



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**Thursday, 10 March 2022**

**Report of the Executive Director - Place**

**Restoring Your Railway Fund Programme in Derbyshire**  
(Cabinet Member for Infrastructure and Environment)

**1. Divisions Affected**

- 1.1 Barrow Hill Line - Eckington and Killamarsh, Barlborough and Clowne, Staveley North and Whittington, St Marys, Brimington, and Spire.
- 1.2 Ivanhoe Line - Linton, Swadlincote South.
- 1.3 Maid Marian Line - South Normanton and Pinxton, Alfreton and Somercotes, Greater Heanor, Ilkeston East and Ilkeston South.

**2. Key Decision**

- 2.1 This is a Key Decision because it is likely to result in the Council incurring expenditure which is, or savings which are, significant having regard to the budget for the service or function concerned (this is currently defined as £500,000) and it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

**3. Purpose**

- 3.1 To update Cabinet on the Restoring Your Railway Programme in Derbyshire and the potential for accessing Staveley Town Deal funding to support delivery of key elements of the related infrastructure.

## **4. Information and Analysis**

### **Background**

- 4.1 In February 2020, the Government launched the Restoring Your Railway Fund Programme as part of its wider Levelling Up agenda. The Government pledged £500m to the programme and invited MPs, local councils, community groups and other interested parties across England to propose how they could use funding to reinstate closed local rail services and restore former stations for passenger use.
- 4.2 The funding was split into three categories to support projects at different phases of development. These categories were:
- The Ideas Fund – to provide development funding for early stage ideas to explore options to restore lost rail services connections to communities.
  - Advanced proposals – support for lines and stations already being considered for restoration and for those identified as having further potential via the Ideas Fund application and assessment process.
  - Proposals for new stations and the restoration of old station sites on rail lines already operating.
- 4.3 Across Derbyshire and in adjacent local authority areas, different organisations expressed an interest in the proposals. The timetable for applications to the programme meant that bids had to be submitted to Department for Transport (DfT) by mid-March 2020, so there was limited opportunity for detailed discussion on the merits of the various schemes.
- 4.4 The Council was, however, actively involved in proposals by Sheffield City Region Combined Authority (SCR) to submit a bid to the Ideas Fund to explore the potential to reopen the Barrow Hill Line from Chesterfield to Sheffield for passenger services. An earlier study by SCR on the potential to reopen six former rail lines in its area had highlighted the Barrow Hill route as the project which would generate the most benefits and be easiest to implement from an engineering perspective.
- 4.5 Following discussions with the Cabinet Member – Highways Transport and Infrastructure and the Strategic Director – Economy, Transport and Environment, it was agreed the Council would support the SCR Barrow Hill Ideas Fund application.

4.6 Altogether, nationally, 50 applications were made to the Ideas Fund; of these, three were for schemes which would impact on Derbyshire. These were:

- The Barrow Hill Line from Chesterfield to Sheffield via Killamarsh which was submitted by SCR. This line is already used on a regular daily basis by freight trains and also occasionally as a diversional route by passenger services. The bid identified six new potential stations, four of which would be in Derbyshire.
- The Ivanhoe Line from Burton upon Trent to Leicester via Castle Gresley, which was submitted by a local community group, the Campaign to Reopen the Ivanhoe Line (CRIL). This line is still in place and used occasionally by freight services. The bid identified eight new potential stations, two of which were in Derbyshire.
- The Peaks and Dales Line from Matlock to Buxton, which was submitted by a local community group, the Manchester and East Midlands Rail Action Partnership (MEMRAP). The majority of the line is not in place and most of the former route now forms the Monsal Trail with the section from Matlock to Rowsley used by Peak Rail for steam heritage services. This bid identified six new potential stations all of which were in Derbyshire.

4.7 The DfT undertook an assessment of the applications received and, in May 2020, announced a shortlist of the 10 projects which would go forward to the next stage of the process which included the Barrow Hill and Ivanhoe projects, but not the Peak and Dales line. This next stage involved producing a Strategic Outline Business Case (SOBC) for the scheme with DfT providing £50,000 per project to help pay for the work. The SOBCs looked at the strategic, economic, financial, commercial and management case for reopening the lines to regular passenger services.

