GBF Transport Business Case Report

Thanet Parkway Station

001 Revision 7 Revision 07

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Document Control Sheet

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1 Introduction

1.1 Overview

1.1.1 Kent County Council (KCC) has developed a Transport Business Case (TBC) for the South East Local Enterprise Partnership (SELEP) Thanet Parkway Station scheme. The scheme has been allocated a portion of the Government's Local Growth Fund (LGF) by the SELEP in the form of the Kent and Medway Growth Deal.

1.1.2 This TBC has been based upon previous work undertaken by Peter Brett Associates and other consultants, on behalf of KCC, and collated by consultants Amey. It has subsequently been updated by Peter Brett Associates (now Stantec) and KCC following progress with the project between 2017 and 2019. This current revision (September 2020) has been updated following the successful bid for Getting Building Fund money.

1.2 Location of the Scheme

1.2.1 The proposed new Thanet Parkway Station will be located approximately 2 miles east of Ramsgate on the Ashford International to Ramsgate line, south of the Manston Airport site and just to the west of the village of Cliffsend.

Figure 1-1: Scheme Location

1.3 Background to the Business Case

1.3.1 The local growth white paper, published in October 2010, set out the roles that Local Enterprise Partnerships can play depending on their local priorities. The Chancellor of the Exchequer announced the first 11 zones in the 2011 Budget. The government has now created 48 enterprise zones.

1.3.2 A new approach to funding local major transport schemes, that are to be constructed in England (outside London) during the 2015-2021 period, was established in response to Lord Heseltine's report 'No Stone Unturned'. At its heart is a powerful case for decentralising economic powers from central government to local areas and leaders, as those best placed to understand and address the opportunities and obstacles to growth in their own communities.

1.3.3 On 18 March 2013 the government published its 'Response to the Heseltine Review', accepting in full or in part 81 of Lord Heseltine's 89 recommendations. Each of the 39 local enterprise partnerships was invited to submit a Strategic Economic Plan (SEP) by 31 March 2014, outlining their local priorities to maximise growth.

1.3.4 In July 2014, the government negotiated a Growth Deal with all 39 Local Enterprise Partnerships (LEPs), which awarded a significant proportion of the £12 billion Local Growth Fund to LEPs.

1.3.5 The South East Local Enterprise Partnership (SELEP) brings together key leaders from business, local government, further and higher education in order to create the most enterprising economy in England through exploring opportunities for enterprise while addressing barriers to growth. Covering Essex, Southend, Thurrock, Kent, Medway and East Sussex, it is the largest strategic enterprise partnership outside of London.

1.3.6 The SELEP has secured almost £590.8 million in funding from HM Government to boost economic growth in Kent, East Sussex, Essex, Medway, Southend and Thurrock between 2015 and 2021. The Deal will support the delivery of up to 78,000 jobs and 29,000, new homes as wells as facilitating the development of new skills in the SELEP area. The Local Growth Fund will also unlock a further £960 million of private investment over the 6-year period. For Kent, the funding allocation is £168 million which was been allocated, primarily for transport schemes, to the Kent & Medway Economic Partnership – the local arm of the SELEP.

1.3.7 Subsequently, in June 2020, as a result of the COVID-19 pandemic, Local Enterprise Partnerships were asked to identify a pipeline of 'shovel ready' projects aimed at restarting the economy and boosting employment opportunities. SELEP was awarded £85m of funding from the Getting Building Fund (GBF), with the spend deadline is March 2022.

1.3.8 All LEP's have signed up to develop a single assurance framework as part of the growth deal to ensure all have robust value for money processes in place. The purpose of this LEP assurance framework is to support the developing confidence in delegating funding from central budgets and programmes via a single pot mechanism. As part of their Growth Deal, LEPs will be expected to use this national framework to inform how they work locally, which must be set out in their own local assurance framework. The SELEP Assurance Framework is also used for the GBF schemes.

1.3.9 It is important that all LEPs have robust arrangements in place to ensure value for money and effective delivery, through strong project development, project and options appraisal, prioritisation, and business case development.

1.3.10 The methodology used to assess value for money and the degree of detail to which business cases are developed in support of particular projects or programmes should be proportionate to the funding allocated and in line with established Government guidance including the HM Treasury Green Book. Typically, the Government expect business cases to address, in a proportionate manner, the 5 cases set out in supplementary guidance to the Green Book.

1.4 Scheme Development History

1.4.1 In the development of the Thanet Parkway scheme, KCC has employed consultants at different stages to progress the feasibility and economic appraisal contained within this business case. The previous pathway of this work is contained in Table 1-1:

Table 1.1: Scheme Development and Contributors

Scheme Development	Contributors	Date	Reference
Proposed Station - Feasibility	Steer Davies Gleave	2011	110121 Annex 1 - Thanet Parkway Station Technical Note v1 0 -A
Outline Business Case	PBA	March 2014	Thanet Parkway Business Case 150127 v11.0

Scheme Development	Contributors	Date	Reference
Sensitivity Tests on economic and commercial viability	PBA	June 2015	28470 Thanet parkway Station - Sensitivity Tests Technical Note v4 0
Ground Investigation	AECOM	Nov 2015	
Regeneration and Wider Economics	Wessex Economics	2016	TPW Station Regeneration and Wider Economic Benefits Final Report Jan 2016
Revised Business Case – Economic Appraisal	PBA	April 2016	Thanet Parkway Station - Revised Business Case - Economic Case v2 0 TPW Station Regeneration and Wider Economic Benefits Final Report Appendices 160202 TPW Station Regeneration and Wider Economic Benefits Technical Papers 160203
GRIP3 Multidisciplinary Approval in Principle (Outline design to support funding bids)	AECOM	May 2016	Approval in Principal - P01
Validation of passenger demand and revenue forecast	SLC Rail JMP Consultants	2016	Referred to in NSF2 application (2016.11.25)
Scheme Cost Estimate	Gleeds	Nov 2016	
Passenger Demand Modelling	PBA	May 2017	Full Business Case Passenger Demand Modelling Report
Revised Economic Assessment	PBA	May 2017	Thanet Parkway Business Case - Medium Growth - 11052017
Full Business Case Economics	PBA	May 2017	36538 Thanet Parkway Station - Full Business Case Economics TN01 v2 (25 05 17)
Highways cost estimate	Allen Dadswell	April 2018	Cost Plan Nr. 4 Thanet Parkway

Scheme Development	Contributors	Date	Reference
Passenger Demand Modelling	PBA	July 2018	Full Business Case Passenger Demand Modelling Report
Full Business Case Economics	PBA	July 2018	36538 Thanet Parkway Station – Full Business Case Economics TN01 v3 (31 07 18)
Full Business Case Economics	PBA	September 2018	36538 Thanet Parkway Station – Full Business Case Economic Appraisal Methodology and Results TN01 (07 09 18)
Full Business Case Economics	PBA	January 2019	36538 Thanet Parkway Station – Full Business Case Economics TN01 January 2019 v2
The Impact on Housing Delivery in Thanet	Wessex Economics	March 2019	Thanet Parkway Station: The Impact on Housing Delivery in Thanet (for Thanet District Council) March 2019
Full Business Case Economics	PBA	April 2019	36538 Thanet Parkway Station – Full Business Case Economic Appraisal Methodology and Results TN01 (12 04 19)
Cliffsend and Sevenscore Level Crossing Enhancements Cost Plan Report Pre-GRIP Stage	Network Rail	June 2019	166066 Cliffsend and Sevenscore Level Crossing Enhancements Cost Plan Report Revision 1.3 Cost Plan Number 1911SG1353 13th June 2019
Formal Cost Plan Report GRIP Stage 4	Network Rail	August 2019	160124 Thanet Parkway Formal Cost Plan Report GRIP Stage 4 31st August 2019
Allen Dadswell Thanet Parkway Cost Plan Number 6	Allen Dadswell Construction Consultants	August 2019	Thanet Parkway Cost Plan Number 6, August 2019
Full Business Case Economics	PBA now part of Stantec	November 2019	36538 Thanet Parkway Station – Full Business Case Economic Appraisal Methodology and Results TN01 (13 11 19)

Scheme Development	Contributors	Date	Reference
Additional sensitivity testing.	Stantec	September 2020	Thanet Parkway Business Case - Core-3-4 Medium Growth L4 - 25082020 - TAG Sensitivity (03 09 2020)

1.5 Purpose of this Document

1.5.1 The purpose of this document is to provide evidence-based information to secure support from the Local Growth Fund for £10.0m and Getting Building Fund for £11.999m through the South East Local Enterprise Partnership to progress the Thanet Parkway Station scheme. It has been updated in September/October 2018 to take account of changes to the draft Thanet Local Plan and also to support the request for an additional £4m of funding through LGF 3b. Further revisions have been made in January, March and November 2019 following feedback received by Steer at Gate 1 and 2 review and a revised cost estimate from Network Rail in September 2019. In February 2020 the Business Case (revision 5) was submitted to the SELEP Accountability Board and approved for funding, subject to planning consent being granted. This resubmission is to account for the reallocation of funding away from Kent County Council and instead from the GBF.

1.5.2 Guidance for the preparation of Business Cases for Transport Schemes has been published by the Department for Transport (DfT). This is based on H.M. Treasury's advice on evidence-based decision making as set out in the Green Book and uses the best practice five case model approach. It also brings in other strands where relevant, such as a summary of predicted scheme outcomes and scheme operational case.

1.5.3 This approach assesses whether schemes:

- are supported by a robust case for change that fits with wider public policy objectives – the strategic case;
- demonstrate value for money – the economic case;
- are commercially viable – the commercial case;
- are financially affordable – the financial case; and
- are achievable – the management case.

1.5.4 The evidence gathered as part of the business case preparation process has been prepared using the tools and guidance provided by the DfT, notably WebTAG. This approach ensures that the evidence produced is robust and consistent.

1.6 Structure of the Document

1.6.1 This report is structured in accordance with the Department for Transport's guidance on Transport Business Cases, which was updated in January 2013. Following this Introduction, the remainder of the document is structured as follows:

- Chapter 2 provides a description of the scheme design;
- Chapter 3 states the Strategic Case;
- Chapter 4 presents the Economic Case including the Value for Money Statement
- Chapter 5 outlines the Financial Case;
- Chapter 6 details the Commercial Case;
- Chapter 7 provides the Management Case; and
- Chapter 8 presents an operational assessment to confirm that the planned scheme will be fit-for-purpose.

2 Proposed Scheme

2.1 Proposed Station Facility

Figure 2-1: Illustrative View of Proposed Station

2.1.1 The proposed station will provide two platforms of 252 metres in length and 2.6 metres in width to cater for 12-car, 20.2 metre rolling stock. To ensure a minimum clearance of 2.5 metres between the platform edge and any obstruction, the platform will be widened where waiting shelters, lifts and steps are located. Passive provision of driver only operation viewing facilities will be provided.

2.1.2 Each platform will be fitted with lighting columns that host CCTV cameras and Long Line Public Address speakers; two customer information displays and one passenger help point; and shelters to provide weather protection. Lifts, stairs and an underpass (a refurbished subway as part of an existing Public Right of Way) will provide access to the platforms.

2.1.3 The station forecourt will include two ticket vending machines, two bus shelters and bus passenger information. A set down area will be provided for buses, taxis and passenger drop off, together with staff parking.

2.1.4 Parking will be provided for 297 cars plus 20 short stay bays for passenger drop off and taxis (317 total car parking spaces including 16 disabled bays and 60 spaces with provision for electric vehicle charging points), motorcycles spaces, 40 pedal cycle parking spaces and a set down area for 2 buses.

2.1.5 To provide access to the station, a new direct access road will be provided from the A299 Hengist Way. Pedestrian and cycle access are provided from Cliffsend village via Clive Road, ensuring sustainable access to the station.

2.1.6 While it is anticipated that the station will initially be unstaffed, passive provision has been made in the design to accommodate a 12m x 6m standard modular building in future. This would provide a covered waiting area, booking office, staff accommodation and public toilets.

2.1.7 The proposed scheme is illustrated in Figure 2-2, including some amendments in response to comments received at planning application stage. Full scheme proposal plans are contained within **Appendix A**.

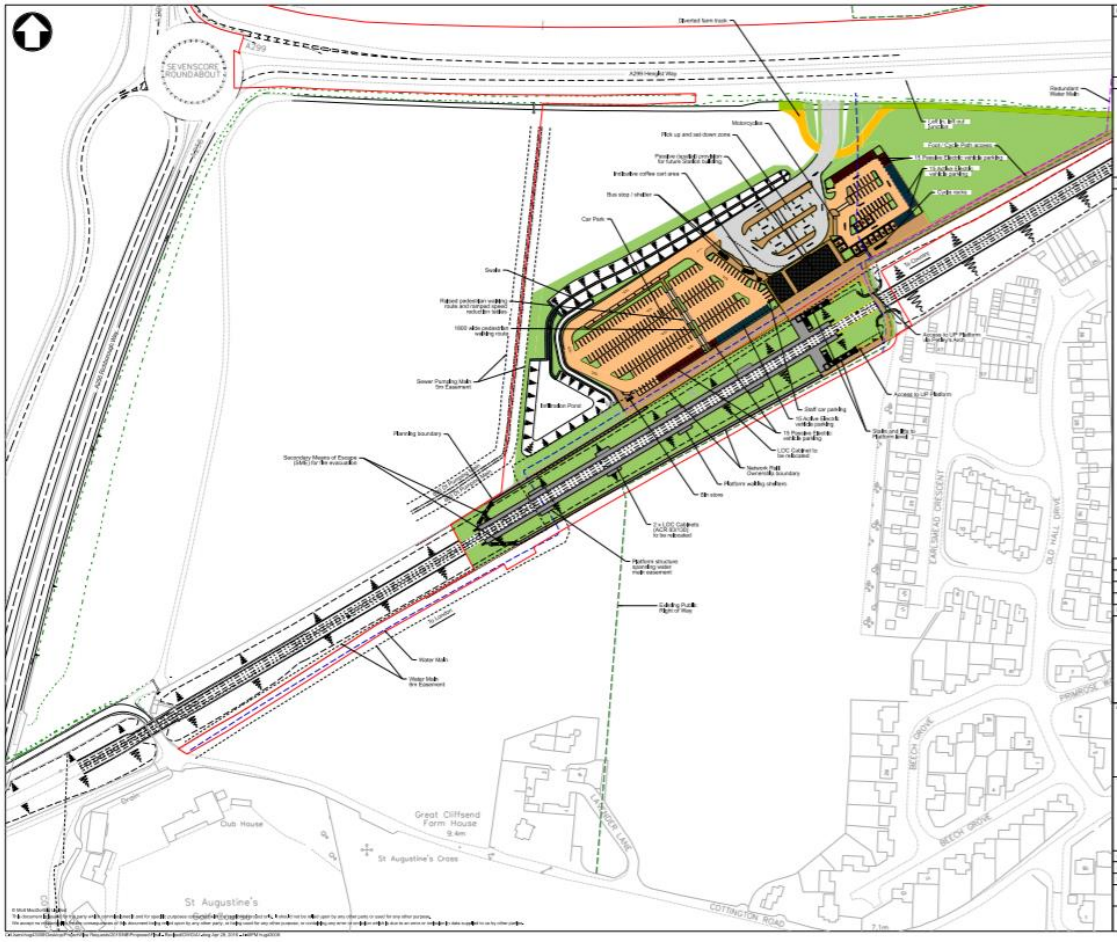

Figure 2-2: Proposed Station Outline Design

2.1.8 The current protocol is for the Train Operating Company (TOC) to be the Station Facility Owner (SFO). This is currently Southeastern operating under direct award from the Department for Transport (DfT) as the entire rail franchising system is under review (The Williams Review). Latterly, this has become a management contract owing to restrictions during the COVID-19 lockdown. The previous Invitation to Tender documents for the now cancelled franchise competition did include specific reference to Thanet Parkway and required the new franchise holder to enter into a Station Lease and therefore take on responsibility for the daily maintenance and operation of the station. It also stated that the new operator must make provision to stop at the new station. As the new franchise competition was cancelled, guidance from the DfT has been sought as to how Thanet Parkway will be incorporated into the service specification. Southeastern as the current TOC are fully engaged as part of the project team and the station proposal at the current design stage has been agreed by their Facilities Approval Panel (FAP).

2.2 Proposed Timetable

2.2.1 It is proposed that the station is served by the existing hourly services on the following routes:

1. London Charing Cross - Tonbridge - Ashford International - Canterbury West - Ramsgate (Mainline);
2. London St Pancras International - Ebbsfleet International - Ashford International - Canterbury West – Ramsgate - Margate (High Speed);

2.2.2 The new station will also benefit from the separate Journey Time Improvement (JTI) scheme which is currently being delivered. The expected journey time savings from the JTI scheme will save three minutes on the January 2015 timetable, which will offset the additional time incurred by stopping at the new Thanet Parkway station. For High Speed services to/from London St Pancras, it is therefore proposed that existing timings are retained between London and Ashford.

2.2.3 For example, as the average stopping time at Thanet Parkway station is scheduled as 3 minutes, and as the JTI saving is expected to be 3 minutes, the overall journey time to/from Ramsgate will not change compared with the current timetable.

2.2.4 For Mainline services to/from London Charing Cross, it is also proposed that the existing timings are retained between London and Ashford. With the same benefit from the JTI scheme, the journey time to/from Ramsgate would therefore remain the same as the current timetable.

2.2.5 The standard off-peak and peak timetable patterns would be as shown in Table 2-1 and 2-2.

Table 2.1: Proposed Hourly Off-peak Train Times

London St Pancras International	-	xx12
London Charing Cross	xx10	-
Ashford International	xx30	xx50
Canterbury West	xx49	xx07
Thanet Parkway	xx10	xx24
Ramsgate	xx13	xx27
Margate	-	xx39
Margate	-	xx53
Ramsgate	Xx19	xx05
Thanet Parkway	xx22	xx08
Canterbury West	xx44	xx27
Ashford International	xx02	xx43
London Charing Cross	xx22	-
London St Pancras International	-	xx21

Table 2.2: Proposed Hourly Peak Train Times

London St Pancras International	-	xx20
London Charing Cross	xx09	-
Ashford International	xx31	xx54
Canterbury West	xx54	xx10
Thanet Parkway	xx18	xx28
Ramsgate	xx21	xx31
Margate	-	xx43
Margate	-	xx16
Ramsgate	xx36	xx28
Thanet Parkway	xx39	xx31

Canterbury West	xx02	xx50
Ashford International	xx23	xx06
London Charing Cross	xx50	-
London St Pancras International	-	xx42

2.2.6 Both services are augmented in the peaks to run approx. every 30 minutes and it is proposed that these additional journeys also serve Thanet Parkway. Note: peak services run at variable timings for the same stopping pattern, so these are the best 'average' timings for each of the service patterns.

2.3 Passenger Capacity

2.3.1 There are no known capacity issues now or in the future that would have an impact on the ability to accommodate the future passenger numbers predicted on services that would call at Thanet Parkway Station.

2.3.2 Current passenger capacity was assessed on Monday to Friday departures from Ramsgate to London and from London to Ramsgate. For departures to London, because the rail services commence at Margate (High Speed) or Ramsgate (Mainline) (only two or one station, respectively, before the proposed new station) there should always be capacity on those services on arrival at Thanet Parkway as trains depart Margate or Ramsgate with ample capacity for passengers to board at subsequent stations before Ashford.

2.3.3 For departures from London the 2010 Route Utilisation Strategy shows that the Thanet services AM peak hour 'volume to seat ratio' is less than 20%. A draft of The South East Route: Kent Route Study was published for public consultation in March 2017, and the final version was published in May 2018.

2.3.4 For Southeastern "passengers in excess of capacity" (PIXC) and standing passengers departing London termini are shown in Table 2.3.

Table 2.3: Southeastern PIXC at London Termini

	PIXC	PIXC	Passengers Standing	Passengers Standing
	St Pancras International	London Bridge	St Pancras International	London Bridge
AM Arrivals	1%	2%	11%	23%
PM Departures	0%	1%	12%	12%

2.3.5 Therefore, passengers boarding at Thanet Parkway should always get a seat, but on return they may have to stand for the initial part of their journey. It is anticipated that 80 additional daily trips (see demand model forecast below) in the PM peak will not have a significant impact on the levels of overcrowding generally on Southeastern rail services from London Charing Cross or St Pancras International.

2.3.6 Furthermore, an additional sensitivity test that considers the potential impact of crowding on revenue and therefore the benefits accrued from the scheme, has been undertaken based around the core scenario. The approach to the consideration of crowding impacts follows guidance set out in Section B6.5 of the Rail Delivery Group's Passenger Demand Forecasting Handbook (PDFH), Chapter B6 (Crowding). This is detailed in Appendix B - 'Thanet Parkway Station – Full Business Case Economic Appraisal Methodology and Results TN01 v2' (PBA, November 2019).

2.3.7 Consideration of Crowding Sensitivity has been undertaken to give an indication of the potential implications of crowding on the Value for Money case. The approach used is as per Section 2 of Section B6.5 of PDFH May 2018 entitled 'Average loads over a period of a day'. A simpler approach as stated in the afore mentioned section was adopted and is an approximation that is considered proportionate and consistent with the available data. This approach is based around consideration of demand and load factors for the peak periods. It was considered that crowding would be an issue in the peak periods, with capacity being available outside the peak periods. Therefore, the impact of crowding on services in the peak periods would result in a decrease in peak period demand, as it would be less attractive to travel on congested services. This would consequently result in less revenue being generated compared to a scenario without crowding consideration. PDFH notes that three elements of data are required for the approximate approach:

- The average (mean) load factor over the period being considered and can be calculated from the total demand for the period divided by the number of seats provided;
- The standard deviation (SD) of the load factor per train. The guidance notes that in the absence of local data, typical values of the ratio of the SD to the mean load factor are 0.25 for the morning peak commuter service (over 3-hour period) and 0.4 for a whole day. The 0.25 value representing the ratio (SD/Mean) was assumed;
- A "maximum load factor"; which is a typical maximum that can be expected across the period being considered. The guidance notes that for a long-distance service where standing is not expected to any great extent, this might be 80%; for a morning peak on a commuting service, this might be 130% of the number of seats. A "maximum load factor" of 130% has been assumed in these calculations assuming commuting services in the AM period.

