

Central Rail Corridor Board Report

Norman Baker MP

Charles Hendry MP



Councillor Rupert Simmons



Councillor Pam Dodes



Councillor Ann de Vecchi



Martin Tugwell



John Parsonage

Lewes-Uckfield Railway Line Reinstatement Study

23rd July 2008

Introduction:

This report reflects the views, and makes decisions based on Network Rail's Lewes-Uckfield railway line reinstatement study's conclusions, by the Central Rail Corridor Board, which comprises the following Members:

- Norman Baker MP
- Charles Hendry MP
- Councillor Rupert Simmons (East Sussex County Council)
- Councillor Peter Gardiner – substituting for Councillor Ann de Vecchi (Lewes District Council)
- Councillor Pam Doodles (Wealden District Council)
- Martin Tugwell (South East England Regional Assembly - SEERA)
- John Parsonage (South East England Development Agency - SEEDA)

It is important to note that the decisions contained within the report reflect the views of the Board Members.

Background:

Local authorities and partners formed a Project Board in 2004, comprising representatives from Regional (SEERA and SEEDA), County and District levels, and local MPs, to provide a planning and policy perspective for reinstatement of the Lewes-Uckfield and Eridge-Tunbridge Wells line; otherwise known as the Central Rail Corridor. Considerable contributions have been made by both the public and private sectors into investigating the potential for reinstating the Central Rail Corridor.

A step-change in the way the Board works was made on 24th March 2006, when Members decided to move from being an observer to commissioning status. It was at this stage that Board Observers were invited to attend meetings - these being representatives from Uckfield, Lewes and Crowborough Town Councils and representatives from Wealden and Lewes Parish Councils. The Observers, although able to contribute verbally at the Board meetings, have no decision-making powers.

The Study:

Network Rail was commissioned by East Sussex County Council, on behalf of the Central Rail Corridor Board, and a contract was entered into in December 2007, to undertake a Guide to Rail Investment Projects (GRIP) Stage 2 study. Network Rail adheres to the GRIP process for all rail investment schemes. This is an eight-stage process ranging from inception to completion of a project:

- GRIP Stage 1. Output definition
- GRIP Stage 2. Pre-feasibility
- GRIP Stage 3. Option selection
- GRIP Stage 4. Single option development
- GRIP Stage 5. Detailed design
- GRIP Stage 6. Construction test and commission
- GRIP Stage 7. Scheme hand back
- GRIP Stage 8. Project close out.

The purpose of the study is to identify whether reinstatement of the Lewes-Uckfield railway line is technically feasible and economically viable.

Since Network Rail was considered to be best placed to undertake the study, a single tender approach was taken. A waiver of standing orders report was considered, and approved, by the Lead Member for Transport and Environment at the July 2007 LMTE meeting.

The benefits of letting the commission to Network Rail are that:

- Network Rail owns the national rail infrastructure and has the necessary expertise and experience in project managing and undertaking study work for railway line reinstatement projects;
- Network Rail knows the specific information required to identify the feasibility of reinstating the line, and can prioritise the expected project deliverables and outputs of the study in order to adhere to the strict budgetary constraints; and,
- it is Network Rail which has to be convinced of the feasibility of reinstating the line, and if it project manages and undertakes the study, it will not need to do further work once the study is completed to test the assumptions. This is something it would have to do if another consultant was to undertake the work; therefore a time and money saving would be achievable.

Conclusions of Network Rail's Study:

It is clear from Network Rail's report that the disused Lewes-Uckfield railway line is capable of being physically reinstated. The assessment of financial benefits and costs indicates, however, that there is currently no business case for proceeding further with the reinstatement proposal at this time, with the current projected usage, and with the current Government guidance regarding criteria for consideration.

The operating costs of a reinstated line are covered in section 4.4 of the report "Operating Ratio". Under service options 3A, 3B, 4A and 4B the line would result in an operating profit in 2019 on base forecasts, with option 4A being by far the best. It is important to note, however, that this is operating profit, and does not include any allowance for the capital costs whether through depreciation or cash repayment of borrowings. Network Rail has informed us that were the capital treatment included the line would make significant annual losses.

The study identifies that there would be a negative Net Present Value (NPV) and a Benefit to Cost Ratio (BCR) ranging between 0.70 and 0.78. The minimum BCR required for rail schemes is generally 1.50, which would mean that the benefits would have to at least double, compared to current forecasts, in order for there to be a case for reinstatement. In reality, in order to compete against other rail projects for Government financial support the BCR needs to be at least 2.0, requiring something like a tripling of currently identified benefits.

