

Cabinet

Date of Meeting: 10 March 2020

Report Title: Crewe Hub Station Update

Portfolio Holder: Cllr Craig Browne, Deputy Leader

Senior Officer: Frank Jordan, Executive Director Place

1. Report Summary

- 1.1. The delivery of an enhanced Crewe Hub Station provides a significant opportunity to deliver social, economic and environmental wellbeing for the residents of Crewe and the Borough. The Council is passionate about enhancing what the town already has to offer and offering more opportunities to people who live in, work in or visit Crewe – wanting to inspire and change lives together for a brighter future and improving the ‘quality of place’, today and, for the future
- 1.2. The Crewe Hub Area Action Plan (Area Action Plan) forms part of the Council’s Local Plan providing a detailed planning framework in response to opportunities arising from investment in Crewe rail station and the arrival of HS2 services to Crewe. A separate report on the Crewe Hub Area Action Plan is being considered by Cabinet.
- 1.3. The right rail solution at Crewe will create more capacity on the rail network and in the local economy, bringing with it a range of opportunity and potential. It means better connectivity across the Borough but also across the wider region – including the Constellation Partnership, Midlands Engine and Northern Powerhouse regions, spreading the benefits of this national investment to many other towns.

- 1.4. Furthermore, the right investment in the hub station, would enable Crewe to become the major gateway rail hub for the North, Midlands, Wales and Scotland.
- 1.5. This report outlines the project development work completed to date which identifies the following key interventions required to unlock the potential benefits to Crewe, Cheshire East and the wider region.
 - 1.5.1. Relocation of the main entrance onto Weston Road with direct access to a new central transfer deck;
 - 1.5.2. Rationalisation of station car parking;
 - 1.5.3. An improved Nantwich Road entrance with enhanced pedestrian and cycle facilities to support improved links with the town centre;
 - 1.5.4. Local highway and junction improvements including the southern link road bridge;
- 1.6. Investment in the Crewe hub station and wider package of supporting infrastructure would also support the council's environment strategy. through::
 - 1.6.1. Promoting walking and cycling for local journeys and between the town centre and railway station through the provision of enhanced pedestrian and cycling routes and station access;
 - 1.6.2. Promoting the use of public transport through the delivery of enhanced bus facilities with improved station access;
 - 1.6.3. Delivering innovative solutions for the provision of the necessary utilities including the promotion of low and zero carbon initiatives such as district heating systems;
 - 1.6.4. Seeking opportunities to deliver and/or future proof for the latest digital connectivity.
 - 1.6.5. Facilitating and promoting sustainable building design through new planning policies within the draft Crewe Area Action Plan;
 - 1.6.6. Increasing local green infrastructure and investment in public realm.
- 1.7. The Council has a lot of ambition for Crewe with significant work already underway and completed in the town. This includes significant investment in

the local highway network to improve access to the town and the ambitious Town Centre Regeneration Framework which includes substantial investment in the Market Hall and Royal Arcade.

- 1.8. The recently announced Towns Fund, for which Crewe was shortlisted, and the establishment of a Crewe Town Board will play a key role in driving forward aspects of these plans.
- 1.9. The government has been clear that delivering the Council's full ambitions for the hub station and surrounding area, aligned to HS2, will require a local contribution. This report also presents the outline funding and financing principles that could underpin a local contribution and the proposed agreement with Government to achieve this.
- 1.10. If Cabinet approve the recommendations within this report, the solutions stage and detailed design would be progressed and negotiations with Government would commence to inform an investment decision being sought from Full Council.

2. Recommendations

2.1. That Cabinet:

- 2.1.1. Approves the Masterplan Report for the Crewe Hub Station as outlined in Appendix 1;
- 2.1.2. Notes the feasibility and options stage reports of the Crewe hub station and project development presented in Appendices 2 and 3;
- 2.1.3. Approves the funding and financing principles set out in Appendix 4 of this report as the basis negotiating a Crewe Hub Regeneration and Investment Agreement with Government, and as the mechanism to underpin any local contribution;
- 2.1.4. Authorises the Executive Director of Place to take all necessary actions to negotiate and conclude terms with Government and the West Coast Franchise operator to secure an appropriate funding and financing package to inform an investment decision by Full Council.

