022

(This forms part of the considerations at Group meetings before a decision is made on which Cabinet reports will be called-in for scrutiny by the Overview & Scrutiny Committee)

4. Net Zero Carbon Development Plan Document - Submission

(Report authors: Dave Barber - Director for Climate Change, and Andrew Cornfoot - Business Manager - Policy & Sites Delivery)

Question(s) from Councillor John Dearing on behalf of the Green Group:

1. Full Council has asked Cabinet to consider new written guidance on the approach to viability assessments. So as not to risk running counter to this potential new guidance, can Section 11.2 and 11.3 of Appendix 2 be replaced by "Net zero carbon development that accords with this DPD will be required except when justified by particular circumstances as described by the NPPF, Local Plan Policy DM2 and associated guidance."? Also, can the description of viability in the glossary be replaced by a reference to the NPPF?

   Response:
   A report is expected to be brought to Cabinet on 21st September 2022 to provide responses to Notices of Motion presented to Council on 27th July 2022. The first Notice of Motion is being referred to in this question. It would not be appropriate for a response to this question to comment on what the officer response might be to that Notice of Motion, as that will be a matter for September's Cabinet report.

   Paragraphs 11.2 and 11.3 of the draft DPD are entirely consistent with Local Plan Policy DM2 (Assessing Viability), which itself is consistent with the NPPF. Whilst Paragraph 58 of the NPPF is useful in understanding the approach to be taken where there are viability issues, Policy DM2 is consistent with this and is already referred to in Paragraphs 11.2 and 11.3. If any further guidance was produced by the Council in due course, then officers would of course refer to such guidance when having discussions about viability with applicants.

   It is considered that the glossary definition of viability is appropriate and does not require amending. The NPPF itself does not provide a definition of viability that could be replicated in the DPD. Therefore, no changes are proposed.

2. Appendix 1. There is an inconsistency in Table 4.2 that some responses cannot be attributed to organisations because personal names are used. For example, the Coal Authority, Warwickshire County Council and WDC (Housing Strategy) are listed as having provided responses but none is specifically listed in Table 4.2. Who do the personal names represent?

Response:
The table starting at paragraph 4.2 of Appendix 1 covers what our consultants consider to be the main issues raised through the consultation. The table does not seek to refer to all responses received to the consultation. Where an organisation has responded, the organisation is named. Where an individual is named, it is because they have not responded on behalf of an organisation. A separate Excel table, circulated to all Members, does include all representations received and who they can be attributed to.

3. Appendix 2. page 18. Statement reads: " i. For new dwellings, a minimum 63% reduction in carbon emissions is achieved by on-site measures, as compared to the baseline emission rate set by Building Regulations Part L 2021 (SAP 10.2)." Does this mean that the DPD demands that dwellings reach 100% net zero carbon through a minimum 63% reduction from on-site measures in energy efficiency and the remaining 37% reduction from local renewable energy sources or a decarbonised grid, with offsetting covering deficits where this is not viable? If so, it would be useful to have a summary to this effect in '5. Overarching Strategy' to make clear the design of the whole scheme. Para 5.6 describes this but does not give the % reduction figures.

   Response:
   This means that the minimum acceptable on-site reduction in the carbon emissions rate compared to Part L 2021 is 63%. This initial 63% reduction can be achieved through any combination of energy efficiency, clean heating system, heat recovering ventilation, and renewable energy generation. The remaining 37% is encouraged to be achieve through *more* on-site renewables but can be achieved through offsetting if additional renewables are not viable or technically possible.

4. Footnote page 19 describes calculation used to get to 63.8% which would normally be rounded up to 64% - but the *rounded down* 63% is used throughout the DPD. Why the lower figure?

   Response:
   This question was subject to debate within the team during policy development. The main reason for not rounding up is to avoid going *beyond* the build standard set by the Future Homes Standard (FHS). Rounding up could have resulted in a required building standard greater than that of the FHS. By ensuring that the policy minimum requirement does stay within the bounds of the FHS, the policy is more robustly justifiable in terms of being in line with national technical standards and national government policy on new builds. Staying within the bounds of the FHS also helps to justify the policy's deliverability (feasibility) given that this standard will soon be imposed nationwide from 2025 (and has already been achieved in a few developments in Warwickshire). Cllr Dearing may note that this was a key theme within

developers' objections in the consultation, as they had (incorrectly) argued that the policy went beyond the FHS and was therefore not in line with national policy and standards. Staying within the FHS also enables the policy's viability assessment to use cost uplift evidence from the Future Homes Standard Impact Assessment, which objectors could technically have argued was not representative of the policy if the policy had gone beyond the FHS. A further reason for rounding down is to recognise that the actual carbon reduction percentage achieved by an FHS building will vary somewhat across different building types. Using the more conservative lower figure helps to allow for this variation and so that policy compliance is more likely to be feasible in a greater range of building types.

5. Appendix 2 page 20. Typo. In Figure 1, NC2(B) in stage 2 should read NZC2(B)

   Response:
   Thank you for identifying this typo. We will include this change in the minor modifications for the Inspector to consider in due course. As it is clear that this is a typo and it should state NZC2(B), this will be corrected in the final DPD.

6. Appendix 2. page 29 Statement reads: "Policy NZC2(C): Carbon Offsetting. Where a development proposal of one or more new dwellings (C3 or C4 use class) and/or 1,000sqm or more of new non-residential floorspace, hotels (C1 use class) or residential institutions (C2 use class) cannot demonstrate that it is net zero carbon,….". Does 'net zero carbon' here refer to the Glossary definition page 42 "Zero carbon building: A building with no net carbon emissions resulting from its operation over the space of a year" or page 18 "…net zero operational regulated carbon emissions…." used in NCZ1? It would be good to clarify the definition here and check consistency in definition throughout document.

   Response:
   The latter is the correct interpretation: the policy requires that the development proposal demonstrate that it has net zero operational regulated carbon emissions. Officers will review the text referred to and check for consistency in definition throughout the document. Where changes would be beneficial, these will be identified in the schedule of minor modifications for the Inspector to consider. Please note that the draft Consultation Report, Appendix 1 to the Cabinet report, already proposes to define unregulated and operational energy in the Glossary and provide clarity in Objective 1 that the DPD is concerned with net zero regulated carbon in operation.

7. There doesn't appear to be any reference to extensions and refurbishments which are not specifically aimed at carbon reduction measures. At Planning Committee we see quite a lot of applications for extensions and refurbishment (for example Spencer's Yard roof) where there is no specific commitment to an enhanced quality for the fabric of the new part

of the building. Can the DPD be altered to explicitly reference extensions being built to a higher standard even when the original building is poorly insulated?

Response:
A decision was taken not to set specific standards for extensions and refurbishments because there is such a wide range of existing home types, ages, states of repair and plot specificities that it would not be possible to assemble a robust and justifiable set of standards that could be required for all cases. This becomes even more of a complex problem when it comes to the question of understanding the cost uplifts for viability assessment – there is little to no data available that could demonstrate that it is viable to require any universal set of improved standards in all extensions / refurbishments.

When assessing such applications, decision-makers could refer to guidance such as that of the LETI Retrofit Guide which may provide the council an idea of 'what good looks like'. However, this does not come with cost data or a true feasibility assessment, therefore it was not included in the policy itself.

Question(s) from Councillor Grey:
Firstly I support the ambition of of minimising carbon and this is certainly one of the many ways we can do that, however.

Why Is it a priority to deliver this ahead of the governments national policy in 2025 and are we capable of doing so? We frequently talk about resource limitations, what WDC projects won't happen as a result?
Response:
Preparing the Net Zero Carbon DPD was set out as a priority in the Climate Change Action Programme and was part of a cross party unanimous decision. It has also been the subject of previous Cabinet reports. As a result, the Council has already committed resourcing the DPD by appointing consultants and setting aside officer time to support it. The need for additional funding for the Examination process was flagged in the Cabinet report in February 2022 (see para 4.2.2) and not challenged at all, however at that time the extent of the requirement was unknown. We now have a stronger understanding of the requirements and as the this can be funded from within the Planning Reserve, there are no impacts on other Councils funds or projects.

How many WDC home/buildings will benefit from this? ie built between this DPD being implemented hopefully in 2023 and 2025 when the governments national policy comes into force?
Response:

The DPD will apply to all relevant new planning applications approved after its adoption. Clearly it is not known how many homes and buildings will be subject to planning between 2023 and 2025. However, in preparing the DPD, we have been conscious of three aspects:

1) The Government have announced that the Future Homes Standard will be introduced in 2025. However, there remains some real uncertainty around this timescale and track record suggests that timelines are not always met at a national level for building standards (updates to Building Regulation being an example). Indeed by 2025 there will be a new central government administration in place and goodness knows what its political colours will be or its stated priorities. We have therefore taken the view that we should take local action to minimise the issue as soon as possible rather than relying on future unknown reliable national action.
2) The Future Homes Standard only applies to homes. Although a Future Buildings Standard is also anticipated, less detail has been published around this. The DPD may therefore have a critical role to play around non-domestic buildings.
3) If we assume a time lag of around 2 to 3 years between planning approvals and homes being delivered on the ground, the DPD could apply to homes due to be delivered in 2025/6 and 2026/7. The Council's housing trajectory anticipates that 2500 homes will be built in that period. However, to take account of larger sites that may already have planning permission, it is reasonable to assume the DPD will apply to around 2000 homes.

What would be the total cost to retrofit these homes be vs our estimated total resource and consultancy costs + 3% of build costs to fit into new homes? Will we generate a significant saving? What do we estimate it to be?
Response:
It should be noted that the primary motive for preparing the DPD is carbon savings rather than financial savings. Typically, a home retrofit is likely to cost around to £25,000 (assuming insulation measures, solar panels and air source heat pumps). For newer homes, this figure may be lower (say £15 - £20,000 per dwelling). Taking the 2000 homes figure provided in the response above (accepting it is not accurate) this would give a total of £30m to £40m to retrofit. Even if the actual number of homes receiving planning permission between 2023 and 2025 is much lower, say 1000, and the costs are at the lower end, say £15,000, the retrofit costs would be £15m. This dwarfs the money expected to be spent on preparing the DPD.

What is the risk that our DPD standards will have to be reworked in 2025 to align with national standards?
Response:

The DPD has been prepared to align with the details of the Future Homes Standard that have been published to date. We do not therefore anticipate the need for any significant changes. The only risk would be if the FHS is subject to a significant change before its adoption.

As we are having to pay for consulting expertise as it is 'leading edge' what are the realistic chances of a successful 2023 implementation? I am concerned that projects frequently come back with requests for additional funding or consultancy resource after they have started for issues not foreseen at the outset and then are approved on the basis of 'we've got this far, so we better carry on'. Delays are not unheard of either. Are we being realistic and why are we spending money on consultants to do work that the government is already doing?
Response:
As explained above, the need for additional resources to take the DPD through to adoption was anticipated in the report to Cabinet in February 2022 (see para 4.2.2). For the reasons above, we consider the DPD to be a worthwhile project to pursue to contribute to the Council's Climate Change ambitions.

What other projects could we spend our residents money on that would deliver a better return on investment?
Response:
No comparative work has been done. This would be hard to do in any event, as each potential project has different aims. What is clear however, is that the DPD provides an excellent return on investment and addresses one of the most urgent aspects of the climate change programme, noting that buildings contribute to around 40% of the District's carbon emissions. Again, this work received unanimous approval in Council

5. Future Delivery of Noise Nuisance Investigations
(Report author: Lorna Hudson – Environmental Health, and Licensing Manager)

Question(s) from Councillor Cullinan:
Can I ask for more details on number of hours spent on Out Of Hours Night Noise Service in the past?
1
Whilst there is a monetary value, £22,000 2018/19, there is little detail about the types of cases that required an Out of Hours service? Can you provide more data and information?

Response:

I have done by best to answer your questions, but with the caveat, with statutory nuisance matters there will always be exceptions and every case has to be assessed on its own merits in terms of the facts of the case, type of issue complained about, the level of disturbance it is causing and the engagement and the attitude of both the complainant and the noise maker, with that in mind I would answer as follows.

- The main objective of an out of hours noise service is to have a competent officer on "standby" able to witness first-hand the level of noise that somebody may be experiencing in order to determine the next best course of action e.g. to help decide if we can take formal action or not. (Please note that officers do not hold powers to stop noise in progress, officers can only witness noise and gather suitable evidence for the purpose of serving an abatement notice or supporting a prosecution at a later date).
- The telephone number is used to report a lot more than noise, below is a table presented in a report to Committee in August 2019, that detailed the types of complaints received by the OOH service over a 6 month study period.

Complaint type	**Quantity**
Alarm	1
Commercial Noise and Odour	1

Commercial Noise	97
Cars Noise	1
Domestic Noise	73
Dog Complaint	5
Food Safety issue	2
Hazard identified	3
Licensing Complaints	12
Licensing issue	5
light complaint	8
Odour complaint	13
Planning issue	2
Unidentified Problem	1
Unidentified Noise	5
Waste complaint	3
TOTAL	**232**

- Of the 232 calls received, 178 were noise related.
- Generally speaking, a visit is prioritised where the first stages of an investigation have been completed, for example warning letters have been sent to the noise maker and the council has evidence in the form of nuisance diaries/witness statements and an officer considers that the noise may be a statutory nuisance and now need to independently substantiate the details supplied.

- In the study period - Of the 178 complaints 59 calls resulted in a visit.
- The previous Committee report advised 13% were issued with warnings and 1% resulted in formal action, e.g. the serving of an abatement notice.
- Therefore, the cost above relates mainly to the staffing of the OOH service in its entirety, regardless of the inputs or outputs of the service or any actions taken.

2
I would like to understand what we did do, as against what we will be able to do in line with the new policy. Can you give examples? How many hours of Out of Hours service does £1,600 buy?

Response:
What we did – Pre covid

- Officers would volunteer to be on a rota (minimum 2 x officers) to be physically located at a base in Leamington and were then on standby for 8 hours a week, (Fridays & Saturdays from 21:00-01:00hrs), subject to officer availability.
- The majority of work would be carrying out proactive work, for example if the team were already dealing with a noise complaint about a pub, officers would schedule a visit to the area/pub to monitor noise levels (regardless of if we had any intel that noise was an issue at that particular time or not).
- Officers would also respond to calls to visits to witness noise, the response would depend on factors such as the history of the complaint – e.g. if it was one person complaining for the first time and not already on the file then normally it would be logged and handed over to the office to deal with the next working day, of if there were multiple complaints officers would visit if able.
- If like the pub example, an existing customer called to report noise was occurring, a visit would be made.
- Officer would also agree with clients other methods for substantiating/witnessing noise, e.g. install noise monitoring equipment and or visits outside of the operation of the OOH noise service

What we will be able to do (have done already)

- In theory the only main change is we will no longer have a physical base or OOH publicised telephone number and officers will no longer be asked to volunteer to a rota, every Friday and Saturday night.
- Officers will still be able to make bespoke arrangements with clients, but at any time or day of the week, as before.
- Officers may still be on standby, but from their homes and under pre-agreed arrangements with their client (this has always happened, just more so over covid).

- We also now have the Noise App, which enables officers to make a speedier judgement if a noise is potentially actionable or not. (NB It's a tool, it is not meant to replace the need for an officer, this is because the standard of proof required in court is a criminal standard (beyond reasonable doubt). It has however proved really useful in helping to determine faster those cases we are unlikely to be able to progress against those we can, meaning we can then concentrate more time and effort where it is most required.
- We have updated our website to be more helpful/informative.
- The policy sets out not only what we will do for our customers but also what they need to do in order to support their case and support an investigation.
- We have put in place MOUs with other council departments to help dovetail overlapping service areas, the aim being to deliver a better customer survive.
- The overtime budget will cover approximately 40-60hours of officer overtime, depending on salary grade of the officer (as per the council's general overtime policy).

3
Can we see this as a wider more holistic service? I would like to be reassured our service users will see it this way when, as you state, Noise Nuisance has increased to be 51-61% of the Environmental Protection workload.

Response:
I'm not entirely sure I understand the question, I am a public servant and the main aim for me is to ensure, as best we can that the resources we have available are used to best effect and our services are the best value for the tax payer. The change to the OOH service should be viewed holistically alongside the other work that has gone on over the past 18 months in relation to the noise transformation project as a whole. One very important factor to consider is, if the policy is agreed this does not mean it is set in stone, it should be considered as a minimum set of principles but only for the most common types of noise complaints, there will be exceptions and there will be further updates/reviews as time goes by.

Question(s) from Councillor Davison:
Thank you for this thorough investigation into the way that the council deals with noise nuisance issues. I hope it will lead to improvements!

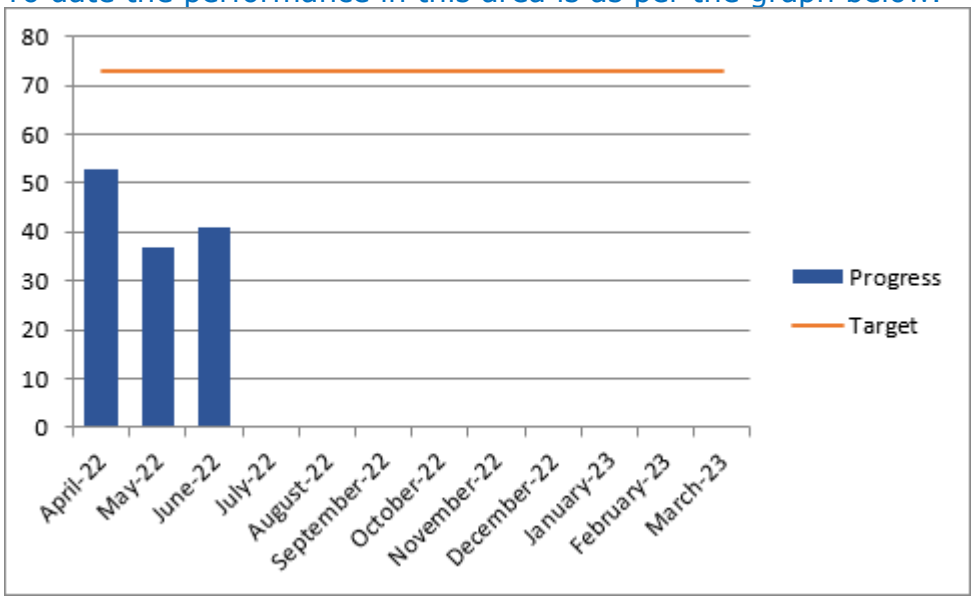
What can you currently say about the effectiveness of the Council's management of noise nuisance issues? What metrics do you use? For example, in Table 1, what happened to the 1106 noise complaints last year? How quickly were issues resolved? How often were the complainants satisfied with the outcome?

