

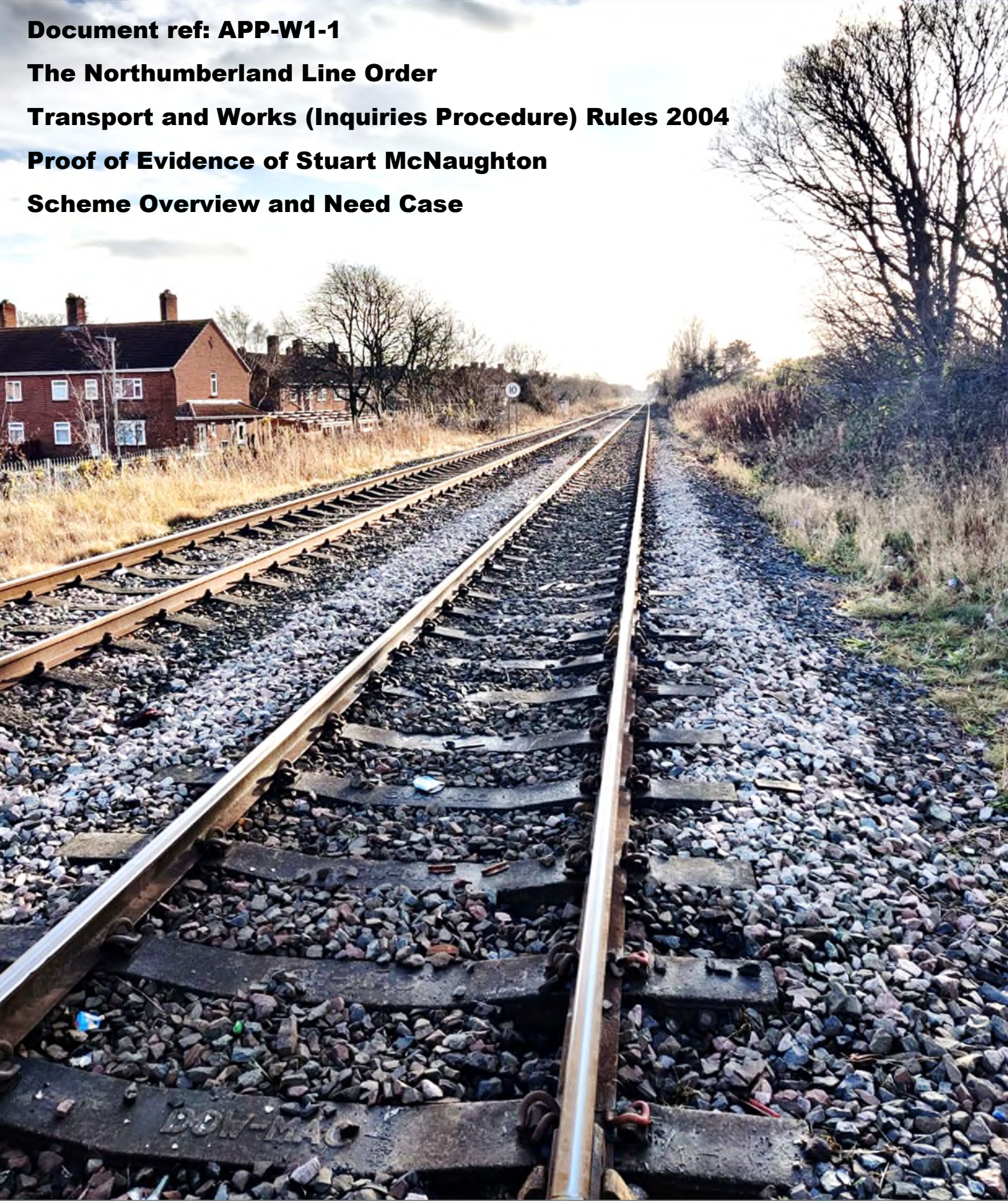
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**The Northumberland Line Order**

**Transport and Works (Inquiries Procedure) Rules 2004**

**Proof of Evidence of Stuart McNaughton**

**Scheme Overview and Need Case**



**Northumberland**  
County Council



**NORTHUMBERLAND COUNTY COUNCIL**  
**NORTHUMBERLAND LINE ORDER**  
**STUART McNAUGHTON – PROOF OF EVIDENCE**  
**SCHEME OVERVIEW AND NEED CASE**

**CONTENTS**

Contents .....	i
List of Tables .....	i
List of Figures .....	i
<b>1. Introduction .....</b>	<b>3</b>
<b>2. Scope of evidence .....</b>	<b>3</b>
<b>3. Strategic context and need .....</b>	<b>4</b>
<b>4. Early scheme development and alternatives considered.....</b>	<b>6</b>
Consultation and Engagement.....	8
<b>5. Scheme description .....</b>	<b>8</b>
Stations .....	11
Ashington Station .....	11
Bedlington Station .....	11
Bebside Station .....	11
Newsham Station .....	12
Seaton Delaval Station .....	12
Northumberland Park Station.....	12
Newcastle Central Station.....	12
<b>6. Scheme benefits / business case.....</b>	<b>12</b>
Social value.....	14
<b>7. Funding .....</b>	<b>15</b>
Scheme funding for the purposes of the Order.....	16
<b>8. Procurement and project delivery.....</b>	<b>17</b>
<b>9. The Secretary of State’s Statement of Matters .....</b>	<b>19</b>
Issues Raised in Statement of Matters .....	20
<b>10. Objections.....</b>	<b>22</b>
<b>11. Conclusion.....</b>	<b>22</b>
<b>12. Witness declaration .....</b>	<b>22</b>

**LIST OF TABLES**

Table 1: Data relating to regional social deprivation, sourced from the 2011 Census.....	4
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**LIST OF FIGURES**

Figure 1: Map of the Northumberland Line illustrating the locations of the six new stations .....	10
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## 1. INTRODUCTION

- 1.1 My name is Stuart McNaughton. I am the Strategic Transport Manager for Northumberland County Council (NCC).
- 1.2 I am a Chartered Member of the Chartered Institute of Logistics and Transport and a Member of The Chartered Institution of Highways & Transportation. I obtained a MSc in Transport Engineering and Operations (with distinction) from Newcastle University in 2000 and have since worked for AECOM and, since 2013, Northumberland County Council.
- 1.3 I lead the strategic transport team for NCC covering the development of transport policy and oversight of the pipeline of strategic transport priorities for the county. This covers all modes of transport from walking and cycling to public transport and highways.
- 1.4 I have managed the development of the Northumberland Line project (the Scheme) since joining the council in 2013 with key responsibilities including:
- 1.4.1 Management of the NCC project team including sub consultants;
  - 1.4.2 Coordinating the engagement with key project stakeholders including politicians and members of the public; and
  - 1.4.3 Chair of the Northumberland Line Project Delivery Group which includes representation from all key project stakeholders including Network Rail, Northern, DfT and Nexus and coordinates the progress of the various project workstreams for reporting up to Programme Board.

