



Regenerating Britain's railway stations: a six-point plan



Rail Delivery Group



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Foreword

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Our railway stations have the potential to be a catalyst for change, and a gateway to both the National Rail network and the neighbourhoods they serve, creating opportunities across Britain and building our economy. Deeply intertwined with the growth of local communities since the Victorians opened up whole new vistas of Britain in the middle of the 19th century, nearly 200 years of railway history have provided a wealth of distinct heritage as well as a new generation of transport hubs. The success of our stations is achieved only by shared effort and ambition; the partnerships of the public sector, private and social enterprise, and organisations that are both part of the railway and outside it.

There are three important elements to success. Addressing a rich legacy of largely pre-20th century stations brings with it physical obstacles and regulatory hurdles. Rising passenger numbers mean that the status quo is not an option. By 2030 the 1.7bn passenger journeys on our network every year may almost double. Removing those barriers – narrow entrances, small ticket halls, narrow platforms and poor accessibility – can improve the image of a station and rapidly transform the perception of a town.

First impressions count and it is the station that people notice when they visit or leave an area. Investment in regeneration of a station can, in turn, increase confidence by providing a focus for development.

Improvements to stations can deliver wider benefits, fostering an entrepreneurial spirit, and innovation, as set out in the principles behind the Rail Delivery Group's *Vision for Stations* (2015). A revolution in station catering in the last 20 years has shed the railway of its reputation for curled-up sandwiches and bad coffee in a Formica-dominated buffet bar; giving way to higher quality retail outlets.

As well as serving food and drink, in many cases these outlets provide an important crucible for fledgling local enterprise from coffee shops to pubs, bars and restaurants, newsagents, post offices, parcel collection and even art galleries. Sometimes, these outlets provide space for an unfulfilled need or a place for a business or service displaced from elsewhere. The footfall for these places can be significant, with a regular flow of passengers and customers alike, some of whom may not intend to even catch a train.

The legacy of redundant railway buildings and land built for the age of steam, when the railway needed goods yards, sheds and turntables, has created a huge opportunity for many station sites, greater than just the buildings themselves. This space can enable and support new homes as governments look to vastly increasing the housing supply in the coming years, enhancing the quality of places to live, work and invest with the highly-valuable advantage of proximity to a railway station.

Jeremy Long, Chair
RDG Stations Strategy Group



Executive summary

The stories presented here of six stations in England and Wales – Burnham on-Crouch, Birmingham New Street, Bromsgrove, Swansea, Wakefield Westgate and Wokingham – serve as a template for regeneration and would be equally applicable to Scotland as well.

They have provided the case studies for this report and provide invaluable lessons for other stations, refined in six steps:

1 Have a clear idea of the role the station should play in the local community

Birmingham New Street was generally considered to be very poorly designed, gaining dubious accolades including being voted the worst station in the country. By the 1990s, the outdated 1960s building had become notorious for poor accessibility and interchange facilities, whether for passengers changing trains or for other modes of transport. The layout of the station also acted as a barrier to city centre pedestrian movement.

The New Street Gateway proposal, led by Birmingham City Council, set out explicitly to maximise the wider economic development and regeneration potential that could be unlocked by the scheme. It set out to realise the land development potential, exploiting the land use and urban planning aspect to enhance the cohesion of the city. In this way, the scheme could act as a catalyst to redevelopment of the city centre.

The resulting development was the product of a proactive and willing coalition across the public and private sector, sponsored by Network Rail, Birmingham City Council, Centro, the Department for Transport and the former regional development agency Advantage West Midlands. It was delivered by Mace, the principal contractor. To achieve wider success, the funding package also included hypothecated contributions.

2 Go beyond the red line - plan improvements to the area around the station at the same time.

Bromsgrove's new station brings improved facilities and better integration with bus services to make it more attractive for people to use the train to travel between Bromsgrove and Birmingham. This reduces congestion, carbon emissions and makes it easier to access the town and travel around it. Undercover, secure cycle storage, motor cycle parking, electric car parking and charging points were built, as well as covered bus stops and a larger 350 space car park. This makes the area more attractive for businesses and will encourage job creation in the Bromsgrove area.

3 Be clear about who is delivering what.

In 2010 a package of investment for Swansea station was assembled by Arriva Trains Wales and local decision makers and funders that included Regeneration Agency Swansea. Together they worked to develop a package of improvements at the station to address several objectives, including improving the appearance of the station and its integration with the surrounding area. Arriva Trains Wales and Network Rail directed renewal funding towards the project to meet their original requirements, that could be included at lower cost, contributing to a greater impact and wider benefit to the community.

4 Work with the leadership of the local authority as part of any plans.

The objectives of different organisations may not always be aligned, so good leadership is important in achieving consensus over what is desired. There are many local authorities that can point the way towards success in regenerating stations in their own areas. At Burnham-on-Crouch there was a mature approach to understanding the costs of the ongoing operation of the station and the building. Pragmatism as to what is commercially viable for a station is important.

While there is a wealth of case studies within this report, the Rail Delivery Group's annual Stations Summit provides a platform for examples of best practice, as well as forging links between local authorities and the rail industry.

5 Align the benefits of a better station with those who will gain most from it

Network Rail took the lead in managing the station improvement project at Wokingham, part funding the development via the National Stations Improvement Programme (NSIP). Wokingham Borough Council took the lead on the redevelopment of the station building, the forecourt, interchange with other transport modes and the access road. South West Trains, the train operator, was responsible for expanding the car park.

Wider benefits were created at Wokingham through an integrated package of works that sought to reduce the town's road congestion and relatively poor access to the railway station – the result of a collective and shared ambition to deliver more than 'just a station'.

6 Look to the rail industry for advice and help.

In a safety-critical industry that moves many people and goods every day, and with a significant contribution of taxpayer funds invested in it, there are always checks and balances involved in making changes. This can be complex, but as the stories indicate, there are ways and people to help navigate the task of bringing about the community benefits of successful stations.

Navigating the contractual and regulatory environment in which Britain's railway operates needs planning, and advice is on hand from organisations including the Rail Delivery Group. The RDG website, www.raildeliverygroup.com, as well as this report, contains further useful information.

Experience shows that there is no magic wand and no single organisation that will deliver improvements to railway stations.

Only by adopting a common-sense approach and working together can plans be developed to deliver an integrated, funded and sustainable solution to bring forward material change for communities and railways alike.

The six studies of small, medium and large stations, as illustrated in this report, prove that it can be done.

