

eastwestrail



**EAST WEST RAIL – WESTERN SECTION
Prospectus**

***Why this new railway link is essential
to drive growth in the economy of
England***

Introduction

East West Rail Consortium (EWRC) members are committed to promoting and facilitating economic growth, prosperity and new jobs.

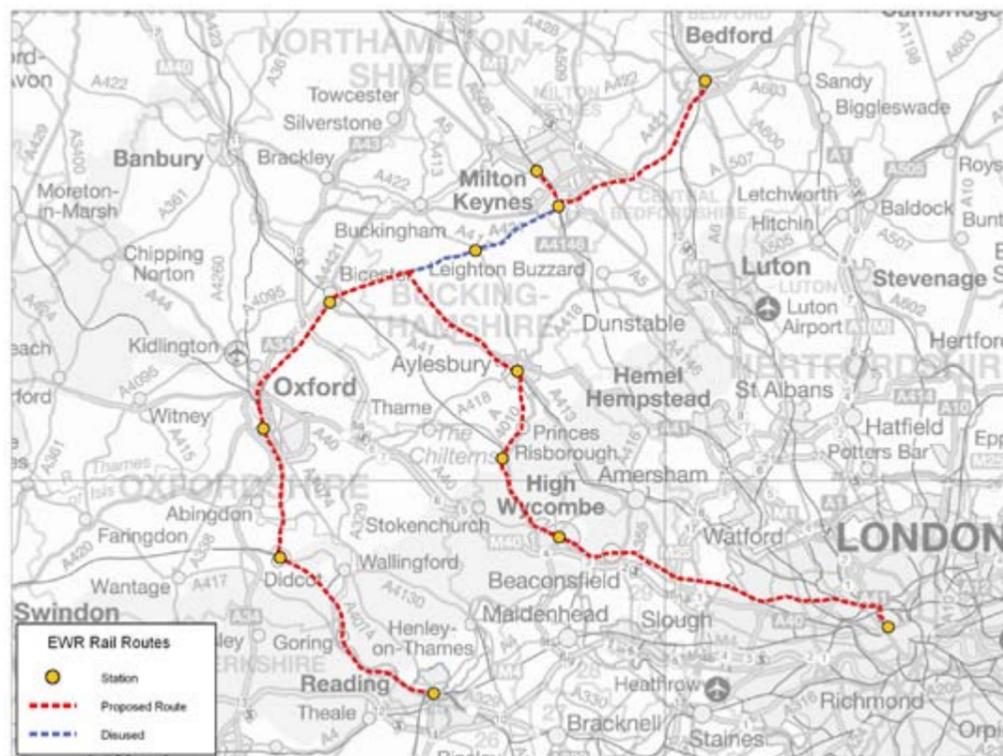
The re-opening of the railway line between Oxford and Cambridge represents a key strategic goal of the Consortium's commitment to realising the full potential of economic growth and attracting new jobs along the East West Rail (EWR) route. The Consortium has, as a priority, concentrated its resources on the western section of the route. The extent of the western section railway is illustrated below. The Consortium has delivered a complete outline design and technical specifications of the necessary new and upgraded railway infrastructure; in parallel with the technical work the Consortium has developed an outstanding business case that demonstrates an overwhelming case for the re-opening of the line.

EWR enjoys strong support from local politicians within the footprint of the western section as well as from local businesses with the Local Enterprise Partnerships (LEP) in the South East Midlands and Oxfordshire, together with Buckinghamshire Business First who are strong advocates for investment in this significant piece of public transport infrastructure.

Much of the route already exists, some has been recently upgraded and a substantial element of the route between Oxford and Bicester included in Chiltern Railways' Evergreen 3 project which is expected to be under construction during 2012. Platform 2A at Milton Keynes Station is a dedicated platform for EWR trains and was completed in 2008 as part of the West Coast Mainline improvements; thus much of the infrastructure required to operate EWR trains is already in place.