## 2. SCOPE OF EVIDENCE

- 2.1 My evidence covers the strategic context of the Scheme, the need for intervention, the evolution and development of the Scheme, and provides a description of the proposals. It also describes the benefits of the Scheme, how it will be funded and delivered, and explains the strategic support for the project. It summarises the strategic, financial, commercial and management case elements of the business case.
- 2.2 I deal in my evidence with the following matters that are identified in the Statement of Matters issued by the Secretary of State, being the matters about which the Secretary of State particularly wishes to be informed. In some cases, my evidence deals with a matter only in part, and I have indicated below where other witnesses also address aspects of the same matter:
- 2.2.1 Matter 1: The aims and objectives of, and the need for, the proposed Northumberland Line.
  - 2.2.2 Matter 2: The main alternative options considered by NCC and the reasons for choosing the preferred option set out in the Order. My evidence describes the strategic options that were considered as part of the development of the Scheme. The specific engineering and design alternatives that were considered for individual elements of the Scheme are set out in Mr Sindall's evidence [APP-W2-1].
  - 2.2.3 Matter 3: The likely impact of the scheme on local businesses, residents and visitors. My evidence includes a summary of NCC's position in response to objections, including those which relate to the impacts of the Scheme. Impacts are also considered in the evidence of Mr Sindall [APP-W2-1] and Mr Russell [APP-W3-1].

2.2.4 **Matter 6:** Whether there is a compelling case in the public interest to justify conferring on NCC powers to compulsorily acquire and use land for the purposes of the scheme. My evidence on the case for the Scheme supports the justification for the compulsory acquisition powers sought in the Order. Mr Mills' evidence [APP-W3-1] considers the specific case for acquisition of individual sites.

2.3 This proof of evidence includes at section 9 a table which sets out how NCC's evidence addresses the full list of matters included in the Statement of Matters.

### 3. STRATEGIC CONTEXT AND NEED

3.1 Significant areas of deprivation and long-term unemployment exist along the Northumberland Line corridor; particularly clustered around the north of the line in Ashington, Bedlington and Blyth and communities along the River Tyne including North Shields, Wallsend and Byker. Residents are disconnected from opportunity and, despite its potential, the local economy is underperforming compared to national averages. This has been further compounded by Covid-19.

3.2 South East Northumberland has struggled to overcome issues of social deprivation, which has been evident in the area since the closure of the mining industries in the late 1980s and early 1990s. This is emphasised in the table below with Wansbeck (Ashington) used to represent the South East Northumberland corridor.

*Table 1: Data relating to regional social deprivation, sourced from the 2011 Census*

Factor	Base	Wansbeck	North East	England
People not in good health	Resident population (%)	8.3	7.4	5.5
People with limiting long term illness	Resident population (%)	23.4	21.6	17.6
Residents with no qualifications	Working age population (%)	18.8	17.8	14.8
Population living in local authority or other social housing rented properties	Working age population (%)	22.5	23	17.7
Source: 2011 Census				

3.3 Key problems currently facing the South East Northumberland area include poor transport connectivity, with limited availability of alternative modes of transport to the private car. This not only restricts the potential for residents of South East Northumberland to access employment, education, and leisure opportunities in the wider North East region, it also reduces the attractiveness of South East Northumberland as an area in which to invest.

3.4 The key problems identified are summarised below:

3.4.1 **Car Ownership:** Car ownership in South East Northumberland is forecast to increase. This has potential implications including increasing highway congestion, impacting on journey times and the commercial viability of bus-based public transport across the region.

3.4.2 **Mode Share:** Private motor car usage in Northumberland is higher than the national average and this contributes to congestion and poor air quality. Public transport usage in Northumberland is lower than the national average.

- 3.4.3 **Commuter Trips:** There is a significant outflow of commuters from Northumberland into Tyne and Wear. Congestion is already an issue on the strategic road network into Tyne and Wear, particularly at the A19/A189 Moor Farm roundabout, and alternative modes of transport need to be provided to ensure the population of South East Northumberland can access key areas of employment by sustainable modes.
- 3.4.4 **Links of Economic Importance:** Links into Tyne and Wear, particularly Newcastle, are vital for the economic prosperity of Northumberland. However, bus journey times, particularly during peak periods, are uncompetitive compared to car journeys.
- 3.4.5 **Accessibility:** Existing public transport options do not meet the needs of all residents of Northumberland. A lack of available services, long journey times and high public transport costs mean that public transport is not a viable option for many people.
- 3.4.6 **Environmental Issues:** Air quality is a major concern for the North of Tyne Combined Authority. Collectively, there is a need to reduce harmful vehicle emissions.
- 3.4.7 **Housing:** The South East of the county has experienced consistent under delivery of housing in recent years compared to the housing allocations in existing Local Plans. Some large housing sites have stalled and sites on previously developed land have proven unviable.
- 3.5 Northumberland, alongside the rest of the UK, has been dealing with the impacts of the Covid-19 global pandemic. This has had major implications on travel patterns, with increased reliance on the private car as an alternative to public transport. It is acknowledged that it will be some time before travel patterns return to normal and there will be longer term changes because of the Covid-19 restrictions and people's experience of working from home. However, there are still many jobs where working from home is not possible. Public transport is also still needed to access education and leisure opportunities. It is therefore important that there is a continued focus on developing public transport infrastructure, as well as encouraging people to shift from private car to public transport.
- 3.6 The need for intervention is critical if national, regional, and local policies are going to be realised and the productivity gap between the North East and other parts of the country is going to narrow. This is never more important than now, when the region faces a fight to overcome the economic downturn caused by the pandemic. The consequences of continued failure to address these problems are summarised below:
  - 3.6.1 **Congestion:** For those that have access to a car, there will be an overreliance on private car travel into neighbouring authorities to access opportunities. Not only will this exacerbate local congestion issues, but it will also increase demand on the key radial routes into Tyne and Wear, which are already congested.
  - 3.6.2 **Social exclusion:** For those who do not have access to a car, poor public transport connectivity will leave people increasingly isolated from economic and social opportunities. This will exacerbate existing issues of social deprivation that are inherent in the South East Northumberland area.
  - 3.6.3 **Development:** Poor transport connectivity will impact on the potential of Northumberland and the wider North East region to attract inward investment. Several strategic employment sites, particularly Blyth Estuary, have been identified in South East Northumberland but the success of these sites will be dependent on good transport connections.

