

Station Investment:

A catalyst for local
economic growth





Foreword

Stations are the gateways to our local areas - more than 85% of the UK population live within five kilometres of a station. They are true place-makers, both in terms of the initial impression passengers gain as they enter the town or city, and as engines of regeneration for the local economy and community.

Now, more than ever the rail industry wants to work with local communities and businesses to regenerate stations. Despite the seismic changes to work, leisure and travel patterns resulting from Covid-19, continued investment in stations can drive local redevelopment, improve accessibility and deliver economic and social benefits to the communities they serve.

In the last ten years, the rail industry and local partners have made substantial investments in over 200 stations. In order to quantify the social and economic benefits of station improvements, we commissioned research from Steer to look in detail at four projects.

We chose Nottingham, Chelmsford, Strood and Burnley Manchester Road, all funded by multiple investors. These covered a range of geographical locations, station sizes and scope of investment. And while the projects varied, compelling data shows they all delivered real economic and social benefits. These included:

- 133** new developments a year in Nottingham;
- 8.3%** growth in service sector jobs in Chelmsford;
- 5.6%** yearly increase in house prices near Strood station;
- 3.7%** growth in service sector jobs in Burnley.

We are also entering a period of reform, which will eventually see the management of station assets and land be taken over by Great British Railways (GBR).

Local decisions on where to invest will be crucial going forward, and partnerships between different public bodies and agencies, in consultation with GBR, will be important to deliver the best possible outcomes for developments. Our research proves that investing in station improvements can stimulate economic growth, supporting local businesses and creating jobs.

As the process of recovery gets underway, local regeneration enabled by station investment will help support the levelling up of the UK economy. With a reset of priorities and focus, now is also the time for a green restart. Working with local partners we can build sustainable stations that encourage the shift to greener methods of transport, helping the Government achieve their commitment to net-zero carbon emissions by 2050.

The railway is open for business. We believe it is now critical that we all work together to boost the economy and deliver the benefits of regeneration to our customers and communities.

Stuart Parker
Group Property Director, First Group

Charley Wallace
Director Freight, National Passenger Operations and Customer, Network Rail



This document is produced and distributed in September 2021 by Rail Delivery Group.

The Value of Station Investment research was conducted by Steer on behalf of Network Rail and the [RDG Station Strategy Group](#).

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For more information search:
RDG Station Strategy Group
Value of Station Investment

Rail Delivery Group





What is station investment?

What do station projects involve?

Station improvements vary enormously in scope and budget. They can be grouped into four areas:

- Facilities - retail, ticket offices or toilets
- Experience - lighting and ambience
- Access - pedestrianisation and accessibility in the station's immediate area
- Operational - Safety, reconfiguring platforms and signalling works

However, they are not just about the station and railway. Often they are part of a wider portfolio of works in the area, such as regeneration or commercial and retail development, and they can act as catalysts for wider investment in the area.

Our research shows that the more involved the local authority and businesses are, the more successful the redevelopment is. The works are designed around the needs and aspirations of the community.

Challenges and how to overcome them

As with any major development project there will be considerable challenges. Our research has identified:

- Differing priorities for the organisations involved
- Complexity of station improvement projects
- Community discontent over potential disruption
- Emergence of funding gaps due to the age of many station buildings

To overcome these challenges, it is paramount that there is early buy-in from all parties, a common vision, collaborative working and clear communication with the community about possible disruption. In addition, it is vital that there is sufficient contingency planning to address any unforeseen issues.

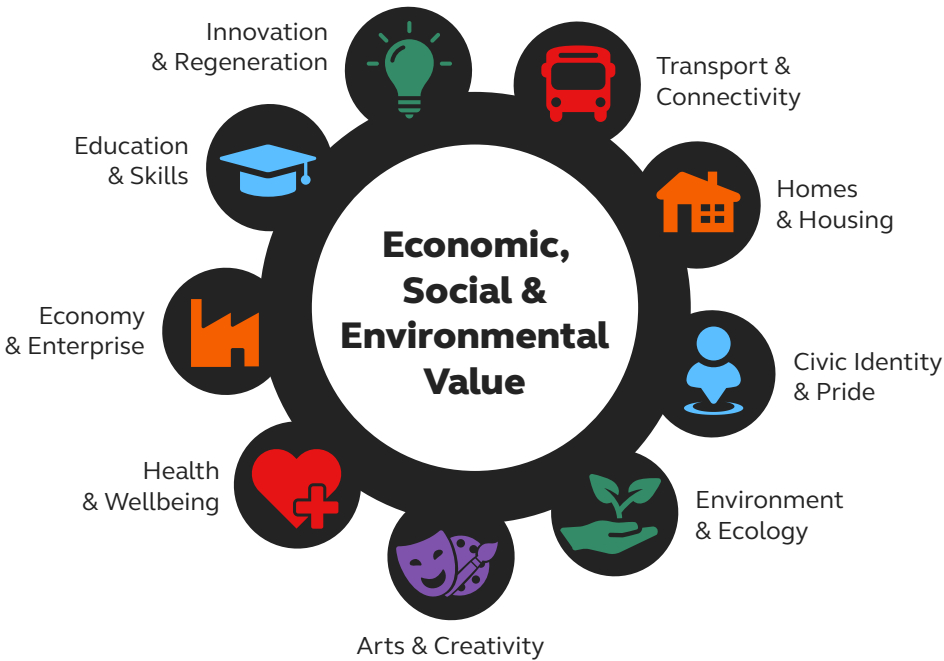
Key stages of a station investment project:

1. Identifying the need and project development: by train companies, Network Rail, local authority development planning, community engagement or private developers
2. Funding and financing: rail industry sources e.g. Access for All Funding and train companies, local authority funding e.g. Section 106, and Community Infrastructure Levy contributions from developers
3. Procurement and delivery

Measuring the projects' success

In order to assess the benefits of station investment, we developed a 'social value framework' (see below). It identifies the positive impact that station improvements can make on a wide range of areas, from economic regeneration to social and environmental improvements.

