
Meeting: Executive

Date: 13 August 2013

Subject: East West Rail (Western Section)

Report of: Cllr Nigel Young, Executive Member for Sustainable Communities for Strategic Planning and Economic Development

Summary: The report outlines the benefits and implications of a new East West rail route and sets out the contribution required of the Council to support the delivery of the East West Rail (Western Section) Project, following discussions with Network Rail, Department for Transport and the East West Rail consortium.

Advising Officer: Richard Carr, Chief Executive

Contact Officer: James Gleave, Senior Strategic Transport Officer

Public/Exempt: Public

Wards Affected: Aspley and Woburn, Cranfield and Marston Moretaine

Function of: Council

Key Decision Yes

Reason for urgency / exemption from call-in (if appropriate) N/A

CORPORATE IMPLICATIONS
Council Priorities:
1. East West Rail is a strategic railway connecting East Anglia with Central, Southern and Western England. The complete East West Rail scheme comprises a strategic rail route that will link East Anglia to Oxford via Cambridge, Bedford, Milton Keynes and stations in Central Bedfordshire. As such, the scheme will greatly improve connectivity by rail in Central Bedfordshire by providing a strategic east-west route to these destinations.

2. Work is about to start on the Western Section, which runs from Oxford to Bedford. East West Rail offers a number of local benefits including:
 - Encouragement to new businesses to move into the area and the opportunity to help existing businesses to grow, supporting plans for job creation as part of the Council's Economic Development Strategy;
 - Creating local jobs during its construction phase;
 - Encouraging more people to travel by rail, thus protecting the environment and reducing the impacts of car travel on our local communities;
 - Providing higher quality infrastructure and better transport services which will improve local connectivity to places such as Bedford, Milton Keynes, Bicester, and Oxford.
3. Supporting the Western Section will also show to Government that the Council is willing to play an active role in collaborating with other local authorities and partners to deliver a significant infrastructure project of economic benefit across the sub-region.

Financial:

4. Government funding for the Western Section of the route, which could be up to £500m, is conditional on a local financial contribution towards the scheme. Local transport authorities situated along the Western Section route (Central Bedfordshire Council, Bedford Borough Council, Milton Keynes Council, Buckinghamshire County Council, and Oxfordshire County Council) plus some districts have committed to provide up to £50m (at 2012 prices) as a local contribution. The £50m contribution from local authorities is index-linked to the Consumer Price Index measure of inflation and comprises a commitment by those local authorities to use 'best endeavours' to provide £30m and 'reasonable efforts' to find a further £20m. The £50m contribution can be provided over 15 years between 2014 and 2029.
5. It is proposed that this Council's share of the £50m contribution would be £4.2m at 2012 prices. Based upon predicted inflation of 2% per annum, it is forecast that the authority's maximum potential contribution to the project would therefore be £5.180m, to be paid as:
 - £2.5 million in 2018, once the Western Section is opened and representing Central Bedfordshire's basic contribution to the scheme.
 - £2.5 million in 2026, when the forecast economic benefits have been evidenced.
 - A further £180k paid as works in kind during the lifetime of the project.

6. The local contribution made will be capital expenditure and can be reduced by any additional contributions to the scheme through works 'in kind' (like officer time dedicated to the project or additional infrastructure works that the Council may deliver to support the project) and by realising alternative sources of funding (e.g. developer contributions). The current estimate for works in kind assumes delivery from within existing resources.

Legal:

7. Two legal agreements are to be completed to secure the local contribution towards the scheme.
1. Buckinghamshire County Council is the lead authority for the scheme and will be entering into a Funding Agreement directly with the Department for Transport to secure the local contribution. The Department for Transport will be obligated to use the funding for the delivery of the project. A draft Funding Agreement is in circulation but not yet approved.
 2. Each of the local authorities on the Western Section route will subsequently enter into a side agreement with Buckinghamshire County Council agreeing to pay their authority's share of the local contribution. Completion of the side agreements are a prerequisite prior to completion of the Funding Agreement between Buckinghamshire County Council and the Department for Transport. A copy of the draft side agreement will be issued to the Council for consideration in the near future.

Risk Management:

8. The risk for the construction and delivery of the project is being borne by Network Rail. A risk assessment has been carried out and appropriate action will be taken to mitigate the identified risks. For the Council, failure to contribute towards the delivery of the scheme poses the following risks:
- The potential failure to deliver the Central Section of the East West Rail project, of which the Western Section forms a critical part of the business case;
 - The potential for Government to view the Council's action as non-cooperative, when judged against the 'Duty to Cooperate' on strategic planning matters, as set out in the Localism Act 2011.
9. Regarding the local contribution, risks identified include:
- Failure of the Council to secure adequate financing for its local contribution, undermining the deliverability of the scheme;
 - Failure of other local authorities to secure adequate financing for their local contribution, undermining the deliverability of the scheme.

