Worcestershire Local Transport Body

Kidderminster Railway Station Building and Forecourt Redevelopment

(Left) Passengers waiting on Birmingham bound platform (am weekday peak)
(Right) Existing bus stop on Comberton Hill

Annex A (to Appendix B): WLTB Business Case Pro-Forma for Non-Major Schemes

Note: The document has been developed by CH2M (now Jacobs) and SLC. In particular, the Strategic and Economic Cases have been developed by CH2M (now Jacobs). The Commercial, Financial and Management Cases have been developed by SLC.

April 2018

STRATEGIC CASE	
Kidderminster Railway Station Building and Forecourt Redevelopment	March 2018

Case for Change

Summary of Strategic Case

Scheme description

Kidderminster Railway Station is located one kilometre to the east of Kidderminster town centre towards the top of the A448 Comberton Hill, which forms the eastern approach to Kidderminster town centre (**Appendix 1** – Location Plan). The station shares its forecourt with the Severn Valley Railway station which is a major tourist attraction and important generator of income for the Wyre Forest economy. The surrounding area is a mix of commercial and residential use.

The station is on the Oxford, Worcester, Wolverhampton railway line and services are provided by London Midland, north to Birmingham via Cradley Heath and south to Worcester via Droitwich and Stourbridge. In addition, Chiltern Railways provide peak services to London.

			Frequency (minutes)			
Route	**First train (M-F)**	**Last train (M-F)**	**Mon-Fri peak**	**Sat**	**Sun**	**Journey time (mins)**
Kidderminster-Worcester	0648	2342	30	30	60	21
Kidderminster-Birmingham	0548	2251	30	30	60	35
Kidderminster-London	0609	2010	30	30	60	144

Table 1: Kidderminster Station approximate train service frequencies (www.westmidlandsrailway.co.uk and www.chilternrailways.co.uk, 2018)

This scheme will replace Kidderminster's inadequate railway interchange with a new facility that will:

- Provide a quality interchange;
- Improve the station forecourt layout to reduce conflicts;
- Improve access for cars (parking and kiss and ride), cyclists, pedestrians and taxis;
- Provide upgraded bus stops on Comberton Hill;
- Improve facilities for passengers with disabilities or for those who experience difficulty using the existing railway station facilities;
- Accommodate future passenger growth;
- Support economic growth; and
- Represent very high value for money.

The scheme will improve accessibility to the Wyre Forest for employment, health, education, leisure, retail and tourism including the Severn Valley Railway which is an important regional tourist destination.

The redevelopment and revised layout of Kidderminster Railway Station (as shown in **Appendix 2**) is made up of the following five distinct work packages:

- Replace the station building with a new, bigger higher quality building containing improved facilities for passengers and operators;
- A new station forecourt layout with formalisation of kiss and ride and taxi rank and a new road layout, with no loss of parking;
- Upgrade of bus stops on Comberton Hill to provide an improved bus-rail interchange;
- Installation of a signalised crossing at the junction of the A448 Comberton Hill and Lea Street; and
- Provision of improved pedestrian access and complete the enhanced accessibility to the station.

The scheme is being led by Worcestershire County Council (WCC) with support from Wyre Forest District Council, Network Rail, West Midlands Railway, Chiltern Railways, the Severn Valley Railway, Kidderminster Railway Museum, local bus operating companies and local businesses.

Funding has been made available for this scheme from growth deals in place with the Greater Birmingham and Solihull Local Enterprise Partnership (LEP) to the value of £1.8 million and through the Worcestershire Local Enterprise Partnership to the value of £2.5 million. A joint funding package of £4.3 million is therefore available for the scheme.

Existing and Forecast Problems

Socio-economics

The Wyre Forest Core Strategy states that "*Kidderminster is a former carpet manufacturing town which has been and is still, experiencing an economic restructure as a result of the decline in activity of these industries. As a result, Kidderminster now faces a number of economic challenges and contains areas which experience acute deprivation. The challenges include lower than average household incomes, low skill levels and poor educational attainment.*"

Wyre Forest District accommodated 27,900 FTE jobs in 2015, a fall of 17% below its 1997 peak (33,560). This is in contrast to the West Midland's increase of 3% and an increase across the whole of the United Kingdom of 14%.[1]

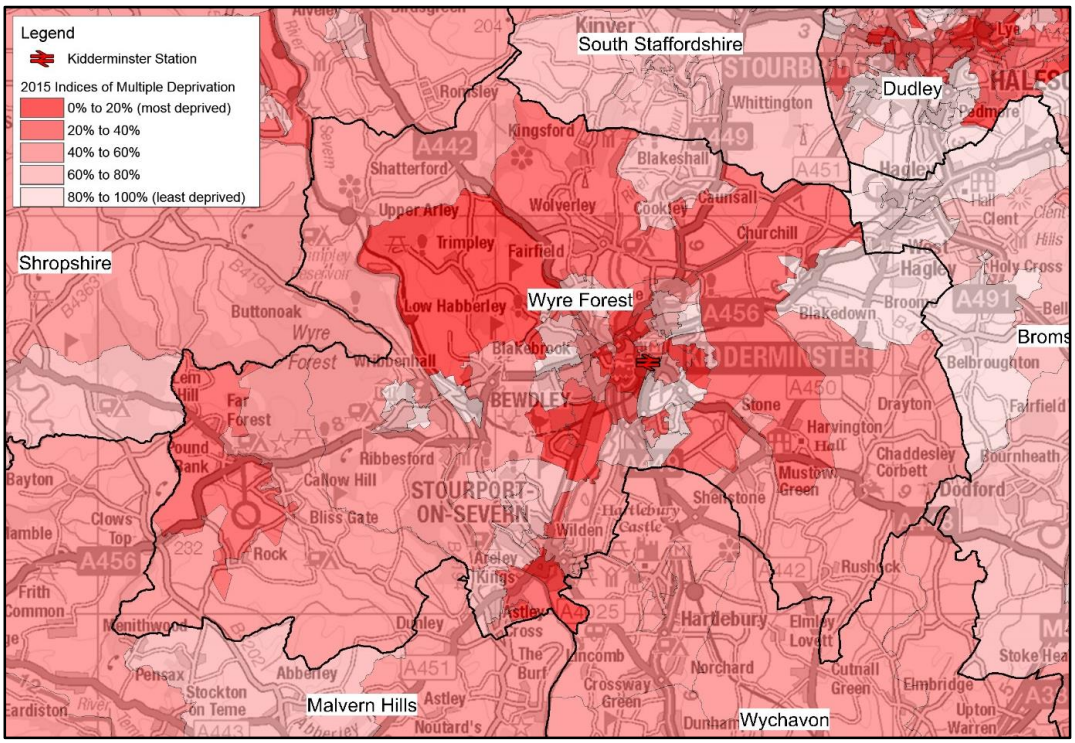
Across Worcestershire the greatest proportion of the population on a low income live in Wyre Forest, with 7,891 people representing 8.0% of the population. This is the equivalent of 9.5% of households in the area[2].

Wyre Forest is characterised as having moderate levels of deprivation, with a ranking of 123rd out of 326 local authority areas based on the Indices of Multiple Deprivation (2015). Unemployment

[1] Wyre Forest Employment Land Review

[2] Worcestershire LEP SEP

and 'worklessness' are entrenched in pockets of deprivation in Kidderminster, with the adjoining rural areas to the east and west, and Bewdley in particular, considerably more affluent. Levels of Deprivation (IMD) in Wyre Forest are shown in the figure below (2015, source www.gov.uk):



Economic Growth

Worcestershire LTP4 states that *"if vehicular traffic growth trends continue, together with population growth, many of our main urban and interurban arterial routes will become increasingly congested beyond traditional peak times. In addition to the negative economic impacts of congestion, there are associated impacts on road safety, air quality and noise pollution. However, traffic congestion cannot just be tackled by building new roads".*

The existing Kidderminster Railway Station Interchange layout and facilities act as a constraint on economic growth as it:

- Imposes capacity constraints across all access modes.
- Discourages creation of bus services linking rail services with the employment corridors and other parts of Kidderminster and the Wyre Forest.
- Provides a poor quality facility which discourages use of rail with consequent adverse impact on traffic congestion and carbon emissions.
- Fails to adequately support the performance of the Severn Valley Railway and West Midlands Safari Park.
- Fails to support proposed economic development at South Kidderminster Enterprise Park, including the Silverwoods mixed-use site.

Constrained access

Kidderminster station is around fifteen minutes' walk from the town centre. However, the physical links are poor so it is not an attractive option for many. An important aim of the scheme is to improve this link and increase the amount of people reaching the station by foot or bicycle.

Conversely, this link is also crucial in attracting visitors via this mode of transport into the town centre.

Chapter 10 of the Kidderminster Central Area Action Plan 2006-2026 (2013) relates to the Eastern Gateway; the area that stretches from the Railway Station on Comberton Hill, into the town centre including the former Magistrates' Court and the site of the Carpet Museum, along Bromsgrove Street, before finishing at Waterloo Street. The document forms part of the Development Plan for Wyre Forest, identifying sites for development and a wider vision for Kidderminster.

Policy KCA.EG1 states that "*Some of the key principles for development within this area include:*

a. Improving streets and spaces through the quality of the public realm including enhanced hard and soft landscaping themed to connect the railway station and town centre.

b. Sensitively incorporating car parking within the overall design solution to create multi-functional streets and spaces including treatment of Comberton Hill itself…

d. Establishing physical connections with surrounding developments including recent residential development."

