

Cabinet

11 July 2018



Update on Rail Issues

Report of Corporate Management Team

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Councillor Carl Marshall, Cabinet Portfolio Holder for Economic Regeneration

Purpose of the Report

1. To update Cabinet on current rail issues; and to agree a position for the Council on key rail infrastructure and service improvements to help boost the economy of County Durham.

Background

2. Rail plays an important role in the economy of County Durham, providing links for business, leisure and tourism. The East Coast Mainline (ECML) serves both Durham and Chester-le-Street, with over 2.5 million passenger journeys made to/from Durham Station last year. The Bishop line (Bishop Auckland to Darlington) has recently benefited from the introduction of an hourly service, and plans for a new station at Horden on the Durham Coast line will complement the existing station at Seaham, providing access to jobs and services and acting as a regeneration initiative for East Durham communities.
3. This report highlights some of the current key developments across the rail industry and sets out a suggested position for the Council to adopt, in order to ensure that we can respond to consultations and work with other stakeholders to advocate for improvements, which will maximise opportunities for rail to boost the economy of County Durham and the wider North East.

East Coast Main Line - Infrastructure

4. The East Coast Main Line is an important piece of national infrastructure, carrying over 20 million passenger a year and serving towns and cities along the length of the line with a combined economic output of £300bn per annum GVA. However, throughout its length it suffers from a lack of capacity, ageing infrastructure and poor resilience.
5. Capacity constraints are a particular issue on the ECML north of Northallerton, where there are only two tracks. The mix of fast and slow passenger trains and freight traffic on the same running lines leads to an uneven service pattern, unreliable services when things go wrong, and no

room to accommodate aspirations or projections for growth in both passenger and freight traffic.

6. Northern Powerhouse Rail (NPR) is the rail arm of Transport for the North (TfN). NPR are developing a strategic rail programme aimed at transforming the northern economy through improved rail connectivity between the key economic centres of the North. Plans to improve journey times and increase service patterns would see an additional 2 trains per hour on the ECML linking the North East to other parts of the North.
7. In addition, there are aspirations to bring High Speed 2 trains to the North East by running on from Leeds to York and joining the existing ECML.
8. Clearly the ECML is already operating at or near to capacity and in the absence of investment, it will not be possible to introduce new train services without displacing existing ones.
9. The government's current approved budget for the ECML will allow for maintenance and minor improvements only. The addition of some lengths of freight passing loops will make modest improvements, but ultimately the ECML needs to be upgraded and expanded to four tracks. This could be done through reinstatement of the Leamside Line.
10. A 2016 study by the East Coast Mainline Authorities (ECMA) group showed that investing £3 billion in the ECML would generate an additional £9 billion for the UK economy.
11. The Council should continue to work with NECA, TfN, ECMA and the newly formed All Party Parliamentary Group on the East Coast Line chaired by Catherine McKinnell MP, to explore all advocacy opportunities to ensure that the government bring forward plans for the required investment in the ECML.

Durham Coast line - Infrastructure

12. The Durham Coast line between Middlesbrough and Newcastle currently has an hourly service in each direction provided by Northern. The line provides important travel opportunities for local residents at Seaham Station, which generates approximately 145,000 passenger journeys per annum.
13. Plans are well advanced for the construction of a new station at Horden, which will serve Peterlee and a wider East Durham catchment. A budget of £10.5 million has been secured from DfT, NELEP and the Council's own capital programme to deliver the scheme.
14. Horden station remains a key regeneration priority for the Council and will create an economically sustainable solution to some of the access constraints within the East of Durham, offering residents wider travel options and access to more and better employment opportunities. The new station is scheduled to open in 2020, and is forecast to generate in excess of 71,000 trips per year.

Bishop Line - infrastructure

15. The Bishop Line between Darlington Bank Top station and Bishop Auckland was improved at the December 2017 timetable change with the introduction of an hourly passenger service, The service provided under the Northern franchise continues through Darlington to Middlesbrough and Saltburn.
16. Concerns over poor rolling stock on the service are soon to be addressed with the committed removal of Pacer trains by December 2019. However, there are further concerns that capacity constraints at Darlington Bank Top (where the Bishop Line crosses the East Coast Main Line) could lead to the Bishop Auckland to Saltburn service being severed.
17. The commercial implications of this are not currently known but it is understood that up to 50% of journeys currently are across Darlington. The County Council needs to ensure through working with stakeholders that all options are explored and that if the service is severed, that interchange between the two new services minimises any inconvenience to passengers.

