

A Final Report
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The Northumberland Line Economic Corridor: Baseline Report



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Appendices

Appendices A to E are contained in a separate document

- A People and Human Capital**
- B Infrastructure & Place**
- C Business Environment**
- D Knowledge & Ideas**
- E Projections**

1 Introduction

- 1.1 Steer Economic Development (Steer-ED) was commissioned by Northumberland County Council (NCC) in October 2019 to create a strategy and action plan for the economic corridor surrounding the Northumberland Line (the Ashington to Newcastle rail corridor).
- 1.2 Prior studies of the Northumberland Line have been transport-oriented; the economic corridor commission can be viewed as an independent, companion piece of work that places the socio-economic context of the Line's surrounding and adjacent areas, and its catalytic economic potential, at the core.
- 1.3 The economic corridor commission entails three stages of work: establishing a baseline, mobilising the private, public, education/skills and development sectors to craft a collective response to the area's socio-economic opportunities and challenges, and drafting a summative strategy and action plan to assist with further support and funding.
- 1.4 This document, the economic baseline report, provides findings from the first stage of work, and consists of three component studies. The three studies were completed separately and in sequential order but are now brought together in this combined baseline report.
 - **Socio-Economic Baseline.** Section 3: Socio-Economic Baseline provides an overview of relevant socio-economic variables (such as demography, skills, and social and wellbeing indicators) and business environment factors.
 - **Economic Assets.** Section 4: Economic Assets highlights some of the corridor's economic assets. The businesses and organisations mentioned are those that were consulted as part of an early stage engagement process across the business, property development, education/skills and the public sectors. As such, they represent a starter set of organisations able to foment change in the economic corridor surrounding the Line.
 - **Transport Corridor Case Studies.** The concluding section contains an analysis of other transport corridors. This section provides both a fitting conclusion to the economic baseline work and, by highlighting best practice, a bridge to the next stage of work to establish an Action Plan.
- 1.5 In an attempt to provide the "answer first," the following section presents a brief overview of the Northumberland Line project and a summative logic model. The logic model encapsulates the findings of the baseline studies and provides the rationale for undertaking the Action Plan work identified in Next Steps (see Section 6).

2 Brief Overview of the Line and Logic Model

Brief Overview of the Northumberland Line

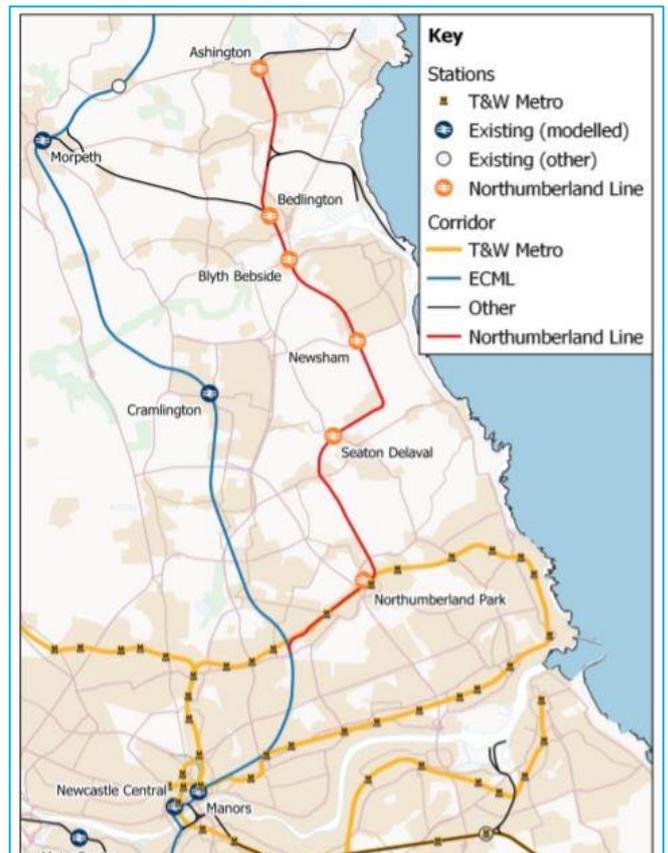
2.1 The Northumberland Line scheme involves the reintroduction of passenger rail services on an existing freight-only line between Ashington and Newcastle. The benefits include increasing access to the areas' economic centres, helping to decrease deprivation (evident since the closing of the area's mining and shipbuilding industries), stimulating investment and supporting housing delivery.

