

Wiltshire Council

Overview and Scrutiny Management Committee

17 March 2020

Joint Swindon and Wiltshire Local Enterprise Partnership (SWLEP) Task Group Report on the Chippenham Station Hub Project

Purpose of the report

1. To present the findings and recommendations of the task group for endorsement by the committee.

Background

2. The Chippenham Station Hub (CSH) project was identified as a specific project for the task group to explore at its October 2017 meeting. The CSH project was intended to enhance the station facilities and develop surrounding land for improved car parking, commercial property and residential property. The task group agreed that it would be worthwhile to evaluate the progress of a SWLEP project and provide feedback for the SWLEP to consider in future projects. It was picked alongside the Greenbridge Roundabout project as one of two specific SWLEP projects for the task group to scrutinise. The aim was for the task group to scrutinise the role of the SWLEP.
3. The task group resolved to consider the following aspects of the CSH:
 - a. Exploring how and why it has been a constantly evolving project;
 - b. What the overall vision and form of the project was;
 - c. How it was identified and selected as a Department for Transport (DfT) project before being unretained (*see definition in paragraphs 13-14*);
 - d. To understand any risk implications and any lessons learned from the project.

Terms of reference

4. The following terms of reference for the piece of work were agreed by the task group on 21 June 2018:
 1. To evaluate the progress of the Chippenham Station Hub Project to date.
 2. To explore the overall ambition of the project and consider how it will meet the set of outcomes provided with the grant.
 3. To provide constructive feedback on the consistency of the ambition and aims of the project translating into its implementation and anticipated outcomes.

Membership

5. Whilst undertaking this work, the task group comprised the following membership:

Wiltshire Council
Cllr Trevor Carbin
Cllr Christine Crisp
Cllr Alan Hill (Chairman)
Cllr Nick Murry

Swindon Borough Council
Cllr Des Moffatt
Cllr Timothy Swinyard
Cllr Rahul Tarar
Cllr Chris Watts

Methodology

6. The task group met and received evidence from the following witnesses:

SWLEP

Paddy Bradley, Director of Partnerships & Programmes, SWLEP
John Mortimer, Chairman of SWLEP Board
Ian Durston, SWLEP Programme Manager

Wiltshire Council

Matt Croston, Strategic Programmes Manager
Cllr Pauline Church, (previously) Cabinet Member for Economic Development and South Wiltshire Recovery.

External

Francis McGarry, Business Development Director for Network Rail (Western Route)
Paul Johnson, Chairman of TransWilts
Luke Farley, GWR

7. The task group has considered the topic of the Chippenham Station Hub Project over six meetings.

Evidence

Key points

8. The way in which projects are selected has changed. This project was selected for funding by central government, projects are now prioritised and selected by LEPs.
9. It should be noted that the “management structure” for projects such as these is as follows:
 - a. The SWLEP is accountable to central government for the delivery of projects’ outputs but does not have direct management of projects;
 - b. Each project has a scheme promoter who takes on management of the project (for the SWLEP area, currently, it would be either Wiltshire

Council, Swindon Borough Council or Wiltshire College), in this case Wiltshire Council managed the delivery of the project;

- c. The SWLEP programme manager leads a Delivery and Performance Team, made up of key officers from both councils, which advises and supports the scheme promoter's Project Management Team to ensure that the outputs from the project are being delivered.
10. Through the discussion with Network Rail the task group was informed that, regardless of the CSH project, Network Rail were responsible and accountable for the development of the area surrounding the station and maximising its economic development, as part of its contract as operator of the train station, which would also include the provision of adequate parking provision. It was noted that Great Western Railway (GWR) were also involved with the development of the café and concourse area.

