

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 4 June 2020

CONTACT OFFICER: Josie Wragg, Chief Executive, Slough Borough Council,
Lead Officer to the BLTB

Item 9: Financial Approval 2.24 Newbury: Railway Station Addendum 1 Ticket Gate Line & Addendum 2 Cycle Hubs and Office Space enhancements

Purpose of Report

1. To consider giving financial approval to two enhancements to scheme 2.24 Newbury: Railway Station Improvements.
2. The original Newbury Railway Station Improvements scheme plans to enhance and improve multi-modal transport interchange at Newbury Railway station including upgrade and improvement of station buildings. This will work alongside, and help to deliver, the Market Street housing-led development and also help to deliver the Sandford Park strategic housing site, through enhanced connectivity for bus passengers, rail passengers, cyclists and pedestrians. The scheme will allow Newbury Railway Station to cope with anticipated increases in passengers with corresponding increases in demand for travel and car parking. The scheme is promoted jointly by West Berkshire Council and Great Western Railway.
3. Since the original scheme was approved in July 2018, two enhancements have been proposed:
 - 3.1. ***Ticket Gate Line enhancements*** – refined future demand forecasts for Newbury and Network Rail safety requirements for passenger flows and clearance times, demonstrates that the number of gate lines originally proposed for the scheme is insufficient and is a critical safety issue.
 - 3.2. ***Cycle Hub and Office space enhancements*** – 180 spaces to be provided on the south-side of the station and 176 spaces on the north side, with some removal of platform provision to give a net addition of 300 cycle parking spaces at the station; and provision of 610m² floorspace (an additional 44.5%) on the south side of the station for Business Start-up Units.

Recommendation

4. You are recommended to give scheme 2.24 Newbury: Railway Station Improvements financial approval for the two enhancements in the sum of

4.1. £300,000 for Gate Line enhancements and

4.2. £340,000 for Cycle Hub and Office Space enhancements

totalling £640,000 over the period 2020/21, on the terms of the funding agreement set out at paragraph 11 step 5 below, subject to the Independent Assessor being satisfied that the following conditions are met:

Gate Line Enhancements

4.3. Provide confirmation of the operational design horizon for the proposed gateline capacity, based upon the projected local passenger growth forecast at the station, with a clear demonstration that this broadly aligns with assumptions made within the Economic Case and, if not, does not undermine the case for investment.

4.4. GRIP 4 Network Rail Approval in Principle; and

4.5. An understanding of what processes would be undertaken in the event of any further cost overruns, should they arise.

These conditions should be met at the earliest feasible date, but no later than 31st October 2020.

Cycle Hub and Office Space enhancements

4.6. Completion of the demand analysis study, with a clear demonstration of strong potential demand for the business start-up units that correlates with a strong probability of high occupancy levels of the units;

4.7. GRIP 4 / GRIP 5 Network Rail Approval in Principle, as required for both the cycle hub and business start-up unit scheme element;

4.8. Evidence of completed commercial agreements between GWR and Network Rail for the necessary land transfer required to complete the business start-up units; and

4.9. Formal funding commitment from First Group and Network Rail for the match-funding identified by GWR, with a more detailed understanding of what processes would be undertaken in the event of any further cost overruns, should they arise.

These conditions should be met at the earliest feasible date, but no later than 30th November 2020.

Other Implications

Financial

5. A call for bids process was undertaken in January 2020 and a list of prioritised projects were agreed at the BLTB meeting March 2020. Scheme 2.24 Newbury: Railway Station Enhancements 1 Gate Line and 2 Cycle Hub and Office Space were named schemes.

6. This report recommends that West Berkshire Council be authorised to draw down the capital sum £640,000 from the Local Transport Body funding for this scheme, subject to conditions. This conditional approval will be converted from to full approval on receipt of written confirmation from the Independent Assessor that the conditions have all been met.
7. The funding agreement set out at paragraph 11 step 5 sets out the roles and responsibilities, reporting and auditing arrangements, timing and triggers for payments, contributions from other funders, consequences of delay, consequences of failure, claw back, and evaluation requirements at one and five years on.

Risk Management

8. The risk management arrangements already put in place by the Local Transport Body are as follows:
 - The [Assurance Framework](#)ⁱ has been drafted following DfT guidance and has been approved by the DfT for use in allocating capital funds for transport schemes
 - Hatch Regeneris have been appointed as Independent Assessors and have provided full written reports for both enhancements (see Appendices 2 and 3) on the full business cases for the schemes
 - The funding agreement set out at paragraph 11, 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 must act within the law. Slough Borough Council will provide legal support for the BLTB, should any questions arise.

Supporting Information

10. The scheme will be carried out by West Berkshire Council and Great Western Railway.
11. The full details of the scheme are available from the [West Berkshire Council website](#)ⁱⁱ. A summary of the key points is given below:

Task	Timescale
Procurement	November 2018
Construction start	Ongoing
Construction finish	Cycle Hubs Sept '20; Gate Line & Office Space March '21

Activity	Funder	Cost (approx)
Major scheme funding	Berkshire Local Transport Body	£640k

Rail Industry	GWR	£200k
Total		£840k

12. The table below sets out the details of this scheme's compliance with steps 1-5 of paragraph 14 of [Assurance Framework](#)ⁱⁱⁱ.

Assurance Framework Check list	2.24 Newbury: Railway Station Addendums: 1 Ticket Gate Line & 2 Cycle Hubs and Office Space enhancements				
Step 1: Development of Scheme proposal; initial sifting, scoring and prioritisation leading to award of Programme Entry Status. (See paragraphs 11-13)	These two enhancements to the existing scheme will allow Newbury Railway Station to meet critical safety concerns (Gate Line), offer 300 cycle spaces both sides of the station and adding an additional 188msq of office spacing generating 10 new jobs. The two schemes were submitted in the January 2020 call for bids and jointly were given 19.5 points and ranked 4 th out of 6 schemes submitted. See Appendix 1.				
		Factor	Raw score	Weighting	Weighted score
		Strategy	3	1.5	4.5
		Deliverability	2	2	4
		Economic Impact	2	4	8
		TVB area coverage	1	1	1
		Environment	1	1	1
		Social	2	0.5	1
	Total			19.5	
Step 2: Programme Entry: evolution of the scheme from outline proposal to full business case, external view on the business case, and independent assessment (See paragraphs 15 and 16)	Programme Entry status was given to addendum 1 Gate Line by the BLTB on 12 March 2020 ^{iv} (minute 33 refers).				
	<p>The West Berkshire Council website^v holds the latest details of the full business case, including the VfM statement certified by the senior responsible officer.</p> <p>Any comments or observations on the scheme received by either TVB LEP or West Berkshire Council have been fully considered during the development of the scheme.</p> <p>The reports of the Independent Assessor are attached at Appendices 2 and 3. The Independent Assessor was asked to report as follows:</p> <ul style="list-style-type: none"> • Completeness – has the promoter prepared a complete Full Business Case submission, when judged against the prevailing advice from the DfT • Accuracy – has the promoter performed the relevant calculations and assessments accurately and without error • Relevance – has the Full Business Case considered all relevant matters, including use of appropriate forecasting models and planning assumptions, and has it included any irrelevant considerations such as unduly-optimistic assumptions or out of date modelling data • Value for Money – does the scheme promoter's Value for Money assessment comply with the prevailing DfT guidance • Evaluation arrangements – has the scheme promoter made provision for appropriate post-implementation evaluation of the scheme. 				

Assurance Framework Check list	2.24 Newbury: Railway Station Addendums: 1 Ticket Gate Line & 2 Cycle Hubs and Office Space enhancements
	<ul style="list-style-type: none"> Remedies – where the independent assessment reveals a gap between the FBC supplied and the standard anticipated by the DfT guidance, then the advice for the LTB should include recommendations for remedial actions required – e.g., collection of further data, sensitivity tests on particular assumptions etc.
<p>Step 3: Conditional Approval</p>	<p>The Independent Assessor has identified that Conditional Approval is appropriate for both enhancements. A total of 7 conditions have been set across both schemes:</p> <p>Gate Line Enhancements (3 conditions)</p> <p>4.3. Provide confirmation of the operational design horizon for the proposed gateline capacity, based upon the projected local passenger growth forecast at the station, with a clear demonstration that this broadly aligns with assumptions made within the Economic Case and, if not, does not undermine the case for investment.</p> <p>4.4. GRIP 4 Network Rail Approval in Principle; and</p> <p>4.5. An understanding of what processes would be undertaken in the event of any further cost overruns, should they arise.</p> <p>These conditions should be met at the earliest feasible date, but no later than 31st October 2020.</p> <p>Cycle Hub and Office Space enhancements (4 conditions)</p> <p>4.6. Completion of the demand analysis study, with a clear demonstration of strong potential demand for the business start-up units that correlates with a strong probability of high occupancy levels of the units;</p> <p>4.7. GRIP 4 / GRIP 5 Network Rail Approval in Principle, as required for both the cycle hub and business start-up unit scheme element;</p> <p>4.8. Evidence of completed commercial agreements between GWR and Network Rail for the necessary land transfer required to complete the business start-up units; and</p> <p>4.9. Formal funding commitment from First Group and Network Rail for the match-funding identified by GWR, with a more detailed understanding of what processes would be undertaken in the event of any further cost overruns, should they arise.</p> <p>These conditions should be met at the earliest feasible date, but no later than 30th November 2020.</p>
<p>Step 4: Recommendation of Financial Approval</p> <ul style="list-style-type: none"> - High Value for Money - Support of the Independent assessor 	<p>The Independent Assessor has identified that the Benefit Cost Ratio (BCR) of the component scheme enhancements are both within the High Value category:</p> <p>Gate Line enhancement 2.9: 1.</p> <p>Cycle Hub/ Office space enhancement 3.2 to 1.</p> <p>The overall scheme BCR remains High Value at 3: 1 BCR.</p> <p>DfT has set thresholds of 2.00 (High VfM) and 4.00 (Very High VfM) and schemes with BCRs above these thresholds can be described as having High or Very High Value for Money.</p> <p>The Independent Assessor's reports (see Appendices 2 & 3)</p>