With the success gained on the technical front and having gained the support from local politicians and the LEP's, the Consortium is now building up wider support across Westminster to reinforce the strong credentials of the case for the reopening of the western section of East West Rail.

The Project



East West Rail Route Map

Why East West Rail?

The East West Rail project will lead to the restoration of a strategic transport corridor of national significance. It will link Reading and High Wycombe (and the rest of the Thames Valley) with Oxford, Bicester, Aylesbury, Milton Keynes, Bedford and beyond to Cambridge. In addition, the project will create significantly improved access, particularly for Aylesbury, removing the need to route north bound rail journeys through London

Re-establishing a high quality, fast and cost effective public transport corridor linking these centres of economic activity will remove the key barrier to realising our collective ambition to secure the economic potential of this area which is at the heart of England.

The transformational nature of the project requires strong public sector leadership. However, the opportunities it creates for rail operators to support substantial economic activity has secured significant support from the private sector. In addition the link is central to our ambition to secure new homes and new jobs in the medium to long term. This provides us with the opportunity to secure substantial contributions towards the cost of the project from the private sector.

The project will:

- ◇ Provide a strategic east-west route linking key centres of economic activity;
- ◇ Support local authorities' ambition for substantial economic growth based on the creation of new private sector jobs and the development of major areas of new housing
- ◇ Provide a connection between existing radial routes out of London facilitating journeys without the need to interchange through London.

The project has been driven forward by the East West Rail Consortium: a partnership of local authorities, rail operators and Network Rail. It has been developed in accordance with the rail industry's standard assessment of new projects and is supported by a Treasury compliant business case that has been prepared in close liaison with officials from the Department for Transport.

What East West Rail will do for business?

By supporting our ambition for economic growth over an extended period of time the project will make a substantial contribution towards securing private sector investment. That investment will result in new housing being built and new economic activity. It will enable the area to capitalise on its existing entrepreneurial base and support activity to secure inward investment particularly in high value added sectors related to the key industrial sectors of the future.

What East West Rail will do for housing, jobs and growth?

We share the coalition Government's commitment for the public sector to work more closely with the private sector in order to deliver economic growth.

The partners involved in supporting this project remain committed to delivering our long-term ambition to realise new jobs and new homes along the corridor served by the project. In order to realise this potential and remain globally competitive there is a need for continued investment in physical infrastructure: infrastructure that creates the conditions that encourage and enable the private sector to invest in the businesses of the future.

Ensuring we realise the opportunity to deliver long-term sustainable economic growth is at the heart of the proposals for Enterprise Partnerships that have been approved by the Government.

Economic activity along the corridor served by the project is already at the cutting edge of the UK's economy. Particular strengths lie in key growth sectors for the future: high value added science based R&D; precision engineering, including automotive engineering (particularly F1); pharmaceutical/life science R&D, including nationally acknowledged centres of research excellence; green technology and low carbon services and products.

Home to a strong community focused group of the country's leading entrepreneurs, the corridor has a long-standing reputation for the creation and spin-out of innovative, world-leading new technologies. Our strength lies in fostering the establishment of small companies; our challenge is continue to provide these with the support and facilities that enable them to grow organically whilst remaining based in the UK. In addition, with Oxford a world-class brand, we remain an area that is highly marketable and attractive to inward investors from across the world.

Key economic centres along the corridor, and which will be served by the project are:

- ◇ Reading – a vibrant and economically strong hub at the heart of the Thames Valley, investment in and around the railway station provides the opportunity to develop further its role as a focus for high value financial and service based sectors. With easy access to international markets, Reading remains an economic centre of national significance;

- ◇ Science Vale UK – home to the Harwell Science and Innovation Campus the UK's world-class centre for science, innovation and enterprise; the European Space Agency Centre; the Culham Centre for Fusion Energy and the world's largest fusion experimental facility; Milton Park, the largest business park in the UK outside of London. Science Vale UK is at the heart of a network of science based R&D facilities that are world-leading and which supports activity across the UK;

- ◇ Oxford – a world-class centre of education, research and innovation: one that excels at the transfer of knowledge out of academia and research centres into the businesses of tomorrow. The West End regeneration proposals form the basis of one of the largest development opportunities in the South East, with the potential for substantial increase in the retail offer acting as a catalyst for further economic growth;

- ◇ Eco-Bicester – one of only four 'eco-towns', one where the ambition is to create an international exemplar of sustainable development;

- ◇ Milton Keynes – one of the fastest growing cities in the UK, with ambitious plans for development that will see it become the 8th biggest city in the country. A key financial and business sector, that continues to attract substantial investment as a result of its vocational benefits.