It is important that these projects, whether a small commuter station or a city centre hub, are matched to local objectives. The framework can help local bodies identify their aims and ensure that their investment delivers the right outcomes for their communities.



Social Value Framework, developed by Steer

For our case studies, the initiating party for each project differed, in the case of Burnley it was the local authority, whereas in Strood it was the rail industry. But success always came from all bodies - train companies, Network Rail, local councils or enterprise partnerships - working closely together.

We established that successful station improvement projects have three key, inter-related outcomes:

- Transport - increase in passenger use, satisfaction and behaviour
- Economic and property-related - increases in commercial and retail activity, commercial developments, employment, and property values
- Wider benefits - increase in cycling and walking, reduction of pollution, decrease in crime and deprivation, new residential and educational developments, and boost to tourism

For each case study we found quantifiable economic and social benefits, as well as improved perceptions of the station as a key local asset and place-maker. The investments all achieved identifiable benefits, supporting local regeneration and encouraging further investment in the area.

Nottingham



Successful partnership that transformed the city centre station and encouraged a shift to greener transport

Date: 2012 – 16

Funded by: Nottingham City Council, Network Rail, East Midlands Trains

Cost: approx. £60m

Background

Nottingham station is a large, historic building, serving commuter, leisure and business travellers. The building was in poor condition and passengers found it unattractive and difficult to navigate. The local area suffered from deprivation and antisocial behaviour, giving visitors a poor impression.

Local aims of investment

The city council wanted to transform the station and its immediate area to regenerate the city centre and attract new business investment, and to create a transport hub that encouraged onward travel by tram, bus, cycling and walking.

How the partners worked together

This was a joint project between East Midlands Trains and Nottingham City Council with Network Rail contracted to deliver the scheme. The funding was split between all three parties and raised funds from the sale of commercial land around the station.



Works

Modernisation of historic station building

Tram bridge extension

Nearby commercial development and improved local environment

Track and re-signalling works

Benefits of the investment

The investment in Nottingham station has had significant impact on the local economy. The number of developments within a mile of the station has risen substantially from an average of ten to 133 a year, including the new HMRC regional headquarters, and there has been a yearly rise of 3.7% in employment in nearby areas.

The successful regeneration of the local area is also reflected in an average yearly increase in local house prices of 7.6%

The council achieved its objective of encouraging more people to travel by sustainable transport through the reconfiguration of the immediate area, resulting in easily accessible bus and tram stops and a network of cycle and walkways.

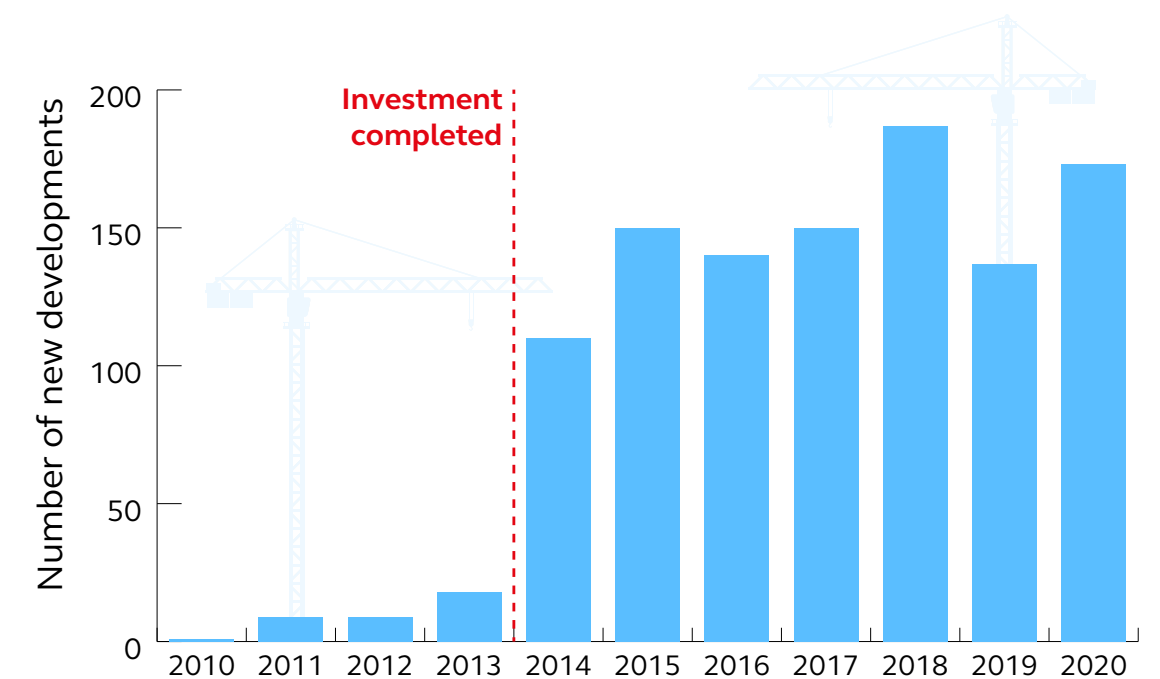
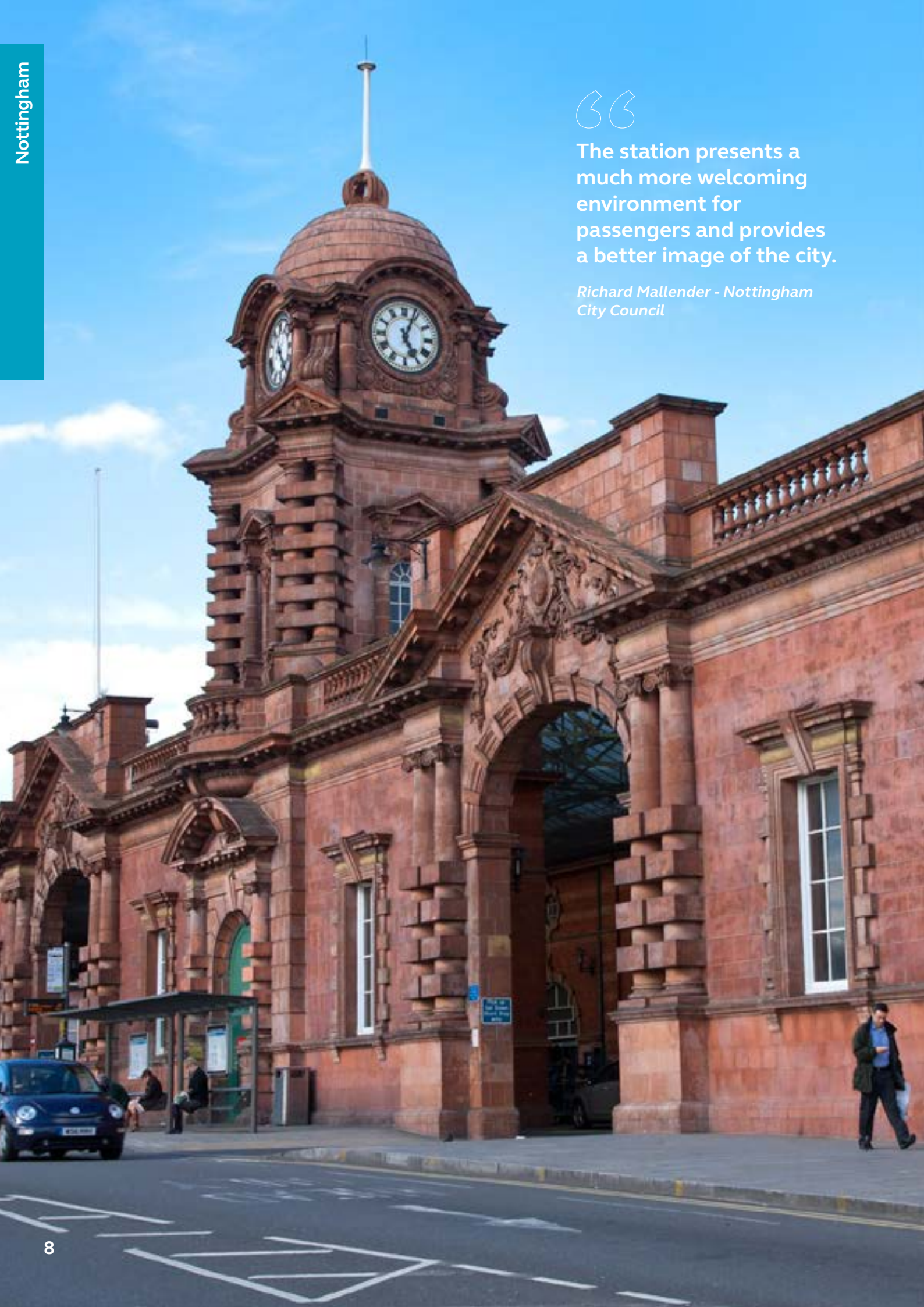


