

CAPITAL INVESTMENT BUSINESS CASE UPDATE



Brunel Plaza (Plymouth Railway Station)

PURPOSE OF BUSINESS CASE UPDATE

To provide an update on the capital budget, including the award of additional grant funding and the proposed completion of a new grant funding agreement.

BRIEF DESCRIPTION OF PROJECT

This project has been considered previously by CCIB and Cabinet. The overall scope of the project has not changed significantly. However, for completeness and in anticipation of the likely award of additional grant funding, the works to the station concourse have now been included.

Other works which have previously been reported include the refurbishment of Intercity House (ICH) by the University of Plymouth (UoP) the construction of a new multi-storey car park (MSCP) and public realm by PCC, the demolition of the existing MSCP and sale of the plot for a hotel, UoP development and public realm, and the provision of new staff accommodation for GWR.

PROGRESS UPDATE

PCC has completed three funding agreements with GWR. The first covered the relocation of Cross Country catering from ICH. These works have been completed. The second covered the relocation of GWR's driver training simulators. This work is expected to be completed later this year. The third covers the first phase of the concourse works – the installation of a new, larger Gateline and the removal of the former Spar retail unit. This work is expected to be completed by April 2021.

PCC has also provided funding to Network Rail (NR) to relocate telecoms equipment from ICH. These works have been completed.

On 31 July UoP completed a long lease of ICH from NR. UoP has already obtained detailed planning approval for a change of use to provide a new faculty building for medical sciences. UoP intend to appoint Kier as their contractor and expect the new facility to be operational for the start of the new academic year in September 2022. UoP have completed a 2-year lease from PCC of the former car park site at the top of the station approach road to use as a site compound.

Also on 31 July PCC and NR exchanged two land contracts: a conditional agreement to a long lease of land for the new MSCP and a conditional agreement to transfer the freehold of the existing MSCP.

Work has started on public realm improvements at North Cross to improve the link between the railway station and the city centre. These include a new mural in one of the subways. A new

“Welcome to Plymouth” sign has also been commissioned and is due to be installed in September. Soft landscaping and tree planting is due to take place over the winter.

GWR are reviewing their plans for the new staff accommodation and these are being discussed with PCC and NR. It is anticipated that PCC will enter into a further funding agreement with GWR to part-fund the staff accommodation, with the balance of the funding required to be provided by GWR’s own resources, including through funding available to GWR, such as the Station Improvement Fund.

A budget had previously been approved for the public realm works. However, following feedback from drainage engineers it is possible that a larger budget may be required. In July PCC was awarded £1.5m from the Transforming Cities Fund towards the delivery of new public realm at the station. It is proposed that this funding will be used to cover any additional costs associated with the delivery of the public realm.

In August a bid was submitted to the Getting Building Fund for £4.17m. There have already been public announcements about the award of this funding and it is therefore considered very likely that the award will be confirmed. It is intended that this funding will be used to deliver the second phase of concourse improvements. If this funding is not received, it would mean that the second phase of the concourse improvements could not be delivered. However, it would not prevent other parts of the project from progressing.

KEY RISKS:

The key risks are project overspend and delays in delivery. The latter could increase the likelihood of an overspend, due to the impact on cost inflation. Delays in project spend may also increase the risk of grant funding being re-claimed by funders, e.g. the LEP or the Department for Transport (DfT).

Risks are being mitigated through the established project governance arrangements, which include a quarterly steering board and monthly executive group, where regular updates are provided and any challenges associated with project delivery are discussed. Regular dialogue with funders is also being maintained.

MILESTONES AND DATES: *(delivery timescales) CURRENT PROGRAMME*

Forecast dates as follows:

Simulator relocation: Completion December 2020

Concourse phase 1: Completion April 2021

Concourse phase 2: Completion January 2022

University refurbishment of ICH: Completion August 2022

GWR Staff accommodation: Start January 2022, completion June 2023

Demolition of RISC building: Start October 2022, completion February 2023

PCC construction of new MSCP and associated public realm: Start February 2023, completion June 2024

Demolition of existing MSCP: Start June 2024, completion December 2024

Handover of university and hotel development plots: December 2024

NEXT STEPS

Following exchange of the PCC / NR land contracts, PCC is now progressing the appointment of design consultants for the MSCP and public realm.

UoP has been negotiating the terms of a construction contract for ICH with Kier and will shortly be starting work on site.

GWR has started the procurement process for the delivery of the first phase of concourse works and these will be carried out between January and April.

Over the next few weeks PCC, NR and GWR will be seeking to agree the principles around the delivery of GWR's staff accommodation, including the overall design, cost, funding mechanism, delivery timescales and temporary relocation of staff.

FINANCIAL IMPLICATIONS

The current budget (as approved in July 2019) includes a total project cost of £29,327,402.

The revised proposed project costs are £36,896,922.

The revised proposed project funding includes additional funding from the Transforming Cities Fund and the Getting Building Fund.

The Strategic Development Projects Team, who are responsible for the delivery of the project, have been liaising, and will continue to liaise, with the Council's Project Management and Finance Teams to ensure that the project budget is closely monitored and any potential savings are identified.