

# CABINET 09 SEPTEMBER 2024

## Armada Way Cabinet Briefing Report

### I. BACKGROUND

- I.1. On 19 February 2024 Cabinet considered a report on the Armada Way scheme. The report set out the history of Armada Way, the case for change, and the proposed final new scheme design, alongside the policy framework. The report also covered various technical considerations including climate change, climate resilience, environmental sustainability, biodiversity and nature, trees and translocation, conservation and heritage, sustainable transport infrastructure, play infrastructure, public realm infrastructure, safety and security issues, and economy and business matters. The report dealt with the final Armada Way scheme design following the ‘Let’s Talk Armada Way’ Autumn 2023 consultation and engagement exercise and the considerations and recommendations from the Growth & Infrastructure Overview and Scrutiny Panel meeting on 22 January 2024. It also set out alternative design options, and issues of on-going maintenance of the Armada Way and other city centre public realm projects.
- I.2. On 19 February 2024 Cabinet resolved that it:
1. Notes the outcome of the “Let’s Talk Armada Way” October/November 2023 Consultation and Engagement Exercise, as considered and set out in the report.
  2. Agrees to the proposed changes to the Armada Way scheme in response to the “Let’s Talk Armada Way” Consultation and Engagement Exercise, as set out in paragraph 10.1 of the report.
  3. Agrees the response, set out in Section 12 of the report, to the recommendations arising from the Growth and Infrastructure Overview and Scrutiny Committee regarding the Armada Way Scheme.
  4. Approves the Armada Way final scheme design, as summarised in paragraph 1.4 of the report and Appendix L.
  5. Directs the Strategic Director for Place to take all necessary steps to confirm a final construction cost for the approved Armada Way design and to report back to a subsequent meeting of the Cabinet for approval.
  6. Directs the Strategic Director for Place to establish a City Centre Public Realm Board, with representatives from relevant City Council departments and the City Centre Company, to coordinate and monitor all existing public realm revenue maintenance budgets and oversee new income-generating initiatives.
- I.3. Since the February 2024 Cabinet meeting the Strategic Director for Place, the Service Director for Strategic Planning & Infrastructure and the Regeneration & Place-Making Manager have been working with independent cost consultants to analyse every single line of cost set out in the tender submission from the contractor. The results of this detailed exercise and examination of costs, along with potential funding options, are set out in Section 3 of this report.

## 2. THE CASE FOR CHANGE

2.1. Plymouth city centre, in common with most large towns and cities across the country, needs to adapt to changing shopping habits, including the rise of internet-based shopping, and the desire for more experiential retail and leisure visits. The rationale for the Armada Way scheme was therefore to not only provide a more modern, flexible, and adaptable high-quality space, but to enhance the public realm in support of the existing shops in the city centre so that footfall would increase. In addressing the existing tired and inaccessible landscape which currently exists the intention was to also attract a wide range of new retail investors and make the city centre a high-quality destination which would act as a catalyst for further growth in the long-term. In that respect:

- The City Council wants to encourage not only more people to visit Armada Way and the city centre but enhance dwell time which will benefit local businesses. This will increase local spend and encourage new businesses to stay open later, as well as new businesses to open up in the area.
- The scheme has strong support from the city centre business community, as well as land and property owners on Armada Way and from investors who are interested in Plymouth's ambitions for positive economic growth.
- The scheme sets out the City Council's commitment to regeneration of the city centre as a place to do business and to invest in: a view shared and expressed by the Chamber of Commerce, South-West Business Council, British Land, Theatre Royal, and the City Centre Company which represents over 500 local businesses.
- The nature of the city centre has changed, and Armada Way is a fundamental part of ensuring that it will be future proofed for both existing and future businesses. Through creating a series of generators and attractors for people to come and visit and spend time enjoying in Armada Way, especially into evening hours, there will be a positive knock-on effect of encouraging businesses to remain open later in the evening, with potentially new evening uses opening along Armada Way. This is something which has already been evident through the improvements to the public realm at Old Town and New George Street and is a key part in encouraging a mixed-use economy in the city centre through creating an accessible, vibrant, and modern space.
- Armada Way, combined with the plan for 5,000 new homes in the wider city centre area, will create more activation in the public realm, leading to higher footfall for businesses. Natural and formal surveillance will be enhanced through improved lighting and CCTV to increase the sense of security along Armada Way as well as opening up frontages to businesses with clear lines of sight along and across the space.
- The scheme includes for a whole range of level and accessible pop-up and multi-use spaces which can be used by the community or businesses for different events. Greatly improved and up to 6-metre-wide footways and outdoor seating spaces have been provided to allow for businesses selling food and beverages to put out tables and chairs and encourage more of a café and outdoor dining culture along Armada Way. Ample opportunity has been designed to allow for stopping and resting whilst visiting the city centre, including the addition of over 500 seating spaces with a range of different arrangements to suit all users, which will make people more comfortable and happier to spend longer in the space.