Overall findings

11. The task group was first briefed in October 2017 where it heard that the project was not included in the original 12 "top priorities" of the 2013 SWLEP strategic plan. The project was located amongst other projects (in an unranked order) and then unilaterally chosen by central government as a project that satisfied both local and national objectives.
12. Following discussion with central government the project was included for delivery through the Local Growth Fund (LGF) by the SWLEP in 2014. A conditional allocation of £16m to be match-funded by private investment and £2m of local contributions had been made, totalling £34m.
13. At the time of the task group's original briefing the project was designated as a "retained scheme" by the Department for Transport (DfT); which meant that DfT would undertake appraisal of the project business case rather than the LEP and the decision to approve the project and grant funding had been retained by DfT (i.e. money would be routed through the LEP but the LEP would have little say over it).
14. By December 2017 the project had recently been 'un-retained' by the DfT as it had been decided that the project's scope was broader than transport. The implications of this were that the project then fell entirely within the governance structure of the SWLEP. The task group heard that this was a positive step with more control over the project handed to the SWLEP by the DfT, including the flexibility to allocate the money elsewhere should the SWLEP board decide to do so.
15. The task group heard that, in 2014, central government was attracted by a range of factors including the following potential benefits from the project:
 - a. 150 houses produced indirectly;
 - b. 390 jobs produced indirectly;
 - c. 7 hectares of employment land;
 - d. 1594 parking spaces created.

16. The masterplan for the project included the following:
 - a. enhanced car parking;
 - b. meeting needs of growing town;
 - c. creating a sense of “arrival”;
 - d. improving commercial attractiveness;
 - e. aligning with the electrification programme (i.e. both programmes to be co-ordinated and delivered at the same time);
 - f. aligning with the Chippenham masterplan.

17. The task group was informed in June 2018 that the adopted Chippenham Site Allocations Plan predicted identified land for at least 4,510 additional homes and around 26.5 hectares of employment land in the surrounding area by 2026. To ensure the Chippenham train station could accommodate this anticipated growth by 2026, an expansion of the CSH was required with improvements to the station facilities, increased car parking capacity, provision of retail and commercial space and additional residential homes; with the following outputs being expected from the project:
 - 102 homes;
 - 5450sqm of commercial floor space;
 - and 1594 parking spaces.

18. At the same task group meeting members heard that the delivery of the project under LGF funding had a deadline of 2021; one of the key risks to the project was a failure to secure match funding from partners.

19. The task group was also informed that this was a complex project with a variety of development activities involved, each potentially requiring a different development partner. For this reason, the project had been split into the following separate phases led by different partners, although Wiltshire Council was the overall scheme promoter for the project:
 - a. (Phase i) Station Capacity Improvements – new booking hall, improved retail unit, gatelines (*a row of turnstiles allowing railway passengers to enter or exit on inserting a ticket*), new north side lift onto public footbridge (providing step-free access across the railway line), additional cycle parking, improvement works to bus interchange [GWR led];
 - b. (Phase ii) Wiltshire Council Land – high quality commercial building and decked car parking [Wiltshire Council led];
 - c. (Phase iii) Station Car Parking Capacity Improvements – decked car parking [Wiltshire Council, Network Rail and private sector led];
 - d. (Phase iv) Rationalisation of Station Car Parking – high quality commercial building and decked car parking [Wiltshire Council and Network Rail led];
 - e. (Phase v) Infrastructure Improvements – station square public realm and footbridge [Wiltshire Council and Network Rail led];
 - f. (Phase vi) Commercial Development – high quality commercial and residential units [Chippenham 2020 and development partner led]; and
 - g. (Phase vii) Residential Development – high quality residential units [Network Rail and development partner led].

20. The phased delivery strategy had been determined in order to:
 - a. Accommodate delivery of the GWR station works within the current Great Western franchise (ending April 2020);
 - b. Secure an identified commercial tenant with near term requirements for a commercial opportunity on the Wiltshire Council land;
 - c. Address the interdependencies with adjacent development outside of the scheme's control (timing of GWML electrification works, infrastructure works including new rail bridge relating to Rawlings Green housing development, Langley Park redevelopment programme);
 - d. Address operational issues to allow station operation and provision of car park capacity during the construction works;
 - e. Provide appropriate timescales to obtain relevant stakeholder support and required planning consents;
 - f. Deliver 'quick wins' to support the identified project outcomes of:
 - Improving the station's role as a transport gateway to Chippenham town centre; and
 - Realising opportunities for development to support growth and jobs.
 - g. Align with LGF funding timescales;
 - h. Retain flexibility over the site design and delivery model to best respond to local market conditions; and
 - i. Manage the resource burden on Wiltshire Council recognising that different elements of the project will be delivered by different parties under different arrangements.