When will the Council be able to assess the effectiveness of this new policy? (and for Andrew) Should O&S scrutinize it?

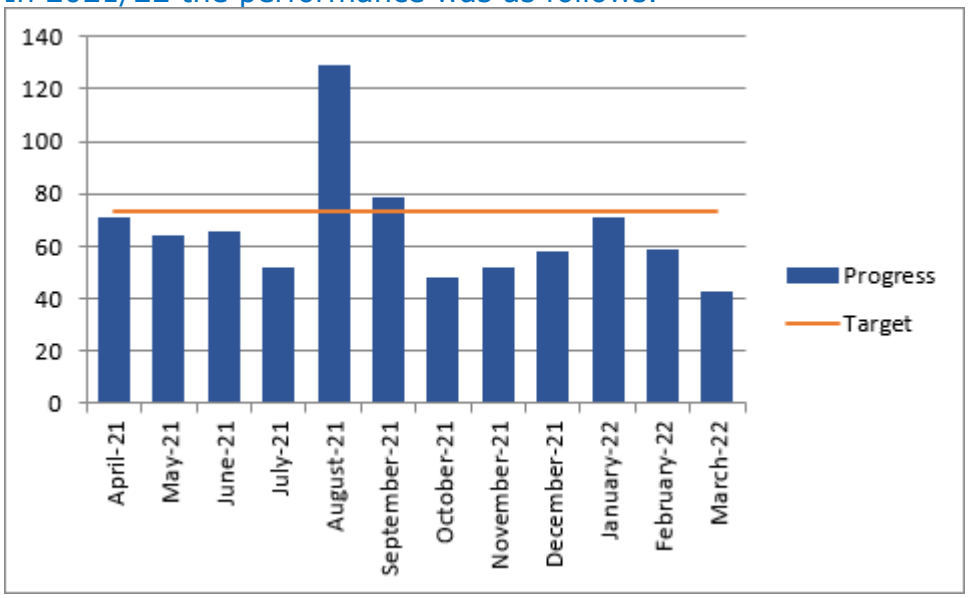
Response(s):
Thank you for your enquiry, I have understood it to be more about performance monitoring, rather than the draft policy content or service delivery proposals.

We report monthly on the average number of days it takes to resolved noise nuisance complaints. The target set is the average taken as an average over the previous 5 financial years. It should be noted that cases which end up in enforcement action or appeal can impact on the performance indicator outcome, as it can take many month to find a slot in court for a hearing. However, since we started piloting the new process and following the earlier introduction of the noise app, this average has reduced the for resolution time to that similar to pre covid despite the increase in cases and resource issues that the team have experience since 2020/21.

To date the performance in this area is as per the graph below.



In 2021/22 the performance was as follows.



In addition, we report monthly on the percentage of service requests responded to on target (this is across the whole of the service). We also report monthly on the percentage of service requests completed on target (this is across the whole service area.

It is often difficult to assess customer satisfaction with the service as customers simply want the noise to stop. Often they want the noise to stop immediately when they have made the complaint. Customers can also be dissatisfied if there is nothing we can do to assist, for example if the bar required to take legal action for a statutory nuisance is not met. Or where the noise continues after a complaint has been investigated.

The noise transformation project which the PAB members have been a part of, surveys were conducted with service users and information gathered from them about what didn't work well from their perspective. As part of the noise service review we have taken on board service users comments and actioned it or where that is not possible ensured that there is a clearer explanation to manage a customer's expectation.

Historically there has been confusion as to who is dealing with complaints between Housing and Community Protection. This also has been built into the review and is now much clearer. This will help prevent duplication of complaint handing, reduce paperwork required from complainants and give clarity as to the course of action being taken.

The policy is an operational policy and is being brought forward for councillors to review alongside the out of hours service. PAB have reviewed the impact of the policy already as they have been involved in its development and have had oversight of the service review including the trial and then introduction of the noise app.

Question(s) from Councillor R Dickson:
Looking at the policy, and especially Appendix Paragraph 9.3 Page 20, there doesn't appear to be any reference to events, e.g. fireworks displays. Almost all of the causes of noise appear to be housing-related. Adding potential noise disturbance from fireworks events would be consistent the motion passed by WDC in November 2020.

Response from Councillor Falp:
My first thoughts are that fireworks are covered by a different set of legislation and its, the police who have the legal power to deal with this issue not us.

Response from Lorna Hudson:
Councillor Falp is correct, but to take that one step further we also have other areas of service delivery aimed at controlling this type of event, for example the firework registration scheme. I have attached the report that went to Executive in April 2021 - Item 06 - Motion in relation to Fireworks as this outlines this and the firework related law in much more detail.

I also reviewed the database this morning and since 1 January 2020 the team have received just 5 complaints where the main issue is logged as a firework noise complaint. Please note you may be aware of other complaints, for example if the complaint is about multiple types of noise sources from the same premises, the database only captures in its reporting function what the main type of noise complaint was e.g. loud music, dog barking, fireworks etc.

One of the other main problems with fireworks is it's not always obvious where they have come from and if used in line with the specific firework related legislation, there may not be a great deal we can enforce.

In terms of the Draft Noise Policy, fireworks could equally fall under either of the lists under paragraph 9.3 that you have referred to, (we may be able to deal with and we can't normally investigate) if we were to write fireworks in both lists, this

might cause more confusion than clarity. Therefore, my advice would be that we leave it to sit under the "not limited to" element of 9.3 and officers continue to advise on a case by case basis, as they do now.

Question(s) from Councillor Milton:
Thanks for the work on the Night Noise Strategy for the cabinet paper.

In advance of scrutiny could you please provide a little more detail about what will no longer be provided as a result the withdrawal of the out of hours service? It's not entirely clear from the paper what this part of the service currently provides.

Response:
See the responses to the questions posed by Councillor Cullinan above because the questions posed are similar in essence.

6. Better Points "Choose How You Move" Sustainable Travel Incentive South Warwickshire
(Report author: Graham Folkes-Skinner – Sustainable Transport Project Officer)

Question(s) from Councillor R Dickson:

1. Is there any benchmark data about take-up of the CHYM scheme in other areas and also in each of the four towns in the district?
2. What would 'good' look like in 12 months' time for participation rates? It's not clear on what basis the success of the scheme will be judged in 12 months' time.
3. How can the scheme be promoted alongside national events, e.g. World Car Free Day (Thursday September 22nd)?
4. Notwithstanding that the CHYM scheme is part of our response to the Climate Emergency, how is extending this Scheme part of building on the legacy of BCG2022?

Response(s):

1. It is my understanding that our take-up in the 18 months of the contract has been good.

   It is difficult to benchmark the uptake, due to the different contract lengths and size of community and the resource that is put into it. The two examples listed below are both bigger catchments and have larger numbers of staff and material resource put into them. For example the Brighton and Hove programme has had over £2,500 committed to an external social media marketing agency to help grow the programme. The Hampshire County Council programme is similar to CHYM in both catchment area and population size. The following are average registrations per month: -

   Warwick District Council – 50 registrations per month
   Hampshire County Council – 38 registrations per month
   Leicester County and City Council – 78 registrations per month
   Brighton and Hove City Council – 153 registrations per month

2. I would want to see a similar take-up in SDC as we have had in WDC. If I get approval for the year's extension I would like to employ an apprentice to solely concentrate on the contract. It is sort of initiative that the more you put into it, the more you get out. I would like to see more local businesses on board with the scheme, as I have not had the time to "door-knock" and promote the scheme as much as I would like.

3. The scheme is flexible enough to accommodate what we feel fits into its remit. This year I worked closely with our Air Quality Officer within Health and Community Protection alongside an external group called Clean Air Warwickshire to promote Clean Air Day. As a result of a weeks' worth of promotion, we were able to show the following: -
    - 331 more active or sustainable journeys, a 6% increase. Specifically for journeys passing through the sustainable travel zones, there were 1,114 in total, a further 77 (7% increase)
    - 1,412 miles and 46 hours of additional active or sustainable travel were made
    - An additional 277kg of CO2 avoided

    We could decide to choose World Car Free Day and do similar. I also want to link up with our Health and Well-Being agenda, as I think CHYM has a lot to offer that

4. The 18-month contract with Better Points was set up specifically with B2022 in mind. With promotions running up and through the event. There was a real push to travel sustainably to the events throughout the 11 days and a further year of promoting sustainable travel will continue to build on that. Through a pot of money obtained through the Commonwealth Games I have been able to procure an amount of cycle parking within Leamington, two of the sites have already gone into Victoria Park and further are planned and I will use CHYM to promote their use

7. Levelling Up Approach and Devolution Deal for Warwickshire
(Report author: Chris Elliott – Chief Executive)

Question(s) from Councillor Cullinan:

1. Could you give a short description of how the WMCA operates and how our membership might change? What might the benefits be, are there any downsides?

2. On Air Quality Management, in Bath Street/High Street, and the links to the Creative Quarter, can you briefly describe the plan for this?

Response(s):
I am not sure that the WMCA can be covered adequately in a short description. The West Midlands Combined Authority is a formal collaboration between 7 Councils known as Constituent Members concerning a range of matters where it has been concluded that there would be better impact by working together - this includes Transport, Regeneration, Housing development, Skills and Employment. In the West Midlands there has been added a Mayoral Authority - Mayor. In addition, there are non-constituent members that have no voting rights – votes are rarely taken in any case but who can benefit from some of the activities of the WMCA. WDC is only an Observer as it declined at the time to join as a non-constituent member. WDC can only change its position via change in legislation (secondary) but that would require Parliamentary time and so it is unlikely it would happen by itself, it would happen when other changes are being proposed.

WDC has already benefited from the WMCA via the grant aid that was invested into the UK Battery Innovation Centre and officers are discussing grant applications to assist with housing developments on brownfield sites. Members of the public may benefit from the SWIFT card for public transport.

In respect of Air Quality Management, the idea has always been to introduce a traffic management scheme that would help to reduce traffic levels and so air pollution. The Levelling Up proposal (attached at the end of this document) sets that out. The roads affected fall within the identified Creative Quarter and will also assist the area in reducing the environmental damage and improving the physical environment so encouraging regeneration.

Leamington Spa
LUF - Bath Street Im

Question(s) from Councillor Kohler:
Recommendation 6 of this paper relates to a Levelling Up Bid and investment plan that has been submitted to the Share Prosperity Fund.

Please could you advise when the bid / appendix 6 will be published?

From the press release, I understand that the bid involves giving use of WDC land at Bath Place Car Park:

- When will WDC Councillors be consulted on this use of WDC land?
- What alternatives to Bath Place Car Park have been considered?
- If the bid is successful, what options are there in the bid to consider alternative plans?

Response(s):
The bid[1] is attached as is a plan[2] that is still schematic and is not yet for public distribution as there will be a planned and extensive consultation for the scheme.

- Once the result of the bid is known and following public consultation on the proposed plan then this will require a Cabinet decision.
- The concept of a public transport interchange/hub has been explored but there are few opportunities to explore given that close proximity to the station is rather fundamental to it and that can't be moved nor can the bus routes that such an interchange will need to cater for, for it to be effective. The only other real option would be the forecourt of the Station but that has issues over ownership – not in Local Authority ownership and therefore delivery can't be guaranteed; limited space; setting of a Listed Building; and it being off the bus routes (they mostly turn up Lower Avenue)
- There are limited options as this is where we had a reasonably well-developed proposal that could be put forward in the time allowed but which also addressed a specific issue. WCC have gone through a number of options themselves and the scheme does require further evolution and design.

[1] See the answer to Councillor Cullinan's question for the attachment.
[2] The Plan is not attached because it is not yet ready for public distribution.

Question(s) from Councillor Milton:
Thanks for your work on the levelling up paper for Cabinet. There's obviously a lot there to go through and it's a complex piece.

At this stage would you be able to outline and answer the following please.

1. What is the expected timeline and what are the key milestones of the project?
2. How can members expect to be engaged in the process and the decision making?
3. What do you foresee as being the specific benefits open to Warwick District Council and its residents as a result of this proposal.

Response(s):

- There are a number of elements to this. In terms of the Levelling Up plan – at a County level this may be sought to be done within 3 to 6 months. Ideally a WDC local Levelling Up plan would be ready for the budget process for 23/24 – so by Christmas 22. However, this may not be possible politically – all parties presumably would need to sign up to it otherwise elections in May would simply overturn it – in which case the practical thing would be to wait till this time next year. Officer wise, trying to get a draft by Xmas is possible and then it will be for Cllrs to decide.

- Perhaps a PAB could be used to provide input. If not then LCG. How is up to Members.

- Hopefully it would give more focus to some of our work to ensure that more deprived parts of the District can be improved and that those communities of interest which experience inequality can also be helped. If a common framework is used then it would increase the chances of other agencies including those which operate over a larger geographical level also having the same local priorities and investing in and operating services in a more co-ordinated fashion. That should deliver better outcomes for residents and businesses.

8. Significant Business Risk Register Report
(Report author: Richard Barr – Audit & Risk Manager)

Question(s) from Councillor Kennedy:
I have three questions about the Significant Risk Register paper going forward to Cabinet next week:

1. Why have the merger risks been removed completely? Surely there are a number of risks associated with the failure of the merger, for example in the operation of joint services, which need to be assessed?
   Response:
   The risk was defined as "18. Risk of merger proposal failing to proceed or to do so within specified time." The merger has failed and so it is no longer necessary to report against that risk. There are consequences of the failure but these may impact/ have impacted on the financial position or service provision but we have reflected on these when assessing the score of other risks.

2. What about the next pandemic / public health crisis? It would be useful I think to apply the risk register methodology to our evaluation of the lessons learned from Covid, and to assess our preparedness for future crises of this type.
   Response:
   Not too clear what is being suggested here. Is this a new risk or is it an additional trigger or is it something else – a learning exercise on what we'd do with our experience about a future pandemic of any nature?

3. Where is local government reorganisation in the risk register? While the direction of our current government appears uncertain, they did earlier propose significant reorganisation as part of 'levelling up.' The uncertainties around the future organisation of local authorities, plus the amount of officer time that would have to be used to organise the transition could seriously impact the smooth running of current services.
   Response:
   Currently it isn't in the Risk Register. It is difficult to evaluate as whilst WCC had submitted a proposal for a County Unitary in 2020 there has been no formal movement upon it by the Government. Perhaps Cllrs need to debate their view on the issue as the degree of risk will depend in part on the Council's view as to how it would react – an uncontested LGR would for example be different to a contested one; and indeed it would also depend on what the options were and which one was preferred – merging 6 organisations is inherently more risky than say merging 3. Also is LGR a trigger that we should include in a number of risks? rather than be a risk itself? We could as an alternative, identify this in the covering report going forward as an emerging risk given the degree of uncertainty around it.

Question(s) from Councillor Milton:
Could you help with the following questions please in advance of scrutiny please?

1. 1.1.2 states that the SBRR will be reviewed by Audit & Standards prior to going to scrutiny. Can you confirm when this will be done please.
   Response:
   1.1.2 is an error for which I apologise. Audit and Standards meetings are now scheduled to take place a couple of weeks after Cabinet (and Overview & Scrutiny Committee) meetings. I don't necessarily see this as an issue, however, but the report does need amending to reflect what is planned to happen.

   I should emphasise that the SBRR will now be reviewed by O&S prior to being considered by Cabinet so there is still scrutiny of it BEFORE it goes to Cabinet – that, I feel, is the important issue.

2. Risk 2 regarding service standards. Can you confirm how this is being measured please and what at the points at which we determine that service levels have fallen below an acceptable level. Essentially my question is, how will we know if this has happened or not?
   Response:
   Risk 2 – we agreed Service Area Plans and the Performance Information they will use should be capable of helping to identify any service performance failures.

3. Risk 17 - given the recent extreme weather can you outline what impacts the Council felt during this and what the action plan is to mitigate these, and ultimately does it need to happen faster.
   Response:
   The Council's new Climate Change Adaptation Officer started in her role on 1st August. One of her first tasks is to bring forward a Climate Adaptation Plan. This will be based on the National Climate Change Risk Assessment and a similar document that has been prepared for the West Midlands. This will include an assessment of how our services need to adapt as well as how we work more widely with partners to enable our District's economy, environment and communities to adapt. The appointment of the officer will allow us to accelerate our adaptation work.

Question(s) from Councillor Syson:
Some questions on the SBRR and the accompanying report. I have listed the risks in the order in which they appear in the report.

"1.3.1 The Council, like many organisations at the moment, is facing a variety of significant challenges mainly related to the economy - budget pressures, inflation, skills shortages, supply chain issues."

I note the reference to inflation – will the Council in future be using more than the 2% allowance for inflation that it has quoted in recent reports.
Response:
1.3.1 – The Council will continue to review the rate used for inflation as part of its budget and Medium Term Financial Strategy to reflect the current and forecast economic environment.

"4.2.2
The current financial position as at Quarter 1, including the latest update to the
Medium- Term Financial Strategy will be presented in a separate report alongside this to August Cabinet. "

I don't see this in the agenda. Will it be presented?
Response:
4.2.2 - The Q1 Budget Report will now be presented to O&S in September following discussions with the Portfolio Holder.

Item 8/ Appendix 1/Page 2
2. Risk of sustained service quality reduction.
Under possible triggers is listed
"Increase in Members' and Citizens' expectations.
Changes in members' and Citizens' expectations."

But under Risk mitigation etc there doesn't appear to be anything to address this particular issue.
Good public communications are in my opinion essential and I note Risk 12 . Risk of ineffective utilisation of information and communications technology. Dare I suggest that the current 1-2-3 Waste experience might provide some useful lessons.

6. Risk of insufficient finance to enable the council to meet its objectives (including insufficient reduction in operational costs).

Given the economic turmoil of the last quarter I am mildly surprised that the likelihood of this risk has not increased since it was last viewed.