- 3.7 However, there is real opportunity for economic growth across the region. The North of Tyne is the region that brings together the Borderlands, and the route to building an East Coast economic powerhouse from Edinburgh to Leeds that is built on clean energy, historic cultural assets, and radically better connectivity.
- 3.8 The region has growing sector strengths, major employment sites and high-value assets in low carbon and offshore wind, advanced manufacturing and robotics.
- 3.9 North of Tyne's communities and businesses are transitioning from its proud industrial legacy to a clean growth future. The Northumberland Line provides a catalytic opportunity to strengthen the whole region, and specifically South East Northumberland, by accelerating investment.
- 3.10 There are significant business clusters and economic assets throughout the line. This includes Northumberland Energy Park in Blyth where there is the potential to create 10,000 new jobs which will be better connected to the local area's wider business network and labour pool.
- 3.11 The Scheme will help connect these deprived areas to jobs, businesses and future growth including concentrations to the south of the line around the Newcastle conurbation, around the major Cobalt Business Park in North Tyneside, and in growing sectors in South East Northumberland including offshore wind, renewables and wider clean energy and advanced manufacturing specialisms.
- 3.12 At a national level, there is a need to continue to stimulate economic growth by ensuring that transport infrastructure can move people, goods, and services efficiently and effectively. Business markets vary across the country, with areas in the north requiring intervention to support business growth, enhance business routes to market and reduce the productivity gap. Although the North East LEP area economy has witnessed increasing GVA in recent years (it is a net exporter), capacity pinch points across the network could hold back the required economic growth.
- 3.13 The North East needs to continue to capitalise on its export growth and inward investment. The provision of well-connected transport infrastructure, with accessible routes to market, will support this need and ensure that the UK and the region can continue to build on its global connections and enhance its productivity. A more localised requirement is for people to access further education and employment opportunities in the first place to serve this economic growth. This is the primary purpose of the Scheme.

#### 4. EARLY SCHEME DEVELOPMENT AND ALTERNATIVES CONSIDERED

- 4.1 The evidence set out in the Outline Business Case (OBC) for the Scheme [APP-40], demonstrating the need for transport investment in South East Northumberland, was used to formulate three Scheme objectives:
  - 4.1.1 **Objective 1:** Facilitate economic activity, employment growth and the delivery of housing sites within South East Northumberland and the wider region.
  - 4.1.2 **Objective 2:** Create a 4% mode shift from car to public transport within the Northumberland Line corridor area, to improve local air quality and reduce highway congestion at key bottlenecks on the highway network between South East Northumberland, North Tyneside, and Newcastle.
  - 4.1.3 **Objective 3:** Improve public transport accessibility for commuting, retail and leisure trips between South East Northumberland, North Tyneside, and

Newcastle by providing additional public transport options and reducing public transport journey times compared to the existing situation.

- 4.2 The case for intervention has been developed over several years, with many options considered to improve transport connections to and from the South East Northumberland corridor. Key to this was the South East Northumberland Public Transport Corridor Study (December 2011) [APP-39] which developed an overarching transport evidence base for the area. This evidence base has been reviewed as the business case has developed and the findings remain relevant.
- 4.3 As part of this study, a long list of options was developed. In total, 46 possible interventions were identified covering eight different categories. These interventions were appraised using the DfT's Early Assessment Sifting Tool (EAST), with the following shortlist taken forward:
- 4.3.1 Improvements to express bus services from South East Northumberland into Tyne and Wear to identify quicker, more direct routes and gaps in service;
  - 4.3.2 Personal travel planning at large employment sites across South East Northumberland;
  - 4.3.3 Reopening of the existing freight line to heavy rail passenger services from South East Northumberland into Tyne and Wear; and
  - 4.3.4 Extend Tyne and Wear Metro into South East Northumberland.
- 4.4 All of these interventions were identified to contribute to some degree in achieving the objectives of the 2011 study, although some were likely to contribute significantly more than others. On that basis, each one was considered on merit and discussed with relevant stakeholders to determine how each might be progressed, or not.
- 4.5 From these discussions, it was concluded that improvements to bus services would not create the step change in the transport offer that is needed to address the existing transport connectivity issues in South East Northumberland. Given peak hour highway capacity constraints, even express bus services could not achieve the required journey time benefits.
- 4.6 Personalised travel planning can help to inform alternative travel choices for the local population although it is seen as complementary to other schemes. This is an ongoing priority for the council, specifically with local schools.
- 4.7 This resulted in Metro extensions and the Northumberland Line scheme being given further consideration.
- 4.8 Initially, the extension of the Tyne and Wear Metro into South East Northumberland was discounted due to the requirement for overhead line electrification or the need for an alternative fuel solution. However, as a heavy rail solution has been developed, the extension of the Tyne and Wear Metro has frequently been revisited to ensure an opportunity is not being missed, particularly given advancements in technology in the intervening period. Despite the time which has elapsed, the conclusion still stands and the current Metro fleet would not have the capability of running through to Ashington without electrification of the line.
- 4.9 Other disadvantages of an extension to the Metro include relatively uncompetitive journey times into Newcastle compared with a heavy rail solution, the lack of capacity over the core Metro network through Gosforth and central Newcastle to introduce additional services, and the perception that Metro is for shorter distance trips with more room for standing passengers and less seating available.



- 4.10 It is, however, worth acknowledging that the service proposition for the Northumberland Line operation is proposing an extension of the Tyne & Wear Metro zonal fares structure to cover the corridor.
- 4.11 Based on the above, a heavy-rail based intervention is required to meet the scheme objectives. It is this option which has been developed since the OBC was submitted.

### **Consultation and Engagement**

- 4.12 The local community has been engaged in the development of the Scheme through information in local media and on Northumberland County Council's website. A public consultation on the Scheme proposals took place between 2 September and 18 October 2019 and received 971 responses. The primary objectives of the consultation were to raise awareness of the Scheme, and to gather initial feedback on what it should offer to residents. 96% of respondents were supportive of reopening the railway line between Ashington and Newcastle to passenger services.
- 4.13 A second phase of public consultation took place between 16th November and 16th December 2020 and received 1024 responses. The purpose of the second phase consultation was to gather feedback on the proposals for the stations, changes to level crossings and land required to build the Scheme. 91% of respondents were either fully, mostly, or slight supportive of reopening the railway line, with only 5% of respondents not supportive of the proposals. The main reasons given for respondents not supporting the Scheme were the impacts of increased traffic because of the stations, increases in air pollution and wider environmental impacts on ecology and the landscape.
- 4.14 Further details of the consultation undertaken by NCC on the Scheme and how the feedback has been considered are set out in the Consultation Report [APP-04] submitted with the TWA0 Application.
- 4.15 In addition, each of the planning applications that have been submitted for the stations and other structures forming part of the Scheme will be the subject of a consultation exercise by the local planning authority as part of the statutory procedures which govern the determination of planning applications.
- 4.16 A specific pre-application consultation on the proposals for the underpass at Palmersville Dairy was undertaken in August 2021.
- 4.17 In response to issues raised through the public consultation on the Scheme, targeted engagement has taken place with local residents' groups, and this will continue as the Scheme progresses.
- 4.18 As well as engagement with all stakeholders and the general public, strategic engagement with key stakeholders and project partners is conducted through the Programme Board and the Programme Delivery Group, which both now meet monthly. These meetings are attended by representatives from Northumberland County Council, the DfT, Network Rail, TfN, Nexus, Northern, North Tyneside Council and ORR. Regular and technical interface meetings also take place with Network Rail, Nexus, local authority officers and various other statutory stakeholders.

