

### ADVANCING METRO CENTRAL

---

#### Reason for this Report

1. To provide an update on the Metro Central project and to seek considerations of Investment Panel as to the request that will be made of Regional Cabinet for a City Deal funding contribution towards the costs of completing essential design specification and technical requirements for the project, which will inform and shape a programme-level Full Business Case.

#### Background

2. In January 2018, the Cardiff Capital Region City Deal Cabinet agreed in-principle to set-aside £40m of City Deal funding to support the redevelopment of Cardiff Central Station on the basis that match funding would be forthcoming from the UK Government, Welsh Government and the private sector and subject to a Full Business Case. On 22 July 2019, the UK Government announced a similar in-principle funding contribution of £58.3m. Welsh Government has also agreed to contribute £45m and the adjacent landowners are developing associated commercial proposals that will represent an investment of similar proportions.
3. Metro Central is a critical component of the overall South Wales Metro project. Its capacity determines the overall capability and resilience of the network, and it is also the sole connection between the Great Western Mainline and the Core Valley Lines. As such, the ability of the station to deal with increased patronage is fundamental to the future success of city-region transport infrastructure, and its ability to achieve dispersed and inclusive growth across the CCR.
4. A detailed governance structure (the Metro Central Delivery Partnership) has been established to oversee the development of the project including representatives from Cardiff Council, Welsh Government, Transport for Wales, Network Rail, the private sector, and in recent weeks has extended to include officers from the City Deal.
5. At the Cabinet meeting of 15 January 2018, it was agreed in principle to allocate £40m of City Deal Investment Fund capital towards delivery of the Metro Central project as outlined in this report, subject to:
  - 1) Discharge of the JWA Business Plan reserved matter;
  - 2) Formal approval of the Full Business Case by the City Deal Cabinet in accordance with the City Deal Investment Fund Assurance Framework and full consideration by the appropriate advisory bodies and sub-committees;
  - 3) Completion of the GRIP and WelTAG processes; and
  - 4) Commitment to match-funding from Welsh Government, UK Government and the private sector as outlined in this report.
6. Subsequently a request for a City Deal funding contribution of £100,000 was approved by the Cardiff Capital Region City Deal Cabinet in October 2019 to assist with the development of architectural proposals based on the initial feasibility studies undertaken by ARUP – the Weston Williamson work (Appendix 1). This work was required to test the deliverability of the initial feasibility work as

part of setting the context and developing the brief for the detailed Full Business Case work required to satisfy the UK Government investment and the proposed full investment to be made by City Deal.

7. The commitment of £100,000 by the Cardiff Capital Region City Deal Cabinet was also considered by the City Deal Investment Panel prior to its approval. In their consideration, the Investment Panel also sought for further information to be provided following approval and in anticipation of the final consideration of the full funding of the project. These considerations, also endorsed by Regional Cabinet, included:
  - Additional information to be appended to the current OBC to respond to the City Deal Requirements and demonstrate the case for the wider elements of the scheme (beyond rail) for which City Deal funds are sought – a programme-level case.
  - Confirmation of the DfT conditions for future investment.
  - Ensuring that the Cardiff Capital Region feature in governance arrangements.
  - Clarification of the overall funding envelope, including a summary of:
    - Total estimated cost (split across pre and post FBC approvals)
    - Funding split for each partner (for each phase)
    - Status of funding approval (for each partner)
    - Costs incurred to date (for each partner)
    - Re-run cost benefit ratios relating to the above and low and high growth scenarios related to City Deal Requirements
    - Assessment of ROI and basis on which investment is sought
  - Re-submission of SIFT questionnaire to capture as much of the above as is practicable at this stage and present as one case
  - Further elaboration of plans for sustainability, wellbeing and low carbon
8. A full response to the considerations set out above can only be provided by the Full Business Case as the FBC will confirm detailed proposals with associated detailed cost estimates based on procured solutions. At this stage in the process the proposals remain indicative and therefore the considerations can only be partially addressed. However, it is clear from wider developments and the broadening scope of this public-private scheme, a Full Business Case must be at programme level (as opposed to merely at individual project-level) and give consideration to all elements of the scheme – in order to independently inform the basis upon which City Deal investment is made; the outcomes it will contribute to; and how benefits and momentum is captured and shared by all partners. This is particularly key in the light of City Deal Requirements around jobs, growth, private leverage and the types of ROI that might be delivered.