Introduction

The contribution of stations

Railway stations are a part of Britain's infrastructure and history. They provide a core element of one of the world's most extensive national railway networks. Some are icons of the past and embody stories of the everyday lives of thousands of people. However, a cared for and locally supported railway station has much more to offer. Stations have the potential to be a catalyst for change and a future icon, as well as a reminder of our proud heritage.

There are over 2,500 stations in Britain. These encompass a wide variety of station types, ranging from local stations that serve as the access point for travellers, to major stations that are major hubs in their own right, and a focus of economic activity. The function of stations, and their relationship with the local community and wider area means that successful station and related investment must be location specific, and have the support and buy-in of wider stakeholders if desired outcomes are to be achieved.

The Rail Delivery Group commissioned Steer Davies Gleave to build on their 2011 report on the value of station investment to tell the story of the role and benefits of stations through six case studies. The case studies reflect a range of station contexts, and while the rationale and impact of investment differs, we have sought to elicit the key lessons that can be applied across the stations network.

This report therefore deliberately sets out to demonstrate the benefits of collaborative working and investment between the rail industry and its community stakeholders.

We are proud of our stations and want to work with our partners and Government to transport more, to serve more, to offer more, and to generate more jobs, housing and economic growth.

Background to study

“Our vision is for Britain's stations to be places which are inclusive and welcoming, and which encourage everyone to travel by rail. This vision will be enabled by those working at the station, by the innovative use of technology, and by the involvement of the communities which stations serve.” (our Overarching Vision)

The intention for the study is to celebrate success stories and demonstrate how the experiences for the stations presented can be replicated elsewhere across the stations network. As evidenced by the examples selected, success is usually achieved through shared effort and ambition. Working together to address the objectives of the public and private sectors, railway and non-railway, passenger and neighbour, we think the case studies show the true potential of collaborative and creative working.

There is increasing recognition of the wider role that stations can perform.

This reflects stations' importance as a 'place' at the heart of many towns and cities. Stations can, as gateways, help forge people's overall impression of a location. Similarly, the intrinsic accessibility offered by stations, often combined with land availability, makes areas around stations a natural focal point for growth and regeneration.

The realisation of the potential of stations at the heart of our cities and communities will require a partnership of funding and delivery agencies including DfT, Network Rail, RDG, TOCs, Local Authorities, LEPs and private sector investment, and wider stakeholders.

Vision for Stations

We published our *Vision for Stations* in October 2015. The vision contains nine principles which are designed to underpin the overall Vision and illustrate how it will be achieved. The nine principles (9 Ps) are:

- P1 Customer focussed** There has been significant investment in stations but our Vision aims to build on this.
- P2 Intelligent use of technology** The latest information and ticketing technologies are fully utilised to support and enhance the experience at stations.
- P3 Seamless journey experience** Ensure stations are fully integrated with rail services and onward travel modes (including walk, cycle, bus, car, tube, transit, metro, air, ferry or ship).

P4 Reflect local needs and opportunities Tailor stations to reflect local needs and characteristics while still being part of a recognisable national network.

P5 Safe and secure environment Ensure all stations and their localities are places where users can feel safe and secure.

P6 Entrepreneurial spirit View stations as potential catalysts for innovation and entrepreneurship, and thereby enhancing the railway and local economies.

P7 Flexible and long-term stewardship Plan and operate stations for the long-term, with built in flexibility to adapt to change.

P8 Shared industry know-how Share knowledge and experience of what works best at stations in meeting passengers' diverse needs in the most efficient and effective manner.

P9 Optimised network Realise the full value of every station while minimising inefficiencies through investment and operation based on objectives and informed decision making.

At its heart, this research seeks to promote P8: Shared industry know-how, but also develops wider thinking within the Vision, including regarding P1: Customer focussed; P4: Reflect local needs and opportunities; P6: Entrepreneurial Spirit; and P9: Optimised network.

Study approach

The study examines, through several case studies, how investment has created stations that reflect the vision, both from a passenger and operational perspective and in their wider contribution to the local community and economy.

The case study stations are:

- Burnham-on-Crouch
- Birmingham New Street
- Bromsgrove
- Swansea
- Wakefield Westgate
- Wokingham

The case studies chosen reflect a range of station sizes, locations and contexts, but have a common thread in that they have sought to deliver benefits beyond the station curtilage to the wider community.

For each case study a number of key stakeholders have been spoken with to understand how station investment was planned and delivered and, critically, what the wider benefits have been. Drawn from the case studies, key issues and lessons learned have been identified. These have shaped the conclusions for the broader implications for future investment in and around stations.

We would like to thank all stakeholders for their assistance in this study, and the insights this has brought, and these have shaped the findings and broader implications for future station investment and the wider economic and social benefits achievable by the leverage if third party funding.

Report structure

The report is structured as follows:

Chapter 2 sets out the context of the railway network and the opportunities and challenges it faces.

Chapter 3 illustrates how investment in stations can contribute to a virtuous circle supporting regeneration, community benefits and local growth.

Chapter 4 describes the context for stations given national and regional governments' agendas for devolution.

Chapter 5 presents a summary of the six case studies.

Chapter 6 draws together key implications for the role investment in stations can play to support benefits to their local communities.

Case studies provide more detail on the examples provided in Chapter 5.

The growing railway

Britain's railway has probably never been as important to Britain's growth and prosperity in peace time as it is now. Congested highways and the growth in cities and their populations mean that the railway is unique in the role it can play in moving passengers and freight.

Today the railway carries 50% more people than it did 10 years ago. More than 2,500 stations in Britain are now accommodating over 4 million people a day and this is forecast to grow.

The railway agenda and mandate

A unique estate

With a network that dates from the late 19th century, the railway and its stations often occupy a unique place in both the towns and cities of Britain, as well as the nation's psyche.

Almost 20% of the station estate has elements considered to be worthy of protection and preservation. It is clear that stations such as St Pancras International and Kings Cross, where their heritage features are preserved and promoted, are enjoyed by traveller and visitor alike. The redevelopment of Kings Cross has been integral to the redevelopment of the 67 acre site, transforming what was an underused industrial wasteland into a new part of the

Similarly, more than 50 Community Rail Partnerships are providing smaller stations with clear identities that differentiate and promote their communities and help to support sustainable communities and railway services.

The 2009 *Better Stations Report*¹ identified stations poor passenger perception of many rail stations how a lack of investment in stations (compared to investment in route upgrades since privatisation) affected not only the passenger experience, but also the perception and performance of towns:

“Stations are deeply entwined with their local community and effectively act as the gateway to both town and railway. They leave passengers with their lasting impressions of both – a dilapidated station is bad business for both town and railway.”