One of the key ambitions of the document, in relation to the Eastern Gateway is the removal of the subway underneath the ring road at Comberton Island as this presents a major barrier for pedestrians walking into the town centre. It states that *"This route is very well used but is extremely unpopular."*

The station forecourt itself currently has a poor layout, resulting in a number of conflicts between uses including generalised traffic, buses, taxis, pedestrians and cyclists. In particular, taxis currently block bus stops, there is no formal kiss and ride facility and pedestrians often walk in the direct line of traffic due to a lack of formal crossing facilities.

The Kidderminster Central Area Action Plan states that *"future investment in the railway station forecourt to improve its role as a transport interchange will further enhance this area's status as a gateway in and out of the town."*



A 12 hour pedestrian survey was undertaken in 2016 in the vicinity of the station. This recorded 1,000 pedestrian movements across Comberton Hill at the existing Pelican crossing, 111 movements to the east of the existing Pelican crossing and 661 movements to the east of Station Approach. Provision of a new crossing on Comberton Hill will enhance the safety of the pedestrians who do not currently use the formal crossing (772 recorded on one survey day in 2016).

Inadequate station facilities

Station building facilities and platform waiting areas require upgrading. Kidderminster Station currently has:

- Two seated shelters on Platform One;
- One seated shelter on Platform Two; and
- Additional canopy over Platform One, as part of ticket office.

The shelter does not span the length of the platform, and at busy times passengers are left waiting with no shelter from wind and rain. Shelters are not fully enclosed or heated. It is proposed to double the footprint of the station building, and increase the number of toilets, retail facilities and provide an internal waiting room.

	Existing Station	**Proposed New Station**
Building size (approx.)	130m^2	267 m^2
No. of toilets	1	Gents 3U + 2, ladies 5, 1 accessible, 1 baby change
Internal waiting room	0	20 + 2 wheelchairs
Retail/café	8m^2	25m^2

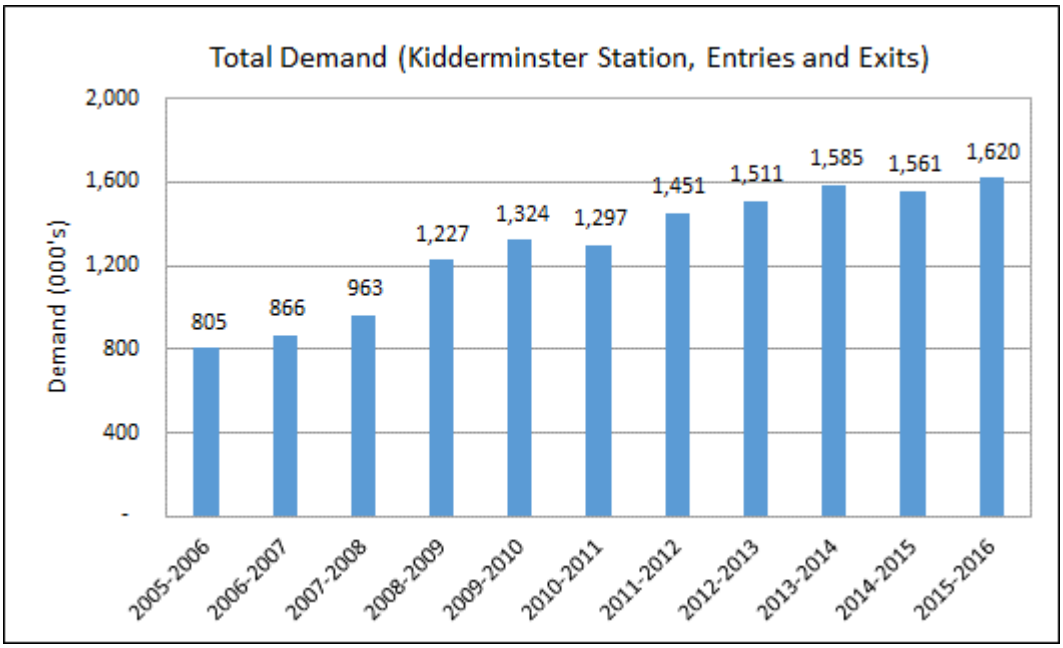
An improvements questionnaire was undertaken at Kidderminster station and passengers were asked for feedback on new facilities.

Comments on what should be provided included:

- "*Warm waiting area or at least sheltered - more than just the current roof extension".*
- *"A proper waiting room is essential."*
- *"Indoor waiting area and café - the present configuration leads to chaos in busy or inclement periods."*
- *"Separate toilets for men and women & disabled & baby changing. At the moment all these facilities are in one room."*
- 98% of respondents stated that the new station requires toilet facilities.

Passenger growth

Rail service provision to and from Kidderminster has improved over the past eight years and has, in combination with growth in road congestion, led to growth in rail demand. Rail demand at Kidderminster has grown by 50% from 2005/2006 to 2015/2016. If this level of growth were to continue, Kidderminster station would need to accommodate an additional 800,000 entries and exits by 2026.

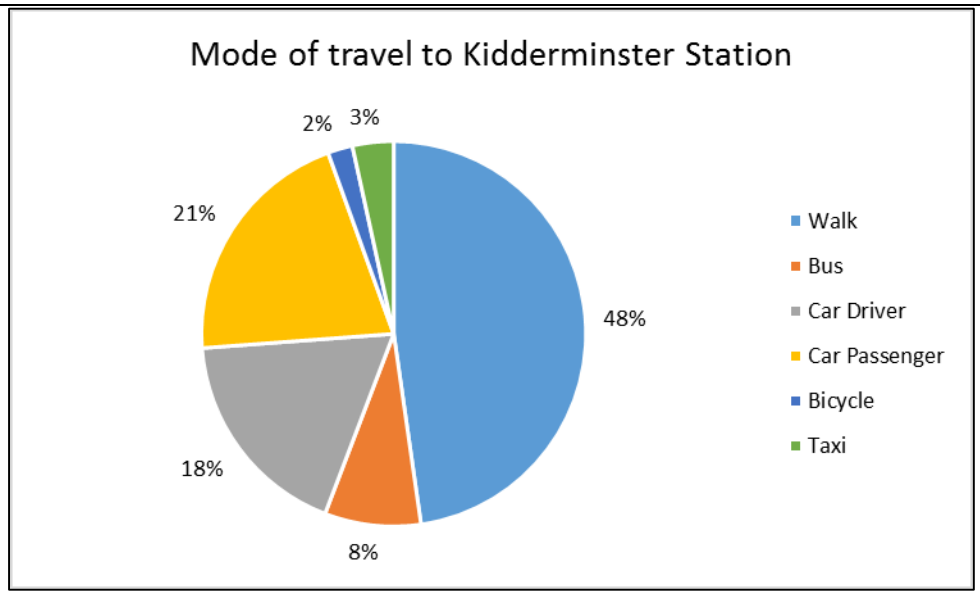


Any further growth will be constrained by the inadequate interchange infrastructure.

A survey of the station car park was undertaken in 2016. This indicated that the car park at Kidderminster station is currently operating over capacity. On the day of the survey, all marked spaces were occupied by 11am, with a number of vehicles also parking in unmarked spaces on the forecourt. Maximum parking demand for spaces reached 239 at the station, which is above the allocated provision of 226.

As the station car park is full, additional passenger growth will need to be accommodated at other car parks in the vicinity where available (e.g. at SVR) or through enhancing access by sustainable modes. NTRS data from 2006 indicates that around 18% of station passengers arrive as a car driver, with around 60% using the bus, taxi, walking or cycling.

The level of station usage (approximately 2,600 passengers each day) indicates that as many as 468 cars could be parking at, and in the vicinity of the station. As there are only 226 formal spaces at the station, the remaining 242 car drivers could be parking at other car parks e.g. SVR, on surrounding roads or in informal spaces on the forecourt.



Reliance on private car

The Wyre Forest Core Strategy states that a key challenge is to overcome the District's reliance on the private car as the preferred mode of travel and provide sustainable transport choice.

The scheme will enhance access for pedestrians and bus users, as well as formalising provision for kiss and ride and taxi. This is essential in order to accommodate future growth, in light of the fact that car parking at the station is unchanging.

<u>Selection of the Preferred Scheme</u>

Scheme development focussed on improving the performance of the existing Kidderminster Railway Station Interchange and accommodating future passenger growth. The scope of the scheme did not extend to identifying additional/new rail station sites for reasons of cost, funding and deliverability.

The development of options and identification of the preferred option for the station followed the approach outlined in the DfT's Early Assessment and Sifting Tool (EAST) guidance[3]. Six options for the scheme were considered prior to the preferred option being identified and endorsed by the Project Board. The other options were dismissed because they did not efficiently meet the scheme's objectives or were contrary to one or more partners corporate objectives.

For example, London Midland wanted to ensure no loss of parking spaces and the Severn Valley Railway take delivery of railway rolling stock by road which both needed to be taken into account during design.

The preferred option utilises the same base concepts as a number of previous options, with a number of readjustments to cater for the lack of provision for taxis and address the fact that existing 'kiss and ride' provision is chaotic.

Furthermore this option is preferable, owing to:

[3] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/4475/east-guidance.pdf

- The level of access by private car and kiss and ride to the railway station; against the level of patronage travelling to the railway station by bus;
- The requirement to retain taxi provision on the forecourt, and to formalise this option; and
- The requirement to provide additional pedestrian access by way of a crossing on Comberton Hill, thus bringing together the existing east- and westbound bus stops to form a wider railway station interchange.

The preferred option has removed all bus provision from the forecourt and the location of taxi bays have been moved to be located directly opposite the station building, where the drop off trips were previously located.

All bus provision is now being handled on Comberton Hill, with the two existing bus stops (east and westbound) being upgraded. There will be a new signalised crossing arrangement across Comberton Hill, to provide improved pedestrian access between the two bus stops and the railway station.

