



8th October 2015

Agenda Item: 11

REPORT OF SERVICE DIRECTOR, HIGHWAYS

POSSIBLE ROBIN HOOD LINE EXTENSION TO OLLERTON

Purpose of the Report

To report recent developments regarding enhancements to the Dukeries Line (to Ollerton).

Information and Advice

Background

1. The Council has a longstanding aspiration to extend the Robin Hood Line from Shirebrook to Ollerton, with intermediate stations at Warsop and Edwinstowe.
2. Ollerton, Edwinstowe and Warsop have all been hard-hit by the closure of the many collieries that used to be served by this railway line, with a very large reduction in employment opportunities. The Council believes that a re-opened line would be a great benefit to these communities, especially in improving access to employment in Ollerton, Mansfield and Nottingham. The Council has therefore been working hard since 2009 to try to secure funding for re-opening.
3. For that to happen funding would need to be found for:-
 - Development of the scheme, including assessing precisely what works are required, and detailed designs of all the various elements (track works, renovated stations, signalling etc);
 - The renovation of the old stations in Warsop and Edwinstowe (which were closed in 1961), and the construction of a new station at Ollerton;
 - Bringing the tracks, signalling and related infrastructure on the existing freight line between Shirebrook and Thoresby junction up to the standard required for passenger trains;
 - Alterations to Network Rail's test track (Thoresby junction - Ollerton - Tuxford); and
 - An annual revenue subsidy

Development and design

4. All development and design work on rail schemes has to be done in accordance with Network Rail's Guide to Rail Investment Procedures (known as 'GRIP'). In 2009 the Council took the initiative by starting the development work. So far the Council
 - has commissioned from Network Rail an initial assessment and a feasibility study (GRIP stages 1&2), at a cost of £60,000. This reported in 2012 that it would be possible to re-open the line, albeit at considerable capital cost;
 - has commissioned the start of an 'option selection' study (GRIP stage 3), at a cost of £75,000, to consider the various possible options and to establish which would be the most cost-efficient to take forward. This study is due to report by the end of October;
 - has undertaken work to establish a timetable for the line that would allow a service of approximately hourly frequency to operate economically;
 - is now using the timetable work to estimate the likely operating cost of a re-opened service; and
 - has commissioned an assessment of the likely patronage and revenue.
5. Nottinghamshire County Council, and the Council alone, has paid for all the work that has so far been undertaken in trying to develop this scheme, amounting so far to nearly £200,000. No financial contribution of any sort whatsoever has been received from any other body towards any aspect of taking this scheme forward.
6. Following press statements in support of the scheme by the Rail Minister, Claire Perry MP, the Council wrote to her on 17th December 2014 to ask if the Government would share with the Council on a 50-50 basis the cost of the next stage of the development work for this scheme. Initially there was no reply, but eventually the Minister replied on 4th March saying that the Government would not make any financial contribution.
7. On 13th May 2015 the Secretary of State for Transport Patrick McLoughlin MP, was reported in the Mansfield CHAD as giving his backing to the project. The Council therefore wrote to him on 2nd June to ask again if the Government would share with the Council the cost of the development work for this scheme. At the time of writing this report (September 28th) the Council has received no response, and no Government money has yet been made available for the development work for this scheme.
8. Network Rail has recently informed the Council that the cost of the remaining development work is likely to be around £1million. So far no source of that funding has been identified.

Station construction

9. The feasibility study estimated that the works at the 3 stations would be around 25% of the likely total capital cost of re-opening.
10. On July 8 the Chancellor of the Exchequer, George Osborne MP, presented to Parliament a summer budget which stated:
"New Stations Fund: The government will run a further round of the New Stations Fund with up to £20 million in total available for projects, and consider proposals including any put forward for a new station between Castle Cary and Taunton. The extended round of the New Stations Fund will also be used to support a local bid for stations on the Robin Hood Line to Edwinstowe and Ollerton, subject to a business case." (HM Treasury summer budget 2015, para 2.31, page 79).

11. Unfortunately the New Stations Fund does not cover the cost of design work on the stations, even though a significant part of the £1million development cost (see para 6 above) is for the detailed design of the stations.
12. The new stations fund is therefore likely to make a useful contribution towards the overall cost of the scheme, but will only cover a small part of the total costs.

Track and signalling works

13. The line from Shirebrook to Thoresby junction has until recently been used for freight traffic from Thoresby colliery, although that has just closed. Works will be required to bring the line up to the standards required for passenger trains. The cost of those works is currently unknown, but, as part of the 'option selection' work that the Council has commissioned (see para 3 above) the Council has paid Network Rail to supply an estimate of the cost of the works that will be required to the track, signalling, structures and other infrastructure. It is expected that these costs estimates will be received from Network Rail shortly, and they will be reported to the December Transport & Highways Committee meeting.
14. No source of funding has yet been confirmed for these works to the track signalling, structures and other infrastructure. It would be possible to make a bid to the Local Growth Fund (LGF) - Growth Deal 3, which is administered by the D2N2 Local Enterprise Partnership, and the Council is keenly exploring that possibility. However it should be noted that there will be other schemes competing for those Growth Deal funds. It is also likely that there would need to be a significant 'matched-funding' contribution from the Council towards any LGF monies.

