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SCOTTISH EXECUTIVE

# *Haymarket Interchange Study and Masterplan*

*Stage 4 (Final)*

*August 2007*



# **Stage 4 Report of HISAM**

August 2007

**Halcrow Group Limited**

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## **Halcrow Group Limited**

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## Contents Amendment Record

This report has been issued and amended as follows:

Issue	Revision	Description	Date	Signed
1		Stage 4 Report	Aug 07	RAB

# Contents

<b>1</b>	<b>Introduction</b>	<b>1</b>
	1.1 <i>Introduction</i>	1
<b>2</b>	<b>Review of Stage 3</b>	<b>2</b>
	2.1 <i>Executive Summary</i>	2
<b>3</b>	<b>Outcome of PB9 and Next Steps</b>	<b>7</b>
	3.1 <i>Project Board 9: Deliberations</i>	7
	3.2 <i>Next Steps</i>	8
	3.3 <i>Recommendations</i>	10

**Appendix 1 Issues Paper 1: Option A Refinement**

**Appendix 2 Issues Paper 2: Outline Business Case**

**Appendix 3 Issues Paper 3: S5 Management Plan**

**Appendix 4 S5 Indicative Study Programme**

**Appendix 5 Transport Scotland letter of 20 August**

# 1 Introduction

## **1.1** *Introduction*

1.1.1 At the outset of the HISAM project it was agreed that the consultant team would report the results of each of the five stages of the study. This current report refers to stage 4 the main purpose of which it is to bring forward a recommendation on the preferred option and to secure Project Board approval for this.

1.1.2 The stage 3 report, comprising Volume 1: Main Report and Volume 2: Appendices (containing some 21 separate appendices) was completed and delivered to the client by the end of July 2007.

1.1.3 As a result of the presentation and discussion of a draft stage 3 report during Project Board 8 held on 17 July 2007, the generalities of the results and the anticipated thrust of the recommendations, were already apparent. Indeed this was reflected in the Director of City Development's report to the Council Executive of 31<sup>st</sup> July in which, in paragraph 19, it was stated that 'the option recommended to be taken forward for further investigation, will be option A'.

1.1.4 In addition to the above it is known that the HISAM stage 3 report was discussed at a Transport Scotland meeting of Directors on 8 August 2007. As appendix 5 to this document shows, TS was keen to ensure that the core transport interchange aspects of any future development align with this strategic development of the rail network and transport policy in general. They were therefore 'happy to note the output of the stage 3 report'.

1.1.5 It is against this background therefore that the stage 4 report has been prepared primarily for the purposes of a formal record.

## 2 Review of Stage 3

For convenience the executive summary of the stage 3 report is reproduced below.

### 2.1

#### *Executive Summary*

#### 2.1.1

Aware of the increasing pressures on rail and bus transport facilities, the levels of predicted growth in travel demand (including the tram) and the need and opportunity at Haymarket to improve intermodal passenger connectivity, the City of Edinburgh Council (CEC) and Transport Scotland (TS) appointed Halcrow to head up a multi-disciplinary team to undertake the Haymarket Interchange Study and Masterplan (HISAM) in December 2005. The purpose of Stage 1 of the Study was to identify and develop a long list of potential options for the interchange site and surrounding area and the purpose of Stage 2, which was completed in July 2006, was to report on and make recommendations regarding a short list of options.

#### 2.1.2

The purpose of Stage 3 was to refine and develop the short listed options in more detail, to appraise their performance against agreed criteria and to make recommendations on the preferred option for consideration by the Project Board.

#### 2.1.3

This document is the Executive Summary of the Stage 3 Report which comprises Volume 1, the Main Report, Volume 2 Appendices.

#### 2.1.4

In recognition of current initiatives, including the trams project and the Haymarket Accessibility Study, the content of a 'base case' was agreed with the client. This took into account what elements of infrastructure could be expected to be operational by 2011 ie prior to the development of any of the works that may flow from this study. Based on this, three options were formulated and assessed.

#### 2.1.5

Option A would retain the two listed buildings on-site and involves the development of a multi-modal transport interchange at ground floor level giving at-grade access to existing buses and taxi stops plus the proposed tram stop, as well as lift, escalator and stairs access to five platforms at rail track level.

#### 2.1.6

The concourse would accommodate the full range of interchange requirements and facilitates efficient pedestrian interconnectivity between modes. It would also provide retail, leisure and service activities contained within a spacious naturally lit

concourse protected by a feature glazed canopy above. While the transport interchange is conceived as the main focus of public sector investment in phase 1 of the project, it would enable the further substantial development of phase 2 to the west and south, comprising commercial office and residential development, once the site has been cleared. Phase 3 lies farther to the west and involves some site clearance which permits development of further commercial offices and a hotel.

