

CRCL/P/4/A

**PROOF OF EVIDENCE OF PATRICK O’SULLIVAN
EAST WEST RAIL CONSORTIUM**



THE CHILTERN RAILWAYS (BICESTER TO OXFORD IMPROVEMENTS) ORDER

TRANSPORT AND WORKS ACT 1992

**TRANSPORT AND WORKS (APPLICATIONS AND OBJECTIONS PROCEDURE)
(ENGLAND AND WALES) RULES 2006**



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1 Introduction

Personal Statement

- 1.1 My name is Patrick O’Sullivan and I am a consultant Railway Civil Engineer. I have a B.Sc. Honours in Civil Engineering and I am a Chartered Civil Engineer (C.Eng.) and a Member of the Institution of Civil Engineers (M.I.C.E).
- 1.2 I have thirty-five years experience in the project management and delivery of major civil engineering and infrastructure projects of which the last twenty years has been in major new railway projects both in the U.K. and overseas. I am a Divisional Director of Jacobs Engineering UK Ltd based in York, but I am currently seconded as the Client’s project manager to the East West Rail Consortium based in Milton Keynes.
- 1.3 I have experience in the delivery of a wide range of new railway projects for a number of clients such as London Underground Ltd., Bangkok Mass Rapid Transit Authority, Taiwan High Speed Rail and Network Rail’s re-opening of Airdrie – Bathgate railway.

2 Scope of Evidence

- 2.1 Objective 5 as set out in Chiltern Railways Statement of Aims (**CD/1.4**), which was submitted as part of Chiltern Railways application for the Chiltern Railways (Bicester to Oxford Improvements) Order (‘the Order’) under Rule 10(20(c) of the Transport and Works (Applications and Objections Procedure) (England and Wales) Rules 2006 states as follows:

To Facilitate the East West Rail Link

Provision of a rail link between Oxford, Milton Keynes and East Anglia is widely regarded as key to both the future success of the Oxford-Cambridge “Knowledge Arc”, and to the growth of Milton Keynes. It is identified as a regional investment priority by the South East Regional Transport Board, in support of the South East Plan and the Regional Economic Strategy. East-West Rail would also deliver benefits to the wider railway network, which are recognised by the Network Rail and the Department for Transport.

The East-West Rail Consortium of local authorities together with the South East England Partnership Board and the Milton Keynes Partnership have been actively developing plans to re-instate this route, with the Oxford/Aylesbury-Bletchley/Milton Keynes section being the first priority. The Chiltern proposals to upgrade the Bicester to Oxford section will significantly reduce the amount of public funding needed to deliver East-West Rail, and Chiltern Railways and the Consortium have thus worked closely together to maximise the wider transport, environmental and economic benefits

- 2.2 My evidence is submitted on behalf of the East West Rail Consortium (‘EWRC’). The western section of the East West Rail (‘EWR’) project, which I outline below, comprises a railway between Oxford and Bedford that is being promoted as a component part of the EWR link by the EWRC. Within the various proofs of evidence submitted by Chiltern Railways, the works included in the Order that would facilitate the construction of the western section are described as the Phase 2B works.
- 2.3 The EWR Consortium was formed in 1995 with the objective of promoting and securing a strategic railway connecting East Anglia with Central, Southern and Western England, including a spur to Aylesbury. The EWRC brings together local authorities, Network Rail and

stakeholders from across the South East and East of England. The EWRC was established by Ipswich Borough Council who provided the chairman until 2005; a role now undertaken by Buckinghamshire County Council. The EWRC is chaired by Neil Gibson, the Strategic Director (Communities & Built Environment) for Buckinghamshire County Council who is also providing written evidence to this inquiry. (CRCL/P/3/A) The full membership of the EWRC is shown at Appendix 1. (CRCL/P/4/B)

- 2.4 The day-to-day development work of the western section of the EWR link is governed by the EWR Western Section Project Board ('the Project Board'). Work instructed and governed by the Project Board is financed by funds from the Department for Communities and Local Government ('DCLG') and member authorities. Officials from both the Department for Transport ('DfT') and Network Rail are members of the Project Board. My evidence has been endorsed by the Project Board at its meeting convened on 1st. October 2010. The full membership of the Project Board is shown at Appendix 2. (CRCL/P/4/B)