Staffing (including Trades Unions):

10. Existing staff resources will be used to support the project.

Equalities/Human Rights:

11. Many disadvantaged groups in Central Bedfordshire have reduced access to a car. Improvements to the rail service should help improve access to jobs and services for those groups.
12. In terms of improvements to services and physical infrastructure such as stations and crossings, new services and infrastructure will need to be delivered to the most up-to-date accessibility and equalities standards as required by law. The Council will work with its partners to identify any equality issues associated with new services and infrastructure and ensure that the new facilities and services are accessible by all.
13. To support the delivery of the Western part of the Central Section, the Council may be required to undertake its own works, for example re-routing rights of way. The Council will assess the equalities impacts of its own works and deliver in line with best practice.
14. As part of any planning application submitted for the Western part of the Central Section scheme – likely to be a Transport and Works Act Order – Network Rail may be required to undertake a full Equalities Impact Assessment for the Western Section, including its impacts on local communities. The Council will do what it can to advise Network Rail on equalities issues as part of this process.

Public Health:

15. Improved public transport services will provide a realistic alternative to the car for many trips, helping to reduce the local impacts of air pollution from vehicles. Improved public transport can help those without access to a car to access everyday activities such as employment and services, leading to a greater sense of personal well-being.
16. Electrification of the route and the replacement of current diesel trains with quieter electric trains could reduce the levels of noise from trains. However, increased use of the Marston Vale Line by passenger and freight services could make noise from trains more frequent, particularly for residents living close to the railway.

Community Safety:

17. Section 17 of the Crime and Disorder Act 1998 places a duty on councils to do all they reasonably can to reduce crime and disorder locally and improve people's quality of life as a result. The duty requires the Council to consider and do all that is reasonable to support the reduction of crime in our area.
18. The Western Section can help to positively tackle crime and disorder by improving accessibility to jobs and services in the communities that it will serve. The Council will seek to maximise the opportunities to improve community safety that the Western Section may bring.

Sustainability:

19. The Western Section will provide a high quality public transport service to a variety of destinations. This will promote travel by train as opposed to private car to many destinations, with subsequent benefits for improved air quality and CO2 emissions. The electrification of the track will provide additional benefits in terms of air quality by reducing emissions from current diesel trains.
20. Works to upgrade and electrify the Marston Vale Line are likely to impact upon the local environment and landscape, though the extent of this is unclear at present. This will be monitored and assessed as part of the development of the scheme.
21. An Environmental Impact Assessment will be undertaken as part of the Western Section Project. The Council will do what it can to engage with local communities, Network Rail and the East West Rail Consortium to advise on issues affecting local communities in the Marston Vale as part of this process.

Procurement:

22. Not applicable.

Overview and Scrutiny:

23. This project was considered at the Sustainable Communities Overview and Scrutiny Committee on 25 July 2013. As of the time of writing this report the minutes of this meeting have not been formally published. The discussion at the committee can be summarised as so.
24. The committee endorsed the recommendations of this report, and expressed its in-principle support for the East West Rail Western Section. The key points of the discussion were:
 - In light of planned expansion in population and the need to create jobs locally, the East West Rail Project was considered to be essential;
 - In comparison to other infrastructure schemes, the amount of funding sought is fairly minor to deliver a significant infrastructure project;
 - Ridgmont station should be identified as the Council's preferred station for the new Bedford to Oxford / Reading semi-fast service;
 - There are some local concerns about the impact of the scheme on local communities, particularly in Lidlington. It is critical that local communities are fully engaged in the scheme as it develops;
 - The Environmental Impact Assessment was essential to help determine the impacts of the scheme and both the Council and local communities should have the opportunity to see and comment on it in due course.