- 2.1.7 The interchange development comprising phase 1 would cover approximately 7,200sqm at a total public sector cost of £68.5m. In its fully built out state, option A comprises 54,300sqm at a total development cost to the public and private sectors of £240m.
- 2.1.8 Option B comprises an interchange with functionality broadly reflecting that of option A. The main differences are that it involves complete clearance of the entire site including two listed buildings and the development of a multi-storey office and hotel complex immediately above the interchange. Phase 2 would involve multi-storey office and residential development to the west and south of the interchange above the railway tracks, thereby rendering Haymarket a sub surface station. Phase 3 would be an extension of commercial office development farther west requiring some site clearance in due course.
- 2.1.9 Phase 1 would comprise 34,000sqm of mixed use floorspace with total cost to the public sector amounting to £111m. Total development in the fully built out scheme would reach 78,000sqm at a total development cost of some £390m.
- 2.1.10 Option C would be focused entirely on the interchange and, although it would provide broadly the same level of service as those of options A and B, it would contain very little additional or ancillary floorspace and therefore directly enable even less. It would comprise one phase only and retain the existing listed buildings by providing a total floorspace within the concourse of some 4,700sqm contained by a low level glazed roof. The total cost to the public sector would be some £63m.
- 2.1.11 The three options outlined above, were subject to an appraisal process involving three main procedures : public consultation, a STAG appraisal and a commercial appraisal. See Table S1 opposite.

- 2.1.12 The public consultation exercise demonstrated that some 93% of respondents wanted to see improvements to Haymarket station, the interchange and the wider area. Most respondents found little to choose between Options A and C although the latter was preferred by a slender margin. However most did not favour the form and content of Option B.
- 2.1.13 The STAG appraisal of Phase 1 of each option has demonstrated the limited differences between them. In essence, Option A and Option C perform ahead of B in terms of economy, which Option A performs best in terms of integration. Option C performs best in terms of environment, primarily because of its smaller scale. There is little to choose between all three options on safety and accessibility.
- 2.1.14 Regarding the commercial appraisal, transport related public sector costs of phase 1 of options A, are £68m with C somewhat less expensive at £63m for the interchange only. For the private sector development component both show negative residual values but with Option A of a lesser order at -£2.5m against Option C at -£4.1m. Option B is very much more expensive and has a much greater negative residual value.
- 2.1.15 When taking account of the results of all three appraisals it can be shown that option A performs better in phase 1 than either B or C and in its final built out state, it performs better than option B and involves significantly lower public sector investment. (Option C comprises a single phase, with no immediate prospect of further development).
- 2.1.16 Option A contributes more to the public realm than Option C because it provides a satisfactory termination of the Dalry Road terrace of tenemental property and provides a similar opportunity to complete Haymarket Terrace and thereby re-introduce the street frontage.
- 2.1.17 Following from the option development process and the findings of the multi sectoral appraisal exercise described above, a number of recommendations were made, These include the following :
- 2.1.18 Option A should be approved as the basis for the preferred option, to be developed further and finalised in Stage 5.

- 2.1.19 Those components of Option A which do not appear to perform satisfactorily should be reworked or discarded; while those from Options B and C which have merit should be considered in the preferred option.
- 2.1.20 Transport Scotland should be invited to review the Stage 3 report with a view to presenting a paper to the forthcoming Strategic Transport Projects Review Steering Group, that would recommend inclusion of the Haymarket project in their future development programme.
- 2.1.21 Following Stage 3, it is anticipated that the Project Board will wish to consider the recommendations and decide on a further course of action. It is expected that this will be reported on in the Stage 4 report by end August followed by Stage 5, with a view to completion of the study by the end of the year.
- 2.1.22 During Stage 5 important consultation and working sessions with stakeholder interests should be set up with the following groups :
- Landowner interests
  - Design interests
  - Potential partner interests
  - Community interests
  - Adjacent site interests
- 2.1.23 An important component of Stage 5 will be the formulation of an outline business case for the preferred option and this will involve, and provide the opportunity for, strategic discussions between the HISAM team, CEC/ TS, land owners and potential project partners. Full advantage should be taken of such an opportunity to ensure that what is ultimately brought forward as the preferred option is realistic, acceptable and deliverable.