- The City Centre Company and cultural organisations will also have the opportunity to attract crowds to events and performances in the currently highly underutilised northern part of Armada Way through a new stepped amphitheatre space. A new Place de Brest will also be enhanced for events through the provision of four new solar canopies, which will help give purpose to the space and allow for covered seating. This will help to increase dwell time in the area, whilst providing cover for events, concessions and people wanting to sit and watch a performance in the space.

2.2. The approved scheme for Armada Way is one of, if not the largest single public realm projects currently being undertaken in the country. It seeks to restore the grand gateway to the city centre, strengthening the connection between the railway station with the Hoe with the continuous historical vista. Its key features are:

1. A total of 202 trees along Armada Way, 50 more than previously existed – ranging from between 3.5 and 8 metres tall when planted. This includes the retention of all 39 of the current Armada Way trees save for 4 of them which will be translocated (i.e. moved) to the arboretum area of The Park, Plympton.
2. Providing biodiversity enhancements through these extensive new trees, together with underplanting, wildflower areas, reedbeds, and bee and insect hotels. The educational experiences will include tree species plaques along the corridor.
3. A ‘destination’ play village the size of five tennis courts, providing a range of spaces for children and young people to run, splash, balance, swing, climb and relax. This will include extensive areas of dancing jets to activate the space throughout the day and night.
4. An extensive new surface water drainage system (SuDS) to manage water smartly. The existing peak surface water run-off has been modelled at 311 litres per second. The implementation of the Armada Way SuDs scheme has also been modelled and shows a reduction to 68.5 litres per second. This equates to 77% of surface water being diverted away from the combined sewer system in heavy rainfall events. The modelling allows for the projected impacts of climate change. The SuDs system is powered in part by solar panels to make it sustainable and will utilise rain gardens, reedbeds and attenuation tanks to store water before circulating to irrigate the new trees.
5. The provision of new lighting columns between 12 metres and 15 metres tall, with feature lighting and projections. These are to improve safety and security, enhancing the evening experience.
6. A greatly improved CCTV system with clear, uninterrupted views across Armada Way. This is intended to help to deter anti-social behaviour.
7. Significant new areas of seating, with a range of different seating options for around 500 people to sit and enjoy the settings.
8. An externally assessed LTN 1/20 compliant cycle path catering for cyclists of all abilities along with cycle racks and Beryl Bike hubs.
9. Pop-up and multi-use spaces with water and power – a range of different accessible pop-up spaces will be available for retail, arts, and entertainment.