2.2 The proposed route (see Figure-2-1) is 23 kilometres long and provides direct connection to the Tyne & Wear metro and Newcastle via Northumberland Park, Manors and Newcastle Central. Six stations will require new station facilities at Ashington, Bedlington, two stations in Blyth, Seaton Delaval and complementing Northumberland Park's existing metro station. The Line passes through three local authorities and an area adversely affected by the closure of the area's mining and shipbuilding industries. The Line was closed to passengers during the 'Beeching cuts' of the 1960s when several thousand railway stations around the UK were closed.

2.3 The scheme is a key economic priority for the North East region, having been identified in both the North of Tyne Devolution deal and the North East Strategic Economic Plan.

2.4 In 2019, Prime Minister Boris Johnson announced a £500m Restoring Your Railway Fund to reverse the Beeching cuts¹; £1.5m was subsequently designated to the

Figure-2-1: Map of the Northumberland Line



Source: The Northumberland Line Strategic Outline Business Case (2019), prepared for Northumberland County Council

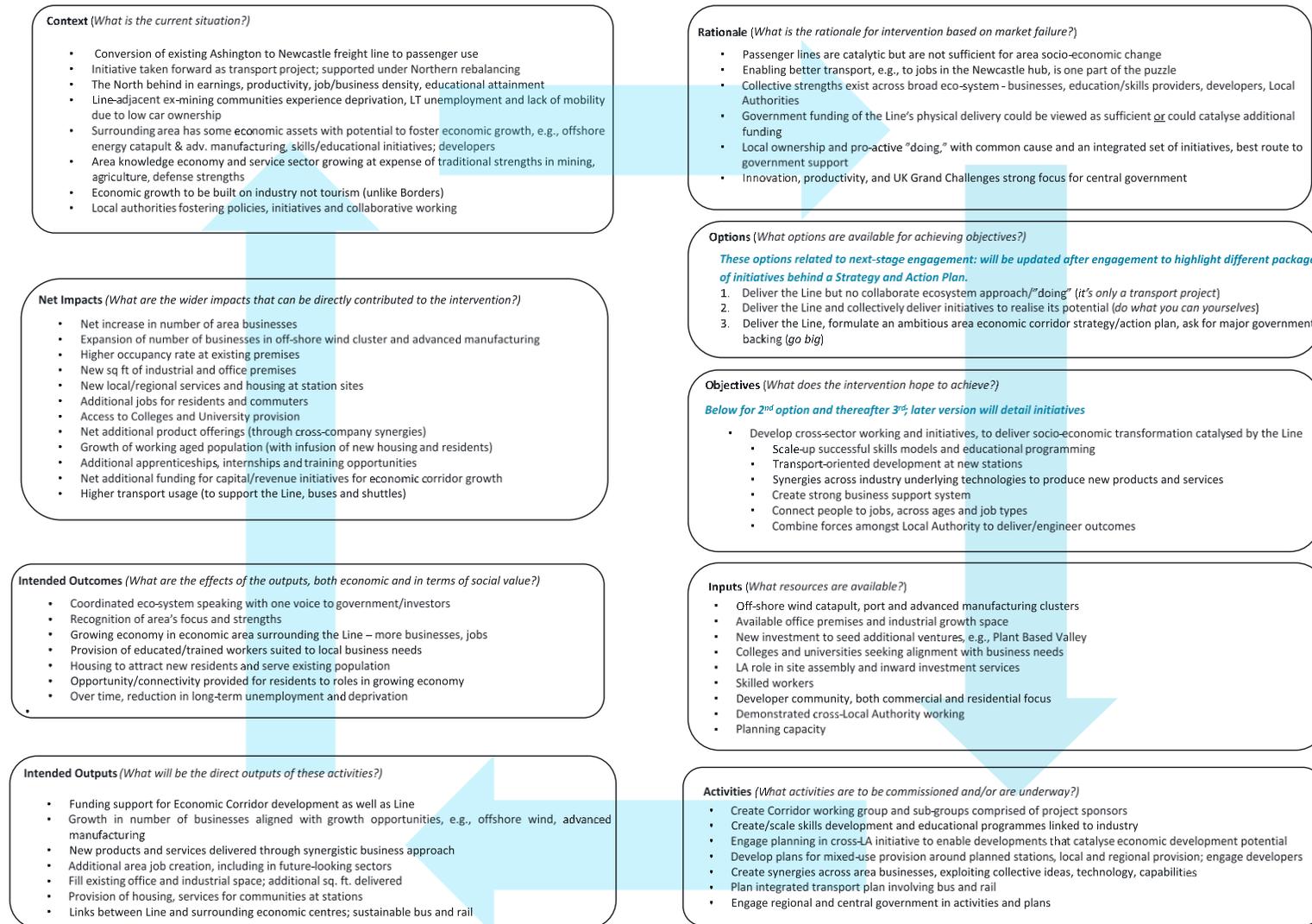
¹ HM Government, (2020). *Restoring Your Railway Fund*. Available at: <https://www.gov.uk/government/publications/re-opening-beeching-era-lines-and-stations/re-opening-beeching-era-lines-and-stations>