13. Risk of failure to protect information assets from malicious cyber-attack
I note that this risk has increased in both Likelihood and Impact. As none of the Risk mitigation factors listed appear to be in bold am I right in thinking that they all of them are all already in place?
Response:
Yes, you are. (A risk mitigation/control in bold means that it is a future action but not currently in place.)

The likelihood of an incident has been increased on advice from the National Cyber Security Centre. This is primarily following the outbreak of war in the Ukraine, where NCSC have advised all UK agencies to be on high alert.

The district playing host to high-profile Commonwealth Games activities also indirectly increased our risk as a games partner. We've worked closely with the games cyber security resources to ensure our infrastructure was secured effectively.

In addition, post COVID there has been a general increase in malicious cyber-related activities – online fraud has been particularly prevalent and our risk potential reflects this.

The impact level of a successful cyber attack is at the Council's highest level due to multiple factors. Cost alone places an attack within the highest banding (more than £500,000) based on the experiences of other local authorities, not to mentioned to possible on-going disruption to services and the potential impact on residents lives if we were unable to deliver services.

The mitigations listed are in place, but are kept under constant review as the cyber-threat landscape is constantly evolving.

7. Risk of additional financial liabilities.
The Likelihood has increased because of inflation – so my previous question of will we use more than the 2% inflation previously used applies here too.

It has also increased because of significantly more legal challenges – is it possible to indicate in broad terms what this is about, please?

8. Should we now be adding Local Government reorganisation to SBBR?
   It is not going away
   Response:
   Please see an answer given separately on a similar question.

Leamington Spa Levelling Up Fund - Application Summary

Introduction to this Document

AMION Consulting has provided support to Warwick District Council and Warwickshire County Council to prepare a bid for Levelling Up Fund (LUF) investment in respect of the Leamington Spa Bath Street Improvements. AMION has collated this document based on information provided by the project teams within each Council, alongside further analysis in relation to the assessment of costs and benefits.

This "application" is the final product of a working document that has been used to populate an online portal. As such, this is not the submission document. Information from this document has been copied and pasted into the text boxes on the government's Levelling Up Fund submission portal.

0 Applicant Details

0.1 Applicant Name

Warwick District Council

0.2 Bid manager details

Mark Brightburn, Programme Co-ordinator, Mark.Brightburn@warwickdc.gov.uk, 01926 456063

0.3 SRO name and contact details

Chris Elliott, Chief Executive, Chris.Elliott@warwickdc.gov.uk, 01926 456000

0.4 CFO name and contact details

Andrew Rollins, Head of Financial Services (Interim), Andrew.Rollins@warwickdc.gov.uk, 01926 456013

0.5 Local Authority Leader

Cllr Andrew Day, Leader, Andrew.Day@warwickdc.gov.uk

0.6 Consultancy Support

AMION Consulting, Vectos Microsim, Atkins, SLR

0.7 Bid Location

England

1 Gateway

1.1 Gateway Criteria

Evidence demonstrating organisation has experience of delivering two capital projects of similar size and scale in the last five years.

Warwickshire County Council (WCC) have an extensive history of delivering a range of transport projects. Two recent and relevant case studies are improvements to Warwick Town Centre and the A444 Coton Arches in Nuneaton.

Warwick Town Centre:

- £5m phased package of measures within the historic town centre.
- Designed in-house, the scheme combines public realm and traffic management enhancements with improved facilities for pedestrians, cyclists, and bus users.
- Initial completed work includes Northgate, carriageway narrowing and provision of shared use footway/cycleway on Priory Road and the introduction of a 20mph speed limit across the town.

A444 Coton Arches, Nuneaton:

- £3.7m gateway scheme completed in 2019.
- Designed to improve traffic flow through signalisation and capacity improvements, and to enhance pedestrian/cyclist movement;
- First in series of highways projects that form county and district led '*Transforming Nuneaton'* project aiming to transform the town centre with mixed-use regeneration.

2 Subsidy Control

2.1 Presence of subsidy

Applicants must consider whether any of the planned activities meet each of the four key characteristics which indicate if it would be considered a subsidy. **If any of the four responses is a 'No' then the award is not considered to be a subsidy.**	
2.1.1 Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?	Y/N response required. No.
2.1.2 Does the support measure confer an economic advantage on one or more economic actors?	Y/N and typed response required. No. No financial assistance would be granted to persons or bodies that constitute an enterprise. The support measure would make changes to 9 key streets, the old railway arches and a public car park in Royal Leamington Spa town centre in order to prioritise pedestrians and cyclists, give pedestrians more space, discourage motorised traffic from using the town centre, and make the town centre a more attractive and pleasant space. The improvement of cyclist and pedestrian infrastructure will be made available to the public to use for free. While the support measure is intended to boost, revive and regenerate the town centre and encourage people to spend more time and money in the town centre which would eventually benefit economic actors in the provision of goods and services in the town centre, the support measure would not confer an economic advantage on one or more economic actors because no enterprise will be a recipient of the financial assistance. Rather, the support measure will be used to improve the cyclist and pedestrian experience in the town centre which will be a benefit to residents, visitors, shops, attractions and the wider region.

2.1.3 Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?	Y/N and typed response required. Yes. The award will not confer a direct benefit but will indirectly benefit enterprises in the Royal Leamington Spa town centre. No financial assistance would be provided to any enterprises but the support measure would improve the Royal Leamington Spa town centre. Evidence from elsewhere in the country (including Transport for London) suggests that improving cyclist, pedestrian and public transport infrastructure will have economic benefits by encouraging more visitors and encouraging pedestrians and cyclists to spend more time and money in the town centre. This will eventually benefit enterprises which operate in a specific town centre. Previous car-free planning applications for retail, residential and mixed use have been rejected due to the lack of alternative modes of transport in Leamington Town Centre. Providing infrastructure to other modes of transport will allow these planning applications to come forward.
2.1.4 Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?	No. The award does not have the potential to cause harm to or distortion of competition, trade and investment because the support measure is the improvement of general cyclist, pedestrian and public transport infrastructure which will be made available to the public to use for free. The support measure is a series of traffic measures, including bus lanes, cycle lanes, providing a safer pedestrian crossing, widening walkways and pavements, permitting cyclists and pedestrian priority in an area which is currently car dominated. It also involves providing facilities for buses to waiting

	and builds connections with the existing railway station. This includes transforming Bath Street to not allow 'thru traffic'. While there may be indirect economic benefits of these traffic measures, the mere existence of the potential improvement of the financial situation of enterprises in the town centre is not capable of having a genuine adverse effect that is more than incidental on domestic competition or investment, and/or international trade or investment.
2.1.5 Did you respond 'Yes' to all the above? If so, the planned activities meet all four key characteristics which indicates it would be considered a subsidy.	For **public sector applicants**, if the response to this question is: • ~~**YES** please go to question 2.2.~~ • **NO** please go to question 2.4 For **non-public sector** applicants, please go to question 2.3
2.4 Public authorities only. **Please confirm if you will be disbursing the funds as a potential subsidy to third parties.**	If YES go to question 2.5 If NO end. No.

3 Bid Summary

3.1 Bid Name

"Leamington Spa: Bath Street Area Improvements".

3.2 Please provide a short description of your bid, including the visible infrastructure that will be delivered/upgraded and the benefits that will be felt in the area. (100)

The Bath Street Area Improvements scheme is a transport infrastructure proposal that delivers a host of much-needed highway and transport improvements including new and improved walking and cycling infrastructure, a new public transport interchange hub and bus priority measures, in the Bath Street area, Leamington Spa.

The proposed infrastructure is fundamental to alleviating the Bath Street area's air quality issue, (which is an Air Quality Management Area (AQMA)); it provides better accessibility to Leamington Spa's railway station and Leamington South, for all modes of transport, and gives vitality to an area of Leamington that is otherwise declining.

3.3 Please provide a more detailed overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component projects are aligned with each other and represent a coherent set of interventions. (500)

Although Leamington Spa is considered to be relatively affluent, the town faces several challenges that are harming local economic development, health, environment, and other opportunities. Within the South Side of the Town Centre in particular, there are dangerous levels of air pollution, falling footfall, increasing vacancy rates, high proportions of self-reported bad health and hampered development projects. Principally, the current transport arrangements are in desperate need of addressing.

Given these conditions, LUF funding is being requested to allow Warwick District Council and Warwickshire County Council to deliver the Bath Street Improvement Scheme. This comprises a host of much-needed highway and transport improvements in the Bath Street area of Leamington Spa, identified in the Infrastructure Delivery Plan (IDP) for the Local Plan.

Specifically, the northern extent of the scheme is the B4087 Bath Street adjacent to the Hitchman Fountain, 10m to the south of the junction with New Bold Terrace. From this point southward to High Street (400m), a split level 3m-wide bi-directional cycle track is proposed, with dedicated cycle crossings across Spencer Street and High Street. The bi-directional cycle track also extends along Spencer Street for 230m to Station Approach. On High Street, from west of Lower Avenue to Court Street (270m), a 4.5m-wide shared footway cycleway is proposed. Across the entire extent, there are improvements to footways with widened facilities, improved surfaces and public realm. A mixture of planters feature throughout the walkways and cycleways to add greenery.

To enable the widened footways and new bi-directional cycle track, the highway will be reconfigured to provide bus access only and in the opposite flow direction to how it is currently (south to north instead of north to south). A new transport hub will replace existing bus stops on High Street, which

will provide three new dedicated off-road stops and new interchange facilities. Bus priority measures are proposed on High Street, with a bus lane heading west to east and a bus-only right turn lane into Bath Street. New pedestrian links are also proposed and a new "Highline" style link with accessible infrastructure will link the Transport Hub and the existing footpath west of Lower Avenue. The new highline will include a linear park on the top of the existing railway arches.

Overall, the combination of interventions for walking, cycling, highway and public transport infrastructure will work together to improve the attractiveness of trips made by sustainable travel modes, reduce car dominance and community severance. The proposed infrastructure is fundamental to alleviating the Bath Street area's known air quality issue, whilst also giving vitality to an area of Leamington that is otherwise declining and allow new development sites to come forward.

The scheme also helps to deliver the wider Cycle Network Plan for Warwick District alongside other CIL and County funded proposals. The cumulative impact of delivering this wider network offers potential additional benefits in realising the modal shift required to meet the District housing and employment growth needs, whilst also helping to address the climate and air quality impacts of growth.

(500)

3.4 Please provide a short description of the area where the investment will take place. If complex (i.e. containing multiple locations/references) please include a map defining the area with references to any areas where the LUF investment will take place.

For transport projects include the route of the proposed scheme, the existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc. (500)

Royal Leamington Spa is a spa town in Warwickshire, in the West Midlands region of England. The town is split by the River Leam into northern and southern sides. Whilst parts of Leamington Spa are affluent, the Old Town area to the South of the River Leam contains pockets of deprivation and is therefore the focus of the LUF bid. While this area has experienced some investment over recent years, including through the Future High Street Fund which has supported interventions aimed at reinforcing workspace provision, it continues to lag behind. The area accommodates the train station, providing direct links to Birmingham and London. However, it retains clusters of deprivation and challenge, particularly within the Brunswick ward. There are notable challenges in terms of crime as well as health and living environment. These latter domains reflect the designation of an Air Quality Management Area covering the area.

The Bath Street area in particular has been selected as the focus for LUF funding given the connectivity issues which are currently faced in this locality. The 2015 Atkins, Warwick and Leamington Sustainable Strategy, developed to support the transport evidence base for the Local Plan, identifies that the Bath Street area lies within two corridors in need of sustainable travel improvements. The scheme aims to alleviate congestion in the area while also delivering enhanced sustainable transport infrastructure. Furthermore, both WCC and WDC have recently announced a Climate Emergency.

The scheme area has also been selected given its complementarity with the Station Approach development at Leamington Spa's railway station, which provides vehicular and pedestrian access to the rear of the railway station. WDC is also considering redevelopment and regeneration proposal in the Bath Street area that would see the area transformed into a creative quarter where state of the art facilities and floor space would be provided for creative business to grow, to support Leamington Spa's economic development. There is also potential for the scheme to link with Emscote Road corridor improvements, providing a more sustainable network with access between Leamington train station and the wider cycle network for Warwick and Leamington.

The proposed intervention is focused on the Bath Street corridor within the Old Town area. The northern extent of the scheme is the B4087 Bath Street adjacent to the Hitchman Fountain, 10m to the south of the junction with Newbold Terrace. The intervention runs 400m along Bath Street, with investment leading into key junctions on Spencer Street and Station Approach. A new Transport Hub is proposed at Bath Place, while a dedicated 'highline' link will be provided from the Station.

Maps showing the Bath Street area are included within Appendix 4.

(457)

3.5 Please confirm where the investment is taking place (where the funding is being spent, not the applicant location or where the bid beneficiaries are located).

If the bid is at a single location please confirm the postcode and grid reference for the location of the investment.

If the bid covers multiple locations please provide a GIS file. If this is unavailable please list all the postcodes / coordinates that are relevant to the investment.

For all bids, please confirm in which constituencies and local authorities the bid is located. Please confirm the % investment in each location.

Constituency – Warwick and Leamington

Postcode – CV31 3AE

Grid ref – 52.285174, -1.532797

GIS – Appendix 3

Warwick District Council, 100% investment

3.6 Please confirm the total grant requested from LUF (£)

£12,398,611

3.7 Please specify the proportion of funding requested for each of the Fund's three investment themes:

Regeneration and town centre (%)

Cultural (%)

Transport (100%)

3.8 Please tick one or more sub-categories that are relevant to your investment:

Active travel, buses, rail, local road

3.9 Please provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome. Where a successful outcome might lead to you no longer requiring the LUF grant please provide details and confirm when might you expect the outcome to be known.

There are no other funding bids pending for this intervention. Match-funding has been secured through CIL contributions.

4 Strategic Fit

4.1 MP Endorsement Y/N

4.2 Engagement

4.2.1 Describe what engagement you have undertaken with local relevant stakeholders, including the community (the public, civic society, private sector and local businesses). How has this informed your bid and what support do you have from them? (500 words)

The Leamington Transformation Board (LTB) is the key steering and decision preparation body for the Leamington Transformation Framework (LTF), with key decisions then subject to approval by the Council Cabinets and Committees. There are nine members including an independent chair, two members from WDC, two from WCC, one from Leamington Town Council and the three WDC political group leaders (Lib Dem, Green and Labour).

The Leamington Transformation Advisory Group (LTAG) is the advisory body providing guidance to the LTB in preparation and execution of the LTF. Membership of the LTAG will draw together key representative from across the range of topic and issue areas that the LTF will cover. Full details are provided in the appended Stakeholder engagement plan.

WCC has involved Stagecoach, National Express and Chiltern Railways, as Warwick District's main public transport operators, in continual conversations for the proposed scheme. The details for new road layout, change on traffic flow direction and the provision of new public transport facilities have been key consultation issues. All operators consulted have provided their initial comments which have been addressed and subject to further consultations. Discussions with operators will continue as the project progresses to take account of their best ideas in delivering a multimodal solution for the area. Letters of support from these operators have been included for reference.

WCC has had detailed discussions with County Councillors to seek their views regarding measures for tackling segregation in the area and wider Leamington. Furthermore, councillor's representative of Brunswick and Willes Divisions (the area of the project) have continuously meet with WCC officers to discuss the details of the scheme. A letter of support from the two Councillors representatives of the scheme area has been included for reference.

WCC has also met with Clean Air Leamington, where an inception of the project was discussed. WCC will continue to involve additional stakeholder groups for the inclusion of their ideas and comments into this project. The conversations with stakeholders have occurred since the inception of the project, and all comments have been taken in consideration for the concept designs.

4.2.2 Has your proposal faced any opposition? Please provide a brief summary, including any campaigns or particular groups in support or opposition, and if applicable, how will you work with them to resolve any issues. (250)

Based on the initial rounds of stakeholder engagement, concerns have been raised by local stakeholders relating to impact on local businesses arising from disruption in the construction phase and ongoing implications of strengthening the bus priority and associated exclusion of cars.

Overall, it is envisaged that the measures will promote greater footfall and movement through the area and may be beneficial to small businesses. However, the District and County Councils are committed to engaging with local stakeholders through the design process to ensure that key concerns are addressed. Warwickshire County Council is developing a public consultation strategy and will work with local businesses and residents to ensure that they are fully informed on proposals and provide a forum to take on board any concerns.

4.2.3 Do you have statutory responsibility for the delivery of all aspects of the bid?

If no:

- *Please confirm those parts of the project for which you do not have statutory responsibility*
- *Please confirm who is the relevant responsible authority*
- *Please confirm that you have the support/consent of the relevant responsible authority*

Warwickshire County Council (WCC) has statutory responsibility for the highway network on which the scheme is proposed and has provided consent by completing Pro forma 1.

4.3 The Case for Investment

4.3.1 Please provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to. (500 words)

While parts of Leamington Spa are relatively affluent, the town continues to face a range of challenges that constrain growth and present barriers to levelling up for key segments of the population:

Air Quality: Leamington Spa town centre, encompassing Bath Street and High Street, has been designated an Air Quality Management Area (AQMA). The AQMA was declared for exceedance of the legally recommended annual mean of Nitrogen dioxide (NO2). Leamington Spa contains the worst concentrations of poor air quality of any town in the UK, and is in the top 120 worldwide (WHO, 2016, cited by Warwick District Council, 2018). Exposure to nitrogen dioxide, can aggregate common respiratory diseases such as asthma in the short term, and contribute to the development of those diseases in the long run. The air quality is having, and unchecked will continue to have, negative health consequences on the people of Leamington Spa[1].

Health: Building upon the concerns around air quality, poor health is an area of worry within Leamington and the Warwick District. Statistics sourced from NOMIS by ONS show that 6.9% of Leamington and 8.3% of Warwick district residents consider their health to limit their day-to-day activities a lot, compared to 6.4% across England. Similarly, 4.5% of Leamington residents and 5.4% of Warwick district residents consider their health to be “bad” or “very bad” compared to only 4% across England.

Inefficient Transport Infrastructure Blocking Development Opportunities: Within the town centre, poor integration of sustainable forms of transport infrastructure is harming developmental opportunities within Leamington Spa. Currently, car-dominated, the town centre is unable to

accommodate additional transport demand for the area without worsening congestion and air quality. Projects that have identified improvements in the Bath Street area as a mitigating requirement include a 600-dwelling Sydenham Drive development and a Princes Drive retail employment site at the former Foundry.

