



## CABINET – 12<sup>TH</sup> JULY 2023

**SUBJECT: CAERPHILLY INTERCHANGE FUNDING**

**REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT**

### 1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval for the virement of £520k from the Regeneration Project Board Development Reserve towards the overall cost of completing the RIBA (Royal Institute of British Architects) Stage 4 design and WeITAG (Welsh Transport Appraisal Guidance) Stage 3 study/business case for the Caerphilly Interchange project. To fully meet the funding requirement for this stage of work, up to £580k is also required from an alternative funding source and it is proposed that this is funded from the Council's Placeshaping Earmarked Reserve in the event that alternative external funding cannot be identified.

### 2. SUMMARY

- 2.1 As part of the Caerphilly 2035 initiative, Council approval was given to progress the architectural design led project for the renewal of Caerphilly Interchange. Following an architectural procurement competition in 2021/22, Grimshaw architects were appointed to progress the concept and spatial design through RIBA stages 2 & 3. It is anticipated that RIBA Stage 3 will be complete by September 2023. Additional funding is required to progress the next RIBA Stage 4 and complete the detailed design by spring 2024. Once a project is at RIBA stage 4 it is essentially "shovel ready" and if funding is identified then the project is ready to move to the build stage.
- 2.2 This report specifically requests £520k additional funding to be vired from the Regeneration Project Board Development Reserve towards the delivery of RIBA Stage 4, and up to a further £580k from the Council's Placeshaping Earmarked Reserve to supplement the regional Cardiff Capital Region (CCR) and Welsh Government (WG) transport grants received to date.

### 3. RECOMMENDATIONS

- 3.1 That Cabinet:

- i) Approve the virement of £520k from the Regeneration Project Board Development Reserve for the delivery of RIBA Stage 4 for the Caerphilly Interchange proposal.
- ii) Approve a further allocation of up to £580k form the Council's Placeshaping Earmarked Reserve to cover the residual shortfall in funding in the event that further external funding cannot be identified.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To have a 'shovel ready' scheme for the Caerphilly Interchange proposal that will provide the Gateway for the Caerphilly 2035 placemaking initiative and maximise the Council's chances to secure the funding necessary for the delivery of the interchange.

#### **5. THE REPORT**

- 5.1 As part of the Caerphilly 2035 initiative, Council approval was given to progress the architecturally design led project for the renewal of Caerphilly Interchange. RIBA Stage 1 was undertaken in 2020/21 that prepared the brief for the architectural procurement competition in 2021/22. There was wide interest in the project and after a two stage procurement process, with the support of the Deign Commission for Wales, Grimshaw architects were appointed to progress the concept and spatial design through RIBA stages 2 & 3. The project has been taken forward in partnership with Transport for Wales (TfW), given their ownership and control of Caerphilly rail station and services, who are project managing the project on the Council's behalf and providing valuable technical and professional input.
- 5.2 Both RIBA stages 2 & 3 included stakeholder and public consultation and engagement. The most recent consultation was undertaken between the 5<sup>th</sup> and 16<sup>th</sup> of June that revealed the proposed concept design. From the responses received there is overwhelming support for the proposals. The next step is to submit a planning application for the project. It is anticipated that RIBA Stage 3 will be complete by September 2023. It is then proposed to progress the next RIBA Stage 4 and complete the detailed design by spring 2024.
- 5.3 To date RIBA Stages 1 to 3 and WelTAG Stages 1 & 2 have been fully funded by WG & CCR transport grants for the Metro Plus programme, administered through the Regional Transport Authority (RTA). However, because of the financial pressures on WG, the RTA's £3m Metro Plus bid for 2023/24 has not been met in full. Of the £1m allocation from WG, it remains to be confirmed how much will be available for Caerphilly Interchange from this and any remaining CCR funding. The current estimate is between £400k and £600k funding will be allocated to Caerphilly Interchange RIBA Stage 4 and WelTAG Stage 3 in 2023/24.
- 5.4 The current estimated budget to complete RIBA Stage 4 and WelTAG Stage 3 is £1.5m so this leaves a funding gap of between £900k and £1.1m. Cabinet has previously approved allocations of £350k and £170k from the Regeneration Project Board Development Reserve to progress the proposals for the Llanbradach park and ride (P&R) and Ystrad Mynach P&R schemes respectively. Progress to date for both proposals has been regionally funded under the RTA Metro plus programme in liaison with TfW, which is why none of the approved Regeneration Project Board Development Reserve funding has been drawn down to date. Both schemes have reached a stage where they are unable to be progressed without securing WG & TfW support and

commitment for their further development. Therefore, it is proposed that the £520k Regeneration Project Board Development Reserve funding allocation be vired to the Caerphilly Interchange project to enable it to continue.