- 2.3. Armada Way is a project of strategic importance for the city centre and has long been identified as a priority scheme which will enable the long-term regeneration of the city centre to deliver significant large scale housing growth. It is recognised that the redevelopment of the corridor will help to ensure economic growth in the city centre, whilst enabling the transition from an entirely retail led district to a prosperous mixed-use area. It was also identified as being an important project in securing the overarching environmental ambitions of the City Council for its centre, through the provision of extensive new appropriate greening and large-scale sustainable drainage infrastructure.
- 2.4. As well as being a destination play area in its own right at the heart of the city centre, the provision of a large-scale new play village within Armada Way will substantially benefit local communities which do not currently have these facilities within walking distance of their homes. Modelling has shown that as a local playable space the play village will benefit an existing population of 94 homes within a 400-metre walking distance. This will increase significantly with the planned 5,000 new homes in the city centre and surrounding area, for which the play village will act as the nearest local playable space. In considering the maximum 1,000 metre walking distance aspiration for a strategic or neighbourhood playable space, the number of existing homes benefiting from the new play area increases to 9,847 – an estimated population of some 23,886. This will rise further as a result of the planned increase in city centre residential development. The population reach of the 1,000-metre walking distance from the play village as a neighbourhood / strategic playable space is significant, as within this boundary are some of the most deprived residential areas in the St. Peter's and the Waterfront ward which currently do not benefit from access to a play space of this scale and quality.
- 2.5. The report to Cabinet on 19 February 2024 highlighted the key benefits of the scheme design, which was approved, including the following key issues:
- **Our changing city centre** – with the ambition to bring forward thousands of new homes in the city centre the commitment to completing Armada Way is going to be crucial for future investment partners, including Homes England and the Ministry of Housing, Communities and Local Government. It will also provide the enabling infrastructure to encourage future city centre living, including releasing capacity in the critical drainage area for new homes.
  - **A tired and inaccessible landscape** – addressing the general sense of deterioration in the city centre public realm in providing accessible new areas of activity, cycling infrastructure, and reducing the heavy cost of maintenance because of the way it is currently laid out.
  - **Night- time economy** – by investing in the creation of modern and attractive public realm which encourages use of the different spaces well into the evening by the whole spectrum of society this will allow for additional footfall with a knock-on benefit to encouraging businesses to stay open later addressing the mono-nature of the exiting city centre after current retail hours.
  - **Safety, including for women and girls** – by improving lighting, enhancing CCTV coverage with an entirely new system and through better layouts anti-social behaviour can be reduced by the new scheme and any that does occur more effectively identified and policed.
  - **Encouraging safe, active, and green travel** – through focussing on improved access to, and the usability of city centre spaces, the promotion and encouragement of active and sustainable travel methods, especially in relation to an LTN 1/20-compliant cycle route.

- **Long term environmental resilience** – by adhering to the principle of ‘right tree, right place’ the new tree planting and landscaping plans for Armada Way have been carefully thought through to ensure future resilience, particularly in relation to climate change.
- **Enhancing Armada Way’s heritage, identity, and purpose** – with the ambition to re-design the public realm to restore the original purpose of the grand boulevard and long vista set out in the 1943 Plan for Plymouth.
- **Maintaining a high-quality place** – addressing longer-term issues of resilience and opportunity by future-proofing infrastructure reflecting the needs of the city centre.