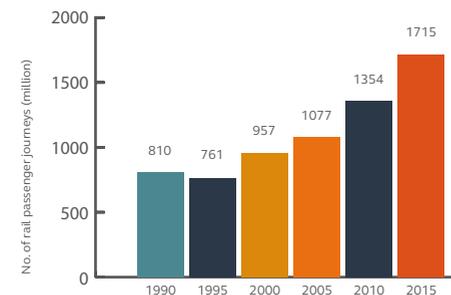


Figure 2.1: Growth in railway patronage

city with homes, shops, offices, galleries, bars, restaurants, schools, and even a university. St. Pancras has now become a major destination in its own right, offering high-end retail and dining. Both have contributed to the wider regeneration and enhanced perception of the wider area.

Over the last few years there has been significant investment in Britain's railway stations. Not only has this delivered the high-profile schemes at flagship stations such as at King's Cross, Birmingham New Street and Nottingham, but it has facilitated the provision of more accessible and welcoming stations such as at Wakefield Westgate and Wokingham.

¹ <http://collections.europarchive.org/tna/20100409091328>

Some of Britain's railway stations are now international icons of design – a demonstration of the very best of British design, railway management or partnership between Government, community and industry. Others have helped to create and strengthen local identities, providing a stimulus to different sectors of the community and economy.

There have also been many smaller scale improvements to the way in which stations integrate with their surroundings, through improved wayfinding, permeability and pedestrian enhancements. This are also ongoing good practice initiatives to support the delivery of such improvements².

Despite these initiatives, many smaller and medium sized stations remain in poor condition and this often has the consequence that the surrounding areas share the legacy of underinvestment and appearance of neglect. Through the maintenance, renewal and enhancement has kept the nation's stations open and safe the challenge is to extend the benefits of station and related investment to many more smaller and medium sized stations.

Delivering the railway mandate Stations Policy Outcomes Framework

The Department for Transport (DfT), through its initial response to the RDG Vision, is establishing an emerging policy direction reflected in its Stations Policy Outcomes Framework (October 2016) which identifies the different dimensions that station management and investors

should consider. As illustrated in the diagram, these encompass passengers, the rail industry and local communities.

Better passenger experience

Passengers have a right to expect a station environment which is welcoming and hospitable. When getting to and from the station and moving around it they should be safe and secure and feel as such.

As Britain's demographics change the station experience needs to serve all sections of society, including the increasingly elderly active population, the needs of those that are not digitally enabled, as well as address the accessibility needs of the wider population who may need assistance. Further, the provision of good quality facilities and application of appropriate technology should positively contribute to an improved journey experience, also aided by ensuring an integrated wide transport network.

Efficient and effective management

As a core part of the nation's transport infrastructure, millions of people depend on the railway network and its stations to get to and from education and work, see friends and access community and cultural activities. That reliance cannot be misplaced and the stations need to support the resilience of the railway network every hour of the day and every day of the year.



Figure 2.2: DfT Station Policy Outcomes Framework

Improved approaches to asset management and realising commercial opportunities will reduce operational costs of the railway and raise increased funds. The achievement of this must be done in an environmentally sustainable manner.

Better community integration

Over 99.6% of Britain's population is estimated to live within 20km of a railway station and over 9 out of 10 people are just a 20-minute cycle ride from a station. Britain's communities are the neighbours to our railway stations. They have the opportunity to use the station to access the railway network but also the potential to create new community amenities from

the unique position often occupied by stations in their communities.

The railway has a mandate to work with communities to identify and deploy the stations to best effect; to bring vibrancy, creativity and value wherever they can and in a manner that supports neighbours, passengers and industry goals.

Many people live beside, on top or even on Britain's stations. In respecting and engaging with these neighbours there is the opportunity to identify and minimise the day-to-day issues and realise solutions that benefit all.

² Fixing the Link Making good the walking route from station to town centre, CBT & Abellio

The future

A station estate designed and built for a bygone era provides an important part of the nation's physical and cultural history. That legacy also creates complex challenges of adaptation. Some stations have become remote or disoriented from their communities. Others have features which are difficult or commercially unattractive to adapt for alternative purposes such as retail or office space. With increasing rail demand many of today's railway stations will rapidly become outdated and even a hindrance. Without investment faster journeys could be hampered by queues to exit or enter the station and trains may be delayed as people try to board and alight on congested platforms without cover.

Consumer expectations are also changing – smartphones will be replaced by the next technology leap. The stations of the future will need to adapt and evolve to meet those increasing expectations – what was considered good in 2010 is now considered to be out of date at best, and insufficient or redundant at worst.

Adapting to the Internet of Things and the rise of personal mobility will be a particular challenge for the industry and its stations. Usage characteristics will change rapidly and effecting change across more than 2,500 stations will be a major undertaking. Willing coalitions of industry and community participants wanting to innovate, create and seize the opportunity of technology will best be placed to enact meaningful change.

The railway agenda

Over the coming years Britain will benefit from an unprecedented investment programme funded by tax payers and passengers. This will see the delivery of:

- rolling stock investment to increase the size of Britain's rolling stock fleet by 53-99% over the next 30 years;
- the introduction of digital technology will increase capacity on existing railway tracks and bring increased reliability;
- changes to ticket retailing, fares, compensation and continuing enhance to passenger information will increase convenience and accessibility of the rail network and its stations;
- investment in electrification, the first major programme since the 1980s, will bring quieter, cleaner and more comfortable trains; and
- infrastructure investment providing improved capacity and journey times. The Northern Hub will aid the North in its continued economic growth, and the completion of Thameslink Programme and Crossrail will see better connected cities and localities with access into and through the very heart of London.

Together these and other investments will help the railway to meet its anticipated growth. This growth will continue to support Britain's economic growth and help to create new housing and employment opportunities.

The challenge

Much of the growth stimulated by Britain's economy is expensive to accommodate on the congested railway network and its stations. The cost of expanding railway stations and surrounding streets to cope with increased footfall can be expensive, and so too is meeting consumer and neighbour expectations with regards to station function and form.

Allied to this, many customers view the railway as expensive and, in cases, poor value for money. This creates an imperative for the industry and partners to communicate and articulate the benefits and value of investment to the community and wider stakeholders.

Integration into local neighbourhoods requires participation, coordination and investment in and around stations. Providing attractive and safe walking routes, offering cycle pathways and conveniently located bus stops with real time information support integration, but are not within the railway's sole control.

The railway has a mandate to operate an efficient and reliable railway network of services, but our ambition is for much more. Our ambition is a railway network of stations maximising the contribution they make to all those who use them, live or work next to them, or those who just enjoy them and their facilities. We want to work with communities and stakeholders who want to actively contribute to meeting the challenge and seizing the opportunity that the nation's stations can offer.