Assurance Framework Check list	2.24 Newbury: Railway Station Addendums: 1 Ticket Gate Line & 2 Cycle Hubs and Office Space enhancements
	recommends conditional financial approval for both these scheme enhancements.
<p>Step 5: Formal Agreement</p> <ul style="list-style-type: none"> - roles - responsibilities - reporting - auditing - timing and triggers for payments, - contributions from other funders, - consequences of delay, - consequences of failure, - claw back, - evaluation one and five years on 	<ol style="list-style-type: none"> 1. <u>Roles</u>: Thames Valley Berkshire LEP is a part funder of the scheme. West Berkshire Council is the scheme promoter, and is the relevant highway and planning authority. 2. <u>Responsibilities</u>: Thames Valley Berkshire LEP is responsible for allocating the capital finance in accordance with its Assurance Framework. West Berkshire Council is responsible for all aspects of the design, risk management, insurance, procurement, construction and implementation of the scheme, including its responsibilities as highway and planning authority, any other statutory duties, and any financial or other liabilities arising from the scheme. 3. <u>Implementation</u>: In addition to any reporting requirements within West Berkshire Council, the scheme promoter will use the proforma supplied by Thames Valley Berkshire LEP to make reports on progress of the implementation of the capital scheme to each meeting of the BLTB until the build is complete. In particular, West Berkshire Council will report on any change in the size, scope or specification of the scheme; and on any substantial savings against the scheme budget whether achieved by such changes to the size, scope or specification of the scheme, or through procurement, or through the efficient implementation of the scheme. 4. <u>Reporting</u>: The scheme promoter must provide accurate, timely, verified and quality assured quarterly monitoring and forecast data, which relate to defined output and outcome indicators agreed between Thames Valley Berkshire LEP and government as a condition of the Growth Deal. This scheme will not be required to participate in an evaluation as set out in the Growth Deal Monitoring and Evaluation Plan. 5. <u>Auditing</u>: West Berkshire Council will keep financial records such that the expenditure on the scheme is readily identifiable, and if and when BEIS, DfT or other government department or the Accountable Body for Thames Valley Berkshire LEP requests access to financial or other records for the purposes of an audit of the accounts, West Berkshire Council will co-operate fully. 6. <u>Timing and Triggers for payments</u>: See the Claim Proforma (available on request). 7. <u>Contributions from Other Funders</u>: GWR will contribute £200,000 in 2020/21. 8. <u>Consequences of Delay</u>: In the event that the scheme experiences minor delays to its overall Business Case programme (no more than 10 weeks), West Berkshire Council

Assurance Framework Check list	2.24 Newbury: Railway Station Addendums: 1 Ticket Gate Line & 2 Cycle Hubs and Office Space enhancements
	<p>will report these delays and the reasons for them, and the proposed remedial action to the next available meeting of the BLTB. In the event that the scheme experiences major delays to its overall Business Case programme (11 weeks or longer) West Berkshire Council will be required to seek permission from Thames Valley Berkshire LEP to reschedule any payments that are due, or may be delayed in falling due because of the delay to the overall Business Case programme.</p> <p>9. <u>Consequences of Change to the Design or Specification of the Scheme:</u> In the event that West Berkshire Council wishes to change the design or specification of the scheme such the scheme delivered will vary in any material aspect from the description given in the overall business case, West Berkshire Council will be required to seek prior written consent from Thames Valley Berkshire LEP. Failing this permission, no further monies will be paid to West Berkshire Council after the change becomes apparent to Thames Valley Berkshire LEP. In addition, consideration will be given to recovering any monies paid to West Berkshire Council in respect of this scheme.</p> <p>10. <u>Consequences of Failure:</u> As soon as it becomes apparent to West Berkshire Council that it will not be possible to deliver the scheme within the current LGF programme, i.e. by the end of 2020/21, written notice shall be given to the Accountable Body for Thames Valley Berkshire LEP. No further monies will be paid to West Berkshire Council after this point. In addition, consideration will be given to recovering any monies paid to West Berkshire Council in respect of this scheme.</p> <p>11. <u>Claw back:</u> If the overall scheme achieves savings against budget, these savings will be shared by Thames Valley Berkshire LEP and the other funders noted above in proportion to the amounts set out in the Financial Profile. The Accountable Body for Thames Valley Berkshire LEP reserves the right to claw back any amounts of grant that have been spent on purposes other than the scheme as approved and any repayments due as a consequence of changes to the design or specification of the scheme or scheme failure.</p> <p>12. <u>Evaluation One and Five Years On:</u> West Berkshire Council will produce scheme evaluations One and Five years after practical completion that comply with DfT guidance.</p> <p>13. <u>Other Conditions of Local Growth Funds:</u> West Berkshire Council will acknowledge the financial contribution made to this scheme through Local Growth Funds and follow the 'Growth Deal Identity Guidelines'). It will also give due regard to the Equality Act 2010 - Public Sector and with the Public Services (Social Value Act) 2012, particularly through the employment of apprentices across the scheme supply chain.</p>

Conclusion

13. These proposed enhancements to the Newbury Railway Station scheme not only met critical Gate Line safety requirements as set out by Network Rail, but also continues to deliver high value for money, and is deliverable. Whilst some programme risks remain, these are considered to be understood and are being managed appropriately.

Background Papers

14. The LTB and SEP scoring exercise papers are available on request

ⁱ<http://www.thamesvalleyberkshire.co.uk/berkshire-strategic-transport-forum>

ⁱⁱ<http://info.westberks.gov.uk/sep>

ⁱⁱⁱ<http://www.thamesvalleyberkshire.co.uk/berkshire-strategic-transport-forum>

^{iv}<http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=601&MId=5677&Ver=4>

^v<http://info.westberks.gov.uk/sep>

Appendix 1 - Local Growth Deal list of prioritised schemes agreed March 2020

Weighting	1.5	2	4	1	1	0.5				
Factor	SEP	Deliv- erable	Econo mic Impact	TVB area	Natural Capital	Social Value	Total Weigh ted score	Rank	Contributi on Sought	Cumulative spend
LGF Eligible Projects										
Reading Buses: Completing the Connection	4.5	6	8	2	3	1.0	24.5	1	1,541,243	1,541,243
Superfast Broadband - Extension	4.5	6	8	2	1	0.5	22	2	46,920	1,588,163
2.29 Wokingham: Winnersh Triangle Park and Ride - Extension	4.5	4	8	1	2	0.5	20.0	3	1,411,142	2,999,305
2.24 Newbury: Railway Station improvements - Extension	4.5	4	8	1	1	1.0	19.5	4	640,000	3,639,305
2.30 TVB Smart City Cluster Extension	4.5	6	4	2	2	0.5	19	5	283,620	3,922,925
Slough Langley High Street (phases 1, 2 & 3)	4.5	2	8	2	1	0.5	18.0	6	4,000,000	7,922,925

Appendix 2

Thames Valley Berkshire Local Enterprise Partnership

Independent Assessment Summary Report: Newbury Railway Station Improvements Addendum 1 – Gate Line

May 2020

www.hatchregeneris.co.uk

Independent Review

Introduction

- 1.1 This technical note provides an independent assessment of the Newbury Railway Station Improvements Addendum 1 business case submission to the Thames Valley Berkshire Local Enterprise Partnership (TVB LEP).
- 1.2 The overarching scheme is an existing approved TVB LEP project promoted by West Berkshire Council (WBC) and Great Western railways (GWR) to provide a range of internal and external enhancements to Newbury Station, including interchange enhancements, additional car parking provision, station forecourt enhancements with cycle and pedestrian links, and station building/facilities enhancements.
- 1.3 The proposed interchange enhancement were on the south side of the station and included a new cycle hub. The station building/facilities enhancements included proposed extended gatelines, and new business start-up facilities, amongst other elements.
- 1.4 Since the original scheme was approved a number of design and delivery issues have come to light, namely:
 - A requirement for larger capacity gatelines than originally planned;
 - The requirement for cycle parking provision on both the south and north sides of the station; and
 - An alternative location for provision of business start-up elements.
- 1.5 Whilst the cycle parking provision and business start-up locations are not critical to the delivery of the original project, the gateline capacity represents a critical safety issue that must be addressed. As a result, additional funding is required to deliver the original scheme. This is the subject of Addendum 1.
- 1.6 Whilst less critical to the delivery of the original scheme proposals, WBC and GWR are also seeking to incorporate the proposals for enhanced cycle parking and start-up facilities within the overall station proposals. This is subject to a separate addendum submission (Addendum 2).

Submitted Information

- 1.7 The independent assessment process for the revised gateline proposals for Newbury Station submission has been conducted on the basis of an addendum document submitted by WBC and GWR.
- 1.8 Cross-references are provided to the original Full Business Case (FBC) submission. Scheme Amendment Summary
- 1.9 The addendum document provides a summary of the current gateline arrangements at Newbury Station, consisting of:
 - Platform 1: Three standard gates and one wide-aisle gate;
 - Platform 2: Three standard gates and one wide-aisle gate, all situated on the platform itself.
- 1.10 The original scheme proposals were to add another wide-aisle gate on each platform; how the results of pedestrian modelling (unavailable at the time of the

original submission) have now indicated that this level of gateline capacity would present a safety issue for future forecast levels of rail passengers and, critically, would not adhere to Network Rail safety guidelines. As such, the original scheme proposals would not obtain Network rail approval.

- 1.11 The revised gateline proposal seeks to deliver further ticket barrier capacity bringing total capacity for each platform, as follow:
- Platform 1: Five standard gates and two wide-aisle gates;
 - Platform 2: Three standard gates and two wide-aisle gates, along with an additional 'exit only' facility consisting of one standard gate and one wide-aisle gate
- 1.12 The original scheme cost was estimated to be £5.184 million, with £4.734 million sought from the Local Growth Fund (LGF). This included an allowance of £145,500 for gateline works.
- 1.13 A further £300,000 is required to deliver the expanded gateline requirement, all of which is being sought from an LGF allocation.
- 1.14 The revised total costs to deliver the original element of the scheme, alongside the expanded gatelines, is now estimated at £5.484 million, with a combined LGF contribution of £5.034 million.

Review Findings

Scope of Works

- 1.15 The addendum provides a detailed overview of the current gateline arrangements, the original gateline proposals; and the expanded gateline proposals, as set out in the scheme amendment summary above.
- 1.16 The need for the expanded gateline proposals is set out, based upon the more detailed pedestrian modelling exercise that had been previously unavailable. It describes the Network rail criteria that all passengers must be able to exit the station through the gatelines within two minute and that, during peak periods, this criteria was not met under the original gateline proposals.
- 1.17 The pedestrian modelling analysis indicated the requirement for an additional two standard gate on Platform 1. These could be located alongside the current proposed design. On Platform 2, a further one standard gate and one wide-aisle gate is required, but these cannot be located alongside the current proposals. Amendments have therefore needed to be made to accommodate this additional provision within the station footprint.

Independent Assessor Comment

- 1.18 It was noted within the independent assessment of the original business case that no specific analysis of gateline capacity was presented. Whilst it was understood at that time that a static analysis had been undertaken and, in most circumstances, this should have been sufficient to identify capacity requirements, in this instance the analysis appears to have been insufficient.

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- 1.19 Dynamic pedestrian modelling provides a more accurate assessment of passenger flows around station layouts, including to and from the gateline. The modelling work conducted has identified peak periods, albeit limited in nature, where Network Rail safety criteria will be exceeded, on the basis of the original scheme design. On this basis, it is acknowledged that Network Rail will not provide the necessary approvals for the original scheme and so additional capacity is required.
- 1.20 Whilst the outputs from the pedestrian modelling have not been presented in detail, we accept that this will be a more accurate basis upon which to determine required capacity and will be a robust basis upon which to obtain Network rail approvals. The models have been developed by reputable consultants (SYSTRA) and on the basis of Network Rail standards.
- 1.21 On the basis of the information presented we cannot comment directly on the number/capacity of gates that are now being proposed. GWR have indicated that two pedestrian modelling scenario tests have been undertaken: one based on 'current' demand and the other with an additional 20%. Whilst this is understood to adhere to standard Network Rail requirements, we are aware that a 20% uplift in demand appears inconsistent with growth presented within the original business case submission. As such, it is not clear what the design horizon for the gateline capacity will be in practice. We are reassured, to a degree, that the analysis completed adhered specifically to Network Rail requirement and so should be sufficient to obtain Network Rail approvals; however, further analysis is required.
- 1.22 It is understood that design and number of gatelines has been provided to Network Rail through the Form 001 approval in principle sign-off process. The pedestrian modelling report was appended for Network Rail consideration. Approval in Principle is due in June 2020.

