

<b>MEETING:</b>	<b>Cabinet</b>
<b>MEETING DATE:</b>	<b>22 January 2015</b>
<b>TITLE OF REPORT:</b>	<b>Rotherwas Rail Development Plan</b>
<b>REPORT BY:</b>	<b>Head of Transportation and Access</b>

## **Classification**

Open

## **Key Decision**

This is not a key decision

## **Wards Affected**

Hollington

## **Purpose**

To consider potential actions in response to a motion passed by Council at its meeting in September.

## **Recommendation(s)**

### **THAT CABINET:**

- (a) considers whether to adopt the development plan outlined at paragraph 8 of this report, noting the roles and responsibilities of appropriate rail authorities and other interested bodies; and**
- (b) Subject to adoption of the development plan as above, instructs the Head of Transportation and Access to progress the development plan to Initial Feasibility before bringing back a further report to Cabinet.**

## **Alternative options**

- 1 Not to agree the development plan. Cabinet may reject the request from Council to prepare a development plan for proposals for a rail link in Rotherwas.

## Reasons for recommendations

- 2 To respond to the motion 'Rotherwas Rail Link' agreed by Council at its meeting of 26 September 2014.

## Key considerations

- 3 The motion passed by Council requested the executive to take urgent and positive action, by working with the appropriate rail authorities and other interested bodies, to produce a development plan to achieve the following:
- To reinstate the rail link into Rotherwas.
  - To construct a new passenger station at Rotherwas together with a park and ride scheme.
  - To include a rail freight facility for existing and potential businesses in the Rotherwas Industrial Estate and Enterprise areas.
- 4 The motion requested that the development plan and an associated funding proposal should be placed before the council at the earliest opportunity so that it can be progressed through the Local Enterprise Partnership and government funding routes with the minimum of delay.
- 5 Any development plan seeking to deliver the outcomes set out in the motion should follow guidance provided by Network Rail (Investment in Stations). This provides an overview for promoters and developers of how proposals for new rail stations should be developed and the coordinating role played by Network Rail in helping to consider such proposals. Whilst the guidance is primarily aimed at consideration of stations on existing rail lines the same principles apply to reinstatement of line and introduction of a new station.
- 6 The guidance sets out the following initial high level considerations for a new station which should be confirmed prior to progressing detailed feasibility work:
- Is it likely to be feasible from an environmental engineering and design perspective;
  - Is it operationally feasible;
  - Is the investment likely to have a positive business case; a key part of the business case should be the inclusion of robust demand forecasts;
  - In addition to the capital investment, would the proposal require any ongoing subsidy.

## Roles and Responsibilities

- 7 Proposals for changing the rail network require approval by Network Rail which is the rail authority and has responsibility for infrastructure. Any impacts on services will

need to be understood and agreed with train operating companies which run rail services. Both Network Rail and train operating companies are funded by the Department for Transport and it would also need to be engaged on such proposals. Locally, the council would need to clarify any planning issues and environmental impacts alongside land ownership and impacts on other developments in the vicinity of the proposals.

#### Proposed Development Plan

- 8 The development plan set out below seeks to establish if the proposal is likely to achieve a positive business case and hence attract external funding or justify allocation of the council's own funds.