### **Summary of the Proposal**

9. The January 2018 report outlined and approved the strategic case for the Metro Central project, predicated on a number of key tenets, namely:

#### Transport Infrastructure Requirements

10. Cardiff Central is of critical importance to the regional transport network. It is the only interchange station between the Core Valley Lines (CVL) and the UK inter-city mainline. The station handles around 13 million entries and exits per year, almost six times as much as Cardiff Queen Street which is the second most used railway station in Wales. Recent growth in passenger use has led to the station regularly operating at capacity, or close to capacity. During major event days capacity is regularly exceeded, requiring restrictions to enable the station to operate safely.
11. Passenger numbers are predicted to continue to grow into the next decade and beyond. By 2023 growth is expected to reach 22 million entries and exits, rising to 32 million by 2043. It is predicted that the station will exceed capacity on a daily basis by the mid-2020s, resulting in restrictions becoming a much more regular feature. This will effectively restrict growth of the Metro network and hold back the economic potential of the Cardiff Capital Region. In simple terms, an increase to the capacity of the station for trains and passengers is required to support the future growth and sustainability of the Core Valley Lines, and to ensure full realisation of the potential for economic growth across the region.

#### Private Sector Leverage

12. Historically, the expansion of Cardiff city centre has been constrained by the main east-west railway line. In recent years, significant progress has been made to assemble a series of regeneration projects, through public private partnership and concerted land assembly initiatives that have the potential to penetrate the main railway line and mobilise the expansion of Cardiff city centre towards Cardiff Bay. It is estimated that the overall regeneration potential of these key regeneration projects has the capacity to deliver circa 5,000,000 ft<sup>2</sup> of commercial development, comprising:
  - Central Square (1,000,000 ft<sup>2</sup>)
  - Central Quay (1,000,000 ft<sup>2</sup>)
  - Dumballs Road (1,000,000 ft<sup>2</sup>)
  - Callaghan Square (1,000,000 ft<sup>2</sup>)
  - Capital Quarter (500,000 ft<sup>2</sup>)
  - St Davids Square (500,000 ft<sup>2</sup>)
13. In total, this amount of commercial development space has the potential to convert into more than 30,000 jobs over the next 10 – 15 years, leveraging in excess of £2bn of Gross Development Value, and over £1bn of GVA. This is significant component of the overall scheme and further evidences why a programme level Full Business Case is necessary in order to be clear about the benefits and opportunities CCR is helping to catalyse.

#### Regional Impact

14. The regional reach of Metro Central is potentially greater than any other regional project given its position at the heart of the Metro development and the quantum of jobs it can provide for the city-region. This is also backed up by current evidence that shows that commuters using Cardiff Central are four times as likely to live outside the boundaries of Cardiff as within them. Furthermore, the premise of Metro Central is also to drive regional business growth through improved connectivity with the national rail infrastructure. As the sole connection between the Core Valley lines and the national rail network, Metro Central would therefore act as one of the city-region's key means of connectivity with the rest of the UK.

#### Modernisation of Cardiff Central Train Station

15. The fundamental elements of the project remain as was presented in the 2018 Cardiff Capital Region Cabinet Report, are set out below. Regional Cabinet has been clear that any investment it might make, will be on core infrastructure facilities that will drive regional benefits – not on public realm and environmental enhancements in the immediate locality.
- Alternatives entrance/gateline locations
  - Platform 0
  - Vertical transportation (VT) alternatives
  - North-South unpaid alternatives
  - Commercial opportunities
  - Roof enclosure
  - Back of House /Servicing
  - Intermodal links
  - Public realm/landscape