The main conclusions in Network Rail's report are as follows:

- the study has demonstrated that it is feasible, on a technical basis, to reopen the former route from Lewes to Uckfield. The quantity of engineering work required is significant, but there is nothing out of the ordinary that requires novel technology or any particularly demanding engineering solutions;
- the level of demand, and resultant revenue for the reopened route, would be relatively low. This is the result of the rural location of the route, the small size of the settlements it could serve directly, and the short distances involved. Demand generated would be principally from Uckfield and Crowborough to Lewes and Brighton, and if the intermediate stations option is taken up, demand from these new stations to London;

(point to note: the terms of reference assumed that there would be no extra capacity provided at East Croydon, no electrification north of Uckfield, and no dualling of single track sections)

- the business case has demonstrated that on currently understood levels of employment and population growth in the area between and around Lewes to Uckfield, there is not a case for reopening the line on either a straightforward monetary or a socio-economic basis. The revenue generated covers the ongoing costs of operation for some service options, but in all cases fails to cover the substantial capital cost over a 60 year appraisal period, even when allowing for non-monetary benefits;
- the main reason for the poor business case is the low level of demand for the reopened route. In the forty years since the route closed, car ownership in the country as a whole has increased from 49% of households in 1968 to 75% in 2005. In 1968, many of the users of the line had no option but to use the train if they wished to travel; however, that is not the case today. The challenge for any new railway proposal is thus the extent to which new services can tempt passengers out of their cars and on to trains;
- were the assumptions on employment and population in the area to change significantly, then the business case for the line could become more attractive. Additional residential development above that already planned along the route of the former line, or at established settlements such as Uckfield or Crowborough, would undoubtedly increase demand for a reinstated train service. If such development was within 15 minutes walk of a station (existing or new) and came with constraints on car ownership within the development, then the likelihood of increased demand strengthens further;

- the sensitivity tests demonstrate that demand needs to be two to three times that forecast to generate a business case that may be able to attract public funding. To generate such a level of demand, above that forecast, implies a significant increase in the size of the population along the line of the route and/or a fundamental shift in the travelling behaviour of the existing population. In light of current planning policy it is unlikely that population growth of this order is likely, and notwithstanding recent increases in the cost of motoring, a change in travel behaviour of the order required is similarly unlikely;
- funding the reinstatement of the line remains a challenge. The low benefit to cost ratio precludes public funding of the scheme as it stands. The Community Infrastructure Levy (CIL), or some similar method of capturing the increased land value of new property currently planned in the area, is likely to be the only route to securing the substantial capital sum required for construction.

The Government's Stance on Reinstating Railway Lines:

The Government's priorities for rail focus on increasing capacity on the existing rail network, with the ambition to create a reliable network capable of handling double the number of passengers in 30 years time compared to 2007 figures. Their current priorities (up until 2014) do not include for the reinstatement of disused railway lines:

'the Government will not close any regional or rural routes in the period covered by the High Level Output Specification (HLOS). Nor does it envisage reopening lines. In the longer term, the shape of the network may need to change, but the agenda for the period to 2014 should focus on demand growth and cost reduction on the existing network'.

(Source: White Paper, DfT 'Delivering a Sustainable Railway', p.68, July 2007)

DECISIONS

The Central Rail Corridor Board:

1. notes that the Lewes-Uckfield railway line reinstatement is technically feasible in engineering terms;
2. notes that the feasibility study, carried out by Network Rail to "Guide to Railway Investment Projects" (GRIP) standards, concludes that there is no business case for reinstating the line between Lewes and Uckfield at this time;
3. expresses concern that current Government criteria on investment decisions for transport infrastructure make it extremely difficult to justify a positive business case for the reinstatement of former railway lines, such as Lewes to Uckfield ;

4. agrees that, in light of this study's conclusions, appropriate measures be taken to lobby Government for changes to infrastructure investment criteria, including meeting with the Government Ministers, to better consider the wider economic benefits, distribution and social impacts, and the carbon implications of schemes;
5. requests Wealden and Lewes District Councils, in their role as local planning authorities, consider reaffirmation of existing planning policies for protection of the former rail alignment and the preferred option at Hamsey from development. This is to ensure that there is no inhibition to its long term reinstatement through the formal consultation process of Wealden and Lewes District Councils' Local Development Frameworks and Uckfield Town Council's Masterplan. The Board also requests that, where reasonably practicable, the County Council, as the Highway Authority, would only consider bringing forward and/or supporting transport schemes that would not prejudice possible future reinstatement of the line;
6. requests Wealden and Lewes District Councils to consider the feasibility of alternative means of improving public transport links between Lewes and Uckfield (e.g. express bus links) in their Local Development Framework process, in close liaison with the County Council in the management and development of the Local Transport Plan and Uckfield Town Council's Masterplan;
7. agrees that the Network Rail study should be published, on behalf of the Board, on local authority websites, and made available for inspection in public libraries and council offices;
8. agrees that no further detailed work on the Lewes-Uckfield railway line reinstatement should be undertaken unless project assessment rules and policy change significantly, at which time consideration for further work on the proposal will be reviewed;
9. considers its future role, in the light of the above decisions;
10. asks each elected body to consider its own arrangements for reporting back to its Members on the current position and confirming its own position on the Network Rail report, and any further work arising from it.

Board Members:

Norman Baker MP

Charles Hendry MP

Councillor Rupert Simmons (East Sussex County Council)

Councillor Pam Doodes (Wealden District Council)

Councillor Peter Gardiner substituting for Councillor Ann de Vecchi (Lewes District Council)

John Parsonage (South East England Development Agency)

Martin Tugwell (South East England Regional Assembly)

Date: 22nd July 2008