Strategic Case

- 1.23 The Strategic Case cross-references to the information presented within the original business case submission, with key points related to the strategic need for the scheme highlighted, including the support for the masterplan of the area of Newbury around the station and the growth in station usage resulting from the electrification programme, longer trains, and then enhanced timetable on the Newbury & Kennet Line.
- 1.24 In addition, the strategic alignment of the overall station proposals with the TVB's Strategic Economic Plan and Berkshire Local Industrial Strategy is outlined.
- 1.25 The options for enhancement are described in terms of providing the required gateline capacity dictated by the outcomes of the pedestrian modelling. The selected option represents the 'minimum' option for Platform 1 and the 'medium' option for Platform 2 but is stated as keeping costs to a minimum and is an option that is feasible within constraints of the station buildings.
- 1.26 A wider scheme option for the whole station is also referenced that could be delivered within the original budget envelope. This would not be able to meet future growth projections for the station and so would not be approved by Network Rail.

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- 1.27 It is reiterated that the scheme will support wider growth in the Newbury population, as a result of housing development, as well as complement recent investment in the rail network.

Independent Assessor Comment

- 1.28 Our review of the original strategic case for the scheme recognised that it set out a clear rationale for the overall development of the project. This is considered to remain the case.
- 1.29 There is clear demonstration that the project has good policy alignment and will support local growth aspirations around the station, as well as wider housing growth within Newbury.
- 1.30 As indicated above, concerns were raised around the original assessment of need for the scheme but the additional dynamic pedestrian modelling will now provide a more suitable tool to accurately assess the internal station layout requirements.

Economic Case

- 1.31 The Economic Case highlights that the original scheme provided a wide range of quantified and unquantified benefits, with a benefit cost ratio (BCR) of 3.8 to 1.
- 1.32 The additional gateline capacity proposed, whilst providing significant safety benefits, delivers relatively limited direct economic outputs, in monetary terms. The addendum document presents a sensitivity test to the original business case that includes the small-scale additional benefits, alongside the additional scheme cost. This is forecast to reduce the BCR of the amended scheme proposal to 2.9 to 1.
- 1.33 The addendum reiterates that the benefits of the additional gateline capacity are over and above the monetised impact and relate to providing a safe and operational station.

Independent Assessor Comment

- 1.34 The Economic Case for the original scheme submission was considered to offer high value for money. This was primarily on the basis of the additional revenue generated through the expanded car park and passenger revenue that would be captured by the public sector through the franchising process.
- 1.35 It is fully accepted that the additional gateline capacity will deliver limited direct economic benefits, as it is only required to mitigate safety issues during relatively limited peak periods of station demand. As a standalone assessment of the additional scheme cost (£300,000) it is not unexpected that this scheme element will deliver low value for money on the basis of a standard economic assessment.
- 1.36 It is, however, considered appropriate to assess the scheme as an overall project, that includes the expanded gateline and, on this basis, it is clear that the scheme will continue to deliver high value for money, despite the additional costs.

Financial Case

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- 1.37 The Financial Case sets out the additional project funding sought from LGF (£300,000). This equates to the total additional cost of the gatelines.
- 1.38 It provides this in the context of the original project, which was projected to cost £5.184 million with £4.734 million sought from LGF.
- 1.39 The additional costs have been calculated using an independent cost report, provided by GWR cost consultant. They are estimated as:
- GWR Directs (gateline and associated hardware): £130,000
 - Main Contractor additional costs: £101,000
 - Project / Design Team Fees: £24,000
 - Contingency (at 15%): £45,000
- 1.40 The profile of spending is presented demonstrating all of the additional spend will be in 202/21.
- 1.41 Whilst no additional match-funding is directly provided, the original business case included a 9% contribution. In addition it is stated that GWR have committed an additional £200,000 to deliver the revised cycle and business start-up elements outlined in Section 1.4.
- 1.42 WBC and GWR have stated they are committed to the scheme and, in the event that there are any further cost overruns they would look to cover these costs, albeit neither organisation has provided formal commitment at this stage.

Independent Assessor Comment

- 1.43 Given that the costs represent a cost escalation over the original scheme, it is clearly important to ensure that this revised submission represents a comprehensive and fully robust assessment. This includes having an appropriate level of contingency and risk allowance.
- 1.44 Whilst the pedestrian modelling work should provide additional certainty regarding the required gateline infrastructure requirements, we are unable to fully verify this process and the design remains subject to Network Rail approvals. So, whilst the unit costs of the infrastructure remains well understood, and additional allowance has been included for civils work to cover the requirement for a second gateline location on Platform 2, there remains an element of risk around the costs until the approvals are in place.
- 1.45 The 15% contingency applied is considered a reasonably appropriate allowance, albeit the basis for this amount is not detailed.
- 1.46 WBC have indicated that they cannot formally commit to covering any cost overruns, as the gateline works are internal to the station footprint. Whilst GWR would look to cover any further cost overruns, there is no formal approval of this commitment.

Delivery and Risk

- 1.47 A high-level programme is set out for the scheme demonstrating the key milestones relating to the delivery of the gateline and the overall project.
- 1.48 Key dependencies are identified as:

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- Phasing plan (minimise disruption to station operations and passengers)
 - Network Rail approvals
 - Product availability (suppliers ability to deliver)
- 1.49 A risk register is presented, highlighting the following key risks:
- Delayed Network Rail approval
 - Pedestrian modelling is insufficient for approval
 - Manufacturing delay
 - Supplier installation timescales
 - COVID-19
- 1.50 It is stated there will be regular Project Team meetings between GWR, WBC and Network Rail (as required) to discuss programme and risks.
- 1.51 Cross-references are made to the management and assurance processes detailed in the Management Case of the full business case (specifically Figure 7 in Section 7 of the document).

Independent Assessor Comment

- 1.52 A clear programme is set out with milestones. The project is scheduled to be complete by the end of March 2021, albeit there are a number of risks that could result in delays to the programme. Whilst it is understood that Network Rail approvals should be obtained, these remain a critical element of the programme. Overall, it is considered that there is sufficient evidence presented to provide assurance that the project will be substantially complete by March 2021, if not fully complete.
- 1.53 The section on inter-dependencies indicates that WBC/GWR have considered the key issues relating to project deliver and have mitigation in place to minimise any potential negative impacts.
- 1.54 A range of risks have been identified and mitigation measures are clearly in place for each element. The risks associated with the expansion of the gateline are not considered any greater than the original project, as this already included a requirement for new gatelines. It is clear that some of these risks will need to be closely managed to ensure that they do not unduly affect the overall programme.
- 1.55 The overall commercial and management procedures, as set out in the original business case, are considered to be appropriate and suitably robust.

Conclusions

- 1.56 The Strategic Case for the project demonstrates it provides a clear case for the additional intervention in terms of safety requirements, and the overall scheme retains good policy alignment. There remains some uncertainty over the design horizon for the proposed gateline capacity, albeit the approach to assessment meets Network Rail approval processes.
- 1.57 The overall Economic Case remains strong despite the increase in scheme costs and only marginally increased quantified benefits.

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- 1.58 The Financial Case has been subjected to considerable scrutiny. Whilst the required amendment to the scheme gateline, and associated additional in cost, since the original business case is concerning, the pedestrian modelling work that has been undertaken should mean that the project team now has a much greater understanding of the design requirements.
- 1.59 The revised project budget is considered robust on the basis of the specified number of additional gates, but there remains an element of risk until Network Rail approvals are in place for the design.
- 1.60 Whilst the project is fully supported by WBC they are not in a position to cover any further cost overruns as the works are located inside the station footprint. GWR have indicated that would seek to cover any cost overruns, but no formal guarantee is in place.
- 1.61 The project is considered to have a robust plan for delivery, with a clearly defined programme of tasks. Whilst the construction is not scheduled to be completed until March 2021, and there are some risks of delays, there is sufficient evidence that the project will, at worst, be substantially complete by this point. The main programme risks relate to Network Rail approvals, manufacturing and/or supplier delays and COVID-19.
- 1.62 It is our conclusion that the revised Newbury Railway Station Improvements scheme, with expanded gateline proposal, aligns with strategic priorities, will deliver high value for money, and is deliverable. Whilst some programme risks remain, these are considered to be understood and are being managed appropriately. The main concern relates to a lack of formal approvals related to the scheme.

Recommendation

- 1.63 We recommend the additional funding for the expanded gateline proposals for Newbury Railway Station on the basis of the following conditions being met:
- 1) Provide confirmation of the operational design horizon for the proposed gateline capacity, based upon the projected local passenger growth forecast at the station, with a clear demonstration that this broadly aligns with assumptions made within the Economic Case and, if not, does not undermine the case for investment.
 - 2) GRIP 4 Network Rail Approval in Principle; and
 - 3) An understanding of what processes would be undertaken in the event of any further cost overruns, should they arise.
- 1.64 These conditions should be met at the earliest feasible date, but no later than 31st October 2020.

Appendix 3

Thames Valley Berkshire Local Enterprise Partnership

**Independent Assessment Summary Report:
Newbury Railway Station Improvements Addendum 2
Cycle Hub and Office Space enhancements**

May 2020

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Independent Review

Introduction

- 1.1 This technical note provides an independent assessment of the Newbury Railway Station Improvements Addendum 2 business case submission to the Thames Valley Berkshire Local Enterprise Partnership (TVB LEP).
- 1.2 The overarching scheme is an existing approved TVB LEP project promoted by West Berkshire Council (WBC) and Great Western railways (GWR) to provide a range of internal and external enhancements to Newbury Station, including interchange enhancements, additional car parking provision, station forecourt enhancements with cycle and pedestrian links, and station building/facilities enhancements.
- 1.3 The proposed interchange enhancement were on the south side of the station and included a new cycle hub. The station building/facilities enhancements included proposed extended gatelines, and new business start-up facilities, amongst other elements.
- 1.4 Since the original scheme was approved a number of design and delivery issues have come to light, namely:
 - A requirement for larger capacity gatelines than originally planned;
 - The requirement for cycle parking provision on both the south and north sides of the station; and
 - An alternative location for provision of business start-up elements.
- 1.5 Whilst the cycle parking provision and business start-up locations are not critical to the delivery of the original project, the gateline capacity represents a critical safety issue that must be addressed. As a result, additional funding is required to deliver the original scheme. This is the subject of a separate addendum submission (Addendum 1).
- 1.6 To ensure that the optimum overall scheme is brought forward at Newbury Station, WBC and GWR are also seeking to incorporate the proposals for enhanced cycle parking and start-up facilities within the overall station proposals. This is the subject of this addendum submission (Addendum 2).

Submitted Information

- 1.7 The independent assessment process for the revised gateline proposals for Newbury Station submission has been conducted on the basis of an addendum document submitted by WBC and GWR.
- 1.8 Cross-references are provided to the original Full Business Case (FBC) submission. Scheme Amendment Summary
- 1.9 The addendum document provides a summary of the original proposals for the cycle hubs and business start-up units at Newbury Station, consisting of:
 - Cycle Hubs: 300 additional spaces to be provided on the south-side of the station only, as part of the enhanced interchange facilities;
 - Business Start-up Units: provision of 422m² floorspace on the south side of the station.

