



Worcestershire  
Local Enterprise Partnership

Local Transport Board

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# Worcestershire Local Transport Board

## Business Case Summary Report for Final Approval

Cathedral Square

*February 2016*



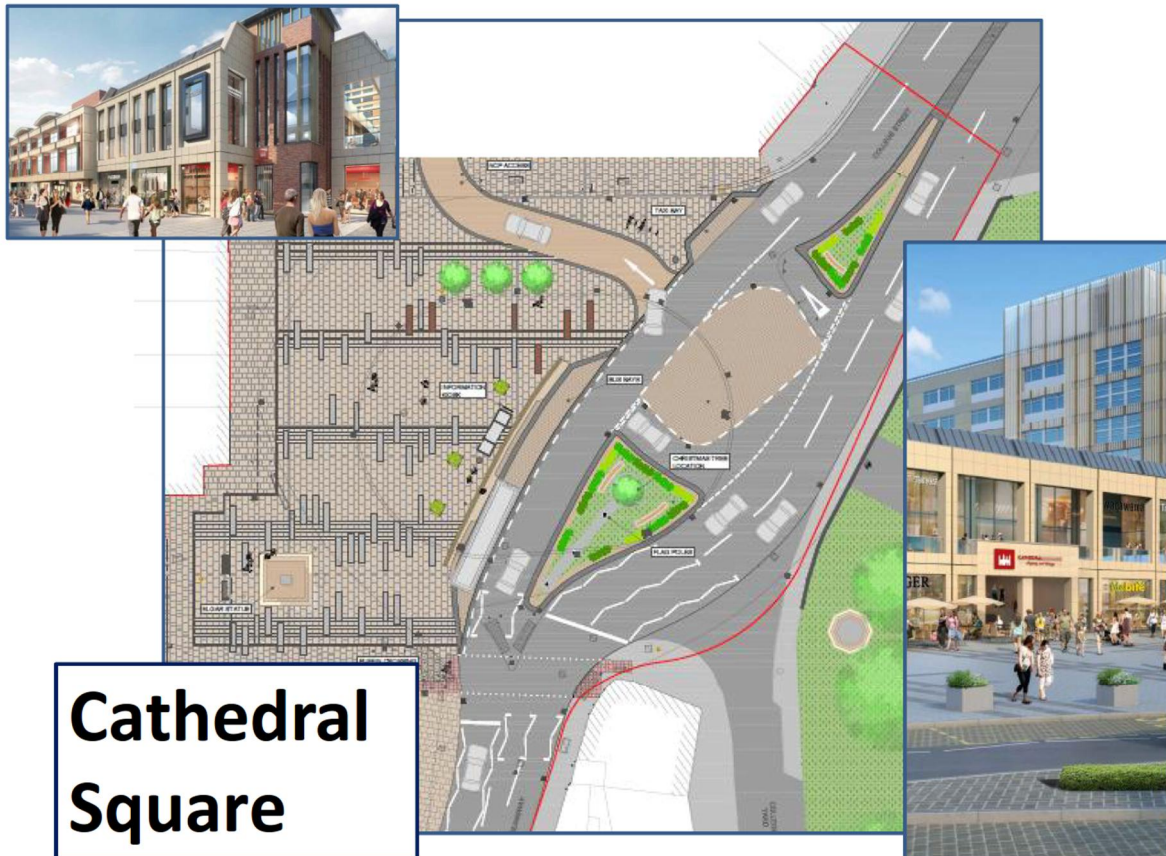
## SCHEME SUMMARY

<b>Scheme Name</b>	<b>Cathedral Square</b>	<b>Date</b>	<b>Feb 2016</b>
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### Scheme

### Scheme Description

The scheme will deliver a premium public realm using sustainable, maintainable and appropriate surfacing materials alongside lighting and street furniture which will complement the surrounding development of restaurants and businesses, creating an attractive and vibrant new quarter for Worcester. It will comprise of the removal of the existing traffic island, replacing it with a smaller turning facility and the substantial extension of the paved area from the end of the High Street and existing retail units (from Zizzi's to Pizza Express). The existing bus bays and taxi rank have been retained and relocated within the new scheme, for operational reasons.



**Cathedral Square**



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## Scheme Objectives and Outputs

Objectives	
<b>Objective 1</b>	To deliver a highway realignment and public realm schemes which will unlock development opportunity for the south end of Worcester High Street and bring greater footfall and investment for this area of the city centre.
<b>Objective 2</b>	To deliver a retail development which brings greater retail opportunities to the Cathedral Square area of Worcester City.
<b>Objective 3</b>	To deliver a public realm scheme to draw the two phases of the scheme together in providing an attractive area for shoppers and tourists.

## Summary of Strategic Case

Cathedral Square is one of the key sites in the City Centre identified in the Masterplan with a lot of potential thanks to the famous Worcester Cathedral. The Cathedral receives thousands of visitors each year, and represents one of the most important attractions in Worcester and the wider county. Its history and connection to the Magna Carta due to King John's tomb, as well as its unique architectural qualities make it a national treasure, yet it is practically cut off the City Centre by a large swathe of a 20th Century urban dual carriageway and stands opposite one of the least attractive facades in the city.