3 Historical Background

- 3.1 The railway between Oxford and Bletchley opened in 1851 and was planned as part of a rail link between Oxford and East Anglia. Other parts of the link were Bletchley to Bedford (opened in 1842) and Bedford to Cambridge (opened in 1862).
- 3.2 Closure of this east-west railway was first proposed in 1959 but rejected in favour of the introduction of cost saving measures. In 1963, however, closure was again proposed as the route was facing losses of £95k per annum. The closure proposals were fiercely opposed by all local councils and MPs as proposals for a new city adjacent to the route of the railway were being made, albeit at the time, train services were slow.
- 3.3 The Beeching Report of 1963 even recommended the route be retained as a through route with modifications made to services and with the closure of the smaller stations. Nevertheless, the closure of the railway to passenger services was authorised for the end of 1967 and, ironically, just at the very time when the planning of Milton Keynes was beginning to get underway.
- 3.4 The Bedford-Bletchley section survived due to problems securing bus alternatives and its receiving the newly introduced operating subsidy for socially necessary services. The railway between Oxford-Bletchley was retained for through freight only until May 1993. In May 1987 an Oxford-Bicester passenger service was re-introduced that will be upgraded as part of the train services proposed in the Order Scheme.
- 3.5 Passenger services north of Aylesbury ceased in September 1966 with the closure of the former Great Central Railway route. The route was retained for freight and empty stock workings although Claydon Junction to Bletchley closed in May 1993.
- 3.6 The Interim Report on Milton Keynes, in 1968, recognised that, "the city of Milton Keynes is at the crossroads of transportation routes giving it a setting of great potential". "East West Rail Lines could represent an important element in future transport services for the New City". In retrospect, it can be concluded that planning for public transport at this time was somewhat short-sighted and it is not surprising to note that Milton Keynes has recently been

assessed as a city "designed for the car", where public transport is a "poor alternative" as well as being judged to be the most car-dependent town ahead of many other conurbations¹.

- 3.7 Studies were commissioned in 1973 and 1980 to review the position. In 1975, Buckinghamshire County Council, in "Future Transport for Bucks," recognised the potential for renewed rail services. This view was included in later Structure and Transport Plans.
- 3.8 In 1987, local councils across the area investigated the costs of re-opening the Bletchley to Oxford and Aylesbury routes to passengers. Subsequently, in 1989, the councils commissioned a detailed feasibility study into reopening the rail link and British Rail proposed a Peterborough-Swindon service incorporating the route from Bletchley to Oxford. This was not progressed due to financial pressures. Then in 1995, a number of local authorities formed the EWRC to review options for EWR Links.

4 Scope of East West Rail

- 4.1 The EWR link is envisaged as a strategic rail route that would link Ipswich, Norwich and Cambridge, with Bedford, Milton Keynes, Bicester and Oxford, allowing connections to Didcot, Reading, Swindon, South West England and South Wales, together with a spur to Aylesbury facilitating services to Princes Risborough, High Wycombe and London Marylebone.
- 4.2 The link is being planned in three distinct phases, namely, the eastern section between Ipswich and Norwich to Cambridge, the central section between Cambridge and Bedford and the western section between Bedford and Oxford. The eastern section is already in place. The central section, which would connect the east and western sections, is at an earlier stage of development. The first EWR project objective is to deliver the western section by 2017 after which emphasis will be switched to the delivery of the central section.
- 4.3 The western section of the EWR link is, however, a scheme that has been evaluated as an entirely separate entity to the other two parts of the overall EWR route and its efficacy in transport and economic terms is not dependent on the delivery the central section. The reverse, however, is not the case. In other words, the central section would not proceed beyond early scheme development without the certainty that the western section will be or is being implemented.
- 4.4 Accordingly, my evidence primarily concerns the basis upon which the EWRC is able to deliver, within a reasonable timescale, the implementation of the western section. But with a view to establishing a contextual relationship between the western section and the other two constituent parts, all three of the sections which comprise the EWR link are described in the next section of this evidence.

5 Eastern Section – Ipswich and Norwich to Cambridge

- 5.1 The railway east of Cambridge is extensively used by freight, and passenger services are provided under the Greater Anglia Franchise, operating as ONE (formerly Anglia Railways). However, until 2002, there were no direct passenger trains between Cambridge and Norwich.

