



A NEW DIRECTION FOR RAIL INFRASTRUCTURE

A proposed passenger service running between Newcastle and Ashington represents a new approach to funding and delivery of rail infrastructure. **Simon Middleton**, Regional Director, discusses the reopening of the Northumberland Line that could blaze a trail for similar opportunities across the UK.

Something remarkable is happening in Northumberland. In 5 years, by 2023, an entirely new passenger rail service will soon have gone from conception to up and running through six brand new stations. Commuting times will be halved between Ashington and Newcastle, the area's economy will be boosted by £300M and the lives of thousands of people will have been enhanced.

And it's all because of one simple shift: after the Hansford Review in

2017 — an independent review of Network Rail's approach to funding and financing of projects – third party project investment and delivery is encouraged. Local authorities and the private sector now have the power to develop their own rail projects, opening the door to a range of possibilities. After Hansford, the DfT established a new process to support rail investment projects, known as the Rail Network Enhancements Pipeline (RNEP).

This shift is especially timely at the moment. With an increased focus on the environment and air quality, local

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authorities are looking to promote train travel over bus or car use. Furthermore in the Covid aftermath, the UK economy will need all the investment it can get. The government has repeatedly stated its commitment to driving the Northern Powerhouse, and accelerating development of projects like the Northumberland Line to be “shovel ready” are vital elements of this vision.

Northumberland County Council moved fast after Hansford. ➔



OVER SEVERAL MONTHS, SPECIALIST MULTIDISCIPLINARY TEAMS HAVE HELPED THE LOCAL AUTHORITY NAVIGATE COMPLEX RULES AROUND RAIL SAFETY AND DESIGN DEVELOPMENT.

Working with AECOM (via the Perfect Circle¹ joint venture) and SLC Rail, an ambitious new strategy was created for the Northumberland Line, making it the biggest third-party-funded rail upgrade project in the UK directly developed and promoted by a local authority. The new line will connect the south-east of the county with north Tyneside and Newcastle city centre. A journey that currently takes an hour on a bus will be cut to half an hour on a twice-hourly service.

Six new stations — Northumberland Park, Newsham, Bedlington, Ashington, Seaton Delaval and Blyth Bebside — will be created and it is hoped that improving the links from these places to key economic centres in Tyne and Wear will deliver hundreds of millions of pounds in economic benefits.

Building relationships with stakeholders

How has this tricky feat been pulled off? Over several months, specialist multidisciplinary teams have helped the local authority navigate complex rules around rail safety and design development, while also developing a strategic business case for the project which highlights the vital economic stimulus for the region.

Collaboration has been crucial: AECOM has worked closely with train operators, Network Rail and the regional transport authority. And strong political support has also been important with cabinet ministers and others visiting the area.

Nonetheless AECOM has had to adapt the business case to consider changes in funding routes as the project has progressed. Originally, it was hoped that the scheme would be supported by the Transforming Cities Fund, but it is now likely to be covered by the “Beeching reversal” fund, which seeks to undo the damage of historic cuts by restoring local railways and stations.

Embracing a complex new funding scheme

As this suggests, the rules around rail infrastructure funding remain complicated. For decades, rail infrastructure development in the UK has been led by infrastructure owner and operator Network Rail, so new alternative delivery models have required a ground-up rethink. Evaluations of everything from supply chains to working practices are necessary.

Rules under RNEP require proposals to go through a series of “stage gates” before gaining approval. A project must be signed off at a development stage, a design stage and a delivery stage with funding released only if the business case demonstrates strong benefits of a scheme at each stage.

Crucially, AECOM’s assistance has helped the Northumberland Line to accelerate through these stage gates, receiving approval for the development stage in half the usual time for a project of this magnitude. This has been possible because of AECOM’s pragmatic and relationship based approach with key stakeholders at DfT to understand the ethos and meet the requirements of the RNEP process.

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Alternative and innovative opportunities for bringing finance to the scheme were also considered in its earlier stages. For example, land value capture — which enables communities to recover some of the land value increases that result from public investment and policy decisions.

An innovative approach to phasing the opening of the scheme has also been explored to exploit potential funding routes that are available to create the initial service and then generate further funding for further development of the passenger railway later.

Creating a compelling vision while keeping costs low

Throughout this project, AECOM has focused on ensuring that the scope of the project remains tightly controlled, and it is here that strong relationships with stakeholders have proved critical.

Ongoing engagement with Network Rail is required to ensure the suitable allocation of costs for the different elements of the upgrade to the existing freight line. This is required to manage the costs of the upgrade and keep these to only those necessary to introduce the passenger services and associated stations and infrastructure. For example, if replacement of track is required, if AECOM demonstrate that this would be necessary even if the line continued to be used for freight alone, this should be funded by Network Rail. The team is also working closely with Network Rail to explore suitable options for recycling of materials that would be fit for purpose. ➔



Blazing a trail for projects around the country

The Northumberland story points the way to a new generation of infrastructure proposals. When the project was proposed, there was scepticism based on years of frustration and complexity in making schemes like this work. But AECOM has helped the local authority to demonstrate that it can develop a major infrastructure project on time and within budget. Relationships have been built across a broad spectrum of public and private organisations, ensuring that local authorities, Network Rail and the Department for Transport all work together smoothly, with one shared goal in mind. The strong collaboration between public and private sectors, across technical, funding, staging and operations, is a new paradigm in how to make these schemes succeed effectively and with pace.

Having successfully delivered the first phases of development with Northumberland County Council and SLC, this new trailblazing approach has the potential to help regenerate other regions and major cities across the UK and leave a legacy for generations to come. 



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