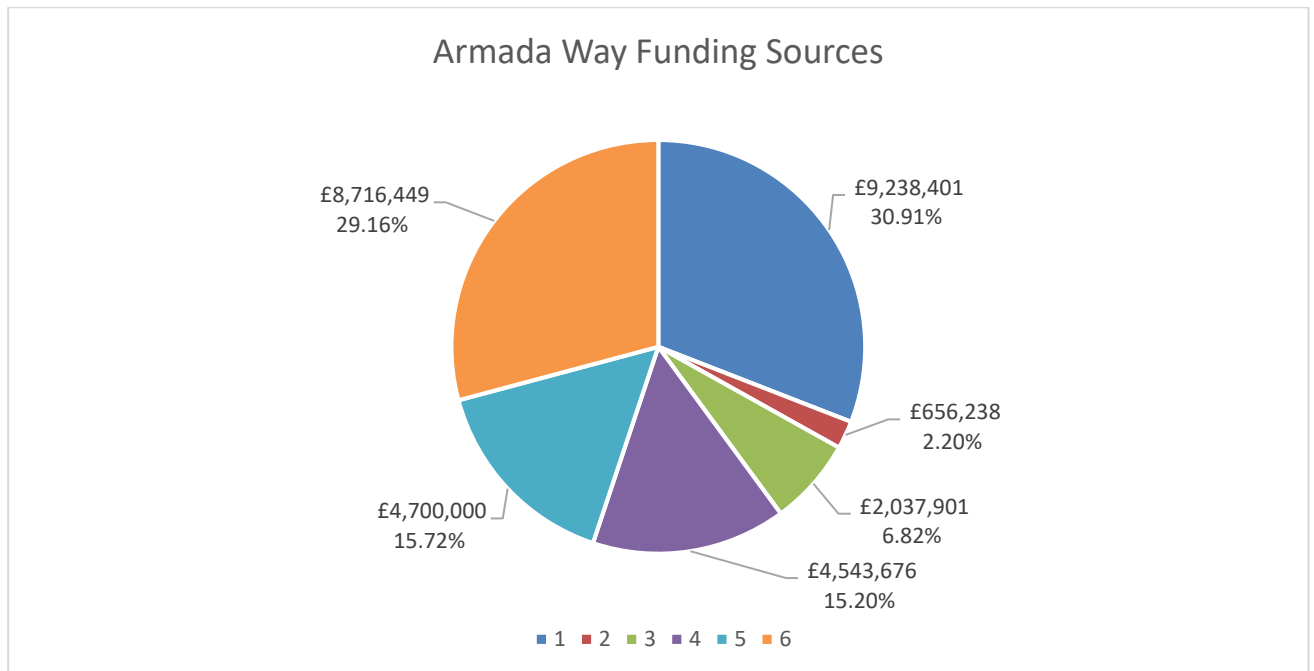
### 3. ARMADA WAY CONSTRUCTION COST AND FUNDING

- 3.1. Having received the final tender documentation from the contractor in August 2024 the detailed Bill of Quantities and other tender documentation have been assessed on a line-by-line basis. Schedules of rates, cost of materials and labour, details of prelims, and risk provisions have all been assessed by independent cost consultants who have advised the City Council in challenging the contractor. Following meetings between the Strategic Director for Place, the Service Director for Strategic Planning & Infrastructure, the Armada Way Project Team, and independent cost consultants with the contractor the conclusion has been reached that the construction cost of the scheme is robust and accurate.
- 3.2. However, there are a number of scoping issues which have also had to be considered in finalising the final construction cost. To deliver the Armada Way scheme taking account of practicalities of construction the scheme will have to be delivered in phases as follows:
  - Zone 1 (Cophorne Hotel to Mayflower Street) – Construction from October 2024 – July 2025.
  - Zone 2 (Mayflower Street to Place de Brest) – Construction from February 2025 – November 2025.
  - Zone 3 (Cornwall Street to the Sun Dial) – Construction from July 2025 – April 2026.
  - Zone 4 (Armada Way Piazza) – Construction period to be confirmed.
- 3.3. Zones 1 and 2 have to be built concurrently to achieve efficiencies in the programme in order to deliver the overall scheme timetable. Allowing for the contractor’s float, all construction work should be completed by July/August 2026.
- 3.4. In relation to Zone 4 (the piazza area) this will be impacted by the construction works proposed as part of the Royal Parade Transforming Cities Fund project which is also working to a March 2025 deadline for spend. In addition, there are further discussions that need to be held between the Environment Agency and South West Water regarding the wider city centre sustainable drainage programme (which itself will help future proof new development in the city centre in the coming years) which means it is not prudent to let a contract at this point with those uncertainties.

- 3.5. With regard to footway and associated works to the North Cross Roundabout these are potentially impacted by the proposed Advanced Zoning Pilot for district heating so this area and the western flank footway by the Copthorne Hotel will need to be considered at a later date. The granite paving fronting Beckley Point was completed around 2018 and as this is only 6 years old it does not require replacement. Land within Armada Way adjacent to the Congress Hall and Mayflower House sites was always intended to come forward as part of future redevelopment proposals and so it would be unwise to undertake paving in these areas ahead of demolition/redevelopment of those buildings. In addition, in October 2023, the Energy Act received Royal Assent. The Act gives powers for the Government to develop legislation around zoning and regulation of heat networks. The Government has already consulted on the Heat Network Zoning legislation, and it is anticipated this should be in place early in 2025. The City Council has been working with the Department of Energy Security & Net Zero over many years on a variety of retrofit and other heat network initiatives. As part of the Advanced Zoning Pilot Programme Plymouth has been shortlisted for this zoning approach. Two major heat-source areas have been identified where a zonal heat network system has the potential to be taken forward: namely, Derriford and a wide area of waterfront stretching from the dockyard to Cattedown (and including the whole city centre). This is the subject of a report to Cabinet on 09 September 2024. The total planned investment is over £300 Million and will involve an extensive programme of infrastructure works rolling out over several years. Whilst the precise nature and location of supporting heat network infrastructure has yet to be designed and therefore confirmed in detail it would not be prudent to undertake works in this area when these could either be dug up again or implemented in a way that was prejudicial to the Advanced Zonal Pilot approach. Accordingly, these areas of works have been taken out of the tender price so that works can be better coordinated with either (or both) development proposals and/or the heat network infrastructure works at a future date.
- 3.6. Taking account of the above scope variations the total construction costs for Armada Way is as follows:

Item	Cost	Notes
Morgan Sindall Works Tender	£27,578,202	August 2024 final tender submission less descoping elements.
City Council Risk Allowances	£410,000	Client-side risk provisions covering various works.
Other Proposed Works	£698,980	Various specialist works not being undertaken by Morgan Sindall.
City Council Fees	£1,205,483	Specialist contract management, project management, and supervision fees.
<b>TOTAL ARMADA WAY CONSTRUCTION COST</b>	<b>£29,892,665</b>	

- 3.7. In terms of the funding sources, as the chart below shows, the direct cost to local taxpayers for the construction of the Armada Way scheme is just £11.2 million; or 37.73% of the overall construction costs. The remaining 62.27% of the scheme will be funded from sources other than the City Council, including the sale of surplus property.