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- 1.10 As the station design work has progressed the location of both the cycle hub and business start-up has been reviewed on the basis of additional consultation and detailed design. This concluded that there is need for cycle parking provision on the north side of the station to serve those cyclists accessing from this direction. In addition, a more optimum location for the cycle hub on the south side of the station was also identified.
- 1.11 The relocation of a Network Rail Maintenance compound at the station has provided an opportunity to relocate the business start-up units and provide additional capacity. This also avoids it being located close to a new stanchion for rail equipment.
- 1.12 The revised proposal are as follow:
- Cycle Hubs: 180 spaces to be provided on the south-side of the station and 176 spaces on the north side, with some removal of platform provision to give a net addition of 300 cycle parking spaces at the station;
 - Business Start-up Units: provision of 610m² floorspace (an additional 44.5%) on the south side of the station.
- 1.13 Diagrams of the original and proposed locations are provided within the addendum document.
- 1.14 The revisions to the cycle hubs and business start-ups is estimated to be £540,000, with £340,00 sought from the Local Growth Fund (LGF).
- 1.15 The revised total costs to deliver the original element of the scheme, the expanded gatelines (Addendum 1), and revised cycle hubs and start-up units (Addendum 2) is now estimated at £6.024 million, with a combined LGF contribution of £5.374 million.

Review Findings

Scope of Works

- 1.16 The addendum provides a detailed overview of the original proposals for the cycle hubs and the business start-ups. It then explains the additional analysis undertaken that has resulted in the proposals to amend the location of the provision.
- 1.17 It highlights a range of factors, including:
- Analysis of the flow of cyclists to the station;
 - Feedback from cyclists' groups;
 - Housing development proposals to the north of the station;
 - The location of a stanchion in close proximity to the originally proposed location for the business start-ups;
 - The relocation of the Network Rail Maintenance compound at the station;
 - Easier construction processes; and
 - Increased business start-up unit floorspace.
- 1.18 The benefits of splitting the cycle hubs on either side of the station is set out. In addition, the need and support for the business start-up units is described.

Independent Assessor Comment

- 1.19 The process by which the revised proposals have emerged is considered to have been set out in sufficient detail. Whilst some elements relate to changes in external factors, other elements appear to suggest limitations within the original assessment work. For example, it is not clear why analysis of cycle flows or consultation with cyclists' groups did not take place originally.
- 1.20 Ultimately, however, the proposals that are being put forward are considered to represent enhanced provision over the original proposals. Whilst no additional cycle parking will be provided, the location on both sides of the station is a clear enhancement in provision and demonstrates a clear commitment to promoting cycle access to the station.
- 1.21 The new location of the business start-ups also delivers additional floorspace capacity and will be easier to construct and so can be seen to offer enhanced provision.

Strategic Case

- 1.22 The Strategic Case cross-references to the information presented within the original business case submission, with key points related to the strategic need for the scheme highlighted, including the support for the masterplan of the area of Newbury around the station, and the growth in station usage resulting from the electrification programme, longer trains, and then enhanced timetable on the Newbury & Kennet Line.
- 1.23 In addition, the strategic alignment of the overall station proposals with the TVB's Strategic Economic Plan and Berkshire Local Industrial Strategy is outlined.
- 1.24 The impact of continuing with just the existing proposals for the cycle hub and business start-up units is set out, including the lost opportunities for cycle connectivity on the north side of the station and connecting to the Market Street development. It is stated as no longer feasible to develop the start-up units in the original location and so it would require constructing a smaller facility on the proposed new location, within the smaller budget, which would not be fit for purpose.
- 1.25 It is stated that a demand study will be undertaken for the business start-up units to ensure that appropriate provision is made for businesses in light of how the context has changed, and may continue to be different, with COVID-19.

Independent Assessor Comment

- 1.26 Our review of the original strategic case for the scheme recognised that it set out a clear rationale for the overall development of the project. This is considered to remain the case.
- 1.27 There is clear demonstration that the project has good policy alignment and will support local growth aspirations around the station, as well as wider housing growth within Newbury.

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- 1.28 Whilst there have been clear deficiencies with the scheme optioneering process for the project, there is sufficient evidence that the revised cycle hub and business start-up units will offer enhanced strategic benefits in the long run, both in terms of encouraging cycle access to the station and providing appropriate start-up provision for businesses.
- 1.29 Whilst, ideally, the demand analysis would have been completed at this stage, the impact of COVID-19 means that this work would probably have needed repeating to reflect the changing circumstances. There represents an opportunity to respond to the current situation and provide facilities accordingly.

Economic Case

- 1.30 The Economic Case highlights that the original scheme provided a wide range of quantified and unquantified benefits, with a benefit cost ratio (BCR) of 3.8 to 1.
- 1.31 The impact of the revised cycle hubs is analysed in terms of reduced access times for cyclists travelling from the north of the station. The journey time savings have been monetised to provide a forecast economic impact of £75,500 over 30 years.
- 1.32 The impact of the revised business start-up units is based upon the increased floorspace that will be provided and the additional jobs that this could accommodate. This has applied standard employment densities guide to estimate that 10 additional jobs could be accommodated within the additional 188m². The average GVA per head in Berkshire has then be applied, alongside additionality factors, to generate a forecast economic impact of £1.260 million over 10 years.
- 1.33 The overall present value of benefits and costs are presented, with an overall forecast benefit cost ratio (BCR) of 3.2 to 1, indicating the additional investment represents 'high' value for money.

Independent Assessor Comment

- 1.34 The Economic Case for the original scheme submission was considered to offer high value for money. This was primarily on the basis of the additional revenue generated through the expanded car park and passenger revenue that would be captured by the public sector through the franchising process.
- 1.35 The approach to assessing the impact of the revised cycle hub provision is considered acceptable. Due consideration has been given to changes in journey time and appropriate values of time applied to generate forecasts of monetary impacts.
- 1.36 Similarly, the approach to assessing the impact of the expanded business start-up units is also considered acceptable. Appropriate metrics have been applied within the assessment, including additionality. It should be noted that the assessment is conditional upon the business start-ups being well utilised. Until the demand analysis study has been completed there remains uncertainty over forecast occupancy projections and this could affect the value for money of the scheme.
- 1.37 The BCR calculations for the central case assessment are robust. It is worth noting that if the overall business start-up floorspace achieved 90% occupancy the

investment would still achieve high value for money but any lower it would fall below this benchmark.

- 1.38 In addition, the overall BCR for the full amended scheme at Newbury Station, including the expanded gateline (Addendum 1), is estimated as 3 to 1, also demonstrating high value for money.

Financial Case

- 1.39 The Financial Case sets out the additional project funding sought from LGF (£340,000), as part of a total additional cost of £540,000. The cycle hub element is estimated to cost an additional £340,000, with an additional £200,000 for the business start-ups.
- 1.40 The additional costs are stated as having been calculated using an independent cost report, provided by GWRs cost consultant. A breakdown of costs for each of the two scheme elements is provided, demonstrating a contingency of 15% has been included.
- 1.41 Match-funding from GWR, through the new DA3 franchise, has been identified for £200,000 and will primarily support the cycle hubs, but remains subject to First Group and DfT approvals, scheduled for June 2020.
- 1.42 The profile of spending is presented demonstrating all of the additional spend will be in 202/21.
- 1.43 WBC and GWR have stated they are committed to the scheme and, in the event that there are any further cost overruns they would look to either value engineer the design or to cover these costs, albeit neither organisation has provided formal commitment at this stage.

Independent Assessor Comment

- 1.44 Given that the costs represent a cost escalation over the original scheme, it is clearly important to ensure that this revised submission represents a comprehensive and fully robust assessment. This includes having an appropriate level of contingency and risk allowance.
- 1.45 There is evidence that the costs have been estimated by external cost consultants and so should be robust, albeit the breakdown of information provided is relatively high level.
- 1.46 The 15% contingency applied is considered a reasonably appropriate allowance, albeit the basis for this amount is not detailed and it is thought unlikely to have been calculated from a bespoke risk assessment.
- 1.47 The absence of a formal funding commitment from GWR at this stage is noted, and this will be critical for the scheme to progress.
- 1.48 WBC have indicated that they cannot formally commit to covering any cost overruns. Whilst GWR would look to cover such cost, there is no formal approval of this commitment and it would be subject to agreement at the time.

Delivery and Risk

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- 1.49 High-level programmes are set out for both the cycle hubs and the business start-up units demonstrating the key milestones relating to each project.
- 1.50 Key dependencies for the cycle hubs are identified as:
- Network Rail approvals
 - Access being available via the Multi-story Car Park, once completed, for north-side cycle hub
- 1.51 Key dependencies for the business start-up units cycle hubs are identified as:
- Network Rail land transfer
 - Planning permission being granted
 - Network Rail approvals
 - Demand analysis
- 1.52 A risk register is presented, highlighting the following key risks:
- Telecoms design delays
 - Delays to Work Package Plans
 - Market Street MSCP programme extends (delays to access to north cycle hub site)
 - Planning permission is not granted
 - Transfer of Network Rail land delayed
 - A traditional build contract does not meet programme timescales
 - COVID-19 impacts (various)
- 1.53 It is stated that regular Project Team meetings between GWR, WBC and Network Rail (as required) are scheduled to discuss programme and risks.

Independent Assessor Comment

- 1.54 Clear programmes are set out for each project element, with individual milestones. The cycle hubs are forecast to complete by September 2020, with the business start-up units completed by March 2021, albeit there are a number of risks that could result in delays to the programme.
- 1.55 Whilst it is understood that Network Rail approvals should be obtained, these remain outstanding for both the cycle hubs and business start-up works.
- 1.56 Access to the north cycle hub site is understood to be via the Multi-story Car Park and requires this project to be complete. This project is currently 9 months behind schedule and has been subject to further delays due to COVID-19. It is understood that GWR/WBC are awaiting an updated programme from the developer Grainger and so it is not clear how this might affect the delivery of the north cycle hub. Whilst there is scope to accommodate delay of the cycle hub works, this still represents a risk.
- 1.57 To obtain the land for the business start-ups requires Network Rail staff to move off the site. There are currently delays as Network Rail's new depot is not complete. There is a stated aspiration to complete this within the next few months. Whilst no issues with obtaining planning permission are expected, a determination will not be available until September 2020.
- 1.58 There are clearly a number of risks with the business start-up units that could delay overall completion until post-March 2021; however, based on the evidence

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- presented, we consider there to be reasonable certainty that the works should, at worse, be substantially started by March 2021.
- 1.59 The section on inter-dependencies indicates that WBC/GWR have considered the key issues relating to project deliver and have mitigation in place to minimise any potential negative impacts.
- 1.60 A range of risks have been identified and mitigation measures are clearly in place for each element. It is clear that some of these risks will need to be closely managed to ensure that they do not unduly affect the overall programme.
- 1.61 Whilst not specifically stated within the addendum document, the overall commercial and management procedures, as set out in the original business case, are considered to be appropriate and suitably robust.

