

Open Report on behalf of Paul Coathup, Assistant Director, Highways and Transport

Report to:	Highways and Transport Scrutiny Committee
Date:	14 July 2014
Subject:	Update on Rail Issues

Summary:

The Rail Sector is currently undergoing extensive change. The pace of these changes has increased and it is likely that several of the issues referred to in the paper may have moved on by the time of the meeting. If this is the case the Committee will be updated verbally.

The report updates the Scrutiny Committee on recent developments in the Rail sector and the potential effects on Lincolnshire. The changes are outlined in the context of the Government's rail policy. The report sets out the position the County Council has taken to these issues and suggests how the Council can use its influence to seek the best outcomes for Lincolnshire.

Actions Required:

The Scrutiny Committee is invited to consider and comment on these issues.

1. Background

- 1.1 The County Council has no direct control over rail services or the rail network. The Council has an interest in both passenger and freight rail services because of the role that they play in the county's transport network and in supporting the local economy. The Council also has an interest in ensuring that at road and rail crossings, safety and convenience are carefully managed by Network Rail (NR), the infrastructure provider.
- 1.2 Lincolnshire's rail network is predominantly rural with connections to the East Coast Mainline (ECML) at Grantham and outside of the county at Retford, Newark and Peterborough. Most services in the county are provided by East Midlands Trains (EMT). East Coast trains provide a very limited direct Lincoln - London service. Northern Rail provides services between Lincoln, Saxilby, Gainsborough and Sheffield. Northern Rail also provides a Saturday service between Gainsborough and Cleethorpes.
- 1.3 The County Council's Rail Strategy *Supporting Lincolnshire's Railways* was adopted in 2010. The strategy outlines the position of rail in the county and

identifies opportunities for development. The priorities of the County Council are:

- Improved direct services between Lincoln and London and better connecting services to the ECML, particularly at Newark
- Faster journey times between Lincoln and Nottingham achieved through line speed and service improvements
- Better passenger services between Lincoln and Peterborough on the Joint Line maximising the benefits of the NR investment on the line

It is proposed that the Rail Strategy is updated in the coming year by which time the outcome of the ECML re-franchising process will be known.

Passenger Rail Services

- 1.4 The Council's main priority in campaigning for improved rail services is for enhanced direct Lincoln - London services via the ECML. These services would have significant benefits to the local economy particularly by supporting tourism. In 2012, in anticipation of the re-franchising of the ECML the Council submitted a fully worked up business case for these services to the Department for Transport (DfT) (www.lincolnshire.gov.uk/ltp4). Following the failure to re-franchise the West Coast Main Line, the Government re-set the timetable for all rail franchises. This has meant that the ECML franchise will now commence in February 2015.
- 1.5 The Invitation to Tender (ITT) was issued in February. The ITT confirmed the existing Lincoln - London direct services and encourages the bidders to demonstrate how they would improve and extend services beyond the requirements of the ITT. The re-franchising process is now at the final stage; three companies have been shortlisted. County Council Officers have met with all three companies to press the case for enhanced services.
- 1.6 Karl McCartney MP arranged a presentation in Lincoln for all three of the bidding companies to hear the case for improved direct services. The meeting was attended by key stakeholders from Lincoln. These included business and educational leaders, City of Lincoln Council and the Bishop of Lincoln. The presentations impressed upon the bidders the commercial benefits of providing additional services to Lincoln and the opportunity of the 2015 Magna Carta exhibition. Final bids will be submitted in July and the winning bidder will be announced in autumn.
- 1.7 The Northern Rail services that serve the county are due to be re-franchised in February 2016. The passenger transport authorities in South and West Yorkshire, Greater Manchester, and the North East have come together in the organisation 'Rail in the North' to bid to manage the new Northern and Transpennine franchises. The DfT and Rail in the North reached agreement on the scope of the management arrangements for the new franchises in January 2014.