2.3.8 The approach uses a gamma distribution to estimate the lost demand as a result of crowding. In addition to the maximum load factor, the key inputs required, are the demand and number of seats in the period under consideration. The calculations were illustratively based on the Class 395 'Javelin' high speed train which has a seating capacity of 349 seats as documented in the SE Route study. The capacity of the train is 533, inclusive of 184 standing capacity.

2.3.9 The SE Route study indicates that in 2024, seating capacity is 85% to 100% used up while standing capacity is 60% to 100% used up in the AM. The worst-case scenario in which 100% seating capacity and standing capacity are used up was assumed, hence a demand of 533 on each 'javelin' service was assumed for the calculations.

2.3.10 The calculations demonstrate that the level of suppressed demand is at 18.7%. It is assumed that this level of suppressed demand would reduce demand from Thanet Parkway by this amount. This means that 81.3% of the demand would be realised in the fare revenue calculations from Thanet Parkway, i.e. It is assumed that of the new demand generated by Thanet Parkway, only 81.3% of the 'unconstrained demand' used to estimate fares revenue in the Core scenario would contribute to fares revenue and 18.7% would be lost to crowding.

2.3.11 The reduction has been applied to London and local trips in the AM peak period. No reduction was applied in the off-peak periods. It can be expected that some of the 'lost demand' would travel in the off peak rather than be suppressed entirely, therefore the loss in revenue assumed in the calculations is a worst-case scenario. The results are reported as Sensitivity Test 5 in the technical note in Appendix B.

2.3.12 In the assessment of passenger trips, provided in the 'Thanet Parkway Station – Passenger Demand Modelling Report – July 2018' (PBA 2018) in **Appendix B1** it was identified that a mix of both commuter and off peak trips would occur, with both London and Kent local commuting trips being generated by 2021.

2.3.13 Passenger demand was calculated for low, high and medium growth scenarios for 2021, 2026 and 2031. The core scenario on which the economic assessment has been developed is based on medium growth. A summary of anticipated passenger trips by 2021, 2026 and 2031, assuming a medium growth scenario, is shown in Table 2.4 to Table 2.6.

Table 2.4: Anticipated Passenger Trips in 2021 (Medium Growth Scenario)

	Before 09:30	After 09:30	24-Hour Total	Weekend 24-Hour	Annual Demand
To London – Abstracted	60	45	82	41	25215
To London – New	35	30	78	28	22786
To Other – Abstracted	94	32	108	30	30594
To Other - New	67	37	125	35	35440
Abstracted – Total	154	77	190	71	55809
New - Total	102	67	204	63	58479
TOTAL TRIPS	256	144	394	134	114288

Table 2.5: Anticipated Passenger Trips in 2026 (Medium Growth Scenario)

	Before 09:30	After 09:30	24-Hour Total	Weekend 24- Hour	Annual Demand
To London – Abstracted	68	51	119	47	35230
To London – New	41	34	75	32	22463
To Other – Abstracted	106	36	142	34	39632
To Other - New	78	41	119	38	34249
Abstracted – Total	174	87	261	81	74862
New - Total	119	75	194	70	56712
TOTAL TRIPS	293	162	455	151	131574

Table 2.6: Anticipated Passenger Trips in 2031 (Medium Growth Scenario)

	Before 09:30	After 09:30	24-Hour Total	Weekend 24- Hour	Annual Demand
To London – Abstracted	73	54	127	50	37581
To London – New	45	38	83	35	24814
To Other – Abstracted	114	39	153	36	42633
To Other - New	86	44	130	40	37250
Abstracted – Total	187	93	280	86	80214
New - Total	131	82	213	75	62064
TOTAL TRIPS	318	175	493	161	142278

2.3.14 The medium growth Core Scenario indicates that the potential passenger numbers at Thanet Parkway will be 114,000 in 2021 rising to 142,000 in 2031. This compares with the annual passenger numbers of 568,000 at Ramsgate station in 2015/16 (source - Office of Rail and Road).

2.4 Service Costs

2.4.1 The proposed timetable can be operated within existing schedules and the passenger demand generated can be accommodated on existing services. There is therefore no requirement for additional rolling stock.

2.4.2 The Train Operating Company will therefore not incur any significant additional train operating cost as rolling stock, vehicle miles and train crew requirements will remain the same as currently.

2.4.3 As evidenced by the 'Thanet Parkway Business Case – Core -3-4 Medium Growth L4' (PBA 2019), contained within **Appendix C**, fare revenues are in excess of operating costs at opening year onwards, therefore no service subsidy is required.

2.4.4 The station can be accommodated within the existing signalling infrastructure.

2.4.5 It has been confirmed that some upgrade work is required to the adjacent level crossings at Cliffsend and Sevenscore. The exact specification of these works will need to be defined by Network Rail through a GRIP 1 to 4 process (to single option development). A cost estimate of £10.2m (base cost £7.3m plus £2.9m contingency) has been estimated by Network Rail and is included within the overall project cost estimate.

2.4.6 Other infrastructure works are confined to the station, lifts, stairs and platform construction. As the railway is on an embankment at this location, platforms will be around 4m above the surrounding ground level and piled foundations will be required to support structures on the embankment slope.

2.5 Impact on Other Passenger Services

2.5.1 It is anticipated that there will be some impact on other rail services operated under the South Eastern franchise in the vicinity of East Kent. There is likely to be abstraction of passengers from the Ramsgate–Victoria/Cannon Street services which operate via Medway, as the journey time from Thanet Parkway to St Pancras will be around an hour. The affected stations on this route are likely to be Ramsgate, Dumpton Park, Broadstairs, Margate and Westgate-on-Sea.

2.5.2 Ramsgate is likely to see abstraction of passengers accessing the railway station by car given its limited parking capacity and the proximity of the new Parkway station. Any abstraction from these stations will benefit potential passengers by reducing crowding in the peaks.

2.5.3 The station most likely to be impacted on the Ramsgate-Canterbury West route is Minster. This is a small local station which is only served by Mainline services, and there is likely to be some abstraction from here to the new station given the overall reduction in journey time available with High Speed services from Thanet Parkway. However, these journeys will continue to be made on services operated by Southeastern.

2.5.4 The station most likely to be impacted on the Ramsgate–Dover Priory route is Sandwich. Although rail passengers would need to access the new station by car or bus from Sandwich, the attraction of a much-reduced overall journey time and a considerably shorter route to and from London would be likely to create some abstraction of rail passengers here.

3 Strategic Case

3.1 Introduction

3.1.1 This section sets out the 'case for change', by explaining the rationale for making investment and presenting evidence on the strategic policy fit of the proposed scheme. This section also sets out the scheme options under consideration.

3.1.2 The Strategic Case establishes the:

- Context for the business case, outlining the strategic aims and responsibilities of Kent County Council (KCC);
- Transport-related problems that have been identified, using evidence to justify intervention and examining the impact of not making the investment;
- Specific, Measurable, Achievable, Realistic and Time-bound (SMART) objectives that solve the problem, identified through alignment with KCC's strategic aims and responsibilities;
- Measures for determining successful delivery of the objectives;
- Scheme scope, determining what the project will and will not deliver;
- Analysis of constraints and opportunities for investment;
- Breakdown of interdependencies on which the successful delivery of the scheme depends;
- Details of main stakeholder(s); and
- Evaluation of the options considered.

3.2 National Transport Priorities

National Infrastructure Plan

3.2.1 The 'National Infrastructure Plan 2014' (NIP) sets out the Government's vision and approach to key economic infrastructure sectors, such as transport. The NIP sets out a clear delivery plan for each of the key infrastructure sectors for the next 5 years and is underpinned by the infrastructure pipeline which sets out the details for public and private investment to 2020 and beyond. The plan provides clarity and transparency to each sector for potential investors and the supply chain through delivery plans, key actions and longer-term goals.

3.2.2 The Government presented its vision for the UK's transport system in the NIP:

- Transport infrastructure can have a significant and positive effect on economic growth and can be a key driver of jobs throughout the economy via enhancing connectivity between businesses, goods and people and by encouraging a sustainable, low-carbon economy that is vital for future success and development;
- Local transport systems are crucial to the overall transport system and must facilitate the growth of suburban areas. The transport network must allow for people to move freely and easily helping to support jobs and growth;
- The transport system must adapt to unexpected pressures allowing for the rapid movement of goods and people, adding value to the economy.

DfT: Single Departmental Plan 2015 to 2020

3.2.3 The Department for Transport's (DfT) Single Departmental Plan 2015 to 2020 sets the government's vision for transport, which is *"to make journeys better: simpler, faster and more reliable."* It states that the Plan will *"support jobs, enable business growth, and bring our country closer together."* This is supported by four objectives:

- Boosting economic growth and opportunity;
- Building a One Nation Britain;
- Improving journeys;
- Safe, secure and sustainable transport;

3.2.4 It is clear that Thanet Parkway will contribute towards the Government's vision as it is designed to support economic growth and bring Thanet closer to London. Improved transport affords people more opportunity to access a range of jobs and increases the ability for businesses to network and innovate.

3.2.5 The aim to build a One Nation Britain is also supported by Thanet Parkway as it will create jobs outside of London, tapping into potential in some of Kent's most deprived areas. This scheme is also consistent with the third and fourth objectives of the Single Departmental Plan 2015 - 20.

National Networks National Policy Statement

3.2.6 The National Networks National Policy Statement (DfT, 2014) sets out the need for, and Government's policies to deliver, development of nationally significant infrastructure projects (NSIPs) on the national road and rail networks in England. Although the paper is aimed specifically at NSIPs, the proposed Thanet Parkway nevertheless accords with the sentiment of the policy. For example, that there is a need for development on national networks to support growth and regeneration, particularly in the most disadvantaged areas.

3.2.7 Paragraph 2.6 states that *"Improved and new transport links can facilitate economic growth by bringing businesses closer to their workers, their markets and each other. This can help rebalance the economy."* This aligns exactly with the aims of the Thanet Parkway Station scheme.

Creating Growth, Cutting Carbon

3.2.8 The 'Creating Growth, Cutting Carbon: Making Sustainable Local Transport Happen' (DfT, 2011) White Paper sets a vision for a "transport system that is an engine for economic growth, but one that is also greener, safer and improves quality of life in our communities." The strategy suggests that investment should be targeted at projects that support growth and also encourage sustainable journeys.

3.2.9 In specific relation to rail infrastructure the policy states *"We also need to reduce the carbon impact of longer journeys – and here we see that rail, particularly high-speed rail between some of our largest cities, has a critical role to play. By prioritising spending on key rail projects such as high-speed rail and Crossrail, we will be providing commuters and intercity travellers with attractive new options instead of the car."*

Door to Door

3.2.10 The 'Door to Door: A strategy for improving sustainable transport integration' (DfT, 2013) sets out the Government's strategy towards achieving *"a more integrated transport system that facilitates and enhances door-to-door journeys by sustainable means".* The strategy aims to get more journeys made by sustainable transport, including rail, to reduce the carbon emissions from transport.

3.2.11 Four core areas of focus are identified, of which the Thanet Parkway Station proposal closely aligns with two; specifically:

- making connections between different steps in the journey, and different modes of transport, easier; and
- providing better interchange facilities.

Transport Investment Strategy

3.2.12 The 'Transport Investment Strategy' (DfT, 2017) states how the Government will prioritise transport funding to achieve certain objectives and sets out propositions that will guide investment decisions, which includes the 'rebalancing' of the economy. The Government will prioritise transport funding based on the achieving the following objectives:

- *Creating a more reliable, less congested, and better-connected transport network that works for the users who rely on it.* This recognises that our intensively used networks are ageing and face increasing demands, creating delays and undermining reliability, and in places they do not provide the connections that people and businesses need.
- *Building a stronger, more balanced economy by enhancing productivity and responding to local growth priorities.* This recognises that our national productivity lags behind other countries and prosperity has not been shared evenly between different places, leaving some communities feeling left behind.
- *Enhancing our global competitiveness by making Britain a more attractive place to trade and invest.* This recognises that our long-term success in a globalised world will depend on our ability to attract job-creating investment in our industrial strengths and to trade as 'frictionlessly' as possible with partners old and new.
- *Supporting the creation of new housing.* This recognises that we face an immense challenge to provide the houses that people need in the places they need them, and that transport infrastructure is one of the keys to unlocking development.

3.2.13 The Thanet Parkway Station proposal addresses many of these priority areas by expanding the capacity of the network in Thanet and enhancing connectivity. By promoting investment in this historically deprived area the economy is rebalanced away from the dominance of West Kent.

3.2.14 In summary, it can clearly be seen that Thanet Parkway is aligned with and supports national Government objectives for both transport policy and economic policy.

National Infrastructure Assessment

3.2.15 The National Infrastructure Commission has published the National Infrastructure Assessment (NIA). The interim report (published October 2017) identified three headline challenges for the UK's infrastructure: congestion, capacity and carbon. Thanet Parkway will help reduce congestion on the highway network by facilitating the transfer of journeys from road to rail, and it will also reduce congestion at existing stations by providing additional capacity. By facilitating more rail journeys that would otherwise have been made by road, the carbon impacts are reduced. The NIA looks to the longer-term forecasting that by 2050 the UK's population and economy will have grown significantly, placing substantial pressure on infrastructure. Building Thanet Parkway will help accommodate those growing pressures in the South East. In addition, KCC continues to work with Thanet District Council, East Kent authorities and all councils in Kent and Medway to develop an infrastructure deal with Government to accelerate housing delivery.

3.3 Regional Transport Priorities

Growth and Infrastructure Framework

3.3.2 KCC has developed a joint framework for regeneration together with its neighbour Medway Council called the Growth and Infrastructure Framework (GIF). The GIF provides a framework not only for identifying and prioritising investment in infrastructure, but also for testing the impact of innovation in the way in which public services are provided.

3.3.3 The Kent and Medway GIF has been developed to demonstrate to Government, infrastructure providers, the community and local authorities the challenges being faced across Kent in funding the infrastructure required to support growth and enhance the lives of existing residents.

3.3.4 The picture presented from district Infrastructure Delivery Plans, County plans and those of other providers is incomplete, however the GIF is intended to paint a strategic picture of the price of and risks to growth. It aims to:

- Collate and summarise population/housing growth projections across Kent County Council and Medway

- Set out a combined understanding of capacity within current infrastructure provision and pipeline infrastructure projects being taken forward by KCC, Medway Council and other infrastructure providers
- Highlight cumulative costs, funding streams and gaps in infrastructure funding.

Growth Deal and Strategic Economic Plan

3.3.5 Published in March 2014, the South East Local Enterprise Partnership (SELEP) Strategic Economic Plan (SEP) outlines the vision and investment strategy to drive growth in the economy to 2021. The SEP outlines the case for necessary investment to infrastructure enterprise and employment that is required for the South East region's economy to continue its successful upward trajectory. Five core geographic areas are the focus of economic growth including: Kent, East Sussex, Medway, Southend and Thurrock.

3.3.6 A component element of the Strategic Economic Plan for the area is the Kent and Medway Growth Deal which sets out the plans for the public and private sectors to invest over £800 million each year for the next six years to unlock potential through:

- Substantially increasing the delivery of housing and commercial developments;
- Delivering transport and broadband infrastructure to unlock growth;
- Backing business expansion through better access to finance and support; and
- Delivering the skills that the local economy needs.

3.3.7 The scheme is a regional priority for the South East Local Enterprise Partnership (SELEP) and the Kent and Medway Economic Partnership (KMEP). Delivery of the station supports their objectives by facilitating the delivery of new houses and employment space in coastal areas, promoting investment in the former Manston airport site and reinforcing the success of the successful Discovery Park Enterprise Zone. The project is specifically referenced in their *Growth Deal and Strategic Economic Plan* (2014) as a priority to support investment in the area and eliminate congestion on the roads. This in turn will support the steady and sustained growth of the South East economy.

3.3.8 Owing to the economic advantage of bringing East Kent closer to London, the new station will support inward investment. Consequently, SELEP awarded the project a provisional allocation of £10 million Local Growth Fund (LGF) money.

3.4 Local Transport Priorities

KCC's Growth without Gridlock and Local Transport Plans

3.4.2 Kent's third 'Local Transport Plan (LTP3), 2011-2016' set out KCC's strategy and implementation plans for local transport investment in the short term. The plan proposed a new approach to prioritising investment in transport infrastructure in order to support housing and employment in Kent's growth areas and growth points, improve access to jobs and services, make Kent a safer and healthier county (in particular in disadvantaged areas), and cut carbon emissions. The plan prioritised its planned measures under five themes:

- Growth without Gridlock;
- A Safer and Healthier County;
- Supporting Independence;
- Tackling a Changing Climate; and
- Enjoying Life in Kent.

3.4.3 Under each theme, the plan prioritised a range of transport initiatives and the principles and policies underlying them, by area and by mode. Whilst some of the initiatives have already been put in place or are in progress, a number provide the basis for the proposals prioritised by the SELEP for capital investment support. The Thanet Parkway Station scheme is identified as a top priority within LTP3.

3.4.4 'Growth without Gridlock' (December 2010) was the transport delivery plan for Kent. The plan identified the necessary transport infrastructure needed to accommodate the level of economic growth and regeneration planned in Kent, the measures required to manage the existing network and offer travel choice and better access to jobs. The overarching goal of Growth without Gridlock was to enable growth and prosperity for Kent and the UK as a whole. It set out the priorities for transport investment and how these will be delivered in order to meet the current and future demands of the County in the context of its crucial role in the UK and European economy.

3.4.5 The Plan states that: "the private car will continue to remain the most popular and dominant form of transport for our residents and these expectations and demands increase pressure on our transport network, on our environment and on us as individuals. This reliance is also the reason why our road network is congested and in response our vision is to create a high-quality integrated transport network which will create opportunities for real transport choice as well as enabling economic growth and regeneration." Some of the key transport challenges identified by the Plan are:

- Tackling congestion hotspots;
- Transferring existing and new car trips onto public transport, walking and cycling, especially for short journeys;
- Providing sufficient transport infrastructure to mitigate the impact of planned development.

3.4.6 'Growth Without Gridlock' is a concept that has been incorporated into the new Local Transport Plan 4 to ensure all of Kent's transport policy is contained within one document.

3.4.7 In July 2017, Kent's new plan, 'Local Transport Plan 4: Delivering Growth without Gridlock (2016 – 2031), was adopted by Kent County Council. The Thanet Parkway Station scheme continues to be a top priority in KCC's transport strategy, featuring as both a Strategic Priority and Local Priority for the Thanet area. Its delivery will contribute to two key outcomes of LTP4: *economic growth and minimised congestion*, and *affordable and accessible door-to-door journeys*; thus, helping to achieve the overall ambition for transport in Kent:

- To deliver safe and effective transport, ensuring that all Kent's communities and businesses benefit, the environment is enhanced, and economic growth is supported.

Thanet District Council Corporate Objectives

3.4.8 Thanet District Council is committed to encouraging economic growth and development, and helping to create an environment for inward investment, therefore supports the proposed new Thanet Parkway station as it assists in meeting some of its key objectives.

3.4.9 One of Thanet District Council's 3 Corporate Objectives is "Promoting inward investment and job creation". The Corporate Plan states that; *"Our vision is to accelerate growth and achieve greater economic prosperity for our district. We will seek opportunities for inward investment, high quality job creation and work with partners to ensure we have the right skills, infrastructure and plans in place".*

3.4.10 To this end, the Council has:

- recently adopted a new Economic Growth Strategy, and identified land in its draft Local Plan for future economic development and ensuring that there is sufficient housing land to support economic growth;
- worked with partners to understand how we can work together to encourage and facilitate new development in the area;
- taken specific advice on how the Council can help to create the right conditions for inward investment and is developing an action plan.

3.4.11 Improving connectivity is a vital step in unlocking development potential and attracting the necessary investment and job opportunities for local people. Thanet has Assisted Area Status (identified by the UK Government and European Commission as experiencing economic challenges and which needs additional support for economic development), and this project is vital to enabling the regeneration and economic growth of the district. The Parkway station is identified as a priority as it is a critical part of the infrastructure required to support economic growth. It is therefore a key part of the Council's emerging Economic Growth Strategy and has land allocated in the draft Local Plan (emerging Local Plan policy SP 39).

3.4.12 Along with the Journey Time Improvement (JTI) project on the Ashford to Ramsgate mainline, a journey time of approximately 60 minutes from Thanet Parkway to London Stratford International will be achieved. Being closer to London will help improve investors' perception that East Kent is easily accessible and an attractive place to invest in and do business with (see 3.5.6). Reduced journey times to London will support the Council's (and partners) requirement to increase inward investment in the area. The public sector owns employment land that was purchased to enable development and the Parkway will assist its success in providing employment opportunities.

3.4.13 This project will provide advantages to the tourism economy making Thanet more accessible and encouraging more visitors to the area for both pleasure and business. Increased visitor numbers are key to providing the growth in hotel accommodation which will provide more employment opportunities and economic growth whilst providing access to the conference market. Southeastern saw an increase of 30% in off-peak travel between 2013 and 2015.

3.4.14 The Parkway station will also help support future demand for rail use as the planned housing and employment growth takes place in the area. The station will give local people more choice on where they can travel to/from and will also allow more people to benefit from High Speed services to/from London. The provision of a dedicated new station will, together with other planned improvements to the High-Speed service through to Ramsgate, make a significant contribution to improving connections with the rest of the South East, and support the Council's economic objectives.