Fig 1: Number of developments within 1 mile of Nottingham station 2010-2020

Source: Glenigan Ltd.



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The station presents a much more welcoming environment for passengers and provides a better image of the city.

Richard Mallender - Nottingham City Council



7.6%
annual increase in house prices in areas close to Nottingham station



10x
more property developments within a mile radius of the station

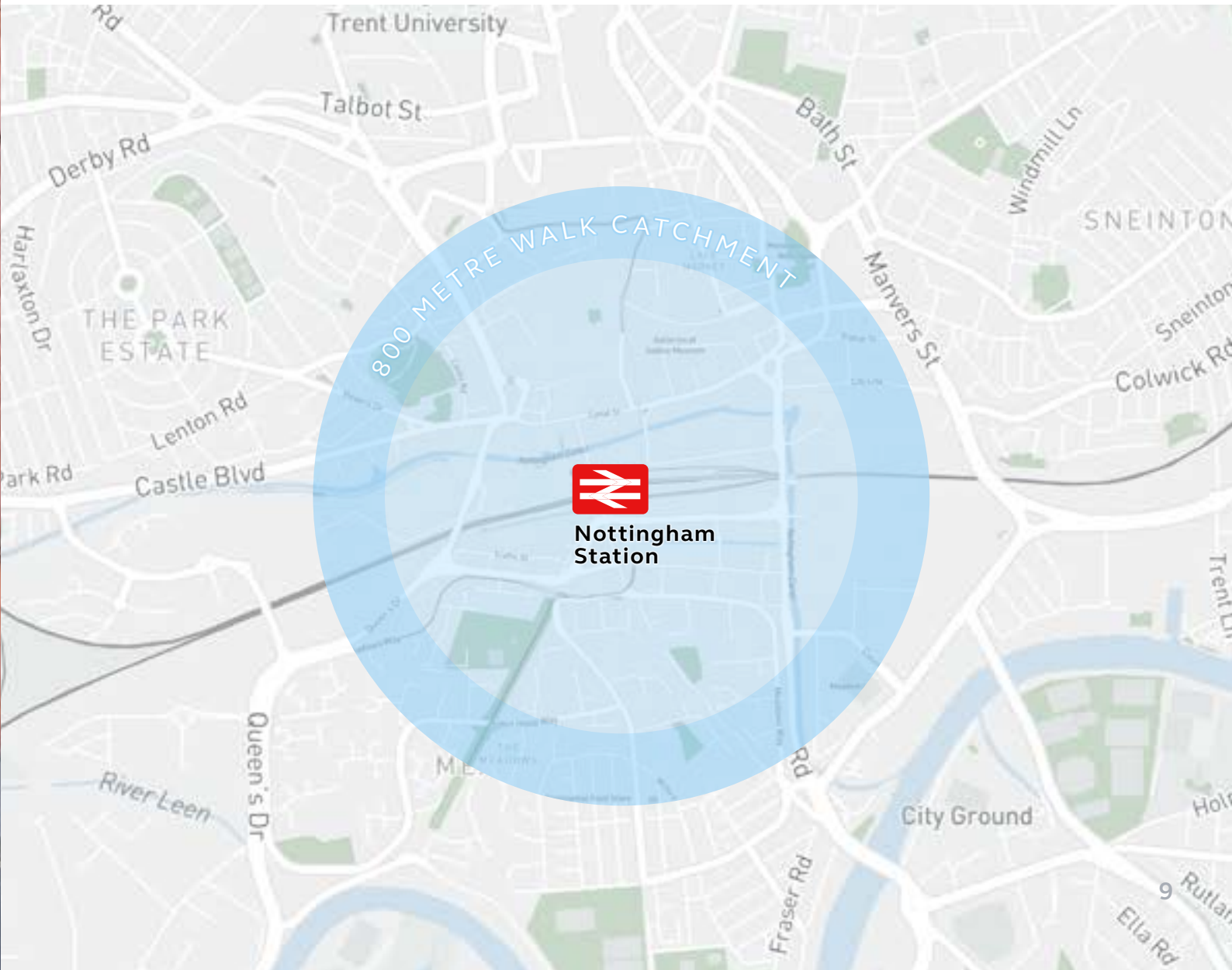


3.7%
annual increase in employment



44%
increase in cycling within the city

Below: Nottingham station and surrounding area © Mapbox, © OpenStreetMap



Chelmsford

Created a welcoming space with onward walking and cycling routes for commuters

Date: 2015 - 19

Funded by: Chelmsford City Council, National Stations Improvement Programme (NSIP), Greater Anglia and Network Rail.

Cost: £8.7m

Background

Chelmsford station is a commuter station in the city centre. Its out-dated, cramped facilities were struggling to cope with the increase in commuters from new housing developments. Passengers worried about their personal safety in the surrounding area, with indirect routes for cyclists and pedestrians and a dark tunnel between the car park and station.

