



Transport & Infrastructure Committee

24 January 2025

Title:	Peterborough Station Quarter Full Business Case Update
Report of:	Gidon Wieder, Transport Programme Manager (Peterborough Station Quarter)
Lead Member:	Councillor Anna Smith, Chair of Transport and Infrastructure Committee
Public Report:	Yes, but with EXEMPT Appendix A
Key Decision:	KD2024/063
Voting Arrangements:	No vote required

Recommendations:

A	Note that the Investment Committee (13 January 2025) agreed to recommend to the Combined Authority Board to agree the Full Business Case (FBC) which is being submitted to Department for Transport. With their approval, this would then enable the drawdown of funding from the £47.85m capital investment from HM Government's Levelling Up Fund.
B	Note that subject to the Department for Transport's approval of the Final Business Case (FBC), a Grant Funding Agreement will be executed with Peterborough City Council, in accordance with the delegations granted by the Combined Authority Board in March 2023.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities <ul style="list-style-type: none">Attracting more businesses to grow or relocate to Cambridgeshire and Peterborough.Improved community connectionsWorking with delivery partners that have established apprenticeship programmes.
X	Achieving good growth <ul style="list-style-type: none">The project aims to make land available for both commercial and residential development
X	Increased connectivity <ul style="list-style-type: none">Better access to the station by pedestrians, cyclists and buses will improve connectivity between the station and the cityThe development of the Peterborough Station Quarter plays a crucial role in advancing the objectives of sustainable travel outlined in the Local Transport and Connectivity Plan (LTCP). This area will serve as a key transport hub, enhancing connectivity and accessibility for both residents and commuters. By prioritising sustainable travel options, including active travel routes, improved public transport infrastructure, and integrated mobility solutions, the Station Quarter will contribute significantly to reducing carbon emissions, alleviating congestion, and promoting environmentally friendly travel choices within the region.

X	<p>Enabling resilient communities</p> <ul style="list-style-type: none"> New and improved public spaces and Sustainable Drainage systems (SuDs) will reduce flood risk and support biodiversity and green spaces in the area
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1. Purpose

1.1	<p>The Combined Authority Board and the Department for Transport (DfT) formally approved the Outline Business Case (OBC) for the Peterborough Station Quarter (PSQ) and the commencement of work on the Full Business Case (FBC) in 2024.</p> <p>This paper is to update the Transport & Infrastructure Committee that the Combined Authority, working alongside PCC with assistance from strategic and delivery partners, Network Rail (NR) and London North Eastern Railway (LNER), have developed the FBC for submission to the DfT for approval.</p> <p>A decision by the DfT will confirm funding and enable the funding to be drawdown. DfT decisions take 2-3 months following FBC submission and timings could be influenced by the cross-government Spending Review Phase 2 which government say will conclude and be published in late spring of 2025.</p>
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2. Proposal