Dover District Council Corporate Objectives

3.4.15 Dover District Council's Corporate Plan indicates that the Council will support and encourage the continuing success of Discovery Park Enterprise Zone, to attract new businesses, from all sectors, to relocate in the district. The Enterprise Zone, which is now home to some 120 companies, employing circa 2,500 people, is widely regarded as one of the most successful examples within the Government's Enterprise Zone Programme.

3.4.16 Dover District Council state that substantial improvements have been made to the accessibility of the East Kent coast in recent years, with the completion of the East Kent Access Scheme, improvements to rail infrastructure including the limited extension of the High Speed Services through to Deal and Sandwich. However, if the full economic opportunities in the East Kent area are to be realised, it is essential that further improvements are made to the rail infrastructure. These include improvements to reduce journey times along with the construction of a new Thanet Parkway Station which would further compliment and support the Enterprise Zone – to the benefit of many of the businesses located there – while providing enhanced facilities for the wider localities.

Miscellaneous

3.4.17 The station is seen as an invaluable investment for the area by the MP for South Thanet, Craig Mackinlay, and the MP for North Thanet, Sir Roger Gale, who have expressed their support by letter. These and further letters of support from SELEP, KMEP, Thanet District Council and Dover District Council are contained in **Appendix D**.

3.4.18 This support has been reaffirmed in the submission to the New Stations Fund 3 (decision expected in autumn 2020) as well as in a question Craig Mackinlay asked of Prime Minister Boris Johnson on 15th July 2020.

3.4.19 Subsequently, the project has been awarded £11.999m from the Getting Building Fund, which is part of the Government's COVID recovery effort. The policy in this area is only just emerging but it is fair to say that infrastructure projects with a lasting impact on economic growth (such as Thanet Parkway) are to be a central theme in the drive to rebuild our economy. The strategic aims of the Getting Building Fund included 'Growth and jobs', 'Green recovery', and 'Physical infrastructure to improve the local economy'. Thanet Parkway meets these objectives through supporting the growth in the adopted Local Plan, providing additional regeneration benefits as well as improved access to sustainable transport opportunities.

Table 3.1: RAG Policy Assessment of the Scheme against Objectives

	Strong strategic fit with policy
	Neutral/minimal strategic fit with policy
	Negative strategic fit with policy

Policy	Objectives	Strategic Fit
National Policy		
National Infrastructure Plan (2014)	Transport infrastructure can have a significant and positive effect on economic growth and can be a key driver of jobs throughout the economy	
	Importance of Local transport systems in allowing free and easy access to support jobs and growth	
	The transport system must adapt to unexpected pressures allowing for the rapid movement of goods and people, adding value to the economy	
DfT: Single Departmental Plan 2015 to 2020	Boosting economic growth and opportunity;	
	Building a One Nation Britain;	
	Improving journeys;	
	Safe, secure and sustainable transport;	
National Networks National Policy Statement	Improved and new transport links can facilitate economic growth by bringing businesses closer to their workers, their markets and each other. This can help rebalance the economy	

Creating Growth, Cutting Carbon (2011)	A transport system that is an engine for economic growth, but one that is also greener, safer and improves quality of life in our communities	
Door to Door (2013)	A more integrated transport system that facilitates and enhances door-to-door journeys by sustainable means	
Transport Investment Strategy (2017)	Prioritisation of transport funding to achieve certain objectives, including creating a better-connected transport network, rebalancing the economy, and supporting the creation of new housing.	
National Infrastructure Assessment (2018)	Reducing congestion, increasing transport network capacity and cutting carbon.	
Regional Policy		
Unlocking Kent's Potential: KCC's framework for regeneration (2009)	Building a new relationship with business	
	Unlocking talent to support the Kent economy	
	Embracing a growing and changing population	
	Building homes and communities, not estates	
	Delivering growth without transport gridlock	
South East LEP Growth Deal and Strategic Economic Plan (2014)	Generate 200,000 private sector jobs by 2021	
	Complete 100,000 new homes by 2021	
	Lever investment totalling £10 billion by 2021, to accelerate growth, jobs and homebuilding	
Local Policy		
Local Transport Plan for Kent 2011-16 (LTP3)[1]	Growth without Gridlock	
	A Safer and Healthier County	
	Supporting Independence	
	Tackling a Changing Climate	
	Enjoying life in Kent	
Growth without gridlock: A transport delivery plan for Kent (2010)	Delivering growth and prosperity	
	Tackling congestion hotspots	
	Transferring existing and new car trips onto public transport, walking and cycling, especially for short journeys	
	Providing sufficient transport infrastructure to mitigate the impact of planned development	
	Economic growth and minimised congestion	

[1] The Local Transport Plan for Kent 2011 – 16 (LTP3) was superseded by a new Local Transport Plan (LTP4).

Local Transport Plan 4: Delivering Growth without Gridlock (2016 – 2031)	Affordable and accessible door-to-door journeys	
	Safer travel	
	Enhanced environment	
	Better health and wellbeing	
Thanet District Council Corporate Objectives	A clean and welcoming environment	
	Supporting neighbourhoods	
	Promoting inward investment and job creation	
Dover District Council Corporate Objectives	Thriving Economy	
	Clean, Green and Safe Environment	
	Healthier People and Communities	
	Smarter Council	

3.5 Current Problem

3.5.1 The East Kent area, specifically the districts of Canterbury, Dover, Shepway and Thanet, suffers from a higher level of deprivation when compared with West Kent and South East England as a whole. Poor accessibility is one factor that has discouraged major employers from locating in the area, which serves to undermine regeneration and has limited the employment catchment for local residents.

3.5.2 Thanet district comprises the coastal towns of Margate, Ramsgate and Broadstairs. According to the English Indices of Multiple Deprivation 2015, Thanet continues to be the most deprived local authority in Kent and is ranked 21 out of 326 nationally, making it within the 10% most deprived authorities in England. In the 2019 Indices, it was ranked 34 of 317 although 18 of its Lower Super Output Areas (LSOAs) remain within the 10% most deprived nationally.

3.5.3 Thanet's economic challenges stem from its peripheral location as well as a declining ferry port industry and the loss of major employers, such as Pfizer. Historically, there has been an overreliance on specific local employment sectors, such as the ferry industry, education, pharmaceuticals and the seasonal tourism sector.

3.5.4 Thanet has a greater proportion of older people (60+) than the Kent average but fewer people of working age (20-54). However, the area has 5.7% of all economically active people unemployed compared to a Kent average of 3.9% (2011 Census data). By promoting initiatives that generate jobs in the area, there is capacity in the workforce to support economic growth.

3.5.5 However, the journey time from London makes Thanet unattractive for potential employers for which London is the major commercial centre. The ability for business travellers to be able to get a train from close to their place of work to/from London is important in business location decisions.

3.5.6 The study by Wessex Economics (January 2016) describes how, within the Greater South East, proximity and journey time to London is a key factor influencing local economic performance. This is most apparent in the London Travel to Work Area (where there is significant out-commuting to London), but this same relationship exists at a greater distance/journey time from London. There is a direct and observable relationship between the economic performance of localities in the South East and East of England, and their distance from London, with areas more distant (measured in time) performing less well. Thanet has historically poor performance because it is, in effect, "at the end of the line" from London but bringing it to around an hour's commute from London will change this perception. A commuting time of around one hour has been a key threshold for those considering working in London[2].

3.5.7 Whilst there is capacity in the workforce to support economic growth, it is also true that the area has lower representation of residents with higher skills levels, which has been a constraint on economic growth in the past (Wessex Economics, January 2016). The Thanet Parkway proposal will stimulate additional housing because of the improvement to rail services to London, and that will attract higher skilled residents to the area. In turn, this will attract greater levels of inward investment. Without delivering the project soon, the area will continue to lag further behind the rest of the county (and the South East).

[2] Savills (Insights, Commuting Trends Review, Autumn 2010) state that commuters "are a powerful force in the property market, particularly within the 60 minute journey belt around London." They say that season ticket holders (i.e. commuters) account for 40%-45% of all journeys from stations within a 60 minutes journey of London; compared with 30%-35% of all journeys from stations within the range of 60-100 minutes of London. Therefore, a journey time of about an hour to a central London terminus remains the limit for many people who have to commute on a daily basis.

3.5.8 In conjunction with the Journey Time Improvement Scheme (JTI), the new Thanet Parkway station will reduce the journey time between central London and Thanet to around 1 hour and therefore improve the attractiveness of the area to businesses. It will also increase the employment catchment area for Thanet residents so that they might be able to live in Thanet and work elsewhere in Kent or London. A parkway station will provide greater opportunity to access London via High Speed 1 (HS1) and improve access to employment in Canterbury, Ashford and the rest of Kent.

3.5.9 The estimated journey time from Thanet Parkway to London St Pancras will be just over 20 minutes shorter than that from Deal and therefore the new station enhances the accessibility of the north of the Dover district as well.

3.5.10 A key driver for action is that Ramsgate Station has a substantial problem with commuter parking. As the station car park is small (39 spaces and 3 disabled spaces compared with a station usage of over 1.3m entries and exits in 2017/18), commuters park in surrounding residential streets causing a nuisance to local residents and limiting the accessibility of rail commuting for additional commuters who cannot park there. In fact, all the existing stations are all located in the urban areas of Thanet. Whilst convenient for those who walk, cycle or bus to the station, at peak hours, particularly at Ramsgate, the amount of time that needs to be allowed for to drive to the station is uncertain and creates poor journey time reliability. This provides additional benefits from Thanet Parkway Station for the traffic management and environment at Ramsgate.

3.5.11 Thanet Parkway, conversely, will provide dedicated parking for rail commuters and therefore encourage more people to make the majority of their journey by sustainable means. Whereas currently cars are being driven into Ramsgate town centre, they will be able to stay on the major roads (including the recently constructed A299 East Kent Access Road) and avoid further vehicle emissions and congestion in the town where there are higher numbers of pedestrians. This would benefit the local Air Quality Management Area (AQMA) that encompasses all of urban Thanet.

3.5.12 To further encourage sustainable access to the station, KCC will work closely with bus operators to try to ensure there is an integrated transport package with bus and train times that align. However, ultimately the introduction of such public transport solutions will be a commercial decision. Conversations with Stagecoach are expected to continue during construction, especially in light of the recently approved Development Consent Order at Manston Airport (granted July 2020).

3.5.13 It is also proposed that up to 60 electric vehicle charging points will be included at the new station in line with the aims of the Kent Environment Strategy and Local Transport Plan 4. Access to the station by walking and cycling will be provided by a footpath and cycleway to align with the key principles of KCC's Active Travel Strategy (2016).

3.5.14 An emerging transport challenge is that key development sites in the area are not well located in relation to the rail network. The draft Thanet Local Plan allocations can be found in Appendix K (the Local Plan was adopted in July 2020 and the site allocation for Thanet Parkway – policy SP46 – was included), but consideration should also be given to the north Dover district and particularly Discovery Park Enterprise Zone. This leading Science Park strongly supports the station proposals because of the area's poor rail connectivity. To accommodate this substantial potential level of commercial and residential development it is important that sustainable travel options are brought forward. Passenger journeys at Ramsgate station increased by 38% between 2004/5 and 2011/12 and then a further 14% by 2016/17 but, as discussed above, the ability of the station to cope with sustained growth is limited.

3.5.15 Thanet Parkway will be accessible to the majority of Thanet residents as well as those in north Dover district. It will therefore be able to absorb the growing number of rail passengers with minimal adverse impacts for local residents, particularly relieving the existing busy town centre stations.

3.5.16 Wessex Economics (2016) reported that many studies of the regeneration and wider economic benefits linked to investment in rail services and stations highlight that the wider economic benefits of investing in rail services are maximised when there are opportunities for major development in close proximity to stations (including the report 'The Value of Station Investment, Research on Regenerative Impacts, Steer Davies Gleave, November 2011). Improved rail services can change perceptions of an area as a place to live and to work. Thanet/north Dover district have many such opportunities for development that currently suffer from poor accessibility. Considering each development site in turn:

- Manston Park – currently poorly connected by public transport, with only one morning and one evening weekday connection to/from Ramsgate railway station (service 38).
- EuroKent Business Park – there is no direct bus connection between the site and Ramsgate railway station (the nearest railway station).

- Discovery Park Enterprise Zone which today accommodates over 2,400 jobs and 150 businesses – served by an hourly bus service (87/88/88a) to Dover and Sandwich. The bus service does not provide a connection to Sandwich railway station itself (the closest railway station) which is an estimated 9-minute walk from the nearest bus stop.

3.5.17 Plans were put forward for mixed use residential and business development on the former Manston Airport site by Stone Hill Park Ltd. Concurrently, RiverOak Strategic Partners pursued a Development Consent Order to establish a freight airport on the site, with ancillary aviation use (such as engineering) and passenger services. Currently, the site is served by an hourly bus service (38/38a) to Ramsgate, with a journey time of between 9 and 10 minutes. Despite Ramsgate having good rail provision, total journey times to the site are unattractive in comparison to travel by car. In July 2020, the Development Consent Order for the new airport was granted. It is felt that Thanet Parkway will create an attractive location for business travellers, airport passengers, and new employees.

3.5.18 The new Parkway Station will be easily accessed from all the major employment sites in the area and all the major areas identified for future housing development (in the period up to 2032), so it will generally be much easier for those living or working in these locations to use the Parkway Station rather than existing stations. Thanet Parkway Station will make the area a more attractive place to live and do business. By delivering Thanet Parkway, Kent County Council and other funding bodies are demonstrating to investors and employers that we are committed to making East Kent a long-term centre for economic prosperity.

3.6 Impact of Not Changing

3.6.1 Should the scheme not be introduced existing rail travel demand across the district will inevitably increase in other locations, pressure will be applied to current stations and services where commuter capacity issues are already arising. Furthermore, the lack of existing rail infrastructure to cope with current demand will limit future economic growth benefits and potential regeneration, considered to be vital for the district and East Kent.

3.6.2 Housing demand in Thanet is being identified through the Local Plan process. To date, this has shown that the existing transport infrastructure will be unable to cope with the increased demand. Appendix K shows the draft proposals for new transport infrastructure along with the strategic site allocations. The previous plans were indicative and have since been superseded when the proposed Local Plan was rejected by the Thanet District Council in January 2018. In July 2020 the Local Plan was adopted and so Appendix K demonstrates the scale of growth in the district. The Thanet Parkway site is allocated in the Local Plan for a new station and the recent adoption shows that the Inspector, as well as the district, place weight on the regeneration impacts and endorse the wider regional policy for a new station.

3.6.3 Since the deleterious impact on the local and national economy of COVID-19, schemes such as Thanet Parkway are required to create construction employment and provide for employment and training opportunities with the aim of getting the UK economy functioning again. Without the scheme, these benefits would not be created and the £11.999m of funding from the Getting Building Fund would not be felt in the immediate area.

Economic Growth, Jobs Provision and Social Challenges

3.6.4 Infrastructure is critical to support and secure long-term positive growth forecasts for Thanet, yet it must keep pace with the rate at which development is taking place within the wider East Kent area. Failure to address the existing infrastructure issues by not introducing the new Parkway Station scheme will limit the achievability of population and economic growth targets forcing investment to be accommodated elsewhere in the UK.

3.6.5 In combination with this, unemployment levels amongst the economically active population in Thanet are higher than the Kent average. The available capacity in the workforce suggests that there is opportunity for business investment and potential employers to generate jobs in the area. The scheme is necessary to improve access to jobs and employment space, needed to decrease existing levels of unemployment and residential deprivation. If the identified infrastructural issues remain unaddressed and current journey times high, wider current and future local economic growth will be hindered.

3.6.6 The Wessex Economics Study estimates that an additional 400 - 800 jobs will be created as a result of the station delivery (assuming an opening year of 2019 up to 2049). This increase in business activity could see a critical mass reached and a further acceleration of growth, supported by improved accessibility and increased resident skills base. Also, of note, Thanet Parkway will be substantially more accessible that other station for the existing and proposed major employment centres, including Discovery Park, Manston Business Park, EuroKent, Westwood Cross, and the former Manston Airport site.

3.6.7 From additional housebuilding (see below) the proposal is likely to create between 2,400 and 4,800 person years of employment in the housebuilding sector (based on the Home Builders Federation estimates that every new home built creates 1.5 direct housebuilding jobs), excluding jobs in the supply chain; and an estimated injection of between £12.0 – 28 million and £24.0 million to the local economy associated with additional housing undertaking renovation works to existing homes (Wessex Economics, 2016).

Housing Delivery

3.6.8 The Wessex Economics study found that the delivery of Thanet Parkway will likely accelerate the rate of housing delivery. Assuming an opening year of 2019, they found that from 2019 – 2049 the development of 1,600 – 3,200 additional homes, which corresponds to an additional GVA of £93 - £186 million over the same period. The additional GVA associated with the increase in the working population of the Study Area linked to this level of additional house building is estimated at £78 - £156 million by 2049. A do-nothing scenario would not see these significant benefits.

3.6.9 It is likely that development allocations in the years after Thanet Parkway is built will be influenced by the new station. New sites may be brought forward based on the more desirable commuting times to London and other employment centres afforded by the accessibility of the station that would otherwise have not benefited from such connectivity.

3.6.10 Evidence from other Parkway stations has shown that passenger numbers rapidly increase as a result of in-migration of people wishing to commute to London and therefore increased housing growth. For example, Southampton Airport Parkway increased parking capacity and saw extensive building of new homes in its catchment area (journey time to London Waterloo of 1 hour 8 minutes – directly comparable to Thanet Parkway).

Environmental Challenges

3.6.11 A do-nothing scenario is likely to have significant environmental dis-benefits in Ramsgate and across the wider Thanet district. Station parking is insufficient in meeting current and future demands causing issues in adjacent residential areas, where many station users park on street for free. Additionally, the consequential increase in the number of vehicle trips to and from the station negatively impacts residential noise and air quality.

3.7 Internal Drivers for Change

3.7.1 A key delivery strand of 21st Century Kent—Unlocking Kent's Potential, 'Growth Without Gridlock' outlines how economic growth and regeneration can be delivered in a sustainable way and what infrastructure is needed to deliver an integrated transport network which is fit for purpose in the 21st Century. This strand has been continued through to 'Local Transport Plan 4: Delivering Growth without Gridlock' and the 'Growth and Infrastructure Framework'. If Kent is to accommodate this growth, its transport network must be well managed and have sufficient capacity and resilience to provide for efficient and reliable journeys. The scheme will encourage the use of sustainable transport modes through a number of measures including:

- Secure cycle parking close to the entrance to the station building;
- Dedicated cycling and walking routes;
- Bus pick up and drop off point close to the entrance to the station building with waiting facilities including weather shelter and timetable information; and
- Dedicated electric vehicle charging points within the long stay car park to encourage the use of alternative technology vehicles.

3.7.2 The economic viability of the whole target area will be compromised by the lack of sustainable transport options. Bus services cannot be improved in road conditions which are congested by vehicles accessing existing stations. Off-street car parking is pressurised leading to further on street parking and associated congestion. Door to door journey times will continue to grow. Infrastructural changes are essential to provide for sustainable growth resulting from local and regional policy.

3.8 External Drivers for Change

3.8.1 Wider external pressures resulting from national policy and legislation seek to boost economic growth, prosperity and opportunity through a series of objectives that determine necessary improvements to journey times, transport infrastructure and sustainable transport systems. This has been exacerbated by the impacts of COVID-19 and the ensuing lockdown.

3.8.2 Improving access to sustainable multi-modal transport and improving journey times is fundamentally the primary driver for change, along with the planned growth of housing and jobs across the South East. This supports the assertion that the existing problems are likely to worsen in the future if infrastructural needs are not addressed in line with wider policy.

3.9 Objectives

3.9.1 As discussed above, the Thanet Parkway scheme needs to address existing and future weaknesses in Thanet's rail and wider transport system to ensure that the development of the transport network keeps pace with the rate of economic growth predicted for the South East. The scheme will therefore address the weaknesses in the current transport provision, providing improved rail journey times, enhanced rail access, increased parking capacity, reduced vehicle emissions in congested areas, and improve the attractiveness of Thanet as a district to residents, employers, visitors and potential investors.

3.9.2 Investment in the proposed Thanet Parkway Station will support improved connectivity to key sites (employment and residential) and maximise value from build-out at key future development sites. This investment will help to drive economic growth, both in the local area and the wider south east region.

3.9.3 Failure to act now will result in an opportunity cost. The potential to support and enhance the planned and future growth in Thanet and north Dover district will be lost or delayed, and economic growth in the area will not be able to keep pace with the rest of Kent and the South East.

3.9.4 The scheme objectives in Table 3.2 have been set out by KCC and align with wider KCC strategic aims that have been reiterated in a number of public documents, these aims are outlined below and stem from the original assessment objectives but adapted for the preferred option:

- Improve journey times for the high speed service;

- Increase the attractiveness of East Kent to employers;
- Support the economy by unlocking new economic development opportunities;
- Reduce environmental impacts for local residents; and
- Improve accessibility and employment opportunities in Thanet through the provision of Thanet Parkway Station.

3.9.5 The scheme objectives have been used to develop the desired targets and outcomes for the scheme. The desired targets are the actual benefits that are expected to be derived from the scheme (i.e. taken from the future monitoring and evaluation report) and are directly linked to the original set of objectives in Table 3.2. The definition of outputs and outcomes are:

- Targets – tangible effects that are produced directly as a result of the scheme (Thanet Parkway Station Objectives); and
- Outcomes – final measurable impacts brought about by the scheme.

3.9.6 Table 3.2 specifies clear SMART objectives of the Thanet Parkway Station scheme together against measurable outcomes that will ensure the overall success of the scheme is accurately understood.

3.9.7 These objectives clearly align with national, regional and local planning policies. Particularly in relation to accelerating the delivery of development, boosting economic growth and improving the economic situation in disadvantaged coastal areas.