Local aims

The local authority wanted to create a welcoming environment in the station and its surroundings and encourage the use of public transport and walking and cycling.

The city needed a station that would support the increase in passengers from recent residential and commercial developments and encourage further development in Chelmsford.

Works

Redevelop station square

Improve station facilities

Redevelop Mill Yard – a mixed-use commercial and university quarter

How the partners worked together

Network Rail developed the initial plans, handing over to Abellio Greater Anglia who refined the plans before leading on the station building improvements. Network Rail sourced funding through its Discretionary Fund and NSIP. The Station Square and Mill Yard developments were led by Chelmsford City Council who secured Local Growth funding, with contributions from Section 106 funding and the Community Infrastructure Levy.

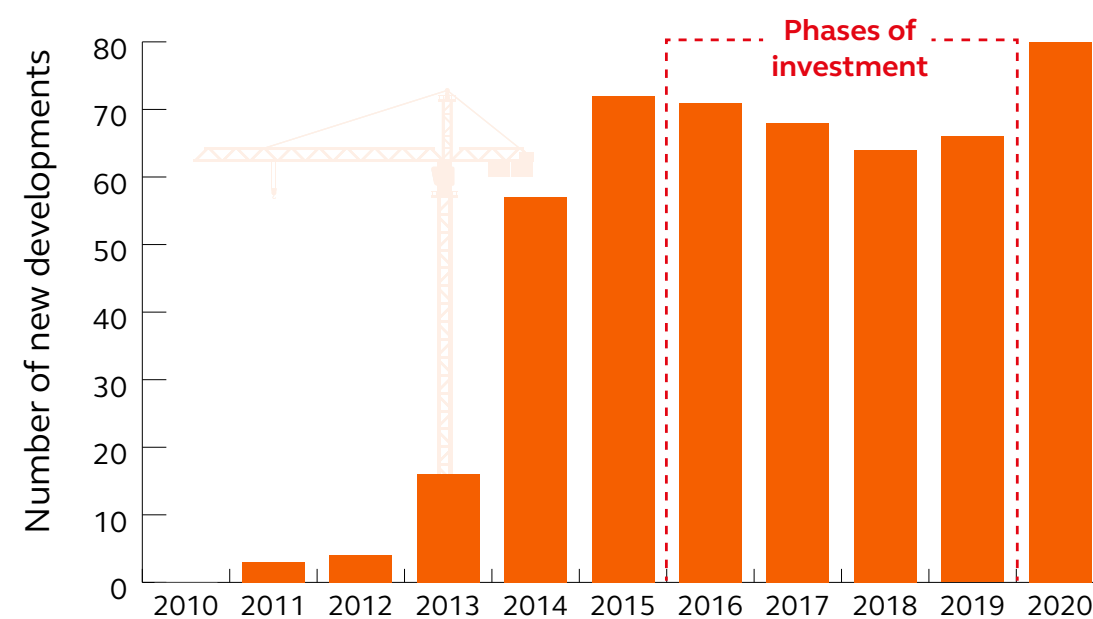
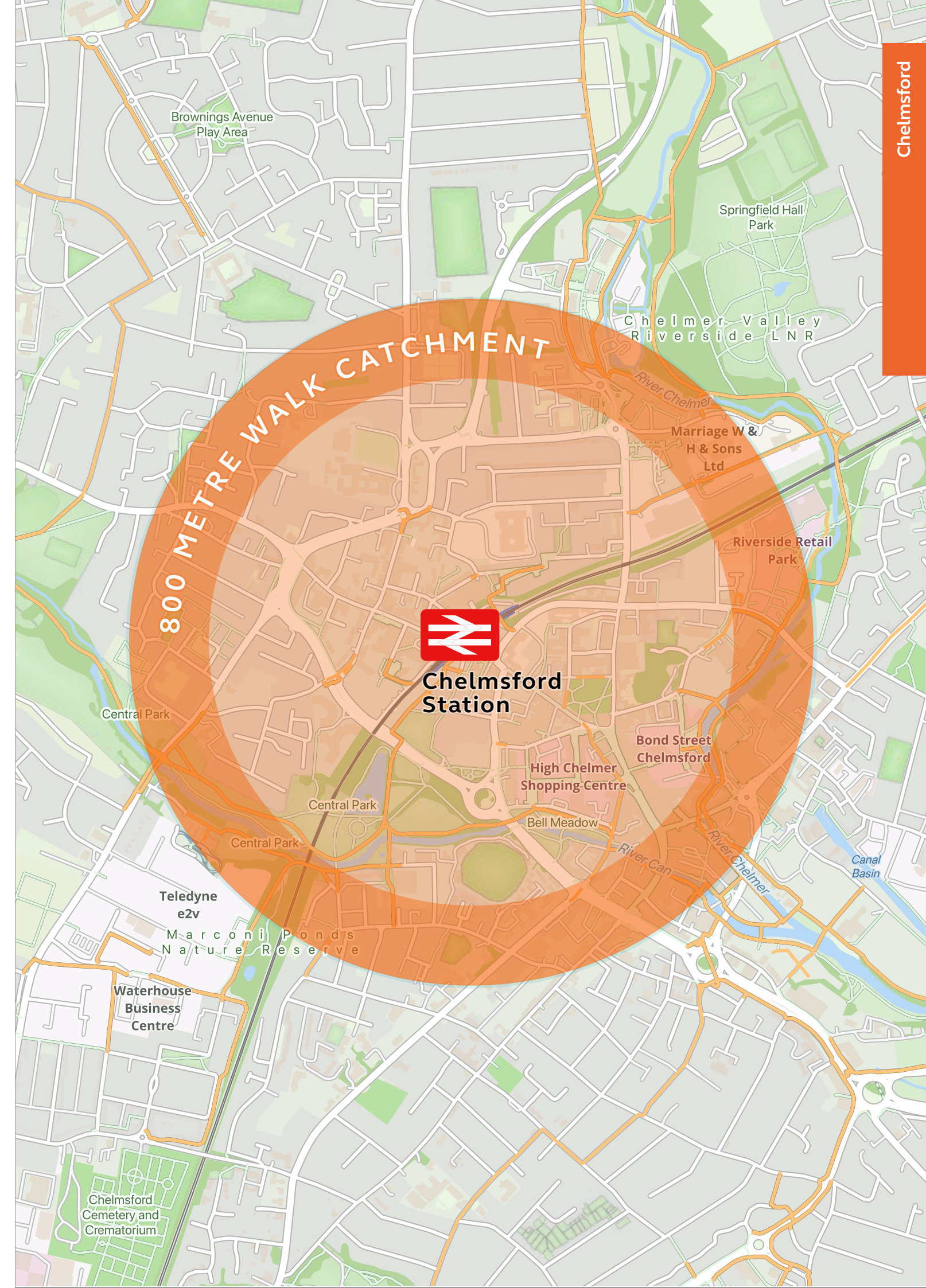