Conclusions

- 1.62 The Strategic Case for the project demonstrates a clear case for the additional intervention on the basis that they represent enhanced provision over and above the original scheme design. The overall scheme is also considered to retain good policy alignment.
- 1.63 The overall Economic Case for the revised cycle hubs and start-up units appears strong and adds to the overall case for the original scheme; however, this is only on the basis that the start-up business units will be well occupied.
- 1.64 The Financial Case has been subjected to considerable scrutiny. The additional budget for each scheme element is based upon the net change in cost from the original proposals to the revised proposals. From the information presented, we consider these costs to be reasonably robust.
- 1.65 The match-funding element for the scheme is not yet fully secured. Whilst the project is fully supported by WBC, they are not in a position to cover any further cost overruns. GWR have indicated that would seek to cover such cost, but no formal guarantee is in place.
- 1.66 The project is considered to have a reasonably robust plan for delivery, with a clearly defined programme of tasks. The main delivery risks are considered to relate to the business start-up units, which are not scheduled for completion until March 2021; however, there is sufficient evidence that the project will, at worse, have substantially started by this point. Specific programme risks relate to Network Rail approvals, potential access constraints to the northern cycle hub site, land transfers, planning permission, and COVID-19.
- 1.67 It is our conclusion that the revised Newbury Railway Station Improvements scheme, with the revised cycle hub and business start-up unit proposals, aligns with strategic priorities. If the business start-up units achieve high occupancy, the scheme will deliver high value for money. Whilst a number of clear programme risks remain for delivery, these are considered to be understood and are being managed appropriately but could mean the scheme is not completed by March 2021. The main delivery concerns relates to a lack of formal approvals related to the scheme and funding.

Recommendation

- 1.68 We recommend the additional funding for the revised cycle hub and business start-up unit proposals for Newbury Railway Station on the basis of the following conditions being met:
- 1) Completion of the demand analysis study, with a clear demonstration of strong potential demand for the business start-up units that correlates with a strong probability of high occupancy levels of the units;
 - 2) GRIP 4 / GRIP 5 Network Rail Approval in Principle, as required for both the cycle hub and business start-up unit scheme element;
 - 3) Evidence of completed commercial agreements between GWR and Network Rail for the necessary land transfer required to complete the business start-up units; and
 - 4) Formal funding commitment from First Group and Network Rail for the match-funding identified by GWR, with a more detailed understanding of what processes would be undertaken in the event of any further cost overruns, should they arise.
- 1.69 These conditions should be met at the earliest feasible date, but no later than 30th November 2020.
- 1.70 It should be recognised that by not meeting these conditions well in advance of 30th November 2020, the proposed programme for delivery of the cycle hubs element of the scheme could be delayed.

Appendix 4

Addendum Report 1: Newbury Railway Station Improvements

West Berkshire Council

1. Introduction

- 1.1 This addendum report has been prepared following further detailed information relating to the already agreed scheme at Newbury Railway Station (ref 2.24). West Berkshire Council and Great Western Railway (GWR) are joint promoters of this scheme.
- 1.2 The business case for the Newbury Railway Station Improvements and Interchange Enhancement scheme was considered by the Berkshire Local Transport Body (BLTB) in July 2018. In line with the advice of the independent assessors, the BLTB granted conditional approval of the scheme. These conditions were satisfied by the scheme promoters in February 2019 and, as a result, full financial approval of the scheme was granted.
- 1.3 Following further detailed work on the scheme, some improvements and changes to the design are proposed. These changes relate to (i) entrance / exit enhancements, (ii) cycle hub location and design and (iii) the business start-up provision.
- 1.4 Each of these improvements carry an additional cost to the overall scheme. A bid was therefore prepared in response to the BLTB's 'call for bids' issued in November 2019 and was submitted at the end of January 2020.
- 1.5 At the BLTB meeting in March 2020 it was agreed to allocate available LGF funding to the highest priority element of the changes relating to the entrance / exit enhancements (the gateline arrangements). It was also agreed that the other two elements would, together, be included in a new 'pipeline' list of schemes which could be allocated further LGF funding if it became available. This was a prioritised list of schemes and the Newbury Station project was ranked second.
- 1.6 This addendum (Addendum Report 1) considers the first prioritised element of the scheme enhancements (the gatelines). It relates to the original business case for the Newbury Railway Station Improvements and Interchange Enhancement Scheme but also links closely with a second addendum report which discusses the further 2 enhancements proposed.
- 1.7 The following sections of this addendum report outline the justification and evidence for the gateline arrangement enhancements. Section 2 provides further detail of the works proposed and section 3 sets out the strategic importance of this change to the original scheme and the problem it seeks to solve.
- 1.8 The Economic and Financial cases are detailed in sections four and five respectively and section six summarises the delivery and risk elements of the project.
- 1.9 Finally, section seven provides a summary of this short report.

2. Scope of Works

- 2.1 Newbury Station is currently served by 3 standard gates (ticket barriers) and one wide-aisle gate for access to Platform 1. The gatelines providing access to platform 2 are situated on the platform itself and consist of a further 3 standard gates and one wide-aisle gate.
- 2.2 The gateline arrangement proposed in the full business case indicated 3 standard gates and 2 wide-aisle gates to serve Platform 1. The same quantity of 3 standard and 2 wide-aisle gates were also proposed to serve Platform 2. The design incorporated these into the station building taking them away from the on-platform location in order not to impede passenger flows and to free up valuable platform space for passengers waiting to board trains and those alighting.
- 2.3 Due to a delay in being able to undertake up to date pedestrian modelling for Newbury Station, the proposed gateline arrangement in the July 2018 business case (and described in 2.2 above) was based on the best information and knowledge available from other stations and from expertise within GWR.
- 2.4 The delayed pedestrian modelling exercise was undertaken in order to check that the proposed number of ticket barriers would minimise congestion and ensure the efficient functioning of the station. The outputs from this study highlighted that the proposed arrangements needed revisiting.
- 2.5 The pedestrian modelling study demonstrated that the gateline provision and entrance/exit arrangements as originally proposed, would present a safety issue for passengers. Due to the future demand forecasts for Newbury, as a successful and very well used station, and Network Rail requirements for passenger flows and clearance times, the number of gatelines originally proposed would be insufficient. The gateline arrangement proposed in the full business case would result in congestion particularly in the morning and evening peak for passengers exiting the station. This would present a significant safety risk for passengers 'backing up' as they try to exit the station, resulting in an overcrowded platform area. The safety risk is such that this would not adhere to the Network Rail safety guidelines for throughput of passengers to disperse out of the station when trains are arriving and departing. For stations with through platforms, Network Rail states that all exiting passengers must be able to pass through the gateline within two minutes. This is to prevent the risk that passengers queue back onto the platform, increasing the likelihood that they will be too close to the platform edge and also reduce the space available on the platform for passengers interchanging or boarding trains to do so safely. The gateline arrangement presented in the full business case would not meet this two minute clearance requirement, and as such would not be acceptable to Network Rail safety standards. Overall, the provision of an insufficient number of gatelines reduces the ability for a station to function well for passengers, impacting on their experience of the station as well as compromising their safety.
- 2.6 As a result of this work, the new proposal seeks to deliver additional ticket barrier capacity serving Platforms 1 & 2. The overall scheme for Newbury Station is making the best use of the existing station buildings (which are of local importance architecturally). The options for accommodating these additional requirements are, therefore, limited. The issue that was highlighted in the study related to the exit

capacity and the congestion and delays that would be experienced by passengers when trying to leave the station platform. A separate 'exit only' facility has therefore been included in the designs for Platform 2 which provides one standard and one wide-aisle gateline (in addition to the 3 standard and 2 wide aisle gates already included in the design). Additional capacity is also required for passengers on Platform 1, consisting of two further standard gates (bringing the total for Platform 1 to 5 standard and 2 wide aisle gates). Other amendments to the station layout design have had to be made to accommodate this additional provision within the footprint of the station buildings.

2.7 It is this work described in 2.5 which forms the focus of this addendum to the business case. It is, however, part of the wider development of the scheme design and the additional enhancements that have been identified to increase the benefit to station users. This additional package of amendments covered in Addendums 1 and 2 to the business case together seek to provide a scheme which adequately provides for predicted growth and ensures the benefits are realised into the future.

3. Strategic Impact

3.1 The amendments considered in this addendum report are part of the overall scheme for upgrading Newbury Station. The overall scheme forms part of a masterplan for the area of Newbury around the station. The elements forming this masterplan are shown in Figure 1 below and include a significant mixed use development at Market Street delivering 232 new homes, a new multi-storey car park, improved links between the town centre and the station focusing on pedestrians and cyclists, a new bridge at the station enabling full access through the provision of lifts and much needed enhancements to transport interchange facilities. 3.2 The growth at Newbury station has been significant over the last few years, which the electrification programme, longer trains and enhanced timetable on the Newbury & Kennet Line has further supported.

Links to the SEP and BLIS

3.3 The overall scheme for Newbury Railway Station and how it ties in with the wider masterplan for the area links well with the Thames Valley Berkshire's Strategic Economic Plan (SEP) This has been led by the Local Enterprise Partnership and is a key focus for delivery across the Thames Valley Berkshire area. Whilst the element that this submission is concerned with in itself will have a small impact on delivering the SEP, it contributes to the overall scheme being delivered in the right way taking into account all the evidence available. In the submission for the original scheme the following links to the SEP were identified. Where necessary the text has been updated to reflect design changes and developments.

- Supports Section 1 (6) Functioning towns: Infrastructure within towns: The project will deliver a high quality sustainable interchange and improved station environment that will better serve Newbury town centre and help make the station a prominent gateway for

passengers arriving in Newbury. It will also enhance the proposed redevelopment of the Market Street area of Newbury town centre immediately adjacent to the north of the northern entrance to the station and provide a more clearly defined pedestrian and cycle route between the station and the main town centre retail area.

- Supports Section 1 (6) Functioning towns: Town centre investment: The project will involve substantial improvements and rejuvenation to the buildings within the railway station. This will include relocation of the ticket office to be nearer to the proposed new station footbridge (including lifts) which will also be better connected to the Market Street redevelopment area and the routes to the town centre passing through it. On the southern side of the station, the project will result in the demolition of a number of unattractive single storey buildings. These will be replaced by new facilities that will make the southern side of the station more attractive. There will be spaces created that offer commercial letting potential for the train operator, creating jobs in this area. These improvements will help to increase footfall thereby supporting retailers in the southern end of the town centre and around the railway station.
- Supports Section 3 Promote local sustainable transport networks: The proposal will provide safer and more defined pedestrian and cycle routes for both entrances to Newbury station (north and south). Improvements to the station itself will result in an increase in secure cycle parking. The improvement to interchange at Newbury railway station will help to accommodate the forecast increase in rail passenger growth and will complement the investment made by the Government and the rail industry through electrification of the Berks and Hants line to Newbury (as part of the Great Western Electrification project) and the introduction of higher capacity rolling stock. This will provide more attractive options for travel between Newbury and Reading/London.

3.4 To follow on from the SEP, Thames Valley Berkshire LEP has developed a Berkshire Local Industrial Strategy (BLIS). A locally approved version of the BLIS was published in October 2019, which sets out the LEP's priorities for local economic growth across the TVB LEP area for the period 2020 to 2030. The project at Newbury Station will contribute to the following BLIS overarching priorities:

- Overarching Priority: Making Berkshire an inclusive area where aspirations can be realised ...by accelerating a shift to more sustainable transport modes, both generally and in relation to the planning of new development (Infrastructure Action A)

The wider context and masterplan for the station upgrade and surrounding projects includes the Network Rail delivery of the new bridge with lifts making the station fully accessible for the first time. The upgrade work complements this and links in well with the new bridge helping to deliver a fully accessible, safe and appealing station which will encourage opportunities for travel for all those seeking to use it.