- ◇ Bedford - developing one of the world's biggest scientific indoor aquarium and research facilities. This global city is at the very heart of the region, surrounded by hotspots of growth and new opportunities. Bedford is one of the growing towns that will help ensure that the Greater South East will be a dominant global force in the future.

The project provides us with the opportunity to reinforce the investment that has been made by the private and public sectors in and around these centres, to the benefit of the wider economy.

The foundation for further economic growth already exists. Our ambition, as set out in planning frameworks, is to realise that growth. In the recently approved Enterprise Partnerships we have the strategic leadership to enable us to achieve our ambition.

Through our Enterprise Partnerships the private and public sectors are co-ordinating investment in housing, transport, economic development and skills to this common agenda. Delivering infrastructure that creates the conditions for investment in new jobs and new housing is at the heart of the Partnerships' work.

Together we will deliver:

- ◇ Increase the number of private sector jobs (the Project is estimated to create up to 12,000 new jobs) – in the process rebalancing the economy so that it is less dependent upon the public sector;
- ◇ Increase the amount on inward investment – working in partnership with UKTI;
- ◇ Increase the business stock – in particular looking to increase still further the opportunities in high value added sectors;
- ◇ Increase the availability of skills to support our economic ambitions

Re-establishing a high quality, fast and cost effective public transport corridor that links our key centres of economic activity and which provides enhanced linkages with the rest of the UK and international markets is critical to achieving our ambition. This project will address a critical barrier to our success; in addition it will realise substantial benefits at a national level as a key part of the national rail network.