Fig 2: Number of developments within 1 mile of Chelmsford station 2010-2020

Source: Glenigan Ltd.

Station Investment: A catalyst for local economic growth

Chelmsford





Benefits of the investment

The investment has paid off in terms of new developments in the city. The Station Square redevelopment alone delivered 500 new homes and 21,000m² of commercial floorspace with 500 jobs. And the average number of new developments within a mile of the station has risen from 15 to 64 each year.

The improved station has eased congestion, making commuting far more attractive. This has brought in new residents, reflected in a rise of 6.7% a year in property prices within walking distance of the station.

The reconfigured station surroundings are also more welcoming and accessible, with a 12% reduction in crime in the area. A new cycling hub with 960 spaces has encouraged more residents to cycle to the station.



The station works supported the economic and physical growth of Chelmsford and improved the quality of the nearby environment.

Rhiannon Mort and Howard Davies, South East Local Enterprise Partnership.



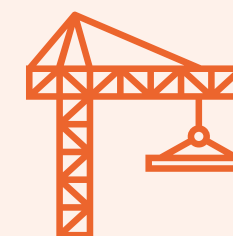
6.7%

annual increase in house prices in areas close to Chelmsford Station



8.3%

increase in service sector jobs



Before: After:

15 - 68

Developments within 1 mile of the station per year, pre and post-investment



4.3%

per annum growth in enterprise units

Strood



Key driver for the town’s regeneration and growth

Date: 2017
Funded by: NSIP, Local Growth Funding
Cost: £2.6m

Background

Strood station is a commuter station near the town centre. The town has grown significantly in recent years, driven partly by the improved rail service and HS1 in particular. The station was uncomfortably small and dilapidated, in stark contrast to local aspirations of growth and economic development.

Local aims

Medway Council knew that improving the station would support regeneration. It would encourage continued investment in residential and economic development and match the capacity of the station to the anticipated increase in passengers.

How the partners worked together

After initial feasibility work by Southeastern and Network Rail, the project was led by Southeastern who obtained the NSIP funding. Medway Council sourced the Local Growth Funding and was involved throughout the project.

Works

Demolish old station building and build new one

Improve access in and around station



Benefits of the investment

Medway Council saw investment in the station as a crucial part of its plan to attract more businesses to the town. Since the station improvements, the number of enterprise units in the town centre have grown by 6.3% a year. In addition, the number of jobs in the service sector have increased by 13.6% a year.

The improvements to the station have encouraged commuters to move into the area, with house prices within walking distance of the station increasing by 5.6% a year.

Investment in the station has also supported further residential development, such as the Strood Riverside scheme, which transformed nearby derelict land with the construction of 1,200 new homes.

