



To: Executive Councillor for Customer Services and Resources: Councillor Julie Smith

Report by: Head of Property Services

Relevant scrutiny committee: Strategy & Resources Scrutiny Committee

Wards affected: All Wards

21/01/2013

COWLEY ROAD LANDHOLDING

Key Decision

1. Executive summary

- 1.1 Cambridgeshire County Council is securing funding and approval for the new Cambridge Science Park Station. This is an important part of their transport plans for the region and it meets many requirements relating to viability and cost benefit analyses.
- 1.2 Timescales are tight as the new station delivery has to link with the grant of new franchises. A planning application will probably be submitted in late 2012/early 2013 with opening aimed for late 2015. The station will be a relatively simple one with station building, new platforms, car and cycle parking and a link with the guided busway.
- 1.3 The station will be on Network Rail land at Chesterton Sidings with public access primarily over Cowley Road. Network Rail owns more land than required for the station, much of the land will continue to be used for freight and aggregate operations with the remainder being freed up for possible commercial development.
- 1.4 Access is required over City Council land in several areas, key being a small strip of land at the end of Cowley Road without which the station will not proceed. This land has potentially high value for the City Council as it enables Network Rail to develop its land for the station and for wider commercial opportunities.
- 1.5 The City Council's land or the necessary access rights could be acquired under compulsory purchase powers but the delay would mean key deadlines would be missed and it would be unlikely that the station would be delivered in the near future.

- 1.6 There will be significant economic, social and environmental benefit from the station. Given these benefits and the uplift in value of the Council's neighbouring land from the station, it is considered that rights of access for the station should be granted at nominal value. Access for other development will be by negotiation at a later date.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To approve the grant of a right of way to Network Rail across Cowley Road on the terms as outlined in paragraph 3.9.

3. Background

- 3.1 This report deals with access issues over Cowley Road serving the proposed new railway station and potential future development land owned by Network Rail.

Cambridge Science Park Station.

- 3.2 Cambridgeshire County Council is acting as enabler and funder to develop Cambridge Science Park Station. It will design and develop all or part of the station in conjunction with Network Rail. The cost, exclusive of finance, is estimated at £28m and the County Council will receive payments over the loan period to cover its costs only. The County Council has been trying to provide a station at this location since 2006 but funding and priority changes have prevented this to date.

- 3.3 The initial proposals for the station are for a 450 sq m station building/ticket hall, new platforms, parking for 450 cars and 1000 cycles and a link with the guided busway. Work is proceeding with more detailed design with submission of a planning application in early 2013. The target date for opening the new station is late 2015. An indicative layout is shown at Appendix A.

- 3.4 The station will be on Network Rail's land and it will be handed over to them upon completion. They in turn will grant a long lease of the station to one of the franchisees who will operate the station on their behalf

City Council and Network Rail land ownership.

- 3.5 Cambridge City Council owns a small strip of land ("retained strip") at the end of Cowley Road, access over which will be required for public

access to the new station. Network Rail has rights of access over Cowley Road to service its operational rail network and freight rail depot at Chesterton Sidings but not for other purposes.

3.6 The City Council has significant landholdings in this area as does Network Rail and some land may be suitable for commercial development in the future. Network Rail will require access over the City Council's land to develop its land and this potentially creates a significant value for the City Council for the "retained strip" referred to in 3.5.

3.7 Appendix B shows the land ownership.

Access requirements.

3.8 Cambridgeshire County Council has asked that Network Rail be granted access over the "retained strip" for public access for vehicles, pedestrians and cycles going to and from the station. Proposed terms for the grant are shown below.

Terms for the grant of a right of way to Network Rail over the Cowley Road "retained strip"

3.9 An easement in perpetuity will be granted for access to Network Rail's land for purposes as existing and in addition for servicing and public access to the new station. Access for uses beyond this remit will be expressly forbidden.

- Network Rail will repair and maintain the "retained strip" to adoptable standards. Initial works to create the new access road into the station are to be agreed and approved in advance of works commencing.
- Network Rail will pay a consideration of £1 for the grant of this easement. This is based on the provision of the station and associated facilities more specifically:-
 - 450 sq m Category C2 station building
 - 1000 cycle parking spaces
 - 450 car parking spaces
 - Ancillary commercial facilities of no more than 45 sq m
- Network Rail will meet the City Council's legal and staff costs in connection with the grant of the easement and associated activities.

4. Implications

(a) Financial Implications

- 4.1 Access over the “retained strip” has value to the City Council from two perspectives: the station itself and from future development of Network Rail’s land.
- 4.2 Value from the station is from passenger and parking revenue. The business case for the station suggests significant revenue surplus over cost but in reality the railway industry is heavily subsidised and so any surplus is effectively cross subsidy for other rail projects, infrastructure repair/ maintenance/ upgrade and loss making services.
- 4.3 A report to the County Council’s cabinet in March 2012 stated that the cost of the station was about £28m with financing costs taking this to £37.6m. The estimated rail revenue (net of operating costs) over the financing period would be about £81.4m thus giving a ‘surplus’ of £43.8m. This is not money received by the County Council; it will only receive repayment of its staff, construction and financing costs.
- 4.4 Value from Network Rail’s development land will be released through access over the City Council’s land, which will enable commercial development. Value will not be released until such time as Network Rail brings forward its land for development which is likely to be several years, possibly coinciding with any disposal of the City Council’s land and the new station opening.
- 4.5 Where ownership of a small area of land (such as the ‘retained strip’) enables development of a much larger area of land, this creates significant value as the adjoining landowner is unable to realise their value without the access provided. The value is not derived by its size but the value it can release for the adjoining landowner.
- 4.6 In most cases of this nature, the value is arrived at by negotiation. The County Council could compulsorily acquire the ‘retained strip’ for the station access and so any valuation should reflect the principles of compulsory purchase and compensation.
- 4.7 The underlying principle is that of ‘equivalence’, i.e., that the organisation from which land is taken should be in no better or worse a position financially. Compensation should be paid for land acquired but this should not be enhanced if that extra value is only due to the proposed scheme that is the purpose of the acquisition. If the scheme creates betterment for the landowner’s retained land, this should be offset against any compensation.