Removing the bus stop from the forecourt will not have a significant impact upon bus users. A survey was undertaken in 2016 which noted that there were zero passengers boarding and alighting at the stop in the am peak period and one boarding and four alighting in the pm peak period. There is currently one hourly service using this stop, which uses the forecourt as a turn back facility.

In removing the bus stopping arrangements on the forecourt area, this allows for greater provision for taxis and drop off movements within the forecourt along with a 'zero' net loss of car parking spaces, overall.

The bus stops on Comberton Hill will be improved in order to cater for the additional usage that they may incur. At the westbound stop, there will be a build out incorporating a new shelter and waiting area. The eastbound stop will be moved to slightly to the west owing to the road safety audit and will incorporate a new kerb buildout and bus shelter.

There is also an improved set of crossing features internal to the site, which improves pedestrian access and provides safe crossing facilities to and from Kidderminster Town Centre more generally. These are located both at the mouth of the station entrance, and between the mainline station buildings with the SVR Station building.

Further information on option selection, including details of the six options initially considered is included as **Appendix 3**.

<u>Predicted Impacts</u>

The scheme is forecast to deliver a range of direct and indirect economic impacts. Details of the economic impacts are presented in the Economic Case section of this pro-forma, and supporting Forecasting and Economic Case (**Appendix 4**) and Appraisal Summary Table (**Appendix 4a**).

Passenger Growth

The scheme will enhance access by sustainable modes. The improvement to the station facilities is likely to result in increased station patronage, over and above of any forecast background growth.

Furthermore, existing passengers will benefit from enhanced journey quality, with improved waiting facilities within the station buildings and on platforms.

Details regarding the assumptions and outputs of passenger demand modelling are presented in the Economic Case section of this pro-forma, and supporting Forecasting and Economic Case note (**Appendix 4**).

Gateway to Wyre Forest

The station is one of the main arrival points into the town when travelling by rail, bus and from the SVR. Therefore, the public realm should be of a high quality and should also encourage movement into the town centre.

The scheme will improve the quality of the station infrastructure and enhance integration between rail and other modes (walk, cycle, taxi, car parking, kiss and ride and bus). It will improve access between the Wyre Forest and destinations served by the rail network, including Birmingham, Birmingham International Airport, HS2, Worcester and London.

A key aim for the Kidderminster Central Area Action Plan (KCAAP) is to *"strengthen the tourism offer of the town and promote it as a 'tourism hub' in order for the District to capitalise and build upon the visitors coming into the area".*

Support of Economic Growth

Whilst it is unlikely that a large number of jobs will be created for the construction of the various elements of this project, the indirect job creation through the development of the project is highly significant.

The project would link into the development at Silverwoods, providing additional transport options and opportunities for businesses. This site has the potential to deliver an additional 530 jobs with uplift in GVA of approximately £250 million.

The proposed multi-million pound development at the West Midlands Safari and Leisure Park, which this project would also link into, has also been subject to an economic impact study. This identified that the number of total net additional local full-time equivalent jobs that would be created in Wyre Forest would be 292 and in Worcestershire it is 341. The level of net additional GVA generated in each area per annum is estimated to be £9 million and £10 million respectively.

In addition, the increased connectivity proposed for Kidderminster Town Centre would provide further benefits for bringing forward other development sites allocated within the District Council's adopted KCAAP, therefore creating further job and wealth creation opportunities.

The new facilities will support the development and performance of the SVR, by improving its setting and the linkage between their station and the national rail network and local bus networks. The SVR is a key tourist destination within the West Midlands, drawing around 250,000 visitors is 2015.

Wider Economic Benefits are considered in more detail in **Appendix 4**.

Additional impacts:

- Removal of conflicts in the station forecourt area, by formalising areas for different uses.
- Improved walking route from the station to the Severn Valley Railway station.

- Improved access to the railway station by cycle in terms of improved cycle routes at the station forecourt and increased cycle parking.
- Increased access by sustainable modes, reducing carbon emissions and congestion.
- Improved access to the station through installation of a signalised crossing.

Interaction with Existing Infrastructure and Planned Investments

The Kidderminster Station Forecourt Redevelopment scheme forms part of and complements other elements of the Kidderminster Package included within LTP4. LTP4 describes the scheme as "*upgrading Kidderminster Railway Station so that it provides an attractive and appropriate transport gateway to Kidderminster and the Wyre Forest and is better integrated with the Severn Valley Railway and other key businesses and tourist destinations".*

The Kidderminster Package also includes Bewdley Hill (A456) Key Corridor improvements, Ring Road junction and public realm improvement scheme and an active travel network investment programme alongside others.

The Kidderminster Ring Road Junction and Public Realm Improvement Scheme involves enhancement of the Kidderminster Ring Road to improve its efficiency, functionality and appearance. In particular, this scheme could include measures to mitigate the designated Kidderminster Ring Road Air Quality Management Area (AQMA).

'Kidderminster Railway Station Link' is also included within LTP4 as a 'Strategic Active Travel Corridor Scheme for Wyre Forest'. An 'Active Travel Corridor' is outlined as a systematic investment in walking and cycling links along the corridor to create a comprehensive, safe, integrated network linking key trip attractors, including schools, rail stations, town centres and employment locations. This will include surfacing, lighting and public realm improvements to create an attractive and coherent network.

The Kidderminster Station Forecourt Redevelopment scheme also complements the Hoobrook Link Road Scheme within the South Kidderminster Enterprise Park. This link opened to the public in 2016 and is situated within the South Kidderminster Enterprise Park. The new road will facilitate the regeneration of the existing Hoobrook Industrial Estate and unlock the development potential of Phase Two of the former British Sugar site.

In combination, the Kidderminster Package will help to unlock development and accelerate the growth prospects of the District.

The Worcestershire Rail Investment Strategy was published in 2017, and the Kidderminster Station Forecourt Redevelopment scheme will support conditional outputs contained within the strategy, for example provision of a new direct train service between Kidderminster, Worcester, Cheltenham Spa, Gloucester, Bristol Parkway and Bristol Temple Meads.

The scheme complements the Kidderminster Central Area Action Plan, including Kidderminster's Eastern Gateway which is a large area that stretches from the Railway Station on Comberton Hill, into the town centre including the former Magistrates' Court and the site of the Carpet Museum, along Bromsgrove Street, before finishing at Waterloo Street.

The key issue for this area is outlined as improving the pedestrian environment and creating a pleasant and clear route to and from the town centre. A key part of this enhancement, will be the removal of the subway underneath the ring road at Comberton Island as this presents a major barrier for pedestrians walking into the town centre.

The Government programme includes the proposed High Speed Two (HS2) line from Birmingham to London. Rail services from Kidderminster will connect into this major scheme and will lead to a further increase in demand for rail travel to/from the Wyre Forest. It has been forecast that HS2, if coupled with regional rail improvements, will boost the West Midlands Regional Economy creating 26,000 jobs and a gross value added impact of £1.5billion.

The Kidderminster station interchange scheme is consistent with and will support improving access between the Wyre Forest and HS2 and the achievement of these forecast benefits.

Discussions have been held around the development of the Cotswolds railway line. Worcestershire Parkway and IEP trains have intimated to turning trains at Kidderminster. It is recognised that there are no formal proposals at this stage, however an improved interchange at Kidderminster would assist with accommodating any additional future services.

The scheme supports developments within South Kidderminster Enterprise Park, including the large mixed-use Silverwoods site. The scheme also supports the leisure industry, including the proposed expansion of the Safari Park, and any growth at the SVR.

The project is not dependent on implementation of other schemes. In particular, the project already includes all necessary improvements to station building (and facilities), forecourt layout, highways, bus infrastructure and pedestrian access to make the scheme successful.

Strategic Fit

Kidderminster railway station is important to the town and Wyre Forest as it provides the area with its rail access to locations and markets in the West Midlands region and further afield. It also provides access to the Severn Valley Railway, which attracts over 200,000 visitors per annum.

The 2014/2015 figures released by the Office for Rail Regulation demonstrate that the station was used by over 1.5million people. Given its importance there is a need to ensure that the railway station is fit for purpose and can support the Wyre Forest economy.

Fit with DfT Objectives[4]

Building a One Nation Britain	• Supporting the "ReWyre" initiative encouraging inward investment. • Reducing transport costs for businesses by lowering journey times and increasing reliability. • Increasing competitiveness of businesses by reducing journey time uncertainty.

[4] DfT Objectives 2016 - *https://www.gov.uk/government/publications/dft-single-departmental-plan-2015-to-2020*

	• Improving the financial performance of local businesses.
Boosting economic growth and opportunity	• Improving access to markets. • Enabling businesses to better access their customers. • Supporting economic growth by addressing constraints on network performance. • Improving access to tourist attractions in the Wyre Forest. • Providing a high quality interchange and gateway for Kidderminster in line with the locally recognised need to encourage much needed inward investment. • Scheme will improve access for the Wyre Forest to the direct rail services between Kidderminster and Birmingham Moor Street railway station, which is alongside the proposed HS2 station. • Scheme will improve access for the Wyre Forest to the rail services between Kidderminster and Birmingham Airport via interchange at Birmingham New Street or Smethwick Galton Bridge. • Scheme will improve access for the Wyre Forest to the rail services between Kidderminster and Heathrow Airport, via interchange in Worcester, once the new rail link between Reading and Heathrow Airport is constructed.
Improving journeys	• Scheme will provide improved facilities, including a heated waiting room and additional retail space. • Upgraded bus stops on Comberton Hill will improve bus-rail interchange. • Scheme will accommodate proposed additional services to London.
Safe, secure and sustainable transport	• Scheme will provide enhanced waiting facilities. • Access to the station will be improved for cyclists and pedestrians, and cycle parking will be upgraded. • A new crossing will be provided on Comberton Hill. • Redesign of the forecourt will reduce conflicts, enhancing safety for all users.

