

**The Network Rail
(East West Rail Bicester to Bedford Improvements) Order**

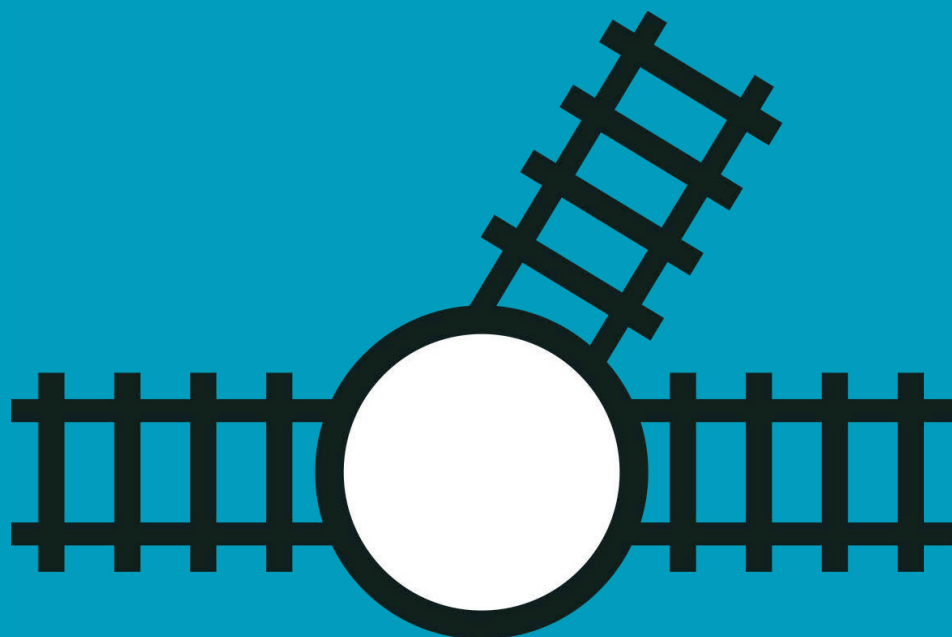
Transport and Works Act 1992

The Transport and Works
(Applications and Objections Procedure)
(England and Wales) Rules 2006

Funding Statement

Rule 10(3)(a)

July 2018





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DEPARTMENT FOR TRANSPORT

JULY 2018

TRANSPORT AND WORKS ACT 1992

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

**THE NETWORK RAIL (EAST WEST RAIL BICESTER TO BEDFORD IMPROVEMENTS)
ORDER**

FUNDING STATEMENT

Rule 10(3)(a)



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1. The costs of implementing the works sought to be authorised through the proposed Network Rail (East West Rail Bicester to Bedford Improvements) Order, including the costs of acquiring land which is, or may be, blighted land within the meaning of section 149 of the Town and Country Planning Act, and undertaking associated work such as environmental mitigation as necessary, will be met from the funding envelopes for the East West Rail Western Section Phase 2 ("EWR2") project.
2. The Government has confirmed its funding for Network Rail to deliver EWR2, from Bicester to Bedford and Milton Keynes to Aylesbury as part of the Autumn 2017 Budget.
3. The project spans two railway investment periods: Control Period 5 (2014 to 2019) and Control Period 6 (2019 to 2024). The costs of implementing the works are £150.095m in Control Period 5 and £934.631m in Control Period 6. In addition to funds already available in Control Period 5, the Secretary of State for Transport has published a Statement of Funds available for Control Period 6. This provision is sufficient to deliver EWR2, provided it has the required consents and continues to be value for money.
4. The Department for Transport has confirmed the Government's commitment to EWR2 along with the allocation of funding subject to ongoing consideration to ensure the project delivers the best results for both rail users and taxpayers (see Annex 1).

Annex 1: DfT letter to Network Rail on Programme Funding Availability



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9 February 2018

Dear Martyn,

East West Rail Phase 2: Programme Funding Availability

Further to recent discussions, I am happy to provide Network Rail with confirmation of funding availability for the East West Rail Phase 2 (EWR) programme, to support the submission of Network Rail's Transport and Works Act Order.

The EWR programme spans two railway investment periods: Control Period 5 (CP5: 2014-2019) and Control Period 6 (CP6: 2019-2024). The funding requirement assumed for the EWR programme is £150.095m in CP5 and £934.631m in CP6.

As part of the Autumn 2017 Budget, the government re-confirmed its commitment to the programme, specifically, "The government confirms funding for Network Rail to deliver phase two of the western section of East West Rail, from Bicester to Bedford, and Milton Keynes to Princes Risborough, with the aim of the first passenger services to be running in 2023 and the project to be complete by 2024".

The current funding envelope for enhancements in CP5 has made provision for this programme. The Secretary of State for Transport has set out his priorities for the rail network for CP6 in a High Level Output Specification (HLOS) and on 12th October 2017, published a Statement of Funds Available (SoFA) for CP6. This SoFA makes some provision for the funding of enhancements. In his written ministerial statement, the Transport Secretary made clear that this funding is "to continue to take forward the enhancements

that were deferred from Control Period 5" – of which the EWR programme is one. This provision is sufficient to deliver the EWR programme, provided it has the required consents and continues to be value for money.

As the Transport Secretary made clear in this statement, "in line with the new process for enhancements, these schemes will continue to be subject to ongoing consideration to ensure they deliver the best results for both rail users and taxpayers". We are reframing the case for the EWR programme, following a significant cost challenge exercise in 2017 that saw changes to scope and a reduction in cost, whilst broadly maintaining the committed outputs. The emerging results demonstrate that the programme is key to the delivery of government's wider economic and housing aspirations for the Oxford – Cambridge corridor, and further work is anticipated to maximise the consideration of the wider economic benefits.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Nick Hester".

Nick Hester
EWR Programme Client