RECOMMENDATIONS:

The Executive is asked to:

- 1. express the Council's support for the East West Rail Western Section project, with a preference for the new Bedford to Oxford / Reading rail service to include a stop at Ridgmont station; and**
- 2. recommend to Full Council that the Council's contribution to the East West Rail Western Section project of an estimated £5.180 million be included in future updates of the Capital Programme.**

<i>Reason for</i>	<i>So the Council can fulfil its obligations to support the delivery of</i>
<i>Recommendations:</i>	<i>the East West Rail Western Section project</i>

Executive Summary

25. The East-West Rail Western Section is a key transport infrastructure project that will deliver a number of benefits to residents and businesses in Central Bedfordshire. These include promoting employment, enhancing connectivity to business markets such as Milton Keynes and Oxford and encouraging more people to travel by public transport. Delivery of the Western Section is also of critical importance to any future plans for the East West Rail Central Section to link Bedford to Cambridge via Sandy.
26. To deliver the project and realise these benefits, both the Council and all partner authorities on the Western Section route need to provide their contributions to the project. This requires a total financial contribution from all authorities of up to £50 million at 2012 prices, of which the Council's share is up to £4.2 million. The Council also needs to work proactively with the East West Rail Consortium, Network Rail and the Department for Transport to deliver key infrastructure works and finalise train service patterns.
27. Supporting the scheme in this way means not only will the Western Section be built, but in its positive action, the Council is actively working to deliver against its Duty to Cooperate on strategic planning matters. Additionally, it shows to Government that the Council is an authority willing to support the delivery of significant infrastructure projects, which it recognises to be of wider economic benefit to the sub-region.
28. This project was considered at the Sustainable Communities Overview and Scrutiny Committee on 25 July 2013. The committee endorsed the recommendations of this report, and expressed its in-principle support for the East West Rail Western Section. The key points of the discussion were:
 - In light of planned expansion in population and the need to create jobs locally, the East West Rail Project was considered to be essential;
 - In comparison to other infrastructure schemes, the amount of funding sought is fairly minor to deliver a significant infrastructure project;

- Ridgmont station should be identified as the Council's preferred station for the new Bedford to Oxford / Reading semi-fast service;
- There are some local concerns about the impact of the scheme on local communities, particularly in Lidlington. It is critical that local communities are fully engaged in the scheme as it develops;
- The Environmental Impact Assessment was essential to help determine the impacts of the scheme and both the Council and local communities should have the opportunity to see and comment on it in due course.

Background to East West Rail

29. The East West Rail Project is a long-standing project to deliver a new strategic East-West Rail Link between Oxford and Cambridge. This will serve Oxford, Bicester, Milton Keynes, Bedford, Cambridge and stations in Central Bedfordshire with direct rail connections for the first time since the 1960s, with the potential for new rail services to run as far as Bristol, Norwich and Ipswich.
30. In November 2011, the Chancellor of the Exchequer announced that the government is committed to funding the Western Section of the route between Oxford and Bedford, subject to a satisfactory business case and a commitment from local authorities to contribute towards the project. This support was confirmed by the Department for Transport in July 2012 in its Higher Level Output Statement, which commits funding of £550m (inclusive of a planned local contribution) towards the project between 2014 and 2019.
31. The Government has recognised that partnership working across local authorities along the route has been critical to the development of the Western Section. Central Bedfordshire Council is part of the East West Rail consortium which promotes the scheme. Support for the scheme is reflected in the Council's Local Transport Plan and Draft Development Strategy.
32. The delivery of the Western Section is being overseen by a Joint Delivery Board. This consists of representatives from funding partners, including the Department for Transport and Executive Members from local authorities across the route (Central Bedfordshire Council is represented by the Executive Member for Sustainable Communities), and Network Rail who will build the scheme.

Benefits of the Western Section for Central Bedfordshire

33. By 2019, the completion of the Western Section will result in a link between Bedford and Oxford being fully re-opened, with new track laid, existing track upgraded and new services running over a strategic, electrified railway. The main benefits to Central Bedfordshire will accrue from 2017, when new rail services will start operation on the Marston Vale Line.