Fit with local policy

Worcestershire Local Transport Plan 4	The scheme supports the overarching LTP4 objectives of economic competitiveness and growth, promoting healthy modes of travel and optimising equality of opportunity for all of Worcestershire's citizens. The scheme is shown to have a very high BCR and is deliverable subject to funding. Within the LTP4, Kidderminster Station is included as a "*prominent Local Growth Funded project*". The Kidderminster Package within LTP4 includes the 'Station Enhancement Scheme' along with a number of other complementary schemes such as local junction and corridor improvements. The Station Enhancement Scheme is stated to involve "*upgrading Kidderminster Railway Station so that it provides an attractive and appropriate transport gateway to Kidderminster and the Wyre Forest and is better integrated with the Severn Valley Railway and other key businesses and tourist destinations."*
Local Enterprise Partnership Strategic Economic Plan (LEP SEP)	The Strategic Economic Plan (SEP) published by Worcestershire LEP focusses on the creation of 25,000 new jobs and 9,400 new homes by 2025. A particular focus of the SEP is on securing growth in GVA per worker and average annual earnings. Worcestershire LEP SEP states that "*Kidderminster is re-establishing and strengthening its economic role following the decline in the weaving industry and is the base for a number of successful manufacturing firms.*" Key activities within the Transport Infrastructure Programme are detailed within that document. Immediate priority projects in the programme for 2015/16 include the Kidderminster Rail Station Enhancement scheme, outlined as '*development of key interchange hub and access point into Wyre Forest*'. Within the SEP, the scheme is outlined to have a Net Present Value of £16,390,000, and a BCR of 6.49. The Greater Birmingham and Solihull (GBS) LEP's SEP outlines that Greater Birmingham will be first to connect to the new high speed rail system, opening up new international gateways for the UK at Birmingham city centre and Airport. The redevelopment of Kidderminster railway station will assist the delivery of the priorities, in particular it will support: • Increase skills and reducing unemployment, through improved access;

	• Develop thriving towns and local centres; • Enhance connectivity and mobility across the area including to international gateways; and • Harness the transformational opportunity presented by HS2.
Wyre Forest Core Strategy	The Core Strategy for the Wyre Forest was adopted in December 2010. Kidderminster is highlighted within the Core Strategy as the strategic centre of the District with significant redevelopment and regeneration potential. However, it is also a town undergoing major economic restructuring and faces acute economic, social and environmental challenges. The Core Strategy identifies the following quantum of development that Wyre Forest District Council needs to plan for from 2006 – 2026: • Residential: 4,000 dwellings (District wide); • Employment Land: 44ha (District wide); • Comparison Retail Space: 25,000sqm (Kidderminster); and • Office Space: 40,000sqm (Kidderminster). The Site Allocation policies identifies the South Kidderminster Enterprise Park area as a location to enhance the District's economic wellbeing, within which the British Sugar site (Silverwoods) is located. Silverwoods is a premier mixed use development site situated to the south of Kidderminster with approximately 300 new homes being developed, along with a brand new Community Leisure Centre and B1, B2 and B8 uses. Wyre Forest District Council's planning committee granted permission of the full plans of phase one of the Safari Park development, a state-of-the-art water park, in September 2015. The outline application for phase two – a 250-bed hotel, conference centre and spa – has also been granted. Redeveloping Kidderminster station will enhance access to these significant sites.
Other relevant plans/strategies/initiatives	Policy KCA.CC1 of the Kidderminster Central Area Action Plan (KCAAP) names the Kidderminster railway interchange as one of the schemes required to create a well-connected and accessible town centre. Paragraph 6.14 states that Wyre Forest District Council will support a new transport interchange scheme at Kidderminster station. Similarly, policy KCA.CC2 of the KCAAP takes this further by stating that "*proposals for the redevelopment and reorganisation of the existing railway station to create a new transport interchange will be supported. Proposals should include a high quality public realm and include a new*

	civic space around the forecourt, incorporating quality materials and appropriate landscaping. Upgrades to the station should also contribute to improving the connectivity between the station and the town centre. Links between the commercial railway and the Severn Valley Railway should be promoted and enhanced." The ReWyre Initiative brings together the public, private and voluntary sectors with the wider community to improve Kidderminster and the Wyre Forest District. The aim of the Initiative is to promote and develop the exciting prospects of the District and make it an attractive place to live, work, visit and invest. As part of the Initiative, Wyre Forest District Council has produced a Regeneration Prospectus for Kidderminster. The Prospectus aims to create 'a highly accessible town' and enhance accessibility within the District and connections to the wider region, including through the provision of an enhanced Railway Station and interchange.

Location plans are included as **Appendix 1**.

A layout plan of the proposal is included as **Appendix 2**.

Objectives and Outputs

Objective 1	To improve access to Kidderminster station and accommodate future passenger growth.
Measure of Success	• Increase in passenger numbers • Increase in number of passengers accessing station by walk, cycle and bus
Timescale	One year and five years after opening
Indicators	Passenger survey to be undertaken and include questions on access mode to station and satisfaction.
Dependencies, Risks, Constraints	Exogenous factors could lead to a decrease in passenger numbers.

Objective 2	To support future growth in employment, housing and tourism through the provision of a fit for purpose regional gateway.
Measure of Success	• Delivery of housing and employment development in the Wyre Forest • Growth in tourism at key sites, such as SVR and Safari Park

Timescale	One year and five years after opening
Indicators	Monitoring of planning consents, and tourism figures. Passenger survey to understand changing travel habits at SVR and Safari Park.
Dependencies, Risks, Constraints	Exogenous factors could affect delivery of development.

Objective 3	To improve levels of passenger satisfaction.
Measure of Success	• Increased passenger satisfaction
Timescale	One year and five years after opening
Indicators	Passenger survey to be undertaken and include questions on satisfaction.
Dependencies, Risks, Constraints	

Explain how the scheme objectives address the problems identified and align with the organisation's strategic aims.

Problems	**Scheme Objective**	**Organisation's Objective[5]**	**Contribution of Scheme Proposal**
Constrained access Poor layout Car park full	To improve access to Kidderminster station and accommodate future passenger growth.	Deliver a connected county - locally, nationally and globally. Promoting healthy and active lifestyles.	LTP4 includes the policies "*IPT6 – Rail Infrastructure and Services" and "IPT – Bus Stop Infrastructure".* Worcestershire SEP aims to increase skills and reduce unemployment, through improved access and also to harness the transformational opportunity presented by HS2.
Socio-economics Constrained economic growth	To support future growth in employment, housing and tourism through the provision of a	Promote a World Class Worcestershire – support and play our part in delivering the economic vision.	Supporting economic development and housing delivery at Silverwoods (South Kidderminster Enterprise Park).

[5] Shaping Worcestershire's Future, Our plan for Worcestershire, 2017 - 2022

	fit for purpose regional gateway.	More young people moving successfully into employment.	Supporting the leisure industry at SVR and Safari Park. Within the Worcestershire SEP, the scheme is outlined to have a Net Present Value of £16,390,000, and a BCR of 6.49.
Inadequate station facilities	To improve levels of passenger satisfaction.	Commitment to improve our transport networks and deliver resilient infrastructure.	In the LTP4 document, the Kidderminster Package includes K2: Station Enhancement Scheme, which states that it "*provides an attractive and appropriate transport gateway to Kidderminster and the Wyre Forest and is better integrated with the Severn Valley Railway and other key businesses and tourist destinations.*"

Where the scheme delivers, or contributes to delivery of, specific outputs they should be shown in the table below.

Delivery of Development	**Houses**	**Jobs / Employment Floor Space**	**Retail Floor Space**
Development delivered / unlocked by scheme	N/A		
Development that scheme would contribute to delivering: *Silverwoods* *Safari Park*	*320*	*530* *341*	

Benefits to the tourism industry, in particular the SVR will also be delivered. An assessment of Wider Economic Benefits has been undertaken, and this concludes that the scheme will generate £196,000 per annum of economic output for the visitor economy in Kidderminster. The scheme will also facilitate an improved labour market balance, resulting in productivity boosts and increase in economic output is valued at £2.4 million per annum by 2040.

Appendix 4 is the report of model validation, forecasting and economics, and includes details of Wider Economic Benefit calculations.

Stakeholders

The scheme has developed a project specific Stakeholder Management Plan, which is included as **Appendix 8**.

Worcestershire County Council is the promotor of the scheme and has engaged SLC Rail as a delivery partner for Project Management Services. The main stakeholder groups and their roles /contributions to the scheme are as follows:

Organisation	Role / Contribution
Worcestershire County Council	Scheme sponsor and promotor
SLC Rail	Client Delivery Partner
Network Rail	Asset Owner Design Contractor - Station Building (GRIP 2-3)
Jacobs	Design Contractor - Station Forecourt and Highways
Mott MacDonald	Design Contractor – Station Building and Forecourt (GRIP 3 – 4)
West Midlands Rail (formerly London Midland)	Station Facility Owner, train operator
Severn Valley Railway	Adjacent land owner, scheme outcomes benefiter
Rotala	Bus Operator
Wyre Forest District Council	Local District Council
Kidderminster Railway Museum	Adjacent business

Conflicts between the varying key stakeholders' requirements have been addressed via regular Stakeholder Meetings, with all of the above organisations as attendees. This process has assisted in defining the scheme scope and outline design to its current proposal.