## **5. SCHEME DESCRIPTION**

- 5.1 The Northumberland Line Scheme will deliver:
- 5.1.1 Rail passenger services between Ashington and Newcastle for the first time since 1964;
- 5.1.2 Two passenger trains per hour in each direction through the day;

- 5.1.3 A range of infrastructure and system upgrades to support the introduction of these services;
- 5.1.4 Six new stations at:
  - Ashington (with a 36 minute peak hour journey time to Newcastle)
  - Bedlington Station (30 minutes to Newcastle)
  - Bebside (27.5 minutes to Newcastle)
  - Newsham (23.5 minutes to Newcastle)
  - Seaton Delaval (20 minutes to Newcastle)
  - Northumberland Park (12.5 minutes to Newcastle) where the station connects with the Tyne and Wear Metro; and
- 5.1.5 A service initially operated by 2-car Class 158 diesel trains. Battery Electric Units are assumed to be operational from 2026.
- 5.2 The six new stations are shown in Figure 1 below.

Figure 1: Map of the Northumberland Line illustrating the locations of the six new stations



- 5.3 Passenger services will run as a shuttle between Ashington and Newcastle Central, via the East Coast Main Line (ECML) between Benton North junction and Newcastle Central. No changes are necessary to the infrastructure or systems on the ECML or at Newcastle Central Station.
- 5.4 The existing railway infrastructure is currently used for freight services only since the withdrawal of passenger services as part of the national railway rationalisation exercise in the early 1960s.
- 5.5 The track ride quality and line speed requirements for freight are much lower than are required to run a passenger service efficiently and hence a range of infrastructure (track, earthworks, bridges, stations) and systems (signalling, level crossings, telecommunications, and electrical) interventions are required. The necessary infrastructure works are described in the Proof of Evidence of Julian Sindall [APP-W2-1].

## **Stations**

- 5.6 In developing the Scheme it was necessary to identify locations for passenger stations. The location of stations has been determined by the line of the existing railway and influenced by historical and geographical reasons. The original line had several railway stations along the track although little of these stations is left except for platforms at Ashington and one platform with two buildings at Bedlington Station.
- 5.7 Modern design standards require platforms to be straight and level wherever possible, and modern access expectations create a need at most stations for a car park of sufficient size to meet demand. Accordingly, in large part, new stations are required.
- 5.8 The catchment areas and operational demand at each station also plays a role in selection of stations to ensure that there is a sufficient population within the catchment, and overlap of catchments is minimised to maximise the benefit of each station and avoid the operational penalty of stopping too frequently, which is a disbenefit to all other passengers on board.
- 5.9 There is a further operational penalty associated with providing too many stations which is that the overall journey time increases to the extent that one or more additional trains is necessary to be able to complete the circuit with two trains per hour. It is specifically for this reason that a station at Woodhorn or other stations further north/east were discounted, though passive provision has been made to allow this if future demand justifies the additional operational and infrastructure cost.
- 5.10 The combination of these factors has constrained the potential locations to be used.

### **Ashington Station**

- 5.11 Ashington Station is to be located on the site of the former station in one of the two main population centres on the corridor. This is in the centre of town with significant centres of population and employment surrounding the site. The station is key to the regeneration of Ashington being near both the Wansbeck Square and Portland Park (a retail and leisure development including cinema and leisure centre) developments. The central location maximises the opportunity to access the station by sustainable modes and is within a short walk of the bus interchange. There were no other sites suitable for consideration for a station in Ashington.

### **Bedlington Station**

- 5.12 Bedlington Station is to be located on the site of the former station in the centre of town and is key to the planned regeneration of the town. The location of the station maximises the opportunity to access the station by sustainable modes and has good connections to the strategic bus network which passes through the town centre. The station will provide an interchange point for onward travel to the BritishVolt electric car battery 'gigafactory' near Cambois, a 256,000m<sup>2</sup> development creating up to 3,000 jobs. The project presents an opportunity to reintroduce the old station buildings for wider community use. There were no other sites suitable for a station in Bedlington.

### **Bebside Station**

- 5.13 Bebside Station is planned adjacent to the junction of the A189 and A193 on the north western extents of Blyth and will act as a strategic Park and Ride site for traffic along the A1068 corridor to the north of Ashington. The station will also improve connectivity to the Blyth Riverside Business Park and the developing Chase Farm housing estate which will provide up to 1,500 homes. The proposed pedestrian footbridge over the A189 provides direct access to the station from the Chase Farm Estate and the nearby ASDA supermarket. The exact location of the station site was determined by land availability and the need to minimise impact on the adjacent level crossing.



### **Newsham Station**

- 5.14 Newsham Station is proposed on the A1061 corridor on the southern edge of Blyth and sits on the main corridor between Blyth and the Tyne and Wear conurbation. The station will serve a significant catchment of existing and planned residential development in south Blyth and has good public transport connectivity to the town centre via the existing strategic bus network. Alternative sites to the north towards Plessey Road were considered for the station but were ruled out given a lack of available land to provide the required parking spaces.

### **Seaton Delaval Station**

- 5.15 The proposed station at Seaton Delaval will effectively act as a station for the whole Seaton Valley and will significantly improve public transport accessibility for the area both north towards Ashington and south towards Tyne and Wear. A number of station locations were considered in Seghill, New Hartley and Seaton Delaval – see the 'Stations Assessment Report' (July 2016) appended to this Proof of Evidence. These sites were appraised based on engineering feasibility, land availability and proximity to existing and potential future residential sites. The proposed station site on the A192 provides the best opportunity to maximise passenger demand.