Traffic Dominance: Despite being in the town centre, adjacent to the railway station where pedestrians, cyclists, and bus users account for 45% of the trips, the current street layout for Bath Street, High Street, Lower Avenue and Spencer Street give car dominance of the area. Aligned with previous policies visions, private motorised vehicles have been given priority at crossings and distribution of space, accounting for 60% of the existing public space available. The existing car dominance infrastructure, and the low-quality pedestrian and cycle infrastructure makes this area unpleasant and difficult to navigate for pedestrians and cyclists. Additionally, even when 14% of trips in the area are made by bus, the percentage of dedicated bus infrastructure is near to 0%. This has made private motorised vehicles the preferred mode of transport in Leamington Old Town, and as a result, this has become a severely polluted and unattractive area for businesses. Further details can be found in Bath Street Scheme - Road Space Distribution Review (Appendix 18).

North/South divide: Leamington Spa consists of a town of two halves. North, and South of the River Leam. In the south, a disconnect exists between the residential and commercial areas. Also, there are pockets of significant deprivation; the area of Leamington Brunswick contains wards that are in the top 30% most deprived in the country.

4.3.2 Explain why government investment is needed (what is the market failure) (600)

Re-designed and improved walking, cycling and bus routes are required to improve local transport connectivity, reduce air pollution and enhance the experiences of the Leamington Town centre. This intervention requires public investment due to the following market failures:

- Coordination failure – The development of a new bus interchange hub and associated public realm and active travel infrastructure is a central piece in the enhancement of the town centre. This requires co-ordination between multiple tiers of government, public transport operators and interest groups in order to be realised. If left to private sector actors alone, it is unlikely an effective solution would be implemented, if any at all.
- Public Goods – These are goods or services, that are both non-excludable (anybody can use them) and non-rivalrous (can be consumed by multiple at once). Whilst few pure public goods exist, many goods and services are like public goods in nature, such as public open space and transport infrastructure. They usually are provided by the public sector for the benefit of society because they would be under-provided if left to market forces due to limited ability to, restrict access, charge rent and generate profit. The market for these goods is incomplete and their lack of provision in a free market scenario is inefficient and therefore a market failure. The Bath Street improvements is in transport infrastructure, this has public good-like characteristics due to its ability to be used by anyone and multiple people at once. Additionally, the investment will improve air quality in the town centre, another public good.
- Positive externalities – An externality is a consequence, positive or negative, of an economic activity that is experienced by an unrelated third party. This project will encourage a shift away from the private car. This is associated with several positive externalities including reduced congestion, reduced greenhouse gas emissions, better air quality, less noise pollution, lower rates of highway infrastructure wear and a reduction in demand for fossil

fuels. The scheme, by improving the public realm of the area may also lead to increases in land values for surrounding residential and commercial properties.

With respect to the dependent development, this occurs with the presence of market failure; here it is co-ordination failure, where developers under-invest in transport improvements resulting in an under-investment in/provision of new developments. This form of market failure can be evidenced by there being local developers who would benefit from transport improvements. A 2021 planning application for 87 self-contained studio flats with basement ancillary accommodation and gym, on land at High Street and Lower Avenue, was refused permission on grounds of air quality issues within the town centre and a lack of pedestrian and cycle infrastructure.

For these reasons, it is unlikely that the market alone would provide a more efficient solution to Leamington Spa's transport, air quality, and town regeneration issues.

4.3.3 Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location. (750 words)

The LUF will be invested, along with WDC Community Infrastructure Levy (CIL) funding, to deliver the Bath Street multi modal transport improvement scheme. This includes interventions for walking, cycling, highway and public transport infrastructure, which working together produce modal shift, improve air quality, reduce community severance and unlock development sites.

The Bath Street area has been selected as a focus for investment as it responds to the key challenges outlined above:

- Air quality – Bath Street lies within the AQMA and provides an opportunity to create a new, integrated public transport hub that will contribute to alleviating congestion – a major contributor to current air quality issues.
- Health – issues of health deprivation and challenge are mainly focused to the south of the River Leam and are linked to issues of air quality. Investment around Bath Street provides an opportunity to both tackle air quality challenges and encourage residents to take up active forms of transport – particularly cycling.
- A vacant town centre – the proposed investment will create a high quality gateway to the south of the main town centre, forming part of a localised response to strategic challenges to the high street – associated with competition from other retail formats, the pandemic and the economic outlook.
- Inefficient transport infrastructure – the proposed intervention around Bath Street offers a unique opportunity within the town centre to integrate bus, rail and active forms of transport. Not only will this result in a better experience for users, it will also unlock the development potential of sites constrained by congestion and air quality issues.
- North/south divide – located to the south of the river in the 'Old Town', Bath Street provides an opportunity to establish a public transport hub and gateway to the town centre in close proximity to areas of relative deprivation adjacent to the town centre. It will complement ongoing investment (under FHSF) to deliver business hubs around Spencer Yard and the former post office, reinforcing key sectors (including computer games development), by delivering a better quality environment.

The configuration of the proposed Bath Street hub has been developed through a process of option testing, involving collaboration between Warwick District and Warwickshire County Council. It has taken into account the need to integrate existing assets, align with pipeline development projects (including FHSF initiatives) and unlock key opportunities. This supports a clear rationale for each element of the scheme:

The northern extent of the scheme is the B4087 Bath Street adjacent to the Hitchman Fountain, 10m to the south of the junction with NewBold Terrace. From this point southward to High Street (400m), a split level 3m wide bi-directional cycle track is proposed, with dedicated cycle crossings across Spencer Street and High Street. The bi-directional cycle track also extends along Spencer Street, for 230m to Station Approach. On High Street, from west of Lower Avenue to Court Street (270m), a 4.5m wide shared footway cycleway is proposed. Across the entire extent, there are improvements to footways with widened facilities, improved surfaces and public realm. A mixture of 5m x 2m and 2.5m x 2m planters feature throughout the walkways and cycleways to add greenery.

To enable the widened footways and new bi-directional cycle track on Bath Street between Spencer Street and High Street, the highway has been reconfigured to provide bus access only (no general traffic permitted) and in the opposite flow direction to how it is at the present day (south to north instead of north to south).

Replacing existing bus stops on High Street is part of creating a new transport hub, which will provide three new dedicated off road stops and new interchange facilities with toilets and bus EV chargers that will be covered by CCTV. This is located on the site of an existing small car park on Bath Place.

Bus priority measures are proposed on High Street, with a bus lane heading west to east and a bus-only right turn lane into Bath Street.

New pedestrian links are also planned including; a new pedestrian link on Lower Avenue from High Street to Spencer Street passing under the arches and connecting to the Transport Hub; and a new “Highline” style link with accessible infrastructure will be provided to link the Transport Hub and the existing footpath west of Lower Avenue. The new highline will include a linear park on the top of the existing railway arches.

The range of intervention components covering highway, pedestrian, cycle and public transport infrastructure provide an integrated multi-modal transport system that will work as one to improve the attractiveness of trips made by sustainable travel modes, reduce car dominance and community severance that in turn will encourage modal shift, reduce air pollution, improve health outcomes and allow new development sites and/or intensification of existing developments to come forward within the southern part of the town centre.

4.3.4 Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions.

This should be demonstrated through a well-evidenced Theory of Change. Further guidance on producing a Theory of Change can be found within HM Treasury’s Magenta Book (page 24, section 2.2.1) and DLUHC appraisal guidance. (500)

The proposed project is rooted in a clear Theory of Change Model (Appendix 16), describing why intervention is needed, how it has been configured to address clear objectives and how impacts will respond to the project drivers.

Leamington Spa faces several challenges that are harming local economic development, health, environment, and opportunities. With dangerous levels of air pollution, falling footfall, increasing vacancy rates, high proportions of self-reported bad health and development projects being hampered, the current transport arrangements around the old town and the south side of the town centre are in desperate need of addressing. Whilst parts of Leamington Spa are affluent, South of the River Leam contains pockets of significant deprivation.

In response to these challenges, partners (including Warwick District and Warwickshire County Councils) have established strategic objectives for intervention:

1. *Improve integration of sustainable transport modes, making interchange easier, safer and more appealing between train, bus and active travel.*
2. *Improve outcomes by increasing uptake of active travel modes and improving air quality.*
3. *Address constraints to key development sites within the town centre.*
4. *Enhance accessibility and access to opportunities for the deprived parts of the town centre.*

The Bath Street Improvements offer an opportunity to tackle these challenges by improving active travel routes, and public travel integration. Aligned with the Warwickshire County Council Plan 2022-27 and other local policies, as well as UK national strategies, such as Net Zero and Build Back Better. Without public intervention, coordination issues, externalities and the characteristics of public transport infrastructure and air quality as public goods, mean that private investment is highly unlikely to be committed to properly resolving the local challenges.

The objectives have informed option scoping and testing to ensure that the configuration of the scheme – and associated inputs – is optimised in terms of effectiveness and efficiency.

Based on an iterative process of option development, the proposed intervention will support the creation of a transport hub in the Bath Street area, involving several coordinated measures including the reconfiguration of existing infrastructure, enhanced linkages with the Station and retail heart of the town, and installation of a new bus interchange.

The delivery of the Bath Street improvements and wider transformation of the area will result in significant improvements to the public realm directly benefitting Leamington Spa residents. With widened pedestrian pathways, better protected cycleways, and priority given to buses, public and active travel will be made more appealing and encourage a modal shift away from cars when traveling through or to the town centre. As a result, carbon emissions, air pollution and negative health consequences will be reduced, as well as encouraging healthier lifestyles through the greater ease of active travel. The scheme will also provide economic benefits in reducing bus service operating costs and removing a barrier to local development projects.

In the long-term, the Bath Street Improvements will foster a creative quarter within Leamington Spa. The scheme will also act as an exemplar for low carbon travel infrastructure, a template for high-quality sustainable development that will help reduce inequalities within the town.

Word: 490

4.3.5 Package Alignment (250)

N/A

4.3.6 Other investment (500)

Match funding - The project has secured match funding from Warwick District Council Community Infrastructure Levy. This amounts to £3,511,290. In addition, land currently valued at £820,000 will be transferred from WDC.

Dependent development – High St Student apartments

Other related development

WDC will provide £2.5m of match fund to the project from the Community Infrastructure Levy (CIL). A total of £3.9m has been allocated from CIL, however sunk costs and costs to covering monitoring must come out of this budget.

In terms of indirect leverage, Spencer Yard is the flagship Future High Streets Funded Leamington Creative Quarter project supporting the town's crucial digital creative industries and is located just to the north west of the northern tip of Bath Street. The Bath Street Area Improvements will have a major positive impact upon this scheme in terms of improving the local environment and reducing traffic dominance whilst improving crossing points to the rail station/bus interchange.

The second Future High Streets Funded Leamington Creative Quarter project is just to the south east of Bath Street, mid-way along Clemens Street. WDC own this derelict former public house. Work is now underway to transform this into a mix of creative uses to tie in the Creative Quarter to this area kickstarting the regeneration of the wider Althorpe Street area where an Area Plan is currently being developed.

These projects combine with the Bath Street Area Improvements and will be transformational for Leamington's Old Town south of the River Leam and are a key component of the wider emerging Transformation Framework for the whole town centre which is seeking to re-imagine the main high street areas for a vibrant and sustainable future.

4.4 Alignment with local and national context

4.4.1 4.4.1 Local Strategic Fit (AMION, 500)

This bid is aligned with policies pursued by the local authorities of Warwickshire County Council (WCC) and the Warwick District Council :

WCC Council Plan 2022-27:

Sets out the WCC's strategic priorities and areas to which they will direct the focus of their work over the next five years. There are three strategic priorities:

1. To have a thriving economy and places that have the right jobs, skills, education, and infrastructure.
2. To be a county where all people can live their best lives; where communities and individuals are supported to live safely, healthily, happily and independently.
3. To be a county with a sustainable future which means adapting to and mitigating climate change and meeting net zero commitments.

By improving the local transport network, encouraging more sustainable forms of transport and town centre footfall, the Bath Street improvements will provide the Leamington Spa with the infrastructure needed for a thriving economy, give freedom to residents to make healthier active transport choices, and reduce unhealthy air pollution.

Warwickshire Local Transport Plan 2011-2026 (the LTP):

One of the key objectives of Warwickshire's existing LTP is supporting economic competitiveness and growth by delivering reliable and efficient transport networks. The scheme supports this objective and will deliver outcomes in support of many of the strategies contained within the LTP including; accessibility; congestion; air quality; road safety; walking; and cycling.

Warwick District Local Plan 2011-29:

The Local Plan outlines a vision for the area to address key priorities around: Safer Communities; Health and Wellbeing; Housing; Prosperity; and Sustainability.

The proposed intervention to deliver a transport hub in the Bath Street area will support each of these priorities, alongside specific policies:

- Strategic Policy DS3 – supports the regeneration of areas in need of improvement to the South of the River Leam and at a key gateway to Leamington town centre. It also supports objectives under this policy to deliver a low carbon economy and lifestyles and environmental sustainability.
- Policy SC0 – supports wider investment by ensuring that future developments provide good access to community facilities including…local shops, transport services…; and have a focus on healthy lifestyles, including measures to encourage walking and cycling.

As part of the Infrastructure Delivery Plan, the Bath St improvements support these policy objectives.

Royal Leamington Spa Neighbourhood Development Plan 2020-2029

Includes in its Key Themes;

- Community and Culture; encourage access to community, leisure and cultural opportunities

- Business Support/Town Centre; support public realm improvements to Old Town Area, to provide facilities for creative industries in a creative quarter
- Roads and Transport; to promote green travel options, improve air quality, reduce congestion, support public transport options and improve connectivity between Old Town and New Town areas

Policy RLS13 specifically states; *Measures to improve the air quality of Bath Street and the High Street, and the environment for walking, cycling and public transport in the Bath Street/High Street/Spencer Street area*

Policy RLS17 encourages "*Improved links between the Old and New Town sides of the River Leam, particularly pedestrian and cycle links, improved routes and access to and from the Railway Station and supporting redevelopment of Bath Place Car Park".*

WCC COVID-19 Recovery Plan (September 2021):

Recovery principles include:

- Target recovery activity and support to where most needed;
- Tackle inequalities
- Work in partnership with communities and the private sector
- Stabilise and accelerate recovery
- Focus on environmental challenges.

4.4.2 National Strategic Fit (500)

The Bath Street Improvements project compliments several national UK government policies:

Gear Change: A bold vision for cycling and walking (2020): The scheme supports the DfT's vision for convenient and accessible travel with better connectivity for walking and cycling routes to wider public transport services.

Transport Investment Strategy: Providing high quality connection into the town centre for people and businesses, will enhance productivity and increase attractiveness to investment and new job opportunities.

Net Zero Strategy: Build Back Greener (2021): This document sets out clear policies and proposals for keeping the government on track for its upcoming carbon budgets, its Nationally Determined Contribution, and sets out the vision for a decarbonised economy in 2025. The strategy sets out plans for reducing emissions from each sector of the economy: power; fuel supply and hydrogen; industry; heat and buildings; transport; natural resources, waste and fluorinated gases; and greenhouse gas removals. By giving priority to public and active travel methods, the Bath Street Improvements will encourage locals to choose not to drive when visiting the town centre. This will contribute to a decrease in Leamington Spa's carbon emissions produced by petrol and diesel cars.

A Green Future: Our 25-Year Plan to Improve the Environment (2018): This Plan aims to deliver cleaner air and water in cities and rural landscapes, protect threatened species and provide richer wildlife habitats, encompassing approaches to agriculture, forest, land use and fishing. The plan contains ten 25-year goals, one of which is for clean air. By reducing car congestion through the town centre, the proposed project will help improve air quality in the area.

Levelling Up & Regeneration Bill (2022): The Levelling Up and Regeneration Bill (May 2022) which aims to enshrine in law the proposed missions. The Bill proposes measures to:

- Create beautiful places and improve environmental outcomes and expanded protections.
- Regeneration - enable the regeneration of brownfield and other underused lands to support local economic growth, whilst rejuvenating town centres by reducing blight and enabling high streets to thrive.

The Bath Street Improvements are aligned with the measures in this bill by simultaneously reducing congestion and pollution, whilst creating more efficient use of limited town centre space.

National Planning Policy Framework: Scheme will promote sustainable development by:

- Building a strong, responsive and competitive town centre economy by making the area more attractive to investment
- Increasing road safety for all users and be well-designed, whilst reflecting current and future needs to support health, social and cultural well-being

Protecting and enhancing the built and historic environment and supporting the move to a low carbon economy.

Clean Growth Strategy: Delivery of enhanced walking facilities supports the aspiration of the Government to make cycling and walking the natural choice for shorter journeys

4.4.3 Linkages (100 per fund)

Warwick District Council secured £10 million of funding support through the FHSF. The package is very highly aligned with the proposed Bath Street improvement works. The regeneration of Spencer Yard, located adjacent to Bath Street, is underway. This is bringing forward new workspace provision to support the growth of the digital sector within the Creative Quarter. The Council is also advancing proposals for the regeneration of the former Post Office building, supporting the delivery of further managed workspace. In addition to this, FHSF is supporting investment in cycle infrastructure across the town centre, linking other strategic cycle schemes.

4.4.4 Fit with Govt Local Road Policy (250)

Bus back better and gear change

Gear Change: A bold vision for cycling and walking (2020): The Gear Change strategy envisages that England will contain places which are truly walkable and where cycling is a mass form of transit. Cycling and walking will be the natural first choice for many journeys, with half of all journeys in towns and cities being cycled or walked by 2030. As a result, there will be healthier, happier and greener communities; safer streets; and convenient and accessible travel. The Bath Street Improvements will remove car access from a major town centre high street and improve the connectivity of cycle routes running through the town, providing a safer and more pleasant passage for cyclists and pedestrians.

Bus Back Better (2021): Bus Back Better sets out the Government's national strategy for delivering better bus services for passengers across England, through ambitious and far-reaching reform of how services are planned and delivered, to reverse decades of declining use that was accelerated by the pandemic. It states how bus projects achieve on average very high value for money and are key to delivering wider government priorities of improving productivity, levelling up and net zero. The strategy is made up of many components, including providing better and cleaner vehicles, more

frequent services, increased use of franchising, more bus priority measures, and integrated ticketing for simpler and cheaper fares.