Station car parking has been a key issue to resolve for the scheme, with differing stakeholders having differing desires and requirements. The initial proposal for remodelling of the forecourt had the impact of reducing the station car parking by 50 spaces. This was not an acceptable outcome for London Midland, so the project team worked to re-engineer the space and ensure no net loss of station car parking spaces was a core principle. London Midland also had a desire to increase the station parking by introduction of a car park deck, however, on liaison with Worcestershire highways officers it was deemed that Comberton Hill and the relevant local highway network was at capacity and introduction of more vehicular traffic was not appropriate, so it was agreed that no net gain of station car parking was also a core principle of the scheme.

By undertaking this stakeholder engagement, the parameters and necessary constraints of the scheme were determined and enabled the project requirements to be refined.

ECONOMIC CASE

Kidderminster Railway Station Building and Forecourt Redevelopment	20th April 2018

Economic Summary:		**Value for Money Category**
PV Benefits (£m)	**£25.09**	**Very High**
PV Costs (£m)	**£3.26**	
BCR	**7.71**	

The estimates of present value of benefits, present value of costs and the forecast BCR presented in the table above are for the core growth scenario. The scheme's BCR for a conservative high growth sensitivity is estimated in excess of 60.0.

Assessment Approach and Assumptions

Introduction

The project encompasses four distinct work packages:

- Replace the station building;
- A new station forecourt layout with improved pedestrian routing and formalised kiss and ride and taxi bays. These measures do not result in any loss of car parking capacity, but will result in the loss of the forecourt bus stop;
- Installation of a pelican crossing on Comberton Hill, west of the Lea Street junction; and
- Enhanced bus stops on Comberton Road.

This section presents the economic case of the project's preferred option. The economic case has been developed using the requirements outlined in WebTAG Unit 5.3 (November 2014), in relation to demand forecast modelling and economic appraisal. Where necessary, the economic case methodology has been supplemented with industry best practice guidance outlined in the Passenger Demand Forecasting Handbook Version 5 (PDFH).

A series of inputs and assumptions have been applied in order to firstly, establish an operational forecasting and appraisal model and, second, provide an indication as to the scale of benefits and returns which are forecast from the scheme. This section summarises the key input assumptions adopted and their respective sources. Further details of all input assumptions as well as providing reference to input data sources are presented in **Appendix 4** (Forecasting and Economic Case).

Data Sources and Key Assumptions

This section summarises the key assumptions and respective data sources adopted as part of this economic case. Further details of these assumptions and their respective data sources are presented in **Appendix 4** (Forecasting and Economic Case).

- ***Base Station Demand:*** The base number of Kidderminster station users has been based upon Latest Earnings Networked Nationally OverNight [LENNON] data for the 12 month period ending March 2016, as provided by London Midland. It is worth noting that the LENNON data provides trip numbers by four different ticket types, namely, Full, Reduced, First Class and Season. This breakdown has also been adopted in the appraisal.
- ***Mode Share:*** Existing mode share splits for users accessing Kidderminster station have been derived from the National Rail Travel Survey [NRTS] database.
- ***Population Distribution:*** 2011 Census population data has been used to derive a representative distribution of station users within Kidderminster. This has subsequently been used to derive typical routes to/from the station. It has also been used assign a representative proportion of station users to the various walk routes to/from the station. This information enables a population weighted assessment of benefits generated by scheme components which will benefit a particular station walk route.
- ***Trip Generalised Journey Time:*** The CENTRO Rail Area Demand FORecasting Model [RADFORM] has been interrogated to derive representative generalised journey times (GJT) in minutes for each of the 30 unique origin and destination pairs within the forecasting model.
- ***Station Demand - Background Growth Core Scenario:*** A core background growth scenario has been considered as part of this appraisal:
    - *Core (background) growth scenario*: Based on Network Rail's Long Term Planning Process, Regional Urban Market Study, this scenario assumes annual compound growth of 1.66% per annum, and is adopted as the annual forecast demand growth factor for the scheme over a medium term between 20206 and 2035
- ***Station Demand - Background Growth Sensitivities:*** Two further background growth rate based sensitivities have been considered as part of this appraisal:
    - *High (background) growth sensitivity*: This sensitivity assumes that Kidderminster Station will continue to achieve passenger growth achieved at the station over the past five year (a compound growth of 3.35% per annum, based on ORR's data). Hence, this scenario adopts 3.35% per annum compound growth rate as the annual forecast demand growth factor for the scheme over a medium term between 2020 and 2035. (Note: Last ten years' ORR data suggests that the station suggests that the station has achieved an annual compound growth rate of 7.14% per annum. Hence, the proposed background growth assumption for the high growth scenario appears to be conservative.)
    - *No (background) growth sensitivity*: This sensitivity assumes that Kidderminster Station will achieve 0% background growth.

- ***PDFH Input Variables:*** In addition to background demand growth factors, various parameters from PDFH have been adopted to develop demand forecasts for the scheme. These are common across the two growth scenarios, and include:
    - Scheme benefit lags (Section C12.5).
    - Demand Splits by ticket type, geographical area and journey purpose (Section B, B0.5).
    - Facility benefit parameters (Section B, Table 8.1 (Version 5.1)).
    - Interchange benefit parameters (Section B, B10.5.2 (Version 5.1))
    - GJT Elasticities (Section B, B4.5.1).

[6] The analysis also adopts the background growth factors between 2016 (current year) and 2020 (first year of operation).

- Fare Elasticities (Section C3.3).

- ***Average Journey Yield:*** In the absence of any yield data from London Midland, the national rail enquires journey planner facility has therefore been utilised in order to derive representative ticket fares for peak (full), off-peak (reduced), first class and annual (season) trips.
  This data was supplemented with LENNON demand data to derive a weighted average yield. A deflator was applied to derive the yield value in 2015 prices. This yield value is central to quantifying the financial benefits of the scheme options.
- ***Forecast Fare Growth:*** Forecast fare growth feeds into the financial appraisal calculation for all future years. As per industry specification, fare growth is forecast to be Retail Prices Index [RPI] plus 1% up to 2021/22. Historic RPI figures have been sourced from the Office of National Statistics [ONS]. RPI figures up to 2020 have been extracted from HM Treasury forecasts. Beyond 2020, in the absence of further forecasts, the average annual RPI for the 10 year period 2011 to 2020 has been applied (2.9%). Forecast fare growth is combined with fare elasticity values extracted from PDFH to account for the suppression in demand by journey purpose which would be expected as a result of increased cost.

Demand Forecasts

In 2016, Kidderminster is estimated to serve 2.2 million journeys across all journey purposes.

Under the **core (background) growth scenario**, demand is forecast to increase by approximately 906,000 journeys to over 3.1 million by 2035. This includes both the demand resulting from an annual background growth of 1.66% per annum between 2016 and 2035, and additional demand of nearly 100,000 journeys by 2035 generated as a result of the proposed intervention.

Further details of these results are presented in **Appendix 4** (Forecasting and Economic Case).

Benefit Forecasts

Primary benefits, based on the demand forecasts and other assumptions outlined above, include:

- Generalised journey time savings for existing and new users of the station, forecast by different user categories; per unit benefit values reflect the November 2016 'proposed changes' WebTAG Databook estimates
- Additional revenue for the Train Operating Companies (TOCs) resulting from additional demand attributable to the scheme
- Additional revenue forecasts are developed in 2015/16 prices
- Benefit forecasts are developed in 2010 prices.

Other Economic Appraisal Assumptions

The following inputs have been included:

Costs

- Capital costs at £5.3 million[7], reflecting the profile presented in the Financial Case of this funding application

[7] Evaluation costs of £10,000 are assumed in the total costs estimates of this bid, for surveys to be undertaken one year and five years after scheme opening

- Scheme renewal costs comprising of:
    - £5.3 million building / structures replacement cost in year 30 of operation; this estimate excludes any replacement costs for proposed bus shelters and traffic signals, as these would require more frequent replacements (please see below)
    - £20,000 for replacement of new bus shelters every sixteen years from 2020 onwards over the appraisal period
    - £55,000 for replacement of traffic signals every twenty years from 2020 onwards over the appraisal period
- Scheme annual maintenance / operating costs comprising of:
    - 2% of scheme capital costs as ongoing annual asset management of the new station facilities, traffic signals, bus shelters and other facilities
    - £500 per annum for cleaning of the new bus shelters
    - Additional annual operating costs of £30,000 per annum as a result of the larger station building
    - The above relates to an annual OPEX of £136,416

  (Note: The scheme's renewal costs and annual maintenance / operating costs are not requested to be funded through this funding application.)
- Optimism bias (OB) of 9% applied to the scheme's capital costs, considering the GRIP Stage 4 design. OB of 64% is applied to the scheme's renewal costs considering the uncertainties regarding replacing station building / structure in 30 years' time; it is recognised that 64% (OB) for the entire scheme renewal may not be appropriate as a large proportion of scheme's costs are for forecourt improvement. CH2M await additional information regarding cost breakdown by expenditure categories to adopt appropriate level/s of OB for different capital expenditure categories
- Optimism bias of 41% applied to scheme's annual maintenance / operating costs; this reflects no further refinement to these costs from the OBC stage
- No 'additional' allowance for contingency allowed in the economic appraisal, assuming that contingency is already factored in the scheme's capital costs
- Costs input assumptions estimated in 2017/18 prices.