### **Northumberland Park Station**

- 5.16 Northumberland Park station is the first point of interchange with the Tyne and Wear Metro offering onward connections to the coast and Newcastle International Airport, as well as access to the employment opportunities on Cobalt Park (over 1.6 million square feet of Grade A office space and approximately 14,000 employees) which is already served by high quality cycle routes and a shuttle bus from Northumberland Park Metro station. The proposal includes for an additional platform adjacent to the Metro platforms and car parking provided in the existing multi storey car park.

### **Newcastle Central Station**

- 5.17 The service will terminate at Newcastle Central Station which provides onward connections via the Tyne and Wear Metro and the national rail network. No additional infrastructure is required, and it is assumed that services will call at platform 1. Newcastle is also a key destination for a range of existing and future employment opportunities including Science Central (up to 4,000 jobs), Baltic Quays (1,500 jobs), and East Pilgrim Street (3,000 jobs).
- 5.18 Further details of the design and engineering aspects of the Scheme are given in the Proof of Evidence of Julian Sindall [APP-W2-1].

## **6. SCHEME BENEFITS / BUSINESS CASE**

- 6.1 The business case for the Scheme has been developed in accordance with Department for Transport guidance on Transport Business Cases (updated in 2020) and is structured around the Five Case model set out in HM Treasury's 'Green Book'.
- 6.2 Since March 2020, the global Covid-19 pandemic and the UK response to it has led to a fundamental shift in the UK government's approach to delivering infrastructure projects as part of the desire to 'Build Back Better'. This is primarily characterised by the 'Project SPEED' and Network Rail 'Pace' initiatives which seek to dramatically reduce project delivery times and costs by cutting out unnecessary processes, faster decision making and innovative delivery models. The Northumberland Line project is the first third-party sponsored Rail Network Enhancements Pipeline (RNEP) project to be developed under the Project SPEED banner and as such is a trailblazer for other projects. This has enabled the project to accelerate from Outline Business Case (OBC) completion in January 2020 through to the Full Business Case (FBC) later this year.

- 6.3 The business case presents a compelling case for investment in the railway line, which will not only benefit the communities it serves, but the wider North East region.
- 6.4 The economic appraisal referenced in this proof draws from the OBC as being the last fully approved document. Since the completion of the OBC in January 2020 the project has continued to evolve to reflect the outcome of further stakeholder engagement and more detailed information being available. This will be reflected in the FBC due to be submitted for approval later in 2021. I am confident that the FBC will continue to show the Scheme demonstrates very high value for money.
- 6.5 The Strategic Case sets out the case for intervention and how the investment will further the aims and objectives of NCC and other relevant stakeholders. It highlights that the key problems currently facing the area are ones of poor transport connectivity, with limited alternative modes of transport to the private car. This not only restricts the potential for residents of South East Northumberland to access employment, education, and leisure opportunities in the wider North East region, it also reduces the attractiveness of South East Northumberland as an area in which to invest. As a result, the south east area of Northumberland has struggled to overcome social deprivation, which has been evident in the area since the closure of the mining industries in the late 1980's and early 1990's.
- 6.6 The Strategic Case further highlights the impact of failure to invest in the reintroduction of passenger services on the Northumberland Line. For those that have access to a car, there will be an overreliance on private car travel into neighbouring authorities to access opportunities. Not only will this exacerbate local congestion issues, but it will also increase demand on the key radial routes into Tyne and Wear, which are already congested and are currently subject to a legal directive to implement measures to improve air quality.
- 6.7 Whilst traffic congestion is clearly an issue that must be addressed, what is of greater importance to the development of South East Northumberland and the wider region is the impact that poor transport connectivity will have on development opportunities in the region. NCC has failed to deliver on their housing aspirations in recent years and this is unlikely to improve without investment. Several strategic employment sites, particularly Blyth Estuary, have been identified in South East Northumberland but the success of these sites will be dependent on good transport connections.
- 6.8 Several policy documents have been reviewed within the Strategic Case to set out how the scheme aligns with local, regional, and national policy objectives. There is an emphasis on improving sustainable transport connections, which will not only help facilitate economic growth but will also benefit the local environment through improvements to air quality. The Northumberland Line, as a new sustainable transport link into Tyne and Wear, aligns well with these policy objectives.
- 6.9 As set out in the **Economic Case**, the Scheme is predicted to generate 1.45m return journeys by 2039, with annual revenue expected to be just under £13m.
- 6.10 Modal transfer from car is the primary source of demand for the Scheme, accounting for approximately 45% of the Scheme's rail demand. Approximately 1 in 6 journeys using the new rail service are forecast to have transferred from bus. This demonstrates the success of the project in meeting the key objectives of providing additional public transport options to encourage modal shift to more sustainable modes. The demand forecasting work shows Newcastle and Northumberland Park being key destinations and, as key employment locations, provides a clear indication of the economic growth potential of the Scheme. Ashington is also a key destination which highlights the importance of the scheme to the regeneration of the town and shows that this is very much a two-way railway. Only very small levels of modal transfer are forecast from existing rail or from Metro (park-and-ride) - less than 3% in total. Just over 20% of rail demand is assumed to be induced demand – that is new journeys made as a result of the Scheme.

- 6.11 The Scheme returns a positive business case with the Present Value of Benefits exceeding the Present Value of Costs by some £267m (the Net Present Value) with a benefit to cost ratio (BCR) of the Scheme calculated as 3.82:1. When Wider Economic Benefits are included £46m of benefits are added, thereby increasing the NPV to £3612m and the BCR up to 4.30. The DfT uses six “value for money” categories to assign to scheme business cases. A BCR of 4.30, being greater than 4, falls within the **very high value for money** category.
- 6.12 A significant amount of analysis has been undertaken with a view to identifying the preferred engineering solution for the Scheme. **The Financial Case** sets out the prepared cost estimates at a ‘GRIP 3 equivalent’ level. A Quantitative Cost Risk Assessment (QCRA) has been developed to model the level of risk value that should be applied to the GRIP 3 cost estimate for the OBC. The anticipated final cost (AFC) is presented in Section 7.

