

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

|                  |   |              |  |
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| TO:              | STRATEGIC ENVIRONMENT PLANNING AND TRANSPORT COMMITTEE                                      |              |  |
| DATE:            | 4 APRIL 2017  | AGENDA ITEM: | 15   |
| TITLE:           | THAMES VALLEY LOCAL ENTERPRISE PARTNERSHIP - FUNDING FOR MAJOR TRANSPORT SCHEMES IN READING |              |  |
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1. EXECUTIVE SUMMARY

1.1 This report provides an update on the current major transport projects in Reading, namely:

- Southern and Eastern Mass Rapid Transit
- Green Park Station
- National Cycle Network Route 422

1.2 This report also details the process followed by Local Authorities to gain scheme and spend approval through the Local Enterprise Partnerships (LEP) for such major transport schemes, including initial and full business case submission and the assessment process followed by the LEP through an independent assessor.

1.3 Appendix 1 - Executive Summary of Business Case for South MRT Phase 1&2  
Appendix 2 - Executive Summary of Business Case for Green Park Station  
Appendix 3 - Executive Summary of Business Case for National Cycle Network Route 422

## 2. RECOMMENDED ACTION

- 2.1 That the Committee note the report and welcome the further significant investment in Reading's strategic transport infrastructure, as set out in the approved Local Transport Plan and the associated business case for Reading's economy.
- 2.2. That the Committee note the progress to date of the individual Transport Schemes as detailed in the report and endorses the inclusion of the "Local Funding" elements of each scheme in the Council's rolling Capital Programme.

## 3. POLICY CONTEXT

The Council's third Local Transport Plan covering the period 2011-2026 provides the context for Reading in terms of the economy, environment and quality of life. The long-term vision for transport in Reading aligns with the objectives of the Council's Corporate Plan and at the heart of our vision is the aim of better 'Connecting Reading' and a transport system that enables people to move around easily, safely, sustainably and in comfort.

## 4. THE PROPOSAL

### Introduction

- 4.1 Local enterprise partnerships (LEPs) are voluntary partnerships between local authorities and businesses set up in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area. They carry out some of the functions previously carried out by the regional development agencies which were abolished in March 2012. To date there are 39 local enterprise partnerships in operation in the UK.
- 4.2 The Local Authorities in the Thames Valley LEP are Bracknell Forest, Reading Slough, West Berkshire, Windsor and Maidenhead and Wokingham.
- 4.3 Transport schemes funded from the Local Growth Fund (LGF) are required to demonstrate value for money through a scheme business case prepared in line with Department for Transport guidance (WebTAG). Financial approval for each scheme is provided by the BLTB (Berkshire Local Transport Body) on the basis of a review of each business case undertaken by independent assessors (White Young Green) who are appointed by the LEP.
- 4.4 The rigorous assessment process, overseen by the LEP, is to ensure the investment represents value for money in line with national guidance. This

process demonstrates that the transport schemes will provide significant benefits to the area in terms of enabling economic growth and housing development; alongside increased public transport and cycling usage resulting in journey time, decongestion, air quality, social inclusion, and public health and safety benefits.

- 4.5 RBC Project Officers have created strict internal governance procedures to ensure the management and monitoring of the LEP Growth Deal projects fully comply with existing DfT Major Project and RBC Project Management procedures.
- 4.6 The Governance structures include a Project Board where senior officers across the Council meet monthly to review progress to date and ensure compliance of Council procedures and project programmes.

## 5. MAJOR TRANSPORT PROJECTS

### SOUTH READING MRT

#### Introduction

- 5.1 South Reading Mass Rapid Transit (MRT) is a proposed series of bus priority measures on the A33 corridor between Mere oak Park & Ride and Reading town centre. The scheme would reduce congestion and journey times, improving public transport reliability on the main growth corridor into Reading. Any proposal will not reduce existing highway capacity along the A33.
- 5.2 The business case for Phases 1 & 2 of the scheme, from M4 J11 to Island Road, was approved by the BLTB in November 2015 with a BCR (Benefit Cost Ratio) of 3.55, demonstrating the scheme represents 'high value for money' in line with national guidance. **(Appendix 1 - Executive Summary Document)**
- 5.3 Phase 1A (Imperial Way to M4 J11) was completed in December 2016. Phase 1b and 2 (Bennet Road Gyratory to Imperial Way) are due to commence in the Spring 2017 subject to completion of the tender process.
- 5.4 Phases 3 and 4 of the scheme (Rose Kiln Lane to Bennet Road and Town Centre enhancements such as London Street southbound bus lane) have been ranked as the highest priority transport schemes in Berkshire for future funding from the Local Growth Fund. Indicative funding for the scheme was allocated by the Government in February 2017. A full business case will be submitted to the LEP in due course to be assessed for full financial approval. Phases of 5, 6 and 7 of South MRT are to be fully developed.