- 1.8 Lincolnshire is within the Rail in the North area for two services, Lincoln to Sheffield, and Saturday only services from Gainsborough Central to Cleethorpes via Brigg. The re-franchising process began in June 2014. The process will take until February 2016 when the new franchise will commence. There are a number of potential changes in the specification of the new franchise which will not be known until the Invitation to Tender is issued in December 2014. Officers have been pressing the case for the inclusion of improved services particularly between Lincoln and Sheffield.
- 1.9 Rail in the North lists Lincolnshire County Council as one of its 30 Local Authority partners. Partner Authorities will be included in two levels of governance of the new franchise. Some Local Authorities particularly in the large urban areas will be bearing an element of risk in managing the new franchise. These Local Authorities will have a direct role in the governance of the franchise in the form of a Management Board in partnership with the DfT. Those Local Authorities who are not risk bearing will form a broader consultative group who will be consulted on decisions of the Board. The Board will be required to take into account concerns raised by the other stakeholders. Representation on both the Board and the consultative group will be by Councillors.
- 1.10 In order to ensure that the consultative group is efficient it is likely that the proposal will be that groups of non-risk bearing Local Authorities are represented by one Councillor. In Lincolnshire's case it is likely that the proposal will be for one representative from Lincolnshire, Nottinghamshire and Derbyshire. The final proposals for these arrangements should be known by July. In the interim stages of the devolution process the Executive Councillor for Highways, Transport and IT has agreed that Lincolnshire's Councillor level representation will be by Cllr Botham from Derbyshire. When Rail in the North formalises its governance arrangements it will be necessary for the County Council to make a formal decision on representation. When the governance arrangements are known the Executive Portfolio holder will be consulted and Democratic Services will be approached for their advice on how the process should be formalised.
- 1.11 The new East Midlands franchise will commence in October 2017. EMT has reached agreement with the DfT to continue operating services until October 2015. EMT and the DfT are continuing to negotiate a further extension until October 2017. The EMT franchise provides most local services in the county and connections to other urban centres including Nottingham, Leicester, Doncaster, Grimsby and Peterborough.
- 1.12 The County Council is working with other local authorities and business organisations to campaign for improvements to the rail infrastructure and services between Lincoln and Nottingham. The Nottingham - Lincoln Stakeholder Board (NLSB) comprises stakeholders along the route including Nottinghamshire County Council, EMT and NR. The Board is working up a strategy that includes a phased approach to improvements. At present, NR has limited proposals for investment at a level that would not allow a step change in the speed of services.

- 1.13 A scheme has been identified that would allow the deployment of an additional rail unit on the EMT route. This would create additional capacity and enable the provision of a new timetable that would have some benefits for Lincolnshire particularly in increasing services at North Hykeham. Lincolnshire County Council made an application to the Greater Lincolnshire Local Economic Partnership (GLEP) for part of the funding from the Single Local Growth Fund (SLGF). Nottinghamshire County Council has also made an application to the Nottinghamshire and Derbyshire D2N2 LEP for SLGF funding. The outcome of the SLGF process will be known during the summer. The Executive Member has been and will continue to be fully appraised of the emerging proposals for improving services.
- 1.14 The new round of rail franchises will be much more commercially focussed than the existing contracts. There will be greater incentives for the train operating companies (TOCs) to increase passenger numbers and revenue. There are significantly more opportunities to do this on services to and from major urban areas than there are in rural areas. This means that opportunities to grow services and revenues are more likely to be taken on lines that serve major urban areas.
- 1.15 The franchise agreements will specify a baseline of services that must be provided by the train operating companies. The County Council is pressing for improvements to existing services to be written into the baseline specifications for the new franchises. Most of Lincolnshire's rail services would not be commercially viable without being written into the franchise baseline specification. The franchise system effectively wraps a number of unprofitable and profitable services together within the franchise. The TOCs bid for franchises on the basis that they will provide the baseline specification whilst developing the areas of the franchise that maximise revenue. Evidence shows that the services which generate the most revenue are mainly to and from London and the larger urban areas.

Freight services and infrastructure: Joint Line Upgrade

- 1.16 The most significant investment seen on the rail network in Lincolnshire for many years is currently taking place on the Joint Line GN/GE (Great Northern/Great Eastern) that runs from Doncaster through Gainsborough, Lincoln, Sleaford and Spalding. The line has been identified by NR as the principle diversionary route for trains on the Peterborough to Doncaster section of the East Coast Mainline (ECML). The line also provides an alternative route for freight services, hence creating additional capacity for passenger services on the ECML. The Joint Line is therefore being upgraded to cope with rail freight services at a cost of some £270 million. The upgrade enables the line to operate for 24 hours a day hence increasing the opportunity to improve local passenger services. The upgrade brings the benefit of significant infrastructure improvement in Lincolnshire but also creates potential issues at road rail crossings. If there is a significant increase in freight services on the line this will mean that level

crossing barriers have longer closure times creating congestion and delay on the highway network