Table 3.2: Objectives and Measurable Outcomes

Objective	Measurable Outcomes
1. Accelerate the pace of housing delivery in Thanet.	1,600 – 3,200 additional homes delivered between opening year and year 30.
2. Positively contribute to economic growth by attracting higher skilled workers to the area.	Measured by data from 2011, 2021 and 2031 census showing change in educational attainment of the population.

Objective	Measurable Outcomes
3. Stimulate the creation of additional jobs by encouraging business location and expansion decisions based on the existence of the new station and journey times to London of around 1 hour.	Measured by data from the Kent Invicta Chamber of Commerce, Locate in Kent and the district Local Planning authorities. 400 - 800 additional jobs from opening year to year 30. Reduced unemployment figures.
4. Generate over 50,000 new rail journeys from first full operational year (2022).	Measured by new ticket sales from the new station compared with ticket sales from the existing stations in the area.
5. Increase weekday usage of the new station year on year from 412 in 2022, to 456 in 2026.	Measured by rail ticket receipts.
6. Provide rail access from Thanet to London with a journey time of around one hour.	Measured by checking new timetable (with Parkway station) compared with existing timetable (without parkway station) against published performance figures.
7. Provide commuters with alternative access to the area for journeys that might otherwise be made on the local and strategic highway network from opening year and increasing by 2031.	Measured by the utilisation of the 319 parking spaces, including 19 electric vehicle parking spaces and 40 cycle parking spaces, achieving 54% capacity use in 2021 increasing to 75% in 2031 which will be measured by car park ticket numbers.
8. Provide sustainable access options to the station, including provision for Electric Vehicles, cycling, pedestrians and bus users.	Measured by the utilisation of the Electric Vehicle and cycle parking facilities.

3.10 Scope

3.10.1 Details of the scheme (and its scope) have been provided in section 2 of this report with a detailed drawing of the extent of the scheme provided in **Appendix A**.

3.11 Constraints

3.11.1 There are a number of potential constraints surrounding the proposed Thanet Parkway Station scheme these are discussed throughout the business case. These include:

- Level crossing constraints related to the need to carry out works within the section of track bounded by the automatic half barrier crossing (AHB) at Sevenscore and the AHB Cliffsend crossing. Network Rail have now indicated that signalling adjustments will be required at the both level crossings and an upgrade is also required Cliffsend AHB level crossing. Network Rail have been commissioned to complete this work simultaneously with the station design so as not to impact on the overall programme, for example the signalling works will aim to utilise the same possessions as the main station works where the programme permits;
- Land ownership constraints related to the need to acquire privately owned land for the delivery of the project. The negotiations are advanced and the Heads of Terms for the sale are agreed and contracts in place. Separate access licences for adjacent parcels of land are also in place;
- Planning Permission constraints. Following the completion of the Environmental Impact Assessment (EIA) a planning application was submitted in May 2018 which was subsequently withdrawn in November 2019 when a new revised planning application with updated EIA was submitted. Following consultation, submission of additional material and then further consultation, the application was taken to Planning Committee on 2nd September 2020. The Committee granted consent, subject to a number of planning conditions being imposed;
- Environmental constraints which may affect the construction of the station. Scoping work was undertaken as part of the planning application which were fed into the GRIP 4 outline design and will be taken forward into GRIP 5 – detailed design. These environmental constraints are now well understood and reflected in the planning conditions associated with the consent.

3.11.2 Both externally and internally imposed constraints will be managed from the outset and will be discussed throughout the business case. In addition to this, the project team will ensure that there are no technical issues with the scheme design that may hinder the development, delivery and on-going operation of the project and will be guided by the management case (Chapter 7).

3.12 Inter-dependencies

3.12.1 There are internal and external factors upon which the successful delivery of the Thanet Parkway Station scheme is dependent. The proposed scheme conforms with priorities set by the national, regional and local policy environments. Successful delivery will require continued alignment with policy priorities and subsequent political support.

3.12.2 A critical dependency is the completion of the Journey Time Improvement (JTI) scheme, which is on schedule for the May 2022 timetable change. This scheme is critical to the delivery of the project because it delivers a gain in scheduled journey time that compensates for the loss of journey time incurred by trains stopping at the new station. The JTI scheme is a joint KCC-Network Rail project to reduce journey time to Thanet through signalling and track alignment improvements between Ashford International and Ramsgate stations. JTI is expected to deliver a 3 minute saving (2 minutes in 2019, 1 minute by 2022) to Thanet district so that a new station could be accommodated within the existing timetable without increasing journey times to Ramsgate. A further 2 minutes has already been delivered compared with the 2014 timetable.

3.12.3 A further dependency is the requirement to identify alternative funding source(s) following an unsuccessful bid for funding from the New Stations Fund 2 from DfT. A bid has been submitted to the New Stations Fund 3 in June 2020, although KCC will fulfil this capital contribution if the bid is unsuccessful (announcement expected in autumn 2020).

3.12.4 A list of risks has been prepared as part of the management case (Chapter 7). The delivery of the scheme is dependent on these risks either not arising or being sufficiently mitigated so that scheme delivery remains unaffected.

3.13 Stakeholders

3.13.1 Consultation with the community, members, and local representatives is a vital part of a scheme's development. If undertaken successfully and inclusively, consultation can ensure the success of a project and enables great certainty of delivery to both time and budget.

3.13.2 Engagement has taken place with the following key stakeholders, as identified by KCC and outlined below:

- Thanet District Council (TDC);
- Dover District Council;

- Thanet and KCC Cllrs;
- Landowners;
- Local Residents;
- Local Businesses;
- Parish and Town Councils in Thanet and Dover;
- Users of the existing high speed service;
- Network Rail;
- Southeastern;
- Environment Agency;
- Statutory Undertakers; and
- Bus Companies.

3.13.3 Information on the level of consultation held with each of the stakeholders is provided below and where applicable, key details of the stakeholder management plan and engagement are also outlined in the Management Case (Section 7).

3.13.4 The scheme was presented to Thanet District Council, Dover District Council and Kent County Councillors at Joint Transport Board Meetings in December 2014. The scheme was well received and supported by the councillors.

3.13.5 In 2015 an initial public consultation on the high level design, impacts and benefits of the scheme was held. This consisted of seven events across East Kent, supported by a range of consultation documents. The consultation received a total of 529 responses and was generally well received. The outcome of the consultation has been used to shape the final scheme design, planning application and Environmental Impact Assessment (EIA) work. Scoping work is being undertaken as part of the planning application which will consider these issues further.

3.13.6 A second eight week public consultation was held in early 2017 to inform the planning application, with a period of pre-consultation engagement with all stakeholders. Kent County Council understands the importance of engaging with key stakeholders to gain feedback and will endeavour to incorporate the views of those with an interest in the project. The planning application has also been subjected to the statutory consultation period. Comments received during this consultation on the landscape impact due to the height of the proposed structure for the lifts and footbridge, resulted in a design review that led to the current proposal to remove the footbridge and provide access to the platforms via the existing subway (also an existing Public Right of Way). The planning application that was submitted in May 2018 was subsequently withdrawn in November 2019 when a revised planning application was submitted. Prior to the submission, there was engagement with the local community through local access groups and a public meeting hosted by the Parish Council at Cliffsend Village Hall on 10th October 2019. A newsletter was also posted to all residential properties in Cliffsend at the time of the new planning application submission to inform them of the design changes and to encourage them to submit their views in response to the new planning application consultation.

3.13.7 Alongside this, Network Rail holds regular monthly Project Review meetings with Kent County Council and Southeastern. Kent County Council also has an internal Project Board which meets quarterly or more often if required and provides regular updates to Thanet District Council and Dover District Council.

3.13.8 Statutory Undertakers have also been consulted with in regard to the proposed design.

3.14 Options

3.14.1 From initial identification of the problem, a number of options were considered and KCC went through an iterative appraisal process to arrive at a preferred option that achieves value for money and delivers the identified objectives. **Appendix E1** sets out in full detail the identification of the problem and how a range of options (including non-rail options) were appraised against the initial objectives, which were:

- Bring Thanet closer to London (reduce journey times for the high speed service);
- Increase the attractiveness of East Kent to employers;
- Support the economy by unlocking new economic development opportunities and attracting inward investment;
- Improve accessibility to employment and housing sites.

3.14.2 Six options were initially identified to provide better connectivity between sites planned for development in East Kent with London and the wider Kent area. These options are listed in Table 3-3 together with the 'do minimum' scenario:

Table 3-3 Identified Options

Option		Outcome
1	Deliver a new 'Thanet Parkway' railway station.	selected as the 'preferred option'.
2	Increase car parking provision at Ramsgate Station	shortlisted for further investigation but rejected due to the lack of land in the residential area around the station.
3	Increase car parking provision at Minster Station	rejected due to unsuitable local highway network, impact on Minster village and poorer rail service at Minster.
4	Shuttle bus from the Birchington-On-Sea Station	rejected due to unattractive journey times and lack of rail access to Ashford, Canterbury and Maidstone.
5	Direct coach service from London	rejected due to long journey times and low impact on economic growth.
6	Shuttle bus from Ramsgate Station	rejected due to lack of suitable terminus at Ramsgate and low impact on economic growth.

3.14.3 After analysis of each of the options, options 1 and 2 were shortlisted for further investigation against the do minimum option. While the other options would be less expensive, they were not anticipated to deliver the overall objectives of supporting growth of the East Kent economy and increasing employment opportunities.

3.14.4 Option 2 was later discounted due to the unavailability of land to provide additional car parking facilities at Ramsgate station.

3.14.5 The 'preferred' option, Option 1 (deliver a new 'Thanet Parkway' railway station) was then selected as the most appropriate option to achieve KCC's strategic aspirations for East Kent. This option was seen to have a positive impact in enhancing the attractiveness of East Kent for investment and a high impact on growth by unlocking development sites previously only accessible by private car and providing future station capacity to support the development of housing and commercial growth in the area.

3.14.6 Further feasibility work investigated possible sites for a new station. It was concluded that between Minster and Ramsgate on the Ashford to Ramsgate line would be the most suitable location because it would improve rail access to both Thanet and the north of Dover District. A new station in this location would also be served by High Speed 1 services and could take advantage of the full benefits of the Journey Time Improvement scheme, resulting in a journey time to London of around 1 hour. A study of this route to find the most suitable location for the station concluded that the plot of land to the west of Cliffsend village was the only option without significant railway, environmental or planning constraints.

3.14.7 The full Thanet Parkway Alternative Options Analysis and Alternative Site Appraisal can be found in **Appendix E1 and E2**.

3.14.8 As can be seen, a range of alternative options were appraised and then, once the development of a new station was selected, alternative locations for the scheme were assessed. A new station was selected because of the potentially transformative benefits compared with increased parking at existing stations or shuttle bus links. The support from Discovery Park at Sandwich illustrates investor confidence in this major rail accessibility upgrade.

3.14.9 In developing the station, a range of alternative funding streams have also been explored. This includes the New Stations Fund 2 (run by DfT and Network Rail), to which an application was made in November 2016. Unfortunately, the project was unsuccessful but, according to DfT feedback, this was largely because of the strong positive financial case and the ability of this to attract private sector funding. This possibility aligned with the re-franchising process for the South Eastern Rail franchise and so discussions were had with the prospective bidders given that the newly generated additional revenue from the station would go to the incoming Train Operating Company within the context of the franchise agreement with DfT. However, the franchise competition was cancelled due to the Williams Rail Review in 2019. Other private sector investment opportunities were explored but given the flow of ticket revenue within the franchise, it has not proved an attractive investment. Consequently, due to the aims of the project to bring regeneration and wider economic benefits, the funding for the project must come from the public sector. In 2020, the project was awarded £11.999m from the Getting Building Fund due to its positive impact on COVID economic recovery. A bid to NSF3 is also awaiting the result in autumn 2020 but if it is unsuccessful funding will be provided from KCC capital.

4 Economic Case

4.1 Introduction

4.1.1 The Economic Case provides evidence of how the scheme is predicted to perform, in relation to its stated objectives, identified problems and targeted outcomes. Ultimately, the Economic Case determines if the proposed Thanet Parkway passenger railway station at Cliffsend is a viable investment, whose strengths outweigh its weaknesses and provides good value for money.

4.1.2 The predicted scheme appraisal focuses on those aspects of scheme performance that are relevant to the nature of the intervention. However, the impacts considered are not limited to those directly impacting on the measured economy, nor to those which can be monetised. The economic, environmental, social and distributional impacts of the proposal are all examined, using qualitative, quantitative and monetised information. In assessing value for money, all of these are consolidated to determine the extent to which the scheme benefits outweigh its costs.

4.1.3 The economic appraisal has been tailored to reflect the needs of the Thanet Parkway Station scheme Business Case and is discussed under the following headings:

- Options Appraised;
- Value for Money Method;
- Scope for Proportionality in the Assessment
- Assumptions;
- Initial NPV
- Adjusted NPV
- Sensitivity;
- Qualitative Impacts;
- Appraisal Summary Table (AST); and
- Value for Money Statement.

4.2 Options Appraised

4.2.1 The Strategic Case sets out the possibilities for connectivity improvements between sites planned for development in East Kent with London and the wider Kent area which are considered appropriate to providing additional capacity on to the existing transport network. These have been assessed against the Thanet Parkway project objectives and KCC wider strategic objectives. The best performing option is delivery of a new 'Thanet Parkway' railway station, which was selected against the following list of options:

- Deliver a new 'Thanet Parkway' railway station;
- Increase car parking provision at Ramsgate Station;
- Increase car parking provision at Minster Station;
- Shuttle bus from the Birchington-On-Sea Station;
- Direct coach service from London; and
- Shuttle bus from Ramsgate Station.

4.2.2 The preferred option will constitute the 'Do Something' option for appraisal purposes which will be assessed against a 'Do Minimum' option whereby no new Thanet Parkway Station scheme is introduced.

4.3 Value for Money Method

4.3.1 The criteria for assessing the likely performance of the named scheme have been established in terms of measures for success as outlined in the Strategic Case, as they will predict the scheme's ability to achieve its objectives and resolve identified problems.

4.3.2 The Economic Case for this scheme is focused on:

- Assessing the monetised direct, localised and economic efficiency benefits of the scheme;
- Qualitatively appraising the wider scheme benefits, in terms of enabling planned developments; and
- Offsetting the scheme benefits against the direct scheme capital costs.

4.3.3 Figure 4-1 shows the approach used to develop the economic case for the Thanet Parkway railway station scheme.

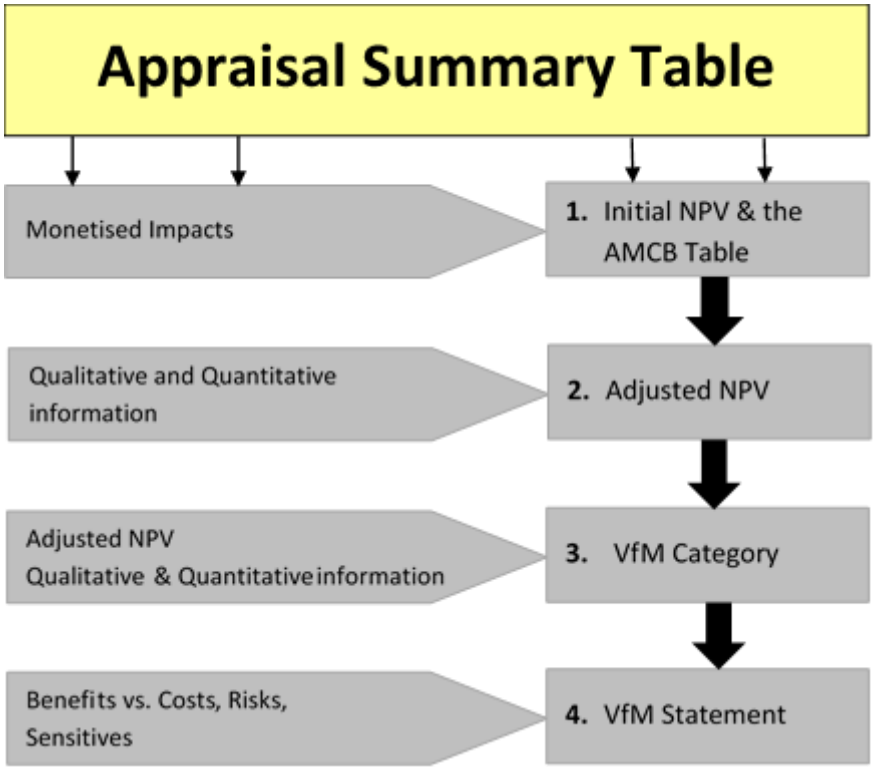

Figure 4-1: Value for Money Process

4.3.4 This value for money process follows guidance contained within 'Value for Money Assessment: Advice Note for Local Transportation Decision Makers' – December 2013. Whilst the *process* of this guidance has been followed, the value for money *metric* used to show value in this economic case is the Net Present Value (NPV) as opposed to the Benefit Cost Ratio (BCR). The NPV is a sum of benefits (Present Value of Benefits or PVB) minus the sum of costs (Present Value costs or PVC). This is in accordance with the 'Value for Money Framework: Moving Britain Ahead' – July 2017, which states where the Present Value of Costs (PVC) is negative, it is more appropriate to calculate and report the NPV as the BCR is difficult to interpret and therefore should not be calculated (DfT 2017 para 4.11/12).

4.3.5 The PVC is a negative value in this instance as the rail fare revenues are assumed to accrue to DfT or Central Government. Therefore, future revenue generated by the station through the franchise will go to the DfT, increasing transport budget available to central government and effectively offsetting the cost of the station. This means that the revenues received by Central Government from the scheme, exceed the scheme or investment costs expended by government and the scheme is financially positive. See **Appendix B** for more information.

Stage 1 - Initial NPV

4.3.6 The Value for Money assessment follows guidance contained within 'Value for Money Assessment: Advice Note for Local Transport Decision Makers' – December 2013. Stage 1 assesses those impacts that can be expressed in monetary terms. These monetised impacts are summed to construct an Initial NPV.

4.3.7 Calculation of benefits was based on the outputs of a spreadsheet-based model which was constructed specifically for the purpose of supporting the Business Case. The model is based on a previously approved version created by Network Rail and is contained in this report as **Appendix C**.

4.3.8 The initial NPV has been assessed within a WebTAG compliant framework drawing on the following:

- An assessment of monetised economic impacts (i.e. user benefits, additional rail and parking revenue, Kiosk income and station / car park capital, operating and maintenance costs impacts);
- An assessment of monetised non user impacts, namely: congestion, infrastructure, greenhouse gas emissions; air quality; and noise impacts;
- An assessment of monetised social impacts, namely: commuting and other users travel time and accident impacts; and
- An assessment of public accounts impacts, namely: cost to the broad transport budget; and changes in indirect taxes.

Stage 2 - Adjusted NPV

4.3.9 The second stage of a Value for Money assessment builds on the initial monetised costs and benefits.

4.3.10 An Adjusted NPV incorporates quantitative information on those impacts which can be monetised, but where the evidence base used to derive the monetary values is less robust than values used for the initial NPV. Guidance is provided on available methods for assessing Reliability, Option Values, Regeneration, Wider Impacts and Landscape to support an adjusted NPV.

4.3.11 Monetised values for these impacts have not been derived for the Thanet Parkway Scheme and the Initial NPV is therefore not adjusted. Qualitative impacts have been considered for reliability and Landscape.

Stage 3 - Qualitative Impacts

4.3.12 At Stage 3, where a monetary assessment is not feasible, analysis of non-monetised impacts has been undertaken in accordance with the methodology recommended within the relevant WebTAG units. These impacts not normally monetised but assessed qualitatively are as follows:

- Townscape;
- Historic Environment;
- Biodiversity;
- Water Environment;
- Security;
- Access to Services;
- Affordability and
- Severance.

Stage 4 – Value for Money (VfM) Statement

4.3.13 Finally, at Stage 4 a Value for Money conclusion has been drawn considering the evidence pulled together from Stages 1 to 3.

4.4 Scope for Proportionality in the Assessment

4.4.1 This business case has made an assessment of the potential impacts presented in DfT WebTAG guidance. A detailed assessment has not been provided for:

- Delays during construction;
- Wider impacts;
- Physical activity;
- Security;
- Option values and non-use values;
- Accessibility; and
- Affordability.

Delays during Construction

4.4.2 Delays during construction and maintenance are not expected to have a significant effect on the scheme NPV and Value for Money. The nature of the scheme is such that it will largely be constructed off-line, with minimal impact on existing rail users. Therefore, construction delay and maintenance impacts have not been included in the analysis.

Wider Impacts

4.4.3 Thanet Parkway Station is an important part of facilitating significant housing growth in Thanet. In addition, whilst not a Functional Urban Region (FUR) as highlighted in WebTAG A2.1 there is some expected economic benefit for the region with the nearby 'Enterprise Zone' (Discovery Park). An assessment has been commissioned by KCC in this regard, but it is not included at this stage of the business case process.

Physical Activity

4.4.4 Some modal shift from car to rail might be expected from rail users walking or cycling to and from the rail station at both ends of their journey. However, the proposed scheme is expected to result in a limited impact in terms of physical activity and a quantitative assessment has not been carried out (WebTAG Unit A4.1).

Security

4.4.5 The station will include CCTV and other standard security features which will benefit rail users but offer no change to non-users. The change to security is arising due to the scheme is expected to be minimal and therefore no assessment is included.

Option Values and Non-use Values

4.4.6 Option and non-use values should be assessed if the scheme being appraised includes measures that will substantially change the availability of transport services within the study area (e.g. the opening or closure of a rail service, or the introduction or withdrawal of buses serving a specific rural area). This appraisal is not required for Thanet Parkway Station as there will not be a substantial change in the availability of transport services within the study area.

