

**REPORT TO:** East Lothian Council

**MEETING DATE:** 23 August 2016

**BY:** Depute Chief Executive (Partnerships & Community Services)

**SUBJECT:** East Linton Railstop

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## **1 PURPOSE**

- 1.1 This report provides an update on progress made towards the introduction of a local rail service between Edinburgh and Berwick-upon-Tweed, which includes the provision of a new station at East Linton. A similar report will be considered by Scottish Borders Council Executive on 16 August.

## **2 RECOMMENDATIONS**

- 2.1 Council is asked to endorse the enhanced offer of support proposed within the recent letter to the Transport Minister that would cap the Council's contribution towards a new East Linton rail station at £3.44M.
- 2.2 Council is also asked to note and approve the related implications in respect of re-provisioning of Markle level crossing.
- 2.3 Council is asked to note that should the Council's revised offer be accepted and finalised, the significant financial implications would have to be reflected within the Council's capital programme.

## **3 BACKGROUND**

- 3.1 Scottish Borders and East Lothian Councils made a joint bid to the Rail Station Fund in May 2014, proposing a joint contribution of £3.1 million in relation to the provision of two new rail stations (£1.5m for East Linton and £1.6m for Reston) on the East Coast Main Line (ECML).
- 3.2 Network Rail was employed to undertake detailed design work for both stations and current estimates are £11.13m for East Linton and £10.63m at Reston. The cost estimates include elements such as project risk and inflation. Further detail is shown at Appendix A.

- 3.3 A meeting was held with the former transport minister (Derek McKay) in March 2016 at which the Scottish Government confirmed allocation of £3m (capped) funding support for each station and suggested to both local authorities that consideration be given to incorporating both stations into the Edinburgh City Deal process.
- 3.4 A further meeting was subsequently held with the new transport minister (Humza Yousaf) in June 2016 at which the Scottish Government indicated that they were now willing to increase their financial contribution to £5.57m for East Linton and £5.32m for Reston, which equates to 50% of total station costs for each station.
- 3.5 Both East Lothian Council and Scottish Borders Council undertook to consider this revised proposal and on the basis of the updated cost estimate provided by Network Rail, it is proposed that an improved offer be made to Scottish Government in relation to the capital and inflation related costs of the station proposals, with Scottish Government taking responsibility for construction of the stations and the risk associated with this work.
- 3.6 Following a meeting between both Councils and SESTRANS, it was agreed to propose an amended, final offer to Scottish Government which increases the overall contribution from East Lothian Council from £1.5m to £3.44m with the suggestion that this contribution could be payable post-project completion. This would equate to an intervention rate of approximately 38%, an unprecedented level of support by a local authority partner to a project of this kind. It was further agreed that it was in both councils' interest to submit this offer quickly by way of a joint letter to the Transport Minister and this letter was subsequently shared by the Depute Leader with all Councillors on 5 August.
- 3.7 To locate a new station at East Linton, Markle level crossing will require to be closed to vehicular traffic. An alternative footbridge will be required to provide access across the East Coast Main Line within a reasonable walking distance from the crossing. This in itself will be technically challenging with costs expected to be in the region of £1m. All efforts would be made to secure funding support towards these works and it would be hoped that funding of at least 50% could be realised.
- 3.8 If a satisfactory agreement is reached with Scottish Government, a revised bid will need to be prepared and submitted to the Scottish Stations Fund.

## **4 POLICY IMPLICATIONS**

- 4.1 The proposals within this report to support establishment of a new rail service between Edinburgh and Berwick-Upon-Tweed and the provision of new stations at East Linton and Reston are consistent with the Council's priority objectives within the Single Outcome Agreement and

the project is already supported (at a lower level of financial support) within the Council's Capital Programme.

## **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 If the proposed development proceeds it will have an impact on the community, equality, environment and economy. Accordingly, a full Integrated Impact Assessment will be carried out when the brief for the new station is being developed.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – although the Council's approved capital programme already contains support for this project, this latest proposal requires a significantly greater level of investment that could in total amount to more than three times that originally envisaged. Should the Council's joint proposal be deemed acceptable to Scottish Government, the Council would need to be prepared to accommodate this higher level of support within the capital programme. Taking cognisance of the Financial Strategy, this could not be done without significant realignment of the plan and or capital limits. It is suggested that if ultimately successful in securing a way forward, a report be brought back to Council to set out and resolve the financial implications in further detail.
- 6.2 Personnel - none
- 6.3 Other – significant officer time will be required to support both the bid process and subsequently project implementation.

## **7 BACKGROUND PAPERS**

- 7.1 Report to East Lothian Council 16 December 2016 – Edinburgh to Berwick-Upon-Tweed Rail Service Update
- 7.2 Correspondence between Joint Councils/SESTRANS and Scottish Government

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<b>DATE</b>	12 August 2016

**ADDITIONAL COST DETAIL FOR BOTH EAST LINTON AND RESTON**

Cost Breakdown (Based on reports: Grip3 Revision 3 for Reston and Grip 3 Revision 4 for East Linton)

**Reston Station**

Total Capital Costs: £10.63m

Offer from Scottish Government: £5.32m

Initial Contribution from SBC: £1.6m

Risk (or Optimism Bias): £2.47m (33% of total construction costs)

Additional Contribution from SBC: £1.24m

Inflation: £0.68m (based on an anticipated finish date of Dec 18)

Total Construction Costs: £7.47m

**East Linton Station**

Total Capital Costs: £11.13m

Offer from Scottish Government: £5.57m

Initial Contribution from ELC: £1.5m

Risk (or Optimism Bias): £2.12m (25% of the total construction costs)

Additional Contribution from ELC: £1.94m

Inflation: £0.71m (based on an anticipated finish date of Dec 18)

Total Construction costs: £8.30m

**Markle Level Crossing**

Closure of Crossing and provision of non-vehicle traffic use amenity bridge: Estimated cost circa £1.0m (Network Rail – Level Crossing Closure Fund potential 50/50 split between East Lothian Council and Network Rail subject to assessment, negotiations and agreement)