21. Whilst the project included aligning with the Chippenham masterplan as part of the CSH masterplan it was noted that the Chippenham masterplan was not an official document. Chippenham Town Council were however developing a Neighbourhood Plan which may adopt elements of the Chippenham masterplan (*still being developed at the time of writing this report*).

22. A total 40% increase in footfall was predicted at Chippenham railway station by 2029, thanks to bigger and more frequent trains which were expected to attract commuters. The project was looking to address this predicted increase through improvements including better signposting and increased parking. Alongside this, commercial developments and housing were investigated.

23. The land available for commercial development at the project site was largely owned by Network Rail. In July 2018 the task group heard that Good Energy had agreed to have an office at the Sadlers Mead Car Park site, which would be delivered through phase 2 of the project and would include a multi-storey car park with provision for Good Energy staff and a few spaces available for the public.

24. It was noted that, at this point in time (July 2018), Good Energy was the only business identified for use of the Commercial Space; it was therefore likely that any additional businesses interested in using the Commercial Space would be identified after the 2021 LGF deadline, therefore without access to funding for the CSH project. The LGF deadline was a hard deadline set by central

government and as such could not be altered, however the deadline applied to the expenditure of funds not the achievement of outputs, which frequently occur in later years, as a result of a project.

25. The task group was informed that SWLEP board had received and considered the various stages of the business case, starting with the outline business case, then a full business case for each stage was produced and considered.
26. At its July 2018 meeting, the task group questioned whether public money should be used to build additional car parking space when the revenue would be collected by private business. It was argued that the benefit of increased parking capacity and the additional footfall from the station development would somewhat offset the revenue issue.
27. At the June and October 2018 meetings, concerns were raised by the task group regarding the construction of the multi-storey car park on the south side of the station as it was felt it may have a negative impact on the planned Extra Care facility, retirement homes and shop.
28. It was confirmed that the SWLEP would not approve funds unless the due planning processes had been followed, during which issues such as the ones raised by the task group (e.g. intrusiveness) would be explored (*planning permission was granted for the multi-storey car park*). It remained the feeling of some members of the task group that the proposed car park may have deterred the applicant(s) for the Extra Care facility, retirement home and shops (*which have subsequently not progressed beyond full planning application*).
29. In October 2018 the task group heard that it was likely some benefits of the project would not be achieved, mainly because of the delays throughout the project making it difficult to meet the impending 2021 LGF deadline. Any remaining aspects of the project would have to be privately contracted.
30. At its April 2019 meeting, the task group noted that the following project's objectives would be met:
 - a. aligning with the electrification programme (with the benefit of longer, faster, and more accessible trains);
 - b. commercial development (office space taken up by Good Energy).
31. Car parking was the main objective that would not be met, as the project won't have created the number of spaces originally envisaged (an additional 1,594 spaces), with effectively only 60 extra spaces gained on the southside of the station. It had not been possible to increase car parking to the northside of the station due to a number of issues including land ownership, listed building access issues and other constraints which meant that a multi-storey car park on the north side of the station could not achieve value for money, and therefore was not developed. Some task group members, understandably, expressed frustration about the limited additional parking provision that would be achieved.
32. At its April 2019 meeting the task group was informed that the LEP hoped that funding could be applied to from other sources, such as the UK Shared

Prosperity Fund to meet the originally expectation for car parking (an additional 1594 spaces to be created).

The 'United Kingdom Shared Prosperity Fund' ("UKSPF") is the Government's initiative to replace EU structural funding after Brexit, i.e. a domestic replacement for the European Structural and Investment Fund (ESIF).