Accessibility

4.4.7 Although there will be some improvement in access to services through additional mode choice that will be available, there are no proposed changes in routings or timings of current public transport services. An assessment of access to services has not been carried out.

Affordability

4.4.8 The scheme is likely to slightly reduce travel costs through user time savings. However, its impacts on overall affordability will be small and therefore no assessment will be completed.

Renewals and Maintenance

4.4.9 Once completed, the station will be transferred to Network Rail. The responsibility for long-term renewals will sit with Network Rail and be funded through their usual Control Period process. The Train Operating Company will enter into a station lease with Network Rail for Thanet Parkway, which will ensure they have responsibility for day-to-day maintenance.

4.5 Assumptions

Demand Modelling

4.5.1 This section summarises the key assumptions supporting the Value for Money analysis. This includes the assumptions set out in WebTAG as well as further assumptions specific to the Thanet Parkway Station scheme. The Passenger Demand Modelling Report (**Appendix B1 to the Technical Note in Appendix B**) explains the data and approach to modelling in more detail.

4.5.2 The demand forecasting approach that has been used is relevant to the stage of the scheme development (GRIP stage 3) and complies with the following guidelines:

- Transport Analysis Guidance (WebTAG Unit A5.3 – Rail Appraisal, May 2018);
- Passenger Demand Forecasting Handbook (PDFH), Version 6.0, Rail Delivery Group (Formerly Association of Train Operating Companies (ATOC), May 2018;
- Network Rail GRIP Process;
- Association of Train Operating Companies (ATOC);
- The Office of Rail and Road (ORR); and

- Industry best standards.

4.5.3 This work has been consistently updated as the scheme has progressed, and Full Business Case Economic Appraisal Methodology and Results Technical Note (**Appendix B**) explains the most recent methodology used.

4.5.4 The following data sources were used to build the base year model:

- Ramsgate and Canterbury interview data - passenger interviews were conducted at Ramsgate and Canterbury stations from 0700 to 1900 on a neutral weekday in November 2013. The data was used to establish the trip-distance curve (using home origin postcodes and access mode) for walking/cycling access and trip-time curve for car/other access and to verify top rail destinations found using MOIRA data.
- Ramsgate and Canterbury count data - passenger counts were conducted simultaneously with the passenger interviews in November 2013, again from 0700 to 1900. This data was used to gain the 12-hour boarding count and the 0700-0930 boarding count.
- ITN and TrafficMaster data from KCC – used to determine vehicle journey times to each of the rail stations in the study area.
- NRTS data - used to expand the 12hr Ramsgate count data to 24hr count data - The Ramsgate survey provided a count of boarding passengers during the time period 0700-1900. Significant numbers board at the station before 0700, so it was necessary to expand the count to provide an estimate of a full 24hr day, using the NRTS data for Ramsgate which covers all time periods.
- National Rail website - for all current rail timetable and fares data, plus station parking spaces and charges.
- Census population data - current 2011 data from the Office of National Statistics was used in the trip element of the trip-distance curves (in the form of trips per thousand resident population), and in the base model's general trip number calculations. Population data projections from the same source were used in future-year trip calculations.

4.5.5 Key destinations and access modes were assessed for passengers boarding at Ramsgate. MOIRA output data was used to find the most popular destinations.

4.5.6 Generalised journey times were derived for each station in the study area, from the mean service interval and transit time, rail fare and parking charge.

4.5.7 An OmniTrans model was constructed for the purpose of assessing drive times (peak period) and distances (for walk access) from across the study area to each of the rail stations in the study area. A zoning system based on Census geography was used and matrices of times and distances were copied from OmniTrans into the spreadsheet model. It should be noted that the OmniTrans model is not a true highway model in this case but used to extract relevant data in relation to journey times.

4.5.8 Journey time improvements proposed on the East Kent line have been included within the assessment.

4.5.9 Expansion factors for identifying weekend passenger numbers were calculated using the relative proportion of weekday-to-weekend rail trips made, drawn from the National Travel Survey.

4.5.10 The results were applied to the future-year population data, for low, medium and high growth scenarios and using adjusted ONS projections by local authority, with and without Thanet Parkway in operation, including the modelled passenger numbers for the proposed Thanet Parkway station itself.

4.5.11 The estimated demand for parking at Thanet Parkway station car park was calculated using the modelled passenger numbers by car/other in conjunction with the proportion derived from drive-plus-lift from the Ramsgate interview data.

Modelling Summary

4.5.12 The methodology used is what is known as a 'Trip Rate' approach and is a recognised method for assessing the likely patronage of a new station such as Thanet Parkway. The approach does not explicitly model mode shift from other modes such as car or bus onto rail, but in essence uses existing data to determine the likely number of trips that could be made by rail from any location by determining a 'trip rate'. In this case it is 'the number of trips per thousand of the population' within any zone that would use rail.

4.5.13 The data sources referred to have been used as observed data to determine this trip rate. Existing station data is used (in this case a mixture of station surveys and NRTS data). The curves are based on observed data, unlike traditional modelling; there is no need to undertake a validation and calibration exercise as the outputs from the trip rate curve are bench marked against the observed ORR total number of trips at each station.

4.5.14 This is a recognised industry approach and that the trip rate curves are bench marked against the ORR data that the model is fit for purpose for deriving future demand at Thanet Parkway Station.

Present Value Year/Discounting

4.5.15 The economic assessment has been summarised with costs and benefits discounted to a 'present value year' of 2010, at a 'discount rate' of 3.5% per annum for the first 30 years and a rate of 3.0% for the subsequent 30 years.

4.5.16 All items evaluated in the economic assessment are monetary 'costs' of transport.

Appraisal Period

4.5.17 The appraisal has been completed for a 60-year assessment period (2021-2081).

Opening Year

4.5.18 Opening Year for the proposed Thanet Parkway Station scheme is expected to be the financial year 2020-2021. This 'first scheme year' of 2021 has been taken into account in the capital expenditure calculations.

Allowances for Uncertainty

4.5.19 The potential impacts of the Thanet Parkway Station scheme need to be considered in the wider context of forecast housing growth in Thanet district. They have, therefore, been assessed for a range of possible conditions, covering 'low', 'medium' and 'high' housing growth outcomes, as recommended in DfT Transport Analysis Guidance (WebTAG). The key components of these situations are as follows:

Low Growth Scenario

- Inclusion of committed land use developments only, with assumed full completion at these sites.

Medium Growth Scenario

- Inclusion of certain and near certain land use developments i.e. developments outlined in the emerging Thanet Local Plan growth.

High Growth Scenario

- Inclusion of certain, near certain, more than likely and reasonably foreseeable land-use developments. (Additional growth at the Manston Airport site – the former Stone Hill Park proposals).

4.5.20 The make-up of growth scenarios has been determined using professional judgement but guided by agreement with KCC regarding accuracy of NTEM planning data and the likelihood of specific developments proceeding. The Medium Growth Scenario has been adopted as the Core scenario for the scheme assessment.

4.5.21 Full details of the assumptions adopted are contained in the 'Thanet Parkway Station – Full Business Case Economics TN01 v2' (PBA, 2019), in **Appendix B**. The appendices to this Technical Note (B1 – B4) include the TEE table, AMCB table and Public Accounts table, as well as the Passenger Demand Modelling Report.

4.5.22 On sunk costs, TAG A1.2 (Scheme Costs) paragraph 2.3.3 notes that 'Sunk Costs' represent expenditure incurred prior to the scheme appraisal and which cannot be retrieved. The guidance states that these should not be included in the scheme appraisal. Only costs required to inform the Scheme Appraisal as provided by KCC were used in the business cases and sunk costs are not applicable to the appraisal."

4.5.23 It has been assumed that passenger numbers will be built up to full demand over the early years of operation as follows: Year 1 – 70%, Year 2 – 85%, Year 3 – 95%, Year 4 – 100%. Full or peak demand is assumed to be achieved 20 years post-opening. This allows for passenger growth of 2% per annum, along with growth associated with future developments that are included within the modelling.

4.6 Initial NPV

4.6.1 As previously outlined, the Initial NPV consists of four key components, namely:

- An assessment of monetised economic impacts (i.e. user benefits, additional rail and parking revenue, kiosk income and station/car park capital, operating and maintenance costs);
- An assessment of monetised non-user impacts, namely: congestion, infrastructure, greenhouse gas emissions; air quality; and noise impacts;
- An assessment of monetised social impacts, namely: commuting and other users travel time and accident impacts; and
- An assessment of public accounts impacts, namely: cost to the broad transport budget; and changes in indirect taxes.

4.6.2 Results from the monetised values of additional rail revenue (willingness to pay to travel by train for the newly generated rail trips), time saving benefits to rail passengers (user benefits) and remaining car users (non-user benefits), operating cost savings of reduced congestion have been combined, to give an initial assessment of scheme impact.

4.6.3 The Initial NPV is based on the monetised costs and benefits for the Core Scenario, assuming medium growth, including the level crossing at project Level 4 (optimism bias of 9% as per Tag Unit A5.3) summarised in Table 4.1.

Table 4.1: Initial Scheme Impact (Medium Growth)

Value (£m) 2010 prices, discounted to 2010	
Parking Revenue	6.05
Private Sector Revenue	0.51
Operating Expenditure Costs	-5.21
User Benefits	2.39
Non-User Benefits	2.5
Present Value of Benefits (PVB)	**6.26**
Capital Expenditure Costs	26.33
Fares Income	-38.15
Present Value of Costs (PVC)	**-11.82**
Net Present Value (NPV)	**18.08**
Net Present Value/ Capital cost (NPV/k)	**£0.69**

4.6.4 The costs and benefits outlined above show that the Initial NPV of the scheme including the consideration of level crossing works, based on standard monetised values, for the Medium growth scenario is £18,078,000. A positive NPV demonstrates a positive return resulting from the investment provided by the scheme, the higher that value the more benefit the scheme results in. The DfT's 'Value for Money Framework: Moving Britain Ahead' guidance indicates that in instances where outlays are less than revenues and cost savings combined, as demonstrated here, then the scheme demonstrates "Very High (and Financially Positive)" cost savings (DfT 2017, box 5,2).

4.6.5 The NPV/k (where 'k' is the capital investment) is a measure of the net benefit of the scheme representing the benefit per pound of capital expenditure. The NVP/k for the core scenario is £0.69 representing a positive return on investment and a scheme that is financially positive. Therefore, Thanet Parkway represents very high value for money.

4.7 Sensitivity

4.7.1 A series of sensitivity tests have been undertaken to understand how some of the parameters and assumptions used within the appraisal of Thanet Parkway Station influence the economic and commercial case of the proposal.

4.7.2 Sensitivity tests have been undertaken to assess the impact of the following:

- 10 and 30 year additional passenger demand caps;
- Contribution of car park revenue;
- Potential fare evasion;
- Level 3 optimism bias at 18%.

4.7.3 Full details of sensitivities accounted for are contained in the Thanet Parkway Station – Full Business Case Economics TN01 v2' (PBA, 2019), contained within **Appendix B**.

4.7.4 The results of the sensitivity tests undertaken, summarised in Table 4.2 (include level crossing works), show that all scenarios generate a positive Economic Net Present Value. The station can be expected to have a net economic benefit to society as a whole.

Table 4.2: Sensitivity Tests

Sensitivity Test	PVB	NPV	NPV/k
Medium growth with car park revenue – Level 4	**6.26**	**18.08**	**£0.69**
Medium growth with car park revenue – Level 3	6.26	15.90	£0.56
10 year passenger demand cap – Level 4	5.30	7.06	£0.27
30 year passenger demand cap – Level 4	6.80	26.50	£1.01
Medium growth with car park revenue & 5% fare evasion – Level 4	6.26	16.17	£0.61
Medium growth without car park revenue – Level 4	0.206	12.03	£0.46
Medium growth with car park revenue plus consideration of crowding impacts	6.26	13.59	£0.52

4.7.5 Following the allocation of Getting Building Funding, additional sensitivity testing was undertaken as requested by Steer and SELEP and in line with DfT advice on testing the potential impacts of COVID-19 on the Business Case. This is attached at **Appendix N** and demonstrates that even in the worst case scenario of a 30% drop in passenger demand compared to what has been forecast, the station remains financially positive (i.e. it returns more to public finances than it has cost over the appraisal period). **Appendix O** contains the spreadsheet calculations for these sensitivity tests.

4.7.6 Stantec have also previously undertaken some sensitivity testing to identify the impact of assessing Commuting, Business and Other users, including the change in the perceived cost in terms of Values of Time (VoT), and using the National Travel Survey 2018 to inform the percentage split of each purpose for the AM, Off Peak (OP) and weekend periods. Table 4.3 below illustrates the percentages of person trips for heavy rail for the AM, OP and weekend time periods as set out within Tag Databook Table 1.3.4.

Table 4.3: AM, OP and Weekend, Percentage of person trips for heavy rail

Purpose	AM Percentage	OP Percentage	Weekend Percentage
Commuting	9%	11.1%	2.3%
Business	60.5%	13.7%	10.7%
Other	30.5%	75.2%	87.1%

Table 4.4 below shows the VoT that was extracted from the most recent version of the TAG Databook, the values are provided as £'s per hour, 2010 prices, 2010 values for Non-Working time by trip purpose.

Table 4.4: TAG Databook – May 2019 Values of Times Per Purpose

Perceived Cost	
Purpose	**VoT £/hr**
Commuting	9.95
Business	24.52
Other	4.54

As the demand spreadsheets require only one VoT value, for each peak period the VoTs have been updated and subsequently applied to each time period sensitivity test, the VoT for the AM, Op and Weekend used is 17.12, 7.88 and 6.81 respectively.

To take into account the impact of the time periods, the information summarised within Table 4.3 has been used and the user benefits per purpose for each time period results in the annual user benefits per time period as provided within Table 4.5.

Table 4.5: Annual User Benefits Per Time Period

AM	OP	Weekend	Total Annual User Benefit
£4,115	£1,895	£1,637	£7,647

Applying these alterations within the assessment results in the outputs shown within Table 4.6 below:

Table 4.6: Sensitivity Test Assessment Results

COSTS (PVC)	-£8,242
BENEFITS (PVB)	£11,511
BCR	-1.40
Net Present Value (NPV)	£19,753
NPV/k	£0.75

When compared with the core scenario the NPV and subsequently the NPV/K has increased, this is due to the proportion of Business users during the AM being over 60% of total users, which as the VoT is higher than the commuting VoT used in the previous assessments, the benefits are greater, as such this demonstrates that undertaking the sensitivity test, the new station remains financially positive and very high value for money due to the fact that the scheme results in a negative PVC.

4.8 Qualitative Impacts

4.8.1 The non-TEE benefits have been assessed qualitatively.

Impacts on the Economy

Reliability Impact on Business Users

4.8.2 Reliability is defined as a variation in journey times that transport users are unable to predict. Measurements of the monetised journey time reliability benefits from a scheme proposal should be based solely on the unpredictable variation, because of the extra costs incurred by travellers.

4.8.3 Train travel is generally considered more reliable than road travel and this is likely to bring about some mode shift from the private car. Therefore, the qualitative impact score for reliability impact on business, commuting and other users is assumed to be **slight beneficial**.

Impacts on the Environment

Landscape

4.8.4 The packet of land that would be used for Thanet Parkway is within the triangular plot formed by the existing railway and the relatively recent highway infrastructure of East Kent Access (EKA). Therefore, no great detriment is likely in addition to the impacts which occurred with the introduction of EKA. Mitigation has been proposed in the planning application. The qualitative impact score for landscape is therefore **neutral**.

Townscape

4.8.5 The proposed location of the Thanet Parkway site is located in close proximity to the built-up area of Cliffsend, however, is on the opposite side of the existing railway line to residential properties. Mitigation has been proposed in the planning application. As such the significance of impact is deemed to be **neutral*.***

Historic Environment

4.8.6 As previously mentioned for other aspects, there is no notable impact in addition to those that occurred with the EKA scheme. The English Heritage monument (St Augustine's Cross) is noted on the other side of the railway. Mitigation for any archaeologically significant finds will be proposed in the detailed design for the scheme. The qualitative impact score for historic environment is therefore **neutral**.

Biodiversity

4.8.7 No significant impact on the local biodiversity is anticipated. There would be minor adverse impacts on ecological habitats such as wildlife links. The impacts will be mitigated by minimising severance of wildlife links at the detailed design stage. Mitigation has also been proposed in the planning application.

Water Environment

4.8.8 The impact of the scheme on the water environment has not been assessed.

Social Impacts

Reliability Impact on Commuter and Other Users

4.8.9 Reliability is defined as a variation in journey times that transport users are unable to predict. Measurements of the monetised journey time reliability benefits from a scheme proposal should be based solely on the unpredictable variation, because of the extra costs incurred by travellers.

4.8.10 Train travel is generally considered more reliable than road travel and this is likely to bring about some mode shift from the private car. Therefore, the qualitative impact score allocated for reliability impact on commuting and other users is **slight beneficial**.

Journey Quality

4.8.11 Journey quality can be affected both by travellers and by network providers and operators. Journey quality will be improved as a result of mode shift from car or bus. Driver and passenger stress will be reduced as a result of improved reliability and travelling environment. The qualitative impact score allocated for journey quality is **slight beneficial**.

Severance

4.8.12 The new station would not add to the severance that already exists due to the railway. Therefore, a qualitative impact score of **neutral** has been applied.

Overall Qualitative Impact

4.8.13 The outcome of the qualitative assessments is summarised in

4.8.14 Table 4.7: . Overall, the findings of the qualitative assessments are not considered to be significant enough to impact on the adjusted NPV category of Very High.

Table 4.7: Summary of Qualitative Impacts

Qualitative Impacts	Qualitative Score
Reliability impact on Business Users	Slight beneficial
Landscape	Neutral
Townscape	Neutral
Historic environment	Neutral
Biodiversity	Slight adverse
Water environment	Not assessed
Reliability impact on Commuter and other users	Slight beneficial
Journey Quality	Slight beneficial
Severance	Neutral
Overall Qualitative Impact	**Slight Beneficial**

4.9 Appraisal Summary Table

4.9.1 The quantitative and qualitative assessments of impacts made above have been summarised in the Appraisal Summary Table (AST) provided in Table 4.8: .

Table 4.8: Appraisal Summary Table

Appraisal Summary Table

Date produced:	09/08/2017

Name of scheme:		Thanet Parkway Station				
Description of scheme:		New Parkway Rail Station located to the west of Ramsgate				
Impacts		Summary of key impacts	Assessment			
			Quantitative			Qualitative
Economy	Business users & transport providers	Assessed in conjunction with Commuting and Other users	Value of journey time changes(£)			
			Net journey time changes (£)			
			0 to 2min	2 to 5min	> 5min	
			N/A	N/A	N/A	
	Reliability impact on Business users	Train travel generally considered more reliable than road travel.	No quantitative assessment undertaken			Slight Beneficial
	Regeneration	Improved access to Thanet will assist in attracting new businesses and existing businesses in attracting investment. It will help facilitate new housing within the district and provide improved access to the rail network.	No quantitative assessment undertaken			Beneficial
	Wider Impacts	Improved access to Thanet Parkway will improve access to the labour pool for employers in the area. This will improve business competitiveness by increasing access to skilled labour and reducing barriers to investment.	No quantitative assessment undertaken			Beneficial
Environmental	Noise	Potential for operational noise including changes in train braking and acceleration patterns to affect existing residential dwellings. The closest residential dwellings are located approximately 50m away and are already affected by rail noise. The proposed Station is not expected to result in significant adverse impacts on these dwellings. Small amount of noise reduction due to decrease in longer distance car travel.	Partially assessed using Marginal External Cost (MEC) Guidance in WebTAG			Slight Adverse for residents near rail line Slight Beneficial for highway
	Air Quality	Benefit from reduction in road journeys insignificant and changes in vehicle flows on individual links would be less than DMRB HA207/07 air quality screening criteria.	Partially assessed using MEC Guidance			Slight Beneficial
	Greenhouse gases	There would be a small benefit as a result of mode shift from car to rail. Assessed as part of Marginal External Cost Assessment undertaken as per WebTAG A5.4.	Change in non-traded carbon over 60y (CO2e)			Slight Beneficial
			Change in traded carbon over 60y (CO2e)			
	Landscape	The station is adjacent to the existing railway and recently completed highway infrastructure. No further significant detriment likely.	No quantitative assessment undertaken			Neutral
	Townscape	Thanet Parkway will be in reasonably close proximity to the built up area of Clifsend but is on the opposite side of the exisitng railway line to residential properties.	No quantitative assessment undertaken			Neutral
	Historic Environment	No notable impact in addition to those arising from the recently completed highways scheme (EKA).	No quantitative assessment undertaken			Neutral
	Biodiversity	Impact on local biodiversity is considered limited. Minor adverse impacts on ecological habitats such as wildlife links which will be mitigated by minimising the severance of wildlife links at the detailed design stage.	No quantitative assessment undertaken			Slight Adverse
	Water Environment	The impact of the scheme on the water envionment has not been assessed.	Not assessed			
Social	Commuting and Other users	Users will benefit from savings in generalised cost as a result of decreased journey times.	Value of journey time changes(£)			Beneficial
			Net journey time changes (£)			
			0 to 2min	2 to 5min	> 5min	
			N/A	N/A	N/A	
	Reliability impact on Commuting and Other users	Train travel is more reliable than road travel and this is likely to bring about some mode shift from the private car.	No quantitative assessment undertaken			Slight Beneficial
	Physical activity	With modal shift from car to rail some physical activity benefits would be expected from rail users walking or cycling to and from the rail station at both ends of their journey. This will in turn deliver health benefits which have not been assessed quantitatively.	No quantitative assessment undertaken			Slight Beneficial
	Journey quality	Journey quality will be improved as a result of mode shift from car or bus. Driver and passenger stress will be reduced as a result of improved reliability and travelling environment	No quantitative assessment undertaken			Beneficial
	Accidents	Rail is an inherently safer mode of travel than car. Overall there will be a small reduction in accidents as a result of modal shift from car to rail.	Accident benefits assessed as part of MEC			Slight Beneficial
	Security	The station will include CCTV and other standard security features. These will be of benefit to rail users but will offer no change to non users.	No quantitative assessment undertaken			Neutral
	Access to services	Some improvement in access to services through additional mode choice available but no proposed changes to public trnaport services.	No quantitative assessment undertaken			Slight Beneficial
	Affordability	The impact of the scheme on affordability will be small and has not been assessed.	No quantitative assessment undertaken			
	Severance	Station will not add to severence which already arising from the presence of railway.	No quantitative assessment undertaken			Neutral
	Option and non-use values	Provision of a station at this location improves options for travel for some, but does not substantially change the availability of services in the study area.	No quantitative assessment undertaken			Neutral
Public Accounts	Cost to Broad Transport Budget	There is a capital cost. However, there is no subsidy requirement and the station has the potential to generate a substantial revenue surplus and premium payments to the public sector. If included these premiums would deliver a negative cost to the transport budget.	Capital cost of £21.49m Operating cost of £3.34m Revenue of £31.57m			Large Beneficial
	Indirect Tax Revenues	Negative impact due to mode shift from car to rail leading to reduction in fuel revenues. Assessed as part of External Marginal Cost Assessment undertaken as per WebTAG A5-4.	Indirect tax of £2.068m over 60-year Appraisal period included in MEC			Slight Adverse

4.10 Value for Money Statement

4.10.1 The VfM has been prepared in accordance with the 'Value for money assessment: advice note for local transport decision makers' (DfT 2013) and 'Value for Money Framework: Moving Britain Ahead' (DfT 2017). The VfM assessment is summarised in Table 4.9: .

