

Part I

Electoral Division affected:
Skelmersdale Central;

Skelmersdale Rail Link Grip 3 Study
(Appendix 'A' refers)

Contact for further information:
Richard Watts, Tel: (01772) 534582, Rail Development Team Manager,
richard.watts@lancashire.gov.uk

Executive Summary

Having completed the GRIP 1- 2 stage in assessing the technical feasibility of constructing a rail link between the Wigan to Kirkby line and Skelmersdale, this report is requesting approval to commission Network Rail to undertake the GRIP2 refresh and 3A feasibility study.

This is deemed to be a Key Decision and the requirements of Standing Order 25 have been complied with.

Recommendation

The Cabinet Member for Highways and Transport is requested to;

- (i) Approve that Network Rail is commissioned to carry out the GRIP 2 refresh and the GRIP 3A feasibility study into the Skelmersdale Rail Link project at an estimated cost of £5.1m with the costs met by the County Council, £4.335m and Merseytravel, £0.765m.
- (ii) Approve that the Director of Governance, Finance and Public Services be authorised on behalf of the County Council to enter into the 'Development Services Agreement (DSA)' between Lancashire County Council and Network Rail for the commissioning of the GRIP 2 refresh and the GRIP 3A feasibility study.
- (iii) Approve that the Director of Community Services and the Director of Governance, Finance and Public Services be authorised on behalf of the County Council to enter into a 'Funding Agreement' with Merseytravel.
- (iv) That the additional £0.955m required to be funded by LCC to be the first call on the 2018/19 Department for Transport (DfT) transport allocation;
- (v) Approve the addition to the capital programme of £0.765m funding from Merseytravel.

Background and Advice

The West Lancashire Highways and Transportation Master Plan identified that a new rail link into Skelmersdale town centre would potentially be a catalyst for commercial, retail and housing developments. It would also provide significantly improved public transport connectivity into the Greater Manchester and Liverpool City Regions providing enhanced links to employment and educational opportunities.

Following publication of the Master Plan, Network Rail was commissioned by Merseytravel, in partnership with the County Council, to undertake a GRIP 1- 2 (Guide to Rail Investment Process) technical feasibility study to identify a possible alignment for the rail link from the existing Wigan to Kirkby line into Skelmersdale town centre. The study was completed in December 2014 and identified an alignment for the line as well as two potential locations for the new station. Following this a further study was commissioned from Network Rail to undertake a comparative assessment of the two potential locations for the new Skelmersdale station using a SWOT (strengths, weaknesses, opportunities and threats) analysis against a set of agreed criteria. The study was completed in December 2016 and on 23 January, 2017, the Cabinet Member for Highways and Transport approved the proposal that the new station should be constructed on the former Glenburn High School and Westbank Campus site.

At the same time Jacobs was commissioned to carry out the development of an outline business case for the project. This found that a new station at Skelmersdale could attract between 0.600m and 1.3m passengers per annum and that the overall project could have a BCR (benefit cost ratio) of between 1.5 and 2, which is regarded as good by the DfT.

As mentioned above, the GRIP 1 - 2 report identified a potential route for the rail link into Skelmersdale. However, this was a high level, mainly desk top study and it recommended that the feasibility of the identified route would need to be investigated in more detail at the GRIP 3 stage of the project.

Following discussions with Network Rail and Merseytravel it has been proposed that the next stage of the project will consist of a GRIP 2 refresh followed by GRIP 3A study. Normally GRIP 3 would be one complete process but due to the complexity of this project and to enable the County Council and partners to review the outcome of GRIP 3A, Network Rail advise that it would be sensible to create a break point at the end of this intermediate stage. Should the County Council and Merseytravel agree to continue with the project then it will proceed to GRIP 3 AIP (Approval in Principle).