Option Criteria	Option A	Option B	Option C
<b>Public Consultation</b>	40% of consultation respondents selected Option A as first choice  43% of the above considered both transport integration and regeneration potential the best (of all the three options)	15% of consultation respondents selected Option B as first choice  Respondents considered the regeneration potential of Option B to be better than the transport integration or building design elements.	43% of consultation respondents selected Option C as first choice  53% of the above considered building design the best (of all three options) but 70% of the above considered regeneration potential the worst.
<b>STAG Appraisal</b>	<p>Environment – Performs behind C but ahead of B. Minor adverse impact on local air quality moderate adverse impact on noise/vibration. Possible major adverse impact on nature conservation.</p> <p>Economy – Highest score (4.95) in terms of the weighting and scoring system. BCR of 0.39, which is higher than Option B (0.25) but lower than Option C (0.43).</p> <p>Safety – Improves personal safety and security (PM) otherwise same as Options B and C.</p> <p>Integration – All options perform well under integration, in terms of physical integration between modes and policy integration. Option A however performs slightly better than options B and C due to more attributes that make the journey experience more attractive.</p> <p>Accessibility – All options perform equally well in terms of accessibility.</p> <p>Objectives – Option A performs best in terms of satisfying the objectives. It would meet the two key objectives for the Transport Interchange and Masterplan, received public support during the consultation and offers opportunities for property development by the private sector.</p>	<p>Environment – Performs least well of the 3 options. Moderate adverse impacts on air quality, landscape and cultural heritage, with potential major adverse impacts on noise and vibration and nature conservation. Main issues are the size of the structure above the station and the removal of the listed buildings.</p> <p>Economy – Score of 4.80 in the weighting and scoring system – lower than Option A (4.95) and higher than Option C (4.65). Option B has the lowest BCR with benefits only 0.25 of costs.</p> <p>Safety – Same as A and C</p> <p>Integration - All options perform well under integration, in terms of physical integration between modes and policy integration. However, Options B and C perform less well than A.</p> <p>Accessibility – All options perform equally well in terms of accessibility.</p> <p>Objectives – Option B would perform well against the key objectives, but it would not satisfy a some of the sub-objectives as it would not receive general support as witnessed during the public consultation.</p>	<p>Environment – Performs best across the 3 options. No negative impacts in terms of visual impact, landscape and cultural heritage. Minor adverse impact on local air quality and potential major adverse impact in terms of nature conservation.</p> <p>Economy – Lowest score in the weighting and scoring system with 4.65 as it offers the least potential for improving some of the attributes. Provides the best BCR (0.43) due to the lower level of costs.</p> <p>Safety – Same as A and B</p> <p>Integration - All options perform well under integration, in terms of physical integration between modes and policy integration. However, Options B and C perform less well than A.</p> <p>Accessibility – All options perform equally well in terms of accessibility.</p> <p>Objectives – Option C would not meet the Masterplan Area key objective as it would not create a sense of place that makes a contribution to the public realm, property development and economic regeneration of the wider area.</p>
<b>Commercial Appraisal</b>	<p>Phase 1 only</p> <p>Floorspace : 7,220 sqm</p> <p>Core cost of interchange : £42.8m</p> <p>Total Public Sector Cost (Interchange) : £68.5m</p> <p>Total Private Sector Cost (Development) : £14.9m</p> <p>Residual Value of Development : -£2.51m</p> <hr/> <p>Phases 1 – 3 Total Development</p> <p>Floorspace : 54,300 sqm</p> <p>Total Public Sector Cost (Interchange) : £68.5m</p> <p>Total Private Sector Cost (Development) : £170.7m</p> <p>Residual Value of Development : -£10m</p> <p>Grand Total Cost : £239.3m</p>	<p>Phase 1 only</p> <p>Floorspace : 34,120 sqm</p> <p>Core cost of interchange : £65.5m</p> <p>Total Public Sector Cost (Interchange) : £111.5m</p> <p>Total Private Sector Cost (Development) : £126.97m</p> <p>Residual Value of Development : -£24.2m</p> <hr/> <p>Phases 1 – 3 Total Development</p> <p>Floorspace : 77,600 sqm</p> <p>Total Public Sector Cost (Interchange) : £111.5m</p> <p>Total Private Sector Cost (Development) : £278m</p> <p>Residual Value of Development : - £44.2m</p> <p>Grand Total Costs : £389.5m</p>	<p>Phase 1 (only phase)</p> <p>Floorspace : 4,700 sqm</p> <p>Core cost of interchange : £41.7m</p> <p>Total Public Sector Cost (Interchange) : £63.2m</p> <p>Total Private Sector Cost (Development) : £6.8m</p> <p>Residual Value of Development : -£4.1m</p> <hr/> <p>As above</p>



## 3 Outcome of PB9 and Next Steps

### 3.1 *Project Board 9: Deliberations*

Project board 9 was held on 22 August 2007 with the main items on the agenda being an update of Transport Scotland's position regarding HISAM and the discussion and decision on the stage 3 report.