- Overarching Priority: Ensuring that economic growth contributes positively to Berkshire's environmental performance, recognising the need to respond to the climate crisis ...by accelerating a shift to more sustainable transport modes (Infrastructure Action A)
...by supporting the delivery of the TVB Energy Strategy (Infrastructure Action E)
...by securing better access to Heathrow Airport by sustainable travel modes (Infrastructure Action F).

The project will encourage sustainable travel by creating a high quality environment for rail travel, great facilities for cycling and interchange between different modes.

The provision of electric vehicle charging points within the multi storey car park will help to reduce the wider carbon footprint.

The improvements at Newbury Station will assist in making travel by train more attractive for a range of purposes including travel to Heathrow. The much improved interchange facilities at Newbury combined with the general recent investment in the line and associated benefits will improve journeys to such key destinations in our region.

- Overarching Priority: Building places and a supportive infrastructure

...by supporting the role of Berkshire's towns as cultural and economic hubs (Place Action A)

The overall improvements to Newbury Station and the surrounding area help to create a high quality gateway to the growing and ambitious town of Newbury. Newbury is full of cultural and economic activity and, with the delivery of this scheme, these activities will be supported and served by a top quality rail station and sustainable transport hub.

Options for enhancement

3.5 The pedestrian modelling report, which involved undertaking a passenger number survey, review of the resulting data and calculating the number of gatelines required for each station entrance, identified options for accommodating this and future forecast growth in passengers at Newbury Station. These options ranged from maximum to minimum scenarios for entrance/exit capacity. In order to provide a safe, comfortable and user-friendly station facility for passengers, the minimum scenario (of five standard and two wide-aisle gates) has been adopted for Platform 1 and a blended scenario (of four standard and three wide-aisle gates) for Platform 2. The blended approach for Platform 2 has been adopted due to the constraints within the station building footprint, and need to create an additional 'exit-only' gateline. Whilst what is proposed in this addendum is the minimum option identified by the report for Platform 1 and a medium option for Platform 2, it provides the required enhancement and keeps additional costs to a minimum. It is also possible within the constraints of the station building arrangements and, most importantly, the modelling shows that it will minimise congestion and reduce the risk that the station is not able to accommodate future passenger numbers which could constrain growth in the Newbury and Thames Valley corridor.

3.6 As well as the consideration of the options presented by the pedestrian modelling work, it is important to outline what else has been considered as a way forward for the scheme at Newbury Station. The Council and GWR as joint promoters have considered a 'do minimum' option. This would be an option that looks to continue to deliver a scheme that improves Newbury Station within the current funding package that has already been secured.

3.7 If this option was pursued some benefits of the original scheme would not be fully realised due to the new information demonstrating that additional provision of gatelines, and improved access and egress to the station, is required. This will reduce the actual value for money delivered by the original scheme and would not

provide a station that is fit for purpose in terms of being able to accommodate the forecast future growth.

- 3.8 In addition, the plans for Newbury Station have to be approved by Network Rail through their GRIP Approval in Principle process, and other regulatory requirements such as Station Change. Given the evidence from the pedestrian modelling work showing what is required in order to minimise congestion and ensure passenger safety at the station, Network Rail would not grant approval for a scheme that does not respond to this evidence. The whole scheme for Newbury Station could therefore be in jeopardy if approval is not forthcoming from Network Rail for the improvement works. The critical nature of the delivery of this scheme amendment is why the gateline element has been prioritised above the other two proposed enhancements (dealt with in more detail in Addendum 2).
- 3.9 Strategically, therefore, the enhancements proposed to the gateline arrangements will provide the necessary capacity for forecast growth and provide the improved efficiency and safety in terms of circulation of passengers around the station. Currently this is impeded due to the current facilities and especially the on-platform location of the gatelines on platform 2.
- 3.10 As detailed in section 3 of the full business case for the overall scheme, the proposals at Newbury have a significant strategic impact. They will support the growth in population in the Newbury area as a result of housing growth including strategic housing allocations. The station scheme looks to encourage and maximise opportunities for sustainable journeys to be made to and from the station.
- 3.11 The scheme also presents the opportunity to complement the recent investment in the railway (such as the Great Western Electrification project) and the current investment in the local area through the redevelopment of the Market Street site (referred to in Figure 1).
- 3.12 The amendment proposed in this addendum will help to fully realise the strategic benefits of the overall scheme as it enables the scheme to gain full approval from Network Rail and progress to delivery.

4. Economic Case

- 4.1 The Full Business Case (FBC) for Newbury station improvements was submitted to Berkshire Local Transport Body (BLTB) in July 2018, and following this the scheme was granted full financial approval in February 2019. The economic assessment within the FBC demonstrated a strong scheme with a wide range of quantified and unquantified benefits. It delivers a benefit cost ratio of 3.8:1 representing high value for money.
- 4.2 Further detailed design of the scheme highlighted three areas of the FBC scheme design for refinement: entrance/exits (gateline) capacity, cycle hub location and business start-up provision.
- 4.3 As detailed in section 2 above (particularly 2.5), the additional gateline capacity is required in order to adhere to Network Rail safety standards and gain their approval for the scheme. The economic appraisal of increasing the gateline provision at

Newbury station and the impact of this on the value for money of the overall scheme is set out below.

- 4.4 In order to understand the impact on value for money, a sensitivity test has been undertaken in which the costs and benefits of the additional gateline capacity have been incorporated into the scheme appraisal.
- 4.5 Incorporating the costs and benefits of the gateline reduces the BCR from 3.8:1 to 2.9:1, still above the High value for money threshold of 2:1. As anticipated, the appraisal of the gatelines in isolation does not deliver value for money in terms of conventional economic appraisal. The impact of the infrastructure is only experienced in peak periods when wait times at the gateline are reduced for passengers, and therefore are outweighed by the costs. However, the benefits of delivering the increased gateline capacity exceed those that can be monetised in the appraisal, as delivering this infrastructure is essential in order for the wider improvements to Newbury station to come forward. The improved infrastructure over and above that proposed in the FBC will also provide real benefit to passengers using Newbury Station and enable the station to continue to operate well into the future.

5. Financial Case

- 5.1 A Thames Valley Berkshire LEP contribution from available Local Growth Funds of £300,000 is sought for the Platform 1 & 2 entrance/exit enhancements.
- 5.2 Within the full business case costs for the station buildings / facilities enhancements element of £5.184m, a cost allowance was allocated within the GWR direct costs for gate supply, relocation and installation and associated civils costs of £145,500 (less contingency and overheads). As outlined above, this was predicated on a gateline provision with three fewer gates than now required and without the additional civils work required for widening and adding new entrance/exit locations in the station. As a result of the requirements for an increased number of ticket barriers and associated additional civil engineering work required, this has resulted in an increase in material and contractor costs of £300k.
- 5.3 Table 2 below sets out the spending profile for the additional funding sought.
- 5.4 As indicated in Table 2, a GWR contribution is proposed for the overall additional costs associated with all 3 elements of the enhanced design for Newbury Station. In terms of the where the GWR contribution (£200,000) will be used, this will be determined by timescales for delivery and access to funding. For these reasons it is not proposed to direct the GWR funding to the gateline capacity enhancements.

6. Delivery and Risk

- 6.1 A high-level programme showing anticipated project milestones is set out below in Table 3. This indicates anticipated completion of the scheme within the window to Spring 2021. Table 3: Project Milestones
- 6.2 The key dependencies for the entrance/exit enhancements are as follows:

-
- Phasing plan: the works will need to be carefully considered as part of the main station works and phased to minimise disruption to station operations and passengers as much as possible.
 - Network Rail approvals: Form 1 approval in principle and any other required NR consents (including Landlord's Consent) are received for the main scheme
 - Product availability: supplier is able to manufacture and supply gatelines within the programme timescales

6.3 The risk register below (Table 4) sets out the key risks associated with the gateline enhancements and a plan for their mitigation. In addition, regular Project Team meetings between GWR, West Berkshire Council and Network Rail (as required) are scheduled to discuss programme and risks. This group has an established escalation route through the main LGF scheme to escalate issues that cannot be resolved at Project level. This is detailed in the Management Case of the full business case (specifically Figure 7 in Section 7 of the document).

Task Name	Start	Finish	Commercial & Procurement	TVB LEP Addendum approval
Jun-20 GWR/WBC Funding Agreement variation	Jun-20	Jul-20	Gateline tender period	May-20
Aug-20 Contract Award (main contractor)	Sep-20	Oct-20	Gateline manufacturing	Sep-20
Jan-21 Design and Consents	GRIP 4 Network Rail Approval in Principle	Mar-20	Jun-20	Detailed Design
Jun-20	Oct-20	Construction Phase Mobilisation	Nov-20	Dec-20
Nov-20	Nov-20	Start on Site	Jan-21	Mar-21

6.4 The overarching risk associated with this scheme is that if the additional funding is not secured to deliver the required additional gates and improved entrance/exit arrangements, the whole LGF scheme will not be able to proceed, as Network Rail will not endorse the design as proposed in the full business case.

7. Summary

7.1 Following further detailed work, three elements of scheme improvements and changes to the design are proposed. The necessary increase in gateline capacity is one of these elements and has been the focus of discussion and assessment in this addendum report.

7.2 The gateline enhancements have been identified by scheme promoters and BLTB as a priority for the Newbury Station scheme and funding was provisionally allocated their delivery at the March 2020 BLTB meeting.

7.3 The increase in capacity in gateline provision will enable the efficient and safe circulation of passengers during the times of greatest demand in the AM and PM peak periods.

7.4 The enhancement forms part of the wider Newbury Station improvement scheme which is focussed on providing benefits for passengers, the local and regional economy, housing delivery and the environment. Further details of the benefits of the wider scheme, which has a strong value for money score, are set out in the full business case available on West Berkshire Council's website (www.westberks.gov.uk/sep).

7.5 The cost of the gateline enhancements (above that which was originally proposed) is estimated at £300,000. This is sought from available LGF funding and the works will be delivered in early 2021.

7.6 The appraisal of the gatelines in isolation does not deliver value for money in terms of conventional economic appraisal. The impact of this amendment to the scheme on

the original BCR sees it change from 3.8:1 to 2.9:1. The overall amended scheme remains strong and continues to deliver in the 'High value for money' category.

7.7 The benefits of delivering the increased gateline capacity exceed those that can be monetised in the appraisal, as delivering this infrastructure is essential in order for the wider improvements to Newbury station to come forward. The improved infrastructure over and above that proposed in the FBC will provide real benefit to passengers using Newbury Station and enable the station to continue to operate well into the future.