Table 4.9: Value for Money Summary

	Assessment	Note
Initial NPV	NPV £18,078,000 (Very High cost saving and Financially Positive)	Estimated using WebTAG guidance and cost saving categories as documented in 'Value for Money Framework: Moving Britain Ahead' (DfT 2017).
Adjusted NPV	NPV £18,078,000 (Very High cost saving and Financially Positive)	No adjustment was made
Qualitative Assessment	Slight Beneficial	Slight benefits expected from reliability and journey quality
Key Risks, Sensitivities	Risks and sensitivities are summarised in the VfM	Possible risks around passenger demand and revenue forecasts. High and low growth scenarios assessed to reflect potential range of demand. Both scenarios indicate financially positive NPV and positive NPV/k. Possible risks around car park revenue. NPV/k without car park revenue still indicates a positive return on investment.
VfM Category	Very High (and Financially Positive)	Qualitative assessment indicates potential slight benefits to contribute to the overall VfM which remains financially positive.

4.10.2 The VfM is based on the quantified initial NPV for the scheme of £18,078,000 and NPV/k of £0.69 (i.e. Very High cost saving and financially positive) for the medium growth scenario. The initial NPV is based on an estimated 9% optimism bias for level 4 (18% sensitivity test for level 3) and an allowance for risk and contingency that reflects the design stage, e.g. GRIP Stage 4 for the station and pre-GRIP for the level crossings. No additional adjustments were made to the monetised input used for the quantified NPV value. The qualitative assessments indicate an overall slight beneficial impact. The outcomes of the qualitative assessments were taken into consideration for the final VfM which remains financially positive.

5 Financial Case

5.1 Introduction

5.1.1 This section presents the Financial Case for the Thanet Parkway Station scheme. It concentrates on the affordability of the proposal, its funding arrangements and technical accounting issues. The total outturn costs and expenditure profile are presented, along with an assessment of the impact on public accounts.

5.1.2 The Financial Case for the Thanet Parkway Station is based on significant scheme development and the identification and costing of the preferred option. The proposed funding arrangements are set out and described.

5.1.3 Once the project is complete, the car park is to be retained in the ownership of KCC to be operated directly or via a contracting arrangement. The station itself will be transferred into the ownership of Network Rail. The funding for the eventual replacement of the station, and maintenance the tracks and the level crossings (and all railway infrastructure) will therefore be covered in the ongoing grant asset base grant that Network Rail receives from Government. Therefore, all costs are incurred by the public sector. The ongoing maintenance of the station will be covered by the Train Operating Company (TOC) as part of their Station Lease agreement.

5.1.4 A detailed scheme cost estimate is provided in **Appendix F** completed in October 2019. This includes a revised estimate by Allen Dadswell (construction cost consultants) for the highway works and archaeology. Network Rail have completed a revised cost estimate for the station based on the GRIP 4 outputs. Combining these reviewed estimates has produced the total cost estimate of £34.51m (including the requirement to upgrade the Cliffsend and Sevenscore level crossings). This includes inflation, land purchase and spend to date (including committed spend) on design and planning.

5.1.5 The project is currently at the end of GRIP stage 4, which broadly correlates to outline design but is in effect more advanced than that as the design has now been locked down and a robust cost estimate has been produced. The need to ensure the level crossing requirements are fully understood means that a separate process is underway to get that element of the project up to GRIP 4 to confirm the course of action and gain approval from the asset owner within Network Rail (this work is currently – August 2020 – at GRIP 3). There has also been a requirement to consider redesign options to value engineer the project and ensure its acceptability in planning terms. The GRIP 3 design and estimate that has received Approval in Principle has ensured that the station is feasible in this location. GRIP 4 produced track design, more appropriate construction methodologies, alternative construction materials and all the other benefits of Early Contractor Involvement.

5.1.6 GRIP 4 is complete and work is progressing on GRIP 5 detailed design and work to discharge the planning conditions. The cost estimate has been reviewed and validated by Network Rail and therefore is reliable. The design has been locked down and therefore scope for additional cost is greatly reduced and covered by the risk allowance within the estimate.

5.1.7 The highway design also has a reliable cost estimate produced by Allen Dadswell (cost consultants). This includes a quote for the archaeological mitigation works required on the site. The highway construction package is now out to tender.

5.2 Base Costs

5.2.1 Table 5.1 shows that the base cost estimate for the scheme is £27,403,704 (at Q3 2019 prices). This is from the combined Network Rail and Allen Dadswell cost estimate and includes a base cost allowance of £6.5m for the required level crossing works. This is made up of £23.75m of construction costs and £3.65m in fees and land costs.

Table 5.1: Components of Investment (Base) Cost (2019/Q3)

Cost Category	**£**
Construction Costs	23,753,601
Administration, Management, Planning and Land Costs	3,650,103
Total	**27,403,704**

5.3 Inflation

5.3.1 Inflation has been applied to rail capital costs at 6.35% for Q3 2021 based on the Retail Price Index of the Infrastructure Projects Southern Cost Planning Team in Network Rail. Inflation for the non-rail capital costs by Allen Dadswell uses the Royal Institute of Chartered Surveyors (RICS) Building Cost Information Services (BCIS) Tender Forecast Index at 4% to 2020/21. The Network Rail and Allen Dadswell cost estimates total £1,544,812 for inflation.

5.4 Risk Budget

5.4.1 A Quantified Risk Assessment (QRA) has been undertaken by Gleeds and a quantitative risk register has been developed for the scheme contained in **Appendix G**. The total risk identified in this risk assessment amounted to £2.4m. For the purposes of a robust assessment, the KCC whole project cost estimate (combined Network Rail and Allen Dadswell estimates) allows for a 20% risk allowance (of the base cost) which amounts to £5,564,215. The increased risk budget is primarily associated with the level crossing cost estimate due to the early design stage (pre-GRIP) and this had a contingency estimate of £3.7m.

5.4.2 This level crossing risk allowance has now been revised down but the risk allowance within the station/car parks works has been slightly increased, giving a total risk allowance of £4,862,676. This comprises:

- £2,892,000 risk allowance for level crossing works.
- £1,816,461 risk allowance for station and car park.
- £154,215 risk allowance for junction and archaeology works.

5.5 Optimism Bias

5.5.1 Optimism bias refers to the tendency for scheme promoters to be overly optimistic about scheme costs. Optimism bias has been applied in accordance with WebTAG Unit A5.3, Rail Appraisal (DfT May 2018). For the purpose of this business case it has been assumed that the scheme is at project development level 4. In this instance an optimism bias of 9% has been applied with a sensitivity test of 18% at level 3 to the construction costs and 1% per annum has been applied to the operation costs.

5.6 Final Scheme Costs

5.6.1

5.6.2 Table 5.2 indicates the costs associated with the proposed scheme including inflation and risk allowance.

Table 5.2: Summary of Final Scheme Costs (2019/Q3 prices)

Cost Type	Network Rail/ Allen Dadswell 2019/Q3 prices £
Scheme Cost	28,493,351
Inflation	1,156,704
Risk Allowance	4,862,676
Total	**34,512,731**

5.7 Funding Arrangements

5.7.1 Thanet Parkway Station is one of a number of pipeline schemes planned to be delivered by KCC as part of the South East Local Enterprise Partnership (SELEP) Growth Deal agreed between SELEP and Government in July 2014. This included an allocation of £10.0 million for the Thanet Parkway scheme.

5.7.2 The project has previously experienced a gap between allocated funding and total project costs. Therefore, KCC bid to DfT and Network Rail for additional funding through the New Stations Fund 2 (NSF2). After this was unsuccessful, KCC has continued to investigate alternative funding sources for gap that remained between allocated and provisionally allocated funding and total scheme cost. Feedback from the DfT on the NSF2 bid indicated that the station has a strong 'financially positive' business case and should therefore have been able to attract interest from the private sector.

5.7.3 On the advice of the DfT, KCC met with the three South Eastern franchise bidders to determine if they would be able to make a contribution to the station as they would receive the revenue increase from the new passengers. These discussions were subject to Non-Disclosure Agreements (NDA) and therefore no further detail can be given. The winning franchise bidder was expected to be announced in November 2018, but the franchise competition was cancelled and train services are now continuing by the incumbent operator by direct award from the DfT, which is now a management contract given the impacts of COVID-19 on rail travel. KCC has also previously met with private investment companies who may have wished to invest in the rail network.

5.7.4 KCC has also explored further public sector options, as has Thanet District Council. This includes a bid for a further £4m LGF through the LGF 3b available funding (the total £14m LGF was approved at Accountability Board in February 2020, subject to planning consent being granted). Thanet District Council have now committed £2m towards the project (a signed grant agreement can be provided if required), and successfully bid for £700k from the East Kent Spatial Development Company. This is a loan direct to Thanet District Council, which KCC and the scheme are not liable for (it would be repaid through the economic benefits the project will deliver). KCC also investigated the possibility of a loan based on the car park income, which could support some additional KCC capital to complete the funding package, but this was ruled out.

5.7.5 In January 2020, KCC's Cabinet made the decision (number 19/00085) to fund the remaining gap in project costs up to £17.81m but with a remit to reduce the County's expenditure by continuing to seek other contributions. However, very soon afterwards the COVID-19 pandemic hit with its extremely negative impact on public sector finances both in terms of lost revenue and increased expenditure. This led to both a bid to the New Stations Fund 3 (NSF3) for £3.4m (10% of project costs) and subsequently to the Getting Building Fund grant scheme for £11.999m.

5.7.6 Despite this background environment, KCC has not rescinded support for the project and has continued to progress its development so that the programme does not slip. If the NSF3 bid is not successful then KCC will contribute £5.811m. If the NSF3 bid is successful (decision expected in the autumn) then KCC will contribute £2.411m. KCC will also commit to funding any overspend that materialises.

5.7.7 Of the funding allocated to the project, all of it is secure except the GBF contribution, which is pending the submission of this Business Case and review by the SELEP Accountability Board. Should the cost of works exceed the committed funding, KCC will be required to cover these costs as for all schemes in the KCC LGF programme.

5.7.8 A total of £30,000 of revenue has been provisionally allocated for monitoring and evaluation at baseline and in years 1 and 5 after opening.

5.7.9 Once funding is secured, spending will be able to commence at pace with long lead procurement items being bought and stored, such as the lifts (which are of a standard design). Now that Thanet District Council and the East Kent Spatial Development Company have committed funding, this (and the additional KCC funding) could be used at the end of the programme so that the LGF and GBF are spent first. The spend profile (Table 5-3) is below. Both the LGF and GBF have a funding constraint of March 2022, the other sources of funding are not constrained by time or other factors.

Table 5.3: Expenditure Forecast

	Up to 2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 onwards	**Total**
SELEP LGF	940,000*	518,719*	383,567*		8,066,466	4,091,248		**14,000,000**
Kent County Council						4,658,592	1,155,139	**5,813,730**
Thanet District Council						2,000,000		**2,000,000**
East Kent Spatial Development Company						700,000		**700,000**
Getting Building Fund				6,514,389	5,484,611			**11,999,000**
Total	**940,000**	**518,719**	**383,567**	**6,514,389**	**13,551,077**	**11,449,840**	**1,155,139**	**34,512,731**

5.7.10 Now that the finances are in place, KCC intend to reimburse KCC capital spend to date with LGF (shown with a *). Spend this financial year (2020/21) and 2021/22 will fully utilise the Getting Building Fund allocation. An option 4 capital swap will enable the LGF to be spent, although used on the Thanet Parkway programme in later years. However, the agreements KCC has with Network Rail allow us to forward fund the project and this could be utilised to spend more money in earlier financial years if required. Network Rail have confirmed that they would be satisfied with this approach to funding.

5.7.11 KCC will continue to keep SELEP informed of progress with project cost refinement and additional funding contributions.

5.7.12 In the event of an underspend, this would be returned to each party funding the project in proportion to their initial contribution.

5.8 Whole Life Costs

5.8.1 The station will be handed to Network Rail and leased to the Train Operating Company. Annual operating costs are forecast to be £139,190 at opening year for the station and £84,240 for the car park (at Q4 2018 prices).

5.8.2 The annual station operating costs per year for a 60 year asset life at Q4 2018 prices are broken down in Table 5-4

Table 5.4: Estimated Annual Station Operating Costs

Element	Annual Cost
Station – long term charge	£81,630
Utilities	£8,370
Maintenance	£20,930
Retail Systems	£17,790
Telecoms	£10,470
TOTAL	**£139,190**

5.8.3 In year 1 newly generated fares are expected to be £578,000 (discounted) and will therefore outweigh the operating costs. For fare revenue, the operating surplus will be retained by the Train Operating Company within the terms of their agreement with the DfT.

5.8.4 KCC will maintain control of the car park. Car park costs for a 60 year asset life at Q4 2018 prices are broken down in Table 5-5.

Table 5.5: Estimated Annual Car Park Operating Costs

Element	Annual Cost
Utilities – car park	£2,090
Car park enforcement	£70,640
Maintenance – car park	£11,510
TOTAL	**£84,240**

5.8.5 In year 1 car park income equates to £168,000 (discounted). The operating surplus has been shown by KCC Capital Finance to be sufficient to borrow a contribution towards capital costs, as part of the additional KCC contribution.

5.8.6 Operating costs were independently validated as part of the submission to the New Stations Fund 2. Consultants, SLC Rail, were tasked with validating the operational costs and used JMP Consultants Ltd (part of the SYSTRA Group) whose report includes the following: *"Station operating costs are included in the assessment and are felt to be typical for a station of this scale."*

5.9 Accounting Implications

5.9.1 The following implications on public accounts are expected (based on no NSF3 contribution given the award has not yet been announced):

- Devolved LEP funding of £10.0m (29.0%) of the scheme costs are requested, with expenditure starting in the 2020/21 financial year;
- A contribution of £4.0m further LGF funding (11.6%);
- A KCC contribution of £5.811m (16.8%);
- A Thanet District Council contribution of £2.0m (5.8%);
- An East Kent Spatial Development Company contribution of £0.7m (2.0%);
- A GBF contribution of £11.999m (34.8%).

6 Commercial Case

6.1 Introduction

6.1.1 The Commercial Case for the Thanet Parkway Station scheme provides evidence that the proposed investment can be procured, implemented and operated in a viable and sustainable way. Adopting a commercial approach to the project is fundamental to determining that KCC gets the best deal from the market.

6.1.2 This chapter defines the current progress of the commercial aspects' requirements. Areas this chapter considers include:

- Output Based Specification;
- Procurement Options;
- Procurement Strategy;
- Payment Mechanisms;
- Pricing Framework and Charging Mechanisms;
- Potential for Risk Transfer;
- Contract Length; and
- Contract Management.

6.2 Outcome Based Specification

6.2.1 The outcomes which the procurement strategy must deliver are to:

- Achieve cost certainty, or certainty that the scheme can be delivered within the available funding constraints;
- Minimise further preparation costs with respect to scheme design by ensuring best value, and appropriate quality;
- Obtain contractor experience and input to the construction programme to ensure the implementation programme is robust and achievable; and
- Obtain contractor input to risk management and appraisals, including mitigation measures, to capitalise at an early stage on opportunities to reduce construction risk and improve out-turn certainty thereby reducing risks to a level that is 'As Low As Reasonably Practicable'.

6.2.2 The Output Based Specification for the Thanet Parkway Station scheme is split into the individual components of the whole project. For the station and car parks, this is developed as part of the Implementation Agreement with Network Rail, setting out the outputs to be delivered. For the new junction, the tender documents have been completed using experienced in-house resources alongside Allen Dadswell consultancy support. The archaeological specification has been developed by the County Archaeologist alongside consultancy support from WSP.

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6.3 Procurement Options

6.3.1 The project has two distinct elements: (1) highways works; and (2) station/car park plus cycleway link to Cliffsend. These will be delivered separately with the highways works commencing in advance of the station works.

6.3.2 KCC has experience of delivering significant transport and infrastructure projects. Previously the Authority has normally followed a more traditional procurement route on its transport schemes where the design team is appointed to carry out detailed design first followed by the procurement of a contractor by competitive tendering. Given this experience, the highways works will be retained in-house by the Major Capital Programme Team.

6.3.3 In addition, rail industry systemic risk needs to be considered, hence, in order to mitigate the risk of issues occurring on the Thanet Parkway scheme, KCC has considered alternative procurement options. This has led to a recommendation to directly procure the services of Network Rail for GRIP stages 5 – 8 (detailed design through to the station entering into use). This recommendation has been taken through internal KCC procurement processes before any contract is entered into. Additionally, Invicta Law review the contracts with Network Rail and negotiate on KCC's behalf for more favourable terms.

6.4 Procurement Strategy

6.4.1 In 2014 KCC competitively procured two contracts (GRIP Stage 2 & 3 to achieve Approval in Principal (AiP), and Planning Services) using the Homes and Communities Agency (HCA) Framework.

6.4.2 The HCA maintains a number of technical framework panels to help with the delivery of its programmes. These panels are available for use free of charge by a number of other public sector bodies. The panels have been procured through fully compliant Official Journal of the European Union (OJEU) processes and offer a quick and efficient means to procure high quality, good value development related technical services, such as property and project management, engineering, planning, and multidisciplinary services.

6.4.3 At the same time as the above procurement exercise and being aware of the complexities of Network Rail processes, KCC conducted a separate procurement exercise for specialist rail advisory services. In late 2014 Currie & Brown (formerly Sweett Group) were appointed to act as a 'critical friend' providing consultancy services to support the project team.

6.4.4 Subsequently KCC have utilised the West Sussex County Council Framework to procure outline design services for the highways works. Network Rail have also been directly commissioned to conclude the GRIP 4 design, which broadly corresponds to outline status and has de-risked the project.

6.4.5 The current project programme allows for the recommended procurement strategy.

6.4.6 For the highway works detailed design, the new KCC-specific framework was used to procure detailed design services from WSP. This framework is OJEU compliant and so this approach minimises the resource required to manage the lengthy OJEU process directly, saving both time and money. The rates available on this new framework are also more competitive than through other frameworks. An existing contract with Allen Dadswell has been used to draw up the tender documents for the construction contract, in common with other LGF highway schemes. The tender for the construction is currently with the 5 successful bidders to the qualification round, following the OJEU process.

6.4.7 For the station/car park works, contractors are often engaged on a D&B basis at either commencement of GRIP 4 (single option development) or GRIP 5 (detailed design). These stages are sufficiently early in the design process to allow the contractor to use their expertise to influence the design. This approach has been adopted by Network Rail in the GRIP 4 design, with contractor BAM Nuttall engaged in the GRIP 4 development, with the designer Mott Macdonald. This allowed a firm design brief for GRIP 5 to be developed and confidence in the outputs from the GRIP 4 design.

6.4.8 This is maximising KCC's control of the design requirements and outputs while at the same time exploiting the contractor's design and construction expertise, which is already identifying potential methods to value engineer the project.

6.4.9 For detailed design and build (GRIP 5 – 8), the same arrangement as for GRIP 4 was the recommended procurement strategy owing to the many advantages already experienced in GRIP 4, primarily owing to Network Rail's role as the asset owner. It should be noted that by directly commissioning Network Rail to complete GRIP 5 – 8, they will manage their own assurance processes internally to ensure that the new and existing assets are properly protected and that the design, or works, will not adversely impact upon their ability to safely operate and maintain the railway or put at risk their ability to meet their obligations to Train Operating Companies or other rail users.

6.4.10 During the highways works, KCC will work within the Lane Rental Scheme to minimise disruption to the travelling public. The road space has already been booked, keeping in mind the embargo on roadworks during the Open Golf (which was postponed to July 2021 as a result of COVID-19). Likewise, KCC will work with Network Rail to mitigate passenger disruption when the railway line possessions are required.

6.4.11 This procurement route has been successfully utilised for the Ashford Spurs project, which is similarly funded by LGF. For Ashford Spurs, KCC is the client for the project. By entering into a Development Services Agreement (GRIP 4) and subsequently Implementation Agreement (GRIP 5 – 8) the same benefits are achieved as for Ashford Spurs, namely: a cap on the financial obligation, the appointment of Network Rail as construction manager and KCC as promoter (ensuring expertise and responsibility are aligned), and assurance through the Network Rail review panels to guarantee acceptance of the final station. KCC has used this procurement method also for the Sandwich Station platform extensions for the Open Golf, and therefore has reasonable experience of the process. The Sandwich Station scheme was delivered to time and budget in May 2020.

