

From: David Brazier, Cabinet Member for Environment and Transport
Mike Austerberry, Corporate Director for Growth, Environment and Transport

To: Environment and Transport Cabinet Committee – 22 July 2014

Subject: 14/00056 - Thanet Parkway Station – Project Progress

Key decision: Expenditure of greater than £1 million

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: Future Cabinet Committee Meetings

Electoral Division: Ramsgate/Birchington and Villages

Summary:

This report sets out the preliminary work carried out to date identifying an engineering feasible site to deliver a Thanet Parkway Station and outlines the key milestones in taking this project forward.

Recommendations:

The Cabinet Committee is asked to note the content of this report and make recommendations to the Cabinet Member for Environment and Transport on the proposed decision (as attached decision sheet at Appendix A) to take forward the delivery of Thanet Parkway Station in the location to the west of Cliffsend by:

- a) Commencing land acquisition work;
- b) Undertaking public consultations to support the project development process, and;
- c) Undertaking project development work to enable the submission of a planning application and design work for the scheme.

1. Introduction

Kent County Council has for a number of years had an aspiration to deliver a parkway station and associated car park in Thanet to operate as a park and ride facility. A parkway station, in conjunction with the rail journey time improvements being implemented between Ashford and Ramsgate, will boost inward investment in Thanet by making it a more attractive location to do business. The connection to London in around an hour as well as the expanded employment catchment area for Thanet residents will provide a significant economic boost to East Kent. This report sets out the preliminary work carried out to date and seeks comment to the Cabinet Member on the proposed next steps in delivering this scheme.

2. Financial Implications

2.1 To date the development work on this project has been funded through the Transport Strategy revenue budget. £2.65 million capital has provisionally been allocated within the Growth without Gridlock element of the Council's Medium Term Financial Plan. The draw down of this capital will be subject to further financial approval.

2.2 In addition to this, to deliver the parkway station a funding bid has been made for £10 million to the Single Local Growth Fund, the outcome of which should be known this month (July 2014). Investigation of funding any gap given that the preliminary project cost is £14 million, is being explored with key partners such as Network Rail and Southeastern Railway Ltd.

3. Bold Steps for Kent and Policy Framework

3.1 The delivery of Thanet Parkway Station forms a key element of Bold Steps for Transport within Bold Steps for Kent. A parkway station will directly contribute to two of the three core themes within Bold Steps for Kent.

3.2 A parkway station will *help the Kent economy grow*. The improved journey time and faster access to London will increase the attractiveness of Discovery Park Enterprise Zone, and a number of business locations in the immediate vicinity of the station including EuroKent and Manston Business Park. This will support investment in these locations. The improved connectivity for Thanet residents to surrounding employment areas such as Ashford will help *to tackle disadvantage* in this particularly deprived area of Kent. Thanet has an unemployment rate of 5.3% compared to a Kent figure of 2.5% and a national average of 3.0%¹.

3.3 Providing a Thanet Parkway Station is also a component of KCC's statutory Local Transport Plan and the Council's 20 year transport delivery plan, Growth without Gridlock.

4. Station Location

4.1 Preliminary development work has been carried out to establish the engineering feasibility of delivering a Thanet Parkway Station. This work has included an assessment of the optimum location for such a station as well as an outline business case to establish the commercial viability of a new station.

4.2 Technical work was carried out (January 2011) which considered the best location for a parkway station between Minster and Ramsgate stations on the Ashford to Ramsgate line. The objective of the station at that time was to serve Manston Airport and the various business park sites in the vicinity while taking advantage of improved access to the new East Kent Access Road. While the future of the airport is currently uncertain, the demand modelling work carried out shows that even with no activity at the airport site, there is still sufficient demand for a new station in this location to make it commercially viable. This is covered in more detail in section 6 below.

¹ KCC Research and Evaluation Statistical Bulletin February 2014

4.3 This technical study considered a number of key elements in selecting a preferred site including station design requirements, rail operating implications, road access and potential property disturbance issues. Key constraints in terms of rail operation include the presence of auto half barrier level crossings (AHB). There are two which affect a station location on this section of line. These are the AHBs at Cliffsend and Sevenscore (see Appendix B). Another key determinant of station location is track gradient. For the section of line between Sevenscore and the A229 overbridge the gradient ranges from 1:330 at Sevenscore to 1:100 in the east at the A229 overbridge. This indicates that the further west the station can be sited on this section of rail, the better due to the shallower gradient. The curvature of 1520 yards to the west of the section of rail is within acceptable standards for a new station.

4.4 The remaining key operational constraint is signalling which on this line are located at 1 mile intervals. Locating the station to the east of the signal A99 (in the vicinity of the A299 overbridge) in the Ashford bound direction means all trains departing Ramsgate will be under caution (amber light) until the train departs Thanet Parkway. While this will have no impact in the off peak, it will impact performance during the peak. The optimum location for the station is therefore west of signal A99 and before the next signal (A101) a mile further to the east.

