

Paper A

Heart of South West
Local Transport Board

Major Scheme Business Case
Summary Report for Programme
Entry

Plymouth Railway Station

December 2017

SCHEME SUMMARY

Scheme Name	Plymouth Railway Station	Date	10 December 2017
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Scheme

Scheme Description

Introduction

Plymouth Station is the busiest railway station in the Heart of the South West area. Operating with six platforms, the station has around 2.5 million passenger movements a year, with forecast long term growth of 4% per annum, equating to an additional 1 million passenger movements over the next 10 years. The station currently experiences capacity problems at peak times and the number of passenger movements is forecast to double over the next 25 years.

As a strategic transport interchange for the city and region, the current facilities are insufficient for current and future levels of demand. The station precinct has not undergone any major redevelopment since the 1960s, resulting in inadequate vehicle and pedestrian access, poor circulation around the station, limited parking and limited potential to promote sustainable transport. As well as being an important transport hub serving the city of Plymouth, the station precinct acts as a gateway to the city and its dated appearance presents a poor first impression to visitors.

The scheme comprises the redevelopment of the station precinct to provide a significantly improved gateway to the city including a new public square in front of the station, extensive public realm works, reconfigured access arrangements,, improved connections to the rest of the city centre, relocated and improved parking facilities.

It also includes the creation of development plots for a hotel, commercial floor-space and a University of Plymouth faculty in a landmark building at the top of Armada Way. The scheme as a whole will transform the station precinct and improve accessibility, capacity and visitor experience. It will position the station as a quality transport gateway for Plymouth and the Heart of the South West area.

The existing layout is shown in Appendix 1. The photographs below show the existing station entrance with the multi-storey car park located opposite the entrance, contributing to the poor impression of Plymouth for visitors.

Figure 1 View looking west with station entrance on right and existing car park on left



Figure 2 View looking east with existing car park on right and Inter City House behind station entrance



The proposed masterplan for the scheme is provided as Appendix 2 and a visualisation of the proposed scheme is shown in Figure 3 below. The scheme elements are listed in the table below.

Element	Description	Additional notes
Existing multi-storey car park demolished	Parking provision to be relocated to less prominent location	Creates space for new public square in front of the station
New public square	Improved gateway to the city	Enables better pedestrian flow into and out of the station
Commercial block (Plot 7)	Development site created for new retail space on south side of new public square	Encloses the station space, screens the steep slope to the south and widens the retail offer at the station
Direct pedestrian and cycle link	Creation of new link from station to the top of Armada Way between commercial block (plot 7) and University of Plymouth building plot	Creates much more direct and legible route from station building to the city centre between new land uses. Reduces need for pedestrians and cyclists to route via the heavily trafficked Saltash Road
University of Plymouth Building Plot	Development site created for university faculty to sit at the top of Armada Way between station access road and new pedestrian and cycle link	Landmark structure to give the station visible presence from the rest of the city centre. Helps to create active mixed use city quarter and make more efficient use of land at strategic city centre location
Demolition of RISC Building and Staff Accommodation Block	Existing railway operational buildings east of station building demolished	Enables the construction of new multi-storey car park
New multi-storey car park	New building built to modern standards and vehicle space requirements in a less prominent position to the east of the station	Enables the existing multi-storey car park to be demolished. Retains parking on-site.
Intercity House	Existing structure demolished to slab level	Eliminates poor quality vacant office space
Hotel	Development site created for hotel on the plot between the station building and Saltash Road	Hotel will occupy prominent location visible from the main road, raising the profile of the station to passers-by
Reconfigured access	Two-way vehicular access introduced from the east	Removes majority of vehicle movements which currently pass in front of the station
Public realm works	Substantially enhanced public realm	Improves visitors' impression of city gateway
Permanent Modular Accommodation	Replacement buildings for railway operations	

Figure 3 Aerial view of proposed master plan for station area



Contribution to economic growth:

Plymouth is the major city of the far south west, with a population of 258,000 people, over twice the size of the next largest city (Exeter, which has a population of 119,397), and second only in size to Bristol.