Other appraisal assumptions

- An appraisal period which includes 60 years of operation from 2020 onwards up to 2079 (to avoid any half year operational benefits). It is understood that the scheme construction over 2018 and 2019, with the new facilities operational from the summer of 2019.
- All costs and benefits, including additional revenue attributable to scheme, are indexed back to 2010 prices as per Department for Transport guidance using the GDP index presented in the December 2017 WebTAG Databook
- Discount factor of 3.5% per annum for first 30 years of operations of the scheme (starting from 2020 up to 2049), which changes to 3.0% per annum for the remaining 30 years of scheme's operation included in the appraisal (from 2050 to 2079); discount factor of 3.5% per annum applied to all years preceding first year of scheme's operation (i.e. from 2010 to 2019).

Key Risks, Sensitivities and Uncertainties

Appraisal Results

The appraisal results summarised in the table overleaf for the core (background) growth scenario demonstrate that the scheme is forecast to deliver a PVB of £25.09 million. This is a net PVB figure in 2010 prices following adjustments for additional scheme based revenue for TOCs and associated user charges.

The appraisal table for core (background) growth scenario forecasts scheme's present value of 'Local Government Funding' at £12.54 million in 2010 prices. This relates to present value of scheme's capital, renewal and annual maintenance / operation costs, include appropriate levels of optimism bias. Likewise the table for core (background) growth scenario forecasts scheme's present value of 'Central Government Funding' at -£9.28 million in 2010 prices. This includes present value of additional revenue for TOCs, which is assumed to be transferred to the Government at £10.35 million. The appraisal assumes this as a negative cost to the Government (i.e. -£10.35 million). The present value of 'Central Government Funding' also includes a forecast of indirect taxation at £1.06 million. The two factors together result in a PVC of -£9.28 million.

Combining the scheme's present values of 'Local Government Funding' and 'Central Government Funding', the proposals' PVC for core (background) growth scenario is estimated at £3.26 million in 2010 prices.

Using the forecast PVB and PVC summarised above, the scheme's BCR is estimated at 7.71 and its NPV is estimated at £21.83 million for core (background) growth scenario. These indicators suggest that the scheme would deliver excellent value for money for the requested public sector intervention to fund the £5.3 million capital package of improvements. However, considering the size of the scheme and the type of benefits it is forecast to deliver, it worth noting that the scheme's BCR is extremely sensitive to small changes in costs.

Scenario	Travel Time (Present Value, in £m)	Other monetised benefits (Present Value, in £m)	Total monetised benefits (PVB, in £m)	Total Costs (PVC, in £m)	Net Present Value (NPV, in £m)	Benefit Cost Ratio (BCR)
Core Scenario	-	£25.09	£25.09	£3.26	£21.84	7.71

Sensitivity analysis: core (background) growth scenario

A sensitivity test was undertaken to assess the impact of increase in the £5.3 million upfront capital costs of the scheme. In particular, this sensitivity test seeks to determine the percentage increase in upfront costs that would still result in a BCR of 4.0 (without any change in benefits). The results are summarised below:

- If capital costs presented in the Financial Case section of this pro-forma (assuming the same expenditure profile), increased by 66% (or £3.5 million), such that the investment costs increased to some £8.8 million, the scheme will achieve a BCR 4.0.

A further cost based sensitivity test was performed on the scheme under core (background) growth scenario. Under this test the spend to date (of approx. £750,000) has been considered as sunk costs. Only future scheme costs of approximately £4.5 million to deliver the scheme are included in the appraisal as investment cost. This nominal adjustment based on economic principles increase the BCR to 9.76.

A further sensitivity test was undertaken to assess the impact of reduction in present value of benefits (PVB). In particular, this sensitivity test seeks to determine the percentage reduction in forecast PVB (see table above) that would result in a BCR of 4.0 (without any change to costs). The results are summarised below:

- Under the core growth scenario, if the PVB reduced by 48% (i.e. reduced to £13.02 million), the scheme will achieve a BCR of 4.0

Sensitivity analysis: optimum bias

The guidance presented in TAG Unit A5.3 Rail Appraisal recommends to adopt 9% optimism bias (OB) adjustment to capital expenditure for project at GRIP Stage 4. Subsequently, the economic appraisal undertaken as part of the FBC adopts 9% OB for the scheme costs, resulting in a BCR of 7.71.

TAG Unit A5.3 recommends capital expenditure based OB at 18% for projects at GRIP Stage 3. Adopting this level of OB (18%) for scheme's capital costs as sensitivity, results in a scheme BCR of 6.90.

TAG Unit A5.3 recommends capital expenditure based OB at 64% for projects at GRIP Stage 1 or 2. Adopting this level of OB (64%) for scheme's capital costs for a further sensitivity results in a scheme BCR of 4.50.

These OB based sensitivity tests, as with cost based sensitivity analysis presented earlier, demonstrate that the scheme will continue to result in Very High value for money.

Sensitivity analysis: additional sensitivities

As outlined earlier in this document, we have developed two further growth sensitivities, namely a high (background) growth sensitivity and a no (background) growth sensitivity. The BCRs for these sensitivities are summarised below:

- A conservation high (background) growth sensitivity suggests that if 3.35% background growth is achieved at Kidderminster Station the scheme would achieve a BCR of in excess of 60.0
- A further extremely conservative no (background) growth sensitivity suggests that if 0% background growth is achieved at Kidderminster Station the scheme would still achieve a BCR of in excess of 3.5

The results of the sensitivity analysis demonstrate robustness of the scheme proposals to continue to offer very high value for money even with significant cost increases or equally high reduction in forecast benefits.

Overall assessment - Appraisal Summary Table

The overall impact of the proposal has been set out in an Appraisal Summary Table and is presented in **Appendix 4a**. Notable impacts, both positive and negative have been summarised below.

Impacts	Positive Impacts not Included in BCR	Scale of Impact
Wider Economic Benefits	The Scheme is expected to have two main wider economic benefits for Kidderminster and the wider sub-region:	Beneficial

	Improved labour market balance, resulting in productivity boosts and increases in economic output valued at £2.4m per annum by 2040. Labour market balance will also lead to increased aggregate wages of around £320,000 per annum for Kidderminster's residents. This wage increase could result in increased expenditure in Kidderminster's local economy. Increased visitor numbers at SVR, resulting in the creation of 7 jobs and generation of £196,000 per annum of economic output within the visitor economy in Kidderminster.	
Greenhouse gases	Change to bus and rail from car travel offsets increased bus mileage.	Slight beneficial
Townscape	Enhanced station design and upgraded bus stops will provide a gateway style entrance to Kidderminster and the wider Wyre Forest.	Slight beneficial
Accidents	Highway safety measures, including a signalised pedestrian crossing at Comberton Hill and formalisation of the forecourt, are being proposed to reduce collisions.	Slight Beneficial
Physical activity	Supports some increase in cycling and walking.	Slight beneficial
Journey quality	Improved station building and waiting facilities. Upgraded bus stops on Comberton Hill.	Beneficial
Access to services	Improved access to Kidderminster station by all modes. It also provides improved transport options for residents from lower income groups and/ or those who do not have access to a car.	Beneficial
Option values	Scheme improves transport choices through improved rail and bus offers, enhanced cycle links and a new signalised pedestrian crossing.	Slight beneficial
Journey Time – reliability impact on commuting and other users	There will be some journey time saving benefits related to junction improvements, improved pedestrian crossing and a more effective interchange facilities for bus passengers.	Slight beneficial
Further Comments: Further details on the wider economic benefits are presented in **Appendix 4**.		

Impacts	Negative Impacts not Included in BCR	Scale of Impact
Access to services	Loss of bus stop on forecourt. Possible loss of hourly service 303. Offset by improvements to Comberton Hill bus stops.	Slight negative
Journey time	Slight increase in some journey time due to waiting for formalised crossing. Offset by accident benefits.	Slight negative

Further Comments:

For the reasons summarised in the tables above which present positive and negative impacts separately, the net 'Access to services' impact is recorded in the AST as 'slight beneficial'.

Furthermore, for the reasons outlined in the tables above, the net 'Journey time - reliability impact on commuting and other users' impact is recorded in the AST as 'neutral'.

Value for Money Statement

The present value of core Transport Economic Efficiency (TEE) benefits for the scheme are estimated at £25.09 million over the appraisal period for the core (background growth) scenario. In comparison, the present value of costs for scheme are estimated at £3.26 million. As a result, the scheme's BCR is estimated at 7.71 for the core scenario. This suggests that the scheme would deliver very high value for money for the requested public sector intervention to fund the £5.3 million capital package of improvements.

Furthermore, the economic case demonstrates the scheme's ability to generate significant additional wider economic benefits for Kidderminster and the wider sub-region resulting from increased access for Kidderminster's labour market to higher value jobs in Birmingham central business district. Likewise, scheme is also forecast to make a notable impact on Kidderminster's tourism economy by supporting growth in demand for Severn Valley Railway, one of the most significant visitor attractions in Wyre Forest. These impacts, along with the other non-quantified benefits summarised in the Appraisal Summary Table, will further enhance the scheme's value for money offer.