4.8 In the summer of 2020, the DfT launched a second round of the Restoring Your Railway Ideas Fund and asked for further applications from interested group. Following an assessment of these new applications in autumn 2020, the DfT announced that a further scheme, with an impact on Derbyshire, had been given funding to develop an SOBC. This was:

- The Maid Marian Line from Mansfield to Derby/Leicester via Ilkeston, which was submitted by Ashfield Borough Council. The track is in place and the section along the Erewash Valley and Robin Hood Lines are regularly used by passenger services. To connect these together, a section of 'freight only' line between Kirkby and Ironville would be reopened for passenger services. The bid identified two

new potential station sites, neither of which were in Derbyshire. However, the proposed station at Selston would be very close to Pinxton.

### **Progress to Date**

- 4.9 For the Barrow Hill SOBC, SCR employed a project manager specifically to undertake this work. County Council staff worked with the project manager to provide information and ensure Derbyshire's views were taken into account in its development. Chesterfield Borough Council and North East Derbyshire District Council officers were also actively involved in the SOBC steering group. The SOBC, a copy of which can be seen in Appendix 2, was submitted to the DfT in February 2021, where it was reviewed by an expert panel to decide if the scheme should be developed further. In May 2021, the panel recommended that the proposal should progress to the next stage of the process, which would require the production of an Outline Business Case (OBC) followed by a Final Business Case (FBC).
- 4.10 On the Ivanhoe SOBC, CRIL initially decided to undertake a lot of the work themselves. However, due to circumstances, they employed specialist consultancy support to finish the process. Council staff also worked with CRIL to improve the quality of the SOBC, along with colleagues from South Derbyshire District Council, North West Leicestershire District Council and Leicestershire County Council. The SOBC, a copy of which can be seen in Appendix 3, was submitted to the DfT in June 2021 where it was reviewed by an expert panel to decide if it should be developed further. At the moment, it is not clear what recommendation the expert panel has made to the DfT.
- 4.11 Ashfield Borough Council employed consultants to produce the SOBC for the Maid Marian Line. Council staff took part in the SOBC steering group and provided the consultants with information relevant to Derbyshire. The SOBC, a copy of which can be seen in Appendix 4, was submitted to the DfT in July 2021, where it was reviewed by an expert panel to decide if it should be developed further. At the moment, it is not clear what recommendation the expert panel has made to the DfT.

### **Next steps**

- 4.12 At the time of writing, none of the schemes across England which received DfT funding from the Restoring Your Railway Programme to produce an SOBC, have yet been advised that Government wishes them to proceed to the next stage of the process. This may, however, be about to change as a positive announcement on the Barrow Hill line scheme is expected in the near future. Informal discussions on the

Barrow Hill line have already taken place between Council officers and representatives from SCR, the DfT and Network Rail following the expert panel recommendation. From these, it appears that:

- There is no certainty over how the OBC/FBC and then the physical works would be delivered. By way of indication though, work undertaken to reintroduce passenger services on the Northumberland Line has, however, been seen as an example of what could be done elsewhere with consultants working for the local authorities undertaking the OBC/FBC with help from Network Rail and the DfT.
- It is likely that the OBC/FBC for Barrow Hill would be combined into one process with an expectation that this would need to be completed relatively quickly over 4-5 months. Following this, provided the DfT made a Final Investment Decision (FID) to implement the project, work to carry out the track/signaling improvements and build the stations would then be undertaken by Network Rail with local authority assistance.
- Network Rail suggests that DfT will want any scheme to deliver a “Minimum Viable Product” rather than the full scheme which was outlined at the SOBC (ie 10 stations and the half hourly train service). There is, however, no clarity what DfT’s “Minimum Viable Product” on the Barrow Hill line would be, however, from a station facilities perspective, it is assumed to be something similar to the new stations recently opened elsewhere in the County e.g:
  1. 2x 102m platforms
  2. Waiting area/shelter
  3. Car park
  4. Cycle parking (uncovered)
  5. Overbridge
  6. Ticket machine
  7. CCTV
  8. Help point
- There is still no firm idea of the cost of the Barrow Hill project. However, in the SOBC, it was estimated the infrastructure works would be in a range between £93.5m and £113.8m. Subsequent work has estimated this could be reduced significantly if a “Minimum Viable Product” approach was taken. – possibly to circa £40m. It is anticipated that the majority of this cost would be covered by the DfT.
- The DfT has committed to fund “up to 100%” of further development costs for successful schemes, supporting them up to (FBC/ FID) point. However, it is likely DfT will also encourage promoters of Restoring Your Railway projects to contribute further, either financially or through work in kind.

