

<b>BUSINESS BOARD</b>	<b>AGENDA ITEM No: 3.4</b>
<b>22<sup>nd</sup> July 2019</b>	<b>PUBLIC REPORT</b>

## **PETERBOROUGH STATION QUARTER MASTERPLAN**

### **1.0 PURPOSE**

- 1.1. The Business Board is asked to consider and approve the funding for a joint project to accelerate production of a new masterplan for an area of land within Peterborough City Centre. This support activity is with three partners led by Peterborough City Council and is subject to ratification by the Board with the objective of creating new jobs, business spaces and boosting productivity/GVA.
- 1.2. The Business Board is asked to note the mechanism through which this contract will be funded.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Chair of Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill, Director, Business and Skills</b>
<b>Forward Plan Ref: 13</b>	<b>Key Decision: No</b>
<p>The Business Board is recommended to:</p> <ol style="list-style-type: none"> <li>a) Consider the proposal for funding masterplan study and delivery covering the Peterborough station quarter area; and</li> <li>b) Recommend approval of the funds to Peterborough City Council and recommend to the Combined Authority Board.</li> </ol>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

### **2.0 BACKGROUND**

- 2.1. 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 5 million 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.
- 2.2. East Coast mainline rail passenger forecasts anticipate growth in passenger numbers of around 3% per annum over the next 5 year period.

- 2.3. 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.
- 2.4. 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 master planning exercise funded by Advantage West Midlands. Peterborough has an opportunity to attain this growth by accelerating the delivery of a similar master-plan to take to the market.
- 2.5. 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.
- 2.6. The study will also investigate several other key aspects which all have potential opportunities to unlock growth and GVA:
- Buildings development or reuse as business incubation space
  - new entrance to the Station from the west. Reducing traffic congestion and pollution
  - scope for improving first impressions of Peterborough for visitors arriving by train. 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.
- 2.7. 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.
- 2.8. Funding mechanism will be through direct award to Peterborough City Council.

### **3.0 PROPOSED FUTURE OUTCOMES AND IMPACT OF MASTERPLAN**

- 3.1 The enabling funding from CPCA will accelerate study and delivery of the masterplan which would not come forward for considerable time without CPCA funding 50% of the project.
- 3.2 As a minimum expectation post-delivery of the masterplan the future outputs/outcomes anticipated from 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.

3.3 The programme will be managed by Peterborough City Council but with a project steering group made up of the 4 partners contributing towards the activity.

#### **4.0 PROJECT DELIVERY**

- 4.1 The study will be 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.
- 4.2 The consultants will conduct feasibility study and evidence gathering during September to November 2019 with target of drafting and publishing the final masterplan by December 2019.

#### **5.0 FINANCIAL IMPLICATIONS**

- 5.1. This report seeks approval for a Combined Authority contribution of £46,000, approximately ¼ of the unringfenced LIS implementation funding for 2019-20, 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.
- 5.2. 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.
- 5.3. The funding of £46,000 is available within the LIS implementation line of the CPCA budget and would be paid to Peterborough City Council under the Combined Authority Section 12 of the CPCA Order. Section 12 of the CPCA Order which allows the Mayor to award directly to constituent LA's.
- 5.4. Peterborough City Council have proposed the creation of a special purpose vehicle to deliver the programme of works arising from the masterplan. The CPCA would have the option to convert their contribution to an equity stake in the vehicle, or have it repaid by the other partners. As the detail of how the SPV would function has not been established, nor is there a legal agreement to reflect the proposal it is recommended that the Board consider this payment to be entirely at risk in making their decision.

## 6.0 LEGAL IMPLICATIONS

- 6.1. The arrangement for the project will be evidenced in a formal agreement between the parties.
- 6.2. Subject to the above there are no other significant legal implications

## 7.0 SIGNIFICANT IMPLICATIONS

- 7.1. None

## 8.0 APPENDICES

- 8.1. **Appendix 1** – Peterborough City Council Proposal

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
None	Not applicable