3. Reasons for Recommendations

- 3.1. Getting the right station solution for Crewe is critical to unlocking the economic, social and environmental potential of the Town.
- 3.2. By coordinating the delivery of an enhanced station with a package of local supporting highway, public realm and social infrastructure these benefits can be maximised for Crewe and the surrounding area.

- 3.3. The Council is preparing a Strategic Outline Business Case using Her Majesty's Treasury appraisal methods to assess the full impacts and benefits of an integrated hub station and regeneration scheme and the proposed funding and financing package. This will be presented to Cabinet for approval ahead of the matter being considered by Full Council.

4. Other Options Considered

- 4.1. The Council could chose not to develop a station solution that supports the wider regeneration ambition for Crewe and instead accept the Government baseline solution, the do-minimum option. This option is likely to only see minimal investment in the Crewe hub station to meet the requirements for rail passengers and not necessarily support the emerging Crewe Hub Area Action Plan or the regeneration and economic ambitions for the town.
- 4.2. The Council could agree to not make a local contribution towards the Scheme. This option is unlikely to be supported by Government and as a result the scheme would remain unfunded. As a result, Government would revert to the do-minimum solution.
- 4.3. The Council has considered a range of station design options over the past two and a half years that could support the Council's long-term vision for Crewe. Each option has been scrutinised and evaluated through a series of stakeholder workshops at each of the three stages of project development work:
- 4.3.1. Feasibility stage;
 - 4.3.2. Options stage; and
 - 4.3.3. Solutions stage
- 4.4. The Feasibility and Options stages are now complete and presented in Appendices 2 and 3. The Solutions stage work is largely complete and subject to final refinements and reporting will be presented to Cabinet ahead of a Full Council investment decision. (Note: Appendices 2 and 3 are available to view on the Cabinet agenda web page.)

5. Background

- 5.1. Based on robust case making and strong, persistent campaigning by the Council, the Government has made substantial changes to the HS2 Crewe hub scheme over the past 5 years including;
- 5.1.1. In 2015, Government announced its intention to re-route the western leg of Phase 2 via Crewe to enable 2 HS2 services per hour to call at

Crewe by 2027. This is arguably the most significant change to the entire scheme since it was first launched. This enabled the Council to procure the development of a long term regeneration and masterplan framework for the town;

5.1.2. In 2016, the Council successfully challenged the location of the Crewe southern tunnel portal as included in the design refinement consultation. This helped to secure changes to Phase 2a tunnel portal design south of Crewe to avoid the need to disrupt and rebuild the A500;

5.1.3. In 2019, a change to the Phase 2a hybrid bill scheme, known as an 'Additional Provision' was proposed to extend Platforms 5 and 6 to allow for splitting and joining of HS2 trains at Crewe and enabling HS2 classic compatible services to Macclesfield and has since been adopted as part of the core scheme;

5.1.4. In 2019, through the petitioning process for the Additional Provisions to the Phase 2a hybrid bill, DfT Investment Committee endorsed and funded additional work by Network Rail on a revised rail infrastructure solution at Crewe (layout G1.3c) that would provide the track, signalling and platform solution at Crewe to enable 5/7 HS2 trains per hour, in each direction, to call at the station and also allow for growth in conventional services. A final sign-off by the Secretary of State is expected shortly and will commit the Government to deliver this solution; and

Crewe HS2 Hub Framework and Masterplan Scenario Report, 2017

5.2. In 2016, the Council, jointly with Homes England and HS2 Growth Partnerships, appointed a consultancy team, led by Arup, to develop a comprehensive masterplan framework for Crewe with work commencing in May 2016.

5.3. The framework considered the full spectrum of urban design, planning, regeneration, infrastructure, transport, social infrastructure, public realm and services needed to deliver sustainable plan-led development and covered a boundary that included Crewe Railway Station, Crewe Town Centre and Basford.

5.4. The framework identified the following seven key actions that would underpin the future ambitions for Crewe and allow the town and surrounding area to

fully capitalise on the opportunities of HS2 and a redeveloped Crewe Railway Station.

- 5.4.1. Reinvigorating the Crewe Town Centre;
- 5.4.2. Linking the station and the town centre;
- 5.4.3. Improving the road network;
- 5.4.4. Improve permeability of the railway by providing new and improved highway, pedestrian and cycle crossings of the rail lines;
- 5.4.5. Connecting the station with the Cheshire landscape; and
- 5.4.6. Creating an integrated green network

5.5. The masterplan framework provides a robust foundation for regeneration and economic development across the town that addresses the key constraints and barriers that exist today. The Council recognises the need to address these constraints to support regeneration and development around the station; with or without HS2 and would seek to pursue these actions even if HS2 commitments are not secured. However, the scale and pace of the regeneration and benefits would be reduced without the step-change in connectivity of HS2.