The Square presents a unique opportunity for an exemplar public realm scheme that can have a lasting impact on the city centre economy, its tourism offer and the growth of Worcester city's profile nationally.

Due to its location this area offers greater potential to act as a development catalyst for the wider city centre streets. The location of the proposed Cathedral Square is one of the key gateway sites into the heart of the major shopping area of the city, its location is strategic due to the following:

- It is the end of the route from Junction 7 of the M5 motorway leading to the City Centre via A44 and is therefore a gateway point of arrival into the city
- It is a key relation to the Riverside area and close to the Worcester Bridge as well as the pedestrian Sabrina Bridge therefore being the closest part of the City Centre for residents of the Western side of the river
- It is a connecting node for the Riverside and the new developments Diglis Water, the Waterside, and the proposed £10m Royal Worcester Porcelain Creative, Arts & Heritage Quarter.
- It is a connecting node for Worcester's other main tourist attractions: the Commandry museum and the Royal Worcester Porcelain Museum.

The re-development scheme would therefore further encourage West – to – East and East - to – West pedestrian flows. It will successfully bridge the 'gap' between the city and its riverside which has recently gone through a programme of investment and regeneration.

Cathedral Square is a partnership development between Worcestershire County Council, Worcester City Council and Salmon Harvester. The main funders are the County and City Councils. Both councils will be responsible for the delivery of the scheme through the County Council's term contractors. There are three specific documents which outline the main aims of both councils:

- Worcestershire Local Transport Plan 3 (LTP3)
- Worcester County Council Corporate Plan
- Worcestershire County Council Future Fit
- Worcester City Councils corporate Plan (2015-2020)
- Worcester City Masterplan



## FINANCIAL SUMMARY

Main Expenditure Items (£m)	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Preparation		£119,000	£162,500	£75,000				£237,500
Land and Compensation								
Construction			£681,125	£900,000				£1,581,125
Site Supervision								
Maintenance Offset Costs			-£75,000					
Contingency				£175,000				
<b>TOTAL COST</b>			£768,625	£1,150,000				£1,918,625
* NOTE COSTS ABOVE ARE FOR PHASES 3A AND 3B – SCHEME COSTS FOR PHASE 3A ARE £7.860M								
Total Required Budget			£768,625	£1,150,000				£1,918,625
Total Local Contribution (Secured)			£268,625	£831,375				£1,100,000
Total Local Contribution (Unsecured)			£1,918,625	£1,918,625				£818,625
Total LTB Requirement			£500,000					£500,000

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**VALUE FOR MONEY STATEMENT**

	Assessment	Detail
<b>BCR</b>	1.21	Appraisal has been reviewed and is considered sound
<b>Non-Monetised Impacts</b>	Beneficial	<p>Significant Wider Economic Benefits due to scheme unlocking development – this would increase in GVA by £60m over 10 years. Not included in BCR.</p> <p>Large Beneficial Impacts from:</p> <ul style="list-style-type: none"> <li>• Regeneration</li> <li>• Wider Impacts</li> </ul> <p>Moderate Beneficial Impacts from:</p> <ul style="list-style-type: none"> <li>• Historic Environment</li> </ul> <p>Slight Beneficial Impacts from:</p> <ul style="list-style-type: none"> <li>• Air Quality</li> <li>• Townscape</li> <li>• Reliability</li> <li>• Security</li> <li>• Access to Services</li> <li>• Severance</li> </ul>
<b>Key Risks, Sensitivities and Uncertainties</b>	Low risk / uncertainty in Value for Money assessment	<p>BCR calculation based on highway benefits only – benefits due to shorter vehicle distances</p> <p>Modelling does not include benefits for interpeak, off-peak, weekend or summer periods; additional benefits would be achieved at these times</p> <p>No monetised benefits have been calculated for accident savings or pedestrian benefits</p> <p>These factors would be likely to increase BCR; we conclude that the BCR is conservative and that it is likely that the scheme will be within the High VfM category.</p>
<b>Value for Money Category</b>		<b>High</b>

**DELIVERABILITY****Programme and Outstanding Risks to Delivery**

The key project risks are:

- **Funding** – developer or Worcester City not providing contributions
- **Scheme Costs** – scheme costs over-running requiring additional funding by WCC or Worcester City
- **Failure due to design or constructional inadequacies** – mitigated by 3 year defect period

## RECOMMENDATION

### Independent Transport Advisor Recommendation

- We conclude that the Strategic Case for Cathedral Square is sound
- We conclude that the scheme represents High value-for-money
- We conclude that there are unlikely to be significant adverse environmental or social / distributional impacts
- We conclude that the Financial Case is sound but it should be noted that there is currently a funding gap of £0.818m which may require additional funding
- We consider the Commercial Case and use of the Highway Maintenance Service contract to be sound
- We consider the Management case to be sound
  
- **We recommend that the scheme be given Final Approval**