## 5.5 Phases 1 & 2 Cost summary

|          | LEP contribution | Local contribution |
|----------|------------------|--------------------|
| Phase 1A | £4,500,000       | £1,120,000         |
| Phase 1B |                  |                    |
| Phase 2  |                  |                    |

| Funding source                  | 15/16 | 16/17  | 17/18  | 18/19 | 19/20 | 20/21 | Total  |
|---------------------------------|-------|--------|--------|-------|-------|-------|--------|
| LEP/Growth Deal                 | -     | £2.97m | £1.53m | -     | -     | -     | £4.50m |
| Local Contribution <sup>1</sup> | -     | -      | £1.12m | -     | -     | -     | £1.12m |
| Total                           | -     | £2.97m | £2.65m | -     | -     | -     | £5.62m |

### Local contributions

Phases 1 & 2 - MRT Section 106 contributions from The Ridgeway, 23-25 Whitley Street, Imperial Way Audi Garage and Kennet Island. £255k  
DfT Local Transport Plan Block Grant - £865k.

## 5.6 Phases 3 & 4 cost summary

|         | LEP contribution | Local contribution |
|---------|------------------|--------------------|
| Phase 3 | £10,100,000      | £3,000,000         |
| Phase 4 |                  |                    |

| Funding source                  | 15/16 | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total  |
|---------------------------------|-------|-------|-------|-------|-------|-------|--------|
| LEP/Growth Deal                 | -     | -     | £1.7m | £5.3m | £3.1m | -     | £10.1m |
| Local Contribution <sup>1</sup> | -     | -     | -     | £1.5m | £1.5m | -     | £3m    |
| Total                           | -     | -     | £1.7m | £6.6m | £4.4m | -     | £13.1m |

## 5.7 Local contribution

Phase 3 - Community Infrastructure Levy and/or Capital Borrowing (tbc)- £1.5m

Phase 4 - Section 106 from A33 developments such as Longwater Avenue, and DfT Local Transport Plan Block Grant - £1.5m

Current changes are being made to the CIL Regulation 123 list to allow Section 106 funds to be used to fund Phase 4 instead of CIL funds. Other phases and future phases would need to be funded from CIL / borrowing.

## EAST READING MRT

### Introduction

- 5.8 East Reading Park & Ride (P&R) is a proposed park and ride facility off the A3290 being led by Wokingham Borough Council and East Reading Mass Rapid Transit (MRT) is a proposed public transport link between central Reading and the park and ride site, running parallel to the Great Western mainline being led by Reading Borough Council.
- 5.9 The schemes were granted indicative funding approval in July 2014. A draft scheme business case for East MRT has been prepared with a BCR of 2.26, demonstrating significant benefits relating to economic growth, decongestion, journey time savings, air quality and social inclusion. The business case is currently being reviewed by the LEP's independent assessors with the intention of applying for financial approval for the scheme from the BLTB meeting in July 2017. Phase 2 will be considered at a future BLTB when the full business case has been prepared.
- 5.10 Work on a planning application for the Mass Rapid Transit scheme is being progressed with the objective of submitting the application early Summer 2017.
- 5.11 Phase 1 Cost summary

|                  | LEP contribution | Local contribution |
|------------------|------------------|--------------------|
| East MRT Phase 1 | £15,600,000      | £3,900,000         |

| Funding source     | 15/16 | 16/17 | 17/18 | 18/19 | 19/20  | 20/21 | Total  |
|--------------------|-------|-------|-------|-------|--------|-------|--------|
| LEP/Growth Deal    | -     | -     | -     | £5.4m | £10.2m | -     | £15.6m |
| Local Contribution | -     | -     | -     | -     | £3.9m  | -     | £3.9m  |
| Total              | -     | -     | -     | £5.4m | £14.1m | -     | £19.5m |

### Local contributions

Phase 1 - S106/Community Infrastructure Levy and/or Capital Borrowing  
(tbc)- £3.9m

