

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 21 July 2016

CONTACT OFFICER: Ruth Bagley, Chief Executive Slough Borough Council, lead
Chief Executive to the BLTB

PART I

Item 7: Request for additional funding for 2.06 Reading: Green Park Station

Purpose of Report

1. To consider the case for increasing the funding allocated to scheme 2.06 Reading Green Park Station from £6,400,000 to £9,150,000.
2. The original scheme received financial approval at your meeting in November 2014.

Recommendation

3. You are recommended to increase the financial allocation for 2.06 Reading Green Park Station from £6,400,000 to £9,150,000.

Other Implications

Financial

4. There is an existing allocation of £ 6,400,000 for this scheme. An increase of £2,750,000 would mean accessing part of the unallocated capital sum and would need to be considered alongside any other requests and the potential of future requests.
5. At the start of the meeting the unallocated capital sum is £5,827,000. There are two further requests for additional funds. The three requests together total £5,150,000.
6. There are 23 named schemes in the programme:

The Wokingham Distributor Roads are funded from DfT retained funds	3
13 schemes have had full business cases approved and are either complete, on site or ready to go on site	13
3 schemes have requested additional funds arising from design or specification changes (the three on tonight's agenda)	3
4 schemes have not yet submitted full business cases	4
Total	23

7. The remaining four scheme promoters are aware that the unallocated sum may be committed as a result of the current requests.

Risk Management

8. The risk management arrangements already put in place by the Local Transport Body are as follows:

- The [Assurance Framework](#) has been drafted following DfT guidance and has been approved by the DfT for use in allocating capital funds for transport schemes
- The original business case was assessed by White Young Green and you approved the financial contribution in 2014. The revised scheme has been reassessed for Value for Money asset out in paragraph 13 below.
- The funding agreement set out at paragraph 14, step 5 makes clear that the financial risk associated with implementation of the scheme rests with the scheme promoter.

Human Rights Act and Other Legal Implications

9. The scheme promoter is a local authority and they have to act within the law. Slough Borough Council will provide legal support for the BLTB, should any questions arise.

Supporting Information

10. The proposal is for the construction of a new railway station and related infrastructure at Green Park, Reading. The station is to be located on the Reading to Basingstoke line, to the south of Reading West and north of Mortimer station in Hampshire. The scheme was ranked as the 2nd highest priority from the 28 transport schemes submitted to the LEP as part of the first Growth Deal round in 2014.
11. An assessment of forecast passenger demand for the station was undertaken in 2013 in partnership with Great Western Railway and Network Rail to support development of the full business case for the scheme. The concept design for the station and interchange was based on this forecast passenger demand, resulting in the requirement to design the station facilities in line with Department for Transport guidance for Category F stations.
12. The designs for the station and interchange are currently being developed in partnership with Network Rail and Great Western Railway to ensure they are in line with the latest railway standards. As part of this process a review of the forecast passenger demand has been undertaken in light of the significant increase in proposed residential, commercial and leisure development in close proximity to the location of the station, including the possible development of an international conference centre. This review has resulted in a significant increase in the forecast passenger demand for the station in comparison to the calculations undertaken in 2013, resulting in the need to increase the specification of the station to a Category C station. The implication from this change in specification is the need to provide additional passenger facilities, such as further waiting shelters and ticketing facilities, to ensure the station has adequate facilities to cater for the revised anticipated level of usage.
13. The full business case for the scheme, as approved by the BLTB in 2014, demonstrated that the scheme represented high value for money (with a BCR of 2.35 – 4.16). The value for money assessment of the scheme has been updated in line with the increased passenger forecasts and increased scheme costs resulting from the requirement for enhanced passenger facilities. The updated calculation demonstrates that the scheme still represents high value for money, with a revised BCR of 3.73. The assessment has been undertaken in line with the methodology of the full business case which was approved by the BLTB's independent assessors and the DfT Rail Executive.
14. In addition to the increased contribution from the Local Growth Fund, Reading Borough Council is committing a further £300k local contribution towards the increased scheme

costs from private sector S106 funding, bringing the total local contribution to £5.6m. The revised proposed funding package for the scheme is set out below:

Table 1: Green Park Station - Capital Funding

Source of Funding	Amount	Proportion of Funding
Local Growth Fund	£9.15m	62%
Private Sector (S106)	£4.6m	31%
Private Sector (Enabling Works)	£1.0m	7%
Total	£14.75	

In addition to the capital funding package, Reading Borough Council has committed over £1m funding towards development of the scheme to date, including preparation of the full business case, planning application and design of the station and interchange.

Conclusion

15. The estimated scheme cost has increased for valid reasons due to the requirement for additional passenger facilities at the station resulting from the change to station category. The increase in proposed development in the area can be attributed in part to the fact that the station is set to be delivered, therefore the scheme is helping to encourage economic development in line with the objectives of the LGF and the Thames Valley Berkshire SEP. In addition to the funding from the Local Growth Fund there is a significant local contribution committed towards the scheme which represents 38% of the total scheme cost.

Background Papers

19. The SEP scoring tables are available on request.

<http://thamesvalleyberkshire.co.uk/Portals/0/FileStore/StrategicInfrastructure/StrategicInfrastructure/BLTB/Assurance%20Framework%20for%20Berkshire%20Local%20Transport%20Body%2014%20November%202013.pdf>