(223 words)

4.4.5 Levelling up White Paper

Relevant Levelling up white paper missions:

Living Standards	
Research and Development (R&D)	
Transport Infrastructure	X
Digital Connectivity	
Education	
Skills	
Health	X
Wellbeing	
Pride in Place	X
Housing	
Crime	
Local Leadership	

- By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
    - This project will improve access opportunities between the bus network and the nearest railway station.
- By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
    - The scheme encourages residents to take up more active forms of travel, increasing exercise and reducing air pollution, both beneficial to local health.
- By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top-performing and other areas closing.
    - The scheme will improve the town centre for the community by reducing noise and air pollution, which will encourage greater footfall, boost local shops and increase pride in the town.

5 Economic Case

5.1 Appropriateness of data sources and evidence

5.1.1 Please provide up to date evidence to demonstrate the scale and significance of local problems and issues. (500)

Separated by the river to the north, South Leamington has been a segregated area of the town. This has created an economic and social disparity between the residents and business located to the north of the river and those to the south. Poor public transport facilities, the lack of cycling infrastructure and the previous administrations priority on reliance on car-based trips, has created from the iconic regency style old-town, an overlooked and forgotten car-dominant area. As a result, Royal Leamington Spa's Bath Street, High Street and Spencer Street are classified as an Air Quality Management Area (AQMA) and included in the top 30 of the UK places that exceed the pollution limits recommended by the World Health Organisation (BBC, 2018).

The existing conditions of Bath St area aligns with problem 1 with lower living standards than north of the river; problem 2 with higher levels of crime with 85 crimes per 1,000 people being the most dangerous medium-sized town in Warwickshire and within the 100 most dangerous in the UK (CrimeRate, 2022); and problem 3, contributing to higher deprivation being in a LSOA within the 24% most deprived of the UK. Therefore, Bath Street and the adjacent streets located at the heart of Leamington's 'Old Town' were identified through the Warwick District Council Local Plan process as areas requiring mitigation to address the negative effects on congestion, air quality and severance. Initial funding has been secured through the Community Infrastructure Levy (CIL) to develop a scheme that will see a reallocation of road space for improving pedestrians, cyclists and public transport infrastructure. Further funding is sought through this Levelling Up Funding bid to secure the delivery of the objectives. These will allow for a greater sense of place in the Old Town area, encourage sustainable modes and allow for greater pedestrian and cycle connectivity to the Parade area north of the river. It will also create opportunities for low-traffic neighbourhoods through the re-routing of existing traffic.

The proposed infrastructure is fundamental to alleviating the Bath Street area's known air quality issue (which is an AQMA); it provides better accessibility to Leamington Spa's railway station and Leamington South, for all modes of transport, and gives vitality to an area of Leamington that is otherwise declining.

(382 words)

5.1.2 Please demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased. (500)

Up to date sources

A range of publicly available sources, documents, web-based applications and software have been used including the following latest sources as shown by their date of publication:

- DfT TAG Units A1-1 cost-benefit analysis (July 2021), A1-2 scheme costs (May 2022), A1-3 user and provider impacts (May 2022), A2-1 wider economic impacts appraisal (May 2019), A2-2 induced investment (May 2020), A3 environmental impact appraisal (May 2022), A4-1 social impact appraisal (May 2022), A5-1 active mode appraisal (May 2020), A5-4 marginal

external costs (November 2021) and M3-2 public transport assignment modelling (May 2020);
- TAG Databook version v1.18 (May 2022);
- DfT Active Mode Appraisal Toolkit;
- DfT TUBA v1.9.17 (December 2021) with economics parameter file in line with TAG Databook above;
- TAG Air Quality Valuation Workbook (May 2022);
- National Trip End Model (NTEM) version 7.2 (March 2017);
- UK crime data from crimerate.co.uk;
- RapidAir© dispersion modelling system by Ricardo (December 2020);
- Land value data from Bruton Knowles
- Warwickshire County Council continuous pedestrian and cycle counts August 2020 to October 2021;
- Stakeholder consultations.

The transport modelling used to inform the transport and economic appraisal has been based on the Warwick and Leamington Wide Area highway model (WLWA) developed for the Warwick District Local Plan with a 2017 survey base, forecast traffic growth (NTEM) and committed development. Further details are provided within the modelling reports (see Appendix 6).

Robustness and unbiasedness of data

The robustness and unbiased nature of evidence presented from official public sources has been continually verified and these are considered the primary resource for data in the UK.

In terms of the professional reports utilised, multiple methods were used to ensure their robustness and unbiasedness:

- Each of the reports present their methodology, which has been reviewed by transport, economic and business case specialists from AMION and WCC.
- The professional reports, surveys and publications have been assured against each other and care has been taken to ensure that there has been no double counting of impacts. For example, decongestion, carbon and indirect taxation impacts of the mode shift to active travel have been captured through the highway modelling and TUBA. Likewise, air quality benefits of the mode shift to active travel have been captured through bespoke air quality assessment modelling and valuation; therefore, all the above marginal external cost components of the active mode appraisal have been excluded to prevent double counting.
- Each of the organisations used to produce evidence (including AMION, Vectos Microsim and SLR) are renowned for their attention to detail and market leaders in their fields.

In addition, a thorough and extensive engagement process between AMION, WCC, WDC, Vectos Microsim, SLR and key advisors has been undertaken to assure the findings from different research and resources are unbiased and mirror specialist local knowledge.

(455 words)

5.1.3 Please demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions. (250)

The full extent of the WLWA model covers the entire Warwick and Leamington Spa built up areas, as well as surrounding rural areas, including sections of the M40, A46 and Fosse Way. The highway impact of the scheme causes trip reassignment, which increases demand at junctions elsewhere on the network. The impact of this additional demand however is overstated in the model, as the effects of variable signal timings are not picked up within the model and can only be addressed by fully re-optimising the stage timings of the signalised junctions within the model to better cater for reassigned demand. This would be an extensive exercise and not practical for the stage of development the scheme is at.

In addition, the microsimulation model also does not have a Variable Demand Modelling (VDM) element meaning that no trips are removed in response to demand elasticity, exaggerating the impact further.

A cordon has therefore been applied to the model, to restrict the analysis to the area of the scheme and immediate surrounding network (north extent: Parade / Newbold Terrace junction; south: Clemens St / Ranelagh Terrace junction; east Radford Rd / Willies Rd junction; west: A452 / A425 roundabout). This negates the potential for model noise arising from conditions outside of the core study area to influence the appraisal, compensating for the lack of wider area optimisation and the omission of VDM modelling techniques, producing reliable, localised statistics for input to the scheme appraisal process.

5.2 Effectiveness of proposal in addressing problems

5.2.1 Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should be forecasted using a suitable model. Theory of Change evidence should be identified and referenced. (750)

The Bath Street multimodal transport scheme is intended to solve existing transport problems within Leamington Spa town centre, namely encouraging modal shift away from the private car, to improve air quality and enable new development to come forward.

Existing problems

- Poor air quality, causing much of the town centre to be within an AQMA.
- No bus interchange facilities causing vehicles to layover on the highway.
- High levels of severance and a car dominated environment.
- Lack of dedicated cycling facilities to encourage active travel participation.
- Planning applications being refused on grounds of a lack of highway capacity, active mode facilities and poor air quality.

Outputs (Direct and Indirect)

Direct outputs:

- **Transport nodes with new multimodal connection points:** The provision of a new Transport Hub which will provide 3 dedicated off-road bus stops with a link to the existing railway station.
- **Public transport improvements:** new transport hub with dedicated facilities for users at the existing Warwick District Council Carpark on Bath Place, a bus lane from the front of the railway station to Bath Street, Bath Street to be converted into Bus Only for most of its length to not allow other vehicles to drive through.

- **New and improved cycle ways:** The provision of a segregated cycle lane on Bath St that will connect to the existing infrastructure to the north of Victoria Bridge, a dedicated two-way cycle lane on Spencer Street from the existing National Cycle Route 41 to Bath Street, and dedicated cycle crossings at conflicting junctions.
- **New and improved pedestrian paths:** The reallocation of space on Bath Street, High Street and Bath Place will allow to increase the size of the pavements on those streets. A new pedestrian link will be provided on Lower Avenue from High Street to Spencer Street passing under the arches and connecting to the Transport Hub. A new "Highline" style link with accessible infrastructure will be provided to link the Transport Hub and the existing footpath west of Lower Avenue.
- **Roads converted to pedestrian and cycling ways:** Smith Street will be pedestrianised to provide a pedestrian connection between Bath Street and the Transport Hub.
- **Resurfaced/ improved roads:** Lower Avenue will be widened to allocate 2 lanes.
- **Alternative fuel charging/ re-fuelling points:** The Transport Hub will include Bus EV chargers which will mainly benefit smaller bus operators which may not have a dedicated charging facility.
- **Public amenities/ facilities created:** Provision of public toilets under the existing railway archers.
- **Retail space improved:** Bath Street is a designated retail street in Leamington Old Town, which currently allocates 2 lanes in one direction. The reallocation of space including the provision of a cycle lane, a bus lane and increase of the size of the footways will revitalise this highly polluted area. The project also includes the improvements of the area in the existing retail space under the arches.
- **Dilapidated buildings improved:** The old railway arches will have a better accessibility and the inclusion of the transport hub next to it.
- **Public realm created and improved:** The provision of the Highline will include a linear park on the top of the existing railway arches.

Indirect outputs:

- **Delivery of new development:** including 87 self-contained studio flats with basement ancillary accommodation and gym, on land at High Street and Lower Avenue

<u>Outcomes</u>

Direct outcomes:

- 34% increase in cycling uptake
- 33% increase in walking uptake
- 5% increase in bus patronage
- Improvements in air quality of a 288,861.30 reduction in NO_2 and 26,419.91 reduction in $PM_{2.5}$ ($\mu g/m^3$) over the 60 year benefit appraisal period
- 1.45m car km saved annually from mode shift
- Journey quality improvements for cyclists, pedestrians and public transport users

Indirect outcomes:

- £400k LVU

Modelling approach/evidence

- Designs and cost plans produced by Sustrans, Atkins and WCC EDS (Engineering and Design Services)
- Vectos Microsim has run the traffic model and TUBA to determine transport user and carbon impacts, with quality assurance on TUBA by AMION
- Vectos Microsim has run the Active Mode Appraisal Toolkit analysis, with quality assurance by AMION
- Atkins has undertaken a bus operations impact assessment
- AMION has undertaken marginal external cost and bus user journey quality benefits in relation to the public transport proposals
- AMION has undertaken land value uplift calculations in relation to the dependent development
- Riccardo undertook air quality modelling for multiple schemes, SLR peer review and results for the scheme in isolation
- SLR has undertaken air quality assessment modelling and ran the TAG Air Quality Valuation workbook analysis with quality assurance from AMION
- Bruton Knowles has undertaken a property value assessment

5.2.2 Please describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis, the quality of the evidence and the accuracy and functionality of the models used. (500)

This assessment was conducted using the Warwick and Leamington Wide Area (WLWA) Paramics Discovery microsimulation model, a large-scale microsimulation model which encompasses the towns of Warwick and Leamington as well as key route choice on the surrounding SRN.

Microsimulation is appropriate for this assessment as it accounts for the effects of queueing between junctions and the interaction of traffic along busy corridors. This is an important aspect of the assessment both in terms of understanding how the local network conditions change in response to traffic avoiding the area due to the scheme proposals as well as the wider effects elsewhere on the network arising from traffic reassignment.

The WLWA model was most recently updated to a 2017 Base year. The 2017 model was calibrated and validated to an extensive traffic count data set covering the entire model area collected by WCC between 2015 and 2018, with the majority of counts coming from 2017. Model validation was also confirmed using Traffic Master journey time data from across the model. Further detail on the model development process is available within the associated Local Model Validation Report (VM175143.R001).

A high level of calibration (>85% of counts within a GEH of 5) and validation (>85% of counts and routes withing TAG specifications) was achieved. Upon completion, the Base model was subject to an audit, undertaken by Systra on behalf WCC, with the model being agreed as fit for purpose by all parties in 2019.

Locally, survey data was collected for all the key junctions within close proximity to the Bath Street proposals whilst journey time validation checks have also been completed along the A452 north of Bath Street and along the A425 which runs east/west through the scheme area.

A set of WLWA forecast scenarios have been developed to include Reference Case scenarios for 2024 and 2029, as well as a 2029 Local Plan scenario. The Reference Case scenarios contain all consented developments and infrastructure up to their horizon years, with this informed by the 2020 Warwick District Council Housing Trajectory. The 2029 Local Plan scenario also contains all allocated development within the study area. All scenarios also include appropriate background growth informed by TEMPro.

Stability analysis has been conducted on these forecast models and shows that they operate with a predictable pattern of congestion and are free of unrealistic delays. Full details on the developments of these models can be found in the associated forecasting reports (VM175143.R002, VM175143.R003 and VM215357.TN001).

There are limitations regarding the use of microsimulation models for wide area assessments due to 'model noise' (effects occurring outside of the core study area due to model variability). For this assessment, the wider network effects have been omitted through the application of local cordons to inform the assessment.

The results presented to date are informed via analysis of the wider network performance as well as local outputs and so should be considered 'a worst case' as further refinement and optimisation will likely elicit improved outcomes relative to those presented to date.

(500 words)

5.3 Analysis of costs and benefits

5.3.1 Please explain how the economic costs of the bid have been calculated, including the whole life costs. (500)

Economic costs have been based upon the project cost plan, which sets out the planning and capital costs that will be incurred between the present day and scheme opening. Whilst the LUF ask does not cover the entire scheme cost, given the significant match funding contribution from the Community Infrastructure Levy (CIL), there are no private-sector contributions, so all scheme costs go into a public sector Present Value of Costs (PVC).

Allowance for inflation has been removed so all costs are presented in 2022/23 financial year prices.

In line with TAG and for comparability with scheme benefits, all costs have been converted into market prices, using the conversion factor of 1.19 given in the TAG Databook, in order to account for indirect inflation. This includes construction costs, land costs, contingencies and costs related to pre-construction work.

To account for the systematic tendency to underestimate costs, optimism bias has been applied in line with TAG Unit A1.2. A factor of 23% has been selected, the default for Stage 2 (Outline Business Case) highway schemes. Optimism bias is applied to capital costs only. Given the significant risk contingency present within the costs, the PVC is very much considered to be a worst-case and is likely an overestimate.

Additional maintenance and renewal costs that will be incurred by Warwickshire County Council as the local highway authority, have been captured within the PVC and cover the entire 60 year (post opening) appraisal period.

Discounting using the HM Treasury Social Time Preference Rate of 3.5% from next year until 30 years after scheme opening, and then 3% for the remainder of the appraisal period has been applied to all costs in order to convert into a PVC.

Further detail on economic costs are provided within the Value for Money Technical Note (Appendix 7).

5.3.2 Please describe how the economic benefits have been estimated, including a discussion and evidence to support assumptions. (750)

All economic benefits have been calculated in line with DfT TAG and represent welfare change at the national level. A 60 year appraisal period has been used, which represents the asset life of the scheme and is the default for highway related works within TAG.

Active mode impacts are the largest source of benefits within the appraisal. The DfT Active Mode Appraisal Toolkit (AMAT) has been used to monetise walking and cycling related benefits in terms of improved health outcomes, improved journey quality and some of the marginal external cost benefits arising from mode shift (congestion, greenhouse gas, air quality and indirect taxation impacts have been removed to prevent double counting). Cycling and walking demands have been estimated based on count data from Warwickshire County Council, and evidence of temporary "pedestrianisation" measures within the town centre which found a 33% increase in cycling and 34% increase in walking. AMAT outputs have been converted to 2022 prices using the GDP deflator and discounting converted to a 2022 base year.

Impacts on the highway network of the reconfigured road network (most notably closure of Bath Street to general traffic) and the mode shift of car to active travel and public transport has been modelled in the Warwickshire and Leamington Wide Area model (WLWA). Output matrices from WLWA have then been monetised using the current version of DfT Transport User Benefit Assessment (TUBA) software. Impacts estimated in TUBA include changes in travel time, vehicle operating costs (fuel and non-fuel), indirect taxation and non-traded greenhouse gases. TUBA outputs have been converted to 2022 prices using the GDP deflator and discounting converted to a 2022 base year.

The public transport aspects of the project are expected to yield benefits to bus users as well as other road users. The new bus priority measures and interchange facility are assumed to cause a 5% uplift in patronage. Daily bus service numbers using the facilities have been taken from Atkins report. The PSV occupancy factor given in the TAG Databook (12.2) has been used as a proxy for users per bus service that will benefit from the scheme, although this is understood to be a conservative estimate of likely footfall. Journey quality benefits come in the form of segmented values of soft bus interventions, which applies a generalised minute for improved facilities which is then monetised using the TAG values of time. "New Interchange Facility" and "CCTV at bus stops" have been used as these represent the improvements offered by the intervention. Existing users get the full benefits whilst new (from the 5% uplift) get half the benefit in line with the consumer surplus rule of a half. Marginal external costs have also been estimated, primarily in relation to mode shift from car (treated in same was as AMAT to avoid double counting) to bus, but also reduced bus mileage resulting from the proposals. Reduced bus operating costs have also been captured.

Air quality impacts of the scheme have been assessed through a dispersion modelling assessment undertaken using Ricardo's RapidAir© to establish the extent of pollutant concentration changes, capturing regional and local displacement effects. These modelled air quality impacts have then

been monetised in line with TAG Unit A3 Environmental Impact Appraisal, using the TAG Air Quality Valuation Workbook and applying the Impact Pathway Approach.

Wider economic impacts are where impacts of transport investment are not fully realised in the transport market and spillover into other markets. Dependent development is a specific form of Induced investment impact (TAG Unit A2-2), where transport investment causes impacts in the land market, by additional capacity unlocking development sites that could not come forward without it. A 2021 planning application for 87 self-contained studio flats with basement ancillary accommodation and gym, on land at High Street and Lower Avenue, was refused permission on grounds of air quality issues within the town centre and a lack of pedestrian and cycle infrastructure. The scheme will remove these reasons for refusal and unlock the site for development, therefore there is a case of dependent development. Land value uplift, adjusted for additionality, has therefore been applied as a benefit of the scheme. Given that the development is car-free and located in a highly sustainable location, calculation of transport external costs is not necessary.

