

7 November 2019**Agenda Item:8**

REPORT OF THE CORPORATE DIRECTOR, PLACE

STRATEGIC RAIL UPDATE REPORT

Purpose of the Report

1. The purpose of this report is to update Committee on the national and regional strategic rail connectivity initiatives affecting the County, to seek Committee approval for officers to continue work with partners to deliver / promote rail improvements, and to seek approval to contribute to two regional posts within East Midlands Council reporting to Transport for the East Midlands.

Information

2. Nottinghamshire has a number of rail franchises covering the entirety of the county area. The largest of these is the East Midlands Rail Franchise which was recently awarded to Abellio to operate as East Midlands Railways. This contract started on 19th August 2019 and is very much in its early days. Nottinghamshire has an interest in Rail North, now part of Transport for the North, East Coast Mainline through East Coast Mainline Authorities (ECMA) and more generally through Midlands Connect.

East Midlands Railways

3. Abellio UK, recently awarded the new eight-year East Midlands Railway (EMR) franchise by the Department for Transport, has confirmed that it has awarded a £400 million contract to Hitachi Rail to build a pioneering new fleet of intercity trains. The new state of the art intercity trains will start operating in 2022 and will serve the main cities and towns on the Midland Main Line including Sheffield, Chesterfield, Nottingham, Derby, Leicester and Lincoln as well as Kettering and London St Pancras.
4. The new trains will offer significant advances on the existing fleet, with passengers benefiting from more seats and modern interiors. Abellio has ordered 33 five-carriage trains, which will regularly be operated in 10-carriage formations. The trains will include features that passengers and local stakeholders have said they want to see, including air conditioning, free Wi-Fi throughout, plug sockets and better passenger information screens. There will be an improved and more consistent 'seven day' catering service in both 1st and Standard Class.
5. The new Hitachi trains are quieter and greener, meaning lower carbon emissions and a better environment for passengers, stations and communities along the route. They have the ability to run using electric overhead lines wherever possible, taking advantage of the £1.5 billion Midland Main Line upgrade and, when running in diesel mode, will cut harmful emissions (particulate matter) by up to 90%.

6. As part of the franchise agreement, Department for Transport (DfT) have agreed in principle to cover 50% of the cost of two posts reporting to Transport for the East Midlands (TfEM) - appointed through East Midlands Council (EMC) - to oversee the management of the East Midlands Railway Franchise Agreement, but awaiting ministerial sign-off. These two roles can take a regional lead on rail matters across the East Midlands applying consistent standards and giving the region a dedicated rail resource. The remaining cost of these posts is to be shared equally between the respective transport authorities. The potential cost to Nottinghamshire is £13k pa.

Rail North

7. The rail north partnership is the team which acts on behalf of transport for the North and the DfT to manage both Northern and trans Pennine rail franchises. Nottinghamshire is only on the very edge of these services covering some routes through Bassetlaw, but maintains membership to enable Nottinghamshire to be aware of developments on these routes and have a say on any proposals. It should be noted that Nottinghamshire, due to levels of services within the county, only gets 3 votes – whereas some of the larger areas in the north have up to 223, hence our level of influence is minimal (total votes 993). To date Nottinghamshire has though seen improved services introduced to both Worksop and Retford.

East Coast Mainline Authorities

8. East Coast Mainline Authorities is a group of 41 councils, including Nottinghamshire, representing authorities along the East Coast Main Line who are calling for the economic potential of the route to be realised. The line runs from the capital through to Inverness and Aberdeen, serving some of the country's most productive and prosperous areas, whose economies already contribute over £300bn per year to the UK economy. Along the route lie global centres of finance such as Edinburgh and Leeds, as well academic centres of excellence in Durham and Aberdeen, lucrative tourism hot spots like York and manufacturing bases in Sheffield and the North East.
9. The Consortium of East Coast Mainline Authorities, as the collection of councils is known, is making the financial case for further investment in the line, alongside the planned eastern section of HS2, and has undertaken detailed research on the economic benefits it could achieve. Analysing the potential impact of improvements, ECMA found that investment in current passenger and freight services could generate over £5bn in additional GDP, while HS2 East would take that figure to around £9bn. The report, Keeping the Economy on Track, also identifies specific actions that would deliver the most in economic benefits.
10. Top of the agenda is increasing capacity and journey speed through the provision of eight high-speed trains per hour from London travelling at up to 140mph, as well as improving connectivity from the capital to neglected destinations.

Midlands Connect – Rail Hub

11. Enhanced mobility makes everyone more productive, more prosperous and better able to reach their economic potential. The Midlands Rail Hub, the Midlands Connect flagship rail project, is the most ambitious upgrade of the region's rail network for a generation. It will transform east-west rail connectivity, open up capacity for faster, more frequent services across the region and beyond, and create new opportunities for passengers and businesses alike. A chronic lack of investment means that in many places, ageing rail infrastructure is no

longer fit for purpose. Older and lower specification sections of track push down line speeds, an absence of passing points create bottlenecks, and a lack of capacity at our stations means that we're unable to keep pace with growth in passenger demand.