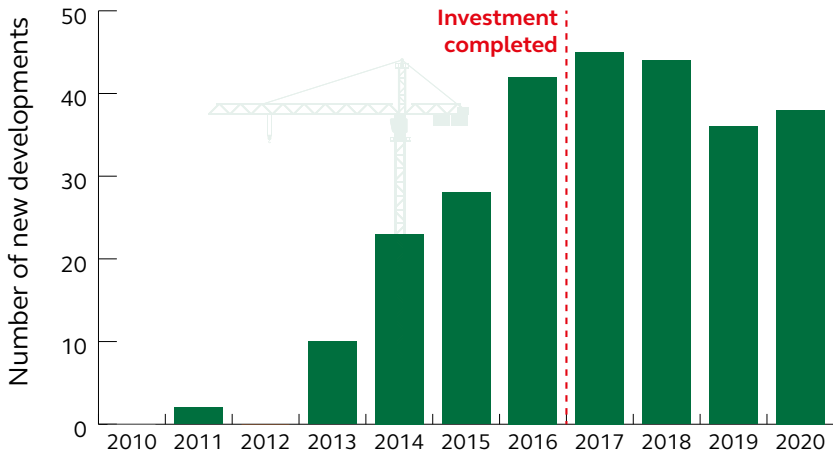
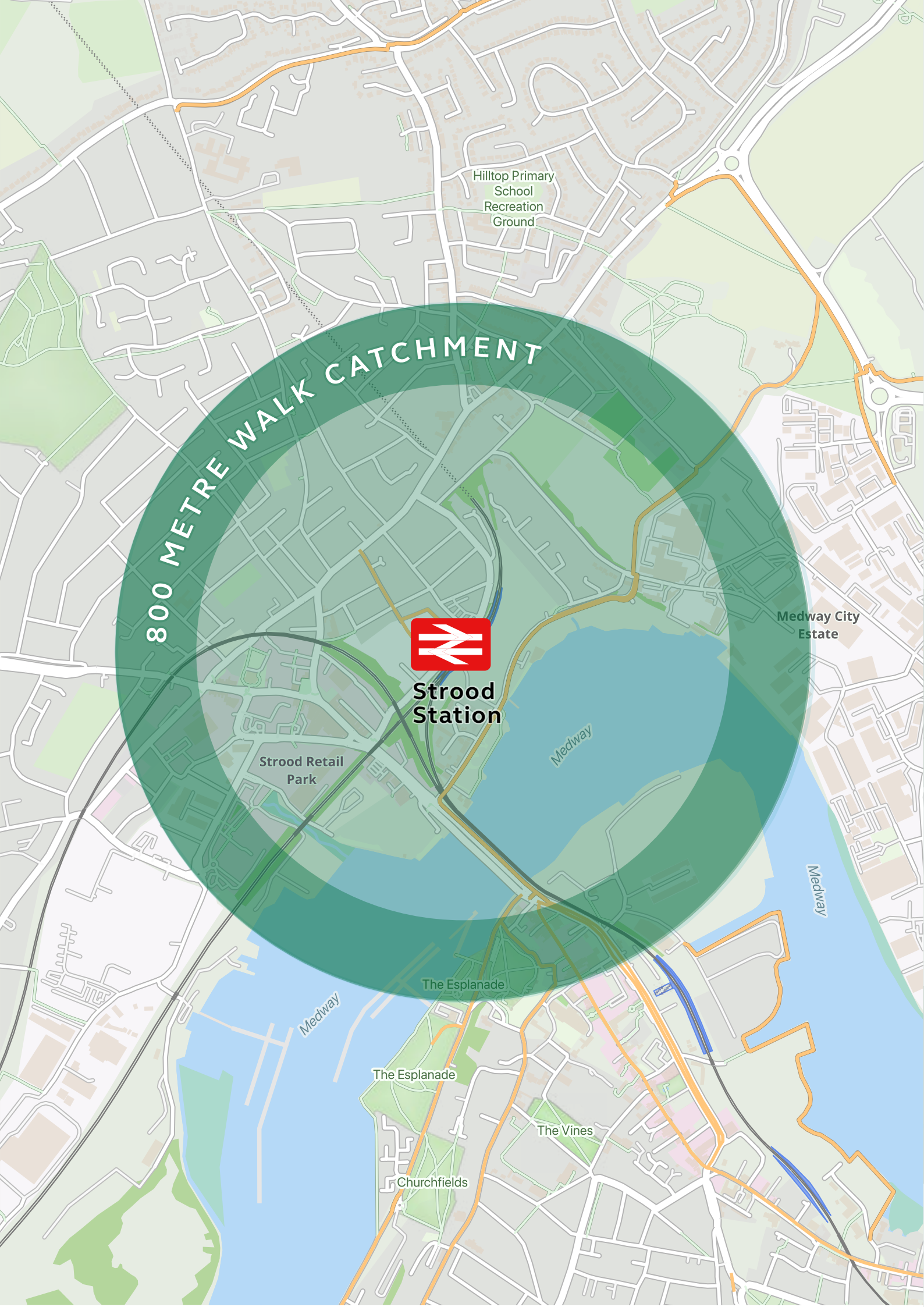


Fig 3: Number of developments within 1 mile of Strood station 2010-2020

Source: Glenigan Ltd.



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The renovations to Strood railway station complement the regeneration of Strood, which is becoming an increasingly popular area for residents and businesses and is a fantastic place to live, work, learn and visit.

Cllr Alan Jarrett, Leader of Medway Council.

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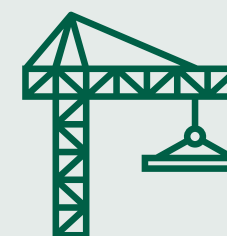
5.6%

annual increase in house prices in areas close to Strood Station



13.6%

increase in service sector jobs



Before: After:

26 - 41

Developments within 1 mile of the station per year, pre and post-investment



6.3%

per annum growth in enterprise units

Burnley

Manchester Road

Created a modern station that symbolised Burnley's rejuvenation

Date: 2013 - 2014

Funded by: Burnley Borough Council, Lancashire County Council, European Regional Development Fund, NSIP

Cost: £2.3m

Background

The residents of Burnley had successfully campaigned for the reinstatement of direct train services to Manchester to support the ongoing regeneration of the previously industrial town. Its principal station, Burnley Manchester Road, was understaffed with outdated facilities and very little car parking.

Local aims

The redevelopment of the station and the new service to Manchester were intrinsically linked. The town council wanted to create an iconic, visual gateway to the town, supporting an increase in passengers and attracting new businesses and residents.

How the partners worked together

Burnley Borough Council part funded and led the scheme from design to delivery, with support from East Lancashire Community Rail Partnership who obtained funds for the initial feasibility works. Lancashire County Council secured EU funds and Northern Rail sourced funds from NSIP. Network Rail worked closely with the local authorities and leased the completed station from Lancashire County Council.