5.4 Value for money

5.4.1 VfM Summary (500)

The scheme has a BCR of 3.0:1 and represents High Value for Money as defined by the DfT Value for Money Framework.

The present value cost (PVC) for the scheme is £21.41m, in 2022/23 prices, discounted to 2022.

Active mode benefits provide the largest contribution to scheme benefits, with a PV of £49.04m. Pure health benefits in terms of the reduced risk of premature death (which are discounted at a lower rate due to the wealth effect of the social time preference rate being removed) account for £34.2m alone, whilst reduced absenteeism provides £7.8m.

User benefits relating to public transport, in terms of the reduced generalised travel cost from the implementation of new bus interchange facility that is covered by CCTV provides a PV of £31.5m.

The improvements to air quality as a result of the combined intervention, provide a PV of £8.0m.

The reductions in operating costs and marginal external costs from a more efficient bus operating in and around Bath Street, contributes a further £0.4m PV.

The dependent development analysis only considered a single planning application that has been refused recently on grounds that would be removed with the installation of the scheme. This only provides an additional benefit of £0.4m, however the full impacts of future investment and land use change within southern part of the town as a result of the intervention are likely to be broader and more significant.

The initial BCR is 3.04, whilst the adjusted BCR (inclusive of wider impacts) is 3.06 and therefore does not have a demonstrable impact on the value for money of the scheme.

5.4.2 Please describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed, including the expected scale of these impacts. These will be factored into the overall Value for Money assessment of the bid. (500)

The proposed investments will result in a range of important non monetised impacts, which have been identified through comparable interventions and the ongoing analysis of needs/opportunities undertaken to inform the scheme:

- **investment catalyst** - acting as a catalyst for further investment and regeneration through placemaking impacts – by bringing a radical transformation to the streetscape of the southern part of the town centre. This will promote investment further investment, particularly in terms of the "Creative Quarter";
- **sustainable development** – land use changes that occur in the future within close proximity to the scheme will be associated with more sustainable transport behaviour (higher take up of non-car modes) than without the intervention, further reducing the external costs of transportation at the national level;
- **Increased footfall and spend** – there is strong evidence that pedestrians and cyclists spend more than those arriving by car as documented in the Pedestrian Pound (Living Streets, 2013). Mode shift away from the car as a result of the scheme will increase dwell times in the town centre and with it spending;
- **addressing disadvantage** - through the provision of better, and more attractive active and public travel facilities, better transport opportunities will now be available for the less affluent parts of the town; and
- **reducing severance** – the scheme's combination of measures will reduce community severance in the town centre, or the "barrier effect" of car dominated transport networks.

5.4.3 Risks and Uncertainties (AMION, 250)

Key risks that will affect the value for money offered by the scheme include:

- Cost increases from a variety of potential sources – (a) inflation levels higher than forecast; (b)scope creep; (c) unforeseen risks such as utility diversions, issues relating to working adjacent to structures/buildings or delays to the programme.
- Land acquisition – the scheme requires acquisition of privately owned land in order to deliver the scheme. Delays or issues in land acquisition could threaten the programme and delivery of the scheme entirely.
- Lack of demand / reduced benefits – success of the scheme is contingent on modal shift away from the car and towards sustainable travel modes.
- Funding – the scheme is dependent upon approval of LUF funding.

To test the sensitivity of the value for money results to changes in key variables, analysis of 'switching values' has been carried out. Costs would need to rise by 206% and benefits fall by 65% for the initial BCR to fall to 1:1.

Sensitivity tests have also been modelled:

- Scenario 1, 50% lower active travel benefits, BCR 1.91;
- Scenario 2, 50% greater TUBA disbenefits, BCR 2.50;
- Scenario 3, 50% lower air quality benefits, BCR 2.87;
- Scenario 4, 20% higher costs, BCR 2.55; and
- Scenario 5, optimism bias of 10% applied to all benefits, BCR 2.78.

The sensitivity testing demonstrates that the Bath Street Improvements project is robust enough to withstand significant changes in the external environment and still offer value for money.

5.4.4 Appraisal Summary Table

A DfT format AST has been provided, see Appendix 8.

6 Deliverability

6.1 Financial Case:

6.1.1 Please confirm the total value of your bid

£16,790,581

6.1.2 Please confirm the value of the capital grant you are requesting from LUF.

£12,398,611

6.1.3 Please confirm the value of match funding secured.

Where match funding is still to be secured please set out details below. If there any funding gaps please set out your plans for addressing these. (250 words)

£3,511,290 will be covered by the WDC Community Infrastructure Level (CIL). An original allocation of £3,900,000 was given to the scheme, however £200,000 has already been spent on scheme development and a further £188,700 is required for monitoring over a 10 year period. WDC-owned land will also be provided as match funding, currently valued at £820,000, or £880,680 after taking account of inflation over the investment period.

6.1.4 If you are intending to make a land contribution (via the use of existing owned land), please provide further details below and confirm who currently owns the land, details of any restrictions and the estimated monetary value. (250 words)

A land contribution, worth £820,000 is being provided by WDC.

6.1.5 Irrecoverable VAT – N/A

6.1.6 Please describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget. Please advise on any assumptions. (750)

The cost estimate provided is based on the schedule of rates which forms part of Warwickshire County Councils Highway Maintenance Contract. This is an NEC3 Option B contract which features a Bill of Quantities.

This contract is tailored for highway maintenance purposes and so not always ideal for larger projects, but has the benefit of a wide range of rates for many work items. In addition, there is an annual Contract Management Fee which needs to be factored in and also it has become clear that the rates are very competitive in the local market, so an additional margin has been added.

Not all items required to complete the South Leamington project are available within the price list, but previous schemes and some basic ECI have provided indicative rates for these items (such as a rate for coloured asphalt).

The scheme has been estimated on a street by street basis so that it's easier to spot errors or unrealistic values and simpler to keep track of measured areas. Then composite rates have been applied to broad types or work within each street, such as carriageway paving, footway paving (with different composite rates for asphalt and modular paving), and cycleway.

Included in the estimate are design, procurement, utility diversion costs, post completion costs, contingency allowance (as mentioned below) and inflation. These are based on percentages of construction cost which have been established over many years of carrying out highway projects.

To determine the percentages which cover the elements mentioned above, analysis of 22 previous highway projects going back over several years. Detailed analysis was made of overall contract costs, a breakdown of key elements of work, analysis of staff time charge sheets and other costs. This enabled a range of factors to be calculated which could be applied to the works cost to reflect staff time, contingencies and utility works, even at an early stage. These estimating tools were reviewed and revised in 2020/21
In addition to the presented cost estimate breakdown, the project estimate was also validated by using our Quality Management System estimating pro-forma. Originally this was thought unsuitable for this project as it features a high proportion of high quality materials, such as modular/block paving and coloured asphalt and that it would give a falsely low figure, but in fact there is a good level of agreement as the final figure is only 5.4% lower.

For the land related costs, a property cost estimate has been obtained from Bruton Knowles. This has been on the basis that compulsory purchase powers are exercised following the confirmation of Compulsory Purchase Order (CPO). The following has been assessed in the estimate:
a) The acquisition of land required for the scheme, using compulsory powers;
b) Any diminution in the value of retained land due to severance or injurious affection, or any increase due to betterment;
c) Disturbance costs including crop loss;
f) Home Loss, Basic Loss and Occupiers Loss payments as appropriate;
g) Claims where no land is taken, under Section 10 of the Compulsory Purchase Act 1965 (execution of the works) and Part 1 of the Land Compensation Act 1973 (use of the wo rks
post opening);
h) Professional fees incurred by claimants.

The Bruton Knowles report is contained in Appendix 10.

6.1.7 Please provide information on margins and contingencies that have been allowed for and the rationale behind them. (500)

Our estimating process offers different calculation criteria depending on which stage the scheme is at. This project is at the early concept stage and requires a significant contingency allowance (40%) for construction cost, because there are many unknowns and potential issues to address. This contingency will reduce as each phase is completed and there is greater certainty.

Experience of many highway projects and analysis of their financial outturns versus early estimates has informed the estimates used.

6.1.8 Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UK Government funding partners. (You should cross refer to the Risk Register). (750)

A summary of the main financial risks, and appropriate mitigation is set out below. A risk register has also been prepared, contained in Appendix 12.

- Scheme costs exceed funding / construction tender price exceeds scheme funding - Cost estimate produced independently using preliminary designs and reviewed by WCC using internal major scheme cost estimate double check process. Cost estimate includes significant contingency allowance, and appropriate levels of optimism bias. Early stage contractor engagement to identify issues;
- Project scope creep add costs - Partner working to identify and clearly define scope of project conducted at early stage to inform concept design and cost estimates. Project management / assurance processes to control project scope and ensure project creep does not occur. Project Board approval required for any cost changes.
- Uncharted utilities /utility diversion requirements - All concept designs reviewed against statutory utilities. Most utilities are in existing footway which is not expected to require deep excavation and should therefore not be disturbed by the scheme or require diversion. Suitable allowance including contingency included in cost estimate to account for all utilities work. Discussions to be initiated with utility companies regarding plans at earliest opportunity
- Impact of national and international matters that affect materials / contractor availability and price - Project to be responsive to such matters. Earlier contractor engagement to identify any issues
- Contractor default – ensure that an established framework contractor with proven financial probity is used.

All cost changes will be reviewed by project board. Any cost overruns will be reported to the Project Board which will decide the appropriate course of action. The Board will evaluate the proposed strategies to address the issue in priority order:

- Review contract and ensure costs allocated to primary contractor as appropriate;

- Descope project to reduce costs for example by replacing materials with lower cost solutions or by removing elements of the project, focusing on elements which have the least impact on the project outputs/outcomes;
- To seek additional internal capital funding from the project partners including Warwick District Council and Warwickshire County Council. This will consider opportunities to reallocate funds from other capital projects, planning contributions or other available sources.
- To seek additional external funding, which may require elements of the project to be delayed. This would be undertaken within the requirements of the LUF to ensure that all LUF funds are drawn down by March 2025.

6.1.9 If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below. NB: You must ensure any further disbursement of the grant is done so in accordance with subsidy controls and public procurement rules. (750)

LUF funding partner will receive £12.4M - the full LUF allocation, alongside £3.5m of CIL funding provided by Warwick District Council. Funding will be provided by means of a sub-grant. This approach has previously been adopted for the implementation of cycle route enhancement works, funded by the Future High Street Fund.

The disbursement of the sub-grant will be done in accordance with subsidy controls and public procurement rules. WDC are not using a grant to pay WCC for services, WDC are passing through a grant to WCC, in effect paying a grant which goes through the non-commercial procurement route. WCC will then follow their own Code of Procurement Practice (Standing orders) and the Public Contract Regulations. Controls will be implemented to adequately manage the onward disbursement of the grant to WCC. WDC have experience via the Future High Streets Fund, RUCIS grant scheme and also 'Other Grants & Loans' through the Chief Executive's Office which have been audited successfully.

Our Warwick District Council will establish a process is to request:

- A completed Claim Form. The claim form is a quick-glance document which keeps a running total of amounts drawn-down to-date and the remaining grant balance so all parties are aware of the position and that this is reconciled against the finance system project code each time payments are processed as a financial control.
- A Schedule of Invoices – the list of invoices enables checks to be made, especially if there are a number of invoices.
- Copies of contractor invoices are always required as proof/evidence of works completed. These invoices should be addressed to the grant beneficiary and they should have a description of works, the person responsible for the grant then needs to check all the invoices to ensure that they are appropriate (match the project works), aren't duplicated and that they add up to the draw-down amount being requested.
- The invoices are all then saved along with the other documents (funding request form, funding request email, breakdown of invoices) to ensure that there is an audit trail for the payment(s).
- Once everything is in order the payment is then processed through WDC's finance system CI Anywhere. This needs a project code and it should be excluding VAT.

- When all the details have been input and attachments added, the payment is then assigned for approval by the Head of Service.

6.1.10 What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project? (750)

Appropriate legal and governance structures will be put in place through the funding agreement between Warwick District Council and Warwickshire County Council. These arrangements will be in full alignment with the overarching governance structure for the project, outlined in Section 9 and described in the delivery plan.

6.2 Commercial Case

6.2.1 Commercial Strategy (1500)

WCC will deliver the project and be responsible for contract procurement. The procurement strategy will be prepared and delivered in accordance with WCC's Contract Standing Orders (CSOs) which are its rules for buying goods, work or services, WCC's Corporate Procurement Guide and WCC's Engineering Design Services Group's (EDS) Quality Management System. These are consistent with Government policies and guidance on service delivery, contract management and the effective commissioning and management of consultants as set out in playbooks.

The procurement strategy is designed to ensure:

1. *Value for money*: WCC has a duty to secure value for money in all transactions;
2. *Market competition*; Procurement is transparent, fair and consistent;
3. *Compliance with legislation*: The Constitution, CSOs and contracts align with relevant statutes and regulations including the Public Contract Regulations and Modern Slavery Act, and are regularly reviewed/updated to ensure continued compliance;
4. *Avoidance of fraud and corruption*: Procurement is visible and tightly controlled to limit potential fraud and avoid suggestion of corruption; and
5. *Delivery to quality and programme.*

The procurement strategy has considered two key areas of activity:

1. Detailed design is programmed to commence December 2022 and will build on concept design by consultants Sustrans. Detailed design will be carried out either:
    - Internally by EDS using in-house staff, staff seconded through the Professional Services Partnership Framework (see below) or a mix of both. WCC has the capability and capacity to do this work and in-house design is often the most efficient option since it gives greater control and minimises design supervision and review requirements.
    - Procured via a work package through the Professional Services Consultancy Framework (see below). Highway design is within the scope of services required of framework contractors.

    A decision on which option to progress will be made by the Project Board when the preferred concept design has been confirmed.
2. WCC will procure a contractor to deliver the construction works.

WCC can rapidly mobilise consultant support required for project development and delivery including for design, project management, contract preparation and contract supervision through:

- Work packages let via WCC's Professional Services Consultancy Framework. The current framework has ended and a replacement will start later this year. In the intervening period WCC can procure services using the Midlands Highway Alliance Professional Services Partnership framework, including via direct award. WCC's new Consultancy Framework will support direct selection of any framework consultant and award via mini competition.
- Secondment of staff using Lot 2 'Secondments' of the Midland Highway Alliance Professional Services Partnership Framework 3. Seconded staff are embedded into EDS / project teams and follow WCC's standards and processes documented in the Quality Management System with management undertaken by the appropriate EDS team.

Procurement Strategy - construction

Three potential procurement options have been identified:

1. An open procedure tender; all qualifying bidders can submit bids and qualifying bids are assessed.
2. A restricted procedure using a two-stage process; pre-qualification questionnaires to select a minimum number of bidders for the tender stage.
3. Engaging an appropriate framework, which could be:
    - The Scape National Civil Engineering and Infrastructure Framework.
    - WCC's Construction Framework for Highways and Structural Works.
    - The Midlands Highway Alliance Plus Medium Schemes Framework 4.

The preferred option is WCC's Construction Framework because relative to the other options this retains the most control, gives choice of contract, carries least risk to the overall programme and encourages price competition. The open and restricted tender options would be longer and more expensive procurement options. SCAPE is a single source contract which could result in higher cost than a competitive process and would require independent assessment of any cost estimate.

WCC's Construction Framework was renewed in January 2019 using an OJEU tendering process and has just been granted a 6 month extension, so will run until end of June 2023. This scheme will fall in a new framework period which, subject to a July 2022 Cabinet decision will be available by summer 2023 and coincides with the project programme. The renewed framework will be similar to the current version and this project will be let through the Lot for major highway, structural and civil engineering works valued above £4m.

A works package including detailed specification would be issued for tender through a mini-competition process. Submitted tenders would be assessed and the most economically advantageous compliant tender selected. The benefits of this approach include:

- Established procurement process used by WCC for over 10 years.
- Framework contractors have completed an assessment process to determine suitability, competence and experience. Financial standing is re-assessed prior to each tender opportunity.
- Pre-approval of contractors minimises the time and resource input required.
- There are currently six contractors in Lot 4 (for major projects) which encourages competition and enables price comparisons.

Selecting the Construction Framework carries risk as outlined below, but these are acceptable and are outweighed by advantages. The options will be regularly reviewed to ensure the preferred option remains valid. The preferred option will be confirmed by the Project Board in consultation with key partners at the required time within the programme and will be subject to s.151 officer approval of the Procurement Plan and Cabinet or Leader authority to start the procurement process.

The risks and mitigation measures are as follows:

1. Framework attracts limited Suppliers resulting in weak competition – mitigated through soft market testing (underway) to gauge interest and allowance for time in the programme to select an alternative procurement option.
2. Replacement framework is delayed and not available - WCC is experienced at framework tenders. The procurement programme is managed by a Project Team / Board. Timing of new framework coincides with the project programme and there is capacity to employ alternative procurement option.
3. Only framework contractors can bid, restricting opportunity to secure specialist suppliers – the current framework has major contractors with broad experience and framework tenderers area required to have public realm construction expertise.
4. Suppliers on framework do not submit bids - New framework may include tender return rates KPI with penalties for poor performance.

The Construction Framework Package Order Contract Call Off Contracts (POCOC) are let under NEC3 Option A (the new Framework is likely to be NEC4). The NEC suite of contracts is a nationally recognised standard, routinely used and understood by clients and contractors. Option A is a priced contract with an activity schedule, which relates to a programme where each activity is allocated a price and interim payments are made against the completion of each activity. The contractor largely bears the risk of carrying out the work at the agreed prices.

Risk allocation, resolution planning and disputes

The project risk register is set out in Appendix 12 and summarised in 6.3.3. The NEC contract sets out the risk allocation and a construction risk register will be prepared setting out the expected risks to the contract and will help manage risk between the contractor and WCC. To achieve a balance between risk and cost, the contract will share financial risk between WCC and the contractor. For example, the contractor will be responsible for risks arising from their working methods, WCC will take on risks for unforeseeable events such as adverse ground conditions or extreme weather events.

The Framework Contract requires contractors to hold insurances which either party can call on. WCC will hold a performance bond against the contract or a parent company guarantee. These mechanisms help mitigate WCC from the potential of claims and ensures a financial route to resolve claims or incidents which occur on site, or insolvency of the supplier.

WCC uses the NEC dispute resolution procedure to resolve disputes with the contractor which cannot be solved through initial dialogue.

