

West London Economic Prosperity Board

21 November 2017

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| Title | Orbital Rail in West London |
| Report of | Amar Dave, LB Brent |
| Wards | All |
| Status | Public |
| Urgent | No |
| Enclosures | APPENDIX 1: Summary of “GRIP” approach to delivering rail projects APPENDIX 2: West London Orbital rail key facts |
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Summary

This report provides the Board with an update on work relating to the West London Orbital rail line. It sets out next steps, an indicative project plan and governance arrangements for taking the scheme to construction and delivery promptly, should it proceed to the next stage.

Recommendations

The Board is asked to:

- 1) NOTE overall progress on the project and IDENTIFY any additional actions or activities not already included within sections 2 and 3.**
- 2) IDENTIFY any stakeholders at national, London or local level who will need to be engaged with any future engagement activity associated with the project.**
- 3) COMMENT on the project plan set out in section four of the report**

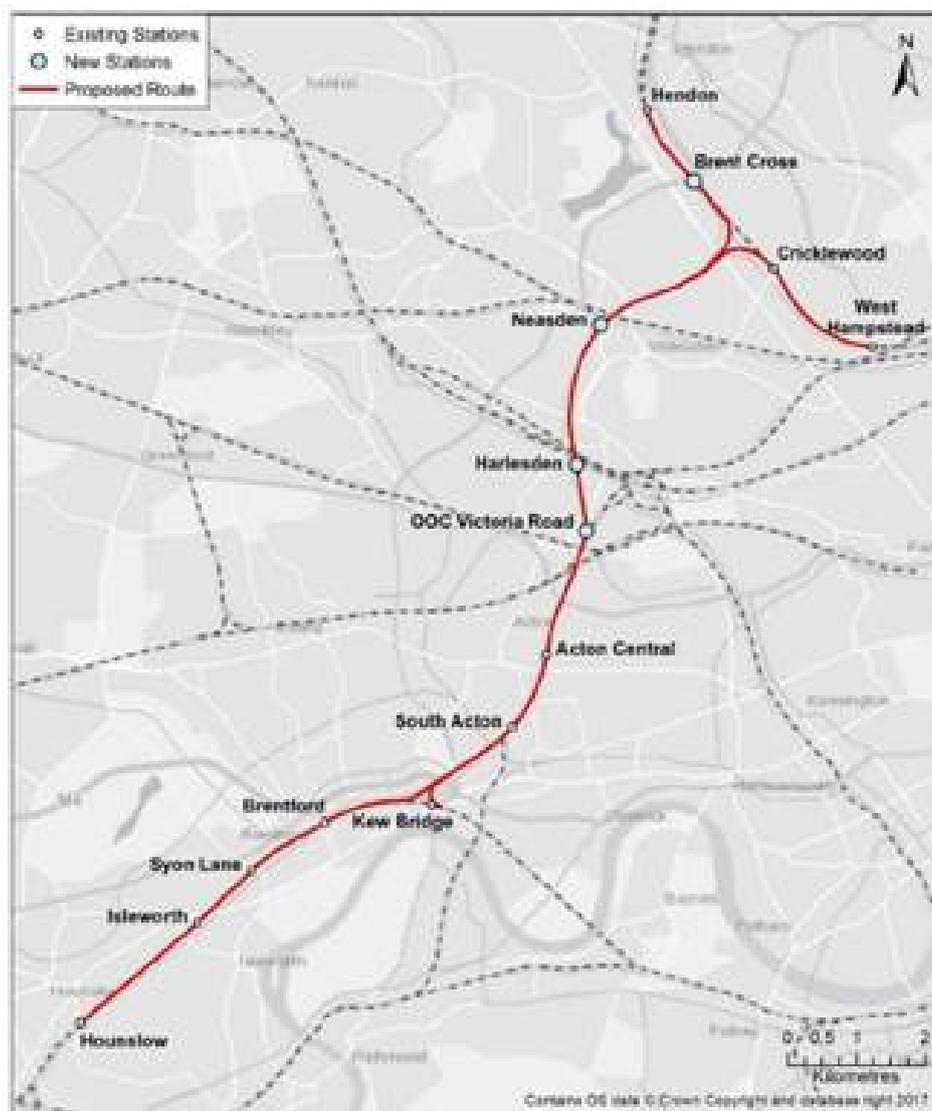
1. WHY THIS REPORT IS NEEDED

The West London Economic Prosperity Board (WLEPB) has previously identified the West London Orbital (WLO) rail line as a scheme of shared priority. It has agreed that progress and next steps relating to the project be a standing item on its agenda, as suggested by the Deputy Mayor for Transport during their meeting with her over summer 2017.