Northumberland Line. The Line more generally supports the Government's levelling up agenda.

Need for Intervention

- 2.1 The Logic Model, shown at Figure 2-2, encapsulates the findings from the three baseline studies (Sections 3, 4 and 5 of this report) and establishes the need for intervention.
- 2.2 The intervention identified at this point is joint working across the area's sectors to foster shared strategic intent and identify initiatives to collaboratively advance across the economic corridor. Once those initiatives are identified, the logic model can then be updated to reflect that portfolio of projects and more specific outcomes and impacts.

Figure 2-2: Northumberland Line logic model



3 Socio-Economic Baseline

Approach

- 3.1 For this study, Steer-ED analysed a wide variety of metrics to provide an assessment of the area's strengths and weaknesses. The study draws on data from three levels: the North East region level² (which frames the overall context and backdrop for the study); the level of the three Local Authorities through which the Line will pass; and finally more granular analysis of the communities adjacent to the Line.
- 3.2 The Baseline study is largely reliant on data provided on pre-existing administrative boundaries -- that is the way that economic data is gathered and presented. By contrast, the following Section (Section 4: Economic Assets) takes a more fluid approach to geographic boundaries, incorporating assets from across the economic catchment area, regardless of administrative boundaries.
- 3.3 The Socio-Economic Baseline is divided into two sections:
- First, sociodemographic analysis, which is largely people focused, covering themes such as educational attainment, productivity, deprivation and travel to work patterns.
 - Second, economic analysis of the North of Tyne sub region, which focusses on businesses, industry clusters and innovation.
- 3.4 Accompanying this Section are detailed Appendices (Appendices A to E), containing the full set of data studied.

Key Findings

- 3.5 The evidence confirms the acknowledged social and economic challenges in the communities surrounding the Line; and the potential, as referenced in prior transport studies, to revitalise and increase connectivity to employment clusters located throughout the North of Tyne sub-region.
- 3.6 The social challenges are clear – from deprivation to low car ownership and mobility. Key findings from the sociodemographic analysis are that:
- The Northumberland Line has the potential to improve accessibility for the lower skilled Working Age Population (WAP) to the wider and emerging labour market areas, which is a key priority for the North East region.
 - Young people in the North East are less likely to be in Education, Employment or Training than the UK average, and educational attainment levels are lower.

² North East LEP data are used where possible, and where not available data for the North East Region (NUTS Code UKF) are used.

- The areas immediately surrounding the Line are characterised by significant deprivation and long-term unemployment, and lower earnings levels; and
- Workers in Northumberland are car-dependent for commuting, in particular to Newcastle, with the deprived areas surrounding the Line having low car ownership compared to the national average.

3.7 The economic story is similarly challenging – low levels of knowledge-based businesses and low productivity levels are accompanied by low business and job densities across the North of Tyne sub region. On the positive side, housing affordability ranks high and industry specialisms exist in areas such as energy, advanced manufacturing and business services.