3.1.1 As noted above, TS communicated through CEC, the results of a key meeting during which the results of stage 3 of HISAM was discussed (See appendix 5).

3.1.2 In short it appears that TS will focus on 2 major projects during their Strategic Transports Review Process due to be completed next year on;

- The second Forth crossing
- The Edinburgh to Glasgow railway

3.1.3 From the evidence available, it appears TS *'will refer to the report whilst a new strategy for the Edinburgh to Glasgow railway is developed over the coming months that in turn represents an advanced work stream of the Strategic Transports Project review.'*

3.1.4 In addition they look forward to the study being completed as currently planned and intend to note any future outputs as necessary. It is further noted that TS *'intend to transfer the management of the grant funding associated with the HISAM study from the railway delivery to the Strategy and Investment Directorate'* which is responsible for the STPR. This should enable the recommendations of HISAM to be addressed appropriately in due course. However it was also felt appropriate that TS now surrender their position on the HISAM Project Board.

3.1.5 From the above, it seems clear that TS are content with the coverage and recommendations of the stage 3 report and would be happy to transfer the responsibility for completion of stage 5 of the study to CEC.

3.1.6 The stage 3 report was discussed briefly and in response to questions from Network Rail it was pointed out that the study had been conceived as comprising 5 stages and that the fifth and final stage, to be embarked upon at the beginning of September, would address such issues as refinement of the preferred option, possible delivery routes and funding mechanisms. It was emphasised that at this

stage no commitments were being made by the promoters of the study. In addition the important roles played by landowners in particular (Network Rail and NULAP), were fully acknowledged.

3.1.7 Following some further brief discussion the project board approved the stage 3 report and particularly it's recommendation to select option A as the basis for the preferred option.

### **3.2 *Next Steps***

3.2.1 Regarding the forthcoming actions, a series of Issues papers were issued to the board. These are described briefly below:

#### **Issues paper 1; Stage 5 option A refinement;**

3.2.2 This identified a number of transport and design issues that the team consider would be appropriate to examine in some detail during stage 5. These refer to further testing of the forecast traffic demand and capacity in the vicinity of the Haymarket junction and others e.g. Haymarket Yards; (using the updated VISSIM/VISUM models) the location and design of pedestrian crossings and the location of taxi stops.

3.2.3 Design issues worthy of review include the interchange interior with particular regard to station operational requirements, the form and content of phase 3 with particular regard to Verity House; the need for close liaison between CEC Planning, A+DS and other interests; finally the need to ensure continued close dialogue with tiger developments in relation to the Morrison Street site. The scope and method of public consultation was also discussed and particularly, the important issue of timing of outputs and how feedback might be handled. Issues paper 1 appears at appendix 1 of this report.

## **Issues Paper 2 – Outline Business Case**

3.2.4 The scope of the outline business case requires to be agreed early in stage 5 and in this regard an internal meeting with Quayle Munro Ltd (QML) has been scheduled for early September.

3.2.5 In summary the OBC will consider;

- Financial analysis of the revised project including life cycle operation and maintenance costs
- The extent and method of cost and risk share between private and public sectors
- Returns required by the private sector with appropriate sensitivity tests to identify any ‘tipping points’;
- Funding gaps and method of dealing with these
- Project delivery mechanisms and opportunities for partnership

3.2.6 During preparation of the OBC close contact would be maintained between the main land owners and other potentially interested parties e.g. Network Rail, NULAP, Tiger, etc. Issues paper 2 appears in full at appendix 2 to this report.

## **Issues Paper 3 – Stage 5 Management Plan**

3.2.7 In this document the scope of stage 5 was summarised in terms of the view of the content of the preferred option, consideration of public consultation, development of the outline business case and consideration of the master plan.

3.2.8 In addition the masterplan approach highlighted 5 key factors;

- Structure and work packages; which itself examined transport and movement, design, development content, appraisal and consultation
- Mechanisms for the study; this referred to the need for the convening of cross discipline meetings to discuss and agree on particular points of issue throughout stage 5
- Administration and budget; there may be some advantage in viewing stage 5 as a separate exercise for which a scope, budget and programme would be agreed at the outset by the client and team and subsequently used as a management tool. In this regard CEC explained that they wished Halcrow

to take the initiative in stage 5, manage the process and maintain the momentum through to the delivery of the stage 5 report.