2.1	<p>The PSQ project includes the creation of an enhanced gateway station including a refurbished eastern entrance building, a new western entrance, a multi-storey car park and better and more intuitive active travel connections to the city. This will consolidate existing car parking unlocking land for better use in future phases.</p> <p>The Levelling Up Fund (LUF) allocation for this project has been successfully secured, subject to Full Business Case (FBC) approval from the DfT following their approval of the Outline Business Case in 2024. This funding is ringfenced for the PSQ and cannot be spent on other projects.</p> <p>The Full Business Case (FBC) submission is overseen through the CPCA's Single Assurance Framework (SAF). The Governance of the FBC has been detailed in section 2.2 below and will require a DfT appraisal. This process is a crucial step in accessing the allocated funding and progressing the project toward delivery.</p> <p>Detailed Proposal</p> <p>The delivery of a multi-storey car park on the western side of the station and improvements to the station and its surroundings will reduce the surface car parking near the station and unlock land for commercial and residential uses as well as a station square and enhanced public realm.</p> <p>New and improved public spaces and Sustainable Drainage systems (SuDs) will reduce flood risk and support biodiversity and green spaces in the area.</p> <p>The proposals will make the route and paths fully accessible and more intuitive and attractive by filling in one underpass at Queensgate roundabout to provide a level pedestrian crossing to Cowgate.</p> <p>An improved and direct active travel route that is integrated with the wider cycle network will increase active travel mode share with people benefiting from the subsequent health and wellbeing benefits. This will also be supported by new cycle parking near the eastern and western stations entrances. . The simplification of this route along with higher quality public realm will offer a strong first impression of the City.</p> <p>The upgrades to this route will also improve the route to the nearby Queensgate bus station, making it step-free, safer and more attractive and intuitive.</p> <p>The delivery of a new Western station entrance will mean that station users travelling from the west will be able to make a more direct journey to the station, reducing traffic on Crescent Bridge, Queensgate Roundabout and Bourges Boulevard.</p> <p>Station capacity modelling work forecasts that the provision of a new western entrance and reconfiguring access to the footbridge directly from the existing eastern entrance (instead of having to go via platform 1) will relieve passenger congestion within the station. This will have a positive impact on passenger experience through improvements to the efficiency and safety of the station.</p>
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	<p>The scheme outputs are:</p> <p>Western side of Peterborough Railway Station:</p> <ul style="list-style-type: none"> • Construction of a new western station entrance to include new stairs, lifts and ticket gates • A new multi-storey car park. • New Cycle parking to the west of the station • Construction of a new junction onto Thorpe Road and access road with drop-off locations <p>Eastern side of Peterborough Railway Station:</p> <ul style="list-style-type: none"> • Refurbished station entrance building with improved facilities • Reorganisation of taxi pick-up and drop-off • Reorganisation of drop-off locations and accessible parking spaces • Creation of a new pedestrianised station square • An improved, attractive pedestrian and cycle route from the eastern entrance to the city centre, involving the partial in-filling of the Queensgate roundabout and installation of a signalised pedestrian crossing <p>Key Outcomes (approved by DfT at OBC stage):</p> <ul style="list-style-type: none"> • Increase the opportunity for economic growth by facilitating the release of at least 3 ha of surface car parking for development. • Improved access journey times to and from the station through a reduction in average pedestrian, cyclist and vehicle journey times as follows: <ul style="list-style-type: none"> ○ Pedestrians and Cyclists from the west of the station: 5 minute average saving; ○ Pedestrians and Cyclists from the east of the station: 2 minute average saving; ○ Vehicles from east to west: 2 minute average saving • Make the station an effective “gateway” to the City supporting an improvement in LNER Customer Satisfaction levels to above the average across the ECML route. • Support the creation and retention of 500 new jobs through the relocation of the Network Rail Maintenance Delivery Unit into a new, modern and sustainable operational facility. • Enhance environmental sustainability within the station area through improving the public realm and energy efficiency of the existing station building.
2.2	<p>Governance</p> <p>Government’s £47.85m contribution from the Levelling Up Fund is governed by the DfT who approved the Outline Business Case for the project in March 2024. DfT approval of the Full Business Case is required to drawdown the funding for construction.</p> <p>As per the requirements of the Combined Authority’s new Single Assurance Framework (SAF), the Combined Authority’s Investment Panel and Investment Committee have approved recommendations to the Combined Authority Board for the approval of the Full Business Case (FBC) and funding of £47.85m capital investment from HM Government’s Levelling Up Fund which has been included in the MTFP, subject to approval from the DfT.</p> <p>The FBC will be submitted to the Combined Authority Board. Subject to the Board’s approval, the FBC will be submitted to DfT as soon as possible after that ahead of the conclusion of the cross-government Spending Review Phase 2 which Government say will conclude and be published in late spring of 2025.</p> <p>The Full Business Case (for SAF purposes) is available to Members in EXEMPT Appendix A.</p>