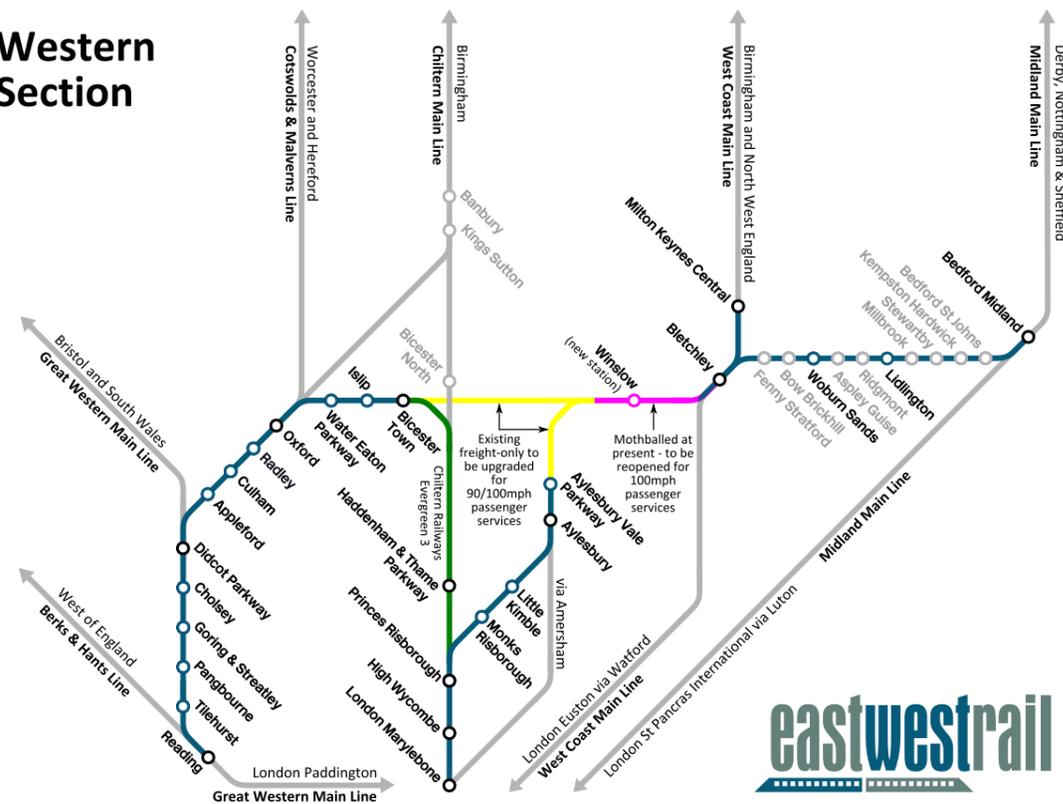


What will East West Rail do for people?

Local authorities along the Western Section corridor remain committed to the long term ambition to secure new jobs and additional homes. However in order to realise this potential, there is a need to provide a step change in the level of accessibility: one that creates the conditions that encourage and enable the private sector to invest in the businesses of the future. The Western Section of East West Rail will dramatically reduce journey times. For instance:

Journey	By Car	By EWR train	% journey time saving
Oxford to Milton Keynes	70 – 90 minutes	40 minutes	40 – 55%
Oxford to Bedford	100 – 130 minutes	60 minutes	40 – 55%
Winslow to Oxford	50 – 60 minutes	27 minutes	50 – 60%

Western Section



Preferred Train Service Pattern

- ◇ One train per hour (1tph) from Reading to Oxford and Milton Keynes, stopping at Water Eaton Parkway, Bicester, Winslow and Bletchley. These services could start from Didcot.

Journey Times

Oxford to Milton Keynes 40 minutes
Reading to Milton Keynes 84 minutes

- ◇ 1 tph from Reading to Oxford and Bedford, stopping at Water Eaton Parkway, Bicester, Winslow, Bletchley, Woburn Sands and Lidlington. Again these services could start from Didcot.

Journey Times

Oxford to Bedford 60 minutes
Reading to Bedford 106 minutes

- ◇ 1 tph from Milton Keynes to London Marylebone as an extension of the existing service to Aylesbury Vale Parkway with stops at Bletchley and Winslow.

Journey Times

Milton Keynes to Aylesbury 33 minutes
High Wycombe to Milton Keynes 63 minutes

The existing Bletchley to Bedford stopping service would not be affected.

What it will cost

The estimated costs at 2010 prices relates to the rebuilding of the railway from Bicester to Bletchley, from Aylesbury Vale Parkway to Claydon Junction and costs associated with providing a passing loop between Aylesbury and Princes Risborough:

- ◇ Capital cost: £250 million;
- ◇ Additional rail demand (2021): 2.58 million trips;
- ◇ Car trips removed (2021): 1.47 million;
- ◇ Annual operating costs: £17.8 million at 2010 prices;
- ◇ Benefit:Cost ratio: 6.3 (100% public sector funded);
- ◇ Benefit:Cost ratio: 11.2 (15% private sector contribution);
- ◇ Potential annual uplift in regional gross domestic product: £38.1 million;
- ◇ Annual increase in tax revenues: £17.1 million.

Delivery Programme

- 2012:** East West Rail identified as being within CP5 HLOS.
- 2013/14:** Planning and statutory processes complete and conditional funding secured.
- 2014/15:** Franchising specifications drawn up and full approval secured.
- 2015:** Infrastructure procurement and contracts let
- 2016:** Agreed franchise contract(s)
- 2017:** Start of passenger services

How will the Project be funded?

The Consortium is developing a funding package to enable delivery of the scheme through both the public and private sector.

We are working closely with the recently established Local Enterprise Partnerships to co-ordinate investment in housing, economic development and skills, to undertake an evaluation of the timing and location of future developments across the area. This includes identifying the necessary infrastructure requirements and associated consideration to approaches to funding. One strand of the work is focussed on the East West Rail project identifying the potential contributions to delivering the project from the Community Infrastructure Levy (CIL).