- Programme; this was the subject of issue paper number 4 which appears as appendix 4 at the end of this report. It calls for the sequential or simultaneous undertaking of main tasks during the 15 weeks envisaged for stage 5 culminating in the submission of the draft stage 5 report by the middle of December
- Responsibilities and team structure; this was reiterated in diagram format with the packages and key tasks clearly identified (issues paper 3 appears as appendix 3 at the end of this report

### **3.3**

#### 3.3.1

#### ***Recommendations***

Baring in mind the progress made in stage 3, the nature of the recommendations and the subsequent approval by the Project Board, it is recommended that this stage 4 report be approved forthwith and that stage 5 is embarked upon no later than the beginning of September 2007 with a view to completion of the stage 5 report and thus the HISAM project before Christmas 2007.

# **Appendix 1 - Issues Paper 1: Option A Refinement**

## Memo

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<b>To</b>	HISAM Team	<b>Ref</b>	CBEAJM006
<b>From</b>	RAB	<b>Date</b>	20/08/2007

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#### **HISAM S5: Issues Paper 1: Option A Refinement**

From recent discussions with the client and team, there appear to be two main groups of issues worthy of consideration in the proposed review of the Preferred Option (PO) at the outset of S5.

#### **Transport Issues**

In the first instance, it is known that the results of the Visum model should be available by October. It would be sensible to revisit the option A analysis and test the traffic/transport designs generally against the final traffic flows as derived from the model. Specifically, further options for Haymarket Yards junction would be considered, with and without a fifth arm, in relation to its capacity.

The issue of ped crossings has caused some lively debate within the team and views of CEC re their number and location would be sought, particularly re capacity and safety implication of set back stop lines.

Because of anticipated frequent disruption to the public realm in the station forecourt, the of taxi rank location in phase 1 would be looked at again. Distillery Lane may offer the opportunity to improve the road capacity on Haymarket Terrace and urban realm at the front of the station while also providing an opportunity to relate the development more closely to the Easter Dalry House area.

#### **Design Issues**

Internal station design would be examined in more detail both in the short term for phase 1 and in the longer term when significant changes might be expected in relation to ticket barriers, access to platforms and security issues.

Because of the poor performance of phase 3 of option A (which involved the replacement of Verity House with a hotel and office development) it would be worth taking a commercial view on the massing and use of development at the west extremity of the site. This might involve considering increasing height/density in phase 2 .

Close contact would be maintained with CEC Planning re policy and masterplan guidance. In addition thought would be given to how best to engage A+DS, Cockburn Society and others re urban design, contextual integration and the 'gateway' opportunity afforded by redevelopment of the wider Haymarket area (eg Haymarket, House, Tiger and adjacent public realm).

This would also involve a continued dialogue with Tiger in relation to access options and location and form of pedestrian linkages (at grade or otherwise), approach to height and massing and an overview of area-wide issues eg public realm standards and forms in the vicinity of the saltire junction.

Haymarket Terrace west of the station would be carefully considered in relation to integration of and with the tram infrastructure, the tram stop and efficient/attractive public realm.

Public consultation elements of S5 will require careful thought in terms of purpose, method and timing; this will involve debate with the client. Given the production of material as part of the 3D modelling exercise, this could contribute to the collateral required.

### **Working method**

While the reconstitution of the sub-groups is not seen as essential in S5, it will be useful to set up cross-discipline working sessions to cover issues of mutual interest either in topic or areal terms eg:

- ped crossing/traffic engineering issues,
- liaison with key stakeholders eg Network Rail and NULAP, Tiger
- urban realm and masterplanning guidance

These can be discussed and agreed on an as and when basis.

Ron Beard

## **Appendix 2 - Issues Paper 2: Outline Business Case**

## Memo

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<b>To</b>	HISAM Team	<b>Ref</b>	CBEAJM 006
<b>From</b>	RAB	<b>Date</b>	20 August 2007

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### Copy

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### HISAM Stage 5: Issues Paper 2: Outline Business Case

#### Background

QML prepared a paper on the Scope of the Outline Business Case (OBC) in July 2006. This covered confirmation of project objectives, examining VFM and STAG appraisal issues, affordability and sensitivity testing, various funding routes and construction/risk issues. They also prepared an indicative table of contents for the OBC.

With the production of the Stage 3 Report, things have moved on and a number of the issues previously suggested to be addressed have already been covered. It is necessary therefore, at the outset of S5 to revisit the earlier paper and consider the coverage of the OBC to be undertaken. To this end, the following points highlight issues to be addressed.

#### Scope of Outline Business Case

Early indications from the Strategic Projects Review suggest that, in future years, TS are likely to focus future efforts on two major projects (second Forth crossing and the Edinburgh to Glasgow rail service). It will be useful therefore for the team to be informed as to the role that Haymarket is expected to play in the latter, since this could have a significant bearing on the content and timing of the project. Thus, early discussions with TS would be beneficial to S5 of the project.

