
TAVISTOCK TO BERE ALSTON



 **KILBRIDE** | COMMUNITY RAIL

Updated Position Statement
Tavistock to Bere Alston Community Rail Proposals
December 2010

www.kilbridegroup.com/tavistock

Introduction

The following sections provide an updated summary of progress in relation to the Tavistock to Bere Alston Community Rail Project and an explanation of the documents that have been provided by Kilbride as part of WDBC's latest consultation process in December 2010. This should be read alongside all other Kilbride submissions.

Previous work and Adopted Local Plan Aspirations

The reopening the rail line has been a long held aspiration of West Devon Borough Council (WDBC) and Devon County Council (DCC) although until now has not been progressed. Whilst the WDBC adopted Local Plan recognised the potential to reopen the line and provide a new station as part of the T6/H9 allocations the proposals had not been fully explored. The project requires the ability to bring together rail, planning, funding and property expertise, which had not been possible previously.

About Kilbride

Kilbride Community Rail Ltd is a part of the Kilbride Group, specialist rail infrastructure developers. The Group has considerable experience in developing rail assets in the UK, including rail freight terminal facilities for Jaguar, Land Rover, BMW and other leading UK manufacturers. The Kilbride team has received national awards from the Institute of Logistics and the Rail industry for delivering these rail schemes on time and on budget. The website www.kilbridegroup.com provides more examples of successful rail projects.

Work to date

Since the start of their involvement in 2007 Kilbride Community Rail have worked collaboratively with WDBC and DCC to establish a way forward. Regular monthly meetings with key stakeholders from the Borough and County Authorities have been held since 2007 with particular emphasis on the joint working relationship with DCC who now own a large proportion of the line.

At a strategic level Kilbride have also secured industry and cross party political support towards their proposals for rail projects:


- The Liberal Democrat Party supports the re-opening of the Bere Alston to Tavistock branch as stated in their Transport paper prior to the 2010 General Election.
- Kilbride held a launch at Westminster for the principle of expanding Community Rail policy to cover line re-openings in support of proposed development and regeneration, which received cross party support and was sponsored by Stephen Hammond MP (Conservatives) John Pugh MP (Liberal Democrats) and Dr Phyllis Starkey MP (Labour), and at which the Secretary of State for Transport, Tom Harris MP made the main speech.
- The Association of Train Operators (ATOC) included the Bere Alston to Tavistock reinstatement in their proposed list of line re-openings in their document "Connecting Communities" in 2009.

In order to assess the feasibility of the Bere Alston to Tavistock proposals the following reports have already been commissioned to identify the capital and revenue costs as well as the practical process of bringing the service back into use:

- Structural survey of the Structures, Embankments and Cuttings and specification for reinstatement of the line. – White Young Green (September 2008). A copy has been provided to WDBC. This report sets out the technical specification for the reinstatement of the line.
- Contractors Reports from industry leading rail contractors confirming the likely capital cost of reinstating the rail line (September 2008 and updated October 2010). The specification set out by WYG was supplied to two leading rail contractors, Carillion and Birse, in order to obtain confirmation from them of the likely cost of reinstating the rail line. A copy of the Birse Bills of Quantities is attached in this document as an appendix,

giving a breakdown of the materials and costs involved in reinstating the rail line.

- Also attached as an appendix in this report is the WYG mine workings desktop report August 2008, which assesses all potential mine workings, although only one of these is relevant to the proposed works and has been taken into account by the contractors. The contractors envisaged that the final engineering solution for dealing with the mine working will be a reinforced slab over the affected area.
- A further report from WYG named the Geotechnical Walkover August 2008 is also included in the appendix. This outlines the nature of the embankments and cuttings along the line. Discussions on the likely treatment of the embankments and cuttings has progressed since the report was written and a variety of options for dealing with these structures has been identified.
- The contractors costs of £13.2m were verified firstly in 2008 and again in October 2010. Extract from Birse letter:



Our Ref: DJ/se

18 October 2010

Mr John Broomfield
Technical Director
Kilbride Group Limited
Lutidine House
Newark Lane
Ripley, Surrey
GU23 6BS

Dear John,

Bere Alston to Tavistock.

Following recent meetings regarding the above I can confirm that the outline budget for the reinstatement of the above line will be as per the information in the attached document, i.e. in the order of £13.20m subject to Network Rail GRIP process and full SI. This has been based upon a pragmatic assessment of the information contained within the White Young Green report, our own experience of working on schemes of this nature, a review of possible savings and a site inspection.