**Key:**

- 1 = Local Contribution (Corporate Borrowing)
- 2 = Community Infrastructure Levy
- 3 = Local Contribution (Climate Emergency Investment Fund)
- 4 = Transforming Cities Fund
- 5 = Future High Street Fund
- 6 = Capital Receipts

- 3.8. Turning to maintenance of the scheme once implemented, Cabinet on 19 February 2024 instructed the Strategic Director for Place to establish a City Centre Public Realm Board to oversee and coordinate the management of existing revenue budgets across various departments, and in the longer term develop new income generating initiatives to supplement these revenue budgets. For the first five years it is proposed to use previously identified capital approved resources already forming part of the capital programme to support both hard and soft landscaping eligible maintenance which gradually will be replaced with new income sources from 2030/2031. All the city centre public realm schemes seek to deliver sustainable outcomes and address climate change. The new designs being implemented also seek to streamline and simplify layouts, spaces, and infrastructure to ensure maintenance operations are as straightforward and efficient as possible.
- 3.9. The plan for the future is for the Strategic Director for Place to convene a City Centre Public Realm Board which will coordinate and monitor all of the existing budgets. There is already an informal cross-departmental group that undertakes inspections of the city centre to identify items that need repair which is overseen directly by the Cabinet Member for Finance and involves the City Centre Company. Once the early phases of construction have started on the Armada Way scheme it would at that point be appropriate to formally establish the City Centre Public Realm Board to continue to give close attention to maintenance issues. Following a detailed maintenance assessment undertaken in Spring 2023, prepared by independent experts, it was clearly

demonstrated that more could be done within the existing budgets. This assessment work demonstrated that for the first five years, the City Council can maintain the new schemes through the more efficient use of these budgets, supplemented with provision of five-year maintenance contracts commencing at the end of practical completion. This will provide the necessary resources to ensure that not only the Armada Way scheme, but the other city centre public realm projects, can be adequately maintained.

- 3.10. There will be careful monitoring of the existing trees to be retained within the scheme design during the construction works and also with regard to the four trees to be translocated. In order to ensure the project programme is met it is proposed that in the event of any changes that may be required with regard to the retained or translocated trees that the Cabinet Member for Finance is given delegated authority to authorise such changes to ensure there is democratic oversight on this issue.

#### **4. CONCLUSIONS AND RECOMMENDATIONS**

- 4.1. Following careful consideration of the previous consultation and engagement exercises, together with the recommendations of the Growth & Infrastructure Overview and Scrutiny Committee recommendations arising from their meeting on 22 January 2024, Cabinet approved the scheme design for Armada Way at its meeting on 19 February 2024. At that meeting they also concluded that the Armada Way scheme should proceed to implementation with 10 further key design changes.
- 4.2. Following detailed consideration of the tender submission from the contractor, including detailed assessment by independent costs consultants, the total construction cost of the scheme has been confirmed.
- 4.3. The recommendations to the Cabinet are therefore that it:
  1. Approves the final construction cost for the approved Armada Way design as £29,892,665.
  2. Recommends the Leader approves additions to the Capital Programme as set out in the report giving a maximum spend allocation of £29,892,665 to finance the construction of the approved Armada Way scheme.
  3. Notes that to support the on-going maintenance of the projects within the city centre for a period of five years starting in 2025/2026 that hard and soft landscaping maintenance be funded from previously identified capital approved resources already forming part of the Capital Programme.
  4. Grants authority to the Service Director for Strategic Planning and Infrastructure to take all such action as necessary to implement the project including all subsequent design amendments (excluding amendments which impact on the retention of any existing trees or the approved translocation of trees), scheme approval submissions, procurement and contract awards associated with developing and delivering the Armada Way scheme through to construction and completion, in consultation with the relevant Cabinet Members.
  5. Delegates to the Cabinet Member for Finance authority to make any decisions which impact on the retention of any existing trees, or the approved translocation of trees associated with developing and delivering the Armada Way scheme through to construction and completion.