5.6. The recently announced Towns Fund and the Crewe Town Board provides an opportunity to promote and accelerate critical enablers of these actions and realise early benefits to both the hub station area and the town centre.

5.7. Since this consultation was undertaken, the Council has been working with, and where necessary challenging, Government and HS2 Ltd to secure the necessary commitments and assurances required to support these proposals and provide the catalyst to unlock the scale of potential as outlined in this vision.

5.8. The Council has also worked closely with Network Rail and its consultancy team to ensure that the masterplan would align to the emerging station concept design, the Council's draft Area Action Plan and the town centre regeneration programme.

5.9. The masterplan framework Executive Summary is presented in Appendix 1 and the full document will be made available on the Council's website following Cabinet approvals within this report.

Crewe Hub Funding and Financing Principles

- 5.10. The Council has commissioned a team of leading consultants to support it in developing a strategic outline business case for the Crewe hub proposition.
- 5.11. The business case will articulate and quantify the total benefits that investment in the Crewe hub station scheme can deliver. It will outline both monetary and non-monetary benefits.
- 5.12. The initial analysis shows that the business case will have a positive Benefits to Cost Ratio.
- 5.13. The business case will include the key commitments and decisions of Government and other partners that are required to underpin the scheme and unlock a local contribution. These being:
 - 5.13.1. Government commitment to a rail infrastructure solution at Crewe that can allow up to 7 HS2 trains per hour, each way, to call at the station;
 - 5.13.2. Government commitment to Transport for the North's business case for a new Crewe North Connection; required to enable direct HS2 services between Crewe and Manchester;
 - 5.13.3. Government investment into Crewe station reflective of its role as a national HS2 and rail hub
 - 5.13.4. Department for Transport and Avanti West Coast agreement to remove station car parking at Crewe railway station from the West Coast franchise with control and operation of station car parking being the responsibility of the Council.
 - 5.13.5. Government to grant Cheshire & Warrington Local Enterprise Partnership a Tax Increment Financing mechanism for a new Crewe Growth Corridor including a new commercial area adjacent to the new hub station enabling the local area to retain 100% of the growth in business rates across this area for a defined period.
 - 5.13.6. Local Majors or equivalent grant funding towards the supporting highway infrastructure package; including the Southern Link Road Bridge
- 5.14. The Strategic Outline Business Case will be presented to Cabinet ahead of a Full Council investment decision.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. Implementing a project of this scale and complexity will have a number of legal implications for the Council.
- 6.1.2. It is anticipated that the Council will need to enter into a series of contractual arrangements with key stakeholders including Network Rail and the West Coast Partnership in line with the Council's constitution taking into account any financial constraints.
- 6.1.3. The Council is working in partnership with Network Rail for the delivery of the interim enhanced HS2 Hub station and the required detailed design work will be procured by Network Rail. The Council is relying on Regulation 12 (7) of the Public Procurement Regulations 2015 which states that arrangements such as these sit outside the public procurement regime as the contract establishes or implements a co-operation between the participating contracting authorities with the aim of ensuring that the public services they have to perform are provided with a view to achieving objectives they have in common. Network Rail will rely on their framework contracts to procure contractors to deliver the detailed design works in accordance with the Utilities Regulations that Network Rail are subject to, therefore there will be an element of competition in tendering the works. Any future procurement of the construction works will be through a Network Rail tender process and the Council will have appropriate input in to the specification for its element of the works.
- 6.1.4. Should the Council proceed to procure a design and build contract for the multi –storey car park this will need to be done in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.
- 6.1.5. Ongoing legal advice will be needed as this scheme is further developed and delivered, particularly if there comes a need to invoke statutory processes to assist land assembly and any necessary development consents. It is important to ensure that the Council's legal team is adequately resourced to support the continuing demands on it and that it is supported by specialist external legal advisors where required

6.2. Finance Implications

6.2.1. In order to arrive at a fully costed and credible investment decision which will be presented to Full Council at a later date it is necessary to continue with the detailed development work to deliver a design solution and an outline finance and funding proposition to form the basis of the Strategic Outline Business Case. This would utilise existing approved capital budget of £12.4m

6.2.2. A future Full Council investment decision to approve a local contribution towards the Crewe Hub Station and supporting investment could see the Council committing to forward fund a substantial investment as identified in the outline proposition. However, any local contribution would be predicated on securing the necessary commitments from Government, as outlined in the outline proposition, in advance of any investment decision.