3. Background

3.1	<p>Through close working with PCC, the Combined Authority sought and secured funding for the first phase of the PSQ Programme via a second-round bid to the Department for Levelling Up, Housing and Communities. With support from Network Rail and LNER, the Full Business Case is nearing completion ahead of submission to the DfT to confirm the government’s full £47.85m investment. The Full Business Case will outline:</p> <ol style="list-style-type: none"> 1. The case for change which explains why the investment is needed and the project’s objectives (the Strategic Dimension). 2. The value for money assessment for the scheme and the options considered, in line with technical guidance from the DfT (the Economic Dimension).
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	<p>3. The approach to procurement across the different packages of work (the Commercial Dimension).</p> <p>4. The costs of the project, how they have been estimated and that the required amount of funding will be available (the Financial Dimension).</p> <p>5. The systems and processes in place to ensure successful delivery of the project and ensure that the objectives and benefits are realised (the Management Dimension).</p>
3.2	The project meets the overarching aims of the Local Transport and Connectivity Plan. In addition, it will support Peterborough City to attract more knowledge intensive and high-level employers through its transport links and unlocking commercial and residential space.
3.3	Subject to DfT's approval of the business cases, the Combined Authority Board (22 March 2023) formally approved recommendations to release funding in phased stages of £5m at a time to Peterborough City Council and that regular updates to the Combined Authority Board should be provided each time a £5 million spend has been made available from the funding. This funding is ring-fenced by government and can only be spent on the PSQ programme.

4. Appendices

4.1	EXEMPT Appendix A - Peterborough Station Quarter Full Business Case
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5. Implications

Financial Implications

5.1	<p>On 22 March 2023 the Combined Authority Board approved the release of funding of £47.,850m for PSQ, which will be grant funding received from the DfT subject to FBC approval.</p> <p>The DfT allows up to £4.785m of this funding to be spent on developing the FBC and associated design work. The remaining budget will be used almost entirely for construction costs, which will be fully committed in 2025/26.</p>
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Legal Implications

6.1	A Grant Funding Agreement between the Combined Authority and Peterborough City Council to complete the development of the Full Business Case was entered into on 7 November 2024.
6.2	Delivery of the project will entail Peterborough City Council entering into the relevant Asset Protection Agreements and Implementation agreements with Network Rail and LNER.

Public Health Implications

7.1	The proposed improvements, including a new station entrance to the northwest will facilitate greater active travel access to and from the improved Railway station infrastructure. Alleviating the pressure on the road network and reducing journey times. Improved, safer and more accessible active travel connections between the station and the city centre will increase active travel mode share with people benefiting from the subsequent health and wellbeing benefits.
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Environmental & Climate Change Implications

8.1	PSQ is expected to reduce carbon emissions through an increase in rail patronage and reduction in private vehicle use. The increase in rail patronage will be driven by improved station facilities, better access to the station by pedestrians, cyclists and buses, enhanced car parking, and new active travel connections between the station and the rest of Peterborough.
8.2	A key part of the project is the provision of a new western station entrance and associated car parking facilities. The station is currently only accessed directly from the eastern side of the rail lines, including all car parking provision. This means that passengers accessing the rail station often need to travel further than is necessary, discouraging walking and cycling (due to added distances) and increasing highway congestion and carbon emissions.

8.3	Currently, surface car parking facilities make up approximately 4.5 hectares of space in the vicinity of Peterborough Station. This constitutes a large area of paved surfaces, void of any aspects of natural capital. This project aims to consolidate these surface car parks to unlock this land for other uses. Within the public realm elements of the project there is opportunity for tree/vegetation planting and the provision of landscaped green spaces to support biodiversity and greening in the area.
8.4	New and improved public spaces and Sustainable Drainage Systems (SuDS) will reduce flood risk and support biodiversity and green spaces, improving resilience.
Other Significant Implications	
9.1	This project has an overall objective to improve connectivity and regenerate the area in and around Peterborough Railway Station. This phase of the project is intended to be the first of many future phases to improve connectivity between the Station and the city and will start unlocking land for development as part of a multi-phased masterplan for a mixed-use development that will attract inward investment and high-level jobs.
Background Papers	
10.1	13 January 2025 Investment Committee Cover Paper