¹ Campaign for Better Transport – 2010 Car Dependency Scorecard – published September 2010

- 5.2 A new hourly service was introduced in September 2002 after a successful joint bid by Anglia Railways and the EWRC to the Strategic Rail Authority, and the award of a £9.2 million grant from the Rail Passenger Partnership Fund. The service has proved to be a huge success with almost 600,000 journeys being made each year, with 44% of passengers having previously made their journeys by car. It has also facilitated journeys by rail for people who would not, prior to the introduction of this new service, have been able to make the journey at all. The service is going from strength to strength, and the number of journeys has increased by almost 20% in two years.
- 5.3 In December 2004, the train operator, ONE, introduced an hourly service from Ipswich to Cambridge to reflect the increasing strategic importance of this important rail corridor.

6 Central Section – Cambridge to Bedford

- 6.1 The section of route between Cambridge and Bedford includes the link between Sandy and Bedford. Within the overall scheme, this is the most difficult and costly part of the route to reinstate.
- 6.2 The line between Sandy and Bedford was closed in the 1960's and some of the land has been sold and developed for other uses. Many bridges have either been removed or are in a poor state of repair and the Bedford bypass severs the line. However, a number of route options have been identified and are currently under consideration by the EWRC for re-establishing rail links between Sandy and Bedford.
- 6.3 Following public consultation in 1998, the EWRC, Bedfordshire County Council and Bedford Borough Council established a route that would use existing infrastructure from Cambridge to Hitchin via Letchworth. A new curve would be built to give a connection with the East Coast Main Line ('ECML') towards Sandy. A public inquiry which examined the case for creating a new link (known as the Hitchin Flyover) between the ECML and Cambridge has recently concluded. Included within the plans for the Hitchin Flyover, Network Rail has made passive provision for the central section of EWR to link into ECML.
- 6.4 In November 2000, the EWRC advertised in the Official Journal of the European Communities for an investment partner to take forward further development of the rail link. Skanska Construction was appointed in March 2001 to review the route and put forward proposals that could be taken through the Transport & Works Act process. Along with detailed traffic and demand modelling, an initial business case was published.
- 6.5 In parallel with the more advanced work on the western section, the EWRC has been continuing to review a number of alternative routes and currently work is under way to re-establish definitive routes between Bedford - Sandy - Cambridge, with additional options for introducing a link and interchange with the ECML.

7 Western Section – Bedford to Oxford

- 7.1 It is the western section of EWR which is the particular matter of interest to this Inquiry. The Order scheme and the western section of EWR have been designed to be compatible with each other. The Order Scheme works make specific provision for all of the key physical works needed for EWR services between Oxford and Bicester, as stated in Allan Dare's evidence CRCL/P/2/A paragraph 2.1.2. This is further described within the Memorandum of Understanding ('MOU') agreed between the parties in June 2009 (**CD/2.6**).

- 7.2 The western section Bedford to Oxford has been assessed independently of both the Chiltern Railways' Order Scheme and the other component parts (central and eastern) of the EWR link; and the EWRC has demonstrated an exceptional business case for the section with a benefit to cost ratio ('BCR') of 6.3:1.
- 7.3 Development of the western section began in earnest in December 2003 when the EWRC completed an initial feasibility study and produced a Consolidated Business Case. The EWRC has continued to develop the western section following Network Rail's eight stage investment approval process.
- 7.4 Network Rail has developed an approach to managing investment schemes which is set out in the Guide to Railway Investment Projects ('GRIP'). The EWRC has maintained compliance with this approach, which is based upon best practice within Network Rail and other industries that undertake major infrastructure projects as well as best practice recommended by major professional bodies including the Office of Government Commerce, and the Association of Project Management. It covers the investment lifecycle from inception through to the post-implementation realisation of benefits. This investment lifecycle is set out below:
- 7.5 Key stages in the investment lifecycle (GRIP Stages):
1. Output definition
 2. Pre-feasibility
 3. Option selection
 4. Single option selection
 5. Detailed design
 6. Construction test & commission
 7. Scheme hand back
 8. Project close out
- 7.6 Further studies were completed during 2005 to 2007 and in February 2008 a GRIP Stage 3 optioneering report for the western section was completed. The results of this work led to the successful completion of an outline design (GRIP Stage 4 in Network Rail's eight-staged investment approval process) enabled via a grant from the DCLG and Growth Area Funding from four of the local planning authorities along the route, namely, Oxford City Council, Aylesbury Vale District Council, Milton Keynes Council and Bedford Borough Council. Total funding for the GRIP Stage 4 work amounted to £2 million.
- 7.7 The development of the western section of the EWR link has therefore progressed through the GRIP stages according to the following timeline:
- | | |
|--------------------------------|--------------|
| GRIP 1 Output Definition | 2003 |
| GRIP 2 Pre-feasibility | 2005 to 2007 |
| GRIP 3 Option Selection | 2008 |
| GRIP 4 Single option selection | 2010 |
- 7.8 The GRIP 4 work, which was completed in June 2010, was delivered in two parts; firstly the outline design and capital cost estimate, which includes drawings and technical specifications of the necessary railway infrastructure, such as trackwork, signalling, telecommunications, stations and the like; and secondly, a draft Outline Business Case (OBC) report has also been completed. (East West Rail GRIP 4 Outline Business Case Final Report/Non Technical Summary **CD 2.19**)