### **Project Update**

16. The January 2018 report outlined that the Metro Central project is a complex proposition that will need to involve a broader range of partners. It is clear that the scale of improvements required to modernise Cardiff Central Station and to make it safe and fit for purpose will require a significant contribution from Welsh Government and the UK Government in addition to contributions from the Cardiff Capital Region City Deal and the private sector. Unlocking rail related investment from UK Government requires a series of submissions to be made through the formal and detailed Governance for Railway Investment Project (GRIP) process. Similarly, it was outlined that any Welsh Government contributions will require submissions through the Welsh Transport Planning and Appraisal Guidance (WelTAG) process.
17. The initial stage for both of these processes (the Strategic Outline Case) was jointly commissioned by Cardiff Council, Welsh Government and Rightacres Property Ltd as part of the January 2018 report.

### Outline Business Case - Rail

18. Following this, an Outline Business Case was submitted by Welsh Government to UK Government and is attached as Appendix 2 (exempt from publication). This is not a programme-level OBC and focuses only on the rail related component required to improve passenger capacity in the station – so as to inform UK Government investment. This follows HMT Five Case format, and aligns with the 2017 Welsh Transport Appraisal Guidance (WelTAG) and the Transport Analysis Guidance (WebTAG) published by the DfT.
19. As part of establishing the business case, the report defined following strategic objectives for the programme:
- O1 Implement measures to alleviate crowding and congestion routinely experienced within the railway station, and to accommodate the region's event demand.
  - O2 Develop an enhanced, multi-modal interchange capable of functioning as the Capital Region's principal transport hub and the key station on the South Wales Metro network.

- O3 Deliver an interchange that provides for the future generations of the Capital Region and Wales, by delivering sufficient capacity to accommodate long-term passenger growth.
  - O4 Enhance the connectedness and quality of access to Cardiff Central Enterprise Zone in a timely manner to ensure key development opportunities are realized.
  - O5 Deliver qualitative enhancements that improve the passenger experience and create an interchange fit for the Welsh Capital and the Capital Region
  - O6 Contribute towards improved air quality and help people live low carbon lifestyles by encouraging increased public transport usage and less private car transport.
20. For each objective, the “do something” option was compared against the “do minimum” option. The conclusion of the report’s analysis was that the “do something” will deliver strongly positive results in relation to all of the above objectives, compared to the “do minimum”.
21. For each programme element, the report also analysed the benefits and costs of the “do something” option (delivery of the enhancement programme), compared to the “do minimum” (retention of the existing facilities). Results were analysed and compared on a net present value basis, over the period ending at 60-years post-assumed scheme opening in 2023. In line with standard WebTAG and WeITAG practice, financial values in the Economic Appraisal are expressed in 2010 prices. Table 1 below summarises the results of this exercise.

**Table 1: Economic appraisal – indicative results (£m, 2010 prices, discounted)**

Cumulative values (60 years post-opening)	Low rail growth scenario	High rail growth scenario
<b>I. Rail station enhancement</b>		
Total benefits	44.11	51.38
Total costs	-28.71	-24.27
Net Present Value	15.40	27.12
Benefit to Cost ratio	1.54	2.12
<b>II. New bus interchange</b>		
Total benefits	8.56	9.17
Total costs	-5.62	-5.49
Net Present Value	2.93	3.67
Benefit to Cost ratio	1.52	1.67
<b>III. Improved public realm &amp; interchange areas</b>		
Total benefits	54.60	54.60
Total costs	-25.79	-25.79
Net Present Value	28.80	28.80
Benefit to Cost ratio	2.12	2.12
<b>IV. Consolidated programme summary</b>		
Total combined benefits (I. – III.)	107.26	115.15
Wider benefits (programme-level)	1.48 (lower case)	4.60 (higher case)
Total costs (I. – III.)	-60.13	-55.56
Net Present Value	48.61	64.19
Benefit to Cost ratio	1.81	2.16

22. The results show a benefit to cost ratio of significantly greater than one in both scenarios considered, with a value exceeding two for the high growth scenario.
23. These scenarios were broadly in line with the findings of other reports into the impact of major station regeneration projects, a summary of which is provided in Appendix 3. These reports also emphasised the wider economic impact of such projects.