In summary the next two stages will consist of the following:

a. The GRIP 2 refresh will consist of:

- Full timetable modelling and verification. This will take into account the type of rolling stock to be used, the requirements of freight trains to the Knowsley Freight Terminal and the minimum journey times to Manchester of no more than 60 minutes and Liverpool Central of no more than 30 minutes.

- A safety and compliance review will form an on-going element at all stages of the project. This will include ensuring the project complies with the technical specification for interoperability (TSI) and the requirements for persons of reduced mobility (PRM). The specification of the project will be kept under review by the Network Rail Acceptance Panel (NRAP). During the development of the project a full safety and compliance audit will be required and this will be undertaken by an independent body.
- The refresh is expected to take about 6 months to complete. At the end of this stage there will be a review of the project and it would be possible to cancel future work if it is not possible to develop a workable timetable. However, it is expected that the project will move onto the next GRIP 3A stage.

b. GRIP 3A will consist of:

- **Surveys** to carry out a range of intrusive surveys to establish ground conditions and identify any problems that would need to be overcome. Network Rail is proposing to split the surveys between the GRIP 3A and GRIP 3 - AIP stages. The surveys planned for the GRIP 3A stage should provide sufficient information on which to base the development of the track alignment, new stations and modifications to the existing stations at Kirkby and Rainford.
- **Track alignment and design:** to develop the track design up to GRIP 3 AIP stage (Approval in Principle). As this is the most important part of the project Network Rail advised that taking this through the full GRIP 3 process would give the County Council and Merseytravel greater certainty about the constructability of the new rail link.
- **Interfaces** with for example the local highway, utilities, pipelines, culverts etc. In particular this will involve looking at specific issues such as how to cross Grimshaw Street on the approach to the new station and also how the line will cross a number of pipelines to the south of the town and close to the proposed junction of with the existing Wigan to Kirkby line.
- **Electrification** to confirm if the ORR (Office of Rail & Road) will agree to the extension of the third rail electrification from Kirkby to Skelmersdale and also to ensure sufficient passive provision for overhead electrification in the future along with any additional electric power feeder stations that may be required.
- **Stations** to look at the remodelling of Kirkby and Rainford stations as well as the design of the new stations at Skelmersdale and Headbolt Lane.
- **The statutory powers** required to build and operate the new line and for the transfer of any non-Network Rail owned land into its ownership including that required for the new track and Skelmersdale station. It is assumed that a Development Control Order (DCO) will be required and that the lead body for this will be the County Council. The DCO will provide the powers required to acquire land, to construct the new rail link and then operate it as a railway.

- **Timescales:** Network Rail advise that this stage will take approximately 15 months to complete.
- On completion of the GRIP 3A stage Network Rail will provide a revised AFC (anticipated final cost) for the project.

The full list of the requirements for this project is set out in a document drafted by Network Rail called the 'Client Requirements Document – Skelmersdale Rail Link'. This has been developed following workshops involving officers from the County Council and Merseytravel and is still at a draft stage as final changes and clarifications are made to it. A copy of the draft document is set out at Appendix 'A'.

The County Council, in partnership with Merseytravel, is now proposing to commission Network Rail to undertake the GRIP 2 refresh and GRIP 3A feasibility work. The estimated cost of this is £5.1m with the costs met on an 85 / 15 basis by the County Council and Merseytravel respectively. The costs would be met over the 2017/18 and 2018/19 financial years with the details set out in the financial implications below. The estimated cost to the County Council would be £4.335m and to Merseytravel £0.765m. As part of the commissioning process the County Council would need to sign a Development Services Agreement (DSA) with Network Rail for the GRIP 2 refresh and the GRIP 3A stage and further details are set out in the Legal Implications section below. At the same time the County Council will also need to develop a 'back to back' Funding Agreement with Merseytravel to cover their contribution and the scope of work to be carried out in Merseyside. The Funding Agreement will need to ensure adequate risk sharing in the event of any changes to the scope of work carried out at the GRIP 3A stage.

