

# Gloucester City Council

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| <b>Meeting:</b>         | <b>Cabinet</b>  | <b>Date:</b>                    | <b>21<sup>st</sup> June 2017</b> |
| <b>Subject:</b>         | <b>Railway Station Growth Deal 3 Application Review</b> |                                 |                                  |
| <b>Report Of:</b>       | <b>Cabinet Member for Regeneration and Economy</b>      |                                 |                                  |
| <b>Wards Affected:</b>  | <b>All Wards</b>  |                                 |                                  |
| <b>Key Decision:</b>    | <b>No</b>   | <b>Budget/Policy Framework:</b> | <b>No</b>                        |
| <b>Contact Officer:</b> | <b>Anthony Hodge, Head of Place</b>                     |                                 |                                  |
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| <b>Appendices:</b>      | <b>None</b>   |                                 |                                  |

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 This report responds to a Notice of Motion proposed by Councillor Hilton and subsequently amended by the Leader of the Council on the 23rd March 2017, concerning the bid for Growth Deal 3 Funding to secure improvements at Gloucester Railway Station and its environs.

### 2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that authority be delegated to the Head of Place, in consultation with the Cabinet Member for Regeneration & Economy, to continue to seek funding and submit appropriate bids to deliver improvements around the railway station and its links into the City Centre.

### 3.0 Background and Key Issues

- 3.1 Following a Notice of Motion proposed by Councillor Hilton, Gloucester City Council, on the 23rd March 2017 resolved that:

*This Council welcomes the award of Growth Deal 3 Funding for Gloucestershire projects which benefit the City including the Cheltenham Cyber Park and the A40 Longford improvements but expresses its disappointment that its bid, "Gloucester Railway Station, A Gateway to Economic Growth" failed to secure funding.*

*This Council agrees that further investment in Gloucester Railway Station and its links to both Gloucester Royal Hospital and the City centre are important to Gloucester's regeneration.*

*It also agrees that major improvements to the subway from Great Western Road to Bruton Way should be part of such a scheme.*

*This Council asks the Cabinet Member for Regeneration to provide a report to the Cabinet on why this bid was not successful on this occasion and what lessons have been learned.*

*The report to also recommend a way forward on how the Council can secure funding to deliver improvements to Gloucester Railway Station and its subway as suggested in the Growth Deal Bid.*

- 3.2 In response to the Notice of Motion, extensive preparation work had been undertaken prior to the submission of the Growth Deal 3 (GD3) application. Working with senior officers from Tewkesbury and Cheltenham Borough Councils, the proposed scheme had been identified as a priority within the Gloucestershire Economic Growth Joint Committee (GEGJC) pipeline schedule for priority investment projects. It was also consistent with the Strategic Economic Plan (SEP) for Gloucestershire and its Regeneration & Public Transport Rail sections (within the document). This resulted in the project being strategy compliant and it was well positioned to be considered for GD3 funding, when the bidding round was declared open.
- 3.3 Following a call from GFirst Local Enterprise Partnership (LEP) for bids to be considered for GD3 funding, an initial submission was made in April 2016 for £4.8M. In May the LEP offered constructive feedback on the initial submission. This feedback was made within the context of the bidding process being highly competitive and comments made that as it stood, whilst inviting a full business plan, the bid was going to experience stiff competition and there were a large number of high quality bids being considered. Comments made included:
- i) The project was not transformational enough
  - ii) It did not deliver sufficient outputs across a number of SEP objectives
- 3.4 The LEP's comments were challenging and extremely helpful. As a consequence City Council Officers entered into extensive dialogue with the Homes and Communities Agency, Great Western Railway and also sought advice from the Regeneration Advisory Board. The Regeneration Advisory Board challenged Officers and endorsed the concept of incorporating a new footbridge to increase connectivity between the hospital area of the city and the city centre.
- 3.5 The outcome of those discussions was that the following improvements to the submission were made:
- 1) Linking the proposals to the potential investment opportunities being considered by the Homes and Communities Agency to use the GD3 investment to unlock sites along Great Western Road and St Oswald's for housing delivery and enhancing connectivity to the city centre
  - 2) Working with the Train Operating Company, GWR, to provide confidence in the locality through this investment that would encourage them to invest £2.5M in a new station car park and radically improve the investment conditions in the locality.
- 3.6 The final bid was both aspirational, but also quite conservative to ensure that as many potential outcomes of the bidding round could be accommodated by the

proposition. At this stage, the overall amount of funding available through Growth Deal 3 was not known. The bid was submitted providing options:

**Option 1 £4.8M GFirst investment:**

- Site acquisition to create opportunity
- Subway improvements to create connectivity, unlocking major residential development
- Station building enveloping to deliver a gateway
- One refurbished public square (Kings Square)
- One new public square outside of the railway station to deliver place and unlock investment

**Option 2 £9.5M GFirst investment:**

- All outputs as per Option 1 except the subway refurbishment is replaced with a new transformational and iconic footbridge.