4.8 [Details contained in confidential version of report].

4.9 [Details contained in confidential version of report].

4.10 In the circumstances of this case and given the benefits described above, it is considered that the rights of access to the station should be granted at nominal value. If Network Rail develops its other land or the station further, negotiations will be held at that time to agree a value for extending the rights of access.

(b) Staffing Implications

4.12 There are no staffing implications other than that the County Council will be expected to meet the City Council's staff costs in dealing with this matter.

(c) Equal Opportunities Implications

4.13 The location of a new station in north Cambridge is likely to have significant benefits to the local community. It will provide easier access by train to other parts of the County and the Country with easy access from many people by foot, cycle or bus. It will also provide jobs directly and indirectly as the station is likely to encourage further development of the adjoining employment land.

(d) Environmental Implications

4.14 This scheme is considered to have a low environmental impact. Whilst the station itself will involve construction, Network Rail builds to BREEAM (Building Research Establishment Environmental Assessment Method) Excellent standards. There will be 450 car parking spaces provided on site but also 1,000 cycle spaces. There will be improvements made to pedestrian and cycle access to the station. The guided busway will also have an interchange with the guided busway.

(e) Consultation

N/A

(f) Community Safety

N/A

5. Background papers

Confidential version of report (previously circulated).

6. Appendices

Appendix A Indicative layout of the proposed station

Appendix B Plan showing Cambridge City Council land ownership

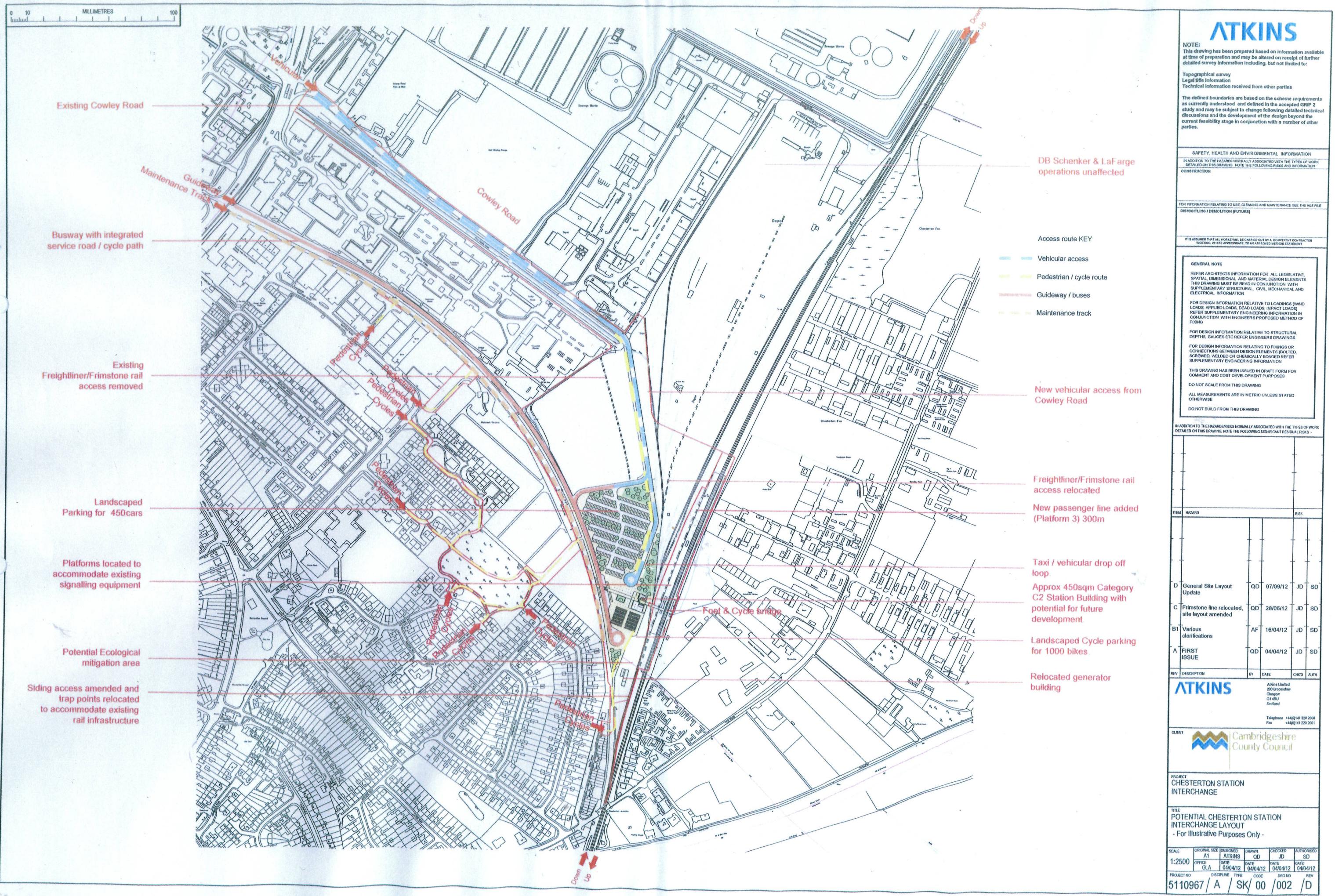
7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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