Appendix 5

Addendum Report 2: Newbury Railway Station Improvements – Cycle Hub and Office Space Enhancements

West Berkshire Council

1. Introduction

- 1.1 This addendum report has been prepared following further detailed information relating to the already agreed scheme at Newbury Railway Station (ref 2.24). West Berkshire Council and Great Western Railway (GWR) are joint promoters of this scheme.
- 1.2 The business case for the Newbury Railway Station Improvements and Interchange Enhancement scheme was considered by the Berkshire Local Transport Body (BLTB) in July 2018. In line with the advice of the independent assessors, the BLTB granted conditional approval of the scheme. These conditions were satisfied by the scheme promoters in February 2019 and, as a result, full financial approval of the scheme was granted.
- 1.3 Following further detailed work on the scheme, some improvements and changes to the design are proposed. These changes relate to (i) entrance / exit enhancements, (ii) cycle hub location and design and (iii) the business start-up provision.
- 1.4 Each of these improvements carry an additional cost to the overall scheme. A bid was therefore prepared in response to the BLTB's 'call for bids' issued in November 2019 and was submitted at the end of January 2020.
- 1.5 At the BLTB meeting in March 2020 it was agreed to allocate available LGF funding to the highest priority element of the changes relating to the entrance / exit enhancements (the gateline arrangements). It was also agreed that the other two elements would, together, be included in a new 'pipeline' list of schemes which could be allocated further LGF funding if it became available. This was a prioritised list of schemes and the Newbury Station project was ranked second.
- 1.6 This addendum (Addendum Report 2) considers changes to the cycle hub element and business start-up provision ((ii) and (iii) mentioned above in 1.3). This addendum relates to the original business case for the Newbury Railway Station Improvements and Interchange Enhancement Scheme. There is a further addendum to the original business case (Addendum Report 1) and this details the changes to the entrance / exit arrangements for the Station.
- 1.7 The following sections of this addendum report outline the justification and evidence for the changes to the cycle hub and business start-up units. Section 2 provides further detail of the works proposed and section 3 sets out the strategic importance of this change to the original scheme and the problem it seeks to solve.

1.8 The Economic and Financial cases are detailed in sections four and five respectively and section six summarises the delivery and risk elements of the project.

1.9 Finally, section seven provides a summary of this short report.

2. Scope of Works

2.1 The proposed changes to the two elements of the enhanced scheme covered by this addendum report are described below. They follow further development work and feedback on the scheme since full financial approval was granted in February 2019. The scheme promoters wish to progress different options to those originally proposed as it is considered that these are the right proposals to deliver the best scheme for rail passengers and the town. Cycle hubs

2.2 The original focus for the cycle hub at Newbury Station was the south side of the station which provided a good link with the other 'interchange' activity. The enhancement of this interchange area on the south side of the station forms a distinct element of the overall proposals set out in the original scheme. This layout can be seen in Figure 1 below with the cycle hub indicated with the '!' symbol. Figure 1: Original Cycle Hub proposal on south-side only

2.3 As a result of further feedback and through the more detailed design option process, the location of the cycle hub provision has been reviewed. The flow of cyclists accessing the station has been reviewed in more detail along with new information about future housing growth in Newbury. For example, permission for a housing development of 400 dwellings was granted at appeal and this site is located in the north of the town. It looked like the delivery of this housing would not progress but issues over land and access do not now appear to be blocking this development. As such, without an increase to the cycle parking provision on the north side of the station, future residents may be deterred from cycling to the station due to inadequately located facilities.

2.4 Further feedback from the West Berkshire Cycle Forum helped to identify that the cycle parking provision and cycle hub facilities at the station should be split between the north and south side to cater equally for rail passengers arriving from various locations by bike. With a provision on both sides of the station, the propensity for modal shift for last mile journeys to the station by bike is greater. The number of additional cycle spaces (300) as proposed in the full business case remains the same. The spaces split across the two sites will comprise 180 spaces in the southside hub and 176 spaces in the north-side hub.¹

¹ The cycle hub provision in total is greater than the additional 300 spaces as this also accommodates existing cycle parking provision that will be relocated from platforms into the new hubs to reduce congestion on platforms and improve the cycle parking offer for passengers

2.5 Due to two locations for cycle parking (which feedback and evidence shows is the right approach) there are associated additional costs in terms of the construction materials and contractor resource.

2.6 The development work has also resulted in a different location being identified for the cycle hub element on the south side which has more complex engineering requirements (retaining wall requirement for the embankment and gradient of the

location). The costs have therefore increased as a result. The new location for the south side cycle hub is preferable from a passenger perspective, as it is less 'remote' to the station and confidence in safety and security are therefore likely to be higher.

Business start-up units

2.7 The initial proposal for the business start-up units on the south side of the station was that they would be located alongside the station building at the eastern end, as indicated on the plan shown in Figure 3. The facility in this location was to provide 422m² floorspace. As the station designs have progressed, this location has been identified as more suitable for one of the cycle hubs and that the business start-up units are best located as a separate entity to the station, whilst still being in a prime location for access to and from the rail network. The reason that the business start-up units have been relocated is due to:

- (a) The completion of the Great Western Electrification works and electrification at Newbury, which means that one of the stanchions for the overhead line equipment is located fairly close to the station building at the eastern end
- (b) The relocation of the Network Rail Maintenance compound was confirmed providing more options for the use of the area adjacent to the car park serving platform 1

2.8 The justification for the relocation relates to cost and risk. It will be more straightforward to use the NR site for construction as this will not require a complicated (and more costly) interface with the overhead lines and constructability (in terms of need for isolations and the building having to be located almost 3m from the stanchion which reduced the available building footprint). The operation of the unit and its interaction with the station and railway will also be more simple in this location. There is now more certainty about the acquisition of the NR land than there had been at the start of the optioneering process so the risk to this option being delivered has been reduced.

2.9 The new preferred location for the start-up units (set out below in Figure 4) is on Network Rail land and in order to provide a two-storey building with the scope to enable start-up businesses to occupy the space, the costs are higher than initially forecast. This location does, however, provide the opportunity to deliver more space than originally proposed. A floor area of 610m² is proposed which is an increase of 44.5%.

2.10 We are confident that the need and support for a business start-up facility exists locally. For example, the Newbury West Berkshire Economic Development Company (EDC) has identified 'encouraging business incubation and start-up companies' as one of its ambitions. The current general plan would be to provide a facility which has a mixture of meeting room space, work stations and more informal spaces and that the promotion would be through joint work undertaken by GWR, the Council and local business through the Newbury West Berkshire EDC.

2.11 Whilst there has been a general plan for this provision, the detailed nature of what this facility offers has been identified as needing greater research and clarification. With the impact COVID-19 has had on business, it is considered important to revisit this aspect of the overall scheme to ensure that what is provided will offer the best

facilities for encouraging and supporting new businesses in changing times. Further commentary on this is provided in section 3.7 of this report.

- 2.12 It is anticipated that there are opportunities to value engineer the scope of the startup units in order to help to manage through the increase in costs. This exercise will be informed by further research into the best facilities to provide as set out in section 3.7.
- 2.13 The altered proposals for the cycle hub and business start-up units described above, along with enhancements to the gateline provision detailed in a separate addendum (Addendum Report 1), seek to provide an overall scheme which best meets the needs of passengers and adequately provides for predicted growth ensuring the benefits are realised into the future.

3. Strategic Impact

- 3.1 The amendments considered in this addendum report are part of the overall scheme for upgrading Newbury Station. The overall scheme forms part of a masterplan for the area of Newbury around the station. The elements forming this masterplan are shown in Figure 5 below and include a significant mixed use development at Market Street delivering 232 new homes, a new multi-storey car park, improved links between the town centre and the station focusing on pedestrians and cyclists, a new bridge at the station enabling full access through the provision of lifts and much needed enhancements to transport interchange facilities.
- 3.2 The growth at Newbury station has been significant over the last few years, which the electrification programme, longer trains and enhanced timetable on the Newbury & Kennet Line has further supported.
- 3.3 The overall scheme for Newbury Railway Station and how it ties in with the wider masterplan for the area links well with the Thames Valley Berkshire's Strategic Economic Plan (SEP) This has been led by the Local Enterprise Partnership and is a key focus for delivery across the Thames Valley Berkshire area. Whilst the elements that this submission is concerned with in themselves will have a small impact on delivering the SEP, they contribute to the overall scheme being delivered in the right way taking into account all the evidence available. In the submission for the original scheme the following links to the SEP were identified. Where necessary the text has been updated to reflect design changes and developments.
- Supports Section 1 (6) Functioning towns: Infrastructure within towns: The project will deliver a high quality sustainable interchange and improved station environment that will better serve Newbury town centre and to help make the station a prominent gateway for passengers arriving in Newbury. It will also enhance the proposed redevelopment of the Market Street area of Newbury town centre immediately adjacent to the north of the northern entrance to the station and provide a more clearly defined pedestrian and cycle route between the station and the main town centre retail area.
 - Supports Section 1 (6) Functioning towns: Town centre investment: The project will involve substantial improvements and rejuvenation to the buildings within the railway station. This will include relocation of the ticket office to be nearer to the proposed new station footbridge (including lifts) which will also be better connected

to the Market Street redevelopment area and the routes to the town centre passing through it. On the southern side of the station, the project will result in the demolition of a number of unattractive single storey buildings. These will be replaced by new facilities that will make the southern side of the station more attractive. There will be spaces created that offer commercial letting potential for the train operator, creating jobs in this area. These improvements will help to increase footfall thereby supporting retailers in the southern end of the town centre and around the railway station.

- Supports Section 3 Promote local sustainable transport networks: The proposal will provide safer and more defined pedestrian and cycle routes for both entrances to Newbury station (north and south). Improvements to the station itself will result in an increase in secure cycle parking. The improvement to interchange at Newbury railway station will help to accommodate the forecast increase in rail passenger growth and will complement the investment made by the Government and the rail industry through electrification of the Berks and Hants line to Newbury (as part of the Great Western Electrification project) and the introduction of higher capacity rolling stock. This will provide more attractive options for travel between Newbury and Reading/London.

3.4 To follow on from the SEP, Thames Valley Berkshire LEP has developed a Berkshire Local Industrial Strategy (BLIS). A locally approved version of the BLIS was published in October 2019, which sets out the LEP's priorities for local economic growth across the TVB LEP area for the period 2020 to 2030. The project at Newbury Station will contribute to the following BLIS overarching priorities:

- Overarching Priority: Making Berkshire an inclusive area where aspirations can be realised ...by accelerating a shift to more sustainable transport modes, both generally and in relation to the planning of new development (Infrastructure Action A)

The wider context and masterplan for the station upgrade and surrounding projects includes the Network Rail delivery of the new bridge with lifts making the station fully accessible for the first time. The upgrade work complements this and links in well with the new bridge helping to deliver a fully accessible, safe and appealing station which will encourage opportunities for travel for all those seeking to use it.

- Overarching Priority: Ensuring that economic growth contributes positively to Berkshire's environmental performance, recognising the need to respond to the climate crisis ...by accelerating a shift to more sustainable transport modes (Infrastructure Action A) ...by supporting the delivery of the TVB Energy Strategy (Infrastructure Action E) ...by securing better access to Heathrow Airport by sustainable travel modes (Infrastructure Action F).

The project will encourage sustainable travel by creating a high quality environment for rail travel, great facilities for cycling and interchange between different modes.

The provision of electric vehicle charging points within the multi storey car park will help to reduce the wider carbon footprint.

The improvements at Newbury Station will assist in making travel by train more attractive for a range of purposes including travel to Heathrow. The much improved interchange facilities at Newbury combined with the general recent investment in

the line and associated benefits will improve journeys to such key destinations in our region.