- Any contributions made through the development stage will be taken into account when considering whether a scheme should proceed to delivery.
- The Department will agree the detail and cost of further work and offer funding for up to 100% of what is needed. However, the DfT has confirmed it will not be liable for costs exceeding the agreed funding ask – and it is worth noting that local contributions (typically from local authorities) would be expected to cover any gaps.
- This further work can be taken forward by local authorities or Network Rail and the approach will be agreed on a case by case basis.
- The DfT has also confirmed that there is no expectation that local authorities will be required to provide an ongoing subsidy towards the cost of the train service itself.

4.13 Prior to DfT making a decision on whether to approve an OBC/FBC and then proceeding to delivery, they will consider what level of local contribution has been sourced by the promoter. Routinely, the DfT looks for 15-25% of the cost of transport infrastructure projects to be sourced from local contributions. For Restoring Your Railway programmes, the DfT accepts this may not be possible in all areas, however, they do cite the Northumberland Line project as an example - i.e. Northumberland County Council and its local partners committed to provide £27.2m as their overall contribution towards the estimated total project cost of £166m (circa 16%).

### **Ongoing works**

- 4.14 Whilst waiting for DfT to make a decision, Network Rail has been undertaking some preliminary works at its own expense on the Barrow Hill line project. This has focused on two areas: firstly, a capacity analysis at Sheffield station to identify how the Barrow Hill service could be accommodated into what is already a congested location. The second element of work has concentrated on identifying any potential problems with the other proposed stations sites on the route due to historical mining activity
- 4.15 The County Council and SCR have jointly funded some low cost study work undertaken by the consultants who were involved in the Northumberland Line to see if similar methods could be used on this project. This work has provided an initial understanding of how the scheme could be achieved with the limited funding likely to be available from the DfT, as well as giving an indication of the likely trade-offs that may be required to deliver a more limited first phase. The study looked in particular at:

- The potential to use land value capture of new developments adjacent to the line to help fund the project.
- An assessment of potential station sites, including land uplift, economic value, highways access, ease of delivery and consents.
- Costings of a potentially phased options to deliver a potential funding ask of DfT for a Minimum Viable Product scheme.

4.16 From this work, the consultants have identified a potential Minimum Viable Product option which would deliver an hourly service from Chesterfield to Sheffield serving 4 intermediate stations. This option would require very limited additional rail infrastructure apart from the construction of the new stations themselves. The study also showed that increasing the service to 2 trains an hour or calling at more intermediate stops on the way would require significant infrastructure improvements at the Sheffield and Chesterfield ends of the line. As such, the consultants have advised this was unlikely to be considered a Minimum Viable Product by the DfT.

4.17 Provided DfT confirms that the Barrow Hill line has received approval and funding to move to the next stage, the consultants have suggested the process to develop the OCC/FBC would include:

- Mobilising a project team
- Establishing governance and reporting arrangements
- Key risk management/mitigation activities
- Producing an infrastructure model and timings for station/rolling stock options
- Network capacity modelling
- Refine requirements and confirm any constraints
- Finalise station locations
- Demand forecasting and modelling
- Establish land ownership and what would need to be acquired
- Further land value capture assessment
- Refresh capital and operating costs in the SOBC
- Verify BCR, affordability and deliverability
- Confirm sufficiency of funding
- Refresh SOBC for Minimum Viable Product and full scheme
- Finalise scope for develop step

#### **Project leadership role**

4.18 Until now, SCR has been the lead authority for the Barrow Hill project as it submitted the original bid to the Restoring Your Railway programme. However, SCR has also submitted a number of other bids to the programme for other schemes in its area which now seem likely

to gain approval. As a result, it is now considering whether it has the resources available to continue with the leadership role for the Barrow Hill Line project. SCR has therefore asked informally if the County Council would be willing to take on this responsibility. Whilst this change would need to be agreed with Government, the County Council has confirmed in principle this could be considered acceptable, subject to any DfT funding being transferred by SCR at the same time.