4.5 For the Ramsgate bound direction the optimum location is to the east of the Sevenscore AHB. This avoids the need for significant changes to the signalling for Cliffsend AHB. Taking the constraints of both directions in terms of signalling as well as gradient, curvature and location of AHBs, the optimum location for the station is immediately to the east of the Cottington Road underbridge (see Appendix B). While this site is on embankment and will require lifts to platform level, in terms of rail operating constraints, this location is considered the most technically feasible on this section of line.

5. Draft Business Case

5.1 An outline business case assessment has been carried out to establish the commercial viability of a parkway station. This work considered the following factors:

- Existing passenger and car parking demand
- Passenger demand forecasting
- Economic appraisal to establish if the proposal will represent a good return on investment and therefore value for money. This takes into account rail fares income, capital and operating costs of station and car park, user benefits and disbenefits and non user benefits such as impact on congestion, air quality, accidents.
- Commercial viability to establish if income will exceed cost of operation and maintenance of facility and therefore is affordable.

The findings of the draft business case work are presented below.

6. Demand Assessment

6.1 In terms of the demand assessment, given the uncertainty around Manston Airport, the analysis does not include any activity at the airport site. This could therefore be considered a worse case scenario and any future activity at the airport

site will further boost the case for a parkway station. The demand model uses a number of rail trips at each station per thousand of population derived from census data and augmented with local survey data to validate this. These interview and count surveys were carried out at Ramsgate station. In addition, future committed growth was included in the model. Table 1 below sets out the demand Thanet Parkway will generate over time under the scenarios of the car parking being charged and not charged. This shows that for example in 2021 with parking charged there will be a total of 106,000 trips annually at the Parkway station of which just over 40,000 are new trips and just under 66,000 abstracted trips from other stations. With no parking charge the figure would be 123,147 trips annually at the Parkway.

Table 1

	Annual Demand - 2021 With Parking Charge	Annual Demand - 2021 No Parking Charge	Annual Demand - 2031 With Parking Charge	Annual Demand - 2031 No Parking Charge
To London – Abstracted	29,298	36,098	31,396	38,811
To London –New	14,686	15,916	15,916	17,146
To Other – Abstracted	36,849	43,972	39,597	47,588
To Other - New	25,534	27,161	27,776	29,150
<i>Abstracted – Total</i>	<i>65,894</i>	<i>80,070</i>	<i>70,993</i>	<i>86,399</i>
<i>New - Total</i>	<i>40,220</i>	<i>43,077</i>	<i>43,439</i>	<i>46,549</i>
TOTAL TRIPS	106,114	123,147	114,432	132,948

6.2 In terms of where the abstracted trips come from, Tables 2 and 3 below provide more detailed information. The “lost” trips are those that no longer choose to travel by train at all which may be due to the slightly increased journey time to Ramsgate.

Table 2 Abstracted Trips with Parking Charge at Thanet Parkway (2021)

	Abstracted	Lost	Total	Trips with Thanet Parkway Operational	% Reduction in Trips
Ramsgate	46,094	15,155	61,249	393,357	15.35
Minster	3,893	-	3,893	26,092	12.98
Sandwich	15,960	-	15,960	127,370	12.53
Margate	665	3,626	4,291	180,240	2.38
Broadstairs	1,224	2,709	3,933	143,655	2.78

Table 3 Abstracted Trips with No Parking Charge at Thanet Parkway (2021)

	Abstracted	Lost	Total	Trips with Thanet Parkway Operational	% Reduction in Trips
Ramsgate	58,200	14,749	72,949	381,250	16.06
Minster	3,893	-	3,893	26,092	12.98
Sandwich	18,054	-	18,054	125,274	14.41
Margate	665	3,626	4,291	180,240	2.38
Broadstairs	1,224	2,709	3,933	143,655	2.78

6.3 While the tables above show that there is abstraction across all the stations within reasonable distance of Thanet Parkway, they also demonstrate that after

abstraction there is still an addition of over 40,000 new rail trips on the network in 2021 with the Parkway in operation. It also helps give confidence about the stations at which abstraction occurs. With the parkway station in operation Ramsgate still serves nearly 400,000 journeys each year in 2021 and at the other end of the spectrum, Minster caters for 26,000. Appendix C shows patronage across a number of other quieter stations in Kent that Southeastern serve as a comparison providing reassurance that the future of Minster and stations in Dover would not be in doubt as a result of the operation of Thanet Parkway.