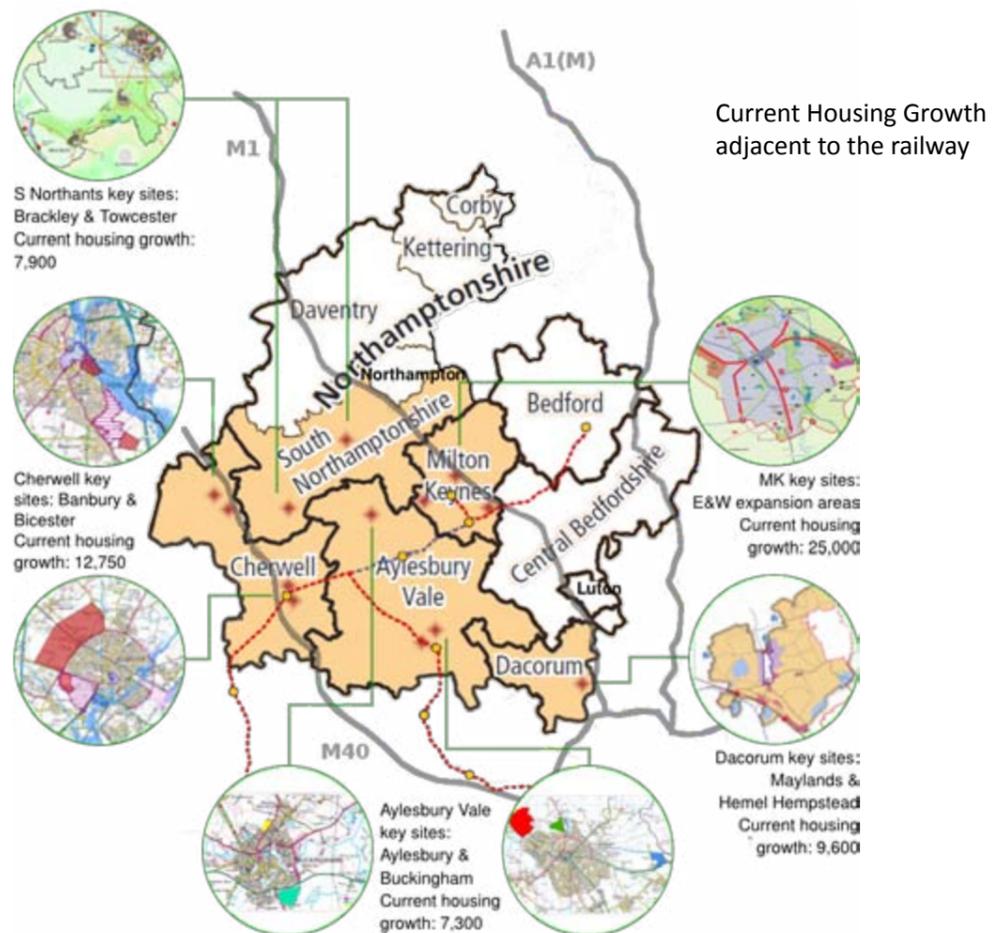


Photo - Paul Bigland



Photo - Chiltern Railways

Meetings have been held with Local Planning Authorities (LPA) both within and without the study area. Potential developments are much reduced in scope since the demise of the Regional Spatial Strategies, nevertheless the opportunities and outlook for contributions being made through the inclusion of EWR on LPA charging schedules seems more positive than might previously have been thought. There is also potential for income to be derived through the New Homes Bonus (NHB). The current housing growth numbers are shown below.