## 5.12 Phase 2 Cost summary

|                  | LEP contribution | Local contribution |
|------------------|------------------|--------------------|
| East MRT Phase 2 | £3,500,000       | £1,000,000         |

| Funding source     | 15/16 | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | Total |
|--------------------|-------|-------|-------|-------|-------|-------|-------|
| LEP/Growth Deal    | -     | -     | -     | -     | -     | £3.5m | £3.5m |
| Local Contribution | -     | -     | -     | -     | -     | £1m   | £1m   |
| Total              | -     | -     | -     | -     | -     | £4.5m | £4.5m |

### Local contributions

Phase 2 - S106/Community Infrastructure Levy and/or capital borrowing  
(tbc)- £1.0m

## GREEN PARK STATION

### Introduction

- 5.13 Reading Green Park Station is a proposed new railway station on the Reading to Basingstoke line. The station and multi-modal interchange would significantly improve accessibility and connectivity to this area of south Reading which has large-scale development proposed including the expansion of Green Park business park, Green Park Village residential development and the proposed Royal Elm Park mixed use development.
- 5.14 The scheme business case was initially approved by the BLTB in November 2014 and an additional funding allocation was approved in July 2016. The scheme has a BCR of 3.73, demonstrating it represents 'high value for money' with significant benefits relating to enabling economic growth and housing delivery, decongestion and air quality. In addition to the LEP this business case was approved by DfT Rail and included input from Network Rail and Great Western Railway. (**Appendix 2 - Executive Summary Document**)
- 5.15 Design work for the station is being progressed in partnership with Network Rail and Great Western Railway to ensure the station complies with the latest railway standards. An updated programme has been agreed between all project partners in line with the target opening date for the station of December 2018. Design work for the multi-modal interchange and surface level car park is being progressed in parallel with the station design work.

5.16 It was agreed by the Berkshire Local Transport Body in July 2016 that an additional £2.75m funding from the LEP's unallocated capital pot should be allocated to Green Park Station. This will ensure that passenger facilities at the station can be enhanced in line with the increased anticipated demand for the station due to the level of proposed development in the surrounding area.

5.17 Cost summary

|                        | LEP contribution | Local contribution |
|------------------------|------------------|--------------------|
| Green Park Station     | £9,150,000       | £4,600,000         |
| Interchange & Car Park |                  |                    |

| Funding source                  | 15/16 | 16/17 | 17/18          | 18/19          | 19/20 | 20/21 | Total          |
|---------------------------------|-------|-------|----------------|----------------|-------|-------|----------------|
| LEP/Growth Deal                 | -     | -     | £4.575m        | £4.575m        | -     | -     | £9.15m         |
| Local Contribution <sup>1</sup> | -     | -     | £2.3m          | £2.3m          | -     | -     | £4.6m          |
| <b>Total</b>                    | -     | -     | <b>£6.875m</b> | <b>£6.875m</b> | -     | -     | <b>£13.75m</b> |

Local Contributions

£4.6m specifically for the new station, secured through the Green Park Village S106 agreement.

NCN ROUTE 422

Introduction

5.18 National Cycle Network (NCN) Route 422 is a proposed cross-Berkshire cycle route between Newbury and Windsor. The route would provide an enhanced east-west cycle facility through Reading, linking to existing cycle routes to the north and south of the borough.

5.19 The business case for the full scheme (across 5 local authorities) was approved by the BLTB in November 2015 with a BCR of 2.08, demonstrating it represents 'high value for money' with benefits relating to decongestion, public health and safety. **(Appendix 3 - Executive Summary Document)**

5.20 Preferred option development has been undertaken and detailed design for the scheme is complete for Phase 1, which is the provision of a shared path on the northern side of the Bath Road between the Borough boundary and Berkeley Avenue. The first phase of works in Reading commenced in February 2017 and are progressing well.

## 5.21 Cost summary

|         | LEP contribution | Local contribution |
|---------|------------------|--------------------|
| Phase 1 | £1,200,000       | £100,000           |
| Phase 2 |                  |                    |
| Phase 3 |                  |                    |

| Funding source                  | 15/16 | 16/17  | 17/18  | 18/19 | 19/20 | 20/21 | Total |
|---------------------------------|-------|--------|--------|-------|-------|-------|-------|
| LEP/Growth Deal                 | -     | £0.45m | £0.75m | -     | -     | -     | £1.2m |
| Local Contribution <sup>1</sup> | -     | £0.05m | £0.05m | -     | -     | -     | £0.1m |
| Total                           | -     | £0.5m  | £0.8m  | -     | -     | -     | £1.3m |

### Local contributions

£0.05m Funding secured through the Lidl Bath Road S106 agreement  
Remainder (£0.05m) through DfT Local Transport Plan Block grant.