6.5 Payment Mechanisms

6.5.1 Payment timing will be adopted to maximise the value from the highways works contract through minimising financing and construction costs. Prompt and fair payment mechanisms will be applied throughout the supply chain. This is covered under the procurement process and will be monitored during the contract to ensure full value is delivered.

6.5.2 The contract with Network Rail will be an Implementation Agreement, which will be negotiated via KCC's legal representatives to ensure that all terms are agreeable to both parties and ensures a fair price and good standard of service delivery.

6.6 Pricing Framework and Charging Mechanisms

6.6.1 Under the preferred procurement approach Network Rail will provide the Thanet Parkway Station works described in the contract for a lump sum target cost. The contract will provide for specified risks to be carried by the Employer which will result in the lump sum being adjusted if any compensation events occur. A similar approach will be used for the highways works.

6.7 Potential for Risk Transfer

6.7.1 Although many of the design risks can only be resolved through rigorous design and review processes, once the design options are clear and the scope of land acquisition, planning requirements, environmental requirements are fully identified; the primary risks will be related to construction. There is potential for transferring these risks through the construction procurement process. This will be explored fully as the design and procurement process progresses.

6.7.2 The allocation of risk will be determined at the stage when the tender specifications are drawn up to best achieve the aims of the project and deliver value for money.

6.8 Contract Length

6.8.1 It is envisaged that the contract for highways works will be of approximately 9 months duration with an anticipated construction start date in January 2021. The stations works contract (from detailed design through to construction and include the level crossings) is expected to be approximately 36 months duration and started in June 2020. These dates are subject to confirmation of programme from Network Rail as an iterative approach to contracting is now being used as a result of uncertainty created by COVID-19 as well as the delay to the planning decision, now being September 2020 instead of May 2020. However, this will not impact the overall programme.

6.9 Contract Management

6.9.1 For both contracts, KCC will meet with the contractor on a monthly basis throughout the construction period, or more frequently if this is deemed necessary by the Project Manager. The contractor will be contractually obliged to provide monthly progress and financial updates to KCC, which will include updates to the project programme.

6.10 Securing Rail Services

6.10.1 The previous *Invitation to Tender* for the now cancelled new South Eastern franchise did include specific reference to Thanet Parkway in the 'franchise specific obligations' such that the new operator would have been required to serve the station once it was built, extract as follows:

"2. Specified Projects

2.1 The Franchisee shall co-operate in good faith from the Start Date until the completion of any new station at Thanet Parkway with all relevant parties responsible for the delivery of such new station with the intention of assisting its timely, efficient and cost effective completion.

2.2 To the extent that the development of a new station at Thanet Parkway leads to the Franchisee having rights under railway industry procedures including Network Change or Station Change the Franchisee shall not act in a way designed directly or indirectly to prevent, prejudice or frustrate the delivery of such new station and shall not unreasonably raise any objection under any railway industry procedure including Network Change or Station Change.

2.3 The Franchisee shall provide such information in respect of any new station at Thanet Parkway as the Secretary of State may reasonably request from time to time.

2.4 If the new station at Thanet Parkway is completed before the Expiry Date, the Franchisee shall:

(a) make provision for the Passenger Services to stop at such new stations; and

(b) if so, required by the Secretary of State:

(i) surrender the Station Lease for Thanet Parkway Station;

(ii) enter into a Station Lease in respect of each such new station, both in such forms to be approved by the Secretary of State (and the Secretary of State shall require that such Station Leases contain full repairing and insuring obligations in respect of such stations and a duration specified by the Secretary of State)."

6.10.2 As the new franchise has been cancelled and it is unclear as to the future arrangements for rail services until after the Government's response to the Williams Rail Review, KCC has requested further dialogue with the DfT to get assurance that the previously agreed requirement for the new train operator (as stated in 6.10.1) continues. The current Train Operating Company, Southeastern, operating by direct award from the DfT, is an integral part of the project team and the current station proposal has been approved by its Facilities Approval Panel (FAP) at this design stage. It is anticipated that train services will commence in the scheduled timetable change following project completion. Timetable changes occur in May and December each year. The award of Getting Building Fund monies from central government further assure the project of receiving the necessary support in terms of train timetabling.

7 Management Case

7.1 Introduction

7.1.1 The purpose of the Management Case is to outline how the proposed scheme and its intended outcomes will be delivered successfully. It gives assurances that the scheme content, programme, resources, impacts, problems, affected groups and decision makers, will all be handled appropriately, to ensure that the scheme is ultimately successful.

7.2 Evidence of Similar Project Delivery

7.2.1 KCC has a successful track record of delivering major transport schemes across the county. The East Kent Access Phase 2 (EKA2) is a successfully managed and delivered scheme in the district of Thanet.

7.2.2 The EKA2 scheme, completed in May 2012, was designed to support economic development, job creation and social regeneration, improving access with high quality connections between the urban centres, transport hubs and development sites in East Kent. The overall objectives of the scheme were to unlock the development potential of the area, attract inward investment and maximise job opportunities for local people. The extent of the scheme is shown in Figure 7-1 overleaf.

7.2.3 The scheme was successfully delivered within budget and ahead of programme through the adoption of a robust management approach. The total value of the scheme was £87.0m of which £81.25m was funded by Central Government.

7.2.4 The intended scheme outcomes are currently being monitored but the intended benefits of the scheme are anticipated to be realised. Figure 7-1 indicates the scheme extent and layout.

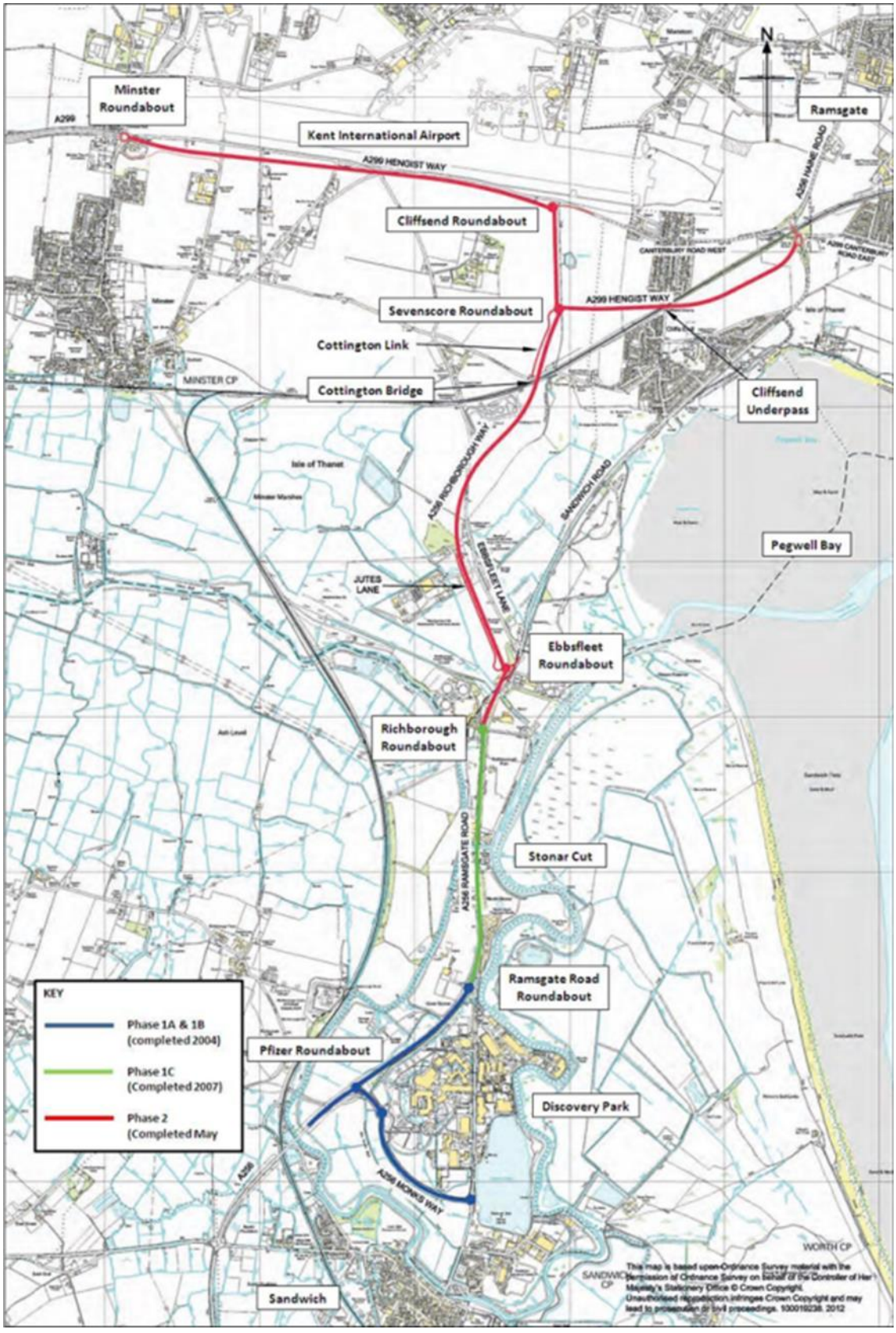

Figure 7-1: EKA2 Scheme Layout

7.2.5 The EKA2 scheme has since been awarded regional Institute of Civil Engineers (ICE) Excellence Awards.

7.3 Project Programme

7.3.1 This section summarises the key milestones and assumptions within the Thanet Parkway Project Programme at GRIP Stage 4. The programme for construction will be further developed during GRIP Stage 5 detailed design. The key milestones and their expected start and finish dates are listed in Table 7.1 based on an update of the programme in September 2019.

Key Milestones

Table 7.1: Key Project Programme

Task Name	Start	Finish	% Complete
GRIP 2 Sign Off	08/11/2014	08/11/2014	100%
GRIP 3 Sign Off	17/08/2017	17/08/2017	100%
GRIP 4 Sign Off	14/10/2018	22/11/2019	95%
Revised Planning Application Submission	15/11/2019	15/11/2019	100%
Planning Determination	15/11/2019	02/09/2020	0%
Land Acquisition Complete	02/09/2019	30/12/2020	30%
GRIP 5 Sign Off	01/06/2020	31/03/2021	0%
GRIP 6 Advanced Works	19/11/2020	01/02/2021	0%
Junction construction	02/01/2021	30/05/2021	0%
GRIP 6 Implementation	01/03/2021	31/03/2022	0%
GRIP 7 Project Handback	31/03/2022	28/10/2022	0%
Level crossings GRIP 6	01/11/2021	01/03/2023	0%
Station open	10/01/2023	14/05/2023	0%

7.3.2 **Appendix H** contains details of the programme.

Station Opening Date

7.3.3 Based on the programme updated in September 2019 and subsequently reviewed by Network Rail in June 2020, given the possibility of delays during construction (for example, Network Rail may have cause to cancel disruptive possessions at short notice if necessary) and to coincide with the new timetable, it is considered realistic that the station would be open by early 2023 at the latest. It has been agreed with Network Rail that the new station can be added in the December 2022 timetable change and then 'activated' as soon as the station is physically ready.

Operation and maintenance responsibilities

7.3.4 The station will be open to the public in early 2023 following the preceding December timetable change. Maintenance responsibilities will then sit with the TOC with defects residing with the main contractor until the completion of the defects liability period a year following construction.

7.4 Project Dependencies

7.4.1 The scheme programme is reliant on achieving the following key dependencies:

JTI Scheme

7.4.2 The single most critical dependency is the completion of the JTI scheme, which is scheduled for the May 2022 timetable change so will precede project completion.

Signalling

7.4.3 Depending on the nature of works involved, signalling design and construction activities have the potential to be complicated and time consuming. The current Thanet Parkway Programme (TPP) logic assumes that only straightforward works are required (for example signal sighting, the design & placement of Car Stop Markers or the short distance relocation of a signal in order to accommodate the new station platforms). This is still expected to be the case.

7.4.4 Network Rail commissioned an independent risk assessment for the two-level crossings (Cliffsend and Sevenscore) to confirm alongside the GRIP 4 design if any upgrade is required, or if suitable mitigation can be implemented. A risk assessment workshop took place in December 2018 with KCC, Network Rail and Southeastern in attendance. The initial recommendations have been to upgrade Cliffsend level crossing and make data changes to the Sevenscore level crossing controller. Consequently, £10.2m (inclusive of £2.9m contingency) has been allowed in the maximum budget to cover these works. The level crossing element of the project can be run concurrently with the main station works and is expected to take a similar timescale, with completion around December 2022. Therefore, there is no significant programme impact.

Land Acquisition

7.4.5 Ownership of the land is tied to planning consent being granted to avoid the Council holding a the land as a liability. As the timescales to achieve this have been elongated, the landowner has agreed to enter into an agreement allowing KCC and its contractors early access on to the site to undertake the archaeological excavations. Simultaneously, the contracts of sale are being prepared and the sale is expected to complete by the end of the 2020 calendar year.

7.5 Governance, Organisation Structure, Roles and Assurance

7.5.1 Kent County Council (KCC) will take overall responsibility for development and delivery of the project, but with input from stakeholders such as Network Rail, Southeastern (and any future TOC) and Thanet District Council. KCC will also commission specialist consultants to assist where necessary.

7.5.2 PRINCE 2 Project Management methodologies will be applied to project delivery, giving full attention to the whole spectrum of activities from overall project strategy and objectives through to the detailed management and control of work stream activity.

7.5.3 In order to ensure the consistent progression of the project and achieve the necessary approvals, the Network Rail GRIP stages will be adhered to. This will involve sign off from Network Rail at each stage of the process, therefore ensuring the project is completed as fit for purpose.

7.5.4 Further to this, KCC has previously utilised a specialist Rail Advisor in the project team to ensure the smooth progression through the GRIP process. Since the completion of GRIP 3, KCC has reviewed the procurement plan and determined that the most efficient and effective way to deliver the whole project is to separate the highways works (new junction) from the station elements (car park and station plus footway/cycleway link). This enables the use of more specialised sub project teams and drives efficiencies by being able to appoint appropriate contractors.

7.5.5 Table 7.2 shows the resources per GRIP stage.

Table 7.2: Resource Plan per GRIP Stage

Resource	Company	GRIP 3	GRIP 4	GRIP 5	GRIP 6	GRIP 7	GRIP 8
Project Manager	KCC	Y	Y	Y	Y	Y	Y
Quantity Surveyor	KCC	Y	Y	Y	Y	Y	Y
Rail Advisor	Currie & Brown/ Others as appropriate	Y	Y	Y	Y	Y	Y
Legal Services	Invicta Law (formerly KCC Legal Services)	Y	Y	Y	N	Y	N
Estates Surveyor	KCC	Y	Y	Y	Y	Y	Y
Planning Consultants	AECOM	Y	Y	N	N	N	N
Outline Design Consultants	AECOM	Y	N	N	N	N	N
D&B Contractor (rail)	TBC	N	N	Y	Y	Y	Y
NR Enhancements Team	Network Rail	N	Y	Y	Y	Y	Y
NR ASPRO	Network Rail	Y	N	N	N	N	N
NR Property	Network Rail	N	Y	Y	Y	N	Y
Outline Design Consultants	WSP	N	Y	N	N	N	N
Designer (highways)	WSP	N	N	Y	Y	Y	Y
Contractor (highways)	TBC	N	N	N	N	Y	Y

7.5.6 A full resource plan will be produced at the next GRIP stage and a full project governance plan and role descriptions can be found **Appendix I**.

7.5.7 KCC have set up a clear and robust structure to provide accountability and an effectual decision-making process for the management of LEP funded schemes. The designated project manager for the Thanet Parkway scheme will form part of this governance structure to ensure internal processes and SELEP requirements are satisfied.

7.5.8 Figure 7-2 provides an outline of the overall KCC governance structure implemented to manage the delivery of each scheme.

7.5.9 A detailed breakdown of the KCC specific meetings (along with the attendees, scope and output of each) which make up the established governance process is set out below.

Project Steering Group (PSG) Meetings

7.5.10 PSG meetings are held fortnightly, or as often as required, to discuss individual progress on each scheme and are chaired by KCC Project Managers (PMs). Attendees include representatives from each stage of the LEP scheme (i.e. KCC Bid Team, KCC sponsor, KCC PMs, design team and construction manager, where appropriate). Progress is discussed in technical detail raising any issues or concerns for all to action. A progress report, minutes of meeting and an update on programme dates are provided ahead of the Programme Board (PB) meeting for collation and production of the Highlight Report.

Highlight Report

7.5.11 The Progress Reports sent by the KCC PMs comprise of the following updates:

- General progress;
- Project finances;
- Issues; and
- Risks and governance meeting dates.

7.5.12 The Highlight Report identifies any areas of concern or where decisions are required by the PB meeting or higher to the KCC LEP Programme Manager. An agreed version of the Highlight Report is issued to the PB meeting attendees during the meeting.

KCC LGF Meeting Governance Diagram

Local Growth Fund	High level Agenda	Frequency	Attendees	Format	Scope	Agenda Items	Key Deliverables/Feedback	Templates
Sponsoring Group	Planning Design Construction Post Scheme Monitoring	Every two months - Can be called in emergency if required	**Chair: HT** CM/CD/DH/DE/HF/HT/SP Supported by PB attendees as required	Face to face meeting	To discuss programme (i.e. high level progress/preview next steps and discuss and resolve issues.	LEP programme (high level) progress to date Programme Financial reporting Communicatio/Stakeholder Engagement Issues/Risk/Change Decisions	Minutes of Meeting Action List/Decision Log Output distributed to all attendees + Programme Board Attendees where appropriate	**Agenda** **Minutes** **Decision list**
Sponsoring Group Progress Report	Decisions Needed	Every two months	LG	Report	To record progress/outstanding actions/issues that require a decision made by the board		Action list ready for the Sponsoring Group	**Progress Report**
Programme Board Meeting	Planning Design Construction Post Scheme Monitoring	Bi- Monthly	**Chair: KC** LG/KCC PMs/ External Suppliers	Face to face meeting	To discuss progress/preview next steps and discuss and resolve issues. Escalate issues/decisions required to the Sponsoring Group	LEP programme progress to date Programme financial reporting Communicatio/Stakeholder Engagement Issues/Risk/Change Internal Governance	Minutes of Meeting Action List Output distributed to all attendees + Steering Group attendees where appropriate	**Agenda** **Minutes**
Highlight Report	Identify key points for Programme Board Meeting	Monthly	LG	Report	To collate and streamline all reports highlighting areas of interest for the Programme Board meeting.		Used for Programme Board Meeting. Highlight report shared with PB attendees.	**Highlight Report**
Steering Group Meeting	Progress Update	Monthly/Fortnightly as required	**Chair: KCC PMs** All input staff - Project Team/KCC PMs/External Suppliers	Face to face meeting	Individual meetings per project (including each stage of the LEP process to discuss progress in detail).	LEP project progress to date/MS Programme Project financial reporting Issues/Risk/Change Actions	MS Programme Update Progress update in template for each project e.g Risk Register/ Issues Log	**Agenda** **Minutes** **Progress Report**

List of Initials:

CM	Cabinet Member Highways and Transport
CD	Corporate Director Growth, Environment and Transport
DH	Director of Highways, Transport and Waste
DE	Director of Environment, Planning and Enforcement,
HF	Head of Financial Management Strategic and Corporate Services.
HT	Head of Transportation for Growth, Environment and Transport
SP	Strategic Programme Manager (KMEP)
LG	Local Growth Fund Programme Manager for Growth, Environment and Transport
PB	Project Board

Figure 7-2: KCC Governance Structure

Programme Board (PB) Meeting

7.5.13 The PB meeting is held monthly and is chaired by the KCC Major Programme Manager or delegated to the Local Growth Fund Programme Manager. Attendees include representatives from all three stages of the schemes (i.e. KCC LEP Management, KCC LEP Bidding, KCC Sponsors, KCC PMs. This meeting discusses project progress to date, drilling into detail if there is an issue or action (as identified in the PSG meeting), financial progress, next steps and actions. Outputs of this meeting are the Highlight Report and the minutes of meeting.

Escalation Report

7.5.14 A list of actions and decisions that the PB meeting was unable to resolve is prepared ready for the Sponsoring Group (SG) meeting to discuss and ultimately resolve. These actions formulate the 'Escalation Report'.

Sponsoring Group (SG) Meeting

7.5.15 The SG is held monthly and will be chaired by KCC Head of Transportation. Attendees are the Corporate Director for Growth, Environment and Transport, Director of Highways, Transportation and Waste, Director of Environment, Planning and Enforcement, and the Head of Finance. This meeting discusses high-level programme progress to date, financial progress, next steps and closes out any actions from the escalation report. Output is sent to the KCC Major Programme Manager for distribution. Technical advisors and Project Managers are invited if necessary, to expand upon an issue. All actions from the start of this meeting cycle are to be closed out by the SG when they meet (i.e. no actions roll over to subsequent meetings).

7.6 Assurance and Approvals Plan

7.6.1 The scheme will be managed in line with the 8 GRIP stages outlined in Section 7.5 and the Project Board will sign off each of these stages and give the go/no go decision to start the following stage.

7.7 Availability and Suitability of Resources

7.7.1 The project's sponsoring authority is Kent County Council, and the project sponsor is the Transport Strategy Manager.

7.7.2 The procurement route chosen for the station and car park is direct procurement of Network Rail. As discussed in the Commercial Case, this is a tried and tested methodology employed by Kent County Council for several railway projects. KCC will oversee the process of delivery by an experienced team of project managers, design consultants and contractors approved by Network Rail (as the asset owner, they have the required expertise in railway construction projects).