7.9 The scope of the OBC work has incorporated an evaluation of a wider series of train services, that is intended not only to support the objectives of EWR but also to determine whether additional and wider benefits may accrue as a result of, for instance, extending the Oxford to Milton Keynes train service to Reading and extending the Milton Keynes to Aylesbury train service through to Princes Risborough, High Wycombe and on to London Marylebone. These routes are shown in Figure 1 below. From Figure 1 it can be seen that the Order Scheme (which form part of Chiltern Railway’s wider Evergreen 3 project), whilst developed separately to EWR, usefully includes works that will provide a critical and significant stepping stone upon which EWR will be able to build and integrate with during the delivery of the western section².

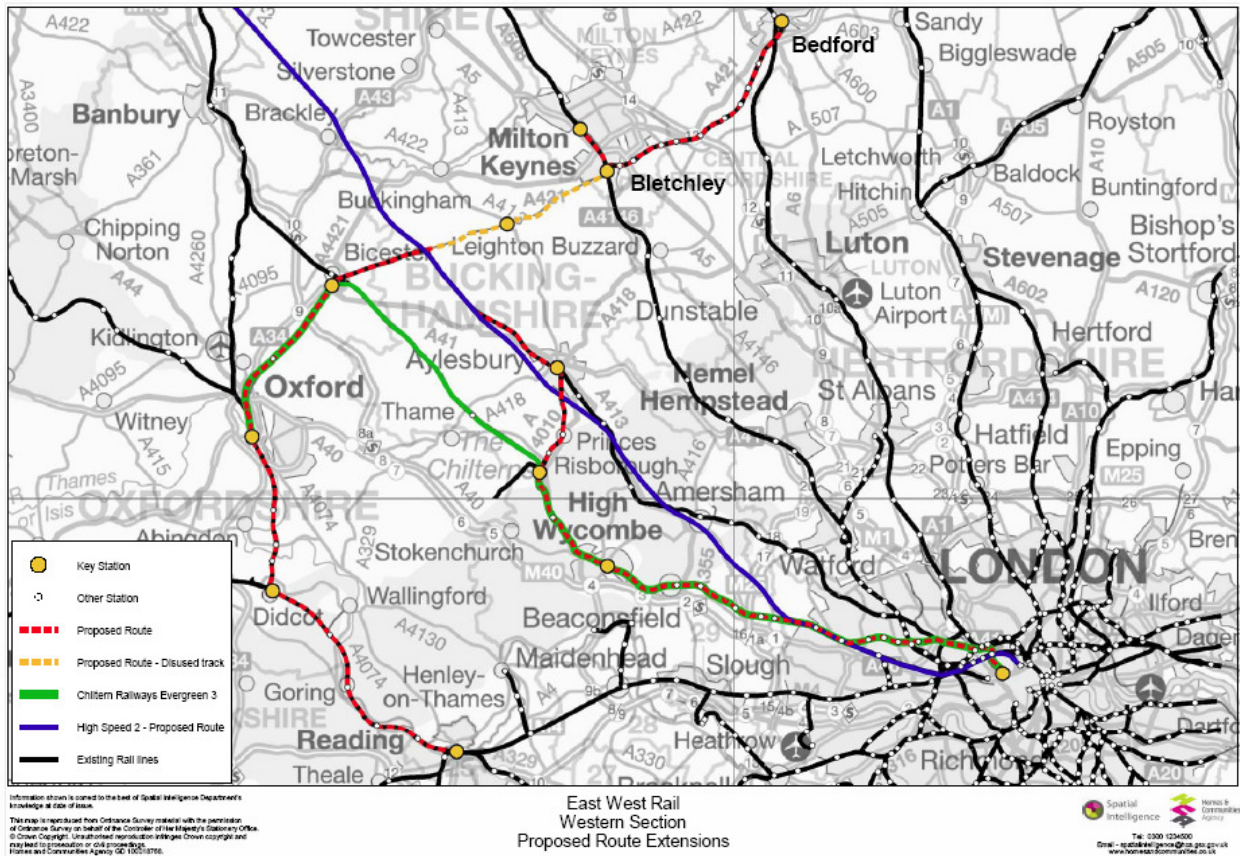


Figure 1 – Proposed East West Rail – Western Section Train Routes

7.10 The OBC assessed the BCR for the scheme shown in Figure 1 which demonstrates that the western section of EWR link presents a very strong, robust and viable business case, with a benefit to cost (BCR) ratio of 6.3 to 1. A BCR of this order is exceptional for new railway schemes. This has led the EWRC to vigorously pursue the next steps toward full implementation.

7.11 The approach adopted by the EWRC’s consultant in modelling the demand and forecasting within the OBC is consistent with the modelling work included within the economic appraisal evidence (**CRCL/P/5/A**) submitted by Chiltern Railways.

² The relevant works are referred to as Phase 2B in Chiltern Railway’s Environmental Statement and other documents

7.12 The modelling has included the use of:

- MOIRA - for assessing the impacts of the scheme on flows where changes in generalised journey times (GJT) are relatively small;
- Gravity Model – for forecasting impacts of the schemes on flows where GJT changes are likely to be substantially large;
- Trip rate model – for forecasting demand from new stations;
- A combination of the above providing a snapshot of demand, which is then projected for future levels; and
- Appraisal model – which takes key outputs from the above forecasting models and generates WebTag (DfT’s appraisal guidance) compliant appraisal outputs.

8 Purpose of the Western Section

8.1 The western section of the EWR link between Oxford and Bedford creates a number of passenger and freight opportunities. Specifically the EWRC considers that the reinstatement of the disused section of railway between Claydon and Bletchley will:

- provide a strategic east-west connection between the radial routes out of London facilitating journeys without the need to interchange through London;
- inter-connect by rail important growth areas in Didcot, Oxford, Milton Keynes, Aylesbury and Bedford and support balanced growth of houses and jobs;
- provide flexibility in the rail network and alternative diversion routes, including potential relief to the most congested southern sections of the radial routes out of London and local connections;
- provide a real and sustainable transport alternative to the use of the trunk road network in the area where there is no high capacity road network linking the key centres of Milton Keynes, Bicester, Aylesbury and Oxford.