The role of stations – the virtuous circle

Evidence from previous research

Steer Davies Gleave's 2011 research³ provided strong evidence that station investment can have a major impact in terms of urban regeneration and transformation. The study identified that:

- in Manchester, investment at Manchester Piccadilly was a catalyst for 650,000 sq. ft. of new and refurbished office space, and an increase in office rents of a third.
- in Sheffield, analysis of Sheffield station showed that three years after the station redevelopment there was a 67% increase in total rateable value within 400m of the station - three times the average increase across Sheffield over the same period.
- in Birmingham, increased investor confidence was evident following

the commitment of the station redevelopment and new sources of funding were leveraged due in part to the effect of the investment in the station.

- in St Helens, the investment in a new station and the surrounding public realm improved the overall image and perception of St. Helens and transformed the George Street Quarter into a prosperous business, residential and leisure quarter.

Steer Davies Gleave identified that investment benefits would generally arise through one or more of the following benefit levers:

- removing physical barriers to movement in and around the station, particularly in the case of large cities where railway alignments can cause



Figure 3.1 St Helens Central Station

dislocations from adjacent or core parts of the same city;

- improving the image of the station in a manner which changes the perception of the town or city and thereby making the area more attractive as a place to live and work; and
- leveraging wider development in the area by providing a focus for investment and increasing confidence of progress and change.

It was found that station investment acted as a catalyst for wider investment. For larger projects, public sector investment typically involved public realm improvements or the re-development of adjacent land to higher quality commercial use.

The confidence this instilled created a 'tipping point' where private developers gained the confidence to invest, as the increased value of land made investment in higher quality and higher value commercial developments viable.

Both Manchester Piccadilly and Sheffield provided evidence of a 'ripple effect', whereby initial development prompted partly by station improvements increases investor confidence and encouraged further development across the city.

The resulting virtuous circle substantially increases the level of economic activity in the surrounding area, providing a further stimulus to employment, productivity and land values.

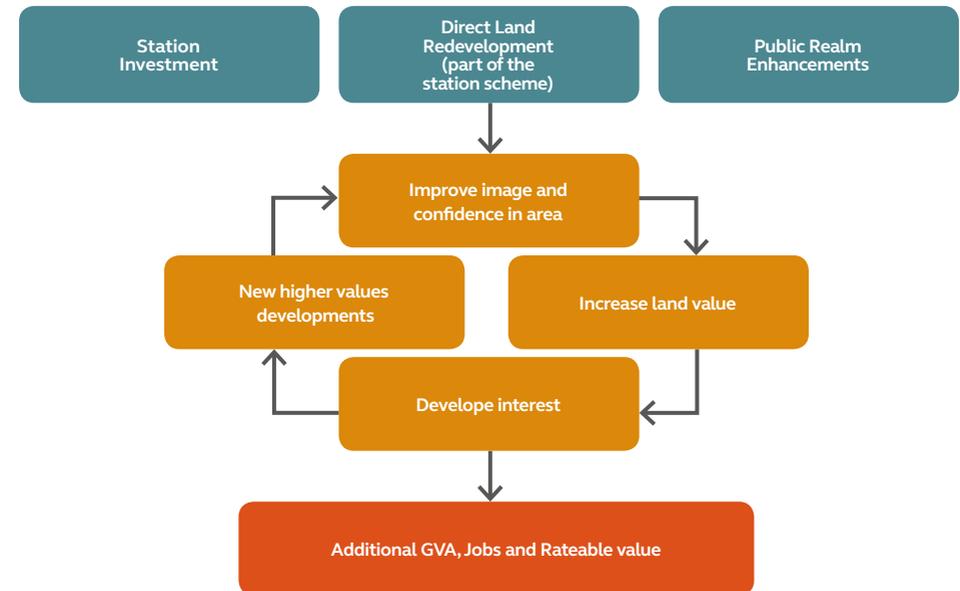


Figure 3.2 The Virtuous Circle

3 The Value of Station Investment: Research on Regenerative Impacts (for Network Rail)

The devolution context

The 2011 research by Steer Davies Gleave confirmed that there were local economic benefits created from successful station schemes. It demonstrated there was a case for local engagement, participation and investment. That case for localism is all the more relevant in Britain today's increasingly devolved world.

Background

While devolution of transport powers accompanied the establishment of the Scottish Parliament and Welsh Assembly from the late 1990s, transport funding, powers and investment prioritisation remained heavily centralised in England.

The 2008/9 recession highlighted the need for the UK to rebalance its economy, both sectorally and spatially, to address the ongoing challenge of supporting productivity and jobs growth to maintain our national wealth. For the Government to achieve this, it had to understand the practical challenges and develop an appropriate policy response.

The policy response was informed by learning the lessons of 'what works' - the importance of agglomeration effects. This has driven the case for considering areas in terms of their 'functional economic geographies'.

A review led by Michael Heseltine⁴ to examine how rebalancing and growth could best be achieved recommended

the devolution of powers, funding and additional flexibilities to City Regions and Local Enterprise Partnership (LEP) areas, each of which reflect the geography of day-to-day economic activities.

LEPs are business-led partnerships between local authorities and businesses, with a remit to determine local economic priorities and lead economic growth and job creation within the local area. Each LEP has prepared a Strategic Economic Plan (SEP), which sets out growth and investment priorities.

Alongside this, more locally, there has been an increasing emphasis on enabling communities to have a greater role in the planning process, to address planning constraints and to allow local communities to have a greater stake in shaping local planning and investment priorities.

The devolution revolution

The Localism Act 2011 established the legislative framework for devolution. Subsequently, individual City Regions and LEPs negotiated devolution deals with Government⁵, resulting in different levels of devolved freedoms around funding, decision making, investment incentives and increased borrowing powers being agreed.

The devolution process was initiated through the granting of City Deals to,

initially, the eight Core Cities and later to the next largest tranche of urban areas. Latterly, Devolution Deals have been struck between Government and a number of major areas. Greater Manchester and Liverpool City Region have been granted Mayoral Devolution Deals which will confer significant powers and flexibilities,

These greater freedoms have encouraged greater collaboration between authorities, and led to the establishment of Combined Authorities in many larger metropolitan areas including Greater Manchester (GMCA), Liverpool City Region (LCRCA), West Yorkshire (WYCA) and South Yorkshire (SYCA).

At the local authority level, there are plans to further devolve funding through the ability of local authorities to fully retain business rates⁶. This will mean that authorities will have a greater incentive to promote local employment growth. This is similar to the incentives that already exist through the Community Infrastructure Levy (CIL), whereby authorities can use 'development gain' from new housing to fund necessary local infrastructure.