### **Social value**

- 6.13 The primary focus of the Scheme is improved access to employment opportunities. However, the Northumberland Line also delivers cultural benefits by providing a gateway to the Northumberland coast as a visitor attraction and social benefits through (amongst other things) improved access to further education opportunities, both within Northumberland and in Tyne and Wear.
- 6.14 Over the next three years we want to ensure that local communities and businesses are involved in the reintroduction of the Northumberland Line. Providing communities with a sense of ownership and pride, ensuring that local people are engaged and benefitting from the economic growth, regeneration, and development of South East Northumberland.
- 6.15 Delivering social value as part of the Northumberland Line is fundamental to the success of the Scheme. It is not an add on, it is a primary reason and impetus for the project, opening opportunities to our communities, seeking a more prosperous and resilient future for all.
- 6.16 Through a focus on social value, we strive to maximise the effectiveness of the Scheme by coordinated delivery of the project and related Social Value initiatives, utilising collective resources, skills, and experience. This will help us create employment and learning opportunities, enhance the profile and perceptions of the local area, supporting communities engaging with the railway and the opportunities it brings, creating an identity for South East Northumberland as an attractive place to live, work, visit and enjoy.
- 6.17 Through our work we are focusing on:
- 6.17.1 Enabling career opportunities for disadvantaged people;
  - 6.17.2 Encouraging and supporting use of the railway by the more vulnerable members of the community;
  - 6.17.3 Supporting safe and positive interactions with the railway;
  - 6.17.4 Raising and enabling educational and career aspirations for children and young people;
  - 6.17.5 Building pride and local ownership of the railway in its community;
  - 6.17.6 Encouraging improvements in the natural and physical environment for the benefit of the community; and

- 6.17.7 Attracting and retaining inward business investment and enabling local businesses to grow.

## **7. FUNDING**

- 7.1 Improving economic activity and encouraging a mode shift from private car to sustainable modes are central objectives of the Northumberland Line Scheme, making it an excellent candidate for central government funding. The Scheme has huge potential to connect residents and deliver growth across the North of Tyne economic area, helping to 'level up' communities that are being left behind. Given the regional benefits that the scheme will deliver, the scheme also has the support of other partners within the North East area including the North East Joint Transport Committee.
- 7.2 The current Anticipated Final Cost (AFC) for the scheme is £161.92 million. This is as set out in the OBC. The figure of £167 million set out in the Funding Statement [APP-06] was based on updated work prepared for the DfT's Rail Investment Board in October 2020, although this did not constitute a standard business case submission. The AFC does not include the cost of the service mobilisation workstream being undertaken by Northern Trains Limited, which is assumed to be funded through the current Services Agreement. It should also be noted that this AFC does not include any optimism bias uplift that is applied as part of the economic appraisal process but does include contingency. As stated, an update to the AFC will be included in the FBC.
- 7.3 As part of the Medium-Term Financial Plan (MTFP), NCC has committed a total of £27.218m to the project and this was approved by the County Council in February 2021.
- 7.4 In January 2021 the Secretary of State for Transport announced a further £34.3 million of Rail Network Enhancements Pipeline (RNEP) funding for the project. This was split between Northumberland County Council (£17.4m) and Network Rail to fund Work Package 1 which consists of land acquisition, completion of detailed design and early purchase of long lead-time signalling equipment.
- 7.5 In addition, NCC has been working with E-Rail since 2017 to explore opportunities for Land Value Capture (LVC) to secure private sector contributions to the transport infrastructure. The project has now secured Contribution Agreements (CAs) for 16 development sites which have the potential to generate a significant capital return. This will provide an additional source of funding to the project. However, any funds secured through these CAs will only be realised once the development sites have planning approval. On that basis and given that the business case generates high value for money regardless, and the lack of certainty in delivering the funds, the LVC contributions have been excluded from the financial case.
- 7.6 Considering the current climate for rail travel, the project team's assessment is that the ongoing financial risks associated with the operation of passenger services are best managed by the DfT, who should take on this role. Although ultimate financial responsibility ("revenue risk") would sit with the DfT, some local control of specification and outputs is anticipated to be carried out via a North East based rail body.
- 7.7 Since the OBC submission in early 2020, a significant amount of work has been carried out to further develop the scheme in preparation for the final FBC submission. The detailed funding request will be included within the FBC later this year and will reflect:
- 7.7.1 a committed NCC allocation of £27.218m already authorised by NCC.
- 7.7.2 the DfT RNEP contributions already authorised, (£1.5m at SOBC stage, £5m at OBC stage and £34.3m announced by the Secretary of State in January 2021).



- 7.7.3 a Network Rail contribution of £4.25m from Control Period 6 (CP6) funding based on efficient incorporation of works already programmed in the CP6 workbank in respect of track renewals and structures.
- 7.8 The final funding request will be presented to the Rail Investment Board following completion of the FBC and, subject to confirmation, will be made available to be drawn down in accordance with the project controls set out within the management case and Project Board approval or delegated authority.

### **Scheme funding for the purposes of the Order**

- 7.9 An applicant for a TWA order is required to submit the applicant's proposals for funding the cost of implementing the order, and in particular, for funding the cost of acquiring land which is blighted within the meaning of section 149 of the Town and Country Planning Act 1990 (see Rule 10(3)(a) of The Transport and Works (Applications and Objections Procedure) (England and Wales) Rules 2006) [APP-19]. This information was provided in the Funding Statement [APP-06] submitted with the Application.
- 7.10 The DfT's Guide to TWA Procedures (2006) advises, at paragraph 1.34:
- 7.10.1 *"in the context of a TWA order, the Secretary of State's concern is to establish that a scheme is reasonably capable of attracting the funds required to implement it, rather than expecting funding to have been secured. An applicant should be able to provide evidence (whether at inquiry or otherwise) to enable the Secretary of State consider this matter. If this appeared not to be the case, this would suggest that the making of the TWA application was premature."*
- 7.11 Although this guidance document is no longer current and is no longer referred to by the DfT it provides a helpful statement of the basis on which the Secretary of State has considered the funding position when determining applications for TWA orders.
- 7.12 Where a TWA order includes provision for compulsory acquisition of land or rights over land, the Secretary of State will follow the approach taken in relation to compulsory purchase orders and consider whether there is a compelling case in the public interest. In addition, Article 1 Protocol 1 of the European Convention on Human Rights and, potentially, Article 8, are likely to be engaged.
- 7.13 In deciding whether to make a TWA order which includes such provisions, the Secretary of State is likely to follow the approach set out in the MHCLG Guidance on Compulsory purchase process and The Crichton Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion ("the MHCLG Guidance") [APP-26]. The MHCLG Guidance states, at paragraph 13:
- 7.13.1 *"If an acquiring authority does not have a clear idea of how it intends to use the land which it is proposing to acquire; and cannot show that all the necessary resources are likely to be available to achieve that end within a reasonable time-scale, it will be difficult to show conclusively that the compulsory acquisition of the land included in the order is justified in the public interest, at any rate at the time of its making."*
- 7.14 On the basis of the relevant guidance, it is therefore necessary for NCC to demonstrate that:
- 7.14.1 The Scheme is reasonably capable of attracting the funds required to implement it; and
- 7.14.2 The necessary resources are likely to be available to implement the Scheme.