8.2 The EWR link scheme analysis shows benefits for rail users, travelling to and from work, for leisure or on business, and thereby generates rail journey time savings. In addition, it significantly benefits road users through decongestion, as new rail passengers are diverted from car-based travel.

8.3 The OBC assesses the benefits associated with modal switch, such as savings on road infrastructure expenditure (from fewer cars using the roads), the reduction of accidents (as rail is a safer mode than car), reduced air pollution and reduced carbon emissions and noise (as rail is less polluting and quieter than car traffic). In particular, road users (both car and inter-city bus) will derive considerable benefits in journey time savings (see p.11 of **CD 2.19**). For instance, a journey by car from Oxford to Milton Keynes can take between 70 and 90 minutes, whereas by EWR train it will take only 40 minutes.

8.4 The indicative analysis that has been undertaken shows that the western Section of EWR could contribute benefits to business from agglomeration and output improvements. This translates into indicative additional economic growth benefits which could be delivered by EWR. In addition, EWR has the potential to generate very significant development and land/property uplift and release values that cannot, at present, be precisely quantified as they will be determined by prevailing market conditions.

9 Longer Term Opportunities

- 9.1 The western section of the EWR route will be part of the wider national rail network in that its implementation will provide for new railway services and some new railway track on the national network. It will thus be available to other passenger and freight train operators, with access governed by Network Rail and the Office of Rail Regulation acting in the public interest.
- 9.2 Thus, the western section, when implemented, will provide a route that future demand from other operators may take up and it is conceivable that the route could be used for some cross-country passenger services; there are, however, no current plans for these and they are not included in the EWR OBC.
- 9.3 Likewise, the EWRC is not specifically promoting the use of the EWR route for freight, and the OBC does not include any measure of the socio-economic benefits that might accrue from freight operations.
- 9.4 The DfT has published plans for a Strategic Rail Freight Network ('SRFN'), which sets out the DfT's thinking for the longer-term development of the rail freight network beyond 2014, and for improving the efficiency of freight train operations. The SRFN proposals include the re-opening of the East West Rail route between Oxford and Bletchley, and the conversion of key freight routes to W12 loading gauge (i.e. allowing the passage of international-standard 9'6" high shipping containers). Should the EWR route be developed for freight, the most likely potential traffic is believed to be container trains between the Solent ports and the Midlands and the North of England.
- 9.5 The Order Scheme's Phase 2B track and signalling layout are therefore "future-proofed" to include sufficient capacity for one freight train path each way per hour. However, as noted in [paragraph 9.4.2] of Alan Dare's evidence (**CRCL/P/2/A**), should the route be used for freight, the number of trains run on any given day is likely to be substantially less than the number of paths available.