- 3.7 An early review of the revised bid concluded that the more joined up approach with the HCA and the private sector (GWR) and the footbridge bridge created a bid that was transformational and the potential outputs significant. It was welcomed by the LEP.
- 3.8 Officers submitted a revised bid in June 2016 which included the optioned approach as articulated above. Following feedback from the LEP, it was because of the more comprehensive approach and the bold proposal of the footbridge that the City Council's bid was shortlisted as number 5, out of 11, to be discussed with central government. Without such changes, it is most unlikely it would have been shortlisted.
- 3.9 In February 2017, GFirst announced that Government allocated £29.13m to Gloucestershire's LEP in the latest round of Growth Deal funding. This round, which is a bidding process and had been the most competitive yet, was more than three times over-subscribed with high-quality proposals.
- 3.10 Based on previous rounds, the LEP could have expected to receive £16 million, but outperformed this expectation. The investment awarded, per-capita rate, was comparable with the big cities including Manchester and Liverpool.
- 3.11 Government reviewed the LEP's submission and concluded on an award that would enable it to deliver the top three prioritised projects in their submission. In particular, Government was keen to support the Cyber Business Park due to its fit with national priorities.
- 3.12 The top three projects funded were:
- Cyber Park: £22 million
  - Longford Housing: £4.53 million
  - Forest of Dean Campus: £2.6 million

- 3.13 Gloucester City Council's submission was 5<sup>th</sup> in the list of priorities and as a consequence did not secure funding. It is worth noting that Gloucester will benefit from the first two projects, as people from the city are likely to work at the Cyber Park and although the highways improvements fall within Tewkesbury Borough, they are on the city's boundary and help to enable our housing needs to be met. It is also worth noting that the city's previous bids for Growth Deal funding for the bus station (£4.7 million) and Blackfriars (£4.13 million) were both awarded in full.
- 3.14 Following the announcement of the GD3 programme, including confirmation that the City Council's bid was not successful, Officers and the Leader of the Council met with the GFirst CEO David Owen, to in the first instance express our disappointment that our bid had not been successful, although the LEP had performed well in attracting significant funds to the sub region, and to consider ways forward. At the meeting the CEO made it quite clear that in his opinion, and that of the LEP Board, it was one of the best bids submitted. It was only beaten by a scoring mechanism which favoured those projects that had greater outputs and delivered nationally significant priorities.

#### **4.0 Lessons Learned**

- 4.1 The inclusion of the footbridge was an innovative move supported by partners and helped to underline the economic benefits of strong pedestrian links between Great Western Road, particularly the identified housing sites and Gloucestershire Royal Hospital, and the city centre. It is thanks to its inclusion, and the comprehensive approach to the submission which undoubtedly gave the city the best opportunity to secure funding.
- 4.2 That Officers are still able to have ongoing discussions with the LEP, to identify ways in which they are able to help us to deliver this scheme is testament to the approach taken and is not a position many of those who were also unsuccessful are finding themselves in. That said, competition for any future funding rounds will still be highly competitive.
- 4.3 Even reflecting on the process and the outcome, being prioritised as 5 out of 11 and the top three receiving money based on priorities that are getting extensive interest at a national level, it is difficult to see what could have been done differently. It was a comprehensive bid, made in partnership with other public sector bodies and the private sector. Through a competitive process you cannot always expect success, the key is to be tenacious and keep pressing the case and the benefits. This is something Officers will continue to do, working closely with the LEP.
- 4.4 Subject to Members confirming the resolution of this report, Officers will continue to seek funding to deliver the improvements around the station. However the bridge will not form part of those proposals in view of the amount of funding that is likely to be available. The proposed project is likely to focus primarily on the delivery of improvements to the subway and connectivity to the city centre.

#### **5.0 Alternative Options Considered**

- 5.1 The options considered included:

1) Not to submit a bid: this would not have delivered any regeneration benefits

- 2) Submit the original bid without incorporating the comments of the LEP: this is likely to have radically reduced the impact of the project and consequently its potential success
- 3) Submit an enhanced bid that responds to comments made: this was deemed the most appropriate way forward that responded to concerns and prepared a bid that had the maximum opportunity to deliver the growth potential.

## **6.0 Reasons for Recommendations**

- 6.1 To continue to pursue and secure investment to improve the environment in and around the railway station.

## **7.0 Future Work and Conclusions**

- 7.1 A revised and updated bid will be required that meets any changes in criteria set out by the LEP and also changes on the ground. GWR have already started to invest in the car park and the City Council has acquired Wessex House, to enable the delivery of subway improvements.

## **8.0 Financial Implications**

- 8.1 No comment

(Financial Services have been consulted in the preparation this report.)

## **9.0 Legal Implications**

- 9.1 No comment

(One Legal have been consulted in the preparation this report.)

## **10.0 Risk & Opportunity Management Implications**

- 10.1 The recommendations offer an opportunity to improve the appearance and attractiveness of the area around the railway station and improved connectivity between the city centre and the hospital where over 6,000 people are employed.

## **11.0 People Impact Assessment (PIA):**

- 11.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

## **12.0 Other Corporate Implications**

### Community Safety

- 12.1 There are no direct community safety implications.

### Sustainability

12.2 There are no direct sustainability issues.

Staffing & Trade Union

12.3 There are no direct staffing implications.

**Background Documents:** None