East Coast - Franchise operation

18. The East Coast franchise was taken back into public ownership on 24 June. It remains a profit making service, but has not delivered the level of growth in profits that Virgin/Stagecoach had predicted. This is the third time that the franchise holder has failed to deliver the expected returns and has been forced to hand back the franchise.
19. This Council passed a motion in January 2014, following the collapse of the previous East Coast Franchise, calling on government to maintain the franchise in public ownership. However, the franchise was awarded to Virgin/Stagecoach in March 2015.
20. Since June, the service has been rebranded as the London and North Eastern Railway and will remain in public ownership until 2020. However, the Transport Secretary has announced the government's intention to put the service back out to tender in 2020, under a yet to be developed partnership franchise. This should not impact on the introduction of the new Azuma trains from Hitachi (Newton Aycliffe), which are due to come into operation on the East Coast route from December 2018.
21. The Department for Transport (DfT) are currently developing the specification for the new partnership approach. The rail companies will still be invited to bid competitively to operate the service, but this will be a new type of franchise with a focus on partnership working between the DfT, network rail and the train operator. This move is aimed at creating a better alignment between track and train provision, to avoid some of the 'blame game' and 'money-go-round' in the rail industry, with the new partnership planned to be in operation from 2020.
22. The County Council will continue to work with colleagues in NECA, TfN and EMCA, with a view to seeking greater influence over the service specification for the new franchise and the management of the new partnership model.

Cross Country - Franchise operation

23. Cross Country currently provide two trains per hour between Newcastle and York. As part of this service they deliver one evening peak hour commuting journey (at 17:32 hrs) to Chester-le-Street from Newcastle.
24. The existing Cross Country franchise ends in 2019, and DfT are currently consulting on options for the replacement franchise service.
25. The consultation highlights overcrowding as an issue on some of the peak hour journeys. One of the options put forward to address this is to withdraw a number of the shorter commuting journeys around the major conurbations on the route.
26. Whilst overcrowding is not considered to be an issue on the 17:32 departure from Newcastle, it is a vital service for local residents making the daily commute to/from Tyneside. It is therefore important that we make a robust response to the consultation to ensure that the level of service at Chester-le-Street is retained or enhanced going forward.
27. A further area of concern in DfT's consultation is a suggestion that the two Cross Country trains per hour between York and Newcastle could be reduced to one train per hour in the new franchise.
28. The consultation notes the existing capacity constraints on the ECML and the aspiration for further service enhancements. However, rather than the DfT addressing the capacity constraints, it suggests removing one of the two Cross Country trains to allow the others operators to expand. Again, we need to make a robust response to the DfT to maintain the current level of service and bring forward investment in the East Coast Main Line to unlock additional capacity.

Summary and Conclusions

29. Good transport links are vital to a successful County Durham and the wider North East. Improvements to rail travel can help to support our ambitions for transformational economic growth, opening up new opportunities for businesses and increasing accessibility for local residents.
30. Whilst the rail industry and train service planning processes are complex and outside of our direct control, it is important that the Council plays into every opportunity to influence the forward rail agenda. This will involve working with colleagues in NECA, Tees Valley Combined Authority, Transport for the North, East Coast Mainline Authorities Group, Department for Transport and the Train Operating Companies.

Recommendations and reasons

31. Cabinet are recommended to:
 - (a) Note the contents of this report;

(b) Agree to adopt the following key messages in order to guide our discussions with stakeholders and ensure that the needs and aspirations of the County are considered:

- Continue to lobby for investment in the East Coast Main Line to improve capacity and resilience, including supporting the option of reopening the Leamside Line.
- Work with North East Combined Authority and Tees Valley Combined Authority; encouraging a partnership approach across the wider North East to strengthen collective influence over rail issues.
- Support the work of Transport for the North and the East Coast Mainline Authorities group in pursuing improvements to rail provision that will help boost the economy of County Durham.
- Continue the commitment to deliver a new station on the Durham Coast railway line at Horden.
- Work with Darlington Borough Council and the wider rail industry to ensure that any proposals brought forward for Bank Top Station consider the needs of passengers using the Bishop Line services.
- Seek to enhance the level of train service provision at Chester-le-Street.

(c) Consider whether to adopt any additional key messages

Background Documents

- Minutes of County Council meeting 8 January 2014

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Appendix 1: Implications

Finance –

There are no direct financial commitments as a result of this paper. However, the report does recognise the importance of rail services to the wider economy of County Durham.

Staffing –

None.

Risk – none

Equality and Diversity / Public Sector Equality Duty –

None.

Accommodation –

None.

Crime and Disorder –

None.

Human Rights –

None.

Consultation –

The adoption of key messages will assist in our response to rail industry consultations.

Procurement –

None.

Disability Issues –

None.

Legal Implications –

The council's statutory transport authority powers were transferred to NECA on creation of the Combined Authority. Whilst the County Council can still make our own response to any consultations, it is important that we work with NECA to ensure that Durham's views are reflected in any formal NECA responses.