

## Report to the Cabinet

Meeting to be held on Thursday, 16 May 2019

### Report of the Head of Service - Public and Integrated Transport

#### Part I

Electoral Divisions affected:  
Skelmersdale Central;  
Skelmersdale East;  
Skelmersdale West;

### Skelmersdale Rail Link - Strategic Outline Business Case

Contact for further information:

Andrew Varley, Tel: (01772) 533336, Public Transport Manager,  
andrew.varley@lancashire.gov.uk

#### Executive Summary

In March 2017, having assessed the technical feasibility of constructing a rail link between the Wigan to Kirkby line and Skelmersdale, Network Rail was commissioned to undertake Governance for Railway Investment Projects Stage 2 (GRIP2) refresh and GRIP3A feasibility study by Lancashire County Council and Merseytravel.

To enable a better understanding of overall project cost Network Rail, as part of GRIP 3A process, are to provide an Anticipated Financial Cost Estimate. There is also a requirement to undertake some further high level highways design and impact assessment work to compliment the rail study.

The next stage of the project development would be to complete a strategic outline business case to Department for Transport requirements and submit to Transport for the North for consideration in future statutory advice to the Secretary of State with regard to the Rail Network Enhancements Pipeline.

The strategic outline business case will confirm whether or not the project is affordable, including consideration of whole-life cost issues, whether it can be delivered in a reasonable timescale, whether it will provide value for money and, on this basis, whether to proceed to detailed design and implementation.

#### Recommendation

Cabinet is asked to:

- (i) Approve the commission of a strategic outline business case for the development of the Skelmersdale Rail Link.

- |   |
|---|
| (ii) Request that officers report to Cabinet in due course with the outcome of the strategic outline business case. |
|---|

## **Background and Advice**

The West Lancashire Highways and Transport Masterplan, adopted by Lancashire County Council in October 2014, is proposing the wholesale reconfiguration of Skelmersdale's transport networks to meet both current and future needs, not just for local residents and businesses but for West Lancashire as a whole. At its heart is a new rail link and town centre railway station, fully integrated with the bus network and easily accessible on foot or by cycle, and with sufficient car parking provision to function as a 'Parkway' station for the wider West Lancashire area. Work undertaken to date has demonstrated that it is technically feasible to construct a heavy rail link into Skelmersdale town centre in the corridor identified in the masterplan, and that the project could deliver value for money.

In June 2015 the Cabinet Member for Highways and Transport agreed to move to the next phase of the development process by initiating a GRIP Stage 3A (Guide to Rail Investment Process - option selection), the main output being that a single option is determined and stakeholder approval to that option secured. It was agreed that the county council would engage with Network Rail to develop a detailed brief for the GRIP Stage 3A work and associated cost.

In July 2016 Network Rail were commissioned to undertake a comparative assessment of potential station locations to enable a decision to be made on the preferred location. The site of the former Glenburn College is the preferred location.

In March 2017, having assessed the technical feasibility of constructing a rail link between the Wigan to Kirkby line and Skelmersdale, Network Rail were commissioned to undertake the GRIP2 refresh and 3A feasibility study by the county council and Merseytravel on a shared cost basis, with the county council contributing 85%.

The cost of the GRIP 2 refresh and the GRIP 3A stage was estimated by Network Rail to be £5.1m with the costs spread over the 2017/18 and 2018/19 financial years.

To enable a better understanding of overall project cost, as part of GRIP 3A process, Network Rail are to provide an Anticipated Financial Cost Estimate. This was initially due in March 2019. However the Office of Road and Rail requires additional consideration of the traction power options for the proposed line including a review of third rail, overhead power and battery options and so, as a result of this additional requirement, completion is now expected to be December 2019.

There is also a requirement to undertake some further high level highways design and impact assessment work to complement the rail study.

The next stage of the project development is to complete a strategic outline business case to Department for Transport requirements and submit to Transport for the North for consideration in future statutory advice to the Secretary of State with regard to

the Rail Network Enhancements Pipeline. Completion of this then reaches the point where allocated county council funding ends. The scheme is effectively at the 'Determine' phase and, should the Government ultimately agree to progress the scheme to the 'Develop' phase, funding for that next stage of work will be agreed as part of the future decision. However, it is not clear from available guidance what proportion of costs the Department for Transport might be prepared to meet.

In order to move the proposal forward to the next stage it is advised that the county council will need to commit to developing the strategic outline business case, along with providing highway design support to plan the highway network around the site and along the line of route. The funding for this was authorised by the county council as part of Grip 3. Network Rail on the authority's behalf has commissioned Mott McDonald to undertake this work and the county council's highways service and design team oversee it.

The business case will ultimately confirm whether or not the project is affordable, including consideration of whole-life cost issues, whether it can be delivered in a reasonable timescale, whether it will provide value for money, and on this basis whether to proceed to detailed design and implementation. The authority will have further decisions to make regarding its further involvement.

## **Consultations**

N/A

## **Implications:**

This item has the following implications, as indicated:

### **Risk management**

#### Financial

It is expected that the strategic outline business case development can be delivered within the current budget allocation remaining from the Grip 3 study of £2.4m which is supported by agreed borrowing.

#### Legal

If the strategic outline business case is looked on favourably and the Department for Transport agrees to progress the scheme the county council will have to consider how to properly justify and resource any further role as possible Promoter of a Development Consent Order and the challenges, cost and risks that would bring. Network Rail has indicated that it will support the county council with the management of the Development Consent Order but they have requested the plan for this is fully integral as a critical milestone within the overall delivery programme. Delays to the Development Consent Order will impact the delivery of the future works which is reliant on substantial land acquisition.

## List of Background Papers

Paper	Date	Contact/Tel
West Lancashire Highways and Transport Masterplan. Skelmersdale Rail Link	22/05/2015	Andrew Varley/ (01772) 533336
Skelmersdale Rail Link	01/07/2016	Andrew Varley/ (01772) 533336
Skelmersdale Rail Link	31/01/2017	Andrew Varley/ (01772) 533336
Skelmersdale Rail Link, Grip 3 Study	07/03/2017	Andrew Varley/ (01772) 533336
Former Glenburn College, Skelmersdale Rail Link	10/08/2017	Andrew Varley/ (01772) 533336
Reason for inclusion in Part II, if appropriate		
N/A		