

**11 February 2016**

**Agenda Item: 7**

**REPORT OF SERVICE DIRECTOR, HIGHWAYS**

**POSSIBLE RE-OPENING OF THE ROBIN HOOD LINE TO OLLERTON**

**Purpose of the Report**

To report the outcome of studies undertaken or commissioned by the Council in 2015 into the works that would be required; the likely capital cost; and the likely operating cost of re-opening the rail line to Ollerton.

**Information and Advice**

**Possible reopening of the Robin Hood line to Ollerton**

1. The Council has been working for a number of years to try to secure reopening of the branch of the Robin Hood Line from Ollerton to Shirebrook, with intermediate stations at Edwinstowe and Warsop. The Council's work towards this has been reported to Transport and Highways committee at various times, most recently October 2015.
2. For the line to be reopened, funding would need to be found for 5 things: -
  - a) Development & design of the scheme;
  - b) The renovation of the old stations in Warsop and Edwinstowe, and construction of a new station at Ollerton;
  - c) Bringing the tracks, signalling & related infrastructure on the existing freight line up to the standard required for passenger trains;
  - d) Alterations to Network Rail's test track (Thoresby junction - Tuxford); and
  - e) An annual revenue subsidy.

Development & design of the scheme;

3. Over recent years the Council has carried out or paid for 6 pieces of development work for this scheme:-

Date	Work	Undertaken by	cost
2008/09	initial study of likely patronage & revenue	commissioned by the Council from consultants (SWA)	£ 34,118

2012/3	feasibility study (GRIP2), of the infrastructure works required	commissioned by the Council from, Network Rail	£ 87,349
2014/5	first part of 'option selection' study (GRIP stage 3a)	As above	£ 75,241
2015	Assessment of optimum Timetable	undertaken by the Council in conjunction with EMT (East Midlands Trains)	
2015	Assessment of likely operating costs	undertaken by the Council	
<b>Total spend so far</b>			<b>£196,708</b>
<b>Further works currently being undertaken</b>			
2015/6	Updated assessment of patronage and revenue, based on optimum timetable	Commissioned by the Council from consultants AECOM	£25,560

4. It should be noted that Nottinghamshire County Council, and the Council alone, has paid for all the work so far. No financial contribution of any sort has been received from any other body
5. A substantial amount of development work remains to be done, including
  - GRIP (Guide to Rail Investment Procedures) 3 – option selection
  - GRIP 4 – single option design
Network Rail is supplying the Council with a precise quote for completing the necessary work, but has indicated that the likely total cost for GRIP stages 3 & 4 could be up to £2million.
6. Following various public statements by a number of Transport Ministers, the Council wrote
  - In December 2014 to the Minister of State for Transport, Claire Perry MP,
  - In June 2015 to the Secretary of State for Transport, Patrick McLoughlin MP
asking if the Government would share 50/50 with the Council on the cost of the remaining development work, but the Government declined to do so. There is therefore no apparent source of funding for the remainder of the development work, and detailed design.

The renovation of the old stations in Warsop and Edwinstowe, and construction of a new station at Ollerton;

7. The old stations at Edwinstowe and Warsop, which closed in 1961, are still in situ, and still owned by Network Rail (though Edwinstowe is leased out to a private firm). They will however, need completely resurfacing, electricity supplies re-instating, and the provision of a shelter, lighting, passenger information etc. The old station at Ollerton is right at one end of the village, too far from most housing, and it will be necessary to build a new station at Ollerton adjacent to the energy village. The land for this is in the ownership of the Council, and is being safeguarded for that purpose.
8. The NR feasibility study estimates that the works at the 3 stations would cost in the range of £5.165m - £ 7.741m
9. On July 8 the Chancellor of the Exchequer, George Osborne's summer budget stated:

*“The government will run a further round of the New Stations Fund with up to £20 million in total available for projects..... 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.” (summer budget 2015, para 2.31, page 79).*

10. Unfortunately the New Stations Fund does not cover the cost of design work on the stations, even though a significant part of the development cost is for the detailed design of the stations. The new stations fund is therefore likely to make a useful contribution towards the overall cost of the scheme, but will only cover a minority – probably circa 30% - of the total costs.

Bringing the tracks, signalling & related infrastructure on the existing freight line up to the standard required for passenger trains:

11. The line from Shirebrook to Thoresby junction has until recently been used for freight traffic from Thoresby colliery, which has just closed. Works will be required to bring the line up to the standards stipulated for passenger trains. The recent Network Rail feasibility study estimates cost of track & signal works to be in the range of £ 7.092m - £7.202m.
12. No source of funding has yet been confirmed for these works to the track signalling, structures and other infrastructure, but potentially they could be covered - in part if not in full - by the Local Growth Fund, to which an indicative bid has been made in advance of a formal call for future Growth Deal funds.