FINANCIAL CASE								
Scheme Name:	Kidderminster Railway Station Building and Forecourt Redevelopment			**Date:**	April 2018			
Summary Financials								
Overall Cost of Scheme	**£5.3m**	**LTB Contribution**	**£2.5m**	**Available Budget**	**£ 5.3m**	**Contingent Liabilities**	£ m	
Scheme Costs								
Main Expenditure Items (include project income separately) (£m)	**Previous Years**	**FY 15/16**	**FY 16/17**	**FY 17/18**	**FY 18/19**	**FY 19/20**	**FY 20/21**	**Total**
Scheme preparation costs including design and project management		£59,044	£273,216	£415,984	£847,473	£92,738		
Land and compensation including Part 1 claims								
Works construction including stats costs (including risk and optimism bias)					£2,011,059	£900,000		
Site supervision and other external costs					£618,807	£77,487		
TOTAL COST		£59,044	£273,216	£415,984	£3,477,339	£1,070,225		£5,295,808
Budgetary Impact Summary								
Forecast Net Budget profile (£m)	**Previous years**	**FY 15/16**	**FY 16/17**	**FY 17/18**	**FY 18/19**	**FY 19/20**	**FY 20/21**	**Total**
Total Required Budget		£59,044	£273,216	£415,984	£3,477,339	£1,070,225		£5,295,808

Total Local Contribution (Secured)								£0.07m
Total Local Contribution (Unsecured)								£0.31m
Total WLTB Requirement								£2.50m
Total GBSLTB Requirement								£2.41m

Anticipated Funding & Financing Arrangements

Summarise the funding arrangements for the scheme. Indicate the situation with regard to third party funding and/ or borrowing. Outline risks associated with delivery of external funding and repayment of borrowing.

Anticipated Funding streams are:

Worcestershire LEP - £2.50m, Greater Birmingham and Solihull LEP £2.41m, WCC Highways Maintenance / Rail industry funding / Other £0.31m and Wyre Forest District Council contribution £0.07m.

This Full Business Case will be independently audited by Watermans.

Scheme Cost Estimate and Key Financial Risks

Full scheme costs are presented in **Appendix 5**.

A full Risk Register is included as an **Appendix 6**.

Accounting and Budgeting Issues

Where relevant, specify particular issues relating to the accounting treatment and budgetary classification including the impact on the balance sheet

Attach Independent Audit of Cost Estimate (if available)

COMMERCIAL CASE	
Scheme Name: Kidderminster Railway Station Building and Forecourt Redevelopment	April 2018

Introduction

Critical success factors for delivery of the project are:

- Third-party delivery by Worcestershire County Council as an experienced deliverer of rail schemes (including Malvern Link and Worcester Foregate St (2013) and Worcestershire Parkway (opening 2019)
- Stakeholder Engagement in order to gain acceptance of the core principles and outputs of the scheme;
- Acceptance of the design by the rail industry and highways authority;
- Acceptance into service of the delivered assets by rail industry and highways authority.

Capability, Skills and Evidence of Previous Project Delivery

Worcestershire County Council is the scheme promoter and it has engaged SLC Rail through its Rail Advisory Contract to provide Project Management services for the length of the programme and provision of the necessary expertise with regard to the rail processes and requirements. The rail elements will adhere to Network Rail's Governance for Railway Investment Projects (GRIP) process which SLC Rail is experienced in delivering to.

The project is overseen by a Project Board comprising Worcestershire County Council, SLC Rail, Jacobs and Wyre Forest District Council. The Project Board meet monthly to discuss progress, scheme development and agree strategies for the next phases. Project Progress meetings are also held with Network Rail and West Midlands Trains to ensure adherence to their specific standards and procedures as the asset owner and facility operator respectively.

The highway works will be delivered by Worcestershire County Council's Highways Contract which is overseen by a dedicated commercial team at the County Council. The forecourt works and station building will be delivered in accordance with the Asset Protection Agreement which Worcestershire County Council have entered into with Network Rail. Network Rail and West Midlands Trains will make suitable staff available from their personnel to ensure that their requirements are managed appropriately.

The partner commitment involving West Midlands Trains, Network Rail and Worcestershire County Council will build on the successful partnership that has been in place for many years and has led to successful station improvement schemes commissioned and delivered by WCC at Malvern Link and Worcester Foregate Street that were completed in January 2014.

Procurement Strategy & Sourcing Options
Due to the works covering both highways and rail infrastructure, it has been decided that the delivery procurement should also be split into these elements as there are different accreditations required for rail and highways. Whilst some companies have the relevant capabilities to undertake both elements, in order to get best value, the preferred procurement strategy is described below. The agreed procurement route for the highway works is to use a contractor already tied into an existing contract with Worcestershire County Council. These contractors have already demonstrated that they can meet a demanding quality threshold. This procurement route is attractive and cost-effective as the highway works are similar to other minor improvement works delivered for Worcestershire County Council within these existing arrangements. Being an established contract, Worcestershire County Council has high confidence in the suppliers' cost, quality and programme. The procurement route for the rail element of works have been procured directly by Worcestershire County Council, as a design and build NEC 3 contract, through a competitive tendering process. This was done in close liaison with West Midlands Trains (as the station facility owner) and Network Rail (asset owner). Worcestershire County Council has recently (2013) commissioned and delivered similar works at Malvern Link and Worcester Foregate Street railway stations in this manner, and has appointed contractors in 2017 to deliver it's Worcestershire parkway scheme (opening in 2019). The works at Malvern Link also involved West Midlands Trains and Network Rail. The project have undertaken a stringent Procurement strategy highlighting the pro's and con's of alternate procurement approaches. An extensive SWOT analysis was carried out comparing the various modes of procurement from 'Traditional' to 'Design and Build' options against a number of key objectives and desired outcomes for Worcestershire County Council. See **Appendix 7** for further details and detailed analysis on the procurement strategy.
Financing Arrangements and Payment Mechanisms
Whilst final contractual specifications have not yet been concluded, it is likely that a method of payment allowing for monthly assessments of the costs accrued is chosen as this allows for optimal cash flow for the supplier, the supply chain and Worcestershire County Council. Similarly, quality and standard of final construction will be managed through retention clauses and requirements. Clauses requiring fair payment terms throughout the supply chain along with measures to audit this in contract will form an integral part of the terms and conditions. Incentives for reducing cost during delivery will be incorporated along with programme control using delay damages options.
Risk Allocation and Transfer
Worcestershire County Council have undertaken an assessment of how the types of risk might be apportioned or shared, with risks allocated to the party best placed to manage them, subject to achieving value for money. The contract will include clauses to facilitate the transfer of appropriate risks from Worcestershire County Council to the contractor.

The indicative allocation of risks resulting from the contractual and procurement arrangements is summarised in the following table. At this stage, ticks have been provided to indicate where each risk type rests or whether these risks are shared between the two.

Risk Category	WCC	Supplier	Shared
Design		✓	
Construction		✓	
Implementation			✓
Operations	✓		
Termination			✓
Financing	✓		
Legislative			✓

MANAGEMENT CASE	
Scheme name: Kidderminster Railway Station Building and Forecourt Redevelopment	**Date:** April 2018

Introduction

Various scheme concept options have been proposed and discussed with the key stakeholders to see if they meet all parties' requirements and are suitable for further development. Proposals were reviewed collaboratively with scheme partners and stakeholders, with a number being discounted as inappropriate, not meeting rail industry requirements or not feasible due to external constraints.

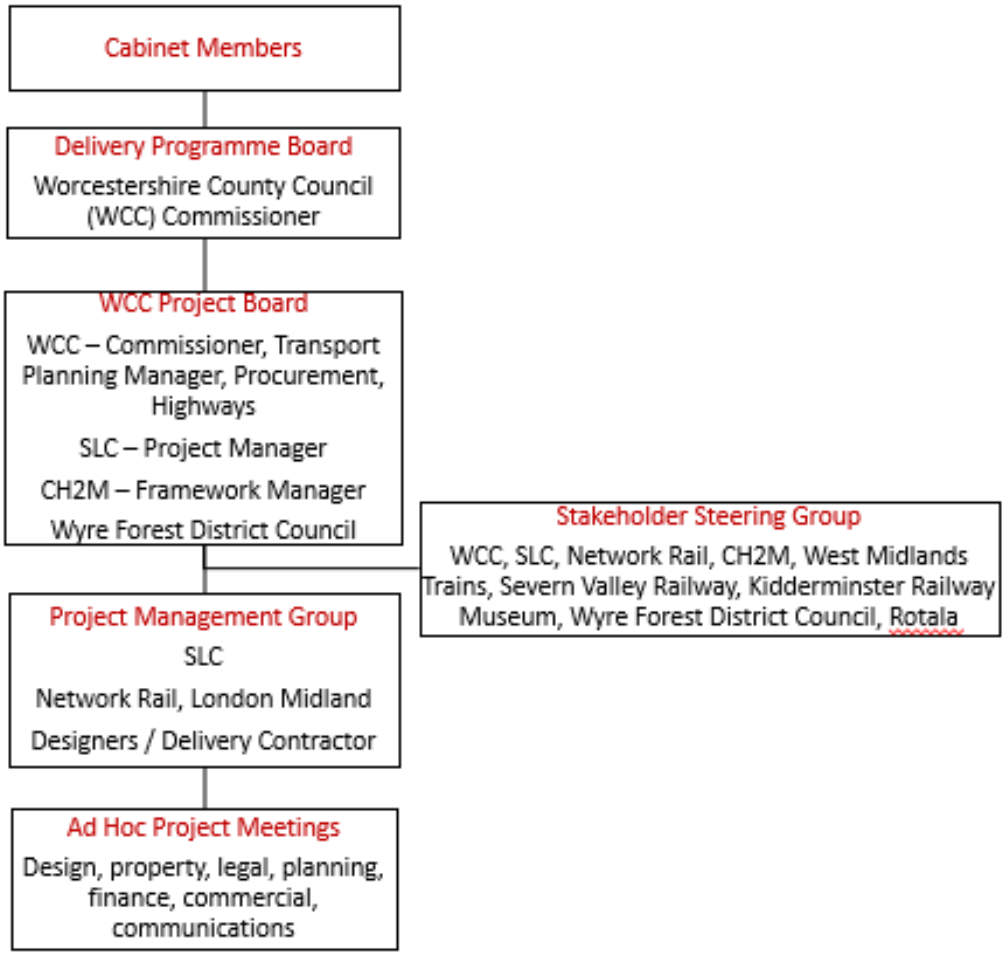
This process, whilst protracted, has enabled the scheme to be developed with confidence that is the correct scheme for the site and is ultimately deliverable.