Works

Repurpose adjacent dairy for iconic, new station building

New car park and improved access around station

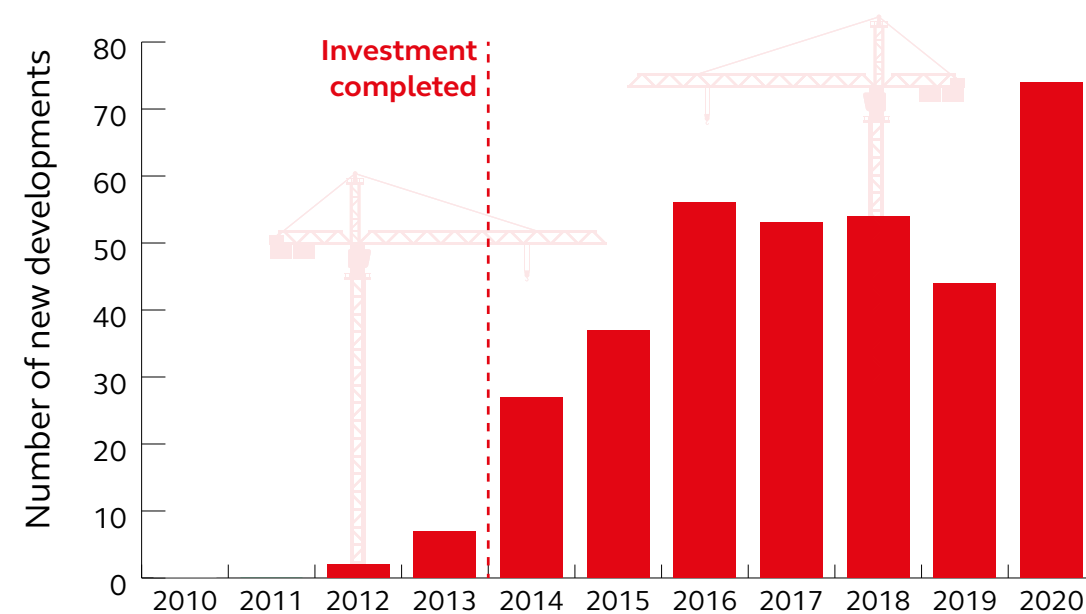
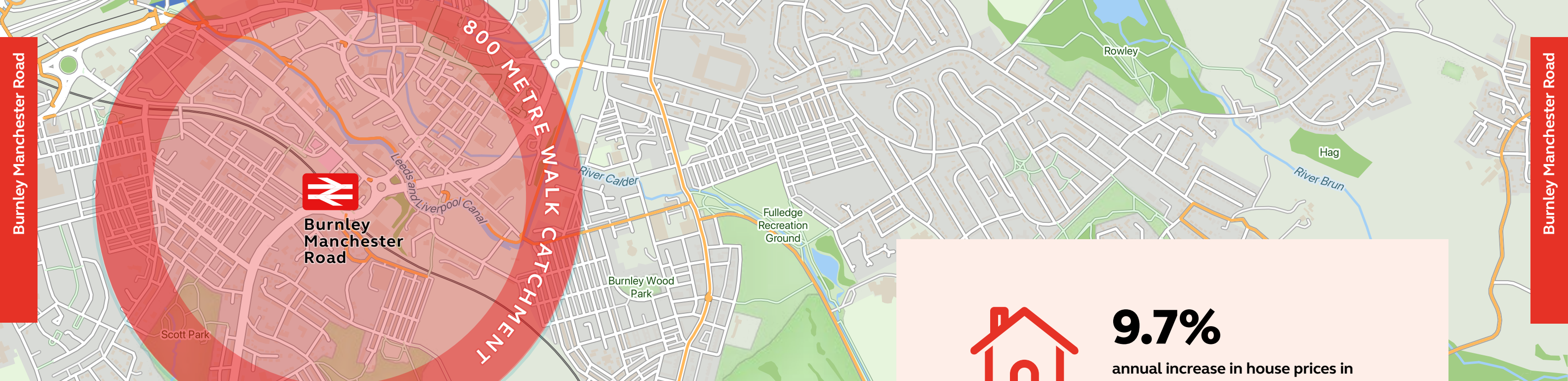


Fig 4: Number of developments within 1 mile of Burnley Manchester Road station 2010-2020

Source: Glenigan Ltd.





Benefits of the investment

Investment in the station has played an important part in the local commitment to economic regeneration and, in particular, to small and medium businesses. Since the improvements, new developments within a mile of the station have jumped from three to 39 a year, and there has been a yearly 3.7% increase in service sector jobs nearby.

The improved station has successfully attracted new residents to the area, with house prices for property within walking distance of the station increasing by 9.7% a year.

And it has supported investment in the town's future. The improved station and rail links were an important factor in the University of Lancaster's decision to build their second campus in Burnley, while the new Community Rail room is used for training apprentices.



The station now acts as an iconic gateway to the town...before the improvements it was totally inadequate.

Richard Watts, Community Rail Lancashire (formerly of Lancashire County Council).



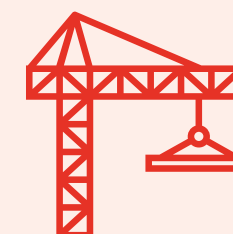
9.7%

annual increase in house prices in areas close to Burnley Manchester Road Station



3.7%

increase in service sector jobs



Before: After:

3 - 39

Developments within 1 mile of the station per year, pre and post-investment



3.5%

per annum growth in enterprise units

The future

Our economy is at a turning point, with the unprecedented impact of Covid-19 likely to resonate for years to come. It has changed the way we work, travel, shop and see people, with some of these impacts likely to be permanent.

This has created uncertainty for both the rail industry as well as local communities and businesses. These case studies prove that investment in stations is an important part of stimulating local regeneration, by creating employment, supporting local businesses and improving connectivity.

