

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)

June 2016

Midland Mainline LGF2 - Update

Introduction

An allocation of £5m has been awarded to the Midland Mainline project in Market Harborough from D2N2. The project is the straightening of the mainline at Market Harborough Station that provides a benefit of reduced journey times into Derby, Nottingham, Chesterfield and Sheffield.

The total estimated cost of the project is £46m for which Sheffield City Region (SCR) have allocated £5m towards and Leicester and Leicestershire Economic Partnership (LLEP) £3m. The project however still has a deficit of some £9.3m.

In order to streamline the approvals process it has been suggested that all LEPS use a single Local Assurance Framework and Accountable Body. It is recommended that this is LLEP

Update: June 2016

A meeting was held with all 3 LEPs, DfT and BIS on the 2nd June to discuss the project that included a presentation from the Network Rail (NR) sponsor. The following issues were discussed:

Funding

NR confirmed that the funding gap was still estimated at £9m, however this included a significant contingency and they hoped savings could be identified.

NR confirmed that the project was not a priority for the company and if the additional £9m was not found they would have no issues in pulling out.

NR confirmed that if they had to find the money it would come out of other improvements on the line and these could reduce the overall benefits assumed with the Market Harborough works.

SCR confirmed that the £5m was allocated for the project however they were not convinced on the benefits.

Benefits

NR are providing more information on the local benefits to each LEP over and above the 30 second time saving.

NR confirmed that there would be no additional trains on the line resulting from the MH works and the only real benefit was the time saving.

NR confirmed that any timesaving was dependant on investment by the franchisee in regards to the type of trains purchased.

NR also confirmed that they are looking at other time saving initiatives on the line which may include some of the trains no longer stopping at all of the stations. One of the stations which may be affected was highlighted as Long Eaton.

Timing

NR have committed in the region of £6m to the project so far taking it through the design stages (GRIP) and require confirmation by September from all LEPS before the project can commence. The next GRIP stage is detailed design which looks at areas such as ground conditions etc.

Any funding by the LEPs would be at risk and there would be no guarantee that the project would commence until the final cost was agreed and all funding was in place. NR have agreed to advise what the financial outlay would be up until final approval.

Conclusion

The project is progressing however there are a number of major issues outstanding such as the final cost, the £9m shortfall and the costs associated (at risk) up until final approval.

All 3 LEPs have agreed that the funding is still available and a single approach for approval is recommended.

NR are looking to identify additional benefits over and above the journey time savings, however if the funding gap needs to be found from the sponsor then it could affect other projects planned on the line therefore reducing any overall benefits.

Recommendations

1. IIB are asked to note the update.
2. IIB are asked to confirm that they are still willing to support the project
3. IIB are asked to confirm that the project can progress through a single assurance process managed by LLEP
4. A meeting is required with LEP chairs from each represented LEP, DfT and officers to discuss the project.