34. On the Marston Vale Line, the current project plan indicates that much of the infrastructure will be upgraded by 2017, allowing train services to run between Bedford and Oxford. This will then be followed by the electrification of the Marston Vale Line, which is scheduled for completion by 2019 to coincide with the electrification of the Midland Mainline north of Bedford.
35. Central Bedfordshire will benefit from this scheme through the provision of an enhanced rail service along the Marston Vale Line. In addition to the current hourly Bedford to Bletchley service calling at all stations along the route, a new hourly service will provide a semi fast service between Bedford and Milton Keynes, calling at one Central Bedfordshire station. The East West Rail Western Section Prospectus notionally identifies the Central Bedfordshire station as Lidlington.
36. The meeting of the Sustainable Communities Overview and Scrutiny Committee on 25 July 2013 recommended that the Council's preferred station be Ridgmont and not Lidlington. This is because of the proximity of Ridgmont station to the expanding Marston Gate employment area, better access to Cranfield University and Technology Park, greater potential to develop Ridgmont as a transport interchange, and the soon-to-open Ridgmont Station Heritage Centre attracting new passengers. This preference will be expressed to the Western Section Joint Delivery Board.
37. There may also be the opportunity to enhance the current Bedford to Bletchley service. This could include extending the service to Milton Keynes Central, which is currently being investigated by the train operating company, and running the service on Sundays and Bank Holidays (the service currently runs Monday to Saturday only).
38. The project will also see a significant investment in the rail infrastructure along the Marston Vale Line. As well as electrifying the line, opportunities to increase line speeds will be investigated, level crossings reviewed and improvements to passenger facilities at current stations secured.
39. The net impact of this significant investment in rail services and infrastructure is increased connectivity within Central Bedfordshire. East-West connectivity in particular is a key transport barrier to economic growth in Central Bedfordshire and this scheme will be able to deliver improved access to markets in places such as Oxford and Milton Keynes will in turn make Central Bedfordshire a more attractive place in which to invest.
40. The enhanced service levels will provide significant benefits to the resident communities along the Marston Vale Line. New connections to places like Oxford, Milton Keynes and reduced journey times on the existing rail service to places like Bedford will make travel by public transport a much more attractive proposition locally.
41. As well as the practical benefits of the scheme itself, supporting the scheme has a wider benefit for the Council. In investing in the project, Government has recognised the ongoing positive collaboration between local authorities along the Western Section route that has developed the scheme, and this has convinced Government to fund it.

42. By committing its financial support for the Western Section, the Council is showing to Government and its partner authorities and stakeholders (including the South East Midlands Local Enterprise Partnership) that it is a delivery authority that will support projects that meet national and local objectives. Joint working with other local authorities on the Western Section is also an excellent practical example of the Council fulfilling its 'Duty to Cooperate' under the Localism Act 2011.

Work of Central Bedfordshire Council

43. Central Bedfordshire Council will work closely with Network Rail, the East West Rail Consortium, and local communities to maximise the benefits from the scheme and to best balance the need for a safe and reliable railway, and minimising disruption on local communities. This may include (but may not be limited to):
- Changes to level crossings and investigating alternative options, such as new structures like bridges, or minimising level crossing 'down time';
 - Changes to footpath and bridleway crossings and investigating alternative options;
 - Minimising the impact of new infrastructure on local communities where feasible;
 - Minimising the impact of construction works on local communities where feasible;
 - Improvements to facilities at existing stations along the line, including any interchange with local transport.
44. The new rail services and works associated with the Western Section are likely to impact upon a number of communities in the Marston Vale. A critical part of this project is ensuring that local communities along the line are engaged in the project, are kept up to date on the latest developments and are able to feed their comments into the development of the scheme and infrastructure works that will affect them.
45. The East West Rail Consortium is currently in the process of meeting with local parishes and organisations across the Western Section. From this, detailed plans on engagement with local communities are being developed. The Council is part of this process, and will seek to support the Consortium and Network Rail in engaging with local communities. The Council is committed to engaging with local communities in the Marston Vale as part of works that it will undertake to support the project, and will seek their views and provide feedback as appropriate.

46. This scheme will involve producing an Environmental Impact Assessment (EIA), which will fully assess the impacts of the scheme on local communities and the local environment. This will be consulted upon with local communities, and local views will be reflected in the work that the Council undertakes to support the EIA. It should be noted that local communities will also be given an opportunity to have their say formally as part of any future statutory processes, such as a Transport and Works Act order.

Contributions to the Project

47. To secure Government funding for the Western Section, all local authorities along the route (Bedford Borough Council, Buckinghamshire County Council and its constituent districts, Central Bedfordshire Council, Milton Keynes Council and Oxfordshire County Council and its constituent districts) have agreed in principle to provide a local contribution towards the Western Section. This agreement constitutes a joint commitment to use:
- best endeavours to secure a combined £30 million in 2012 prices; and
 - reasonable efforts to secure a further £20 million in 2012 prices, giving a total contribution of £50 million.
48. The contributions paid must be index-linked to the Consumer Price Index measure of inflation. The collective support 'in principle' will also be subject to approval of detailed financial agreements with each authority.
49. The Department for Transport has indicated that it expects a total contribution from the Western Section authorities of £50m in 2012 prices. All local authorities have been advised to plan as such. In respect of the latter £20m to be paid by the councils using their 'reasonable efforts', the Department for Transport has indicated that this should be forthcoming unless the anticipated economic benefits of the scheme are not realised. In the case of Central Bedfordshire, it may be that the economic benefits of the scheme will be most realised once the next stage of the route between Bedford and Cambridge has been agreed, especially if this route were to include a stop at Sandy.
50. The Western Section authorities have undertaken collaborative work to ensure that the £50m is allocated between them on a fair and reasonable basis. The contribution has been allocated on a population-basis, with both this Council and Bedford Borough Council securing a reduction in our contributions owing to the potential future need to contribute towards the Central Section.
51. Central Bedfordshire Council's expected contribution is £4.2 million at 2012 prices. This is 40% less than a contribution based purely on population and comprises best endeavours to secure £2.5 million and reasonable efforts to secure a further £1.7 million at 2012 prices. Adjusted for forecast inflation, the estimated maximum cost to the Council for this project is £5.180 million, comprising works in kind of £180k and a capital grant of £5 million (as profiled in Table 1). The contributions of all local authorities across the Western Section have been agreed in principle.