Plymouth has a radical growth agenda, driven by its ambition to become one of the most vibrant waterfront cities in Europe where an outstanding quality of life is enjoyed by all. The city is on a course to increase its population, through economic growth, by over 20 percent. This would see the population grow by 50,000 to 300,000 by 2034. Significant expansion of the city centre is expected both in terms of its retail and employment offer and its resident population. Building for future growth in the city centre is a key policy in the Plymouth & South West Devon Joint Local Plan¹, which covers the period from 2014 to 2034.

The Joint Local Plan identifies the City Centre and Waterfront, including the railway station, as one of three growth areas for the city. The City Centre's role as a regional centre for shopping, employment, leisure, a university centre, a strategic transport hub and a sustainable community in its own right is to be established and reinforced. New residential-led mixed-use developments are to be provided and the City centre is to be renewed and enhanced and would include major new developments.

Plymouth Station is the main railway station for the city and therefore plays a key role in enabling it to function successfully. Therefore the redevelopment of the station precinct supports the planned growth of Plymouth and the City Vision to become one of Europe's most vibrant waterfront cities.

The scheme will:

- Provide a transformative gateway to the city and transport interchange, enhancing the attractiveness of the city as a place to live, do business and visit;
- Help to accommodate increased rail travel demand, thereby supporting sustainable economic growth;

- Enable 32,000sqm of mixed use employment, commercial and university floor-space, on newly created development plots in an identified strategic growth area;
- Create 450 full time equivalent (FTE) jobs and offer 3,159 training places; and
- Support the Joint Local Plan ambitions to grow Plymouth's population to 300,000 and create 18,600 new jobs by 2031; and
- Support the growth of the University of Plymouth.

The scheme will support the strategically significant Mayflower 400 celebrations, to be held in the city in 2020. These are expected to generate large numbers of additional visitors to the city and region, which will in turn create additional jobs and income. The impacts of Mayflower 400 are estimated to create 5,407 FTE jobs and £256m gross value added (GVA) for Plymouth; 8,110 FTE jobs and £384 GVA for the travel to work area; and 10,000 FTE jobs and £0.5bn for the UK.

It should be noted that these outputs are not dependent on the proposed scheme and may be temporary in nature. However, the celebrations will leave a lasting impact on visitors' perception of Plymouth as a city capable of delivering such an event, and a transformed station creating a welcoming and safe transport gateway will create positive first and last impressions in the minds of a large cohort of visitors. This will encourage repeat visits and for the good experience to be communicated to others. The advent of social media has allowed good and bad impressions to be fed back to the wider population with unparalleled ease and in a lasting manner. As such a redeveloped Plymouth Station would exploit an opportunity to create a lasting positive impression of the city.

Conversely, the implications of inadequate transport infrastructure would be a legacy of visitors with a poor view of Plymouth as a welcoming visitor city.

How the scheme interacts with existing infrastructure and other planned investments

The scheme will support wider planned investment in the City Centre and Waterfront Growth Area that will enable Plymouth's city centre to become a sustainable city centre neighbourhood which is a vibrant and thriving regional destination. The scheme will deliver vital improvements to the urban realm between the station and the city centre and better integrate the station with the rest of the city centre. The project fits with other proposals to improve the urban realm of the city centre including the £27m Better Places Plymouth investment framework, a project to transform Plymouth into one of Europe's most distinctive and vibrant cities by re-establishing people and place at its heart.