There is, at present, a range of activity being undertaken in relation to the scheme and this report provides the Board with an opportunity to comment on and shape this work ahead of the expected publication of the final Mayor's Transport Strategy (MTS) in early 2018.

The intention is that, subject to the MTS containing the required references to the WLO, the momentum this project has will allow the initiation of the delivery phase of the project relatively quickly. If the MTS does not explicitly support the WLO proposition then the current body of work completed to date would nonetheless allow West London boroughs to present a "shovel ready" infrastructure project to London and national decision makers if and when the time is right.

FIGURE 1: Route of the line



2. MAIN BODY

This remainder of this report is divided into a number of sections, covering:

- **Summary of work undertaken to date**

- **Immediate next steps between now and late 2017**
- **Activity required from early 2018 onwards (should the project continue)**
 - **Notional project plan for the delivery of the line**
 - **Risks, Issues, Challenges**
 - **Next steps**

2.1 Summary of work undertaken to date:

- The Board agreed the West London Orbital Scheme as a **shared priority** at its meeting on 22 March 2017.
- **Feasibility Study and outline business case** into the line completed and approved by the Board on 22 September 2017. The Study found the following:
 - The scheme is **technically feasible** with a strong strategic case and healthy passenger demand supporting 8 trains per hour in each direction.
 - The scheme represents **High value for money** according to the Department for Transport's definition, with a "Benefit-Cost Ratio" (BCR) of 2.2:1.
 - Scheme cost currently estimated to be in the region of £265m.
 - In line with the rest of the over ground network the scheme would likely require an operating subsidy based on income of c.£9m p.a. and operating costs of c. £15m p.a. Credible options for closing this subsidy gap have been identified and will be investigated through a separate funding study.
- Boroughs are incorporating the scheme into **Local Plans**.
- The Board has submitted a **joint response to the Mayor's Transport Strategy** that included referent to the West London Orbital. Furthermore, London Councils are actively supporting the scheme and this was reflected in the pan-London MTS response.
- On 29 September 17, Leaders were joined by the Deputy Mayor for Transport along with senior representatives from TfL, Network Rail and OPDC for a **tour of the line**, all of whom emphasised their support for the project. The Deputy Mayor suggested it might be a suitable candidate for a future [significant] round of Housing Infrastructure Funding and said she would be recommending that the scheme is clearly recognised as a priority in the final MTS
- Ongoing engagement with representatives from GLA, TfL, NR and civil society to embed the scheme into the strategic planning framework of London.

2.2 November 2017 to the Publication of the Mayor's Transport Strategy (expected in early 2018)

The key milestone expected in the coming months is the publication of the final Mayor's Transport Strategy (MTS). It is important to recognise that there are things that need to be done in the meantime, both in terms of developing a deeper understanding of the functioning and economics of the scheme, and also in terms of building a wider base of support across local and London government, the rail sector, Government, and of course local communities. These include:

- Commissioning and **delivering the funding study** commissioned by leaders (specification attached as Appendix one). Not necessary to be completed before publication of MTS.
- Further **development of the longer-term project plan** and delivery timeline after publication of the MTS, and the securing of adequate resources for this work going forward. This project plan needs to include 1) technical and planning staged and 2) Scheme construction.
- Establishment of **Shadow governance** arrangements, reporting to the EPB and consisting of LG, TfL, NR, GLA, DfT etc. The technical working group consisting of transport officers will also be maintained as this moves towards becoming a serious capital programme we will need to clarify governance and accountability arrangements that will be fit for purpose and retain a key role for local Leaders
- **Ongoing engagement** – meeting with senior members of DfT, developing relationships with NR and GLA planning and transport colleagues, offering solutions and constructive achievable approaches for dealing with some of the trickier technical aspects of the scheme such as Acton Wells and Bollo Lane. Embedding in to London planning system.
- There is currently a high level of innovation in train technology, including the development of **battery-powered trains**, which have been referenced a number of times by the Board and wider stakeholders as being of interest in relation to the WLO. Discussion is currently being undertaken with the industry to determine the feasibility of operating battery trains on the WLO. There may be an opportunity to test a battery powered train in West London during the first part of 2018.
- From March – May purdah will define the political context so there will be a need to ensure the project plan allows for the implications of this and we will seek support to ensure cross-party information sharing and engagement before then.