Alterations to Network Rail's test track (Thoresby junction - Tuxford); and

13. 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 it is anticipated providing 1¾ miles of new track at its eastern (Tuxford) end to replace the track lost at the western (Thoresby – Ollerton) end. The recent Network Rail feasibility study estimates cost of the works required on the test track to be in the range of £ 5.150m - £7.554m.
14. No source of funding has yet been confirmed for these works to the test track, but potentially they could be covered – in part if not in full - by the Local Growth Fund, to which an indicative bid has been made in advance of a formal call for future Growth Deal funds.

An annual net operating cost subsidy.

15. The biggest difficulty facing the aspiration to re-open the line is the need for revenue subsidy to cover the net operating cost. The subsidy requirement was originally (in the 1990s) calculated at circa £1million per annum, (around £2 million at current prices), which made it unaffordable at that time. At that time the service was expected to require 2 additional train sets and train crew. As a result of earlier work the Council has found a way in which it can be operated with just 1 additional train set, thereby reducing the gross cost & required revenue subsidy.
16. The gross operating cost of the service is now estimated to be circa £1.6m per annum, which would be partly offset by the fares revenue.

17. The likely revenue was assessed in 2009 by consultants SWA who estimated it would be £698,947 per annum in 2009 prices, which equates to around £840,000 per annum in current prices. The Council is commissioning its consultants AECOM to make an updated assessment of this, based on the potential timetable that has recently been developed about to be re-assessed more precisely (using the specific timetable developed in 2015). Likely operating figures are

Gross cost	circa	£1,600,000	per annum
Likely Revenue		£ 840,000	per annum
Likely net operating cost subsidy required		£ 760,000	per annum

18. In recent years, DfT has required any new service to be funded for at least the first 3 years by the local Council and (potentially) other local stakeholders. However, few Councils have been able to afford this, and very few new rail services have been funded in that way.

19. Recently DfT has arranged for the introduction of a number of new services without any local contribution - i.e. paid for by DfT – as part of various new franchises e.g. 30 additional trains per day between Cambridge and Kings Lynn, paid for by DfT as part of the new Thameslink, Southern and Great Northern franchise.

20. The current EMT franchise ends in March 2018, so, if the Government wished a service to Ollerton to start it would be perfectly possible for DfT to include it in the specification for the next (after April 2018) East Midlands franchise. However, at present there are no arrangements in place from DfT or any other body to cover the net operating cost of any new service.

21. Once the consultants report the updated estimate of likely revenue, it will then be possible to establish the likely net operating cost. This can and will (should Committee so resolve) then be put to DfT with a request that it is specified in the next East Midlands franchise.

## Summary of funding required

22.

<b>Capital</b>		<b>cost</b>		<b>source</b>
		minimum	maximum	
Development & detailed design		<b>£1.5m</b>	<b>£2m</b>	Awaiting detailed cost from network rail
Stations		<b>£5.165m</b>	<b>£7.741m</b>	New stations fund – but will require a local contribution
Non-station works	Track & signals	£7.092m	£7.202m	Potentially Local Growth fund – see para 44 below - but local contribution
	Test track	<u>£5.150m</u>	<u>£7.554m</u>	
	<b>Total</b>	<b>£12.242m</b>	<b>£14.756m</b>	
<b>Total capital cost</b>		<b>£18,907m</b>	<b>£24.497m</b>	
<b>Operating costs (net of revenue)</b>			<b>£760,000 per annum</b>	<b>Potentially DfT</b> , as part of the next E Midlands franchise

23. In October 2015, an indicative bid for £14million was submitted to D2N2 LEP, in advance of the latest round of the Local Growth Fund. However, it should be noted that

- details of future Growth Fund rounds are still to be confirmed;
- there will be more bids than funding available;
- decisions on which schemes are successful are not within the Council's control, but will be taken by D2N2 LEP; and
- a local contribution is likely to be required.

24. Discussions have been held with D2N2 LEP and with Mark Spencer MP (Sherwood) to try to maximise practical support for the scheme. Following on from those discussions, the Minister of State for Transport, Claire Perry MP, has agreed to meet with the Leader of the Council, Cllr Rhodes, along with Mark Spencer MP and senior representatives of D2N2 LEP. A date is in the process of being arranged for that meeting, and the outcome will be reported to the following meeting of the transport and highways committee.

## Statutory and Policy Implications

25. 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

- 1) Committee notes the report, and
- 2) Approves a comprehensive package of funding, to include the following bids:
  - To central Government for 50% of the development costs
  - To the New Stations Fund for the physical works on the three stations
  - To the Local Growth Fund for the physical works to the track, signalling, and all other infrastructure
  - The Incorporation of the service into the DfT specification for the next (post 2018) East Midlands franchise

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**Service Director Highways**

**For any enquiries about this report please contact:**  
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### **Constitutional Comments (SJE – 02/02/2016)**

26. This decision falls within the Terms of Reference of the Transport & Highways Committee to whom responsibility for the exercise of the Authority's functions relating to the provision of passenger transport services, including rail initiatives, has been delegated.

### **Financial Comments (GB – 02/02/2016)**

27. The financial comments are set out in the report

### **Background Papers**

### **Electoral Division(s) and Member(s) Affected**

All