The scheme would support a number of rail investments including:

- The Cornwall Rail Upgrade Package, which includes improved mainline signalling capability to enable stations in Cornwall to be connected to Plymouth by two trains an hour from December 2018;
- Introduction of new bi-mode (electro-diesel) high-speed trains (AT300), giving journey time reductions of 6 minutes on the journey from Paddington to Plymouth and increasing seating capacity by 24%;
- Cascading of train fleets to replace the Class 143 ('Pacer') units currently used on local services;
- Introduction of 4 carriage InterCity 125 trains on the Plymouth – Penzance route with power doors, modern toilets and facilities for passengers with disabilities;
- A regular hourly service from London to Exeter and Plymouth and a two- hourly service to Penzance;
- Earlier morning rail arrivals into Plymouth direct from London and Birmingham;
- Reclassification of Plymouth Station to Regional Hub status;
- Plans to reopen to Bere Alston to Tavistock Railway, with the intention to deliver an hourly service in each direction, with a forecast journey time to Plymouth of 28-33 minutes, offering an alternative route into the city and minimising the number of private vehicle trips generated by new development in Tavistock; and
- Plymouth Metro, the development of a local 'metro' rail system with improved service frequencies on the local rail network from Liskeard, Bere Alston and Newton Abbot.

Many of the committed rail investments are outlined in the Great Western Franchise Consultation issued in November 2017. The scheme also supports the wider rail investment picture as outlined in '*Closing The Gap – The South West Peninsula Strategic Rail Blueprint*', published by the Peninsula Rail Task Force in November 2016, setting out the improvements being sought for the South West peninsula.

Current problems

Plymouth station has not undergone major redevelopment since the 1960s. As a transport interchange the station is insufficient to address current and future peak demand (in terms of ticket barrier throughput capacity), which has seen passenger footfall grow by 4% per annum since 2004. Passenger numbers are forecast to continue growing at this rate over the next 10 years in response to key drivers, including planned rail service improvements and population growth in the city. The station car park no longer has the capacity or space for the number and size of vehicles using it, and the retail offer and adjacent office space provided at the station is poor when considering the passenger numbers at the station and in comparison to other central stations across the country.

As a gateway to the city, the station and surrounding area environment provides a very poor first impression and does not project the image of a growing and thriving city. The 1970s design multi-storey car park located opposite the station entrance not only projects a poor first impression of the city to visitors but provides a direct barrier to pedestrian movements between the station and the city centre.

In summary, the problems associated with the existing station include:

- Plymouth station precinct has seen chronic under-investment resulting in a poor quality interchange and poor impression of the city to visitors;
- Insufficient station capacity to accommodate future rail demand growth and poor station facilities;
- The station is geographically close to the rest of the city centre but is separated from it by poor connections, particularly for pedestrians;
- The combination of an outdated multi-storey car park design and the larger size of modern cars means the access to parking spaces is becoming increasingly difficult and deterring use of the car park;
- The area around the railway station is currently under-utilised – the area is dominated by the low-rise multi storey car park and vacant and or under-used buildings. Retail provision is limited compared to stations serving similar major cities; and
- Despite a strategic location, the current layout does not enable modern employment floor-space to be created to enable businesses to relocate or expand or the university to grow.

The impact of not changing would be that the existing station layout and facilities would not address the growing demand for rail travel to Plymouth. This in turn will not provide the urgently needed new gateway transport hub for a growing city, particularly in advance of Mayflower 400 in 2020; which would impact on the predicted economic benefits of such events for the city. The opportunities for transformative redevelopment into a vibrant mixed-use city quarter with improved links to the city centre would also be lost.

Scheme Objectives

Aims of scheme

The aims of the scheme are to create a substantially enhanced gateway to the city, with improved connectivity to the rest of the city and to enable the creation of a new, vibrant, city centre quarter, with a mix of land uses, to boost the city and regional economy. The proposed masterplan is shown in the Introduction.

Objectives

Based on the problems identified above, the following objectives have been identified:

- Provide a station that is able to cope with future rail passenger demand;
- Create high quality gateway station for the city and region;
- Improve the pedestrian environment around the station, including on routes towards key destinations;
- Increase the quantity and improve the quality of car parking for station users; and
- Create space for a new mixed-use city quarter, with commercial, and employment floor-space, including university campus.