- Overarching Priority: Building places and a supportive infrastructure

...by supporting the role of Berkshire's towns as cultural and economic hubs (Place Action A)

The overall improvements to Newbury Station and the surrounding area help to create a high quality gateway to the growing and ambitious town of Newbury. Newbury is full of cultural and economic activity and, with the delivery of this scheme, these activities will be supported and served by a top quality rail station and sustainable transport hub.

3.5 To help inform the changes being proposed in this addendum report, the Council and GWR (as joint promoters) have considered the impact of doing nothing and what this would mean for the scheme and rail passengers at Newbury. Essentially this would be a 'do minimum' option as it would look to continue to deliver a scheme that improves Newbury Station within the current funding package that has already been secured.

3.6 The impact of this do minimum scenario is set out below for the two elements under consideration: Cycle hub – impact of 'do minimum' - The cycle hub solution will not serve cyclists in the best way and feedback from the West Berkshire Cycle Forum has called for the split solution to be delivered across north and south of the station. Whilst provision on the south side only would fit well with the interchange enhancements being focused to the south of the station, this option would not take advantage of the significantly improved cycle link to the north of the station via the Market Street development to the town centre. The split provision, therefore, helps to serve cyclists approaching from both north and south and give choice to those approaching from other directions. It also helps to link with and get the best value from investment in other cycling infrastructure particularly the town centre link to the north. Business start-up unit – impact of 'do minimum'

- The desired location for the business start-up units has changed and this has had knock-on changes for the location of other elements of the scheme including the cycle hub. A 'do minimum' scenario would therefore not see the business startup element being delivered in its original location but would mean constructing a solution within the original budget at the new proposed location. This is likely to result in a different style or quality of building being delivered and could mean less space and / or fewer facilities being available for this element of the scheme.

- This would result in the scheme promoters and the LEP potentially delivering a scheme which they recognise is not fit for purpose and which does not make the most of the available space and opportunity at the new proposed location. It would not help to meet the locally identified need and support for this type of facility (as identified above in section 2.10)

3.7 Further considerations, specifically in relation to the business start-up units, are now being discussed to ensure that appropriate provision is made for businesses in light of how things have changed and may continue to be different with COVID-19. A demand analysis study is being planned so that there is greater understanding of

what start-ups or small / new businesses need in this emerging new situation. This will feed into final designs for the facility that is provided as part of this overall scheme.

3.8 This will also help to deliver elements of the BLIS in an appropriate way and close liaison with TVB LEP in this regard will be valuable for a joined up approach and for sharing information. Although plans would ideally be confirmed at this stage, it is considered that the impact of COVID-19 should not be ignored whilst there is opportunity to check and adapt plans if necessary. It will be important to ensure that any amended options are achievable within the available budget for the new location.

3.9 In summary, the scheme promoters are confident that having a cycle hub at both sides of the station offers rail users the best proposition, and will further encourage cyclists to use the station thus encouraging modal shift to bikes. There is also confidence in the new proposed location for the business start-up units and that this is an improved solution overall. For both elements the Council and GWR are seeking the best possible version of the scheme to deliver the optimum long term strategic impact.

4. Economic Case

4.1 The business case for the overall scheme for Newbury Station (which gained full financial approval in February 2019) demonstrated a strong scheme with a wide range of quantified and unquantified benefits. The economic case was strong with a benefit cost ratio of 3.8:1 representing high value for money.

4.2 In order to provide some sense of the value of the changes to the scheme proposed in this addendum an economic assessment has been carried out for the cycle hub and business start-up changes. To date the benefits of the additional business startup provision were captured through the additional revenue generated. Based on the advice of the LEP Technical Advisor the revenue generated through the additional business start-up space has been replaced by the metric of job creation (GVA). This section sets out the impact of this on the value for money of the cycle hubs and business start-up provision.

4.3 Cycle hubs: The provision of cycle hubs on both the north and south sides of the station (rather than being limited to the south side only) will enable direct access for those cycling to the station, avoiding the need for those from the north to cross the railway lines using Bartholomew Street or the A339. An illustrative cycle journey time saving of 1min 42s has been estimated. Based on the latest available station travel plan, cycle trips comprise 2% of access trips to the station. Using station count data, the number of cyclists utilising parking on the north side of the station was identified. It is these cyclists that are assumed to benefit from the additional cycle parking being delivered on the north side of the station.

The forecast annual values of the benefit due to reducing the access time for cyclists resulting from the provision of a cycle hub on the north side of the station are presented below in Table 1. Table 1: Benefits from improved cycle hub provision
Forecast year 2025 2040 30-year appraisal total Annual cycle time saving (£k) 2.6 2.5 75.5

4.4 Business start-up units: The benefits associated with the increased capacity for business start-ups has been captured through the potential creation of jobs, and therefore the increase in Gross Value Added (GVA). The additional (compared to the FBC) Gross External Area (GEA) proposed is 188m². From this the Gross Internal Area (GIA) and Net Internal Area (NIA) have been calculated. The employee density of a general office space has been assumed, where a Full-Time Employee (FTE) requires 12m² of floor space². Combined with the NIA this suggests 10 additional FTEs as a result of the business start-ups. The average GVA per head in Berkshire has been assumed to be £40,343 per annum³ (2017 prices), this has been combined with the increase in FTE's to give the total GVA. An additionality factor of 50% has been assumed to consider that some jobs are displaced from elsewhere and therefore are not truly additional. These GVA benefits have been inflated in line with general inflation and then rebased to 2010 present values, over a 10-year appraisal period. The updated appraisal results are shown in Table 2. 4.5 Considering the benefits of the business start-ups in this way results in a Benefit to Cost Ratio (BCR) of 3.2:1, demonstrating High value for money. Table 2 – Business start-ups and cycle hub appraisal

5. Financial Case

5.1 A TVB LEP contribution of £340,000 is sought for the cycle hub and business start-up unit elements comprising of: • Cycle Hubs located on the north and south of the station: £140,000 • Business start-up units: £200,000

5.2 Funding from GWR through the new DA3 franchise has been identified of £200,000. This is subject to First Group and Department for Transport approvals but has been ringfenced by GWR for this project. It is proposed that this £200,000 is allocated to the Cycle Hub element through the GWR franchise (subject to First Group and DfT approvals) in support of the existing DfT Cycle-Rail contribution of £450,000.

5.3 Table 3 below sets out the spending profile for the additional funding sought. Table 3:

6. Delivery and Risk

6.1 A high-level programme showing anticipated project milestones is set out for each element below (Figure 5 and Table 4). This indicates anticipated completion of the elements within the window to spring 2021.

6.2 The key dependencies for the Cycle Hub are as follows: • Network Rail approvals: Telecomms design is approved for the CCTV installation. The design package has been submitted to NR for approval, no issues are expected with the design and awaiting formal NR approval to proceed into construction phase 4. This is for the south-side cycle hub only, due to issues with site access for the north-side hub via the Market Street MSCP site. The north-side hub will be delivered as soon as possible once Grainger have demobilised, expected to be February/March 2021.

Task Name	Start	Finish	Commercial & Procurement	TVB LEP Addendum approval	Jun-20
	Jun-20	GWR/WBC Funding Agreement variation	Jun-20	Jul-20	Demand Analysis Study
	May-20	Jun-20	Contract Award	Oct-20	Dec-20
			Design and Consents		GRIP 4

Network Rail Approval in Principle Jul-20 Oct-20 Planning Approval Jul-20 Sep-20
Detailed Design Oct-20 Jan-21 Construction Phase Mobilisation Jan-21 Jan-21 HAZOP
Jan-21 Jan-21 Start on Site Jan-21 Mar-21

Key Milestones Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20
Jul-20 Aug-20 Sep-20 Commercial TVB LEP Addendum Approval ☐ GWR/WBC Funding
Agreement variation ☐ Design NR GRIP 5 (Form 002 & 003) Sign Off ☐ Telecoms GRIP
5 design ☐ Landlords Consent Approval ☐ Procurement Main Contract Issue ITT ☐
Contract Award ☐ Contract Signature ☐ Mobilisation ☐ HAZOP ☐ Start On Site ☐ GWR
Directs (CCTV) ☐ Complete on Site ☐

- Access via MSCP for north-side hub- lack of access to the worksite as Grainger MSCP programme has slipped 6.3 The key dependencies for the business start-up units are as follows:
- Network Rail land transfer: ability for land to transfer into the GWR station lease area. Due to COVID-19, works required for Network Rail staff to relocate to a new Depot has not been able to complete. It is hoped that this will commence when there is clarity on a post-COVID programme and a draft Funding Agreement is in place between GWR and Network Rail.
- Planning permission being granted: early engagement with the Local Planning Authority including the Conservation Officer has taken place and proposals shared. Once the outcome of the funding decision is known, Planning Officers will be reengaged and we can move to submission of an application.
- Network Rail approvals: Form 1 approval in principle and any other required NR consents (including Landlord's Consent) are received
- Demand analysis: due to COVID-19, the business market may be very different from previous assumptions and therefore additional work is required to ensure the output is fit for purpose post pandemic. The aim of conducting a demand analysis study is to ensure that the proposal is still the best and most suitable facility for businesses. COVID-19 is an unprecedented situation and it is unknown if that may impact on the requirements. 6.4 The risk register in Table 5 sets out the key risks associated with the Cycle Hub and business start-up units, and a plan for their mitigation. In addition, regular Project Team meetings between GWR, West Berkshire Council and Network Rail (as required) are scheduled to discuss programme and risks. This group has an established escalation route through the main LGF scheme to escalate issues that are not able to be resolved at Project level.

7. Summary

7.1 Following further detailed work, three elements of scheme improvements and changes to the design are proposed for the original scheme at Newbury Station. Two of these changes relating to the cycle hub and business start-up provision have been the focus of discussion and assessment in this addendum report.

7.2 These changes have been included in the agreed 'pipeline' list of schemes which could be allocated LGF funding if it became available. This was a prioritised list of schemes

agreed at the March BLTB meeting and these two aspects of the Newbury Station project were ranked second.

- 7.3 The benefits of the amended proposals are the greater propensity for modal shift for journeys to the station with cycle hub provision both north and south and a new location for the business start-up units and further demand analysis to provide an improved solution overall. Through the changes proposed the scheme promoters are seeking the best possible version of the scheme to deliver the optimum long term strategic impact.
- 7.4 The enhancements form part of the wider Newbury Station improvement scheme which is focussed on providing benefits for passengers, the local and regional economy, housing delivery and the environment. Further details of the benefits of the wider scheme, which has a strong value for money score, are set out in the full business case available on West Berkshire Council's website (www.westberks.gov.uk/sep).
- 7.5 The cost of the changes and improvements to the cycle hub and business start-up provision are estimated at a total of £540,000. A contribution of £200,000 has been ringfenced by GWR for this scheme (subject to First Group and DfT approvals) and £340,000 is sought from LGF funding if it becomes available. The works will be delivered in different phases across summer 2020 and the early part of 2021.
- 7.6 The economic case for the overall original scheme for Newbury Station was strong with a benefit cost ratio of 3.8:1 representing high value for money. In order to provide some sense of the value of the changes to the scheme proposed in this addendum an economic assessment has been carried out for the cycle hub and business start-up changes. This has resulted in a BCR of 3.2:1 for these enhancements to the scheme.