In the event that the MTS publication is put back (e.g. after the May borough elections), the above actions still hold, with a bit more time to establish the necessary emphasis on engagement, partnerships and governance. Maintaining impetus whilst managing expectations and avoiding any unhelpful financial or political exposure will define this phase.

2.3 Activity required from early 2018 onwards (should the project continue)

Work to date has focused on understanding the outline case for the West London Orbital with the objective, subject to there being reasonable grounds, of securing sufficient hooks within the MTS to allow the scheme to proceed to more detailed development and delivery. Assuming the MTS includes the backing for WLO that is anticipated, the following will be required in order to progress. It should be noted that delivery of the programme below will require significant resourcing, which will be sought from a variety of sources as appropriate:

- As part of delivery of the wider project plan it will be necessary to commission a series of **more detailed planning products** (the so-called “GRIP Stages”) that cover things like the detailed layout of specific sections of track, train timetables, station locations and finances. Ideally all studies would be commissioned out as a package of work to a single provider who would also act as a strategic partner for the project.
- Work with London and national government on a **funding package** for resourcing this work (estimated to be roughly £5m+, although the exact figure will need to be determined following more detailed scoping). In order to reduce bureaucracy and speed up the delivery of the line it is suggested at this stage that the Board agrees that next stage studies will be commissioned out as a package to a single organisation.
- Develop a more **comprehensive community and public engagement approach** to delivering the scheme to ensure the views and wishes of communities and businesses from all backgrounds are heard and able to influence the outcome of the project
- Full **embedding in to local, pan-London and national planning frameworks** so that the project can be taken forward within the context of wider strategy.

2.4 Other points the Board should be aware of

There are a significant number of rail projects happening in London that are likely to interact in some way with the WLO. E.g. High Speed 1, Crossrail, and the Chiltern Line extension. It will be important that as these progress they do so in a way that does not preclude WLO. This is a risk to the project (see section 4) and will need to be carefully managed through careful and ongoing engagement with key partners including DfT, Network Rail and TfL.

3. Outline programme

Three broad work streams have been identified as being required over the coming years to take the project forward. These can be undertaken simultaneously and are:

1. Technical planning studies
2. Funding package development
3. Community and civic engagement and consultation
4. Governance process/meetings & other milestone

Should the MTS contain reference to the project, discussions will commence with TfL and other relevant parties on securing sufficient resource to take this work forward.

NOTE: This programme plan will be continually updated and kept under review as the scheme progresses and additional information becomes available.

3.1 Work stream 1: Technical planning process and studies

This work stream sets out how the technical planning and construction work associated with developing the line will be taken forward.

| Project | Description | Output | Timescale |
|---------------------------------------|--|---|--|
| Local Plan alignment | To embed scheme in planning authority local plans, including GLA and OPDC | Local Plans all contain a shared, aligned message relating to the line. | Currently underway |
| Bollo Lane technical study | To identify detailed technical solution for addressing Bollo Lane crossings | High level engineering solution identified that addresses level crossings at Bollo Lane | Early 2018 |
| GRIP 2 | Define the scope of the investment and identify constraints. Confirm that the outputs can be economically delivered and aligned with network strategy. Includes detailed time tabling and technical solutions e.g. to Acton Wells. | Detailed outline business case | January – September 2018 |
| GRIP 3 | Develops options for addressing constraints. Assesses and selects the most appropriate option that delivers the stakeholders' requirements together with confirmation that the outputs can be economically delivered. | Full business case | September 2018 – April 2019 |
| KEY MILESTONE: Project Mandate | Formal agreement from key stakeholders to commence line construction (subject to GRIPs 2 and 3, and a suitable resourcing package being in place. | Project construction approved | Early-mid 2019 |
| GRIP 4 | Initiation of the development of the chosen single option. MAIN OUTPUT: Reference design for whole scheme. | Outline designs | Mid 2019 |
| GRIP 5 – 8 | Detailed design and delivery. Need to allow time for significant uncertainty e.g. possible JR, public enquiries, technical complications etc. | GRIP 5. detailed designs | October 2019 – project delivery (currently 2026, dependent on GRIPS 2 & 3) |
| | | GRIP 6. Stations built, tested and commissioned | |
| | | GRIP 7. Handing of stations to operators | |
| | | GRIP 8: Orderly | |

