

Meeting:	Cabinet	Date:	6 February 2019
Subject:	Gloucester Railway Station		
Report Of:	Cabinet Member for Regeneration and Economy		
Wards Affected:	All		
Key Decision:	Yes	Budget/Policy Framework:	No
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Appendices:	1. Final Draft Agreement		

FOR GENERAL RELEASE with the exception of Appendix 1 which contains exempt information as defined by paragraph 3 of schedule 12A of the Local Government Act 1972 (as amended) and therefore the public will be excluded from the discussion of Appendix 1.

1.0 Purpose of Report

- 1.1 To the purpose of this Report is to seek approval to enter an agreement with First Greater Western Limited (GWR) in the sum of £425,000 to progress the required design work at Gloucester Railway Station.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that the Council enter in to an agreement with First Greater Western Limited (GWR) to deliver the necessary GRIP 1 - 5 stages of project design including the provision of £425,000 funding to GWR in the form set out in Appendix 1.

3.0 Background and Key Issues

- 3.1 Cabinet will recall that following a competitive bidding process, Gfirst LEP awarded the Council a grant of £3.75m for the redevelopment of Gloucester Station. However, it was made clear by Gfirst LEP that no funds would be available until 1st April 2020.
- 3.2 Therefore, to progress the scheme, it is recommend that the Council fund the early stage design works in the sum of £425,000 and recover these costs from Gfirst LEP on or shortly after the 1st April 2020.
- 3.3 The development of railway related projects are tightly governed by a project management procedure known as *Governance for Railway Projects* or GRIP. GRIP was developed to minimise and mitigate the risks associated with projects to enhance or renew the operational railway. It is based on best practice within industries that undertake major infrastructure projects and practice recommended

by the bodies including the Association of Project Management (APM) and the Chartered Institute of Building (CIOB).

3.4 To progress the project to the point at which a planning application can be made and the construction works tendered, i.e. cost certainty, the project promoter will progress through 5 of the 8 GRIP stages, namely:

- (i) Output definition
- (ii) Feasibility
- (iii) Option selection
- (iv) Single option development
- (v) Detailed design

3.5 The £425,000 referenced in the report recommendations relates to the delivery of these stages.

3.6 As GWR are leaseholder of the station it would be appropriate for them to undertake the work on their own assets. The Council's role is to forward fund the project as outlined in this report.

3.7 However, to ensure that our ambitions and vision for the railway station are reflected in the design work, a Project Board will be established, chaired by a Council representative, with additional input from a number of parties including the County Council as highways authority.

3.8 The Council will enter in to an agreement with GWR which acts both as a financial agreement and a definition of the precise roles of each party. The final draft of that agreement is included as Appendix 1.

4.0 Asset Based Community Development (ABCD) Considerations

4.1 None directly.

5.0 Alternative Options Considered

5.1 Alternative options do exist for two aspects of this scheme.

5.2 The Council could wait until funds were available from Gfirst, ie 1st April 2020 and commence the GRIP 1 – 5 stages at that point. This option is not recommended given the likely delay of at least 12 months and the desire to maintain momentum on regeneration projects across the City.

5.3 Secondly, the Council could appoint the design team direct. However, this option isn't recommended as not only do GWR have far greater experience implementing railway station improvements but also given the significant engagement of Network Rail throughout the process, the involvement of an established Training Operating Company is likely to provide greater assurance.

6.0 Reasons for Recommendations

6.1 To progress the design elements of the redevelopment of Gloucester Railway Station.

7.0 Financial Implications

- 7.1 The £0.425m will enable the delivery of the project design of this project and is to be funded from the £3.75m awarded by GFirst LEP for this project. There are no additional costs to the Council, this request is to cash flow the design phase from internal funds before being reimbursed by the LEP. With interest rates at current levels the implications are marginal in enabling this project.

(Financial Services has been consulted in the preparation of this Report)

8.0 Legal Implications

- 8.1 The Council would be relying on the 'power of competency' under Section 1 of the Localism Act 2011 to enter into the proposed arrangement with GWR.

- 8.2 As with all financial assistance given to third parties, the council needs to be mindful of state aid. The consequences of giving unlawful state aid is that there would be an investigation by the Government and a requirement upon the recipient of the assistance to repay it to the funder with interest.

(One Legal has been consulted in the preparation of this Report)

9.0 Risk & Opportunity Management Implications

- 9.1 The most significant risk arising from this Report relates to the ability of the Council to recover the costs incurred from GFirst LEP on or shortly after the 1st April 2020 as Gfirst LEP are unable to enter in to a contract with the Council in advance of funds becoming available. However, all indications from Government suggest that the 2020/21 funding programme will be honoured and the LEP will be able to meet its commitments, including those relating to the Railway Station.

- 9.2 A less significant risk is the ability of the Council to influence the design team to deliver a scheme consistent with our ambitions and in keeping with the high quality of the new Gloucester Transport Hub. This risk is mitigated through the agreement and through the Councils' role in the Project Board.

10.0 People Impact Assessment (PIA)

- 10.1 The actions proposed in this Report will benefit the residents and businesses in the City through the provision of an improved Railway Station providing significantly enhanced access.

- 10.2 The PIA Screening Stage was completed and did not identify any potential or actual negative impacts; therefore a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

- 11.1 All design work undertaken adopt the principles of designing out crime.

Sustainability

- 11.2 The current Station Building is of a poor design quality and the provision of a redeveloped facility will greatly improve its sustainability.

Staffing and Trade Union

- 11.3 None

Background Documents: None