

Reading Green Park Station

Full Business Case

On behalf of **Reading Borough Council**

Project Ref: 28791/001 | Rev: B | Date: November 2014



1 Executive Summary

1.1 Executive Summary

1.1.1 Reading Borough Council (RBC), with the active engagement of associated parties, has prepared a full business case for a new passenger railway station near Reading, Berkshire. The station would be located on the Reading to Basingstoke railway line, between the existing Reading West and Mortimer stations, to the south west of Reading.

1.1.2 The proposed station location is shown below in Figure 1.

Figure 1.1: Site Location Plan



1.1.3 A value for money assessment has been undertaken for the scheme. For rail schemes such as this, the additional revenue obtained from new passengers is offset against the costs of the scheme. In this instance the Net Present Value (Benefits – costs) is a more valuable metric and this ranges from £24.5m to £51.6m (based on low and high mode share estimates) over the 60-year assessment period demonstrating that the scheme is financially positive and provides High Value for Money based on DfT criteria.

1.1.4 For Green Park station the additional revenue over the 60-year period will more than cover the operating costs of the service over this period, hence we end up with a negative Present Value of Costs and negative BCR. This provides a Benefit Cost Ratio (BCR) of between -0.60 to -1.61, reflecting its high value for money.

- 1.1.5 Green Park is one of the largest employment areas in central Berkshire and has substantial potential for further growth. It is home to some of the largest companies in the region including CGI, Cisco Systems, HSBC, Huawei and Symantec. It is particularly important as an inward investment destination, for both Thames Valley Berkshire and the UK economy.
- 1.1.6 The access to Green Park is currently exclusively by road, either via private vehicle or bus, and the entrance to the Park suffers from congestion in peak hours both northwards towards central Reading and southwards to the M4 Junction 11.
- 1.1.7 The high-quality, low emission bus service currently operating on this corridor (approx. 600,000 trips per annum) currently suffers from unreliable journey times due to the congestion between Reading station and Green Park, deterring the use of public transport for access to the business parks.
- 1.1.8 It has been a long term aim to deliver a station at Green Park. A new railway station and multi-modal interchange at Green Park will greatly improve public transport accessibility and reduce road congestion in the vicinity on the A33 corridor.
- 1.1.9 The bus services would be adapted to provide an integrated public transport offer on the corridor. It is anticipated that the frequency of services would be reduced to Reading station and services would be adapted to operate a shuttle/feeder service between the nearby business parks and the new station.
- 1.1.10 The station would directly unlock the consented development of 737 dwellings and 16,000sqm at Green Park Village and indirectly, the wider committed/planned development at Green Park Business Park, Reading International Business Park, Southside, Worton Grange and Kennet Island, as well as attract businesses into the available office space (some 36,000 jobs and 1500 homes).
- 1.1.11 Green Park station is specifically included in the following current and previous policies and plans: Great Western Utilisation Strategy; Berkshire Local Infrastructure Plan; South East Plan, Transport Strategy; Reading Borough Councils' Core Strategy; Reading Borough Councils' Local Transport Plan; West Berkshire Councils' Core Strategy, Wokingham Borough Councils' Core Strategy and Thames Valley Berkshire LEP's Strategic Economic Plan.
- 1.1.12 The scheme meets a key objective of the Thames Valley Berkshire's Strategic Economy Plan (SEP) which is to improve urban connectivity, linking employment and residential areas to mainline railway stations.
- 1.1.13 The scheme will provide a high quality public transport interchange serving the existing Green Park Business Park, the future planned development of Green Park Village (also known as Green Park Phase 3), and providing direct access to a rail parkway from the M4. Accessibility to the National Rail Network will be improved for the local population, as local bus services will be fully integrated with rail services creating transport connections for all major surrounding conurbations, as an alternative to driving into Reading Town Centre.
- 1.1.14 This scheme has the formal support of the two local authorities involved, as well as commitment from other partners such as Network Rail and First Great Western. All the organisations have been involved from an early stage and will continue to be actively engaged consulting with businesses, residents and members of the wider community in the development and delivery of the measures identified within this document.
- 1.1.15 The scheme has been split into three phases to allow the station and interchange to grow with increasing demand. Funding is being sought for Phase 1 only
- 1.1.16 The estimated capital cost of Phase 1 scheme is £10.7m. This value includes optimism bias and a contingency sum derived from a detailed project Quantified Cost Risk Assessment (QCRA). The estimated annual running costs of the scheme are £0.4m per annum; this

includes cost for the provision of an additional two-car diesel unit that is required to operate a timetable that includes the new station in the interim prior to electrification of the line in 2019. Post electrification, this additional unit will no longer be required. The station will be unmanned in the first instance.

- 1.1.17 Phases 2 and 3 are expected to be funded by the private sector through the planning obligation mechanism agreed by the adjacent committed development and surrounding developments.

1.2 Précis and Structure of this Business Case

- 1.2.1 This business case report is split into 7 sections to assist in demonstrating that the Reading Green Park Station bid represents a robust, sustainable and effective package of measures to improve urban connectivity, linking employment and residential areas to mainline railway stations.
- 1.2.2 **Section Two 2: Project Description.** This provides an overview of the project; local strategic fit; scheme history; and option development
- 1.2.3 The five inter-related cases which are set out as five bid sections are:
- 1.2.4 **Section Three: Strategic Case** – Sets out the rationale for the bid package, its components, how it supports economic growth, the benefits, the approach to behaviour change and why it is considered the best way of meeting local transport objectives and addressing transport issues in the area.
- 1.2.5 **Section Four: Economic Case** – Includes a checklist of required appraisal and modelling material, explains the modelling and appraisal process, and sets of the results of the assessment of the impacts of the package and its resulting value for money in an appraisal summary table (AST).
- 1.2.6 This is stated in terms of the benefit cost ratio and the net present value of the station. The station should be appraised over 60 years and the resulting socio-economic benefit cost ratio should be greater than 1.5.
- 1.2.7 **Section Five: Commercial Case** – Sets out the procurement strategy for delivering the package and how risks will be shared between partners. It also covers details as to how the station will be procured and built and the sources of funding for the construction costs of the station. Details are also required on the revenue streams which will cover the operation, maintenance, repairs and renewals required for the station.
- 1.2.8 **Section Six: Financial Case** – Sets out the detailed derivation of cost estimates, local contribution and financial sustainability. Any new station should comply with DfT policy that it should cover its on-going costs from newly generated income. This evidence is provided by setting operating costs (including station access charge), generated income, revenue abstracted from neighbouring stations, and revenue lost through longer journey times, for 30 years. Details are also required about the repair, maintenance and ongoing operational costs that will be attributed to the station.
- 1.2.9 **Section Seven: Management Case** – Describes how Reading Borough Council will deliver the package covering governance, project plan, risk management and benefit realisation.
- 1.2.10 This includes evidence that the station can be delivered in engineering, operational and planning terms and that it has the full support of Network Rail, the train operating company whose trains are planned to call there and whichever train operating company will operate the station.

1.2.11 This Business Case has been developed through a collaboration led by Reading Borough Council with the following key partner organisations:

- Reading Borough Council
- Network Rail
- First Great Western
- Department for Transport Rail Executive