7. Economic and Commercial Appraisal

7.1 The economic appraisal carried out follows the Department for Transport's (DfT) appraisal processes. The results are that the station with parking charges of £3.50 per day has a benefit cost ratio to 2.12. If parking is free of charge, the benefit cost ratio is 2.20. This can be interpreted that for every £1 of cost there will be a return of £2.12 or £2.20 depending on whether parking is charged or not. According to DfT's guidance, any project with a benefit cost ratio of over 2.0 is considered as high value for money. A summary of these assessments are provided in Appendix F.

7.2 The commercial assessment considers the operating costs of both the station and the car park (with and without a parking charge of £3.50 per day). The purpose of this assessment is to demonstrate to the train operating company (TOC) that the additional revenue achieved from calling at the station will exceed the cost the TOC requires to pay to the station operator (Network Rail) in order to call at the station. This additional revenue comes from passengers who would not otherwise have used the railway. This assessment has also taken into account the loss of revenue from any existing passengers who no longer use rail.

7.3 The outcome of this preliminary commercial assessment shows that for both parking charge scenarios, the generated income from the station significantly exceeds the costs. When considering the car park operation, if KCC was to be the operator and with a charge of £3.50, the operation would be commercially viable. If parking was not charged and therefore there is no income stream, there would be a loss of around £270k over a 30 year period. Alternatively, if the car park was operated by the TOC, this operating cost would be more than offset by the increased rail fares income the TOC would receive from serving the Parkway station.

7.4 There are a number of options for operation of the station and car park. These range from KCC retaining the station and car park with agreement included in the franchise for the TOC to serve the parkway station to KCC selling station and car park to Network Rail or TOC. While this latter option removes risk from KCC, it also removes possibility of an income stream (from car parking). A mid range option would be for Network Rail or the TOC to operate the station and KCC to retain ownership of the car park element of the proposal. All options will be considered further in discussion with the relevant parties and implications of each assessed within the commercial case as the project progresses.

8. Implications for Ramsgate Station

8.1 Throughout this preliminary development work for the parkway station, concern has been voiced about potential impacts on Ramsgate station and in particular whether an enhanced Ramsgate station could provide the benefits a new Parkway

station would deliver. Additional work has been carried out to assess this. The findings are as follows.

8.2 To consider if Ramsgate station would be able to adequately cater for future growth in rail travel our study work first considered likely parking demand. By 2021 it is anticipated that there will be the demand for 289 parking spaces at Ramsgate station. The demand forecast however does not consider the future employment development in Thanet and Dover (including Discovery Park Enterprise Zone). The implication of this is that even if the 289 parking spaces could be provided, it is likely that this would not represent a long term solution. At present there are 44 spaces at the station car park with many rail users opting to park on surrounding residential streets.

8.3 Various options to accommodate this additional parking have been considered. These include:

- Decking the existing station car park;
- Building a multi storey car park at the Network Rail Maintenance Depot;
- Building a car park at Warre Recreation Ground; and,
- Acquiring industrial land on Princess Road to construct a car park.

8.4 For the first option of decking the existing station car park, while physically possible, what it does do is route additional traffic through the residential area to access the rail network. The well-being and privacy of the local residents will be greatly affected by decking the existing car park. An estimated cost figure would be £6-10 million for what could be considered as short to medium term fix only.

8.5 Building a multi storey car park on Network Rail's existing car park in its maintenance depot has a number of challenges. Firstly, Network Rail requires their existing car parking capacity to be maintained for their own use in addition to the numbers required for public parking. Secondly, they require HGV access to the ground floor of the car park and secure access for their own element. This puts the estimated cost figure at £7-10 million. In addition to this there would be a 7 – 10 minute walk from the car park along Newington Road and the path to the northern boundary of Warre Recreation Ground. This walk is unlikely to make the parking facility attractive to station users who may be tempted to park on street in the residential area instead.

8.6 The option of building on Warre Recreation Ground was considered and while physically possible, the main challenge in relation to this option is likely to be the lack of public support for this option due to loss of green space and recreation area in the urban environment. Again it will mean additional traffic on residential streets to access the station.

8.7 Lastly, the option of acquiring some of the existing industrial land off Princess Road which was suggested by Thanet District Members was considered. This land lies within 8 separate land holdings of which 5 have operational businesses and 2 are used for warehousing and storage. One plot of 0.46 acres is currently vacant. This size would be insufficient to accommodate the number of parking spaces needed. As with the above options, it would also mean additional traffic using residential streets in order to access the rail network.

8.8 From the above, it is evident that there is no straight forward option for expanding car parking at Ramsgate that does not have significant disbenefits. All options will increase traffic in the residential area with the attendant congestion, safety and pollution issues and none of these options will provide a long term solution to predicted rail passenger growth.

9. Manston Green

9.1 The promoters of the Manston Green development (800 houses, community facilities, school and associated road infrastructure) have been in discussion with KCC to understand the feasibility of delivering a parkway station on an adjacent site to their development proposal which is under their control. A planning application for the housing development as described above was submitted to Thanet District Council in late 2013 and is expected to be presented to their Planning Committee in September.