Once the GRIP 3A stage has been completed it will be possible to undertake a full review of the viability of the project and to consider commissioning the GRIP 3 AIP (Approval in Principle) stage.

Consultations

Consultations have taken place with the following organisations:

- Merseytravel
- West Lancashire Borough Council
- Northern (Arriva Rail North)

Implications:

This item has the following implications, as indicated:

Financial

The cost of the GRIP 2 refresh and the GRIP 3A stage is estimated by Network Rail to be £5.1m with the costs spread over the 2017/18 and 2018/19 financial years. Previous meetings between the County Council and Merseytravel proposed that the costs of this stage should be shared on a proportionate basis to the anticipated capital costs identified in the GRIP 1 – 2 report in each authority's area. On this

basis the County Council's share would be 85% and Merseytravel's 15% of the GRIP 3 costs or £4.335m and £0.765m respectively.

The costs of the County Council's share of this stage will be spread over two financial years, i.e. 2017/18, £1.880m and 2018/19, £2.455m.

£4.700 million is allocated in the capital programme towards the development of the Skelmersdale Rail Link project over the financial years 2016/17 to 2018/19.

As stated in the recommendations above, approval is now sought to add two sums to the value of this programme:

- £0.955m from the County Council to be funded from first call on the 2018/19 annual DfT Transport allocation.
- £0.765m funding from Merseytravel.

This will bring the total value of the programme to £6.42m, an increase of £1.72m.

This total programme value of £6.42m will therefore comprise £1.320m GRIP 1-2 study costs, site acquisition and demolition costs, and £5.1m GRIP 2 refresh and GRIP 3A stage costs, as explained below.

To date, £0.070m has been approved for the Network Rail GRIP 1-2 Station Location Study and £1.25m for the acquisition of the Westbank site and the demolition of all buildings on this and the Glenburn High School site. In summary, therefore, £1.320m of the £4,700,000 has already been allocated leaving an unallocated balance of £3.380m. As the County Council's contribution to the £5.1m Grip 2 refresh and GRIP 3A stage cost is to be £4.335m, this leaves a funding shortfall of £0.955m. It is proposed that this is a first call on the 2018/19 annual DfT Transport funding already built into the current three year capital programme. However, it should be noted that the allocation to enable the purchase of the Westbank site and the demolition of all buildings on the Westbank and Glenburn sites will be recouped in future years.

Legal

The report has the following legal implications, as follows:

1. Network Rail

As part of the project the County Council will also need to sign a Development Services Agreement (DSA) with Network Rail. This is a templated document that has been developed by Network Rail for undertaking work for third parties. The document is regulated by the Office of Rail and Road. The key parts of the DSA are schedules 2 and 3 which set out the brief and remit for the scope of work to be carried out by Network Rail. Once the scope of work for the GRIP 3A stage has been agreed it will be possible to finalise the DSA.

2. Merseytravel

As the County Council will be the sole signatory of the DSA with Network Rail it will be necessary to develop a Funding Agreement between the County Council and Merseytravel to cover their financial contribution and the agreed remit for the areas

of study within Merseyside. The Funding Agreement will also need to cover risk sharing in the event of cost escalation.

Risk management

The following risks have been identified:

1. That Merseytravel do not confirm their contribution to the GRIP 3A stage. In this situation it would not be possible to proceed with the GRIP 3A feasibility study.

List of Background Papers

Paper	Date	Contact/Tel
West Lancashire Highways & Transportation Masterplan	October 2014	Richard Watts/ (01772 534582)
139606 Skelmersdale Rail Link Grip 1-2 Study	December 2014	Richard Watts/ (01772) 534582
Skelmersdale Rail Link Business Case Study	January 2015	Richard Watts/ (01772) 534582
Skelmersdale Grip 2 Feasibility Study (station location study)	December 2016	Richard Watts/ (01772) 534582

Reason for inclusion in Part II, if appropriate

N/A