52. Contributions towards the project can be made by local authorities in ways that they see fit up until 2029. They can consist of:
- In kind contributions – these need to be agreed with the Western Section authorities as being related to the project and can include officer time dedicated to helping deliver the project and local authority spend on infrastructure works that will benefit the project, such as diverting rights of way crossings over a new bridge or delivering improved transport interchanges; and
 - Cash contributions – a cash payment made directly to the project.
53. Buckinghamshire County Council has offered to act as a banker for the local contributions on behalf of all Western Section authorities and will have a legal agreement with the Department for Transport for the provision of these contributions. As Buckinghamshire does not bear the entire financial risk for the local contributions, agreements between Buckinghamshire and all Western Section authorities (including Central Bedfordshire) are required to assure Buckinghamshire of other authorities' contributions.
54. Central Bedfordshire's contribution will consist of a mixture of both in kind contributions and cash contributions. Our in kind contributions are likely to consist of officer time dedicated to supporting the delivery of the project, including the works outlined previously in paragraph 43 of this report. Local infrastructure works, such as footpath diversions and improvements to local transport interchanges may also be included if they are related to the project.
55. A number of approaches are being considered by the Western Section authorities and will be subject of future reports, whether directly related to East West Rail or more general finance reports. These approaches could include:
- Developer contributions, whether directly as part of Section 106 agreements or indirectly through the Community Infrastructure Levy;
 - Government grants and bids for funding;
 - Deals with Government – such as city deals – whereby the scheme could be funded through additional tax receipts.
56. Based upon current project planning, and a contribution of £4.2 million in 2012 prices (£5.180m adjusted for inflation), it is proposed that the profile of payment for the Council's contribution would be as follows:

Table 1 – Contribution profile for Central Bedfordshire Council

	2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2026 /27	Total
In kind	£10k	£30k	£40k	£40k	£60k	£40k	£0	£180k
Cash	£0	£0	£0	£0	£0	£2.5m	£2.5m	£5m
Total	£10k	£30k	£40k	£50k	£60k	£2.54m	£2.5m	£5.18m

57. The grant contributions profile has been set to reflect two things:
- £2.5 million to be provided in 2018/19 following the start of services running on the Western Section, so the Council realises the benefits of the scheme prior to making a cash contribution;
 - £2.5 million being provided in 2026/27, after it has been demonstrated that the scheme has had significant economic benefits. This potentially includes job creation and the construction of the Central Section to include a stop at Sandy.
58. A legal agreement between Buckinghamshire and the Council is currently being drawn up, setting out the terms under which the Council will make its contribution to the Western Section. This agreement will be signed by October 2013.
59. The Council's Constitution requires all capital requirements to be included in its Capital Programme and it is planned this project will be included in the review of the programme currently underway. A revised Capital Programme will be included for approval a future meeting of Full Council.

Conclusion and Next Steps

60. The East-West Rail Western Section is a key transport infrastructure project that will deliver a number of benefits to residents and businesses in Central Bedfordshire. These include promoting employment, enhancing connectivity to business markets such as Milton Keynes and Oxford and encouraging more people to travel by public transport. Supporting the scheme will also mean the Council will show to Government that it is an authority willing to support the delivery of significant infrastructure projects.
61. To deliver the project and realise these benefits, both the Council and all the partner authorities need to provide their contributions to the project. The Council also needs to work proactively with the East West Rail Consortium, Network Rail and the Department for Transport to deliver key infrastructure works and finalise train service patterns, as well as provide a financial contribution to the project.

Appendices:

Appendix A – Route Map of East West Rail Western Section