9.2 The location of the Manston Green site would mean a parkway station would be located only 1 minute from Ramsgate station (the KCC proposed location would have a 2 minute headway from Ramsgate). This means it is likely there would be implications for service performance, and therefore the timetable, particularly for trains departing Ramsgate towards Ashford. KCC has requested information from the Manston Green promoter to evidence that the proposed station location would be technically feasible at this location on the rail network. This evidence is awaited and we understand that to date the promoter has not entered into the necessary agreement with Network Rail to enable an assessment of whether a station in this location is technically feasible to take place.

9.3 A recent meeting with the promoter at the end of June clarified that their planning application does not include anything in relation to the provision of a parkway station or associated infrastructure. We understand that the developer is willing to work with KCC to explore the delivery of a parkway station on the site adjacent to the planning application site and would be willing to pay for the construction of an access and car park and provide the necessary land for the station. There may also be the possibility of a financial contribution depending on the detail of such factors as percentage affordable housing required as part of their current planning application.

9.4 At present KCC has no more detail regarding this proposal including on key factors such as development build-out rate and hence the trigger points for releasing the land for the station or how such a S106 agreement would operate when it is attached to the planning permission for an adjacent site and the proposed development it pertains to does not have planning permission. In addition, the provision of the land for the station would not add significant financial support to the project as land costs in relation to total project costs tend to be small.

9.5 Overall, with the information we have to date including the technical work we carried out assessing the optimum location for a station on this stretch of railway, and informal discussions with Network Rail, the proposed Manston Green site has more uncertainties associated with it and could potentially therefore be more problematic to deliver than the KCC proposed site. In addition, given the stage the Thanet Local Plan review is at and the complexity that the Manston Airport closure has added to

this review, it is likely there will be uncertainty over the planning context for this housing site for a considerable time. The land is currently unallocated.

10. Stakeholder Engagement

10.1 The completion of the business case assessment has enabled KCC to begin to undertake stakeholder engagement in relation to this project. The result of this investigatory work has been presented informally to KCC Local Members, Thanet District Council Cabinet and will be discussed in the near future with Dover District Council. A project board involving the Cabinet Member for Environment and Transport been established and has met twice. Also represented on the project board are Southeastern Railway Ltd, Network Rail, DfT, Thanet and Dover district councils as well as various KCC representatives such as Property Services and Finance.

11. Future Work Programme

11.1 Subject to Cabinet Member approval to move forward with this project, the next steps in the work programme are as below. It should be noted that much of this programme and associated timescales is dictated by the Network Rail GRIP (Governance for Railway Investment Projects) process. Being a project that results in new infrastructure on the railway network, it is essential we comply with this process if a new parkway station is to be delivered.

11.2 Indicative future milestones are:

- Public consultation on selected site – early 2015
- Feasibility design - Summer 2015
- Land acquisition and planning application – end 2015
- Construction contractor procurement commences - Autumn 2016
- Detailed scheme design – end 2017
- Construction complete - end 2018.

12. Conclusions

12.1 Significant preliminary work has been carried out to establish if Thanet Parkway Station is deliverable in terms of rail operation and a robust business case. Work to date concludes that the optimum location for a new station would be just to the west of Cliffsend and also that on current information, it would be commercially viable.

12.2 Consideration has also been given to providing an enhanced Ramsgate Station option. While there are a number of possible options that could be provided, our investigation has concluded that none of these are without significant challenges and disbenefits, and none provide a long term solution. Finally, continuing dialogue has been ongoing with the promoters of Manston Green development who have put forward an option of an alternative site for a parkway station. To date however we do not have evidence to demonstrate that this site would be technically feasible for a new station and the ongoing planning situation places a considerable element of uncertainty over the deliverability of the proposal.

13. Recommendation:

The Environment and Transport Cabinet Committee is asked to note the content of this report and make recommendations to the Cabinet Member for Environment and Transport on the proposed decision (as attached decision sheet at Appendix A) to take forward the delivery of Thanet Parkway Station in the location to the west of Cliffsend by:

- a) Commencing land acquisition work;
- b) Undertaking public consultations to support the project development process; and
- c) Undertaking project development work to enable the submission of a planning application and design work for the scheme.

14. Background Documents

Thanet Parkway Station – Proposed Station Technical Note, Steer Davies Gleave, January 2011

Draft Thanet Parkway Station Business Case, Peter Brett Associates, March 2014

15. Contact details

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Appendix A: Decision Sheet

Appendix B: Location of Automatic Half Barriers and optimum station location

Appendix C: Low Demand Stations in Kent Served by Southeastern

Appendix D: Summary of Benefit Cost Calculations for Thanet Parkway