As noted, the S3 report has now been completed and the recommendation made that Option A should now form the basis of the Preferred Option to be developed in more detail in S5. If this is approved by the forthcoming Project Board, then a review of the content, cost and performance of the proposal will be required in S5 in addition to an investigation of the funding and delivery options. The OBC will form a key plank in S5 and a careful review of the preferred option will be an integral part of the exercise. Besides revisiting the content and the level of costs/value, the OBC will require to consider:

- Financial analysis of the revised project to include lifecycle, operating and maintenance costs
- The extent and method of cost and risk share between private and public sectors and the likely level of risk premiums
- Returns required by the private sector and the relevant sensitivity tests with reference to critical 'switching value' points

- Funding gaps and methods of dealing with these (grant, debt or PFI/PPP)
- A range of different mechanisms by which the project could be delivered

Indeed because of the importance of the outcome of the OBC to the project, there may be a case for involving stakeholders (Network Rail) and potential partners (NULAP, Tiger) in early discussions (which would have no formal status and imply no commitment) on content, programme and partnering potential, in order that the OBC is seen to be based on the most informed views on market interest and risk factors.

The outcome of the OBC is expected to have an influence on the level of Optimism Bias (OB) which to date has been applied, primarily but not solely to public sector elements of project costings and this may in itself have an influence of the perceived attractiveness of the project.

These and other factors would be considered in more during the proposed pre S5 meeting on 28 August and a note prepared to inform the initial S5 team meeting in early September.

Ron Beard

## **Appendix 3 - Issues Paper 3: S5 Management Plan**

## **Haymarket Interchange Study and Masterplan**

### **Stage 5 : Issues Paper 3: Outline Management Plan**

#### **Introduction**

This paper briefly outlines the scope of the management plan for the Stage 5 of the Haymarket Interchange Study and Masterplan (HISAM). It will adopt the changes that have taken place in the study over the 20 months since its inception and, in particular, reflect the recent work on S3 and assume that the recommendation, ie to pursue Option A as the basis of the Preferred Option (PO), is approved by the Project Board at its forthcoming meeting on 22 August.

#### **Stage 5 Scope**

The scope of Stage 5 has changed only marginally from that expressed in earlier documents. In short, using Option A as the starting point of the PO, it will:

- Consider the content and form of the PO against the results of the S3 appraisal results, including the outcome of the public consultation process, the STAG appraisal and the commercial review. Some changes may be required to the scope of the development, the size and type of uses and the architectural form of the development. (See S5 Issues Paper 1 Option A Revisited, 20/8)
- Develop the Outline Business Case (OBC) for the PO. To the extent that the content of the PO may change, so too would a review of floorspace, costings and value be undertaken. There would also be consultation with key stakeholders and potential partners to confirm/revise issues of use mix, funding options and potential partnership/delivery mechanisms. (See S5 Issues Paper 2 on OBC, 20/8).
- The scope of 'The Masterplan' for the wider area would be reviewed in regard to development guidance and in this, close contact would be maintained with CEC Planning, A+DS and other interest groups.
- Reporting procedures and other administrative issue are not expected to vary significantly from earlier stages and are covered below.

#### **Stage 5 Management Plan Approach**

The management plan will provide details for the progression of S5 of HISAM with regard to:

- Revised appropriate work packages and team responsibility for delivering work packages
- Mechanisms for interfacing with the client and other legitimate interests
- Indicative programme
- Admin and Budget issues
- Responsibilities

These are briefly developed in the following paragraphs.

#### **Structure and Work Packages**

The main work packages are likely to remain transport/movement, design and development content.

- **Transport/movement:** The interchange building and immediately adjacent transport modes will house an agreed array of activities whose operational functionality, physical location and scale are all critical factors influenced by NR, FSR, tie, bus/taxi operators and the travelling public. Relevant views from these will be taken into account while being considered alongside the design issues relating to existing and future road and traffic engineering factors.