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| | | project closure | |
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3.2 Work stream 2: Funding package development

This work stream sets out how the line's construction and operation will be resourced in a sustainable, economically and socially acceptable way.

| Project | Description | Timescale |
|--|---|---|
| Funding options study | Identify achievable and acceptable options for securing resourcing for both line construction and to address/minimise any potential operating subsidy that may be required. | Early 2018 |
| Locally-available capital funding options | Identify quantum of available locally-raisable capital in further detail. | TBC - following publication of MTS. |
| Externally available capital funding options | Engagement with GLA, DfT and TfL on construction funding. Possibly including future "HIF2" funding. | TBC – following publication of MTS |
| Subsidy elimination model | Structure business model of new service to require zero-subsidy in medium term. E.g. via pricing structure or zone segments | TBC – following publication of MTS. Funding package will need to be in place by first part of 2019 however. |

3.3 Work stream 3: Community engagement and consultation

This work stream describes how local residents, businesses, groups and elected representatives will be engaged and consulted with throughout the life of the project:

| Project | Description | Timescale |
|--|---|--|
| Development of consultation and communications plan linked to project plan | To ensure a strategic and coordinated approach to community engagement and consultation that accounts for the views of all stakeholders | Plan in place by March 2018 |
| Equalities Impact Assessment | A full audit of the qualities impacts of the scheme so any positive or negative impacts can be identified and addressed. | Currently anticipated to be completed in early 2019 once the operation of the line and differential impacts on different groups is fully understood. |
| Consultation grip including elected members, community groups, lobbying | A full database of interested parties to ensure through communication throughout the life of the project | Ongoing |

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| organisations etc. | | |
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3.4 Work stream 4: Governance process/meetings & other milestones

This work stream sets out the various governance channels that will need to be involved in the development of the line, should the project progress:

West London Economic Prosperity Board: Top-level governance for West London local public services. Top-level governance for West London local public services

Technical Group: Comprising transport planning professionals from the relevant West London Boroughs, plus representatives from TfL, Network Rail, GLA and DfT as required. This group will provide commissioning expertise and capacity, and also undertake a quality assurance function of all project outputs prior to them being used to inform any planning or funding decisions.

Network Rail: It will be crucial that Network Rail are involved in the project and are supportive of its objectives. Engagement is currently underway to establish the most appropriate governance channels for Network Rail.

TfL Board: As the most likely final operator of the Line it will be important for the project to be embedded into the decision making and governance structures of TfL and London Government (GLA) more broadly. This will be done via the London Plan and MTS process.

Central Government: In particular DfT, DCLG and the Treasury will have a role enabling the delivery of the line as part of if greater emphasis on investing in infrastructure nationally, and on providing funding as part of the national Industrial Strategy.

4. Risks, Issues, Challenges

A full risk matrix will be developed in the first part of 2018. In summary however at this early stage in the project the key risks are:

- **Technical:** Acton Wells Junction and Bollo Lane level crossings: These represent the greatest technical challenges along the route.
- **Resources,** Subsidy and construction – with an expected operating subsidy of c.£5m p.a. based on the best available information and construction costs in the region of £265m resourcing this project presents a significant challenge and will require a coordinated strategic approach.
- **Dependencies with other schemes:** There are a large number of rail schemes at various stages of development that have potential implications for WLO. These include HS2 and Crossrail but also the Chiltern line, North London Line, and development at Brent-Cross on the Thameslink line. These all require coordination to ensure a strategic approach to rail and that none of these schemes preclude each other.
- **Pace and momentum** – It will be important to maintain progress going forward (if the scheme is included in the MTS).

5. IMMEDIATE NEXT STEPS

Should the WLEPB approve the recommendations set out within this paper then officers will progress the project along the lines set out within section 2.2 and 2.3.

Officers within West London boroughs will also begin the process of embedding the scheme into local planning frameworks, including Local Plans.

