

## **PETERBOROUGH STATION QUARTER MASTERPLAN**

### **PURPOSE OF REPORT**

This report seeks approval for a Combined Authority contribution of £46,000 towards the costs of a masterplan study and feasibility exercise at Peterborough's Station Quarter. The study has been procured by Peterborough City Council via the Perfect Circle Framework Contract and will be delivered by AECOM with LDA Design and Norr Architects as sub consultants.

It has been confirmed that 50% of the total funding costs will be met by Peterborough City Council, Network Rail and LNER. The Combined Authority has been asked to fund the remaining 50% in view of the economic potential of Peterborough Station Quarter to contribute to GVA and jobs growth over the next decade.

### **RECOMMENDATION**

It is recommended that the Board should approve the requested contribution to the costs of the masterplan study and agree a representative to sit on the Project Steering Group. Once the study has been completed, the Combined Authority will achieve a return on its investment either through the opportunity to take an equity stake in a special purpose vehicle set up by the other partners to develop out the Station Quarter, or if it declines to be involved, a straight forward repayment of its contribution towards the costs of the study.

### **BACKGROUND AND KEY ISSUES**

The area around Peterborough Railway Station has around 10 acres of land used mainly for railway operational purposes and surface car parking. Peterborough Station deals with 5million passenger journeys per annum including 960,000 interchange passengers who transfer trains at Peterborough to travel on to destinations such as Cambridge, Norwich and Stansted.

East Coast mainline rail passenger forecasts anticipate growth in passenger numbers of around 3% per annum over the next 5 year period.

A key factor in forecast passenger growth is reduced journey times on the East Coast Main Line as a result of new rolling stock and signalisation improvements. From October this year, rail journey times from Peterborough to King Cross will reduce to 39 minutes on the fastest services.

There is ample evidence of cities on main lines into London that have benefited hugely from the intensification of commercial and residential development around their Stations. Reading and Coventry are two good examples: the latter development benefiting from a similar masterplanning exercise funded by Advantage West Midlands.

Faster rail journey times to London and the development of new commercial and residential space around the Rail Station will bring a number of benefits to Peterborough including:

- Inward investments by professional services businesses and government department office relocations (Median Grade A commercial office space in Peterborough is £17.50 psf compared with Grade A rental rates in London of £73 psf.)
- Opportunities for professionals to commute to London but spend some of their disposable income in Peterborough boosting the city's service sector economy.
- Opportunities for self-employment professionals and micro businesses to be based in Peterborough while serving clients in the large London and South East market.

The masterplan study will also aim to improve traffic movements around Peterborough Station and enhance car parking capacity, by testing the feasibility of new multi-storey car parks to the east and west of the Station sufficient to accommodate at least 1,000 cars, freeing up existing surface car parks for development.

The study will also investigate the optimal use of three, grade 2 listed, Railway Goods Sheds off Thorpe Road. These are currently redundant but offer potential for use as business incubation space.

In addition the study will explore the opportunity to open up a new entrance to the Station from the west. At present, entry to Peterborough Station is from the east side only. There is a connecting bridge to the furthest west side platform but no access or egress from the west. This means that all traffic approaching the station from the west needs to access the east side car parks. This places stress, at peak times, on the Crescent Bridge roundabout causing local traffic congestion and pollution.

Finally, the study will look at the scope for improving first impressions of Peterborough for visitors arriving by train. The current station entrance is heavily constrained by the available space between the station, the Great Northern Hotel and adjacent surface car parks and there are risks of pedestrian, vehicular conflicts for passengers entering and exiting the station. The areas around the Great Northern Hotel, the pedestrian underpass into the city, and the connection to Queensgate Shopping centre needs to be significantly improved, to create a better sense of arrival into one of England's fastest growing cities. There is clear scope to create a plaza outside the station with commercial, retail and leisure uses that would create a much more welcoming point of entry to the city.

Given Peterborough's strategic location, 40 minutes from London Kings Cross and just over 1 hour from York by train, the Station Quarter also has potential as a venue for business conferences and meetings given suitable investment in the necessary facilities and infrastructure. There are 13 surface car parks in the area around the Station Quarter and the adjacent North Westgate area. Whilst these are highly profitable they represent very poor land use value given their proximity to the city centre.

## **CONSULTATION**

The Peterborough Station Quarter masterplan proposal emerged from a design charrette exercise organised by Peterborough City Council in January 2019 which was attended by a range of community stakeholders and representatives of Peterborough City Council, CPCA, Network Rail and LNER. The Station Quarter proposal has been the subject of discussion and briefing meetings with key Cabinet Members within Peterborough City Council. It is also identified as one of the key investment zones for the city in its Development Framework document which is currently being finalised.

## **ANTICIPATED OUTCOMES AND IMPACT**

The masterplan study will aim to test the capacity of the Station Quarter to accommodate new commercial, residential, retail and leisure development.

As a minimum expectation, it is anticipated the land in question will be able to accommodate:

- 300 new 2 bed apartments of 90 sqm in size, in 3 five storey blocks.
- Business incubation facilities for up to 50 new business start-ups and micro business supporting 120 FTE jobs.
- 10,000sqm of new convenience retail, restaurant and leisure space supporting 100 FTE jobs.
- 12,000 sqm of Grade A commercial office space supporting 300 new inward investment jobs.
- One new 150 bed hotel with conference facilities supporting 80 new jobs.
- 2 new multi storey car parks, each with capacity to accommodate at least 500 cars.
- Improved traffic circulation and access around the rail station.
- Improvements to public realm around the station and the connecting pedestrian routes into Peterborough City Centre where Invesco is currently investing around £50m in the modernisation of the John Lewis Store and the creation of a multi-screen cinema and dining offer.

Applying a GVA per employee figure of £47,000 to the new 600 jobs identified above would deliver GVA growth in Peterborough of £28.2m pa excluding indirect and multiplier effects.

## **ALTERNATIVE OPTIONS**

By engaging with Network Rail and LNER at this stage Peterborough City Council aims to accelerate investment into the Station Quarter attracting new businesses, jobs and residents to the city. In a “do nothing” scenario it is likely that Network Rail and LNER would eventually get round to preparing investment plans for the Station Quarter as part of their National Investment programmes. However, these would focus entirely on the performance of railway related assets rather than the wider economic development and place making needs of the city. The planned reduction in journey times to London to under 40 minutes offers a timely opportunity to promote Peterborough Station Quarter as an inward investment hub and to revitalise an otherwise uninspiring first point of entry to the city.

## **FINANCIAL IMPLICATIONS**

The proposed financial contribution is sought from the CPCA revenue budget and will be convertible as an equity stake in a subsequent special purpose vehicle (SPV) or repaid by the other partners in the proposed vehicle at zero interest should CPCA decline to become part of the SPV.

## **LEGAL IMPLICATIONS**

The ability of CPCA to contribute towards the costs of studies for economic development masterplanning and feasibility studies falls within the scope of the Combined Authority’s powers and responsibilities. Legal ownership of the final report will be held jointly by the four proposed funding partners.

## **EQUALITIES**

There are no direct equalities implications. However, the masterplan exercise will aim to ensure that the plans for developing Peterborough Station Quarter provide improvements to access e.g. for people with disabilities.

**Dave Anderson**

Interim Development Director

4<sup>th</sup> June 2019