#### Initial Feasibility

- a. **What is the proposal?:** Clarify the details of the proposal. If no further details are available assumptions will need to be made based on the Rotherwas Rail High Level Business Case Study (Jacobs, October 2012), about siting of the station and length of re-instated line to enable the following stages to proceed. Scheme Promoters.
  - b. **Can it be built?:** High level assessment of whether or not the proposal is feasible from engineering, environmental and design perspective including outline capital costings. Network Rail to lead with local assessment of the land use implications and development of the Enterprise Zone.
  - c. **Could it work within the existing rail network?:** High level view of operational feasibility – Network Rail to lead.
  - d. **What is the likely demand for it and would there be an ongoing service cost?:** Establish likely level of demand and service implications. Scheme promoters have indicated that the scheme will include an extension to the Birmingham to Hereford rail service operated by London Midland. London Midland to lead.
  - e. **Is it likely to deliver value for money and hence attract major scheme funding?:** High level assessment based on b/c/d as to whether or not the proposal is likely to have a positive business case. Network Rail to lead.
- 9 This information would enable the council and/or Network Rail to determine whether or not the proposal has sufficient merit to warrant any further detailed assessment. Currently, no resources have been identified for carrying out this initial stage of assessment and it is assumed that input from identified bodies will be provided at no cost to the council.
- 10 Future stages which would comprise detailed design and feasibility work and major scheme business case development in order to prepare funding bids are likely to incur significant costs in consultancy fees.

## Community impact

- 11 The proposed rail link and new rail station is not prioritised in the corporate plan or in the Local Transport Plan. The findings of the Rotherwas Rail High Level Business Case Study (Jacobs, October 2012) are included within the adopted Local Transport Plan noting that that proposal (which included a new local rail service operating between Leominster and Rotherwas) did not represent good value for money, requiring an ongoing subsidy to operate and capital investment of over £10M.

## Equality and human rights

- 12 None as a result of this report.

## Financial implications

- 13 The costs associated with this proposal include both the capital costs of constructing the line and the station (this might also include land acquisition, remedial costs if existing land ownerships are adversely affected and accommodation works costs to relocate services and accesses) and the potential revenue costs required to subsidise a rail service. Collectively, these costs would need to be understood and considered within a business case which would establish whether or not the proposal represented value for money. The business case would seek to balance out these costs against economic, transport, safety and other benefits which could be attributed to the proposal. To understand the extent and scale of these benefits, the business case would need to be informed by robust demand forecasts.
- 14 This proposal is not currently identified as a priority by the Council or Network Rail and as such, it has no funding. The Council's strategic transport priorities are set out in the adopted Local Transport Plan (adopted by Council 26 September 2014) and longer term priorities are included within the Core Strategy adopted by Council July 2013 and subject to Examination in Public early in 2015.
- 15 The funding options for this proposal would depend on which organisation sought to take it forward. Network Rail sets out its investment programme in Control Periods which cover 5 year blocks. The next Control Period (period 6) which this proposal might fit in would be 2019-2024.
- 16 If Herefordshire Council adopted this proposal as a priority it would have to allocate funds through local sources (prudential borrowing, local transport plan, developer contributions) or through a bid for external funds. At the current time this would be via the Local Enterprise Partnership which can access Government funding through the local growth deal programme.
- 17 Whichever funding source were to be sought, the proposal would only progress if it could be demonstrated to have a sound business case. For transport scheme funds (such as through the local growth deal) the business case process follows that set out by the Department for Transport.
- 18 No resources have been identified for carrying out the Initial Feasibility. This assumes that Network Rail and London Midland will undertake elements of the feasibility at no

cost to the Council. Should the development plan progress beyond this stage it is likely that significant resources will need to be identified to undertake detailed feasibility and development of a major transport scheme business case. This is likely to be in the order of over £500K and would need a key decision to proceed.

## **Legal implications**

19 None as a result of this report.

## **Risk management**

20 The development plan relies on support and advice from other organisations such as Network Rail and train operating companies and input from the scheme promoters which brought forward the proposals as set out at paragraph 3. There is a risk that this support and input will not be forthcoming and that elements of the plan will not be clarified. This risk is being managed through regular communication and by an initial stakeholder meeting at which the approach set out in this report was discussed and agreed by relevant stakeholders.

## **Consultees**

21 A meeting of stakeholders was held 7 October attended by the scheme promoters, Network Rail, London Midland (train operating company) and Cabinet Members to discuss how the scheme proposals might be taken forward. That meeting and the actions agreed have informed the development plan set out in this report. The local ward member for Hollington Ward has also been consulted.

## **Appendices**

- None

## **Background papers**

- None identified