Local authorities have to date, been promoters rather than significant direct funders of rail investment, reflecting the centralised nature of investment decisions whereby authorities have previously bid for centrally-held funding pots. Devolution will change the nature of these relationships.

Key challenges for devolved authorities

While different authorities (City Regions, LEPs, Local Authorities) enjoy varying degrees of devolved powers, funding and freedoms, the central challenge of how to prioritise and target policy and investment to achieve the goal of long-term sustainable economic growth is common to all. The devolution agenda recognises that the solutions to achieve this central goal will be locally specific.

There are a number of related challenges that are faced, to different degrees, by devolved authorities:

- supporting housing delivery;
- supporting growth of key sectors to drive local economic growth;
- providing access to jobs, education, health and culture;
- managing the local transport network, and ensuring transport policy, strategy and investment is supportive of wider economic, social and environmental aims;
- enabling the right commercial development to provide the premises required to support inward investment and expansion by business;
- addressing health and social deprivation;
- enhancing identity and the perception of place as a location to live, work and invest; and

⁴ No Stone Unturned in Pursuit of Growth, 2012

⁵ The first wave of city deals covered the 8 core cities, and the second wave covered the next 14 largest and 6 fastest growing cities.

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/535022/Business_Rates_Retention_Consultation_5_July_2016.pdf

- enhancing efficiency and effectiveness of economic drivers, i.e. people, finance, infrastructure and knowledge.

Implications for station investment

The combined effect of the devolution agenda and the challenges facing devolved authorities is that regional and local authorities will increasingly have the powers to borrow to invest in projects that support growth. This has several key implications for scheme promoters seeking investment in stations.

First is that there is a greater need for the case for investment to be made at a local level. This is because the investment must be shown to be delivering against local economic and wider priorities.

As such, promoters will need to demonstrate how station improvements can deliver wider benefits such as:

- supporting commercial development in and around the station;
- enabling and supporting housing delivery;
- enhancing the overall quality of ‘place’, and highlighting the importance of stations in making locations attractive places to live, work and invest; and showing how re-purposing or transfer of railway land and buildings delivers benefits to the wider community.

Second, there will need to be a more direct link between the investment in and around stations, the beneficiaries of investment and the funding streams available.

The funding mix for station investment will, in all likelihood, become more complex as it could potentially draw on funding from the rail industry (for improvement to passengers and the operational railway), devolved grant funding via LEPs, contributions from Local Authorities and third parties, and downstream financing via a combination of business rates, CIL and growth ‘payback’ models. Despite the greater complexity, ‘blended’ funding arrangements will be essential to deliver station investments that will not otherwise proceed. The industry will need to embrace this approach, and seek out and respond to the opportunities this affords.

Third, where station investment seeks to deliver wider benefits and the number of stakeholders and funders is correspondingly greater, this has the potential to introduce greater complexity around scheme development and implementation.

To navigate the challenges and opportunities for station investment arising from devolution, a medium to long term vision will be required between the industry, devolved authorities and stakeholders.

Case studies

Overview

We have looked in detail at six case studies. The purpose was to look at the specific drivers for investment, the role of stakeholders in planning, funding and delivering station investment, and the wider economic, regeneration and community benefits related to the investment.

We looked at different types of stations, scales of investment and different locations to identify where investment delivered different benefits and outcomes, but also to identify common issues, success factors and lessons that could be applied by industry partners considering future station and related investment.



Figure 5.1: Case study locations

	Station entries & exits 2014/15 (ORR)	Station investment cost (£m)	Scheme opening year
Birmingham New Street	35,310,000	£750	2015
Bromsgrove	570,000	£25.0	2016
Burnham-On-Crouch	280,000	£0.14	2015
Swansea	2,170,000	£6.9	2012
Wakefield Westgate	2,480,000	£16.4	2013
Wokingham	2,340,000	£12.7	2013

Table 5.1: Case study stations

Birmingham New Street station

In 2015 the £750m redevelopment of Birmingham New Street concluded. The redevelopment programme included a complete overhaul of the station’s design, both in terms of operational layout and aesthetics. The investment delivered a new concourse, with three and a half times more space than the previous concourse, improved signage, increased accessibility, and a striking new station exterior. This scheme was designed to address the many issues facing New Street station prior to its redevelopment, including excessive crowding, safety issues and regular station closures.



Figure 5.2: Birmingham New Street concourse
Source: Network Rail

Bromsgrove station

Between March 2014 and July 2016 a new station was constructed in Bromsgrove. The new station project, developed and led by Worcestershire County Council, Centro and Network Rail, was part of the wider electrification and re-signalling programme on the network, to accommodate an increase in service frequency. The new Bromsgrove station has four platforms and step free access, whereas the old station had only two short platforms and no step free access between them. New facilities for passengers include secure cycle storage, covered bus stops and 350 car parking spaces.



Figure 5.3: Bromsgrove station upon completion
Source: Worcestershire County Council

Burnham-on-Crouch station

This scheme involved the refurbishment of Burnham-on-Crouch station and Station House. The station building, canopy, ticket office and waiting room were all refurbished and the station canopy, lighting, seating and perimeter fencing was replaced. Two affordable art studios and space for community and voluntary use were created within the refurbished station building. Abellio Greater Anglia acted as delivery agent for the scheme and the premises is let on a 10-year lease at “peppercorn” (very low or nominal) rent for the station house. Burnham Town Council underwrites the net operating cost of the building.



Figure 5.4: Burnham-on-Crouch station and Station House after renovation
Source: South Eastern Electrical

Swansea station

An integrated project commenced in September 2010 at Swansea station. The project included the installation of new canopies over platforms, the introduction of ticket gates, new waiting rooms and toilets, the installation of a Customer Information Pod and bi-lingual signage, and an increase in the number of CCTV cameras. The station had not seen any material investment since the 1970s, and as a result there was a perception that the station’s tired appearance was discouraging investment in its vicinity. Increased retail facilities at the station followed the station investment.



Figure 5.5: Swansea station concourse after redevelopment
Source: South Wales Evening Post

Wakefield Westgate station

The redevelopment of Wakefield Westgate station was a vital component of the broader regeneration agenda in Merchant Gate, the area between the station and the city centre. The project delivered a new station building with an open plan foyer, new waiting areas, and an improved quality retail offering. The area around the station was enhanced through public realm measures providing quality public space with signage, seating and street furniture. The new transport interchange outside the station includes taxi / car drop off area, short stay parking and bus stops.