7.7.3 For the highways works, the same Major Capital Programme Team that delivery all transport LGF schemes. Therefore, suitable resources are available and committed to project delivery.

7.8 Communications and Stakeholder Management Plan

Overview

7.8.2 KCC have a tried and tested Communication and Engagement Management Plan which is used on all major projects. Effective use of the plan has resulted in limited adverse feedback from the public and ensured successful delivery of schemes both from a project management and public relations perspective. This section will provide further information on how stakeholders are identified, how they are communicated to and the methods/ techniques used to communicate.

7.8.3 The main aim of the Communication and Engagement Plan is to ensure that stakeholders and members of the general public are kept informed throughout the development and implementation of a scheme. This can range from keeping key stakeholders updated with critical information, essential to the successful delivery of the scheme to providing information to the general public.

Stakeholder Management Plan

7.8.4 Project stakeholders have been identified and mapped into management categories based on their interests and influence in the project (

7.8.5 Table 7.3). A full Stakeholder Management Plan is in **Appendix J**.

Table 7.3: Stakeholder Categories

Stakeholder Group	Key Stakeholders
Political	Thanet District Council Dover District Council Minster Parish Council Cliffsend Parish Council Manston Parish Council Ramsgate Town Council Local Members of Parliament Department for Transport
Environmental	Environment Agency Natural England Historic England Campaign to Protect Rural England
Service Providers	Network Rail Southeastern Railway Manston Airport Site Stagecoach South East Steam Dreams/The Cathedrals Express
Users	Local Businesses Discovery Park Enterprise Zone Local Residents Current Rail Users Land/Property Owners
Kent Residents	Residents within the wider county who may use the rail network or visit the area and therefore feel they have an interest in the project.

7.8.6 In 2015 an eight-week consultation was held (2nd February – 27th March) on the initial high-level design, impacts and benefits of Thanet Parkway. The consultation consisted of a range of communication methods to ensure a broad range of target audiences were engaged. In addition, seven open consultation events were held across East Kent, supported by a range of consultation documents. The consultation received a total of 529 responses. The outcome of the consultation has been used to shape the scheme design, planning application and Environmental Impact Assessment (EIA) work.

7.8.7 KCC has continued to engage with key stakeholders throughout the development of the project to gain feedback on the design and EIA work.

7.8.8 A further formal eight-week public consultation was held between 25th January – 19th March 2017. The aim of this consultation was to gain feedback on the detailed design of the station. KCC understands the importance of engaging with stakeholders to gain feedback and has endeavoured to incorporate the views of those with an interest in the project.

7.8.9 The first Planning Application was submitted in May 2018 and the statutory consultation garnered a range of responses from local residents and statutory bodies. These views were taken into consideration and consequently the project underwent further design work prior to the submission of a new planning application in November 2019 (formal consultation period commencing 10th December 2019). During this redesign period, representative groups (such as East Kent Association for the Blind) were contacted to provide input. All residents in Cliffsend were notified by letter drop of the submission of the current planning application. KCC officers attended a public meeting on Thanet Parkway at the request of the Cliffsend Parish Council on 10th October 2019. Finally, a representative sample of residents in the catchment area of the proposed station was undertaken during December 2019 to gauge public opinion. This showed that more people wanted the station built (45%) than did not want it built (38%), and with the statistical margin of error this approximates to the split in opinion shown in the previous consultations.

7.8.10 Alongside this, KCC holds regular internal Project Board meetings, and updates are provided to Thanet District Council and Dover District Council. Network Rail chair monthly Project Review meetings with Kent County Council and Southeastern.

7.8.11 Although KCC is delivering the project, the importance of engaging with the Train Operating Company (TOC) and Network Rail throughout is recognised. Currently services are provided by Southeastern and KCC continues to work with Southeastern to understand the concerns and impact on a Train Operating Company. There are currently no freight operating companies functioning on the existing railway line.

7.8.12 Third parties will be entitled to claim for compensation on the following lines:

- LCA Part 1 - Properties located within close proximity to the station will legally be entitled to claim for compensation should the project result in depreciation in the value of residential properties due to impacts of noise, lighting, fumes and non-visual intrusion. However, it is anticipated that properties within Cliffsend village will instead experience an increase in property value due to their proximity to rail services.
- The TOC will also be entitled to claim for compensation should construction works affect or delay existing services. KCC are continuing to work closely with Southeastern to understand any potential impacts and identify suitable mitigation measures. It is also expected for the majority of construction to take place offline to minimise disruption to passengers.

Stakeholder Support

7.8.13 KCC has had continuous engagement with key stakeholders throughout the project through project board meetings with both the internal and external project team. Further regular meetings are also held with Network Rail and Southeastern to discuss project details to ensure the specification meets the requirements of both stakeholders and aligns with Network Rails GRIP stages.

7.8.14 Letters from the following, contained in **Appendix D**, demonstrate support for the proposed station and timetable, including from:

- Network Rail – Mike Smith (Route Enhancement Manager, South East Route);
- Department for Transport – Andy Smith (Commercial Manager for Southeastern);
- Southeastern Railway – Diane Burke (Commercial Director for Southeastern Railway).

Stakeholder Communication Plan

7.8.15 An outline of the proposed communications plan is described below based on similar major infrastructure projects that KCC has delivered. There has been another phase of consultation associated with the planning application being published; therefore, this communications strategy concentrates on construction. As we move into the delivery phase of the project, the communications strategy will be kept under review in response to feedback.

Campaign objectives

- To give residents access to clear, timely information about the project;
- To communicate the long-term benefits of the project and how KCC/contractors/Network Rail are keeping disruption to a minimum;
- To direct people online to find out more information and keep calls to the Contact Centre to a minimum;
- To manage expectations about disruption on the line (if there is disruption to services during construction); and
- To inform and manage expectations from residents about disruption during construction.

Target Audience

- Residents around the new station, particularly Cliffsend;
- Train users from:
    - Ramsgate Station;
    - Dumpton Park;
    - Broadstairs;
    - Margate;
    - Westgate-on-Sea;
    - Minster;
    - Sandwich;
- If there are any line closures requiring replacement buses, then increased targeting of passengers using stations down line;
- Politicians;
- Local parish and district councils;
- Local action groups;
- Businesses;
- Prospective Thanet Parkway users;

- Any particular groups identified in the Equalities Impact Assessment will be targeted in ways suitable to reach them; and
- Investors.

Strategy

- Develop a high web presence for the scheme using the KCC website, social media, KCC Media Hub, links from other stakeholders' websites (Network Rail, Southeastern, Thanet District Council etc.);
- Press releases leading up to the work and with progress updates. Use a proactive press strategy as well as dealing with reactive press enquiries;
- Use an offline marketing strategy targeting residents, businesses and train users within the areas set out above, such as letters/postcards/leaflets;
- Work with stakeholders to ensure messages are communicated as widely as possible; and
- Potentially hold resident engagement events to keep people informed prior to construction and during. Have a dedicated contact email address or named person for residents directly affected by construction, e.g. noise.

Key Messages

7.8.16 The campaign will require two phases of communication.

1. Phase 1: pre-construction. Letting people know that the works will be taking place and will cause disruption.
2. Phase 2: construction. Keeping people informed about the progress of the works and long-term benefits once completed.

7.8.17 It is possible that after construction a third phase of communication may be desirable to make potential new train users aware of the benefits of Thanet Parkway.

7.8.18 The key messages could include:

- This scheme will:
  - Improve journey times between Thanet and London;
  - Support housing and job growth in the local area; and
  - Improve access to the rail network for residents in Thanet.

- There will be disruption during construction – to keep the construction period to a minimum, work will take place during the night where appropriate; and
- Know your travel options (help people consider how they will use Thanet Parkway when finished).

Exhibition Events

7.8.19 Public and stakeholder engagement events will be considered as the construction planning progresses. These formed part of both the consultation in 2015 and 2017 so a similar arrangement could be easily utilised if required. These events were previously held at Cliffsend, Ramsgate Station, Minister, Acol and Discovery Park. Restrictions owing to COVID-19 may inhibit such events.

Press

7.8.20 A press strategy will be planned when the final timelines are in place for the project. This will include:

- Releases to all local media (press, radio, TV). To include Thanet Gazette, Minster Matters, parish council newsletters and other local press as appropriate;
- Social media channels kept up to date with latest news (KCC's, Thanet District Council's, Minster's, etc.);
- Add all press releases to KCC media hub;
- Invite the press for a launch of the works at the start of the project;
- Deal with reactive enquiries; and
- Carry out radio interviews.

Advertising and promotion

- Billboards/posters at train stations in run-up to construction;
- Site banners on the entrance road;
- Kent Messenger group of papers will likely pick up the press releases, but adverts may be appropriate;
- Billboards/posters on trains on the route;
- Links to press articles and the KCC website page on social media;
- Email to people who signed up to the KCC consultee database requesting information about the project's consultation;

- Posters displayed in suitable locations as appropriate, such as Parish or Town Councils, Discovery Park, local libraries;
- Briefing to local KCC and TDC Members;
- Links on partner websites – Southeastern and Network Rail; and
- Social media:
    - Potentially investing in a Twitter or Facebook channel, which has worked well for other major schemes.
    - Social media advertising targeted at train users in the area.

Risks

- Residents nearby are frustrated at the works;
- Stakeholders feel that they have not had access to sufficient information;
- Stakeholders feel that the information about the scheme lacks clarity;
- Plans are criticised by local influencers/stakeholder groups in advance of the scheme;
- Scheme overruns, causing criticism; and
- Factors outside of KCC's control causes disruption.

7.8.21 All of these risks will be assessed, and suitable mitigation determined for the communications campaign.

7.9 Risk Management

7.9.1 Project risk is run in accordance with the requirements of the KCC Risk Management Policy and Strategy 2016 – 2019 and subsequently 2020 - 2023. This policy specifies that project opportunities and threats should be 'owned' by the appropriate stakeholder, thus ensuring effective management of risk.

7.9.2 Although the output of the risk analysis is very useful, the analysis process itself also develops ways to avoid risk, to create risk mitigation plans, and to capitalise on opportunities. The process of identifying threats and opportunities and assessing them is outlined in the following steps:

- A risks and opportunity assessment template circulated to all key stakeholders by the Project Manager;

- Stakeholders identify relevant risks and return the initial risks and opportunities assessment to the Project Manager; and
- A risks and opportunity workshop involving all stakeholders undertaken to review the identified risks and opportunities and to finalise the assessment.

7.9.3 The risks and opportunities assessment document will be live throughout the life of the project and will be reviewed and updated, if required, on a regular basis. These reviews will focus on:

- Defining and implementing a risk mitigation strategy
- Minimising risk exposure during delivery
- Assessing, monitoring and closing risks
- Improving the accuracy of costs and forecasts by exploring uncertainties.

7.9.4 The KCC Project Manager will be accountable for risk management and will allocate the responsibility to the relevant stakeholder.

7.10 Scheme Risks

7.10.1 Table 7.4 indicates the risks associated with the Thanet Parkway Station scheme from a project delivery and project funding perspective, including the main development, construction and operational risks.

Table 7.4: Scheme Risks

	Risk	Mitigation
Development	Failure to obtain external funding	Several funding opportunities are currently being investigated, to decrease the risk of failing to secure funding, alongside an increased LGF ask and KCC commitment to fund the gap (KCC Cabinet decision on 27th January 2020). Subsequently the project has been awarded Getting Building Fund money and has bid to New Stations Fund 3.
	Scope creep/changes to project scope	Continuous dialogue between stakeholders, politicians and consultants to reduce the level of scope creep by ensuring that station design fits with expectations. Project scope clearly defined at the beginning of the project and through consultation with organisations such as Network Rail and Southeastern. This should help to ensure that changes are not required to the design of the station at a later stage in order to meet Network Rail or Southeastern requirements.
	Compulsory Purchase Order (CPO) Powers	Legal advice being sought from KCC Legal and Counsel. Negotiations with landowner continue to ensure CPO is a last resort. The contracts of sale have now been produced and both sides have instructed solicitors.
	Failure to obtain planning approval	Thanet Parkway is supported strategically by KCC and Thanet DC planning policy. The planning consultant has engaged the relevant planning authority at an early stage to ensure all aspects are considered within the planning application. Environmental Impact Assessment (EIA) has been completed as part of the application. Planning consent was granted in September 2020 so the only remaining risk is failure to discharge the planning conditions.
Construction	Over-run of disruptive possessions	Contractor and Network Rail work closely to ensure that possession over-run does not occur. Contractor and Network Rail incentivised through contractual mechanisms not to over-run possessions.
	Delays during construction works	Regular liaison between the contractor (managed by Network Rail), KCC, Southeastern and other parties. Penalties may be

	Risk	Mitigation
		included within the contract to incentivise the delivery of the project on time.
		.
Operational	Passenger forecasts do not materialise	Independent validation of passenger and revenue forecast. Further sensitivity tests undertaken in line with DfT guidance on potential impacts of COVID-19.
	Demand forecasts predicted in the Business Case do not materialise	Independent validation of the demand forecast undertaken by KCC and by DfT/Network Rail.
	Demand for the station does not generate sufficient revenue to pay for its maintenance	The business case demonstrates that the proposed train service covers its net operating cost from newly generated revenue.
	Demand for the car park does not generate sufficient revenue to pay for its maintenance	The business case demonstrates that the proposed car park covers its net operating cost from newly generated revenue.
	Trains do not stop at the station	The previous new South Eastern Franchise Specification required the new franchisee to serve Thanet Parkway, as well as to not impede the delivery of the new station. They were also required to enter into a Station Lease, and therefore take responsibility for the operation and maintenance of the station. KCC has requested dialogue with the DfT to gain assurance this previous commitment will continue with future train service operating arrangements.

Risk Transfer

7.10.2 Although many of the design risks can only be resolved through rigorous design and review processes, once the design options are clear and the scope of land acquisition, planning requirements, environmental requirements are fully identified; the primary risks will be related to construction.

7.10.3 There is potential for transferring these risks through the construction procurement process. This will be explored fully as the design and procurement process progresses and KCC will be looking to allocate the risk to the best party able to mitigate or remove it. The form of the contract will help in the allocation and the choice of a relevant payment mechanism will facilitate this.

7.11 Monitoring and Evaluation

7.11.1 Monitoring is a key part of the project from inception to delivery and beyond to full benefits realisation. KCC reports back to SELEP on the status of each project in its LGF programme through the Local Growth Fund Programme Manager. The Thanet Parkway Project Manager inputs to this process through monthly Programme Board meetings held internally to KCC. Additionally, more intensive monitoring will be undertaken from project delivery onwards to ensure that the scheme's objectives are achieved.

7.11.2 Scheme monitoring will take place prior to scheme opening (baseline) and at predefined intervals upon successful delivery of the scheme, notably:

- 1-year post scheme opening;
- 5 years post scheme opening; and
- At later project years based on passenger, job and housing forecasts.

7.11.3 KCC will conduct a full evaluation of the impact of the scheme in the period after it is completed. The Council will prepare evaluation reports one year and five years after scheme opening, using the information to be collected as part of the Benefits Realisation Plan to gauge the impact of the scheme on the traffic network, and assess the success in meeting the scheme objectives. Unexpected effects of the scheme will be reported upon and, where appropriate, remedial measures identified. The full Monitoring and Evaluation Plan is attached at **Appendix L**.

7.11.4 KCC will report back to SELEP highlighting the monitoring of the scheme objectives particularly relevant to their Growth Deal outcomes, namely housing unit completion, jobs created/safeguarded. These are scheme objectives 1, 2 and 3 (Table 7-5). This evaluation will be carried out taking account of other schemes in Thanet that could have had similar effects, for example other transport infrastructure improvements as a result of the Thanet Local Plan.

7.12 Benefits Realisation Plan

7.12.1 The purpose of benefits realisation is to plan for and track the benefits that are expected to be accrued over the lifetime of the scheme. The plan will detail the activities required to track the progress of the scheme including project milestones and responsibilities. The full Benefits Realisation Plan is attached at **Appendix M**.

7.12.2 Scheme benefits can be realised immediately but others do take time and there are wider benefits to be considered.

7.12.3 The remainder of this section will:

- Summarise the key scheme objectives;
- Outline how the objectives will be measured; and
- Identify the responsible owner for the realisation of the project's benefits.

7.12.4 In order to ensure that the objectives are being realised, a method for measuring outputs from the scheme is classified in Table 7.5.

Table 7.5: Outcome Measurement

Objective	Measurable Outcomes
1. Accelerate the pace of housing delivery in Thanet.	1,600 – 3,200 additional homes delivered between opening year and year 30.
2. Positively contribute to economic growth by attracting higher skilled workers to the area.	Measured by data from 2011, 2021 and 2031 census showing change in educational attainment of the population.
3. Stimulate the creation of additional jobs by encouraging business location and expansion decisions based on the existence of the new station and journey times to London of around 1 hour.	Measured by data from the Kent Invicta Chamber of Commerce, Locate in Kent and the district Local Planning authorities. 400 - 800 additional jobs from opening year to year 30. Reduced unemployment figures.
4. Generate over 50,000 new rail journeys from first full operational year (2022).	Measured by new ticket sales from the new station compared with ticket sales from the existing stations in the area.
5. Increase weekday usage of the new station year on year from 412 in 2022, to 456 in 2026.	Measured by rail ticket receipts.
6. Provide rail access from Thanet to London with a journey time of around one hour.	Measured by checking new timetable (with Parkway station) compared with existing timetable (without parkway station) against published performance figures.

Objective	Measurable Outcomes
7. Provide commuters with alternative access to the area for journeys that might otherwise be made on the local and strategic highway network from opening year and increasing by 2031.	Measured by the utilisation of the 300 parking spaces, including 8 electric vehicle parking spaces and 40 cycle parking spaces, achieving 54% capacity use in 2021 increasing to 75% in 2031 which will be measured by car park ticket numbers.
8. Provide sustainable access options to the station, including provision for Electric Vehicles, cycling, pedestrians and bus users.	Measured by the utilisation of the Electric Vehicle and cycle parking facilities.

7.12.5 The Project Board will actively manage the project to ensure that the objectives set out in Table 7-5 are achieved, and that the very high Value for Money demonstrated in the business case is provided. Housing and job delivery will be monitored locally following project delivery. The increase in skills of the catchment population will be assessed through census returns, as well as through the regular annual monitoring of employment statistics that KCC already undertakes to assess economic growth in the district. Likewise, passenger usage of the station will be monitored annually, and the car parking usage will be consistently reviewed based on ticket sales. Other methods, such as passenger interviews, would be determined when baseline monitoring is commissioned and planned for the 1st and 5th anniversary reviews.

7.12.6 The timetable for Thanet Parkway will be assessed to ensure that journey times are as forecast. Network Rail's own timetable analysis demonstrates that there is no additional cost of doing so in terms of rolling-stock or crews. Through KCC's already good working relationship with the DfT, Network Rail and existing franchisee, the service at Thanet Parkway will be closely monitored to ensure it delivers the expected benefits.

7.12.7 The Local Planning Authority, Thanet District Council, supports the proposals and consequently allocated Thanet Parkway in their draft Local Plan, which has now been adopted (policy SP46). To maximise the opportunities created by the station for housing and economic development, the local planning framework will need to reflect the opportunities created. Public and private organisations will also need to proactively market the area to attract inward investment, which will in turn improve market conditions for regeneration. KCC and Thanet District Council will work together with key stakeholders, such as Locate in Kent and the Chamber of Commerce as well as local business parks, to promote the area and ensure that the new opportunities are taken up to meet the objectives set out above and fully realise the business and economic growth benefits.

7.12.8 To monitor the project after delivery and ensure that the full benefits are realised, the External Review Board and Internal Project Board will continue to meet after construction and the opening of the station. Responsibility for monitoring will remain with the Senior Responsible Owner (Director – Environment, Planning and Enforcement) delegated to the Project Executive (Head of Strategic Planning and Policy). External Stakeholders at request from the Internal Project Board will be responsible for providing data for monitoring, for example the district councils for housing delivery and the Franchise Operator for station usage data (or alternatively this will be sought from the Office of Rail and Road). The Project Executive will report back to SELEP on benefits realisation at 1 and 5 years after opening in line with required monitoring.

7.12.9 £10,000 has been allocated from the Transport Strategy revenue budget for baseline data collection and reporting in 2020/21, and then for monitoring and evaluation each at 1 and 5 years after opening.

7.12.10 The KCC Project Manager is responsible for delivering the Outputs specified for the scheme. The KCC Transport Strategy Manager (supported by the Project Board and external stakeholders, such as Network Rail, Southeastern and Thanet District Council) are responsible for ensuring that the Outcomes and consequently the Impacts are delivered. For example, after Year 1 monitoring it might become apparent that passenger boardings are lower than anticipated. Notwithstanding the impacts of COVID-19, this might require a coordinated marketing strategy with Thanet District Council and Southeastern to encourage passengers or the car park strategy might require review (including availability of season tickets, parking charges, etc.) and the Transport Strategy Manager would instigate this work.

Appendix A Scheme Proposal Plans

Appendix B Full Business Case Economics TN01 November 2019 - v2 (including appendices B1 – B4)

Appendix C Economic Appraisal Calculation Spreadsheets

Appendix D Letters of Support

Appendix E (E1) Thanet Parkway Options Analysis and (E2) Thanet Parkway Sites Appraisal

Appendix F Scheme Cost Estimate

Appendix G Quantified Risk Assessment

Appendix H Project Programme

Appendix I Project Governance Plan

Appendix J Stakeholder Management Plan

Appendix K Thanet District Transport Strategy Infrastructure Plan (draft with indicative development site boundaries)

Appendix L Monitoring and Evaluation Plan

Appendix M Benefits Realisation Plan

Appendix N Additional Sensitivity Testing

Appendix O Economic Appraisal Calculation Spreadsheet – September 2020 Sensitivity Testing