6.3. Policy Implications

6.3.1. The Local Plan Strategy identifies the need for improvements to Crewe Railway Station to make it a national hub.

6.3.2. The Local Plan Strategy does not include any HS2 related development and therefore does not provide a policy for the ambitions for the wider station area. The Local Plan does however reference that HS2 will have implications on the Local Plan and that there may be a need for an Area Action Plan for the area around the Crewe HS2 hub station.

6.3.3. The Draft Crewe Hub Area Action Plan is a Development Plan Document that, following approval and adoption, will form a change in planning policy for the area over which it is defined. Once adopted, this will supersede the policy framework for the area in the existing Local Plan Strategy but will not impact the policy framework for the remainder of the borough.

6.4. Equality Implications

6.4.1. The business case sets out an approach to creating growth and prosperity for Crewe and the wider region whilst focusing on delivering quality places where people choose to live, learn, work and play.

6.4.2. The station design and masterplan includes proposals that will deliver a vibrant mix of good quality and well connected communities and

business districts supported by a strong culture, leisure, retail and green and open space offer.

- 6.4.3. The business case accords with the Cheshire East Equalities and Diversity Policy in that it seeks to ensure that all residents, communities and businesses, existing and new, are able to contribute to and benefit from economic success.

6.5. Human Resources Implications

- 6.5.1. The continuation of the project development work to a Full Council investment decision will be resourced from existing resources and funding from the HS2 Capital budget. This will be supplemented by external and specialised resources where required.

- 6.5.2. The management case of the business case outlines the long term resources required to deliver a programme of this scale. The outline finding and financing outline proposition will include the funding of the long term delivery resources.

6.6. Risk Management Implications

- 6.6.1. Government's existing proposals for Crewe remain only for 2 HS2 trains per hour. Whilst the Council has gained significant announcements and decisions from Government that would support an enhanced HS2 service solution at Crewe over recent years; Government still require a local contribution to provide these commitments. Approval of the station design and funding and financing principles would enable the Council to enter into meaningful negotiations with Government to agree a funding and financing proposition to support a Full Council investment decision. However, Government may still not commit to any further services than the 2 HS2 trains per hour already planned. In this case, there would not be the step-change in connectivity at Crewe to support the level of regeneration and growth within the Council's ambitious plans. In this scenario the Council would unlikely be able to afford a local contribution towards the station resulting in Government delivering a sub-optimal solution for Crewe. If this is the case, the Council may need to fund a level of abortive costs of project development work to date.
- 6.6.2. Government are currently considering the outcomes of an independent review of the HS2 scheme, chaired by Douglas Oakervee.

- 6.6.3. Based on the review the Government will conclude whether the scheme should go ahead or not and if so, whether it should be modified at all by only delivering part of the full network, whether delivery should be delayed or whether there should be significant changes to design elements of the scheme to reduce costs.
- 6.6.4. A number of the potential scenarios of this review including, a reduction in the scheme that does not extend from Crewe to Manchester, significant delays to Phase 2a and/or 2b, a reduced level of services at Crewe, could all impact the ability to deliver the Council's plans for the area or the validity of the business case. Without Government's support to refine these plans in response to the review there may be no viable alternative to the Government's baseline plans for Crewe. If this were the case, the Council may need to fund the abortive project development work to date as set out in the Crewe Station Development Cabinet Report, 11 June 2019.
- 6.6.5. There is a risk that there is no agreed funding and financing package for the station and as a result a sub-optimal station is delivered. Initial analysis suggests that the business case for the Scheme would have a positive benefits to cost ratio when supported by a local contribution. This could result in the need for the Council to expense the project development work to date. In this instance, in recognition the government imposed restrictions on Council capital financing and having to balance annual budgets, the Council would consider a number of options, including any or all of the following strategies, and relative to spending on particular aspects of the scheme to date:
- 6.6.5.1. Develop a revised and self-funded business case to deliver a reduced regeneration and transport access scheme for the area on which to capitalise the costs and deliver a much smaller proportion of economic benefits;
 - 6.6.5.2. Develop no alternative scheme and write-off costs to date but pursue a special dispensation from Government to enable these to be written off within the capital budget and not transferred to revenue and subsequently re-prioritise the Place Capital Programme; or
 - 6.6.5.3. Develop no alternative scheme and write-off costs directly to the revenue account. These costs to be met by significant reprioritising the Place Budget to identify necessary savings and investment opportunities to minimise exposure of Reserves at a future point in time