Figure 5.6: Wakefield Westgate station after redevelopment
Source: Wakefield First

Wokingham station

As part of a project to improve Wokingham station and reduce traffic congestion around the station and in Wokingham town centre, a new station building was built, 50 metres north of the old station building. The new building has a lighter, more contemporary design with upgraded amenities, step-free access to platforms, an improved public realm surrounding the station, more parking and a new link road for better road connections. The site of the old station building became the southern section of the new link road. Delivering the new station building in a different location to the old station building meant that no temporary facilities were required during the construction phase.



Figure 5.7: Wokingham station following redevelopment
Source: BBC

Key issues and lessons learned Recognising the wider importance of stations

There was near universal recognition among stakeholders that stations represented more than just a transport node; they are vital gateways and their location, form and function dictate how people relate to place, move within an area and can affect how the whole location is perceived.

These attributes of stations can be positive or negative. A poor quality station that relates badly to the surrounding area (examples include Wakefield, Birmingham and Swansea stations prior to investment) inhibit people's enjoyment of place, and can serve to create a disincentive for either the private or public sector to invest – the inadequacy of the station becomes the barrier to regeneration.

This effect can persist over time and create a legacy of under-investment whereby the station and its surrounding public realm and built environment suffer. Again, this effect was prevalent in several of our case studies.

For other case study stations (Wokingham, Bromsgrove) the key issues were around the poor transport accessibility and interchange provided by the station, which again affects the way a place functions.

Shared stakeholder vision and commitment

A central theme where complex station and wider regeneration was delivered was the critical role of developing a shared vision among stakeholders, and having the commitment to realise the vision in the face of sizeable challenges.

In Wakefield, the 2008-10 recession threatened the viability of the commercial development and hence the delivery of the overall masterplan. However, the financial commitment and leadership of Wakefield Council and the English Cities Fund ensured momentum was maintained.

In Birmingham, Birmingham City Council (BCC) and partners rejected Network Rail's initial proposition for enhancing New Street station as it delivered passenger benefits (increased rail capacity and reduced station crowding), but failed to realise the wider opportunity to act as a catalyst for the regeneration of the South Side, which was centrally located, but effectively severed from the city centre. BCC's response was to take ownership of the station masterplan within the context of the development of the city centre as a whole.

Burnham Town Council had long campaigned for investment in Burnham-on-Crouch station and station house, but it was the formation of the Station House Steering Group that included the Town Council, Essex County Council, Abellio Greater Anglia and Essex and South Suffolk Community Rail Partnership, and

the articulation and agreement of shared objectives, that provided the catalyst for investment and action. What was initially a community-led concept came to fruition through the commitment and support of professional delivery partners.

The investment package delivered at Swansea was initially assembled by Arriva Trains Wales and other local stakeholders, including Regeneration Agency Swansea, and local user groups, including Guide Dogs for the Blind and Swansea Access for Everyone, were engaged throughout the design and delivery phases. Using stakeholders constructively, from the very start of the planning process, means that the scheme captures broader objectives, reflecting the station's role within the wider area.

Swansea station illustrates how early stakeholder engagement, and continued communication throughout the project design and development, can result in a cost-effective and practical design that meets the needs of current station users and the wider community.

“We are delighted to see how [Swansea] station now operates for passengers, staff and local residents...it was really good to see how all the stakeholders at the station worked together to deliver a holistic project, which in the end delivered far more than many expected at the outset.” (Peter Jenkins, BDP Architects)

Integrated planning and design

Related to the above is the role the integrated planning and coordination of station investment with wider improvements to the public realm, access and interchange and new developments.

This process occurred in different ways across our case studies. In Wakefield the development of Merchant Gate was firmly established as part of a wider masterplan in the early 2000s, and was delivered as such in 2013 (albeit as a later phase of the masterplan than originally envisaged).

For other stations the process was more evolutionary and iterative, whereby rail and other stakeholders recognised the shared goal, but the delivery was more ‘opportunity-led’ rather than systematically planned at the outset. For example, it was an infrastructure investment programme (electrification of the line) at Bromsgrove station that catalysed complementary improvements to the local highway network, and the improvements at Swansea station were described as a welcome “piece of the puzzle” by one local developer and stakeholder, suggesting a more organic synergy between station investment and the rejuvenation of the immediate environment.

At Birmingham New Street station, the initial plan for the redevelopment of the station, developed by the Strategic Rail Authority (SRA), was entirely reworked in order to better address the wider context (including the City Council's aspirations for the wider public realm).

“Network Rail's focus is often on the red line boundary around a station (showing the extent of their asset), and so urban realm considerations need to be brought to the fore if wider changes are planned or expected.” (Philip Edwards, Birmingham City Council)

Stakeholders recognised that there can also be tensions between the aspiration to integrate station and related investment, the need to manage conflict between stakeholders, and the deliverability of the overall initiative.

The consensus was that these conflicts were best managed through the development of a shared vision at the outset, and that delivery risk was best mitigated through the clear delineation of key project elements by the appropriate delivery agency (e.g. Network Rail, TOC, local authority, developer) so that dependencies are mitigated.

Leveraging funding – commercial opportunities

The rationale for, and affordability of, station investment is typically enhanced where commercial opportunities are realised.

There are two main sources of commercial opportunity; the enhancement of the retail offer within stations and the development of railway and adjacent land around stations, for either commercial/ residential purposes and / or to enhance car parking .

Enhancing the retail offer within stations, which can significantly increase their revenue generation potential for a station. The concentration of passengers with time to spare at a station creates an attractive market for many retailers. This has been recognised by the industry, and retail growth at stations has substantially out-performed the sector average. In November 2016, the British Retail Consortium announced that retail sales at London's railway stations had grown by 3.7 per cent, compared with UK-wide high-street growth of 0.2 per cent.

Station investment creates opportunity to design for enhanced retail through providing additional capacity to accommodate retail establishments and increasing the quality and comfort of the passenger environment and signage, which encourages retail spend during dwell time.

The redevelopment of Wakefield Westgate allowed the station space to be reconfigured to provide better passenger facilities and an improved retail offer. The funding was justified on a commercial basis, whereby retail sales and additional passenger revenue were forecast to exceed costs over the appraisal period.

For Birmingham New Street, the development of the ‘Grand Central’ shopping centre complex including John Lewis as the anchor store has helped cement and enhance central Birmingham's role as the primary regional retail centre. John Lewis's commitment to the Birmingham New Street store came at a time when many other retailers cancelled or postponed

investment in their physical property portfolio, suggesting that the commercial opportunity works for both parties; those advocating for station investment and the retailers upon which the investment case is built or enhanced.

Land adjacent to stations is frequently underdeveloped and used for low value economic activity, particularly where there is a legacy of underinvestment in the station itself. In these circumstances, individual developers are unlikely to invest where the new development would be located in an area otherwise blighted by poorly maintained land and buildings.