10 Relationship with Chiltern Railways Order Scheme

- 10.1 Since the inception of Chiltern Railways Order Scheme the EWRC has been working closely with Chiltern Railways regarding the technical interfaces between the EWR western section and the Order Scheme between Oxford and Bicester. This manifested itself in the signing in 2009 of a MOU (**CD/2.6**) between the parties which aimed to ensure that the two schemes are complementary, and to avoid any unnecessary waste or duplication of works.
- 10.2 The delivery of the Order Scheme project by Chiltern Railways provides significant cost benefits (estimated at c. £100 million) to EWR in that a substantial proportion of the railway infrastructure, necessary for the running of EWR trains between Oxford and Bicester, is being delivered by Chiltern Railways; this includes all of the key physical works needed for EWR trains services to operate on this part of the western section..
- 10.3 Following completion of Chiltern Railways' Order Scheme works there will be areas of track infrastructure that will require upgrading from single track to double track to enable the operation of EWR trains as part of the subsequent implementation of the western section of the link. Reflected within the OBC published in June 2010 by the EWRC, works to be implemented as part of EWR 'preferred scheme' as described in the EWR Non Technical

Summary (CD/2.19 – page 10 Table NTS.1) include double tracking of most of the BIOX section; but there will remain sections of single track within Wolvercot tunnel and a short length either side of the Ministry of Defence ('MOD') Bicester military depot.

10.4 Subsequent to the publication of the OBC the EWRC undertook further consultation with DfT and Network Rail. Particular consideration was given to the level of performance risk to EWR train services related to the sections of single line running. It was concluded that whilst the performance risk might have been acceptable in a scenario where only local train services with relatively short journey times were operating i.e. Oxford to Milton Keynes or Oxford to Bedford, the extension of the service to Didcot and Reading introduced additional and unacceptable risks to performance due to the increased length of railway on which trains will be operating.

10.5 The EWRC has therefore chosen to include in its final scheme to be taken forward a complete double tracked railway throughout from Oxford to Bedford. The complete railway infrastructure required for this scheme is shown in Figure 2.

10.6 The final scheme conforms to the scope of works and powers sought by the Chiltern Railways Order Scheme. It further conforms to the powers sought for provision of alterations to the A41 road bridge and a 3rd track freight loop to the MOD Bicester military depot, necessary to maintain existing train operations at the military site.