Scheme Outputs

Project Scope

The project includes the following elements:

- Existing multi-storey car park demolished;
- New public square created outside station entrance;
- Development site created for commercial uses south of new public square due to demolition of existing car park;
- Direct pedestrian and cycle link to Armada Way;
- Improved car parking, bus and taxi facilities;
- University of Plymouth faculty building plot of approximately 10,000sqm;
- RISC Building and Staff Accommodation Block demolished;
- New multi-storey car park relocated east of the station;
- A long-term solution provided for Intercity House;
- Development site created for new hotel to the west of station;
- Reconfigured access and public realm works; and
- Permanent modular accommodation for railway operations.

It will achieve the following outcomes:

- Increased GVA of £21m (over 30 years);
- Create 450 FTE direct jobs;
- 3,159 training places offered;
- Over next 10 years it will:
 - Enable the development of 32,000sqm of new mixed-use floorspace;
 - Address station passenger capacity issues; and
 - Achieve carbon savings due to increased use of public transport.

Also, as a major transport hub the project will provide infrastructure to support the ambitious wider growth agenda of Plymouth and its economic hinterland, (with at least 19,000 new homes and 93,000sqm of B1a offices proposed for the Plymouth Policy Area by 2034 in the Joint Local Plan).

Local Transport Board

FINANCIAL SUMMARY

Main Expenditure Items £m	FY 16/17	FY 17/18	FY 18/19	FY19/20	FY20/21	FY21/22	Total
Scheme development and Project management	0.175	0.525					0.700
Marketing					0.100		0.100
Demolition of RISC building			0.100				0.100
Staff Accommodation Block		0.500	1.500				2.000
Demolition of Multi-Storey Car Park/ Adaptation			0.200		0.100		0.300
Build New Car Park				9.750	3.250		13.000
Public Realm				1.140	0.760		1.900
Demolition of Intercity House					3.000	3.000	6.000
Station Improvement Works				0.500	0.500		1.000
Stuart Road Car Park Acquisition		0.580	0.010	0.010			0.600
Demolition of Transport Police Building					0.100		0.100
Contingency		0.300	0.250	0.300	0.050		0.900
Total Cost	0.175	1.905	2.060	11.700	7.800	3.000	26.700

Scheme Funding

Funding Source	Funding Amount (£m)
Total Local Contribution (Secured)	£1.390
Total Local Contribution (Unsecured – see below)	£20.410
LTB Requirement	£4.900
TOTAL	£26.700

Funding is to be provided from a range of sources. A Business Case will be presented to the Plymouth City Council Cabinet in December 2017 for approval broadly as set out in the table below. All funding is secured at this stage except for Plymouth City Council corporate borrowing and corporate recoverable borrowing.

Funding Source	Amount
One Public Estate Revenue funding (currently funding GRIP Stages 1 – 4)	£0.700m
Growth Deal 3 Heart of the South West Local Economic Partnership	£4.900m
Growth Deal 3 Cornwall & Isles of Scilly Local Economic Partnership	£0.500m
Plymouth City Council corporate borrowing	£5.000m
Plymouth City Council corporate recoverable borrowing	£15.410m
Network Rail	£0.150m
Great Western Railway	£0.030m
Other organisations (inc. University of Plymouth)	£0.010m
TOTAL	£26.700m

It is envisaged that Great Western Railway will enter into a Payment Deed with Plymouth City Council, backed by the Department for Transport, for the release of surplus car parking revenue to repay the Council's Capital Corporate Recoverable Borrowings over a 30-year term.

Match funding will be provided by Plymouth City Council, Network Rail, Great Western Railway, University of Plymouth and organisations developing individual plots, depending on the delivery plan for each phase. Various funding options are currently being investigated and include borrowing, other funding streams available to franchise holders, and contributions arising out of land disposals. Additionally funding has been made available from Phases 3, 4 and 5 of the One Public Estate Programme – administered from the Cabinet Office and Local Government Association. The final funding arrangement is expected to be clarified once the master planning exercise has been concluded.