In addition, research indicates that passengers are likely to travel at different times of the day and days of the week in the future, therefore the role of stations within their communities must continue to evolve. Parts of station buildings could become available for community and local business use, so now is the time for local stakeholders to get involved and have a say in shaping the future use of their stations.

The current economic uncertainty means that it is more important than ever that the rail industry works in partnership with different parties to fund and deliver these schemes and unlock the wider benefits for local communities. And we have seen from our research that success is more likely if the local authority is proactive and ambitious in their plans for station and local area developments.

While sometimes there is a perception that the railway can be challenging to work with, our case studies demonstrate the success of rail and local bodies working together to achieve a wide range of objectives. Rail companies are working hard, through the Rail Delivery Group to make collaborating with the rail industry easier, becoming more outwardly focused and recruiting regional teams who engage directly with local stakeholders to understand the priorities and constraints of the area.

We have found that key to the success of these projects is:

- good collaborative relationships;
- working towards a common goal;
- careful management of the project throughout with early identification of any potential problems;
- working closely with the local authority;
- a mixture of funding for complex projects;
- using local suppliers.

The publication of the Williams-Shapps Plan for Rail has confirmed the industry's ambitions to respond to the impact of Covid-19, the post-Brexit economy and the drive for net zero carbon. The introduction of Great British Railways will deliver an accountable, customer-centric railway that meets the needs of our passengers today and tomorrow.

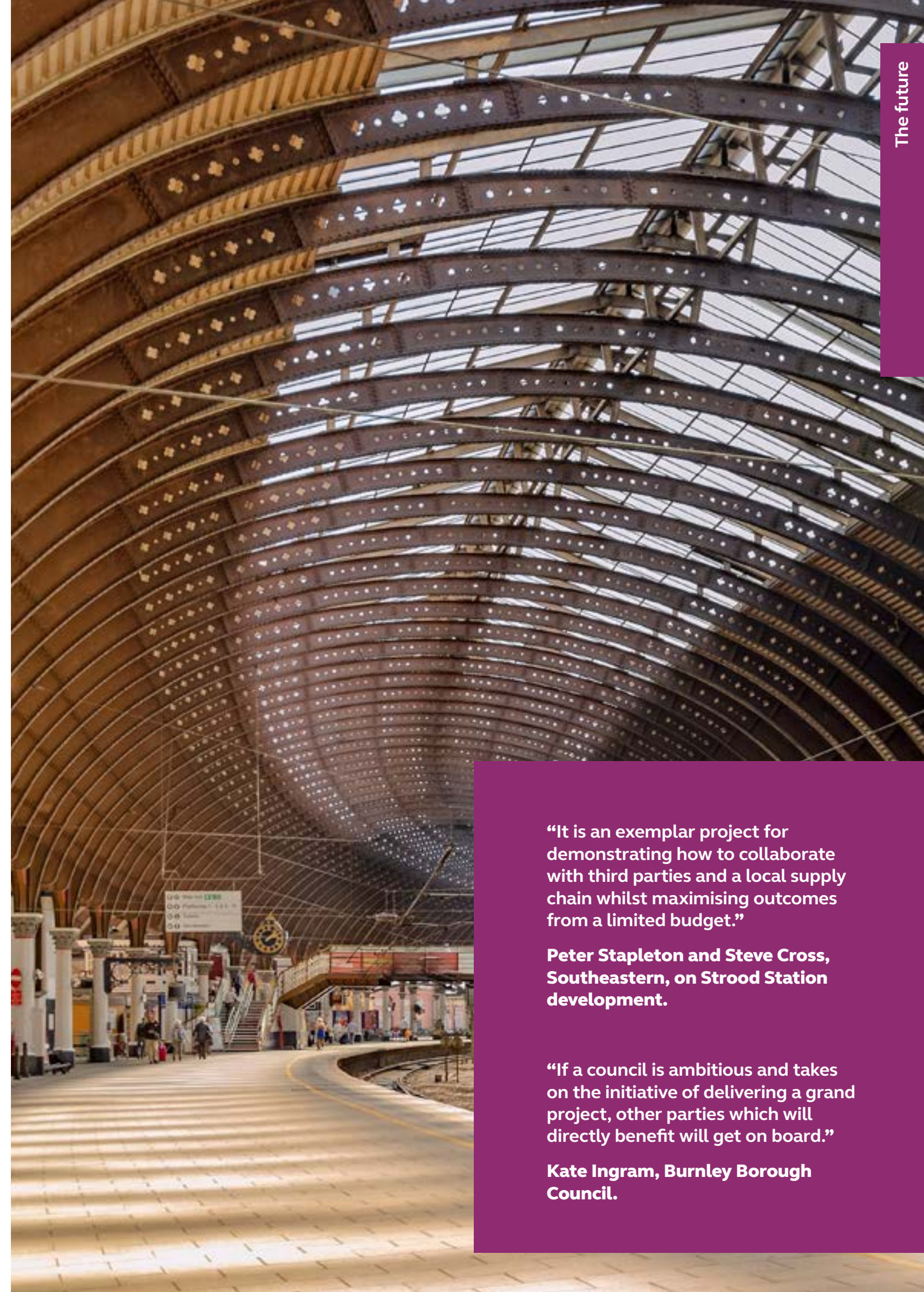
It is vital, as we emerge from Covid-19 and enter a period of reform, we continue to invest in our railway and stations so that rail becomes the natural first choice for public mobility. To do that, we, as the rail industry, want to work hand-in-hand with local partners to deliver the benefits of regeneration today.

"It is an exemplar project for demonstrating how to collaborate with third parties and a local supply chain whilst maximising outcomes from a limited budget."

Peter Stapleton and Steve Cross, Southeastern, on Strood Station development.

"If a council is ambitious and takes on the initiative of delivering a grand project, other parties which will directly benefit will get on board."

Kate Ingram, Burnley Borough Council.





Station reception
Toilets and Waiting room
Tide
Way out
Hammermith & City line
Heathrow train
First class lounge
Left luggage
Platforms 12 to 14
Way out

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