33. The task group noted that a lack of early engagement with GWR and Network Rail led to an initial 6-month delay. At its July 2018 meeting the task group was informed that the SWLEP had been proactive in engaging with Wiltshire Council, GWR and Network Rail to resolve these early engagement issues, alongside the consideration of potential penalties for the scheme promoter for underspends and missing spend deadlines; therefore actually fulfilling the SWLEP's role in terms of supporting and advising the Project Management Team responsible for the delivery of the project.
34. Following this initial lack of engagement, the task group heard that steady progress towards good engagement had been made and was now noted by both GWR and Network Rail as a priority.
35. At the July 2018 meeting, the task group was informed that lessons had been learnt from this by officers responsible for the management of the project regarding the importance of engaging early with private sector organisations and the different ways of engaging with different organisations.
36. At its April 2019 meeting the task group conducted a soft evaluation of the CSH project using an evaluation matrix document with 21 questions regarding the relevance (i.e. original aims and objectives), coherence (consistent with priorities, policies and criteria), effectiveness (achievements to date), efficiency (use of resources), impact (positive and negative), sustainability (benefits likely to endure), and accountability of the project.
37. Although this was a useful exercise for the task group as it enabled it to review the entire development and delivery to date of the project, task group members recognised that they did not have professional expertise to confidently and objectively assess all questions within the matrix. Therefore, there was no agreement within the task group that the exercise was conclusive.

Conclusions

38. As shown in this report and summarised in Appendix A for clarity, the potential benefits expected from the project have changed throughout the delivery of this project with some outcomes not being delivered. The task group was informed of a variety of reasons which led to the project evolving the way it has; including the detailed design of the various elements developing within the cost constraints of the allocated funding and within the needs and constraints of the variety of public sector and private sector partners involved in the project.
39. It was recognised that the following had probably contributed to the issues the project had faced:

The project had not been identified by the SWLEP as one of its twelve priorities in 2013 (*paragraphs 10 to 13 refer*) = The project's strategic plan had not been adequately developed at the time it was unilaterally selected by central government and approved for funding, and the deliverability of the outputs had not been adequately challenged



Work was taking place once the funding had been approved which should have taken place before (i.e. a developed and defined strategic plan) = delays



Redefining and reassessing outputs as strategic plan developed = delays + changed outputs



Not all outputs from the projects could be delivered; some because of the delays experienced (= hard to meet funding deadlines) and some because it came to light that they were undeliverable (*Appendix A refers*).

40. The task group hoped that the lessons learnt with regards to early engagement and different ways to engage with different organisations, as well as the working relationships built from this experience (*paragraphs 33 to 35 refer*), would be carried forward into the future to avoid similar delays, both in this project and others.
41. Nonetheless, task group members were disappointed that delays throughout the process of the project had made it more difficult to meet funding deadlines and hoped that all possible sources would be explored regarding future funding for the aspects of the project awaiting completion post-2021. These include the following referenced to the task group: The UK Shared Prosperity Fund; match funding from GWR and Network Rail; and any future LGF rounds
42. As mentioned previously in this report a situation like this one (where an inadequately developed and defined project at the proposal / strategic plan stage was unilaterally selected for funding by central government) should not occur as LEPs currently determine which projects they fund, and the SWLEP has demonstrated to the task group its commitment to only considering well-developed and well-defined projects for funding.

Recommendations

To the Overview and Scrutiny Management Committee:

- 1. That the content and conclusions detailed in this report be noted.**

To the SWLEP and its future scrutiny body:

- 2. To ensure that the SWLEP's appraisal and approval processes of projects remain robust, because this review has demonstrated that an**

insufficiently developed appraisal and approval process is likely to lead to delays;

- 3. To ensure that delays remain monitored and addressed at the earliest opportunity, because this review has demonstrated that early, possibly avoidable, delays can have ongoing repercussions within a project (such as funding deadlines not being met);**
- 4. To review and monitor the SWLEP's capacity to ensure recommendations 2 and 3 above, in terms of resources – i.e. adequate officer capacity to take direct action when issues arise whilst monitoring many projects (currently 30 projects totalling £518m spend).**

Cllr Alan Hill, Chairman of the Joint SWLEP Task Group

Report author: Adam Brown, Senior Scrutiny Officer, 01225 718038,
adam.brown@wiltshire.gov.uk

Marie Gondlach, Senior Scrutiny Officer, 01225 713 597,
marie.gondlach@wiltshire.gov.uk

Appendices

Appendix A - table of outputs (including changes)

Background documents

SWLEP agendas and minutes as presented to the task group:
[Wednesday 24 January 2018 \(item 5.1\)](#)