- Design: This will cover the design of the interchange and the surrounding development areas within the HISAM site ie commercial uses, offices, hotel and residential uses, and also consider the urban design of the adjacent external areas comprising the wider the public realm. In addition structural engineering issues and the rail interface will also be addressed to a level that will permit the integrity of the scheme to be confirmed and cost estimates to be made
- Development Content: Elements of Option A may be prudent to revisit, with regard to market demand and their financial performance. The opportunity now exists to take views for other adjacent interests and potential partners and use these to reaffirm or modify content and reassess viability.
- Appraisal: The OBC is the key feature of this package, however, this will require to be informed by any changes to the scope, costs and predicted value of the PO. The OBC will be a highly influential component of the project and is expected to generate links both backwards to cost/value data as well as forwards to the delivery/partnership options.
- Consultation: The scope and timing of this will require clear definition at the start of S5. A key element of the material expected to be available for this purpose, will be the results of the 3D modelling exercise. However, given the base info required, the additional design work necessary to validate the integrity of the scheme and then client sign off of this, it is not expected to be available until late early November at the earliest. Accordingly, the consultation programme is expected to focus more on making available information to the public to illustrate how the results of the previous exercise were deployed in the final design, rather than expect any formal feedback in a timeframe which could feed into the remainder of S5. Any feedback would of course be picked up but subsequent work (ie post HISAM) on the project.

## **S5 Mechanisms**

An early priority in S5 will be for the Team to meet to discuss and agree the scope of work, programme, deliverables and interface arrangements. This is expected to inform the next Steering Group meeting to be held in early September.

While the principles behind the original sub-groups remain relevant, their formal re-convening is not considered necessary. Rather, a more integrated approach to S5 is advised, whereby joint working sessions are set up on an 'as and when required' basis. This could follow the Steering Group meetings or be separate from them; but the key point would be to bring disparate interests together round the same table to consider issues and produce workable and acceptable solutions. Client involvement in these would be advantageous.

## **Admin and Budget**

So far HISAM has progressed on the basis of stage payments and Change Proposals. Regarding the former, the main issue affecting the project has been the time delays and the consequences for additional management time as a result of the 9 months extension. Changes to the scope of the work, brought about by client requests and other factors have been covered by the CPs.

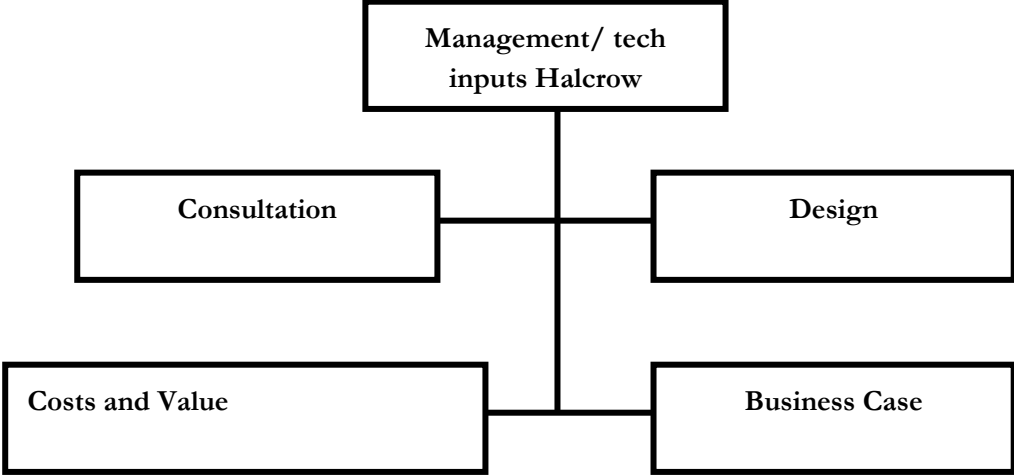
It will be prudent to review the financial position of the project at the outset of S5 with due reference to the packages and the deliverables already discussed. This should then form the basis for a pre-agreed budget and therefore on the way forward for S5.

## **Programme**

This has been covered in S5 Issues Paper 4 which has indicated the main timelines for each package over the 15 week timeframe towards delivery of the draft S5 report by mid December.

**Responsibilities**

The following figure provides an overview of responsibilities for delivering the project stage.