12. The Midlands Rail Hub is an ambitious yet deliverable programme of new and upgraded infrastructure that will be implemented in phases between now and 2033. It will strengthen rail links between the economic centres of Birmingham, Leicester, Nottingham, Coventry, Derby, Hereford and Worcester, improve services to Wales and the South West and allow more people to access HS2. The plans will activate six million more rail journeys each year, creating space for up to 24 extra passenger trains an hour. Implementing these improvements will bring 1.6 million more people to within an hour of the region's biggest towns and cities by public transport. Building a transport network fit for the future means empowering our communities and businesses to make greener choices – the availability of quicker, more frequent, direct services will reduce unnecessary car usage and encourage more frequent rail travel. The Midlands Rail Hub will also unlock 36 extra freight paths a day, creating space for 4,320 lorries' worth of goods to be shifted from our roads to onto railways, reducing congestion.
13. Midlands Connect submitted a Strategic Outline Business Case for the Midlands Rail Hub to the Department for Transport in June 2019. Midlands Connect now ask that Government provides the £25 million in funding required to bring this essential project to the next stage of its development. The total cost of the package of improvements will require an investment in the region of £2billion.

Midlands Connect - Humber Ports / Lincoln – Nottingham Rail Corridor Study

14. Midlands Connect commissioned an assessment of the rail corridor between Nottingham, Lincoln and onward to the Humber ports –notably Immingham. The aim of the study was to identify a series of options for the future development of services on the corridor, in support of broader socio-economic objectives as set out in the Midlands Connect Strategy.
15. The review identified a series of gaps between the requirements of the market and the capabilities of the existing rail network. This primarily relates to the speed and frequency of services. Options to address these gaps, in the forms of revised calling patterns and journey times, have been considered as part of this study. The study also considers how best to deliver these improvements. The key infrastructure constraint on the corridor –the flat crossing at Newark where the route intersects the East Coast Main Line –poses a barrier to service improvement. “Grade separating” the junction (to physically separate the two lines) is likely to require significant capital investment. This study also considers the feasibility of re-routing freight services in order to release capacity for passenger trains, which may be a more cost-effective solution.
16. A series of options were tested with the objective of improving service frequencies and reducing journey times. These options were analysed to understand their impact on rail demand, revenue and operating cost. This enabled economic appraisal to be undertaken to provide insight as to whether improvements are likely to provide value for money. Options tested were constrained by the existing pathing restrictions across Newark flat crossing. The results of which suggested that improving the journey time between the key centres on the route –Lincoln, Newark and Nottingham – would generate significant benefit.
17. However, delivering this benefit required some degree of trade-off with local connectivity at intermediate stations. Further options were then tested which assumed that the second hourly

path over Newark flat crossing was available for passenger services. The results of these tests demonstrated that benefits could be increased via the implementation of a second fast or semi-fast service between Lincoln and Nottingham. However, the operating costs required to deliver these additional services is likely to outweigh both the incremental revenue and the user/non-user benefits.

18. The recommended **next steps** for this work are:

- Whilst there does not appear to be a strong case for Midlands Connect to actively pursue service frequency enhancements on the corridor, early engagement with the new East Midlands franchisee may be beneficial to validate assumptions.
- Service frequency enhancements should be considered as part of post-HS2 service planning, with engagement and further development at such a time to enable early delivery post HS2 implementation.
- The potential line speed enhancement scheme should be actively pursued with Network Rail and DfT at the earliest opportunity, to understand estimated capital costs and necessary further development to progress the scheme.

Other Options Considered

19. The other option to consider is to withdraw support for the contribution to the two additional posts based at EMC. This option has, however, been rejected as it would impact on delivery of the Council's objectives and would be detrimental to Nottinghamshire residents and businesses.

Reason/s for Recommendation/s

20. The County Council's long-term transport strategy is set out in the Nottinghamshire Local Transport Plan (LTP). The LTP includes measures to deliver a number of corporate objectives relating to the economy, environment, health and transport. Continuing to support rail improvements will help accelerate delivery of County Council objectives relating to the economy and environment, thus bringing the best and most efficient benefits to Nottinghamshire residents and businesses.

Statutory and Policy Implications

21. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

22. The financial implications of this report are detailed in paragraph 6. It is considered that at £13k per annum this would represent good value for money and the budget for this commitment can be covered within the Transport Planning and Programme Development team's existing revenue budget allocations.

Implications for Sustainability and the Environment

23. The proposals are considered to have a positive benefit for rail users that will encourage modal shift to sustainable modes of transport.

RECOMMENDATION/S

In addition to noting the delivery of the programmes to date, it is recommended that Committee approve:

- 1) The contribution towards the two dedicated rail posts covering the East Midlands region based at East Midlands Council and reporting to Transport for the East Midlands, and
- 2) Support officer involvement in ongoing partnership working, with the aim of maximising regional rail improvements.

Adrian Smith
Corporate Director, Place

For any enquiries about this report please contact: Kevin Sharman – Team Manager -
Transport Planning and Programme Development Tel: 0115 9772970

Constitutional Comments [AK 26/09/2019]

24. The recommendation falls within the remit of the Communities and Place Committee under its terms of reference.

Financial Comments [RWK 28/10/2019]

25. The report proposes a contribution from the County Council of £13,000 per annum towards the costs of 2 regional posts within East Midlands Council reporting to Transport for the East Midlands. The cost of this contribution will be funded from within the existing revenue budget provision for the Transport Planning and Programme Development team.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All