- 6.6.6. The cost of pursuing the CPO through to implementation is difficult to estimate and will depend upon the success of prior negotiations with landowners.
- 6.6.7. The actual costs incurred for land acquisition/ compensation will be determined through the negotiation and CPO processes and will be subject to processes defined within the Constitution.
- 6.6.8. The Council, in partnership with C&W LEP, is seeking to develop the case for a Tax Increment Financing mechanism for Crewe, regardless of HS2. If this were successful, it would enable capital investment in and around Crewe Railway Station area and allow the project development costs incurred to date to be supported by new assets. Equally, some of the schemes identified through the work to date have merit and alternative funding mechanisms would be sought to deliver them as part of an investment programme for Crewe which again would enable project development costs to date to be capitalised against an asset.
- 6.6.9. There is a risk that the West Coast Partnership do not agree to take the car parking at Crewe station out of the franchise. In this case, the Council would need to forego one of the significant revenue streams that would underpin any local contribution. In this scenario, the Council would need to either fund these costs from other Council budgets or reduce the potential contribution which may result in the Council's plans being unaffordable.
- 6.6.10. There is a risk that the Council is not able to acquire the necessary land required to deliver the key components of the station and masterplan. Without the necessary land available in time the critical delivery programme cannot be met and the Council would be faced with significant additional costs to deliver the scheme.
- 6.6.11. There is potential risk posed by contaminated lands in and around AAP areas.

6.7. Rural Communities Implications

- 6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People/Cared for Children

- 6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

- 6.9.1. The range of jobs that will be created in the short and longer term due to the development of the Hub should assist local residents gain employment which will have a positive benefit on their health and wellbeing.
- 6.9.2. The area around Crewe station contains an Air Quality Management Area (AQMA). By including appropriate planning measures within the scheme an improvement in the air quality in the area could be achieved. Such measures could include the creation of a new road to divert some traffic away from the “pinch point” at the main entrance to the station to greening areas of the site. In addition the development of appropriate park and ride facilities along or the periphery of the hub may reduce the need for drivers to park close to the station and adding to the congestion near the current station entrance.
- 6.9.3. The development of the site also provides the opportunity to enhance active transport routes including safe cycle routes.
- 6.9.4. The development of the site provides an opportunity to install renewable energy systems such as Solar Farms and Wind Turbines thereby assisting the local authority to achieve its environmental targets. Buildings on the site can also be used as platforms for solar panels.
- 6.9.5. Development of the site and the income generated may also enable the development of local commuter train services that would reduce car usage and assist with the improvement of air quality.

6.10. Climate Change Implications

- 6.10.1. The hub station design and masterplan solution includes a series of proposals to encourage more sustainable travel across the area. This includes enhanced cycle and pedestrian links between the station and town centre and a new multimodal interchange alongside the new primary entrance on Weston Road.
- 6.10.2. New development across the Area Action Plan Area will need to be designed to support sustainability in accordance with the Crewe Hub Area Action Plan Policy IN2: Energy Infrastructure.

7. Ward Members Affected

- 7.1. All Wards and All Ward Members.

8. Consultation & Engagement

- 8.1. Engagement with local ward members and communities and key stakeholders will be undertaken as the programme progresses to detailed design and as key projects move forward. A full consultation plan will be presented to Full Council as part of an investment decision.

9. Access to Information

9.1. Supporting information

- 9.1.1. Appendix 1: Crewe HS2 Hub Framework and Masterplan Scenario Report Executive Summary (attached)
- 9.1.2. Appendix 2 - Crewe Hub Station Campus Design and Masterplan – Feasibility Stage Report (agenda web page)
- 9.1.3. Appendix 3: Crewe Hub Station Campus Design and Masterplan – Options Stage Report (agenda web page)
- 9.1.4. Appendix 4: Crewe Hub Funding and Financing Principles (attached)

10. Contact Information

- 10.1. Any questions relating to this report should be directed to the following officer:

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