***Birse Civils Limited
Western Region***

Stonehouse Business Park
Sperry Way
Stonehouse
Gloucestershire
GL10 3UT

Tel 01453 824561
Fax 01453 825439
western@birse.co.uk

www.birsecl.co.uk

- A passenger rail demand study by industry leading consultants (including assessment of capital cost) – Jacobs was undertaken in December 2008 and updated in October 2010. A copy of the October 2010 report has been provided to WDBC. This report sets out the estimated cost of operating a new service from Tavistock and identifies the revenue support that will be needed. The assumptions behind the passenger demand forecasts for the new service are set out in some detail by Jacobs who have followed the Department for Transport's Passenger Demand Forecasting Handbook V5 and sets out the DfT 60 year case. This report demonstrates the common ground with DCC's A386 report, which looks at the longer term view in 2026.
- Discussions have been held with the current franchise operator, First Great Western, to ensure the proposals being put forward conformed to wider timetable requirements, staff shift patterns and cost bases. FGW provided a considerable amount of support to ensure the cost base used by Kilbride to assess the service were up to date and reliable.
- Passenger survey data has been obtained from Devon and Cornwall Rail Partnership, FGW, DfT and other sources to build up a reliable picture of the existing operations on the Tamar Valley Rail line.

Due to the strategic importance of the rail proposals Kilbride have worked closely with WDBC during the evolution of the draft Core Strategy. The existing T6/H9 allocations contained within the Adopted Local Plan and the proposals contained within the Core Strategy in relation to Tavistock clearly have a mutually beneficial relationship if delivery of the rail proposals is to be realised.

In order to demonstrate that a housing allocation in association with the rail proposals was deliverable Kilbride prepared the Evidence of Deliverability Document (February 2009) to identify likely constraints and set out key factors in relation to the proposals. Public consultation was also undertaken, the details of which were summarised in a Statement of Community Involvement document (August 2008). Copies of this document were made available to WDBC and were publicly available via the Kilbride website.

The Current Situation

1. Demand Forecasting

Two separate studies have concentrated on the proposed train service particularly in the early years, likely passenger demand levels and costs of running the proposed services. The studies also took an independent view of the likely reinstatement costs. The level of passenger demand for the early years in particular was identified, using similar trip rates and data sources to Devon County Council's own assessments, included in their report which considered the positive impact to congestion on the A386.

The reports considered the early years of the rail service to ensure the worst case financial position of the rail was fed into the viability assessments. However, the timetable can be adjusted and rolling stock added to ensure a suitable service can be provided based on greater demand.

A draft timetable has been prepared, which sets out the type of service that can be provided. The timetable has been widely publicised in local newspapers and mail shots and a considerable number of comments have been received. The proposed service will be updated to incorporate as many suggestions as possible during the application stage for the TWAO.

2. Joint working and Land Ownership

Kilbride has worked closely with DCC and WDBC to advance the rail proposals. A joint steering group was established at the outset to ensure local input into the services being proposed and the reinstatement process. The steering group has met regularly every 6 to 10 weeks since 2007 and worked closely together to ensure the first section of the rail line was purchased from British Rail Board (Residuary). Further agreements have also been obtained with other landowners. It is hoped that voluntary agreements will be obtained with as many of the remaining landowners as possible, but failing this CPO powers can be applied for under the TWAO process.

3. Further environmental studies

Kilbride has carried out further environmental studies during the summer of 2010 to update its evidence base for the residential site. These will be fed into the pre-application process.

4. Rail Operator

Discussions have been held with First Great Western (FGW) on their willingness to support the proposed service. FGW has confirmed publicly that they do support the project, and have been invaluable in putting together the costs and forecasts for the proposed service. There is agreement that the new service will utilise existing rolling stock and other resources currently being used on the Tamar Valley line.

5. Franchise Arrangements

The current franchise agreement between the Department for Transport and FGW runs until 2013 with an optional extension of 3 years to 2016. If the reinstatement project is successful the intention is for the new service to be run as an extension of the current franchise arrangements and the additional service to be included in the new franchise currently planned to start in 2017. Contractual arrangements will be regulated by the Office of Rail Regulators and the overall process will be laid out in detail in the TWAO application.

6. Funding and Viability

Kilbride has carried out its own viability assessment using Jackson-Stops commercial advice and Belvedere Vantage's appraisal work. WDBC has also carried out its own independent viability appraisal.

Our assessment of the market is that there is good local demand for the forecast housing units based on local commercial advice from Jackson-Stops and that market values are currently in the region of £220 per square metre.

The construction and development costs for the site have been assessed by Levvels independently in their report for WDBC and so Kilbride do not propose to set these out again in this document, however, a key figure in their appraisal is the cost of the rail project. Kilbride recognise that it is necessary to set out as clearly as possible how this figure has been arrived at, as set out below.