24. The report further concluded that “The programme will create an integrated transport hub that significantly enhances access to central Cardiff, as well as catalysing further commercial development in the Cardiff Central Enterprise Zone.” It also concluded that “The case for intervention is compelling and urgent. The railway station is already operating at close to capacity, and experiences overcrowding and congestion on a daily basis. Without urgent upgrades the station will be unable to accommodate projected passenger numbers during daily peak periods by the mid-2020s”
25. Further detail on the outcomes of the five case business model are included within the report in exempt Appendix 2.
26. In order to support the further development and progression of programme proposals, the report also outlined a number of recommendations with regard to key aspects of the analysis presented in the report, these include an enhanced analysis of options where a more detailed overall vision is presented. This is consistent with the need for a more detailed and comprehensive view through a Programme-level Full Business Case and must be progressed in order for key evidence to be presented which will inform the requirement for City Deal investment.

#### Securing Funding Commitments

27. Discussions between partners have also run in parallel with the development of the business case, and subsequently on 22 July 2019, the UK Government announced an in-principle contribution of £58m towards the redevelopment of Cardiff Central Station, subject to the completion of the final business plan and other necessary assurances (GRIP studies etc).
28. Furthermore, the Welsh Government have also made a commitment to investing £45m in the wider Metro Central development, comprising £30m towards the bus interchange and £15m towards ensuring that Metro Central is integrated with the wider Metro project through station enhancements.
29. The commitment from UK Government discharges the “Commitment to match-funding from Welsh Government, UK Government and the private sector” requirement to unlock City Deal funding outlined in the Cardiff Capital Region Cabinet Report of 15 January 2018. Together with the private sector contribution the total contribution is expected to exceed £160m in totality – with the true level of investment leverage and opportunity to be evidenced through a programme-level business case.
30. Subsequently two matters outlined in the 15 January 2018 are now outstanding, namely the finalisation of the GRIP and WelTAG processes and the commissioning of a programme-level Full Business Case by programme proposers, TfW and WG which will need to be informed and scoped by CCR, in advance of procurement and subsequently, recommended by Investment Panel to Regional Cabinet for approval.
31. Letters of confirmation of funding are attached as Appendix 4.

#### Governance

32. The overall Metro Central Project is currently being overseen by the Metro Central Development Partnership (MCDP), which is formalised through a collaboration

agreement that has been signed by the Welsh Government, Cardiff Council, Network Rail Infrastructure Limited and Rightacres Property Co Limited.

33. The partnership covers the wider Central Square development, and as such includes a wider development footprint than the Metro Central development. The shared aim of the partnership is to provide a co-ordinated and managed approach to the redevelopment of the areas of Cardiff Central Station, Central Square and Central Quay in an integrated way.

34. The terms of reference of the MCDP outlines that the purpose of the steering group is to:

- Provide a co-ordinated and managed approach to bring forward the redevelopment of the areas of Cardiff Central Station, Central Square and Central Quay in an integrated way in accordance with the agreed Vision;
- Enable agreement to be reached between the partners on key aspects of Metro Central including scope, funding, timing, consultation, consenting and delivery;
- Ensure that all project partners are engaged, coordinate their input and work together to deliver agreed objectives.

35. The key activities of the MCDP Steering Group are to:

- Agree a Programme of Projects in line with the agreed Vision
- Review submitted proposals, identifying outputs and timing and their development into Projects;
- Ensure the integration of each Project into wider the Vision;
- To monitor progress and endorse decisions made within the governance structures of the members' respective organisations
- Co-ordinate any bids made for public funds for project delivery
- Monitoring the progress of Projects and overall delivery of the Vision;
- Coordinate communications with other stakeholders and the wider public.
- The MCDP Steering Group is not a decision-making body, however actions it may wish to see taken can be agreed as a recommendation that the members may seek to ratify under their respective governance arrangements.