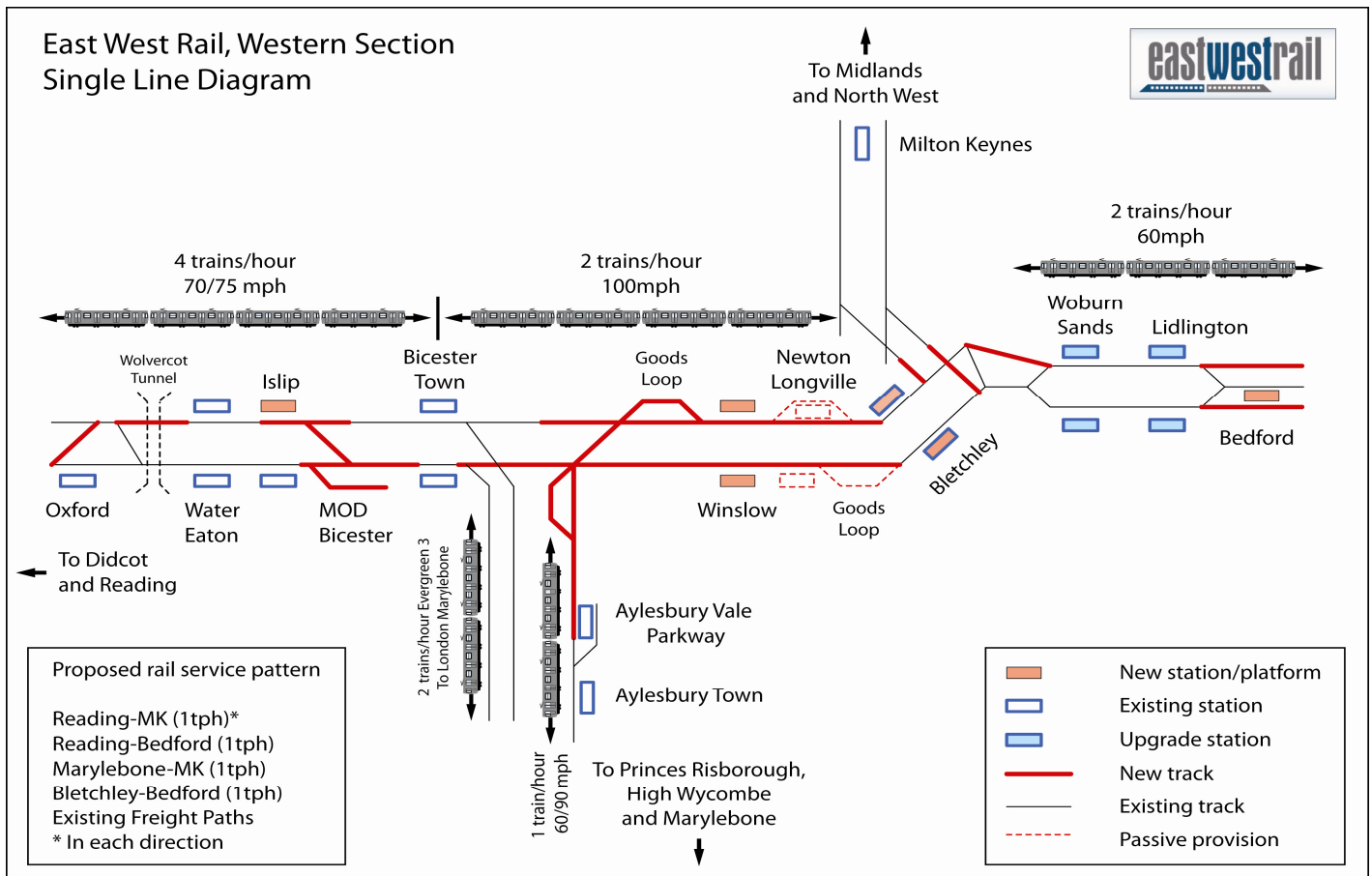


Figure 2 – Single Line Diagram - Railway Infrastructure for Final Scheme

11 Programme Delivery

- 11.1 EWRC is now progressing with two essential strategies in parallel with each other. The first is to secure the funding for the implementation of the capital scheme for the western section which is outlined in Section 12. The second is to select a suitable partner or partners who will deliver the new railway which is briefly outlined in Section 13.
- 11.2 EWRC's target for completion of the implementation phase and for the start of train services is 2017. This is based on the premise that the scheme will be included in the DfT's next long term programme for rail investment, known as the High Level Output Specification (HLOS) for the period 2014-2019.
- 11.3 Prior to the election of the coalition government in May 2010, EWRC had agreed at a meeting with the then Secretary of State for Transport (Lord Andrew Adonis), who was personally a strong supporter of EWR, a likely package of suitable funding sources. In addition to the funding within HLOS, it was agreed that EWRC should seek to acquire private sector funding from new housing developments, the scale of which could be determined from the then proposed Regional Spatial Strategies (RSS) and regional plans. Further regional funding would be sourced from the South East and East of England regional authorities, via Regional Funding Allocations (RFA) targeted at transport infrastructure. EWR had been identified as a priority transport infrastructure project by the South East England Transport Partnership Board.
- 11.4 After the election and with the appointment of the new coalition government, the Secretary of State for DCLG announced the abolition of the RSS and regional government agencies. Since then EWRC has undertaken a review of funding opportunities and EWRC has concluded that there remains still a number of potential funding options. Funding through HLOS continues to be seen as the primary source. With regard to private sector contributions, more clarity regarding future housing development is now emerging, following the proposals by the coalition government to drive the biggest house building programme in recent times by offering councils cash incentives to create new homes.
- 11.5 Within the South East and East of England the demand for new houses projected for each region by 2031 was 978,000 and 840,000 respectively.³ Whilst this is a projection from the previous administration, given the new government's determination to create new housing, it can be reasonably assumed that these projections remain realistic. Thus the strategy for acquiring private sector developer contributions toward the capital cost of EWR remains unchanged. The implications to EWRC's funding strategy as a result of the loss of RFA's is discussed in Section 12 under the heading Local Enterprise Partnerships (LEP).
- 11.6 EWRC is, accordingly, embarking on the preparation of a programme entry application for submission to the DfT to seek the majority of the capital funding of EWR through the (HLOS) programme for the period 2014-2019. In addition to HLOS a variety of funding choices are available to EWRC Consortium and the full range of funding opportunities that will be pursued is described below.