## SUMMARY OF SCHEME BENEFITS

- 5.22 The programme of major schemes as set out in this report represents an investment of almost £60m in the local transport network. The business cases demonstrate that the schemes represent high value for money individually, whilst collectively they will deliver over £130m of quantified benefits to Reading, predominantly through economic, environmental and health measures.
- 5.23 The MRT and rail schemes will significantly increase public transport usage, resulting in quicker, more reliable journeys with a higher frequency of services. Approximately half a million trips are forecast at Green Park Station alone, resulting in fewer journeys by private car and reduced levels of congestion. The resulting increase in transport capacity will enable employment and housing growth which the existing network would not otherwise have the capacity to accommodate. The investment in these schemes will help to ensure Reading both retains existing and attracts new businesses to the area, alongside enabling new developments which will create jobs and houses for local residents.
- 5.24 Environmental and health benefits will be achieved through reducing vehicle emissions and congestion, resulting in enhanced local air quality and reduced carbon emissions. The MRT schemes will be used by Reading Buses which has one of the cleanest bus fleets in the country. Increasing levels of physical activity through walking and cycling will result in further health benefits for the local population, with the new facilities linking to existing national and local cycle routes to provide a more joined up network throughout the urban area.



## **In Conclusion**

5.25 Members are asked to note the contents of this report, endorse progression of the projects as detailed and endorse the principle of the “Local Funding” elements of each scheme which will be reflected in future Council Capital Programmes.

### **5. CONTRIBUTION TO STRATEGIC AIMS**

5.1 The delivery of the projects outlined in this report help to deliver the following Corporate Plan Service Priorities:

- Keeping the town clean, safe, green and active.
- Providing infrastructure to support the economy.

### **6. COMMUNITY ENGAGEMENT AND INFORMATION**

6.1 The projects have and will be communicated to the local community through local exhibitions and Council meetings.

### **7. LEGAL IMPLICATIONS**

7.1 None relating to this report.

### **8. EQUALITY IMPACT ASSESSMENT**

8.1 In addition to the Human Rights Act 1998 the Council is required to comply with the Equalities Act 2010. Section 149 of the Equalities Act 2010 requires the Council to have due regard to the need to:-

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.2 At the relevant time, the Council will carry out an equality impact assessment scoping exercise on all projects.

### **9. FINANCIAL IMPLICATIONS**

9.1 As detailed in the report. The justification for the local match funding required to bring forward this investment in transport infrastructure is underpinned by the high BCR referred to above. Local funding will come from a combination of sources, including developer contributions in the

form of S106 or CIL receipts, other government grant funding for transport and where necessary, capital borrowing. The exact split will be dependent on a number of factors, and will seek to demonstrate the best use of council resources as the programme progresses.

## **10. BACKGROUND PAPERS**

- 10.1 Traffic Management Sub-Committee and Strategic Environment, Planning and Transport Committee reports.

## **APPENDIX 1**

[http://www.reading.gov.uk/media/4281/South-Reading-MRT-Phases-1--2---Business-Case-Executive-Summary/pdf/South\\_Reading\\_MRT\\_-\\_Business\\_Case\\_Executive\\_Summary.pdf](http://www.reading.gov.uk/media/4281/South-Reading-MRT-Phases-1--2---Business-Case-Executive-Summary/pdf/South_Reading_MRT_-_Business_Case_Executive_Summary.pdf)

## **APPENDIX 2**

[http://www.reading.gov.uk/media/2400/Reading-GreenPark-Station---Business-Case-Executive-Summary/pdf/Reading\\_GreenPark\\_Station\\_-\\_Business\\_Case\\_Executive\\_Summary.pdf](http://www.reading.gov.uk/media/2400/Reading-GreenPark-Station---Business-Case-Executive-Summary/pdf/Reading_GreenPark_Station_-_Business_Case_Executive_Summary.pdf)

## **APPENDIX 3**

[www.wokingham.gov.uk/\\_resources/assets/attachment/full/0/373358.pdf](http://www.wokingham.gov.uk/_resources/assets/attachment/full/0/373358.pdf)