- 1.17 NR has a strong corporate focus on the closure of rail crossings. They are committed to reducing the risks of accidents on the railway by removing crossings. Over the last three years, NR has closed 700 crossings. The NR view is that if crossings are closed the risk that they pose is entirely eliminated.
- 1.18 On the ECML, NR is engaged in a two stage consultation process to assess the feasibility of crossing closures. The crossings identified include roads and public rights of way. The first part of the process is a feasibility study to identify crossings that could be considered for closure. The second part will identify options for those crossings that could be closed. NR has identified ten ECML crossings in Lincolnshire that will be considered as part of the feasibility study consultation. NR has stated that the two stage consultation process will take place this year. NR expects that where an option for closure is identified for action the process of obtaining consent would mean that any works would start in 2017.
- 1.19 In central Lincoln the rail crossings cause major disruption to pedestrians and road traffic. NR has obtained planning consent to build two footbridges at Brayford Wharf East and High Street. There have been several delays to the construction process for technical reasons the latest being due to the discovery of services for which ownership has not been identified. The current NR estimate is that the bridges will be completed by early 2015.
- 1.20 There are also issues in Spalding that are being considered in the context of potential housing development in the town and are less advanced than those in Lincoln.
- 1.21 The ECML A1175 crossing at Tallington is a cause of major road delay and NR has developed a proposal to build a bridge in order to close the crossing. NR has identified two options for the location of the bridge and is currently consulting on these. Neither of the options provides a village bypass which is the option favoured by the local community.
- 1.22 Network Rail and a private sector promoter are in discussions to create a rail freight hub near Spalding. These discussions are on-going and are being facilitated by the District and County Councils.
- 1.23 In the longer term, the county rail network would be best served by the electrification of the lines connecting to the ECML. If the line from Lincoln to Newark were electrified, it would make the provision of more direct services to and from London more likely and make them significantly more efficient. The extension of ECML electrification from Peterborough to Spalding would open up similar opportunities for services from the south of the county. Neither of these schemes is currently part of NR long term plans. The Council has taken the opportunity of responding to NR long term planning consultations to identify these schemes as aspirations for the county. The

new diesel electric trains which will start to come into service on main lines from 2018 will be able to operate on all lines providing more flexibility to provide direct services.

- 1.24 Rail in the North has formed an Electrification Task Force with Network Rail to identify future electrification schemes. The Task Force will assess the feasibility of possible schemes and provide an initial prioritisation for consideration. The Rail in the North Electrification Task Group does not have an equivalent in other areas. Replicating this process in other areas may assist in developing the case for electrification on the rest of the network.
- 1.25 Outside of the county at Newark, the line to Lincoln crosses the ECML at grade. This means that trains have to be timed to cross during gaps in the main line schedule causing delays and slower running. The resolution to this would be a rail bridge to take the Lincoln line across the ECML. The County Council is pressing NR to prioritise this scheme which at present does not feature in current plans.
- 1.26 The County Council has joined with other Local Authorities along the ECML to form a Local Authority Group (ECMA) to lobby Government for more investment on the line. The industry has identified that in addition to the planned investment over the next five years further investment could improve capacity and journey times. The ECMA is pressing the case for investment in the context of the Governments' commitment to build High Speed 2. The East Coast Group commissioned JMP consultants to produce a report on the economic benefits of additional investment. This report has been shared, on a confidential basis, with the bidders for the ECML Franchise. Subject to final approvals this report will be launched at a series of events in July. The report will then be submitted to Government.

2. Conclusion

- 2.1 The rail industry is undergoing a period of substantial change driven by the need to reduce costs and improve services. The County Council has no direct control over the rail network. The County Council has a strong interest in securing the best possible rail outcomes for Lincolnshire and engages with the industry to seek to do so. The County Council can act as an advocate for the needs of the County and lobby for improvements to services and infrastructure. The County Councils rail priorities are outlined in the 2010 Strategy document *Supporting Lincolnshire's Railways*. It is intended that this document is revised during the next year. The Committee will be consulted on a replacement Rail Strategy when the draft is produced.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
"Supporting Lincolnshire Railways" Lincolnshire Rail Strategy 2010	www.lincolnshire.gov.uk/ltp4
"The wider economic benefits of rail interventions in Lincolnshire" CEBR Research Report 2008	www.lincolnshire.gov.uk/ltp4
4th Lincolnshire Transport Plan	www.lincolnshire.gov.uk/ltp4
"Improving Rail Services between Lincoln and London"	www.lincolnshire.gov.uk/ltp4

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