Plymouth City Council understands that Local Economic Partnership funding is usually paid in arrears. The Council is able to cash flow this scheme and has previous extensive experience in cash flowing large projects of this nature.

Financial Risks

Plymouth City Council maintains an internal project Risk Register which sets out clear responsibilities for risk management. The register is updated on a regular basis to identify and review risks to develop appropriate mitigation strategies that would increase the probability of the project's success.

The City Council has a robust Risk Management Strategy: in line with that strategy risks will be eliminated wherever possible or otherwise mitigated to reduce them as far as possible.

The key financial or funding risks that have been identified are:

Risk	Risk Description	Mitigation Measures
Funding Shortfall	There is a risk that the funding gap cannot be closed which will result in the project being unable to deliver its outcomes.	Growth Deal 3 bid submitted for £5m; other funding sources being currently identified and investigated
Construction Cost Increase	There is a risk that the cost of building materials sourced from Europe will increase due to the drop in the value of the Pound caused by Brexit.	Await contractor estimates and align with budgets; review at Tender stage
High Cost of Dealing with Intercity House	There is a risk that the project is not able to secure sufficient funding to deal with Intercity House, resulting in delayed works and key stakeholders pulling out.	Explore and agree on investment/financial models within GRIP Stage 3; move the works to Intercity House to Phase 2 following build of new Multi Storey Car Park
Inability to secure Temporary Car Park	There is a risk that the Council is not able to progress the purchase of land for the temporary car park at the Manual Data Entry Centre (MDEC) from the Royal Mail, which will revert the Project to the original timescales leading to delays and associated added costs	Investigate the possibility of partial demolition of the existing car park, which will free up land for the scheme while retaining a number of car parking spaces
Stakeholder agreement to Funding Mechanism	There is a risk that Great Western Railway/ Train Operating Company may not agree with the proposed funding mechanism for the car park	Manage/ communicate with stakeholders and design team
Payback mechanism may be considered as State Aid	There is a risk that the payback mechanism is considered to be State Aid. This is defined as using taxpayer-funded resources to provide assistance to one or more organisations in a way that gives advantage over others. Some State Aid is illegal under EU rules because it distorts competition in a way that is harmful to citizens and companies in the EU	Plymouth City Council has sought legal advice on whether the mechanism constitutes State Aid. The advice indicates that the arrangement is considered to be compliant.

VALUE FOR MONEY STATEMENT

	Assessment	Detail
BCR	3.52	<p>At 3.52 the BCR places the scheme strongly in the High value for money category.</p> <p>The transport related benefits assessed include:-</p> <ul style="list-style-type: none"> • Uplift in rail demand due to the improved station ambience • Uplift in demand due to increased car park capacity • Time savings due to improved access • Time savings due to improved car park • Additional rail revenue from demand growth • Additional car park revenue • Additional tourism revenue • Improved air quality, reduced accidents
Non-Monetised Impacts	Slight beneficial	<p>There are beneficial impacts (slight) for:-</p> <ul style="list-style-type: none"> • Wider economic impacts • Townscape • Physical activity • Journey quality • Severance <p>The remaining impacts are neutral</p>
Key Risks, Sensitivities and Uncertainties	Very High/ High Value for Money	<p>Sensitivity tests have been presented which test the value for money under High Growth and Low Growth options, compared with the Core Scenario reported above. These tests give a Range of Transport BCR figures between 4.52 (High Growth) and 2.88 (Low Growth).</p> <p>These tests confirm that the Transport BCR is robustly within the High value for money category, and under High Growth would be in the Very High value for money category.</p> <p>In addition to the above quantification of transport related benefits an assessment has been made of the regeneration benefit of the project.</p> <p>This has been quantified in line with guidance from DCLG through an estimate of the uplift in land values for Non-residential development on City Centre Brownfield sites. This assessment gives a land value uplift benefit of £17.46m in year 2021 (undiscounted).</p> <p>In view of this strong local economic impact through stimulating redevelopment of an unattractive and poorly performing brownfield area, there is a justification in line with latest DfT guidance for a Value for Money statement in the Very High category.</p>
Value for Money Category		Very High/ High Value for Money

