

Wards Affected:

All Wards

ITEM 13**CABINET****25 JULY 2012****East - West Rail - Joint Delivery Board**

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Executive Summary:

The East-West Rail project seeks to re introduce passenger rail services between Bedford and Oxford utilising the current rail alignment. Presently services operate between Bedford and Bletchley. The new project will allow services to continue to Oxford and beyond and will include a link to Aylesbury and London via the Marylebone line.

The project has been promoted by a consortium made up of authorities along the route. This consortium has developed a preferred scheme which demonstrates a high return on investment.

In the Chancellor's autumn statement (2011) funding was provisionally set aside for the scheme (approx £270m), with full approval conditional on the promoters meeting two conditions. Firstly that the DfT would need to confirm the business case and secondly that a local contribution of up to £50m be sought. The make up and share of this contribution would be for local determination. A joint letter from consortium members has been issued to the DfT to confirm that the principle of raising a local contribution is supported and that best / reasonable endeavours will be made by all to secure the funding.

To support the delivery of the project a Member Joint Delivery Board has been established. Milton Keynes Council has been invited to join the board and allocate an elected member of the council to represent the authority.

A further announcement from government is anticipated in July 2012. This will possibly confirm that the project can proceed in the period 2014 to 2017, subject to planning conditions/ approvals being met.

1. Recommendation

- 1.1 That the progress with the East West Rail project which will see delivery of the western section linking Milton Keynes with Aylesbury, Oxford, Reading and Bedford be welcomed.
- 1.2 That the appropriate Cabinet Member be appointed to represent Milton Keynes Council on the newly established Joint Delivery Board.
- 1.3 That the project be highlighted within the forthcoming Local Investment Plan

2. Issues

2.1 East West Rail (EWR) is a major project to promote economic growth by establishing a strategic railway that will ultimately connect East Anglia with Central, Southern and Western England. It will be England's first major railway re-opening with much of the route existing as freight network or disused lines. The Western Section will link Aylesbury, Oxford and Reading with Bedford and Milton Keynes. The route is planned to be open by 2017 and will:

- Provide a strategic east-west route linking key centres of economic activity;
- Support local authorities' ambition for substantial economic growth based on the creation of new private sector jobs and the development of major areas of new housing;
- Provide a connection between existing radial routes out of London facilitating journeys without the need to interchange through London.

2.2 Much of the route already exists, some has been recently upgraded and a substantial element of the route between Oxford and Bicester is included in Chiltern Railways' Evergreen 3 project which is expected to be under construction during 2012/13. Platform 2A at Milton Keynes Station is a dedicated platform for EWR trains and was completed in 2008 as part of the West Coast Mainline improvements; thus much of the infrastructure required to operate EWR trains is already in place.

2.3 The project has been driven forward by the East West Rail Consortium: a partnership of local authorities, rail operators and Network Rail. The officer board, with officer representative from all authorities along the route have managed the development of the scheme.

(The consortium includes; MKC; Buckinghamshire CC; Aylesbury Vale DC; Cherwell DC; Oxfordshire CC; Central Bedfordshire UA and Bedford Borough Council. In addition The board has representation from Network Rail; DfT and Chiltern rail),

2.4 The scheme was announced within the autumn statement by the Chancellor of the Exchequer in November 2011. His statement identified that EWR funding of £270 million would be made available providing that the promoter of the scheme, the EWR Consortium, met two conditions.

- A strong business case for the route and the case developed by the promoter along with the DfT and Network Rail were accepted as robust.
- A commitment by local authorities along the route to contribute to the cost;

The first condition has been largely met with the business case being seen as robust and delivering an excellent economic return. This is measured through a benefit to cost ratio (BCR), the measured BCR is in excess of 6. This means that for every £1 invested the return is calculated at £6.

2.5 A letter from all consortium members including Milton Keynes was sent to Department for Transport in April 2012. This gave an undertaking in principle to use best and reasonable endeavours to seek a combined local

contribution up to £50m over a 15 year period. It is important to note that the source and timing of each authority's share of this funding is yet to be determined. Detailed work is about to start to determine potential ways forward for calculating amount and timing from each authority. Any firm commitment by MKC will require future formal decisions in line with the council's regulations and orders.

- 2.6 A Joint Delivery Board has been established to ensure that members from all authorities on the route can contribute to scheme's development. The role of the board is to ensure that the interest of all consortium members authorities are considered within the delivery of the project.

Each authority has one place on the board with the member representation determined by the authority. The board has held an initial meeting and developed a draft set of Terms of Reference. These ToRs are available as a background paper. The next meeting of the board is in early September.

3. Implications

3.1 Policy

The Local Transport Plan (3) and the Core Strategy support the delivery of East West rail identifying it as contributing to the growth and development of Milton Keynes.

The Milton Keynes Local Investment Plan (LIP) is the document which sets out future investment priorities for the authority. It is therefore recommended that the E-W rail project features within the emerging LIP. Previous versions of the LIP has consistently included E-W rail as a priority.

3.2 Resources and Risk

The project will naturally raise issues from the local community and therefore the council have to be mindful and receptive to any concerns raised. The project delivery team are aware of this and are developing strong communication plans with a commitment to provide information tailored to each authority area.

The project will require suitable permissions and the project team are assessing the appropriate planning processes that will be followed. This will involve local consultations with the probability of future planning inquiries.

The project is expected to cost £270m in total, with the majority of funding being from central Government. However, the scheme will only go ahead if the project can be fully resourced. One of the funding sources would be through contributions from those local authorities which expect to benefit as a result of the national investment. The local contribution can also include works in kind. This can for example include related works to the highway and any officer time spent on the project. Department for Transport have already approached those authorities on the Delivery Board to agree a contribution to the scheme. The Delivery Board will discuss a suggested basis for the contribution, but the agreement of the Cabinet will still be required before any commitment is made.

In line with any Capital Programme the commitment to the contribution will need to be funded. This scheme could potentially be funded from S106 and/or Community Infrastructure Levy, but this will need to be evaluated based on the funding required. If this is unlikely to be sufficient other capital resources available to the Council would need to be used.

Y	Capital	Y	Revenue		Accommodation
	IT		Medium Term Plan		Asset Management

3.3 Carbon and Energy Management

The use of rail is seen as a more sustainable alternative than car journeys and therefore has a positive impact on carbon reduction.

Legal

The project will be delivered in accordance with defined planning and development frameworks.

The project therefore will take heed of legislation in relation to equality and diversity

3.4 Other Implications

	Equalities/Diversity		Sustainability		Human Rights
	E-Government		Stakeholders		Crime and Disorder

Background Papers: Joint Delivery Board – Draft TOR
 E-W rail prospectus
 Local Transport Plan (3) MK Transport Strategy & Vision
 MK Core Strategy