6. REASONS FOR RECOMMENDATIONS

Long term projections of the London population and economy show that transport infrastructure is likely to become an increasing constraint on growth. We also know that with a falling rate of car ownership in outer London that the role of high quality transport infrastructure that connects the places that people live and work is crucial. The recommendations set out in this report address these issues and will put West London in a good position to grow well into the future.

7. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

The feasibility study outline case commissioned by Leaders looked at all alternative options for making orbital journeys across West and North London. The West London Orbital proposal described here reflects the outcome of that analysis.

8. POST DECISION IMPLEMENTATION

TfL and the GLA will continue to be engaged with to secure the inclusion of the WLO in to the forthcoming Mayor's Transport Strategy and the London Plan.

The longer-term "road map" in section 3 of this report setting out how the WLO will be brought to reality by the 2020s will be refined and defined in further detail. This road map will be incorporated into the medium and longer-term planning activity of individual West London Boroughs and of the WLA.

9. IMPLICATIONS OF DECISION

9.1 Corporate Priorities and Performance

9.1.1 The West London Vision for Growth highlights improved orbital transport infrastructure as a priority for the sub-region.

9.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

9.2.1 It should be noted that delivery of the programme below will require significant resourcing should it progress covering programme management, ongoing technical feasibility work, and construction. This will be sought from a variety of sources as appropriate.

9.3 Social Value

9.3.1 The proposal set out here supports improved health and wellbeing outcomes for people and businesses in West London by enabling them to move around more quickly and cheaply and by improving the quality of the environment.

9.3.2 The line also responds positively to a number of recognised challenges for residents in West London. For example, it will reduce the level of pollution and particulate matter that travellers are exposed to compared to equivalent journeys by road. It will also improve journey times and reduce costs per mile compared with car travel, this will help to boost the disposable incomes of travellers and also give them more time per day not caught in traffic. The line will give people living in areas of higher deprivation and with lower income levels greater accessibility to at least 100,000 new jobs that are expected to be created in the existing regeneration schemes in Brent Cross, OPDC, Wembley, and the Hounslow Opportunity Area.

9.4 Legal and Constitutional References

9.4.1 This work falls within the following sections of the WLEPB's Functions and Procedure Rules:

- Representing the participating local authorities in discussions and negotiations with regional bodies, national bodies and central government on matters relating to economic prosperity for the benefit of the local government areas of the participating authorities.
- Representing the participating authorities in connection with the Greater London Authority, London Councils and the London Enterprise Panel, for the benefit of the local government areas of the participating authorities, in matters relating to the economic prosperity agenda
- Representing the participating local authorities in discussions and negotiations in relation to pan-London matters relating to economic prosperity.

9.5 Risk Management

9.5.1 The risk of not taking early action to improve joined up, high quality across West London is that growth across West London boroughs is lower than might otherwise have been the case, resulting in few jobs, a smaller tax base, and lower levels of investment than would otherwise be the case.