However, where adjacent land forms part of the railway estate it may be possible to encourage development on a wider scale, allowing investors to secure higher returns than would otherwise be the case.

This was true of several case studies considered. In Wakefield, land (including railway land) was consolidated to assist in the wider development. In Birmingham, a second version of the plan for the redevelopment of New Street station was developed in order to show thinking and aspirations that went beyond the 'red line' boundary of the station (i.e. the boundary owned and maintained by Network Rail). The redeveloped Birmingham New Street station is a good example of utilising the space above the station and station concourse, in addition to the 'core' station activity area.

Critically, the effective exploitation of commercial opportunities in and around a station can have a transformational impact on the quality of place and level of economic activity in the area that it serves. A feature of our case studies is that station investment, where it included (directly or indirectly) development of adjacent land has served to change the character and perception of the immediate area, and often of the town / city as a whole.

“[Investment in Wakefield Westgate station] has transformed and re-focused the commercial and office market in the city...the fact that investment is happening inspires investors and shows them there is an investment opportunity” (James Stephenson, Wakefield Council)

A common factor underpinning the success of our case study examples was the leadership role that forward thinking councils have taken in unlocking constraints, driving the project development and hence realising the wider potential of station investment.

Leveraging funding – public sector partners

While exploiting commercial opportunities can provide a 'win-win', serving to improve both the affordability of investment and delivering positive regeneration outcomes and passenger benefits, typically the commercial return alone will not be sufficient to fund station investment.

Our case studies demonstrate a number of examples where other public sector partners recognised the role that station investment could play in delivering wider outcomes related to regeneration, enhanced public realm, improved functioning of transport access and interchange and community facilities.

There are funding challenges facing the rail industry, which will require a greater leverage of other funding sources. Devolution should create a better alignment between the potential local contributors to funding, and the beneficiaries of the funding in terms of short term impacts (e.g. delivery of regeneration) and longer-term payback (additional CIL or local business rates).

The mandate of the rail industry requires investment to be justified in terms of benefits to passengers and the operational railway. Our case studies also showcase examples where the industry has worked successfully with partners where station investment proposals to deliver passenger and operational benefits provide an opportunity to deliver wider outcomes beyond the station facade.

A significant proportion of the total investment in all of the projects profiled across our case studies was provided by local councils or regional government.

Barriers and constraints

While our examples highlight the role of third party investment in stations, there remain barriers and constraints to the ability of local authorities to promote investment in stations.

A common feature is that Rail Industry station investment is often driven by the needs of the operational railway to, for example, increase service of platform capacity which, in turn, provides the stimulus and opportunity for wider investment. The implication is that, where there is not an operational imperative for investment, it can be harder for third parties to engage with the rail industry and justify station investment, despite there being a local growth or amenity rationale.

The institutional complexity of the rail industry also presents barriers to delivery, with the requirement to align investment with Network Rail Control Periods reducing flexibility, and the contractual arrangement between Network Rail, TOCs, Local Authorities and contracting agencies adding complexity to delivery.

There is a related concern for LEPs, whereby devolved funding for investment is approved at the Outline Business Case stage, but any cost overruns incurred by the rail industry are borne by the LEP, which can affect the overall LEP investment programme. Similarly, programme delays can potentially push planned investment beyond the period for which Local Growth Funding is available (up to 2020 / 21).

The upshot is that station investment projects are typically viewed by LEPs as having a strong strategic case, but are represent higher risk in terms of cost, deliverability, and the ability to mitigate risks, compared to other LGF schemes.

Alignment of funders and beneficiaries

The more holistic scope of station and related complementary investment, combined with the necessarily more complex commercial and public sector funding (and financing) mix, means that it will be increasingly important to align the potential funders of station investment with the beneficiaries.

The potential funders include DfT Rail, Network Rail, TOCs, fare payers, Local Authorities, LEPs and commercial developers. The beneficiaries include passengers, other (non-rail) users, developers, local businesses and local authorities.

The increasing devolution of funding, and the financing flexibilities (e.g. retention of business rates, CIL) mean that there is much greater opportunity for authorities to capture some of the longer-term financial benefits from growth and development.

Community buy-in

One particular case study showed a somewhat surprising example of where the number of passengers using the existing station did not have a bearing on the perceived value of the station and station building to the wider community.

Burnham-on-Crouch station is used by approximately 750 passengers per day (far fewer than any of the other case study stations), yet the investment at the station was championed by the community. In this instance the value

of the station was less about connectivity it offers, and more about the physical station asset and its location in the centre of the town.

Community buy-in to the project was key; it was the local council that instigated the project and local user groups supported the project throughout its implementation, including working with the delivery partners through the Steering Group to ensure the detailed specification fitted their needs.

“We were at the station regularly so we were able to pick up on specific user needs (e.g. particular kinds of sinks in the upstairs space of artists to use, DDA access and widened doors, LAN connection). These resulted in some necessary but minor changes to scope.” (Colin MacConnachie, Abellio Greater Anglia)

Implications for the future

Enhancing the evidence base

This study has demonstrated the continued existence of the previously identified benefit levers, but has emphasised that these don't need to come from expensive station reconstructions. Additionally, it has confirmed that the levers do not just apply at large stations, but also at smaller and medium stations.

In developing the latest case studies, Steer Davies Gleave deliberately set out to examine six stations whose improvements have occurred in the last four years and whose delivery was encouraged and supported with third party participation. The case studies presented identify a range of benefits from stations of a different scale and context.

Good governance is increasingly important

Funding for station investment will be sought from an increasing number of delivery partners and stakeholders in the future. Stakeholder relationships are going to become more complex, as a growing number of people and organisations have a stake in the outcome of the project. Successful partnership working. Positive engagement and the development of shared objectives will be key to delivering the range of wider benefits that our case studies demonstrate can be achieved through a coordinated approach to station investment.

A fragmentary funding picture does not need to mean a complex or frustrating stakeholder environment.

However, if clear and strong governance structures are agreed as early as possible, as soon as the project moves beyond the concept stage. A common understanding of the project's investment and the benefits to be realised must be the foundation on which the project takes place.

Local authorities can play a greater role in station investment projects

Our case studies demonstrated several projects in which the local authority played a leading role, in terms of funding and management.

Local authorities are well placed to encourage greater aspiration with regards to station investment and the outcomes, and our case studies have shown that there is a wealth of wider benefits that can be realised when stakeholders think beyond the station boundary. Local authorities are key to bringing together seemingly disparate groups of stakeholders and funding partners, building consensus and leveraging complementary resources (e.g. land beyond the station boundary).