36. As overall scheme proposers, Welsh Government chairs meetings and provides secretariat support. Underneath the Metro Central Development Partnership, there are a number of sub-groups responsible for components of the overall Metro Central project. These groups comprise:

- Stations Alliance Working Group (Short-Term Projects at CCS)
- Commercial
- Metro Central Programme Full Business Case
- South Side Connectivity
- Cardiff Central Interchange Supervisory Board
- Active Travel

37. Membership of these various sub-groups is given in table x below.

**Table 2: Metro Central Working Group Sub-Group membership**

	RAP	CC	WG	TFW	NR	TFW RS	CCR	DfT

Stations Alliance Working Group (Short-Term Projects at CCS)				√	√	√		
Commercial	√	√	√	√	√	√		
Metro Central Programme Full Business Case		√	√	√	√	√	√	√
South Side Connectivity		√	√	√	√	√		
Cardiff Central Interchange Supervisory Board		√	√	√	√	√		
Active Travel		√	√	√	√	√		

38. It is proposed that in order to ensure that the regional benefits of the Metro Central that a nominated representative of the Cardiff Capital Region is invited to the Metro Central Development Partnership Steering Group.

39. It is also proposed that there is a position for the Cardiff Capital Region on all Metro Central Working Group Sub-Groups, except for the Active Travel group (on the basis that this comprises a local rather than regional issue). A summary of the proposed new governance representative arrangements is provided below.

**Table 3: Metro Central Working Group Steering Group and Sub-Group suggested membership**

	RAP	CC	WG	TfW	NR	TfW RS	CCR	DfT
Metro Central Delivery Partnership Steering Group	√	√	√	√	√	√	√	
Stations Alliance Working Group (Short-Term Projects at CCS)				√	√	√	√	
Commercial	√	√	√	√	√	√	√	
Metro Central Programme Full Business Case		√	√	√	√	√	√	√
South Side Connectivity		√	√	√	√	√	√	
Cardiff Central Interchange Supervisory Board		√	√	√	√	√	√	
Active Travel		√	√	√	√	√		

40. CCR Director attended MCDP for the first time on 10 February 2020. In seeking clarity about arrangements, sequence and timing of proposals, the following was confirmed:

- WG and TfW are the programme proposers to CCR and will play the lead co-ordination function and have accountability for the programme as a whole
- The scope of the scheme is broadening to focus on further infrastructure connections and opportunities such as the Cardiff Central to Cardiff Bay, Junction 33 and Coryton.
- Current plans to commission individual business cases for the various component parts of the wider programme – will not be sufficient for CCR in demonstrating core requirements around leverage, growth and returns
- That a programme-level Full Business Case should be commissioned by the scheme proposers, to capture all of the benefits, momentum and upside created by the scheme as a whole. This should be closely shaped and informed by CCR in order that full requirements can be met
- That a recommendation would be brought for consideration to CCR Investment Panel (prior to Cabinet) regarding the finalisation of the design specification/ outstanding GRIP work, recognising this is needed to inform a Full Business Case. However this would be conditional upon a

commitment from the proposers that a programme-level Full Business Case would be simultaneously commissioned in order to provide answers to outstanding questions posed by CCR

- The design work is judged to cost in the region of £10m (10% of total project costs) but final costs will be subject to the outcomes of a full tender exercise. It is proposed that this is made up of >£4m CCR and >£6m DfT. The CCR contribution is deductible from the ring-fenced £40m. This is in light of WG already committing £30m of its proposed £45m for the Bus Interchange.

### CCR Investment Panel

41. CCR Investment Panel has a role in providing advice and assurance to Cabinet around investment proposals. To date it has made an onward recommendation to Cabinet on the £100,000 Weston Williamson work. Conditions were attached to this and were approved by Regional Cabinet relating to gaps in the current picture. These conditions, which are set out in paragraph 7 above. Cabinet added a further condition around CCR funds being directed into core infrastructure requirements only. Whilst certain conditions have been discharged such as governance representation, it is clear that the main points cannot be addressed until the Full Business Case is produced. The Full Business Case cannot be produced until the design/ GRIP work is complete. However, given the wider scope of the scheme and the commercial interests that feature, it is clear that a project level Full Business Case will not be sufficient. As set out in paragraph 41 above, it is suggested Investment Panel endorses these conditions, in order for a programme level case to be developed that establishes the ask, offer, benefits and potential to meet City Deal Requirements.