Within the business case we are forecasting that within the initial 5 years of operating the new train services, a positive income stream will be generated through the farebox and thus our train services will not require a public subsidy. This provides a unique opportunity for the projected income to repay the capital cost of the project

It is therefore anticipated that the funding will be sought from a number of different funding sources, albeit this important aspect of work is work in progress. These sources are currently anticipated to be made up of the following:

- ◇ High Level Output Specification for CP5 (2014–19)
- ◇ Private sector contributions by property developers and the Community Infrastructure Levy
- ◇ Regulated Asset Base (RAB) funding
- ◇ European Investment Bank
- ◇ PPP/PFI

How best to improve efficiency and reduce costs to taxpayers and customers?

This project is unique inasmuch as it is being promoted by a non-rail industry entity and as such the work carried out by the Consortium has, as one of its primary objectives, sought to demonstrate a robust approach to reducing costs and identifying opportunities for increasing revenues.

During the development phases the Consortium has relied upon a small but highly efficient management team to undertake the delivery of the outline design and business case. Thus significant overhead costs that might be anticipated from a large rail industry project team have been avoided. At the same time the Consortium has been able to comply with rail industry standards by only involving necessary input from the rail industry at the appropriate milestone events within the design programme. The design programme has at the same time ensured compliance with both Network Rail design standards and Department for Transport criteria for the development of the business case.

As regards the estimated capital cost of the scheme, the estimates have been prepared on the basis that the vast majority of the railway infrastructure can be constructed under green field conditions in that works on operational railway land will be carried out under agreed blockade of existing railway traffic and construction on non-operational land will be carried out undisturbed by railway operations. The Consortium is therefore confident that the capital cost will be shown to be robust, efficient in scale and at the most optimal level.

How best to improve the transparency of industry costs?

The Consortium is able to provide full transparency of the development of the design of the infrastructure and associated estimated capital costs of the scheme. Clearly there exists some separation between the Consortium's strategies for implementing the scheme as opposed to a Network Rail procurement route. Nevertheless the Consortium is committed to demonstrating complete transparency throughout all development stages of this project. With respect to aspects of the project that may require public subsidy; the Consortium is forecasting that within 4 to 5 years of start of train services the revenue stream will exceed the forecast operational costs and thus there will be no requirement for a public subsidy of the East West Railway.



How to get the industry to play a bigger role in planning and delivering the railway?

The Consortium has made a deliberate and concerted effort to engage fully with the rail industry in developing the scheme through to its present level of development. Both the Department for Transport and Network Rail have seats on the Project Board. This Board is charged with the overall governance of the project from its early inception through to the point of identifying a delivery agency who will implement the scheme. Chiltern Railways has been widely consulted on all aspects of the scheme and there exists complete synergy between Chiltern's Evergreen 3 project which has been developed in full partnership alongside the Consortium's efforts with the East West Railway. A Memorandum of Understanding between the Consortium and Chiltern Railways concerning the Evergreen 3 and the western section of East West Rail exists. Other train operating companies have been provided with full and complete information regarding the business case for the East West Railway.

How to get the best out of and continue to develop the rail network?

East West Rail is unique in that it not only provides fast regional train services between a number of important growth points and cities, but over and above this it is also able to deliver strategic opportunities for both long distance freight requirements and cross country passenger services that would enable significantly increased connectivity and flexibility to the national rail network.

All Party Parliamentary Group

Iain Stewart MP for Milton Keynes South has established an All party Parliamentary Group (APPG) to assist with the Westminster campaign. This prospectus provides an overall picture of what is being promoted and seeks to provide a strategic overview of what East West Rail can bring to the rail industry.

Members of the APPG

Iain Stewart MP
Richard Fuller MP
Mark Lancaster MP
Richard Benyon MP
Stuart Andrew MP
Rob Wilson MP
John Stevenson MP
Julie Hilling MP
Lord Berkley
Lord Faulkner
Robert Ffello MP
Kelvin Hopkins MP

John Howell MP
Ben Gummer MP
Julian Huppert MP
Jessica Lee MP
Alok Sharma MP
Eric Ollerenshaw MP
Gavin Shuker MP
Lord Bradshaw
Lord Adonis
Lord Grocott
Tom Harris MP
Andrew Smith MP

How to find out more

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