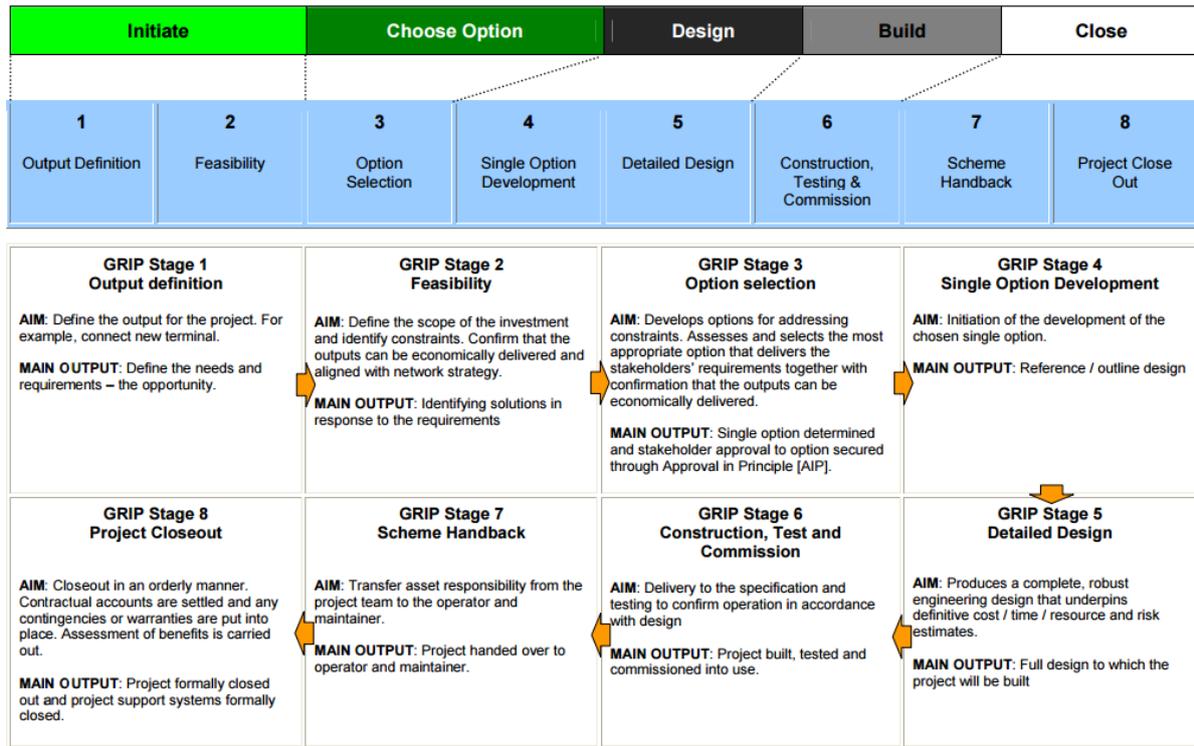
9.6 Equalities and Diversity

9.6.1 This work currently has no equality or diversity implications. If brought to fruition, however, the WLO line would connect many of the sub-region's most deprived communities with employment opportunities and growth areas across London, and allow them to access jobs and employment opportunities at a lower cost and more quickly than would often be possible by other forms of public transport or private car. A full Equalities Impact Assessment (EIA) will be undertaken should this work progress to the stage of development that would require this.

9.7 Consultation and Engagement

- 9.7.1 This work does not currently affect the public. All West London boroughs, plus the GLA, TfL and the Old Oak Command and Park Royal Development Corporation, as well as the business community have all been heavily involved in the development of the proposals to date. Should the work progress to being an actual project full community engagement and consultation plan will be developed alongside the EIA.

APPENDIX 1:
Guide to Rail Investment Process (GRIP)



APPENDIX 2: KEY FACTS ABOUT THE LINE (as of October 2017)

- The route is technically feasible and runs for around 11 miles starting at either Brent Cross or Cricklewood before merging with existing mainline services at Acton Central and running to Hounslow. The Barnet–Acton Central stretch of line is approximately 4 miles long.
- Possible sites for new stations and stabling identified at: Brent Cross/Cricklewood, Neasden, Harlesden, and Old Oak Common Lane. Existing stations used from Acton Central-Hounslow
- Eight trains per hour in each direction
- High Value for Money scheme with a “Benefit-Cost Ratio” (BCR) to the wider economy and society of 2.2:1.
- TfL have modelled peak three-hour demand at 3,000 passengers anti-clockwise and 2,500 passengers clockwise in 2031. This suggests that the level of **passenger demand may be able to sustain a regular four-trains-per-hour service** along the line.
- Early passenger demand modelling suggests potential for this to be largely self-funding with c.£265m build cost (including risk).
- It would drastically improve orbital travel times around West London. For example **a journey from Barnet to Park Royal (enabling a change on to CrossRail or HS2 services) would take approximately 12.5 minutes**. A trip from **Acton to Cricklewood/Brent Cross would take approximately 16.5 minutes**. A journey along the whole line from Barnet to Hounslow would take approximately 39 minutes (times the same for reverse journeys).
- It would connect town centres and regeneration areas, including the **45,000 new homes and 86,000 new jobs** that will be created at Old Oak Common, Wembley and Brent Cross, putting a greater number of jobs and homes within easy reach of one another and supporting intensification in growth areas.
- It would **remove a significant number of cars from the road, reducing congestion and improving journey times**, particularly along the A406, as the population of the capital approaches 10 million over the next 20 years.
- It would **allow passengers in outer London to access new services on Crossrail and High Speed Two** via an interchange with the Dudding Hill Line at Park Royal.
- It would help to **reduce passenger demand for central London Stations** such as Kings Cross and Paddington for orbital journeys that currently require travellers to go into central London before then travelling back out to reach their destination.