

Strategic Transport Forum

24th March 2017

Agenda Item 7: East West Rail: Update

Recommendation: It is recommended that the meeting reaffirm the expectations of local partners as set out in section 4.

1. Background

- 1.1. The East West Rail project was originally promoted by a consortium of local partners – local transport authorities, local planning authorities and local enterprise partnerships.
- 1.2. The East West Rail Consortium brings together representatives from all of these bodies: an officer group overseeing technical work, accountable to a steering group of elected Members.
- 1.3. The East West Rail project comprises:
 - Western Section – restoring services between Oxford, Milton Keynes, Bedford and Aylesbury
 - Central Section – constructing new infrastructure between Bedford and Cambridge
 - Eastern Section – comprising improvements to existing services east of Cambridge towards Norwich and Ipswich
- 1.4. In 2012 the strategic importance of East West Rail led to the proposal becoming a national project included within the Rail Investment Strategy. Following the Hendy review of the rail investment programme delivery of East West Rail (Western Section) was put back to the next Control Period.
- 1.5. Along the route of the Western Section local authorities have agreed to make a sizeable financial contribution towards the cost of delivering the project. Local authorities continue to help de-risk delivery of the Western Section by undertaking work in advance of the start of main works – captured as 'works in kind' and treated as part of the overall financial contribution.

2. National Infrastructure Commission: Interim Report

- 2.1. The Commission published its Interim Report in November 2016. The report identified the scale of potential economic opportunities across the corridor and set

out the critical importance of improved connectivity – particularly east-west connectivity – to enable that potential being realised.

2.2. The Commission also set out the 'once-in-a-generation' opportunity to use the investment in the Expressway and East West Rail to create a multi-modal spine across the corridor.

2.3. The Commission made two specific recommendations, namely that:

The government should commit to delivering the Western Section of the East West Rail project before 2024 (the end of the rail industry's Control Period 6).

To achieve this, the government should bring forward £100m in funding to accelerate the design and development, and commit construction monies as necessary to:

- *Avoid abortive costs (subject to the development process demonstrating rigorous disciplines in planning, cost management and value management); and*
- *Integrate construction of the East West Rail Western Section with work on HS2*

To fully maximise the benefits of the project local authorities should recognise the potentially transformational benefits of East West Rail and develop and agree, working with national government, an ambitious strategy for housing development and delivery around stations and station towns

The Commission will support this process as part of the second phase of the Cambridge-Milton Keynes-Oxford study

And:

The government should commit up to £10m in development funding to continue work on the Central Section of the East West Rail link

- *Government should provide clear guidance that a core objective for the development of this scheme should be to support the provision of new housing and connect it to local and regional labour markets*
- *Local partners and national government should work together to develop a plan for the Central Section which links development work on the East West Rail Central Section to options for local housing development*
- *Government should explore the potential for alternative delivery and financing mechanisms for the railway. This should include consideration of how third party contributions can be leveraged*
- *The Commission will support this process as part of the second phase of the Cambridge-Milton Keynes-Oxford study*

- 2.4. In the subsequent Autumn Statement the Chancellor brought forward £100m of capital expenditure in support of the first recommendation and made provision for an additional £27m of development funding in support of the second.

3. East West Rail Limited

- 3.1. At the beginning of December 2016/17 the Secretary of State for Transport outlined his commitment to putting the passenger at the heart of delivery across the railway.
- 3.2. As part of that commitment he appointed Rob Brighouse (previously Managing Director Chiltern Railways and a non-executive Director of Network Rail) to advise him on what measures needed to be taken to ensure that delivery of the East West Rail project was achieved faster and at lower cost. He also sought advice of the potential benefit of greater integration between the infrastructure and service providers, as well as seeking advice on opportunities to secure a greater proportion of the scheme cost from development enabled by its completion.
- 3.3. Rob Brighouse is scheduled to submit his report to the Secretary of State before Easter.

4. Key Issues for England's Economic Heartland

- 4.1. The support being given to the East West Rail project by Government is to be welcomed. The project was one of five immediate investment priorities identified by the Strategic Transport Forum in its position statement – Planning for Growth.
- 4.2. The Consortium continues to work closely with DfT and Network Rail to ensure the earliest possible delivery of the project. It has been agreed with the DfT that the project is a priority for the work programme for 2017/18
- 4.3. In anticipation of Rob Brighouse's advice being submitted to the Secretary of State, the Strategic Transport Forum is invited to reaffirm its expectations:
- Delivery of the Western Section – linking Oxford, Bletchley, Milton Keynes, Bedford and Aylesbury – at the earliest possible opportunity
 - Maximise the use of 'permitted development' rights as a means of enabling the earliest possible delivery of the Western Section
 - Recognition of the financial commitment of local partners towards the cost of delivering the project being reflected in the structure of 'East West Rail Limited'
 - Government to ensure that the ability to deliver the additional capacity between Aylesbury and Princess Risborough (consistent with the West Midlands and Chilterns Route Strategy) is maintained

- Identification of a preferred route for the Central Section to be completed at the earliest possible opportunity in order to provide clarity to local planning authorities

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