Further details on the Option Assessment process is included as **Appendix 3.**

Governance, Organisational Structure & Roles

Senior Responsible owner: Rachel Hill	**Project Manager:** Subeagh Singh

The project governance structure is depicted overleaf.



As scheme promoter and deliverer, Worcestershire County Council and ultimately the Cabinet has authority for the project. The Cabinet meets on a monthly basis. Cabinet reports and recommendations are presented at Cabinet meetings and the Cabinet has ultimate responsibility for project approvals.

Via the approvals given in the Cabinet Reports, Scheme Commissioner, Rachel Hill, has delegated authority and is accountable for delivery of the scheme, including obtaining all funding and apportioning risk via the various contract mechanisms.

Rachel Hill is chair of the Project Board, which comprises officers with responsibility for the strategic delivery of the Kidderminster Station Redevelopment scheme as summarised in the table below. The Senior Responsible Owner (SRO) provides the interface with the Cabinet. The Project Managers role is to oversee the implementation of the scheme and provide the interface with the Project Teams. The Project Board meets on a monthly basis to ensure Project Assurance objectives are met.

Key Project Board Members

Rachel Hill: WCC Project Commissioner, Senior Responsible Owner (SRO)
Andy Baker: WCC Transport Planning Manager
Ian Baxter: SLC Project Director
Subeagh Singh: SLC Project Manager
Stephanie Walton: WCC Procurement Manager

Nick Twaite: WCC Highways Manager
Mike Parker: Wyre Forest District Council, Director of Economic Prosperity and Place
Mike Spencer: CH2M Framework Manager

In addition, the following partner organisations may be invited to attend Project Board meetings on an as required basis:

- WCC Officers – communications, finance
- Network Rail
- West Midlands Trains
- Design Consultants / contractors

The rail element of the scheme is being delivered as a Third Party investment and will be required to go through the Station Change Process. Network Rail as land and asset owner are engaged via Asset Protection Agreements and through this contract provide a Network Rail sponsor. The Sponsor is responsible for promoting the scheme within Network Rail and provides the interface to the engineering team and all of the other disciplines necessary for the various Network Rail approval processes.

Risk Management Strategy

A Quantified Risk Assessment was undertaken in May 2017 and can be found in **Appendix 5.**

The project Risk Register is attached as **Appendix 6**.

The key risks identified during the QCRA workshop, mitigation plans and risk values are shown in the table below:

Top 5 Risks by Expected Value			
ID	**Description**	**Mitigation**	**Assessment**
KID 074	Uncertainty in estimate due to stage of design development	Estimate refresh	100% -£643k-£827k
KID 076	Market risk, availability of contractors, riskiness of the work	To be confirmed	19% £1k-£182k - £273k
KID 075	Scarcity of contractor's resources and materials	To be confirmed	20% £77k-£110k-£143k
KID 065	Change from BREEAM Good to Very Good / Excellent	Clarify requirements from RRD	43% £0 - £60k - £90k
KID 078	Delays as a result of Network Rail approvals of Form 1,2&3	Ensure the quality of the design is sufficient Work collaboratively with Network Rail Review the available resources in Network Rail Programme needs to reflect the various approvals that are required and ensure there are required resources available i.e. Ensure the telecoms approval does not cause a delay.	43% £12k-£42k-£71k

Project Plan

Identify in this section the key milestones and dependencies. Outline the resources required to deliver the project.

Key Project Milestones:

Outline design (GRIP 4) contract award – Summer 2017
Full Business case approval and funding confirmation – Spring 2018
Site Construction Commencement – Summer 2018
Construction Completion – Spring 2019
Scheme handback – Summer 2019
Project Close – Summer 2019

The project programme is dependent upon the timely design development and submission of documentation to Network Rail for their acceptance. The scheme critical path runs through these engineering submissions, to construction contractor procurement and finally station building construction.

The key resources required to deliver the project are the Project Board Members as detailed in Governance section above, design consultants for highways and rail works, WCC highways officers, Network Rail asset protection team to provide the required engineering assurance and construction contractors. Both WLEP and GBSLEP are key delivery partners to make available the necessary funding for the scheme benefits and outcomes to be realised.

A copy of the project programme is attached as **Appendix 8**.

Communications and Stakeholder Management

The scheme has developed a project specific Communications and Stakeholder Management Plan, which is included as reference **Appendix 9**.

The primary engagement of key stakeholders is undertaken via the meeting governance structure. Initially Key Stakeholder Meetings were held monthly; however as the scheme has become more defined, these are now being held quarterly. 'Stakeholders' as a topic will be an agenda item at all Project meetings to enable discussion and resolution of issues by the relevant management.

Worcestershire County Council has a dedicated press/communications officer for the duration of the project to handle press enquiries. All press releases are to be jointly agreed by all parties including the WLEP and GBSLEP. General public enquiries can be channelled via the WCC website or Worcestershire Hub service.

Public engagement events for the scheme have been undertaken, with the first in June 2017. Further consultation is scheduled including the requirements associated with Traffic Regulation Orders.

Assurance & Approvals Plan

The Project Board is responsible for Project Assurance, ensuring that the project remains on target in terms of business, user and technical objectives. WCC implement a Project Operating Model which governs delivery of their projects and includes conducting Gateway Reviews at milestones in the project life cycle to determine whether or not the project can proceed to the next stage. Monthly Project Highlight Reports are issued to Project Board from the Project Manager to aid them in this process.

Please refer to **Appendix 10** for the detailed process (WCC Project Operating Model).

All rail submissions are governed by the GRIP process and provides a strict assurance and approvals process to ensure the design and deliverables adhere to rail standards. SLC Rail will provide a peer review and quality check of all contractor submitted documents prior to issue to Network Rail and/or West Midland Trains.

Statutory Powers and Acquisitions

The scheme is being delivered on Network Rail owned land and adopted highways, and no land acquisition is required to deliver the scheme.

The project planning strategy has been submitted and agreed by WCC Planning Officers. It has been determined that planning is not required, and the scheme will be delivered utilising Network Rail permitted development rights (GPDO Part 18).

Traffic Regulation Orders will be required for highways works and have been submitted by the project to the relevant authorities.

Rail industry process Station Change is also required by the scheme.

Contract Management

The contract type for each phase of the highways and rail elements has been determined through development of the procurement and contracting strategy, which was written by the Project Manager and Procurement Manager and agreed at Project Board. This was then taken to Worcestershire's Procurement Board for their approval.

The key personnel on the Project Board are WCC Project Commissioner, Transport Planning Manager, Project Manager and Procurement Manager, who will remain responsible and accountable for the project throughout delivery to completion and project close out.

Key Issues for Implementation

The key issue during implementation is to ensure the existing operation of the station is maintained at all times. Close liaison with the SFO will be required throughout the planning and implementation phase to ensure the project does not negatively impact on the continued and safe operation of the station for both staff and passengers alike. This applies both to the highways works which need to ensure access and egress to the station is maintained, along with the station forecourt and building works where the alternative arrangements for differing functions, such as taxis etc will have to be achieved. The phasing of the works will be critical to the success of the implementation.

Benefits Realisation and Monitoring and Evaluation Plan

The commitment to monitor and evaluate the impacts of schemes once implemented and assess benefits realisation is outlined within WebTAG guidance. The guidance requests details on the likely benefits and how they will be measured and reported.

For the purposes of this scheme, it is proposed to consider the following questions:

- Was the scheme delivered to cost and on time?
- Has the scheme delivered the type and scale of benefits forecast?
- Has the scheme met its objectives?

The scheme build will be monitored, covering procurement, timescales and key milestones, risk outcomes, and stakeholder feedback. Scheme delivery will be assessed, including success of the design and materials used.

Outcomes of the scheme to be measured include passenger satisfaction, passenger growth, increase in tourist numbers and economic growth. Evaluation costs of £10,000 are assumed in the total costs estimates of this bid, for surveys to be undertaken one year and five years after scheme opening.

A Benefits Realisation and Monitoring and Evaluation Plan is attached as **Appendix 11**.

Contingency Plan

Due to the scheme being an enhancement of existing functions and facilities and throughout implementation it must ensure continued operation of the station, any delay to implementation is not critical to the service in itself. However, the rail station will continue to provide inadequate facilities for Kidderminster and the wider Wyre Forest.

Appendices:

Appendix 1 - Location plan
Appendix 2 - Layout plan of scheme
Appendix 3 – Option Selection Note
Appendix 4 - Report of model validation, forecasting and economics
Appendix 4a - Appraisal Summary Table
Appendix 5 - Scheme costs
Appendix 6 - Risk register
Appendix 7 – Procurement Strategy
Appendix 8 - Kidderminster Railway Station Full Programme
Appendix 9 - Communications and Stakeholder Management Plan
Appendix 10 - Worcestershire County Council Project Operating Model
Appendix 11 - Benefits Realisation and Monitoring an Evaluation Plan

Senior Responsible Owner DECLARATION	
As Senior Responsible Owner for [scheme name] I hereby submit this request for funding consideration to the Worcestershire Local Transport Body.	
Name:	Signed:
Position:	
Section 151 Officer DECLARATION	
As Section 151 Officer for Worcestershire County Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Worcestershire County Council has allocated sufficient budget to develop and deliver this scheme on the basis of its proposed funding contribution	
Name:	Signed:
Position: Head of Finance	

CONTACT DETAILS FOR FURTHER ENQUIRIES	