Pre-market engagement/health check

Soft market testing is underway to inform the updated Construction Framework. Framework contractors have been issued a questionnaire and a roundtable discussion is planned with developers who use the framework to appoint contractors to undertake S278 highway schemes. This will give a strong indication of the health of the market and interest in the new Framework.

Net Zero and Social Value

Suppliers tendering for the framework and package orders have to demonstrate how their works will contribute to the Council's carbon reduction and Social Value targets. The new framework will include and develop the previous environmental requirements which included for example, quality assessments based on Suppliers' waste management plans and evidence of continuous improvement against carbon footprint targets. The soft market testing for the new framework asks potential Suppliers to identify how they would help WCC meet our climate obligations through innovation and/or their own climate impact reduction measures.

The new Framework will pilot WCC's new Social Value Strategy and the Framework and POCOC will include KPIs which measure social value.

6.2.2 Procurement Strategy (500)

Procurement and contractor management will be led by WCC and will follow the Council's standard corporate financial and procurement processes. The activities will be led by a dedicated and specialist Project Manager from WCC's Engineering Design Services Group's (EDS) Project & Programme Management team. EDS provides civil, structural and traffic engineering client and consultant services for the County Council's programme of transport improvements.

The Project Manager will be supported by a wider project team made up of specialist and experienced staff from EDS. The Project Team will include an NEC Project Manager appointed by WCC to oversee and administer the contract and provide the client / contractor interface. WCC will also appoint an NEC Supervisor to ensure the contractor delivers the contract according to the agreed specification. The supervisor will scrutinise the works on site and will be able to identify issues at an early stage and ensure mitigating action is taken. Additional site supervision will be carried out by the EDS Highways Team. This approach will reduce the risk to WCC.

The Project Manager and NEC Project Manager and Supervisor will be able to secure support from appropriate level in-house technical, financial, legal and procurement staff to ensure the procurement and contract management comply with WCC's internal policies, processes and procedures. They will also be able to draw on the EDS Project and Programme Team's extensive experience of delivering high profile transport schemes of varying levels of complexity and value and of managing the construction contracts relating to these. Example projects are listed in 6.3.4.

Individual staff will be appointed to the Project Manager and NEC Project Manager / Supervisor roles at the appropriate time in the programme. The Project Manager appointment is expected to be made when funding has been confirmed and the NEC Project Manager will be appointed during the procurement phase, the Supervisor prior to construction commencing. These roles will either be filled by internal staff or consultants seconded to WCC through the Professional Services Partnership Framework. The individuals selected will have the appropriate skills, experience and qualifications to successfully carry out the roles.

The contract administration will take place using CEMAR, a collaborative on-line industry standard tool designed as a resource to facilitate NEC administration and retain a document work. The Project Manager will be able to call on the additional support of appropriate level technical, legal and commercial staff.

The Council's governance processes ensure the project has senior level oversight and clear lines of responsibility for decision making. Scheme delivery will be overseen by a dedicated Project Board which will be responsible for reviewing progress and delivering the project outcomes and intended

benefits. The Board will be made up of senior managers and staff with the necessary accountability and authority to make the decisions required by the Project Manager and Project Team to enable the project to progress. The Board will also bring their significant experience of managing transport projects and contracts to this scheme.

6.2.3 Outsourcing or Sub-contracting (750)

WCC is not intending to outsource or sub-contract any other work on this bid to third parties beyond the activities described in the response to 6.2.1.; construction and potentially detailed design. WCC has the internal capability and capacity to carry out the tasks and activities required to deliver the project and has mechanisms and processes in place to quickly mobilise specialist external support should this be required.

WCC can draw on internal resources from a broad range of professional disciplines and services to support delivery of this project, including:

- Highway design
- Contract and project management
- Site supervision
- Financial and legal services
- Procurement
- Communications
- Consultation and engagement
- Ecology and archaeology
- Traffic and travel surveys
- Traffic management
- Safety engineering.

WCC can also call on the expertise and skills of partner agencies to support the delivery of the project, for example to support engagement and communication. The project is supported by the town and district councils which will facilitate collaboration on activities including street cleansing, conservation and parking management.

The Project Manager with support from the Project Team and oversight from a Project Board will have responsibility for activity planning, resourcing management and the delivery programme. This approach will ensure that any capacity or capability gaps can be identified and filled at an early planning stage to support the efficient delivery of the project.

WCC does have an identified capability gap in that it does not directly employ specialist quantity surveyors. This role can be required when changes are made to the project specification during construction and fair price changes need to be agreed with the contractor at a point where works are continuing. WCC uses its Professional Services Consultancy Framework to meet this need.

WCC is able to quickly mobilise consultant support to meet any unexpected capability or capacity gaps that may arise as project progresses.

WCC's Professional Services Consultancy Framework (outlined in 6.2.1) provides technical resources for the planning and design of highway, transport and flood risk infrastructure. Framework

Consultants are required to have the range of staff available in sufficient numbers and expertise to cover the range of skills needed to efficiently carry out the broad range of civil engineering and transport related work described in the framework. The framework contract includes conditions to ensure service quality, including:

- Quality Plans must be agreed with WCC which incorporate the Quality Statement and Quality Commitments submitted with their framework tender and which: Comply with ISO 9001; Incorporates an environmental management system consistent with ISO 14001; Includes processes for delivering continual improvement in line with ISO 9004; Has third party certification from a UKAS approved accreditation body; and Complies with good industry practice.
- Minimum qualifications and experience for consultant's staff.
- Quotes to be submitted with 10 working days.
- A performance monitoring regime including KPIs covering response times, quality outcomes and expenditure.
- A Remedies Process enables action to be taken where performance falls below an acceptable standard.

A Strategic Framework Board oversees and reviews the operation of the framework, including consultants' performance in delivering services. The framework ensures all activities are controlled through the preparation of clear Work Package briefs and the consultant's written proposals and quotations for fulling the brief.

WCC seconds specialist staff to meet workflow demands from Waterman Aspen Marchtech Group using Lot 2 'Secondments' of the Midland Highway Alliance Professional Services Partnership Framework 3. Seconded staff, whether they are required to work on design, project management or works delivery supervision, can be embedded into the Design Services Group ensuring the Councils standards and processes are followed; whilst bringing additional people with suitable skills and experience to a project.

(604 words)

6.2.4 Contractors and Suppliers (1000)

Outcomes

WCC will use the Construction Framework, works package NEC contract and its standard project and contract management and governance processes which are documented in the Quality Management System to manage the client/contractor relationship. This will ensure effective engagement, delivery to the required specification and standards, and mitigate risk. It also supports the achievement of the following outcomes which must be delivered by the procurement strategy.

- Delivery within available funding.
- Full commitment to the project.
- Delivery to programme and construction standards defined within the contract.
- Best value.
- Confidence in delivery.
- Risks reduced to as low as reasonably practicable.

- Contractor input into risk assessment / management process and delivery programme.
- Minimise disruption to businesses, residents and highway network during construction.
- Public and stakeholders are kept informed and know who to contact.

Prior to appointment to the Construction Framework potential suppliers are subject to a rigorous two stage tender process which enables WCC to undertake due diligence. A Business Questionnaire gains information on financial credentials, past performance and grounds for exclusion which is assessed. Assessed information provided by bidders at the tender stage includes:

- Approach to health and safety.
- Strategy for searching for, notifying and correcting defects.
- Statement of business continuity arrangements.
- Strategy for ensuring competence of construction site staff (including subcontractors).

WCC undertakes an additional credit check prior to contract award to confirm financial standing. A mini-competition process makes quotations more competitive and realistic and reduces the risk WCC will pay above current market values.

The volume of contracts undertaken has enabled WCC to build constructive working relationships with the limited framework contractors and provides a foundation for future projects.

Suppliers are issued a detailed works specification as part of the Package Order Call-Off Contract mini-competition information to provide clarity on the works required and delivery standards.

Construction Framework contracts are let under NEC Engineering and Construction Contract Option A. The NEC suite of contracts is a nationally recognised standard, routinely used and understood by clients and contractors. They promote partnering and collaboration and ensure works are carried out in a spirit of mutual trust and cooperation. They are also written to ensure risks are mitigated before and during construction, and that best value is achieved in delivery.

NEC Option A is a priced contract with an activity schedule, which relates to a programme where each activity is allocated a price and interim payments are made against the completion of each activity. The contractor largely bears the risk of carrying out the work at the agreed prices and programme. Change control is subject to rigorous procedures protecting both the client and contractor. The project scope, price and programme can only be changed via a compensation event. The contractor is entitled to be compensated for any compensation events that are not his fault. WCC thoroughly review compensation event claims. NEC contracts require both parties to deal with events as they arise and to notify each other of matters which could impact on time, cost and performance using an Early Warning mechanism.

WCC will appoint an NEC Project Manager to oversee and administer the construction contract and provide the client / contractor interface, and an NEC Supervisor to ensure the contractor delivers the contract according to specification. Targeted and regular site checks will be conducted to ensure adherence with the specification and that the works are free of defects.

Following contract award a client/contractor Inaugural Meeting will be held using a standard agenda. It enables key staff to meet, roles, responsibilities, and lines of communications to be clarified, to share any outstanding information, confirm inspection regimes, agree site access and health and safety issues, and agree procedures for issuing instructions.

Regular progress meetings will be held throughout the delivery phase between the Project Manager, NEC Project Manager, NEC Supervisor and Contractor to review delivery progress, preceded by the submission of the contractor's progress report.

Contract administration and contractual communications such as notifications, instructions, quotations & acceptances will be undertaken using an industry standard collaborative on-line contract event management system. This will support engagement and facilitate collaboration, for example by providing a document depository, tracking and timing contractual communications and maintenance of the contract risk register and financial reporting.

Contractors are required to hold insurances which either party can call on. In addition, WCC will hold a performance bond against the contract or a parent company guarantee. These mechanisms help mitigate WCC from the potential of claims and ensures a financial route to resolve claims or incidents which occur on site.

A collaborative approach will be taken to risk management and appraisals. The project risk register will be shared with the contractor. The contractor will provide a Construction Phase Plan which details the construction health and safety risks and control measures. The plan will be regularly and jointly reviewed and updated to reflect the changing nature of the construction site.

Comprehensive photographs will be taken pre-commencement and throughout the works to assist with the resolution of any Third Party Claims.

A certificate of completion will be issued on completion of the works. The condition of the works will continue to be monitored until the defect date to avoid repair costs falling on WCC. The contractor will be notified of any defects that arise in this period to ensure correction in accordance with the contract.

Contract work packages include KPIs which will be monitored and reported throughout the contract.

Payment mechanism

The supplier will submit an application setting out work completed which is certified by the NEC Project Manager, and payment is then made within the timings set out in the contract. The order value is raised within the County Councils accountancy software (Agresso) to control and manage the open financial liabilities of the Council through an order/invoice process. WCC Contracts at Framework and Work Package level are corporately monitored through InTend, the Council's E-tendering system.

Prompt and fair payment mechanisms will be applied though the supply chain and is covered as part of the framework contract which includes a Fair Pay Charter.

6.3 Management Case

6.3.1 Delivery Plan (1000)

A project programme is included as within the Costings and Planning Workbook (Appendix1) and the Delivery Plan (Appendix 11) are summarised below:

WDC will be in receipt of the grant funding but WCC, acting as a funding partner in its role as Highway Authority, will receive funding as a sub-grant from WDC. WDC will act in accordance with the Code of Conduct for Recipients of Government General Grants and this Code of Conduct will be communicated to WCC as recipients of the sub-grant.

The disbursement of the sub-grant will be done in accordance with subsidy controls and public procurement rules. Rather than using a grant to pay WCC for services, WDC will pass through a grant to WCC, in effect paying a grant which goes through the non-commercial procurement route. WCC will then follow their own Code of Procurement Practice (Standing orders) and the Public Contract Regulations.

WCC will manage the sub-grant and project in accordance with its corporate policies and procedures, and its embedded internal project management, governance and reporting processes and systems. This includes:

- PRINCE2 project management methodology
- The established quality control procedures and standards set out in WCC's EDS ISO9001 quality management system.
- WCC's Contract Standing Orders (CSO), the rules for buying and supplying goods, works and services.

The scheme is a key component of the WDC Infrastructure Delivery Plan and the Leamington Transformation Framework, and has been allocated Community Infrastructure Levy (CIL) funding for scheme development. WCC will be responsible for the delivery of the scheme and has delivered numerous schemes of this size and complexity. Based on this experience and with reference to DfT TAG guidance, sufficient contingency has been allowed in scheme costing.

CIL funding will allow the scheme to progress through detailed design and engagement phases during 2022 in advance of LUF decisions. This will streamline the transition to the delivery phase should funding be secured or allow alternative funding to be sourced if LUF is not allocated.

Leamington Transformation Board, which comprises WDC and Leamington Town Council and oversees the Leamington Transformation Framework of wider town improvements, has been engaged in progressing this scheme and in the preparation of this bid.

WCC has also undertaken a stakeholder engagement exercise with key stakeholders, including bus operators and Network Rail. Additionally, public consultation undertaken to support WCC's Local Walking and Cycling Improvement Plan (LCWIP) demonstrated strong support for improvements to walking and cycling infrastructure in the Bath Street area and the requirement for safer crossing facilities at Lower Avenue. Given these conversations which presented significant support, opposition to the scheme is not expected but further public engagement will be undertaken in Q4 2022/23.

WCC has approved project management, governance and risk management policies which meet all legal requirements and follow the principals of PRINCE2 project management methodology. Scheme development and delivery will be overseen by a dedicated Project Board which will be responsible for reviewing progress and delivering the project outcomes and intended benefits. The governance structure, integrating key stakeholders, is set out in the Delivery Plan.

WCC have capacity to design and deliver the project using either in-house resource or current framework partners. Three initial options for procuring a contractor have been identified as being available to WCC at the current time. These are:

- Undertaking an open procedure tender exercise.
- Undertaking a restricted procedure tender exercise.
- Engaging an appropriate framework (either SCAPE Group Civil Engineering Framework or WCC Construction Framework).

A programme is provided within Appendix 1, with construction programmed to begin in Q4 2024 and complete in Q4 2025. Key milestones are given below;

- Commence Detailed Design- Dec. 2022
- Commence Planning Approvals Process- Dec. 2022
- Commence Public Engagement- Mar. 2023
- Detailed Design Complete- May 2023
- Commence Construction Procurement- Aug. 2023
- Complete Construction Procurement and Award Contract- Dec. 2023
- Commence Construction- Jan. 2024
- Complete Construction- Feb. 2025

All land required to deliver the Bath Street/Lower Avenue/High Street improvements is highway maintainable at public expense and under the control of WCC as Highway Authority. Upon completion of the scheme, operational maintenance will continue to fall in the existing highway maintenance regime.

Land required to deliver the Transport Hub element of the proposed scheme is under the control of Warwick District Council. This will be transferred to WCC for delivery of the scheme and future maintenance. The land required for the High-line element is privately owned and negotiations for land exchange will be sought by WCC at an early stage. Details of land ownership are included in Appendix 10.

Pre-application discussions will be entered into between WDC, as the Local Planning Authority, and WCC following submission of this bid to streamline submission of the requisite applications for planning consent. Submission of a planning application will be followed by a 21-day consultation period and, subject to no objections, will be reported to Regulatory Committee for determination.

Traffic Regulatory Orders required by the scheme, for example to create one-way and bus-only streets, will be processed by the County Council's Highways Minor Works team. Further work will be carried out by the scheme designers and the Highways Minor Works team to ensure all required orders have been identified. The County Council's process for TROs takes no longer than six months to complete, even in the case of receiving objections. The Portfolio Holder for Transport and Planning has responsibility for approving TROs.

A thorough Monitoring and Evaluation Plan will be implemented by the Project Manager with the oversight of the Project Board and with input from the Transport Planning (Modelling & Monitoring) Team at WCC.

Monitoring will be undertaken during project delivery, including the construction phase to ensure milestones and cost remain on track. The results of this will be disseminated via Project Board to relevant stakeholders during delivery of the project.

Monitoring will be conducted at one and five years post-completion to demonstrate the extent to which scheme objectives are met. This provides an opportunity for lessons learnt to be built into future investment decisions and to support the delivery of high value for money schemes which meet their intended outcomes.

(995 words)

6.3.2 Start in 2022/23 (250)

WCC has been actively progressing the project during 2022/23 ahead of the bid submission, using funding acquired via the Community Infrastructure Levy (CIL) This work will continue following the bid submission, utilising further CIL funding, to ensure that the project can smoothly transition into

the delivery phase should the bid be successful, and funding be awarded as set out in the delivery programme. Activities programmed in 2022/23 are summarised below.

Q2 2022/23

1. Topographic surveys and utility searches scheduled to take place
2. Concept Design development

Q32022/23

1. Completion of feasibility design and cost estimate review
2. Road Safety Audits

Q4 2022/23

1. Detailed design work to commence
2. Public engagement to commence
3. Submission of planning applications

(118 words)

6.3.3 Risk Assessment (500)

The current project risk register (updated June 2022) is provided in Appendix 12. The key risks identified at this stage are set out below.

Delivery risk	Risk description	Likelihood (H/M/L)	Impact (H/M/L)	Mitigation
1	Complex legal processes delay progression of scheme, e.g. TROs, land purchase/dedication	L	M	• Early engagement with stakeholders, land owners and relevant bodies to streamline process
2	Insufficient funds to deliver scheme.	M	H	• Submission of a high standard bid to secure required funding for scheme delivery.
3	Scheme costs exceed funding – due to market forces such as inflation, cost of materials etc.	L	H	• Detailed cost estimate produced independently and reviewed by WCC. • Estimate includes appropriate contingency and Optimism Bias. • Project Board approval for any cost changes or change of scope

4	Public / stakeholder objection	L	M	• Initial concept has broad stakeholder and political support. • Regular communication to be maintained with stakeholders / public throughout duration of project plan. Adhere to Stakeholder Management and Communications Plan to minimise public concerns. • Scheme engagement / consultation. • Review design.

The County Council will use its established risk management principles as set out in its Corporate Risk Management Framework to manage the project risk and ensure all key risks are identified, understood, and proactively managed, rather than avoided. The Framework sets out risk management responsibilities, which when coupled with the Council's project governance arrangements, ensures risk management is firmly embedded in projects with a clear understanding of individual roles.