### Clarification of Investment

42. The total estimated cost of the Metro Central development is £185m, of which £30m is a contribution towards the new bus interchange; and £155m is a contribution towards the improvements to Central Train Station. This funding is split across:

- Bus Interchange (£30m)
  - Welsh Government (£30m)
- Central Train Station (£155m)
  - City Deal (£40m) - repositioning of north concourse; weather protection; remodelling of internal stairways.
  - Dft (£58.3m) - Platform 0 and other rail infrastructure related work; new barriers; improvements to platform areas; commissioning of second tunnel.
  - WG (£15m) - Improvements to north-south connectivity and Metro integration
  - Private sector (c£40m) - new concourse buildings and car parking

43. The development of the Full Business Case will be predicated on discharging the requirements outlined in the Cardiff Capital Region report of 15 January 2018, in particular the completion of the completion of the GRIP and WelTAG processes. In addition, it seeks to discharge the requirements of Investment Panel as endorsed by Regional Cabinet in October 2019 and as agreed at MCDP meeting on 10 February, the need for a Programme-level Full Business Case to capture the benefits of the whole scheme, as opposed to individual parts and clarity regarding the ask of CCR the offers, benefits and returns.

### Costs Incurred to Date

44. The total costs incurred on the project to date include:
- Welsh Government costs of circa £250,000, which include feasibility studies, and the development of the Outline Business Case (produced by Arup).
  - Cardiff Council have also made a contribution of £50,000 to the development of feasibility studies, as well as the Outline Business Case.
  - The Cardiff Capital Region City Deal have contributed £100,000 to the development of the visioning work produced by Weston Williamson + Partners.

#### Assessment of Return on Investment

45. The Investment Panel also requested for a re-run of the cost benefit analysis relating to high and low growth scenarios related to the City Deal requirements, as well as an assessment of the return on investment. In response to this the development of the programme-level full business case will include further detailed consideration of:
- Total number of jobs created, focussing on indirect and induced.
  - Increase in GVA associated with the development.
  - Total private sector leverage
  - The basis on which investment is made
46. In addition, the Full Business Case will also look at the additional return on the proposed £40m City Deal investment in relation to core aspects of the programme as a whole as well as a full economic impact assessment. This will be based partly on the consideration of how the development of Central Station can unlock further employment growth, the proportion of the additional employment growth that will be taken by rail commuters, and the proportion of those workers who will work across the Cardiff Capital Region. Currently modelled data suggests that the majority of rail commuters into Cardiff City Centre come from outside Cardiff (circa four out of five rail commuters).
47. To maximise the impact of Metro Central, the Cardiff Council Economic Strategy has placed the development at the centre of its vision for Cardiff and the city-region. This is not only based on the identification of the project as a Cardiff Capital Region City Deal priority, but also through a consultation process that identified the project as one that would drive jobs and growth for both Cardiff and the Cardiff Capital Region.
48. The project is also expected to exceed expected impact (in comparison with other nation schemes) as there is significant undeveloped brownfield land in the vicinity. In addition, analysis by Centre for Cities has shown that, compared with high performing cities in the UK, Cardiff is particularly underserved in terms of commercial property. To that end there is both the land supply and demand for investment in commercial property that will deliver the necessary economic impacts and returns for the Metro Central project. To maximise the impact of the Metro Central, Cardiff Council will also dedicate its economic development team to supporting investment in and around Central Square, in line with both its economic strategy, the Cardiff Capital Region Industrial and Economic Plan and the commitments included in the January 2018 Cardiff Capital Region report.

#### Progress in Securing Private Sector Leverage

49. The £40m in principle commitment was made with consideration of the significant private sector investment that would be leveraged from the Metro Central project.