DELIVERABILITY

Procurement

The project is likely to be delivered by a joint venture consortium comprising Plymouth City Council and its key partners and private sector developers. Currently Great Western Railway have appointed the professional team to work up design for the GRIP Stages 1 – 4. This has been funded by Plymouth City Council through the One Public Estate programme. The City Council will step in and undertake direct delivery, procurement of the professional team and main contractor from GRIP Stage 5 onwards. Additional procurement work is required to confirm the number of contractors needed for GRIP Stage 5 onwards; for example this could be Southwest Highways for public realm and ground works or alternatively another contractor for both highways and multi-storey car park.

Some public realm works are expected to occur simultaneously with the multi-storey car park construction or to be completed in advance of the Mayflower celebrations (e.g. in front of the station entrance). Other elements of the public realm works would most likely follow on at a later phase (e.g. new pedestrian link adjacent to university building).

Individual buildings will be owned by the occupier or leased on Full Repairing and Insuring leases.

Network Rail will continue to be responsible for their retained estate and the rail network.

Key aspects of the works will be completed by January 2020, in line with requirements for the Mayflower 400 celebrations. Timescales for key activities are summarised below:

- Complete option development for GRIP Stage 4 Stage – March 2018
- Commence preparing tender packages – May 2018
- Commence demolition works – Q3 2018

- Tender demolition works of existing car park and RISC building – April 2018 through to June 2018
- Commence demolition works to existing car park and RISC building – Q2 2018 to Q1 2019 (phased works)

- Tender new build of multi-storey car park (Design and Build contract) – Sept 2018 through March 2019
- Commence new build of multi-storey car park – Q2 2019 to Q3 2020
- Construct public realm works – Q3 2019 to Q3 2020
- Intercity House procurement – Q3 and Q4 2018
- Intercity House decanting of operations – Q4 2018 to Q4 2019
- Intercity House demolished – Q1 2020 to Q3 2020

Currently it is envisaged that separate contracts involving different specialisms will be let out for the demolition and provision of the new car park.

Key Risks to Delivery

The key commercial risks that have been identified are:-

- Failure to obtain sign off at the end of each GRIP stage/ Delays in Network Rail approvals
- Delay in release of the RISC building and car park for demolition works
- Delay in the Network Rail decision to remove Intercity House from its collective property portfolio
- Decision by Plymouth University to develop its camps elsewhere
- Failure to meet Mayflower 2020 deadlines
- Shortage of construction resource
- Erosion of stakeholder commitment

Programme

A summary of the key milestones is provided in the table below:

Project Stage	Timescale (End Of)
Planning application	Q2 2018
<i>New Car Park</i>	
Detailed Design	Q2 2018
Demolition	Q3 2018 – Q2 2019 (phased)
New Car Park Build	Q3/Q4 2020
<i>Intercity House / RISC Building</i>	
Demolition of RISC Building	Q1 2019
Demolition of Intercity House to slab level	Q4 2021
<i>University Building Plot</i>	
Design / Procurement	Q4 2018
Build	Q2 2021
<i>Public Realm / Station Improvements</i>	
Build	Q3 2020

RECOMMENDATION

Independent Transport Advisor Recommendations

It is recommended that the Local Transport Board:

- 1) Approve the Plymouth Railway Station improvement as part of the LTB 2015-2021 Programme
- 2) Approve a financial contribution of up to £4.900m, subject to there being no significant change to the scheme between this stage and the completion of design, procurement and final value for money assessment
- 3) Note that if the final scheme cost after procurement is significantly lower than the current estimate then the financial contribution from the Local Transport Board will be correspondingly reduced, to be agreed at the Final Approval stage.