### **Staveley Town Deal**

- 4.19 In November 2019, Government announced the Town Deal Fund and Staveley was identified as one of 101 towns to bid for up to £25m. The aim is to deliver regeneration projects with, and for, the communities of the Staveley area. The Staveley Town Deal was subsequently awarded £25.2m in March 2021, and work to prepare relevant business cases for key projects in the Town Deal area is progressing in advance of submission to Government in March 2022 - and ahead of any capital works commencing.
- 4.20 As part of the Staveley Town Deal project, £934,000 was identified to undertake work linked to the proposed station at Barrow Hill itself. This funding would be used to improve facilities in and around the station rather than to pay for the “Minimum Viable Product” elements of the station. An SOBC, undertaken to meet the requirements of the Town Deal funding process, has identified a number of different elements this money could be spent on to maximise the value of the new station to the local community. These include facilities to make it easier for people to reach the station such as: better pedestrian, cycling and bus links; improvements to travel information including electronic real time rail and bus information screens and wayfinding; as well as wider environmental upgrades in and around the proposed station site.
- 4.21 These proposals were outlined to the Town Deal Board at its meeting in November 2021 and received broad support. The Board was, however, aware of the key inter dependencies with the broader Barrow Hill Restoring Your Railway project and, as a result, it has used its contacts within the Government’s Town Deal Team to try and ascertain when a decision will be made by DfT. Unfortunately, this approach has produced no definite results as yet, apart from a recommendation that the SOBC for Town Deal funding for the station should be finalised and submit with the rest of the programme in March.

### **The Next Steps**

- 4.22 The work undertaken by Network Rail and the consultants has given the Council a better understanding of some of the practical issues which the Barrow Hill project will face and broader ideas of the potential costs.

However, the continued lack of clarity from the DfT on when a decision on the Barrow Hill line scheme and other projects in the Restoring Your Railway Programme will be made, makes charting a route forward difficult.

- 4.23 Council officers have been advised informally that a positive decision on the Barrow Hill Line project is likely to be taken by ministers in the very near future and may be accompanied by a visit.
- 4.24 However, until the details of this decision are made clear, including the levels of funding to be provided by the DfT, what role they wish the Council and its partners to take in the development of the scheme and what local financial contribution they envisage, it is difficult to determine the next steps. It is therefore recommended that a decision on whether to proceed to the OBC/FBC stage on the Barrow Hill Line project should be conditional on the County Council receiving sufficient funding from Government to pay for the necessary works. Any feedback or confirmation received from Government prior to Cabinet will be reported verbally to the meeting.

## **5. Consultation**

- 5.1 Consultation on the proposals in the three Restoring Your Railway SOBCs took place with a variety of local stakeholders including County, City, District/Borough Councils in the relevant areas and the local MPs who constituencies would be affected. The DfT and rail industry organisations including Network Rail, East Midlands Railway and Northern Trains have also been involved in developing the detailed proposals in the documents.
- 5.2 The proposals linked to Barrow Hill station SOBC have also been consulted on with the Staveley Town Deal Board and Chesterfield Borough Council.

## **6. Alternative Options Considered**

- 6.1 The following alternative option has been considered:
- 6.2 **Not to engage with the Restoring Your Railway proposals** – Whilst the Council was involved in the bid to DfT for the Barrow Hill Line Restoring Your Railway Programme there was no direct discussions between the Council and the organisations who made the other bids for the Ivanhoe and Maid Marian line projects prior to their submission. The Council could therefore have decided not to engage with these projects once the DfT agreed to provide funding to develop its SOBCs. However,

this approach was not thought to be constructive as it would have meant the issues of concern to Derbyshire residents may well not have been taken into consideration in the SOBCs. There are also potentially significant benefits which could be delivered to a number of communities in Derbyshire which would now be linked to the rail network if these schemes were progressed.

## **7. Implications**

- 7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

## **8. Background Papers**

- 8.1 None identified.

## **9. Appendices**

- 9.1 Appendix 1 - Implications.
- 9.2 Appendix 2 – Barrow Hill Line Restoring Your Railway Strategic Outline Business Case.
- 9.3 Appendix 3 - Ivanhoe Line Restoring Your Railway Strategic Outline Business Case.
- 9.4 Appendix 4 - Maid Marian Line Restoring Railway Strategic Outline Business Case

## **10. Recommendations**

That Cabinet:

- a) Notes the Strategic Outline Business Cases which have been submitted for the Barrow Hill, Ivanhoe and Maid Marian lines Restoring Your Railway proposals and the further work carried out since on the Barrow Hill line to better understand the practical issues involved in the project.
- b) Notes the continued uncertainty about what the Department for Transport will decide in terms of the future of the Restoring Your Railway Programme, the central Government funding which will be made available to pay for it and the level of any local contribution that may be expected from partners, including the County Council.
- c) Agrees to move to the Outline Business Case/Final Business Case stage on the Barrow Hill Line project in partnership with Chesterfield

Borough Council, North East Derbyshire District Council and Sheffield City Region, subject to sufficient funding being made available by the Department for Transport to pay for this work to be carried out.