For some projects, local authorities will need to take responsibility for taking on the lease for station assets for community uses.

We know that the benefits of well executed station investment projects often go beyond the immediate station user community; local authorities should be keen to play a role in delivering those benefits, in partnership with others.

Working together to create and secure funding and sustainable delivery

There are a number of key challenges that impact upon the success of the devolution agenda with regard to transport infrastructure projects. Transport infrastructure projects generally require high levels of capital investment. These investments may themselves yield high returns, but they can act as a catalyst for wider economic growth which can be captured. However, the funds collectable locally will vary widely between affluent and less

In Steer Davies Gleave recent work for the Campaign for Better Transport they identified a range of funding and financing options for transport infrastructure including:

- Tax Incremental Financing
- Developer Funding
- Asset Exploitation
- Residential Value Capture
- Municipal Bonds

One unifying emphasis to the options identified was the need for collective and local participation: “When designing a funding and financing approach it is important to look at, and seek contributions from, beneficiaries of the scheme...” and “.the funding approach for projects will need to have a local focus and be sufficiently flexible to suit the project context.”⁷

In the research for Campaign for Better Transport the research examined examples of funding and financing both in the UK and overseas. It is evident that the conclusions from this previous research bear out our findings in this report:

- “Utilise the local context of the project to secure developer support
- Public funds can create commercial investments and leverage private investments
- Identify the capital profile of the project and flexibility around the development schedule
- Securing support from the public (and private) bodies who are beneficiaries in the infrastructure development and/or a recipient of funding is crucial
- Close collaboration between authorities and an understanding that transport improvements benefit the wider geography can lead to focused transport investment
- Pooling local funds can allow regions to generate significant funding for larger public transport scheme that are mutually beneficial.”

The conclusion, therefore, is that working together to develop and deliver an integrated, funded and sustainable solution is the most likely to bring forward material change for communities and railways alike.

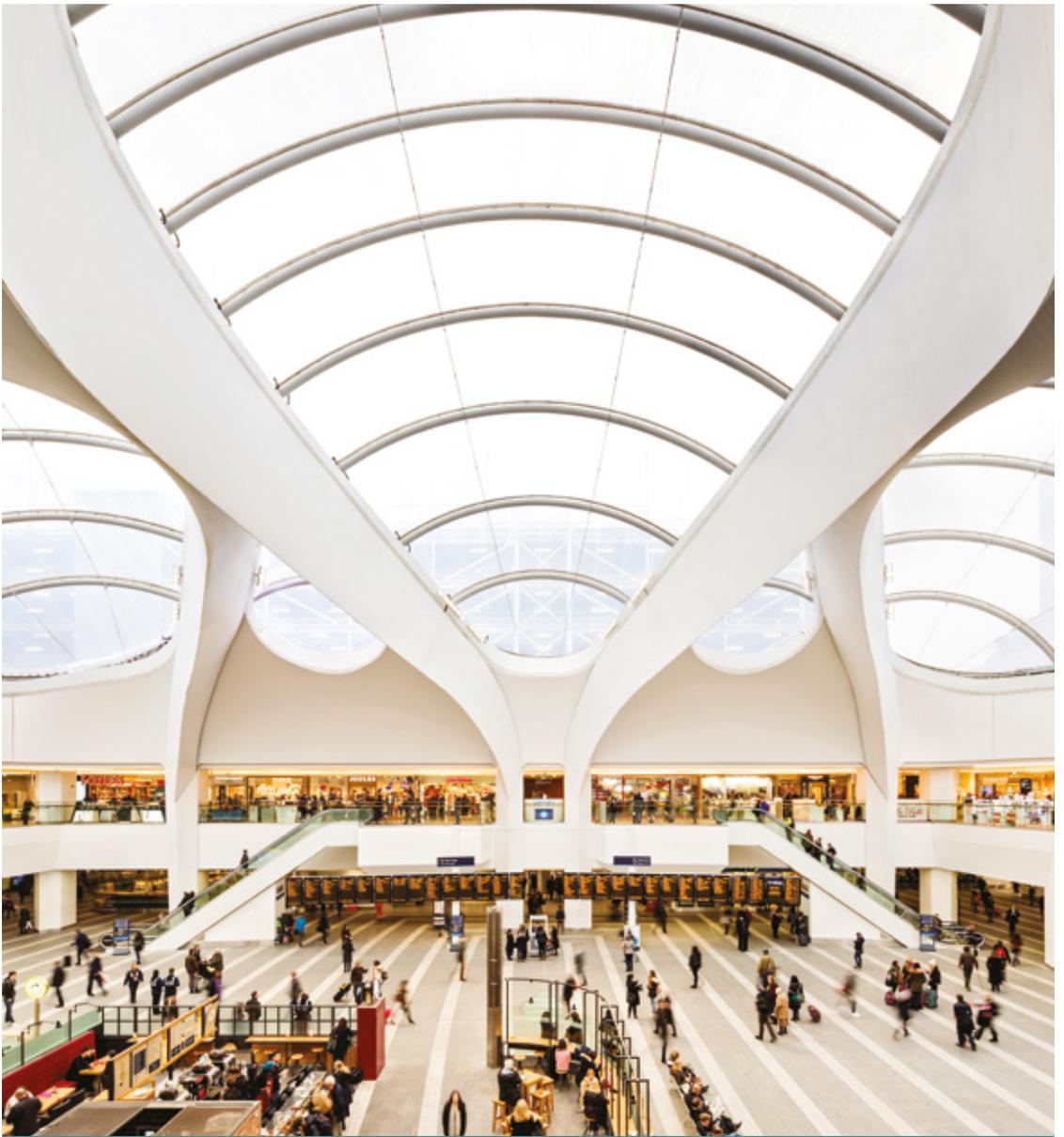
Station Place

In 2016 the Rail Delivery Group commissioned a series of illustrations for a new station in a typical small or medium town in Britain. The ‘Station Place’ concept was developed by bpr architects and based on the principles outlined in the RDG’s earlier *Vision for Stations* publication, published in 2015 and available at [http:// www.raildeliverygroup.com/about-us/publications](http://www.raildeliverygroup.com/about-us/publications).



- 1 Close up view of ticket hall. RDG. (top)
 - 2 A ground level view of civic space outside the station. RDG. (middle)
 - 3 An aerial view of civic space outside the station. RDG.(bottom)
- Front cover, top, Wide view of ticket hall. RDG.
- Front cover, left, A view of the platform. RDG.

⁷ “Funding & Financing Public Transport Infrastructure”, 2016, Steer Davies Gleave (for the Campaign for Better Transport)



Rail Delivery Group