³ SOURCE: Department for Communities and Local Government Housing Projections to 2031 (March 11, 2009)

12 Funding Choices

Department for Transport HLOS 2014 – 2019

- 12.1 As noted in paragraph 11.6 a primary objective of EWRC is to submit a programme entry application to the DfT HLOS programme. The inclusion of EWR western section within HLOS is clearly yet to be determined. However EWRC is encouraged by the inclusion of a substantial funding contribution by DfT (for the Phase 2A works not required by the Order Scheme that ensures the 'future proofing of the east west route' for national rail network strategic objectives.

Private Sector Developer Contributions

- 12.2 At an earlier stage in the EWR project development it was assumed that most if not all of the capital cost could be met via s.106/tariff arrangements applied to residential and commercial developments (often referred to as a roof tax or standard charge). The recent down turn in the economy has led EWRC to consider alternative funding sources (public and private). The abolition of the RSS and the demise of regional plans and agencies initially introduced a level of uncertainty regarding forecast growth in housing numbers. Nevertheless there is clear evidence that the coalition Government supports the drive for more housing and it can be assumed that housing growth will still take place (see paragraph 11.4), albeit at locations and numbers yet to be determined. EWRC will be co-ordinating this funding opportunity with the appropriate planning authorities along the route of the western section of EWR.

Regulated Asset Base (RAB) Funding

- 12.3 This is a similar method to that used by Chiltern Railways for delivery of the Order Scheme. The capital cost is met by Network Rail borrowing requirements and is paid back by increased track access charges. The OBC is forecasting a positive revenue return (i.e. forecast revenue exceeds forecast operating costs). Revenue can therefore be used to pay back the investment either to the RAB or if necessary an alternative funding agency.

Local Enterprise Partnerships

- 12.4 Prior to the recent abolition of the RSS (and the regional agencies), East West Rail had been identified as a regional investment priority by the South East Regional Transport Board, in support of the South East Plan and the Regional Economic Strategy (RES). The RES considered that EWR would also deliver benefits to the wider railway network, which are recognised by the Network Rail and the DfT.
- 12.5 With the removal of regional funding arrangements a number of Local Enterprise Partnerships are now in the process of being established to provide the necessary strategic functions that will no longer be available from the Regional Assembly Transport Boards and Development Agencies. These include:
- Planning;
 - Prioritisation of Transport Infrastructure;
 - Business Support;
 - Improvement in Skills

- 12.6 EWR western section is promoted as a key piece of enabling infrastructure within all three geographically relevant LEP's; namely Oxfordshire, Thames Valley Buckinghamshire and South East Midlands. These LEP's offer a primary enabling route for the acquisition of the necessary development funding and in contributing towards funding of the capital scheme.
- 12.7 In total these elements that make up the different sources of funding that are likely to provide for the necessary funding for delivery of the western section of EWR by 2017.

13 Delivery Partnerships

- 13.1 In parallel with the programme entry application and final determination of the funding choices, EWRC will also be selecting a preferred method of programme delivery. This is being explored with both the DfT. The primary choices are between the:
- establishment of a legal entity formed of local authorities within the footprint of EWR to promote and enable project implementation;
 - establishment of a delivery partner (one or a combination of Train Operator, Network Rail, Department for Transport) to implement the scheme.
- 13.2 EWRC will also begin planning for the likely requirement for a Transport and Works Act Order application.

14 Conclusions

- 14.1 EWRC has established a strong business case for the implementation of the western section of the EWR link which provides grounds for there being a reasonable prospect of the scheme being funded and delivered within the timeframe to 2017.
- 14.2 EWRC has worked closely with Chiltern Railways to ensure their respective schemes are fully co-ordinated and complementary with each other.
- 14.3 The Chiltern Railways' Order Scheme makes necessary provision between Oxford and Bicester in terms of land, track capacity and works for EWR western section railway infrastructure and the operation of future train services.
- 14.4 EWRC is now actively progressing with the necessary works to obtain funding approval and with the development planning which will deliver the western section of EWR by 2017.