- 5.5 However, this would still leave a funding gap of between £380k and £580k. It is therefore recommended that Cabinet approve an additional allocation of up to £580k from the Council's Placeshaping Earmarked Reserve. Officers will continue to press for other external funding to minimise the ask from the Council's own reserves, but this level of commitment is required to ensure RIBA Stage 4 and WelTAG Stage 3 can be completed so that a 'shovel ready' scheme is available to exploit any funding opportunities for the delivery of the design.

## **Conclusion**

- 5.6 If Cabinet are minded to approve the recommendations contained in the Report, the funding available from the Regeneration Project Board Development Reserve and the Placeshaping Earmarked Reserve will enable the RIBA Stage 4 and WelTAG Stage 3 study business case to be completed and provide the Council with a 'shovel ready' scheme maximising the opportunity to secure the funding required for delivery of the design for the proposal.

## **6. ASSUMPTIONS**

- 6.1 This report assumes that the identified project, will be developed further and where applicable implemented, with assistance from appropriate sources and secured external funding.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 The recommendations contained in the report will have a positive overall impact. The scheme is supported by an IIA undertaken as part of the RIBA Stage 3 design and WelTAG Stage 2 study. This will be reviewed and updated as part of the RIBA Stage 4 design and WelTAG Stage 3 study/business case.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 Regional funding in the sum of £2.947m has funded the development of the Caerphilly Interchange project through RIBA Stages 1-3 (2022/21 to 2022/23). The current estimated budget required to complete RIBA Stage 4 and WelTAG Stage 3 is £1.5m.
- 8.2 Because of the financial pressures on WG, the RTA's £3m Metro Plus bid for 2023/24 has not been met in full. Of the £1m allocation from WG, it remains to be confirmed how much will be available for Caerphilly Interchange from this and any remaining CCR funding. The current estimate is between £400k and £600k funding will be allocated to Caerphilly Interchange RIBA Stage 4 and WelTAG Stage 3 in 2023/24, leaving a funding gap of between £900k and £1.1m based on the overall budget requirement of £1.5m
- 8.3 Based on the higher potential funding gap of £1.1m, it is proposed that £520k Regeneration Project Board Development Reserve funding previously allocated for park and ride (P&R) schemes be vired to the Caerphilly Interchange project along with an additional allocation of up to £580k from the Council's Placeshaping Earmarked

Reserve to match the CCR/RTA allocation to be confirmed and enable the above work stages to be completed.

## **9. PERSONNEL IMPLICATIONS**

9.1 None.

## **10. CONSULTATIONS**

10.1 All comments received from consultees have been incorporated into the report.

## **11. STATUTORY POWER**

11.1 The following enabling statutory powers apply to the LTP:

- Transport Act 2000
- Transport (Wales) Act 2006

11.2 Highways Act 1980

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Consultees:

Cllr James Pritchard, Cabinet Member for Prosperity, Regeneration and Climate Change (and Chair of the Regeneration Project Board)  
Cllr. Nigel George, Cabinet Member for Corporate Services, Property and Highways  
Cllr. Tudor Davies, Chair of Environment and Sustainability Scrutiny Committee  
Cllr Adrian Hussey, Vice Chair of Environment and Sustainability Scrutiny Committee  
Christina Harrhy, Chief Executive  
Mark S. Williams, Corporate Director for Economy and Environment  
Stephen Harris, Head of Financial Services and Section 151 Officer  
Rob Tranter, Head of Legal Services and Monitoring Officer.  
Marcus Lloyd, Head of Infrastructure  
Lynne Donovan, Head of People Services  
Anwen Cullinane, Senior Policy Officer  
Rhian Kyte, Head of Regeneration and Planning