Based on Kilbride's detailed appraisals the total cost of the rail project is estimated at £18.5m, which is broken down as follows:-

Construction costs (Birser)		13,200,000
Surveys		80,000
Legal and Network Rail Agreements		450,000
Project Management & QS, Legals and CDM	2.5%	860,000
Contingency on fees	5%	<u>43,000</u>
		<u>903,000</u>
		14,103,000
Land compensation		750,000
Professional fees (construction)	8%	1,128,240
Rail Operating Subsidy (2 years capped)		1,200,000
TWAO application		650,000
Station (and rounding)		<u>918,760</u>
	£	<u>18,500,000</u>

Kilbride will support the service in its first three years to ensure that the necessary level of early year subsidy is available, in line with the forecasts prepared by Jacobs. After this start up period the service is expected to become part of the prevailing franchise arrangements. The passenger demand study has taken a cautious view of likely demand based on the latest DfT Passenger Demand Forecasting Handbook (PDFH) methodology. The Demand study demonstrates a Benefit Cost Ratio (BCR) of 3.7, which comfortably exceeds the 1.5 rating needed for DfT consideration, and is considered to be a high benefit cost ratio. The PDFH methods used to assess previous line re-openings generally underestimated the actual passenger demand achieved, but at this stage this cautious approach is considered appropriate.

7. Use of the Line

The forecasts prepared by Jacobs identify an initial patronage of approximately 130,000 passenger trips per annum in the early years while the service is being developed. It assumes that the service frequency will be as per the enclosed timetable, i.e. one train at peak time travel from each of Tavistock and Gunnislake. This will provide a substantial boost to the current Tamar Valley line, which has prospered in recent years. As a result of the operational and marketing efforts of FGW and the Devon and Cornwall Rail Partnership, the service in 2009 saw an increase in passenger numbers of 12%. If the passenger numbers develop as per the forecasts by DCC in their report on the A386, there is sufficient capacity to cater for the additional traffic. Trip rates used by DCC in their assumptions are similar to that used by Jacobs ensuring there is consistency in the assumptions used.

8. Anticipated Service

The service level identified by Jacobs in the draft timetable provides one train in a peak hour to each of Gunnislake and Tavistock, which the forecasts have identified as the appropriate level of service in the early years. It is necessary to build up the patronage of rail services over time to demonstrate reliability and generate regular users. In time the patronage would be expected to increase as additional services are provided and as travel patterns and habits are influenced by the new service.

Indeed, the passenger numbers forecast in DCC's A386 report anticipate that there will be substantial growth in service from when the service begins, and this is supported by examples around the country such as Ebbw Vale, where the passenger numbers for the first year exceeded the forecast for the first 5 years of service. This experience has been mirrored by the Stirling Alloa re-opening. It is anticipated that in order to accommodate the potential demand in future years, some service changes to our first proposal may be required, details of which will be worked out in future years. For example, these could consist of providing additional carriages on the Tavistock line - provision of four carriages would provide for 300 passengers. This would be sufficient to provide for the anticipated peak hour demand according to the DCC A386 report.

9. Timetable

A draft timetable has been created based on passenger surveys and demand forecasting and is enclosed. This draft will be modified prior to the service being implemented to reflect some of the very practical comments Kilbride has received from local residents. The draft is intended to demonstrate that a viable service can be created on the available budget and that further improvements can be made.

Mechanism for delivery

1. The TWAO process

It is necessary to obtain approval from the Secretary of State for permission to reinstate the rail line and grant powers to operate the line, through a Transport and Works Act Order (TWAO). The application process involves public consultation culminating in an application that will be considered by an inspector, who would most probably hold a public inquiry locally to review the case. Planning permission can be granted as part of the TWAO as well as CPO powers if these are needed.

2. Phased residential development to fund the TWAO

The costs of reinstating the rail line include the costs of the TWAO application, design costs, construction costs and early year subsidy for the service will be funded by the associated residential development in Tavistock. It will be necessary to build up a fund to cover all these costs to be able to carry out the project, in time for the various phases of the process.

The intention therefore is to build up the "rail fund" as the value of the land is realised, ie when a plot of land is sold a proportion of the rail fund is set aside. This can be regulated by a legal agreement between the developer and WDBC attached to the residential planning permission.

As soon as the first phase of land is sold it will be possible to set up the first part of the fund which would be sufficient to cover the costs of the TWAO application and early design work. The second part of the rail fund will then need to cover all the remaining reinstatement costs in order for the construction process to start. It is expected that the value in the land will be realised within a three to five year period, enabling the rail project to have certainty that the full fund is available.

Timescales

The following timescales are currently anticipated in relation to the planning and delivery of the rail proposals, with the process estimated to start in 2011.

- Preparation of TWAO - 14 months
- DfT review - 4 months
- Public enquiry - 2 weeks plus notice of 3 months
- Decision - 4 months
- Exercising of CPO powers - 3 months TOTAL 28 months
- Construction: Estimated at 9-12 months

The above timescales will be phased in association with delivery of the adjacent residential development.