**Figure 1 – Stage 5 Project Structure**

**Tasks**

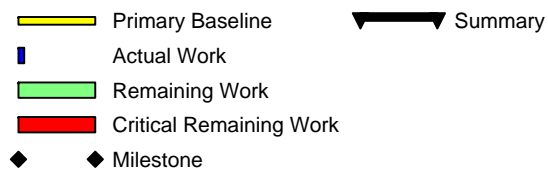
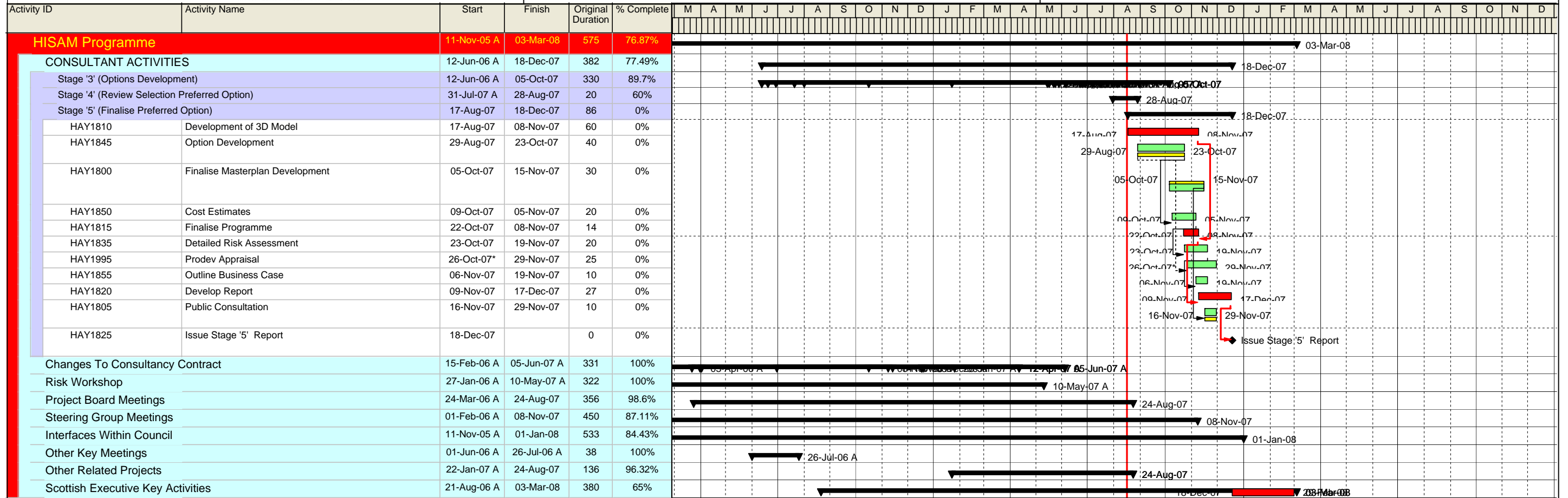
As well as broad management and direction tasks for the stage, there are critical tasks to be undertaken for each package. These are outlined below.

<b>Package</b>	<b>Key Tasks</b>
Consultation	
	Report of consultation
	Exhibition
	Presentation(s)
Design	
	Masterplan finalisation
	Interchange design
	Public realm design
	3d imaging
	Design codes
Implementation and Delivery	
	Costing
	Phasing and programme
	Risk Action Plan
	Rail Safety Report
Outline Business Case	
	Funding Mechanisms
	Quantitative project overview
	Procurement/Partnerships
	Funding sources

Clearly, this work will require close liaison with appropriate stakeholders.

**SD/RAB**

## **Appendix 4 - S5 Indicative Study Programme**



Date	Revision	Checked	Approved
07-Mar-07	Programme Update 07/03/07	IMI	CR
01-May-07	Programme Update 04/05/07	IMI	CR
01-Jun-07	Programme Update 01/06/07	IMI	CR
21-Aug-07	Stage '5' Programme Update 21/08/07	IMI	CR

## **Appendix 5: Transport Scotland letter of 20 August 2007**

Head of Major Projects  
**Rail Delivery**

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Interim Head of Transport  
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20 August 2007

### **HAYMARKET INTERCHANGE STUDY AND MASTER-PLAN (HISAM) STAGE 3 OUTPUT & FUTURE STRATEGY**

Following its receipt on 2 August 2007 I am happy to confirm the Stage 3 HISAM Report was discussed at a Transport Scotland meeting of Directors on 8 August 2007.

Transport Scotland is keen to ensure the core transport interchange aspects of any future development align with the strategic development of the rail network and transport policy in general and was therefore happy to note the output of the Stage 3 report.

Furthermore, Transport Scotland will refer to the report whilst a new strategy for the Edinburgh to Glasgow railway is developed over the coming months that in turn represents an advanced work-stream of the Strategic Transport Projects Review (STPR). We look forward to the study being completed as currently planned and will note any future outputs as appropriate.

As a result of some organisational changes we intend to transfer the management of the grant funding associated with HISAM study from the Rail Delivery to the Strategy & Investment directorate and surrender our current position on HISAM Project Board. Our Strategy & Investment directorate is responsible for the STPR so this will allow HISAM outputs to be addressed accordingly. Transport Scotland will still require your officials to provide regular progress reports in line with the existing arrangements.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jerry Morrissey", written over a horizontal line.

**Jerry Morrissey**  
Head of Major Projects

CC:-  
Claire Keggie: Transport Scotland, Strategy & Investment