- 7.15 For the reasons summarised above and in the Financial Case, the Scheme is clearly capable of being funded and resources to implement it are likely to be available. The Scheme is supported by the DfT and other partners, and has already been the subject of substantial funding. It delivers “very high” value for money and this will be reflected in the FBC which is due for completion later this year. The funding position is thus well advanced.

## **8. PROCUREMENT AND PROJECT DELIVERY**

- 8.1 The Scheme is being delivered as a ‘3rd party investment’ in the national rail network by NCC. In delivery of the Scheme, NCC is working closely with Network Rail and Northern Trains whilst also drawing on the support of several key regional organisations, such as NEXUS and North Tyneside Council.
- 8.2 As a 3rd party investor, NCC has led the development of the Scheme from initial concept through to the completion of the Outline Design (“Approval in Principle”), undertaking the following activities:
- 8.2.1 procurement and management of the option selection and outline design (AECOM appointed as “Programme Designer”);
  - 8.2.2 development and implementation of the public consultation and planning application strategy;
  - 8.2.3 establishment of the Scheme’s governance structure and development of the delivery strategy;
  - 8.2.4 management of funding, risk and programme, including Strategic and Outline Business Case and integrated delivery schedule;
  - 8.2.5 engagement with Network Rail and the Freight / Train Operators (FOCs / TOCs); and
  - 8.2.6 management of the Scheme’s application of Common Safety Method (CSM) and Railway Interoperability Regulations (RIR) as proposer of change and project entity.
- 8.3 In 2020, the Scheme was included within the Government’s Project SPEED initiative with the aim of reducing cost and accelerating delivery. This resulted in a review of the Scheme’s delivery strategy and a decision was taken to split responsibility for implementation between NCC, Network Rail and Northern Trains based on which organisation was best placed to control delivery risk and therefore the potential for cost and programme overrun. Responsibility was divided as follows:
- 8.3.1 The ‘Stations Package’ consists of the 6 new stations and 4 structures (Palmersville Dairy underpass, Chase Meadow footbridge, Blyth Bebside foot / cycle bridge and Newsham road bridge) and will be delivered by NCC;
  - 8.3.2 Network Rail will deliver the ‘Rail Corridor Package’ of works; and
  - 8.3.3 Northern Trains will be responsible for the ‘Timetable and Operations Package’ of works. This will include some involvement from Nexus regarding through ticketing.
- 8.4 The timetable for the delivery of the Scheme is as shown in Appendix C.3 of the Statement of Case [APP-44].
- 8.5 The works authorised by the Order will be delivered under the Stations Package (by NCC) and the Rail Corridor Package (by Network Rail). Delivery of the Stations Package

will be via a 'traditional' build-only contract and NCC has appointed a contractor to undertake the works on its behalf. Network Rail will deliver the Rail Corridor Package via an existing framework alliance with Amco, Balfour Beatty and TSO (the "Central Rail Systems Alliance").

- 8.6 Management of the programme sits within the Integrated Programme Management Office (IPMO), which is the unified Project Delivery team managing delivery of the three key workstreams led by NCC, Network Rail and Northern Trains/Nexus, using reporting and project control processes which are widely adopted by major infrastructure projects.
- 8.7 The IPMO is responsible for co-ordinating all Programme Management activities as a single entity minimising duplication of PM activity within the three delivery legs.
- 8.8 The management and co-ordination of delivery and governance is achieved using a model that has been used successfully elsewhere on other DfT funded major infrastructure projects:
  - 8.8.1 Delivery Steering Groups (DSGs) looking at specific tactical level details;
  - 8.8.2 Programme Delivery Group (PDG) to provide direction and structure to the DSG's; and
  - 8.8.3 Programme Delivery Board (PDB) – the senior forum to report to key stakeholders as well as making key programme decisions on scope, schedule, funding and risk.
- 8.9 The IPMO is responsible for managing project controls in respect of programme, cost and reporting to support the PDG and PDB. All meetings are four-weekly to tie in with the current railway industry reporting periods.
- 8.10 A fully integrated programme for delivery has now been established which has incorporated the updated rail systems engineering delivery strategy and inputs from Network Rail's framework contractors.
- 8.11 AECOM UK's Risk Management team is providing risk management expertise for the Scheme. The Scheme applies risk management using a three-tiered approach considering that some risk management process will take place at programme, package or discipline level. It also applies a qualitative, as well as quantitative, risk management approach to inform business decision making and support critical approval points like the business case. The key stages of the project risk management process are based on recommended ISO 31000:2018 guidelines which involves a continuous process of identifying, analysing, prioritising, and mitigating risks that threaten the project's likelihood of success in terms of cost, schedule, quality, safety, environment, and reputation.
- 8.12 Procurement of the contractor to deliver the Stations Package was undertaken by NCC in accordance with public sector procurement regulations. The contractor was appointed to a no-obligation framework against which works would be called-off in accordance with programme requirements and funding allocations.
- 8.13 In the procurement of the contractor, NCC included within the contract 'Works Information' a suite of obligations and measures regarding site methodologies and mitigations to minimise the impacts of construction on lineside neighbours. These included:
  - 8.13.1 The requirement to comply with planning conditions and any such conditions imposed by the Order, including any restrictions on noise and vibration, working hours, site access arrangements etc.;

- 8.13.2 The control of hazardous and other waste arising from the sites and / or during construction;
  - 8.13.3 The accommodation of interfacing projects along the route (i.e. non-rail developments / projects close to, or affected by, the construction of the new stations and structures);
  - 8.13.4 The provision of safe pedestrian access adjacent to the work sites throughout the delivery of the works;
  - 8.13.5 The protection of existing structures and utilities during the works;
  - 8.13.6 Compliance with any and all legislation and related planning conditions imposed to protect existing environmental and ecological features;
  - 8.13.7 The requirement for the contractor to implement a "good neighbour" strategy which informs all those reasonably affected by the construction works of forthcoming activity and potential interference. This also includes the requirement for a community liaison officer to work with local residents to allay concerns, deal with potential issues; and
  - 8.13.8 Social value initiatives to leave a lasting, positive, legacy within the local community.
- 8.14 Network Rail will require its contractors to take reasonable steps to minimise the impacts of construction on lineside neighbours. It should be noted, however, that a significant proportion of the Rail Corridor Package works will need to be undertaken at night and at weekends to minimise disruption to existing freight traffic on the Northumberland Line. Network Rail will work with NCC and the IPMO to minimise the impacts on affected parties.
- 8.15 At the point of completion of the Station Package and Rail Corridor Package works, Northern Trains will begin in-cab driver training to ensure appropriate route-knowledge for its staff prior to the introduction of passenger services. This process is expected to take approximately 12 weeks and will run in parallel with the Entry into Service procedure for the Scheme which will be led by NCC and managed by the IPMO.