- d) Notes the actions taken to date to secure the provisional grant offer of £934,000 from the Staveley Town Deal Board and, subject to securing a satisfactory agreement on future funding from the Restoring Railway Fund Programme for this project, agrees to accept the grant towards the costs of introducing additional measures around the proposed Barrow Hill station, which will not be funded by the Restoring Your Railway process.

## **11. Reasons for Recommendations**

- 11.1 The three SOBCs set out a series of potential proposals which could introduce passenger rail services into areas of Derbyshire which currently lack them, bringing significant benefits for local residents. These documents, plus the additional work carried out on the Barrow Hill line, also start to show the level of work required to implement these proposals and give an initial outline of the costs involved.
- 11.2 The decision on which particular Restoring Your Railway projects will be progressed further will need to be taken by central Government as it will be responsible for providing the majority of the capital funding required to build the necessary infrastructure and all of the revenue funding to pay for the future operation of any new train services.
- 11.3 The decision to move to the Outline Business Case/Final Business Case stage depends on funding being made available by the Department for Transport to pay for this as part of Restoring Your Railway programme.
- 11.4 The Town Deal grant will enable a variety of improvements to be carried out around the proposed Barrow Hill station beyond those that will be funded by the Restoring Your Railway programme. Accepting this grant subject to agreeing a satisfactory Restoring Your Railway funding package will ensure the benefits of opening this station are maximised.

## **12. Is it necessary to waive the call in period?**

- 12.1 No.

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## **Implications**

### **Financial**

- 1.1 Derbyshire County Council has not made any commitment to fund any of the three Restoring Your Railway projects which have submitted SOBCs to the DfT. The outline capital cost estimates in the SOBCs are:  
Barrow Hill Line, £93.5m – £113.8m  
Ivanhoe Line, £123m - £186m  
Maid Marian Line £12m-£19m
- 1.2 All of these estimates would require further development as part of the Outline Business Case and Final Business Case processes.
- 1.3 On the Northumberland line project, which has been highlighted by the DfT as an example of how it would like to see other schemes progress, local funders have provided 16.3% of the total estimated capital cost. If this was applied on the three projects in Derbyshire, this would equate to local capital funding contributions in the ranges of:  
Barrow Hill Line, £15.2m- £18.5m  
Ivanhoe Line, £20m - £30.3m  
Maid Marian Line, £1.9m - £3m
- 1.4 The DfT has made clear it does not expect to see local contributions toward the revenue costs of running the train services once the lines open.

### **Legal**

- 2.1 There are no legal implications directly related to this report.

### **Human Resources**

- 3.1 The work to prepare the SOBCs and subsequent additional investigations around the Barrow Hill line have been undertaken by specialist consultants with additional support from a number of different local council staff. Currently, the County Council has 1 dedicated member of staff for strategic rail-related work. Should any of these projects develop further, external support from specialist external consultants will be required and there may be a requirement for additional County Council staffing resources as well.

## **Information Technology**

4.1 There are no direct information technology implications to this report.

## **Equalities Impact**

5.1 Public transport services, including rail, are particularly important to a range of disadvantaged groups such as young people, older people, women and those from economically deprived communities, all of which make a higher proportion of their journeys by public transport than the population as a whole. The introduction of rail services into areas of Derbyshire which currently lack them will support the wider levelling up agenda across these communities and ambitions for driving 'good growth'. In particular it will improve the opportunity for these people to access a variety of key opportunities such as education, employment and health care provision.

## **Corporate objectives and priorities for change**

- 6.1 This proposal will help deliver the following Council Plan priority: A Prosperous and Green Derbyshire and also a key priority in the adopted COVID Recovery Strategy to maximise opportunities for improved sustainable travel and public transport
- 6.2 The main aim of the Restoring Your Railway programme is to generate additional use of rail services and in turn encourage modal shift away from the private car. If this happens it will have a positive impact on the Councils wider environmental sustainability objectives and support the targets set in the Climate Change Strategy: Achieving Net Zero.

## **Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

7.1 None.