Risk identification and assessment

- A standard Risk Register format has been used to record, assess and prioritise all identified risks. This will be a live document with new risks added when identified. A risk owner with the accountability and authority to manage the risk will be recorded against each risk to ensure ownership is documented and recognised. Actions to manage the risk are recorded.
- Risks were identified through a risk workshop with colleagues from WCC and the TCSP. This workshop allowed different stakeholders to collaborate in the risk assessment process.

Risk reviewing:

- The Risk Register will be reviewed on an ongoing basis by the Project Manager supported by the Project Team and design and construction contractors to ensure prompt appropriate action to reduce the likelihood and / or impact of risks. Risk will be a standing item on project team and board meeting agendas.
- Regular risk reports will be provided to the Project Board and form part of progress reports to the Council's Corporate and Major Schemes Boards, ensuring senior managers and members are aware of the risks and mitigation actions and able to input into risk management.
- In addition to the regular reporting tasks, risk reviews will be carried out ahead of any major gateways / following any significant changes to the project.

Risk responsibilities.

- Overall responsibility for risk management will be owned by the Project Board with the day-to-day management of risk managed by the Project Manager.
- Any risks which cannot be resolved by the project team will follow a standard escalation process.

6.3.4 Project Team (750)

WCC will establish a Project Team, led by a dedicated Project Manager to oversee the delivery of the project within the time and budgetary constraints. The core Project Team will comprise suitably qualified and experienced specialist staff primarily from the WCC's Engineering Design Services Group (EDS) which provides civil, structural and traffic engineering client and consultant services for the County Council's programme of transport improvements. Its staff base consists of a combination

of WCC employees and consultants seconded into the Group through the Professional Service Partnership Framework. This contract can be used to secure any additional staff resources required to support project delivery. Seconded staff are embedded into the County Council's Engineering Design Services Group, ensuring the Council's standards and processes are followed. The project will follow industry standard project and contract management processes and tools ensuring an approach all staff will be familiar with.

Roles on the Project Team will vary according to the stage of the project, however core roles will be:

Project Manager: Specialist project manager from the EDS Project & Programme Management Team which has extensive experience of leading the delivery of highway and wider transport schemes.

Lead Design Engineer: The detailed design will either be carried out internally by the EDS Highways Team which has extensive design experience, or externally by contracted consultants.

EDS Highways Engineer: Regardless of whether the detailed design is undertaken internally or externally, a principal or more senior level engineer from the EDS Highways Team will form part of the core project team to oversee design and ensure the Council's technical standards are adhered to. The Highways Team will also have a close input during the construction phase, working closely with the contractor to ensure required standards are met.

NEC Project Manager: Based in EDS, the NEC Project Manager will oversee and administer the construction contract and provide the client / contractor interface.

NEC Supervisor: Based in EDS, the NEC Supervisor will ensure the contractor is delivering the contract in line with the agreed specification.

Communications Officer: A communications officer will be appointed to the project team from the Council's Marketing and Communications team and will work with the Project Manager to prepare and deliver the Stakeholder Management and Communications Plan.

Additional resources;

The Council will supplement this team as required to meet the ongoing project and programme demands from a wider pool of internal technical and support staff or via the Professional Service Partnership Framework. Where more than ad-hoc input is required from wider internal staff, Service Level Agreements will be used to clearly define the staff inputs and workflow outputs required.

Examples are listed of relevant projects and schemes delivered by EDS and demonstrate WCCs extensive experience and proven track record of delivering complex transport and public realm improvement schemes in sensitive settings. WCC's rigorous approach to project management will ensure the project team benefits from the experience and lessons learnt from WCC's ongoing programme of transport schemes.

Warwick Town Centre:

- £5m phased package of measures within the historic town centre.
- Designed in-house, the scheme combines public realm and traffic management enhancements with improved facilities for pedestrians, cyclists, and bus users.
- Initial completed work includes Northgate, carriageway narrowing and provision of shared use footway/cycleway on Priory Road and the introduction of a 20mph speed limit across the town.

A444 Coton Arches, Nuneaton:

- £3.7m gateway scheme completed in 2019.
- Designed to improve traffic flow through signalisation and capacity improvements, and to enhance pedestrian/cyclist movement;
- First in series of highways projects that form county and district led '*Transforming Nuneaton'* project aiming to transform the town centre with mixed-use regeneration.

Leamington Station forecourt redevelopment:

- £2m partnership project overseen by WCC with elements delivered by Network Rail, Chiltern Railways and Warwick District Council - completion summer 2022
- Includes improved facilities and public realm spaces for pedestrians and cyclists, improved bus/taxi connectivity and facilities, resurfacing of forecourt, provision of cycle hub and improved wayfinding and lighting.

Other major schemes include:

- A46 Stoneleigh Junction Improvement Scheme (in construction) - £38m scheme providing a signalised gyratory and involving the delivery of new / extended slip roads and a new bridge to the east of the existing junction, alongside improvements pedestrians and cyclists.
- A46 Stanks Island/Birmingham Road Improvement Scheme on the northern edge of Warwick – £6m scheme to improve traffic flow and pedestrian/cycle facilities, and resolve safety concerns.
- Rugby Western Relief Road - £66m scheme, completed in Sep-2010.
- Warwick Bus Station; £0.831m, completed in 2009

6.3.5 Governance and assurance procedures (750)

WDC will be in receipt of the grant funding but WCC, acting as a funding partner in its role as Highway Authority, will receive £10m funding through a sub-grant. WDC will act in accordance with the Code of Conduct for Recipients of Government General Grants and the disbursement of the sub-grant will be done in accordance with subsidy controls and public procurement rules. Controls will be implemented to adequately manage the onward disbursement of the grant to WCC as set-out in the appended Delivery Plan.

WCC will manage the sub-grant and project in accordance with its own Code of Procurement Practice (Standing orders), Public Contract Regulations and procedures, and its embedded internal project management, governance and reporting processes and systems. This includes:

- PRINCE2 project management methodology
- The established quality control procedures and standards set out in WCC's EDS ISO9001 quality management system.
- WCC's Contract Standing Orders (CSO), the rules for buying and supplying goods, works and services.

This approach provides a logical, robust and repeatable decision-making framework and governance process for projects with clear lines of accountability and responsibility, ensuring that the project is subject to rigorous scrutiny and controls covering for example, financial regulations, procurement, contract management and information management.

WCC's CSOs sets clear decision-making authority and approval requirements and requires the input of procurement and legal specialists into the procurement process. It also sets out rules for ensuring the requirements of the Public Services (Social Value) Act 2012 are met and provides anti-corruption clauses for inclusion into all contracts.

The Council also has clear policies, procedures and controls in place to ensure staff understand their responsibilities and the standards they should adhere to. These cover for example, personal interests, fraud, the acceptance of gifts and hospitalities, data protection & information compliance and financial responsibilities and include a Code of Conduct.

The project governance structure and roles for this project are summarised in an organogram in the Project Delivery Plan (APPENDIX 11).

Scheme development and delivery will be overseen by a dedicated Project Board, of senior managers and officers with the necessary accountability and authority, which will be responsible for reviewing progress and delivering the project outcomes and intended benefits. The Project Executive, who will be the Lead Commissioner for Regeneration and Place Shaping, will have overall responsibility for ensuring the project is delivering the objectives and outputs within the budgetary and programme constraints of the project. A Project Team with clearly defined roles and responsibilities will be established to deliver the project and will be led by a dedicated Project Manager.

Higher level internal scrutiny, accountability and decision-making support will be provided by the Chief Executive, Strategic Directors and senior Elected Members via Corporate Board, Major Schemes Board and the Council's decision making processes as set out in the Council's Constitution.. The project will also utilise WCC's internal Project Management Toolkit. The toolkit contains a suite of project management tools for reporting project progress and requires regular highlight reports used by senior managers to review risk.

Members of these boards will report on progress of the scheme to the Leamington Transformation Board, which oversees wider improvements to the Leamington Spa area, and feedback to Project Board on how these proposals will interact with wider schemes. This will establish a dialogue between the project team and three tiers of local government from County Council, to District and Town Councils

The following decisions will be required by the relevant delegated authority as set out in the WCCs Constitution and Contract Stranding Orders to enable the project to progress and provide a further level of scrutiny and assurance:

1. Approval to consult on the project proposals – Portfolio Holder
2. Note the outcomes of the formal consultation and approve progression to detail design with consideration given to the consultation feedback – Cabinet
3. Major contract authority and approvals:
    a. Approval of procurement plan – s.151 officer
    b. Authority to start procurement process – Cabinet or leader
    c. Approval of contract terms – Monitoring officer
    d. Approval to issue the construction tender and award the contract – Delegated to strategic director
    e. Contract signing – Monitoring officer
4. Approval to make Statutory Orders – Portfolio Holder for Transport and Planning.

Should project changes be required, to alter the scope of the scheme to remain within budget, or to request approval to increase or reduce the budget, these would be presented to the Project Board for decision/recommendation and would be presented to Cabinet for decision as required.

6.3.6 Future Maintenance (750)

The primary future operational costs associated with a large part of the project relate to ongoing highway maintenance and street cleaning services. The project is updating an existing highway asset at Bath Street, Lower Avenue, High Street and connecting streets and is not therefore expected to create anything more than a minimal additional financial burden on the local Councils.

WCC as the Highway Authority will own the asset and manage it as part of its ongoing highway maintenance programme. WCC will work with its Highway Maintenance Contractor (HMC) to deliver maintenance including cyclical inspections and repairs to the road surfaces and footways, and maintenance of lines and signs and street lighting.

The site of the proposed Transport Hub is the Bath Place Car Park, which is in the ownership and control of WDC. This will be transferred to WCC and operational maintenance of the facility will be charged to the highway maintenance programme, along with the proposed High-line element of the scheme, which will be owned as a WCC structure.

WCC will seek, through continued negotiation with bus operators, to apply a departure charge to operators. Such a system is in place at Warwick Bus Station whereby bus operators pay a £0.20 departure charge to utilise the site which generates approximately £15,000 per annum in revenue for the County Council. This is used to meet the annual costs of site maintenance and business rates covering the site operation.

In the short term, the scheme can be expected to reduce highway maintenance costs in the project area as the newly laid surfaces and materials will have a significant lifespan before notable repairs or remedial works are required. In addition, high quality materials have been specified which are sympathetic to the historic environment but durable and hardwearing which should minimise maintenance requirements. Furthermore, the carriageway area and volume of traffic will lessen which should reduce the level of wear and maintenance requirement. It is acknowledged that longer term the use of the specified natural stone kerbs and footways will increase repair and replacement costs over traditional lower cost concrete materials. Purchasing such materials in small volumes attracts higher unit costs and can have lengthy order times requiring unsightly temporary repairs which detract from the overall appearance of an area. Consideration will therefore be given to purchasing and storing a stock of kerb and paving stones for future use.

Warwick District Council will continue to have responsibility for litter picking and street, gutter and pavement sweeping and in the town centre and will continue to fund this as part of their routine cleansing work.

6.3.7 Monitoring and Evaluation arrangements (1000)

Monitoring Baseline

The Monitoring Baseline uses data from AI Sensor 22 to the north of Bath Street, and output data from Warwick District Council Air Quality Management Area. Maps and a sample of raw data are provided in Appendix 15.

- Pedestrian flow: 6,072 regular weekday, 7,565 Saturday (June 2022);
- Cycle flow: 363 regular weekday, 301 Saturday (June 2022);
- Private motorised vehicle flow: 11,262 regular weekday, 11,046 Saturday (June 2022);
- Pollution: NO_2: 10,530,08.6 µg/m^3; $PM_{2.5}$ 550,745.7 µg/m^3 (2024 forecasted);
- Rejected car-free planning applications: 2;
- Patronage: 2,790 users on a weekday on High St bus stop (Stagecoach + National Express June 2022).

Inputs

Financial Resources:

- LUF: £12,398,611
- Local Funding Contribution - CIL: £ £3,511,290 and WDC Land Contribution: £820,000 (Property Cost Estimate Appendix 10, adjusted for inflation)

Staff Resources:

Warwick District Council and Warwickshire County Council working with expert consultants and officers including highly specialised teams for Air Quality, Transport Planning, Traffic Microsimulation Modelling, Civil Engineers, Town Planning, Place Making, Public Transport Operators and Specialists, and Legal Advisors.

Partner Organisations:

- Warwick District Council
- Warwickshire County Council
- Leamington Town Council
- Leamington Transformation Board
- Strategic Partnerships
- Public Transport Operators
- Local Elected Members

Collected Data

- Pedestrian and Cycle Flows from AI Sensors
- Air Quality Diffusion Tubes
- Traffic Data Set from AI Sensors
- Public Transport Patronage

Outputs

The outputs will be monitored by the Project Management team.

- **Transport nodes with new multimodal connection points:** The provision of a new Transport Hub which will provide 3 dedicated off-road bus stops with a link to the existing railway station.

- **Public transport improvements:** new transport hub with dedicated facilities for users at the existing Warwick District Council Carpark on Bath Place, a bus lane from the front of the railway station to Bath Street, Bath Street to be converted into Bus Only for most of its length to not allow other vehicles to drive through.
- **New and improved cycle ways:** The provision of a segregated cycle lane on Bath St that will connect to the existing infrastructure to the north of Victoria Bridge, a dedicated two-way cycle lane on Spencer Street from the existing National Cycle Route 41 to Bath Street, and dedicated cycle crossings at conflicting junctions.
- **New and improved pedestrian paths:** The reallocation of space on Bath Street, High Street and Bath Place will allow to increase the size of the pavements on those streets. A new pedestrian link will be provided on Lower Avenue from High Street to Spencer Street passing under the arches and connecting to the Transport Hub. A new "Highline" style link with accessible infrastructure will be provided to link the Transport Hub and the existing footpath west of Lower Avenue.
- **Roads converted to pedestrian and cycling ways:** Smith Street will be pedestrianised to provide a pedestrian connection between Bath Street and the Transport Hub.
- **Resurfaced/ improved roads:** Lower Avenue will be widened to allocate 2 lanes.
- **Alternative fuel charging/ re-fuelling points:** The Transport Hub will include Bus EV chargers which will mainly benefit smaller bus operators which may not have a dedicated charging facility.
- **Public amenities/ facilities created:** The project includes provision of public toilets under the existing railway archers.
- **Retail space improved:** Bath Street is a designated retail street in Leamington Old Town, which currently allocates 2 lanes in one direction. The reallocation of space including the provision of a cycle lane, a bus lane and increase of the size of the footways will revitalise this highly polluted area. The project also includes the improvements of the area in the existing retail space under the arches.
- **Dilapidated buildings improved:** The old railway arches will have a better accessibility and the inclusion of the transport hub next to it.
- **Public realm created and improved:** The provision of the Highline will include a linear park on the top of the existing railway archers.

Outcomes

The pedestrian, cycling and vehicular flow counts and classifications will be monitored using one existing AI sensor and 11 additional sensors to be located at the main junctions and (reference to AI Sensors map). Air Quality data will be collected using existing or new AQ Monitors within the AQMA. Patronage and vehicle fleet data will be requested to the transport operators. Additional surveys and analysis report will be conducted for the purpose of evaluating the outcomes.

- **Increased cycle flow:** The project expects a 35% increase of cycle flows in the area in the next 5 years after the delivery of the project. This will be monitored using AI Sensors which can count and classify vehicles and pedestrian flows.

- **Increased pedestrian flow:** The project expects a 35% increase of cycle flows in the area in the next 5 years after the delivery of the project. This will be monitored using AI Sensors which can count and classify vehicles and pedestrian flows.
- **Increase in passenger numbers:** The project expects a 5% increase in patronage for buses in the next 5 years after the delivery of the project. This will be monitored using the Stagecoach and National Express Patronage Data for the area.
- **Increase in bus operators Electric Vehicle take-up:** The project expects 100% of bus operators to switch to EV buses. This will be monitored with the operator's fleet data.
- **Reduction of private motorised vehicle flow:** The project expects a reduction of 10% of motorised vehicle flow in the Old Town. This will be monitored using AI Sensors which can count and classify vehicles and pedestrian flows.
- **Improvements in passenger experience/ satisfaction:** The project aim to improve public transport users' comfort by delivering a dedicated transport hub with public facilities and connectivity with the railway station. Surveys will be conducted to public transport users after the delivery of the transport hub.

Impacts

- **Mode shift:** The project aims to have a 10% of mode shift from private motorised vehicles to more sustainable means (walking, cycling and public transport). A correlation analysis will be conducted based on the outcomes for increase on cycle, pedestrians and public transport users and decrease of private motorised vehicle users.
- **Improvements in air quality:** The project aims to reduce Nitrogen Oxides (NOx) by 7.8% and Particular Matter (PM2.5) by 1.9% within the Air Quality Management Area. Annual AQ reports are reviewed yearly.
- **Increase in footfall:** The increase on pedestrians and cyclist in the area aims to increase the footfall for the business. A correlation analysis will be conducted based on the total increase of pedestrian and cycle flows in the retail areas and increase on average retail rents and decrease of vacancies.
- **Improvement in the perception of place:** The improvement to the area aims to improve the current perception of the place. A correlation analysis will be conducted based on the total increase of pedestrian and cycle flows in the retail areas and increase on average retail rents and decrease of vacancies.
- **Increase of approved car-free developments:** The provision of alternative means of transport will allow Warwick District Council and Warwickshire County Council to approve new car-free developments. A report of the new car-free developments in the area will be provided after 10 years of the delivery of the project.

7 Declarations

7.1 SRO declarations

Complete

7.2 CFO Declarations

Complete

7.3 Data Protection

Complete

7.4 Public version of bid

To be published on www.warwickdc.gov.uk

List of appendices

No.	Title
1	Costings and Planning Workbook
2	Pro forma 1 – Warwickshire County Council
3	GIS
4	Drawings / plans
5	Evidence of stakeholder engagement (Letters of Support)
6	Option Assessment Report
7	Economic Case Methodology Note
8	Appraisal Summary Table
9	Other technical reports informing the economic case
10	Match funding confirmation and land valuation
11	Delivery Plan
12	Risk Register
13	SRO declaration
14	CFO declaration
15	Monitoring information
16	Theory of Change diagram
17	Equality Impact Assessment
18	Road Space Distribution Review
19	Pro forma 6 – MP Support