## **9. THE SECRETARY OF STATE'S STATEMENT OF MATTERS**

- 9.1 The Statement of Matters issued by the Secretary of State for Transport sets out for the purposes of rule 7(6) of the Transport and Works (Inquiries Procedure) Rules 2004 the matters about which the Secretary of State for Transport particularly wishes to be informed for the purposes of his consideration of these applications.
- 9.2 With respect to the matters raised, these have been covered in NCC's evidence and Order application documents as set out in the table below.



### Issues Raised in Statement of Matters

<b><u>No.</u></b>	<b><u>Matter</u></b>	<b><u>Covered within</u></b>
1.	The aims and objectives of, and the need for, the proposed Northumberland Line.	The aims of the Scheme are set out in the Concise Statement of Aims [APP-03].  The need for the Scheme and its objectives are set out in sections 3 and 4 of my proof of evidence.
2.	The main alternative options considered by NCC and the reasons for choosing the preferred option set out in the Order.	Section 5 of my proof describes the strategic options that were considered as part of the development of the Scheme.  The specific engineering and design alternatives that were considered for individual elements of the Scheme are set out in Julian Sindall's evidence [APP-W2-1].
3.	The likely impact of the scheme on local businesses, residents and visitors. Consideration under this heading should include:  (a) the impacts on access to and from the Asda store in Blyth for customers and deliveries and the operation of the drive thru coffee shop.  (b) impacts of the scheme and its construction on the local road networks, parking, and communal gardens.  (c) location of the proposed underpass at Ashington and its impact on any anti-social behaviour.  (d) impact of the scheme on sheltered accommodation for the elderly.  (e) impact of the scheme on development proposals in the area including housing and care homes.	Julian Sindall's evidence [APP-W2-1] addresses these matters in terms of the engineering and design aspects of the Scheme.  Russell Mills' evidence [APP-W3-1] considers these impacts in terms of the acquisition and use of land.  Mark Russell's evidence [APP-W4-1] addresses some of these matters insofar as they are relevant to planning.
4.	The effects of the scheme on statutory undertakers, statutory utilities and other utility providers, and their ability to carry out their undertakings effectively, safely and in compliance with any statutory or contractual obligations and the protective provisions afforded to them.	This matter is addressed in Julian Sindall's evidence [APP-W2-1].
5.	(a) the impacts of noise and vibration during operation and construction.	Mark Russell's proof [APP-W4-1] addresses these impacts in a section on the environmental impacts of the Scheme.

	(b) the removal of trees and shrubbery and its impact on local wildlife and birds.	
6.	<p>Having regard to the criteria for justifying compulsory purchase powers in paragraphs 12 to 15 of the MHCLG Guidance on the "Compulsory purchase process and the Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion" published on 29 October 2015 (as amended on 28 February 2018):</p> <p>(a) whether there is a compelling case in the public interest to justify conferring on NR powers to compulsorily acquire and use land for the purposes of the scheme.</p> <p>(b) whether the purposes for which the compulsory purchase powers are sought are sufficient to justify interfering with the human rights of those with an interest in the land affected (having regard to Human Rights Act).</p> <p>(c) whether there are likely to be any impediments to NCC exercising the powers contained within the Order, including the availability of funding.</p> <p>(d) whether all the land and rights over land which NCC has applied for is necessary to implement the scheme.</p>	<p>Russell Mill's proof of evidence [APP-W3-1] sets out the Scheme's approach to the use of compulsory acquisition powers and includes consideration of the interference with the human rights of those affected.</p> <p>My proof of evidence provides support for the proposed acquisition of land in terms of the overall need for the Scheme and the benefits it will deliver. It also explains the funding position for the Scheme.</p> <p>Julian Sindall's proof [APP-W2-1] provides the engineering justification for the location and design of the proposed works and their associated land requirements.</p>
7.	The conditions proposed to be attached to the deemed planning permission for the scheme.	The proposed conditions are discussed in Mark Russell's proof [APP-W4-1].
8.	Whether all statutory procedural requirements have been complied with.	This will be addressed in a note submitted by the Applicant to the Inquiry.
9.	Any other matters which may be raised at the inquiry which may be important and relevant to the Secretary of State's decision.	
10.	That it is appropriate for the Secretary of State for the Ministry of Housing, Communities and Local Government to grant a certificate for the compulsory purchase of Open Space Land under Section 19 of the Acquisition of Land Act 1981.	Russell Mills' proof of evidence [APP-W3-1] provides information about the open space land and the section 19 certificate.

## **10. OBJECTIONS**

- 10.1 NCC's position in respect of each of the objectors to the Application is set out in the Applicant's Update to the Inquiry No. 1 [APP-INQ-1].
- 10.2 25 letters of support were received by the Secretary of State [SUPP-01 – 025]. The content of these letters is summarised below:
- 10.2.1 The Northumberland Line will improve access from surrounding towns, such as Bedlington, Ashington and Blyth to employment hubs like Newcastle;
  - 10.2.2 The Northumberland Line will open up new opportunities for education and travel;
  - 10.2.3 The Northumberland Line will provide an incentive for potential employers to relocate to and invest in the area;
  - 10.2.4 The Northumberland Line will provide vital infrastructure to deliver the region's aspirations for population and economic growth;
  - 10.2.5 The Northumberland Line will help to attract visitors and improve local tourism;
  - 10.2.6 The Northumberland Line will enhance public transport connectivity within and beyond the region;
  - 10.2.7 The Northumberland Line will reduce congestion and improve air quality by moving people away from car travel and onto public transport; and
  - 10.2.8 The Northumberland Line will support the delivery of significant growth in sectors such as renewable energy, offshore oil and gas and engineering.

## **11. CONCLUSION**

- 11.1 As set out in this proof, the Scheme has been developed to address a clearly identified need and will facilitate economic growth by improving transport connectivity, support mode shift from car to public transport and reduce traffic congestion, and help to address existing issues of social exclusion.
- 11.2 The business case presents a compelling case for investment representing very high value for money.
- 11.3 Significant funding commitments have been secured from both the DfT and NCC demonstrating a clear commitment to deliver the project.
- 11.4 Contractors are in place and ready to deliver both the 'Stations Package' and 'Rail Corridor Package' of works
- 11.5 The Transport and Works Act Order is essential to facilitate delivery of the Scheme.

## **12. WITNESS DECLARATION**

- 12.1 I hereby declare as follows:
- 12.2 This proof of evidence includes all facts which I regard as being relevant to the opinions that I have expressed and that the Inquiry's attention has been drawn to any matter which would affect the validity of that opinion.

- 12.3 I believe the facts that I have stated in this proof of evidence are true and that the opinions expressed are correct.