This development forms part of the wider Metro Central development of circa 5 million sq ft of commercial/residential development with the potential to accommodate more than 30,000 jobs and leverage £2bn of private sector investment over the next 10 – 15 years. Given the location of the development, as well as recent employment trends, the majority of jobs created within the Core Employment Zone would be taken up by residents across the city-region.

50. Furthermore, the sizable private sector investment and employment contributions leveraged from the development would make a considerable contribution to the overall jobs and GVA objectives of the City Deal, which in turn places less pressure on other projects to contribute towards these objectives.
51. The £40m in principle commitment has also subsequently supported the promotion of the Central Quay development that was outlined in the 15 January 2018 report. The development formed part of the Department for International Trade's *Wales Investment Opportunities* portfolio. This portfolio was launched in MIPIM in March 2018, and continued to be promoted by the Department for International Trade.
52. The prospectus outlined the key elements of the masterplan of Central Quay as being:
  - Offices – between 6 and 12 storeys –110,000 m2
  - Residential – up to 1,000 apartments in blocks ranging from 4 to 24 storeys
  - Hotel – 200 beds – 6,000 m2
  - University campus – 21,000 m2 in 2 blocks
  - Student accommodation – 2 towers of 20 and 23 storeys, 24,000 m2
  - Multi-storey car park – 695 spaces
  - Leisure – brewery visitor centre food & beverage outlets, retail and public realm
53. More recently the Cardiff Capital Region and Cardiff Council have developed an investment prospectus to promote investment opportunities across the city-region. A significant element of this prospectus is focussed on the impact of the Metro on city-region developments, including Central Quay. The prospectus will form the basis of the Cardiff Capital Region proposition at MIPIM 2020.
54. The impact of all the above and the potential created will be assessed comprehensively through the aforementioned programme-level Full Business Case.

### **Next Steps – Finalising Design Specification and a Programme-level Full Business Case**

55. The next phases of the project are interlinked. First, the GRIP and Weltag processes must be finalised. This is important in informing the Full Business Case, but the commissioning of the programme level Full Business Case must also be activated immediately, with the processes being twin-tracked, in order to meet City Deal Requirements.
56. As noted in paragraph 40 above, the anticipated cost of the design finalisation through these technical processes is circa £10m, of which it is proposed that the Department for Transport funds £6m, and the Cardiff Capital Region City Deal funds £4m. The costs associated with the production of a programme level Full Business Case, will need to be met in full by the programme proposers, WG and TFW. This was agreed on 10 February 2020 at the MCDP.

57. The proposed timescale and next steps for the project are as set out below:

- Issue tender for finalisation of design/ GRIP/ WeITaG - Spring 2020
- Commissioning of Programme-level Full Business Case – Spring 2020
- Full WeITAG and GRIP evaluation process including detailed economic impact assessment [circa 18 months]
- Final sign-off of Full Business Case – 2021
- Delivery phase – Circa 3 years
- Project completion - 2024

**Financial Implications**

For inclusion in Cabinet Report – post Investment Panel

**Legal Implications**

For inclusion in Cabinet Report – post Investment Panel

**RECOMMENDATIONS**

To advance the Metro Central project in line with core City Deal Requirements and the conditions previously and more recently imposed by Investment Panel and as endorsed by Regional Cabinet, it is considered necessary to:

Seek Cabinet approval of up to £4m of City Deal funding towards the £10m (to be confirmed through tender exercise) needed to finalise design work and technical specifications from the project established in the January 2018 report and needed to inform the Full Business Case, subject to the following:

- a) The revised governance arrangements, as outlined above.
- b) The commissioning by the scheme proposers, TfW and WG of a programme-level Full Business Case that responds in full to City Deal Requirements
- c) Full consideration of the project contribution to the Cardiff Capital Region City Deal project objectives of jobs created, GVA uplift and private sector leverage and returns on investment

<b>Kellie Beirne</b>	<b>28 Feb 2020</b>
	Appendix 1 – Weston Williamson Report Appendix 2 – OBC approved by UK Govt/ DfT Rail – exempt from publication Appendix 3 – Summary Major Station Regeneration project examples Appendix 4 – Letters of funding commitment – exempt from publication