Test Track

15. The track east of Thoresby junction to Ollerton and on to Tuxford is currently used by Network Rail as a national test track for plant and equipment. Part of this test track – the 1¾ miles from Thoresby junction to Ollerton - would be needed for any passenger service to Ollerton, so alterations would have to be made to the test track, including probably providing 1¾ miles of new track at its eastern (Tuxford) end to replace the track lost at the western (Thoresby – Ollerton) end. The cost of those works is currently unknown, but is being established as part of the 'option selection' work that the Council has commissioned (see para 3 above) from Network Rail, and will be reported to the December Transport & Highways Committee meeting.
16. No source of funding has yet been confirmed for these works to the test track.

Revenue subsidy

17. The biggest difficulty facing the aspiration to re-open the line is the need for revenue subsidy. The subsidy requirement was originally (in the 1990s) calculated at around £1million per annum, which is around £1½ million at current prices, but there was no apparent source for such a subsidy. At that time the service was expected to require 2 additional train sets and train crew, which was the basis of the costings. The Council has been actively exploring ways in which it might be possible to reduce the cost of a re-opened service, so as to reduce the revenue subsidy that would be required.
18. The Council has been working very closely with East Midlands Trains and developing timetable options for possible services on the line. The Council would like to put on record its thanks to East Midlands Trains who have been most helpful with this. This work has focused

on how to optimise the best service possible using only 1 additional train set, so as to reduce the operating cost.

19. The Council is now making an assessment of the likely gross operating cost of the service, which will be reported to the December Transport and Highways Committee meeting.
20. The Council has also commissioned an assessment of the likely patronage and revenue. This has to be done by specialist consultants using the approved rail industry methodology, and is likely to cost £30-40,000. The results are expected to be available in November and will be reported to the following (December) Transport and Highways Committee meeting.

Enterprise Zone

21. In the June 2015 Budget Statement, the Chancellor announced a new wave of Enterprise Zones (EZ) in England, being a competitive process nationally but on this occasion, focussed on a site or a number of sites within rural or small town areas. Local Enterprise Partnerships (LEP) were asked to co-ordinate the process at a local level with the Department of Communities and Local Government (DCLG) and initial submissions were invited to the D2N2 LEP by the 14th August.
22. A submission comprising 4 sites, namely Summit Park, Berry Hill, Thoresby Colliery and Sherwood Energy Village, was made by the Council on behalf of District Council and private sector partners under the title of the Robin Hood Enterprise Zone. At its recent Board meeting, the D2N2 LEP prioritised the submission alongside two others for further development and for inclusion within its submission to the DCLG by the 18th September. This submission has now been made and it reflects on the importance of the Dukeries Line, integrated into a wider economic approach for the area. A decision on the EZ submission is currently anticipated around the time of the Autumn Statement on the 25th November.
23. The EZ, its relationship with the Dukeries Line (i.e. the Robin Hood Line extension to Ollerton) and the wider strategic economic context will be the subject of a report to a forthcoming Economic Development Committee. The report to the Economic Development Committee will reflect on how best to support the wider case-making process and in particular, how the potential to secure external funding towards the capital costs (at least) of the Dukeries Line could be strengthened by the undertaking of further economic impact assessment work. However, in summary here, as referenced in the EZ submission, the following merit reference:
 - The potential EZ and Dukeries Line extension together offer a significant economic catalyst to an area making progress following the strong legacy of coal mining and related traditional industrial decline;
 - Specifically, the above referenced EZ sites plus others along the corridor offer an opportunity to bring forward mixed use residential and employment opportunities;
 - Demand for employment space based on intelligence and from key sector growth patterns looks positive in this area and the case for the EZ status reflects this;
 - The Dukeries Line offers an opportunity for inward commuting to support access to employment opportunities and increase sustainable travel options to the wider tourism and visitor economy offer – including to the new Sherwood Forest Visitor Centre;
 - The Line will also offer an opportunity of residents along the route to access employment opportunities within the conurbations in Mansfield, Nottingham and Sheffield;
 - The capital investment offered by both the EZ sites and the Dukeries Line directly could usefully be exploited to offer related skills training and employment packages to directly

benefit the local communities, many of whom continue to experience unemployment rates and skills deficits above Nottinghamshire averages;

Conclusion

24. The Council recognises the great benefit that would be produced by re-opening this line to passengers. The Council has put, and continues to put, significant time and money into developing the case for re-opening this railway line. However it is disappointing that, so far, the Government has not agreed to contribute to the development costs of the scheme. The Council welcomes the announcement about the new stations fund being potentially available, but notes that this will only cover a minority of the total costs of the scheme.

25. The scheme can only happen if funding is provided for all aspects, both capital and revenue.

Statutory and Policy Implications

26. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

It is recommended that Committee:

- 1) Notes the report
- 2) Notes that the Council is funding the option selection works, the patronage and revenue forecasting work, and the business case development, and
- 3) Receives a report on the results of these development works at its December meeting.

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Constitutional Comments

27. The recommendations in the report fall with the terms of reference of the transport and Highways Committee

Financial Comments (GB 03/12/14)

28. The financial implications are set out in the body of the report.

Background Papers

None

Electoral Division(s) and Member(s) Affected

All