3.8 Key findings from the economic analysis are that:

- The North of Tyne sub-region is polycentric. Newcastle is the economic hub offering knowledge and service jobs, Northumberland is characterised by agriculture, construction and manufacturing and North Tyneside hosts a growing number of business parks. Manufacturing is the dominant focus around the Line.
- Northumberland has the best business survival rates of the three Local Authorities but lags in business birth rates and GVA metrics.
- In the future, the knowledge economy and service sectors are predicted to expand in the region, accompanied by reductions in the size of the public sector as well as agriculture, mining, fishing and forestry.
- There is the potential to introduce new skills and enable work experience for Northumberland residents thus increasing future progression opportunities.

The Sociodemographic Analysis

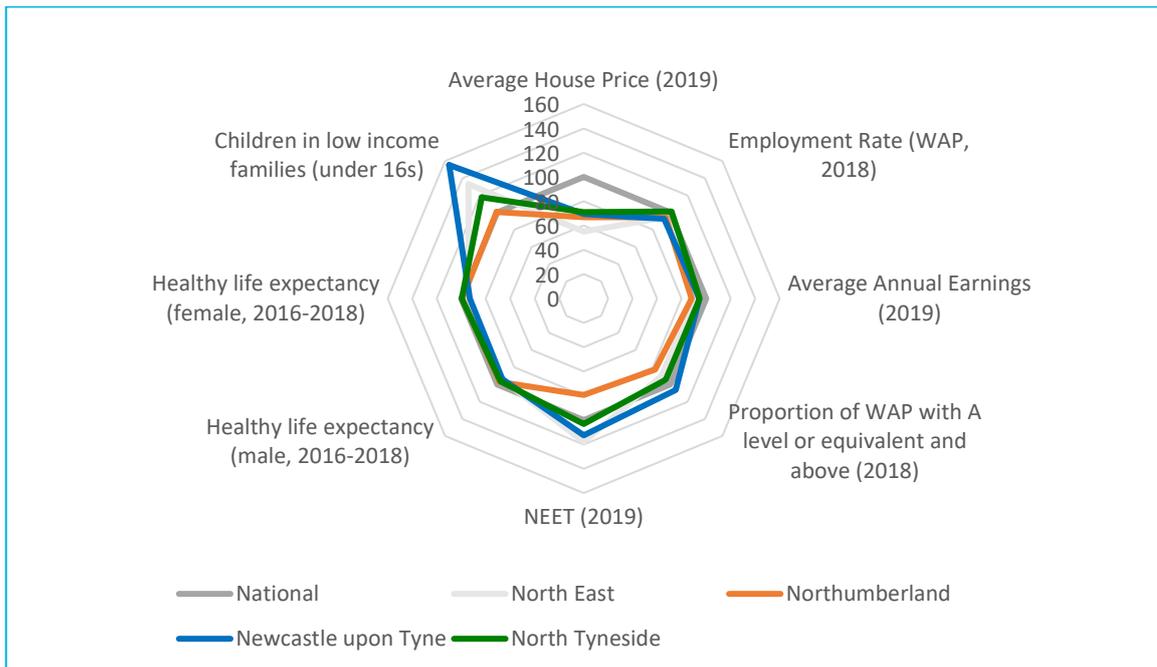
3.9 An overview of the most telling sociodemographic metrics is presented in Figure 3-1 below, providing a snapshot of the area's relative positioning and performance³.

3.10 It is clear from the figure that the North East lags behind the UK on many social measures, including lower average earnings, a higher proportion of young people not in employment, education or training (NEET), a higher proportion of children in low income families but has significantly lower average house prices.

3.11 Not much distinguishes the performance of the three local authorities surrounding the line at an aggregate level. The two exceptions are: the extremely high proportions of children in low income families in Newcastle upon Tyne (155% of the national rate) and the relatively low proportion of NEETs in Northumberland. In addition, Northumberland has the fewest children in low income families but the lowest average wage levels, and the working age population is less likely to be educated to A-Level or above when compared with the other Local Authorities and the UK more generally.

³ Not all measures are included, please see Appendices A and B for complete data findings

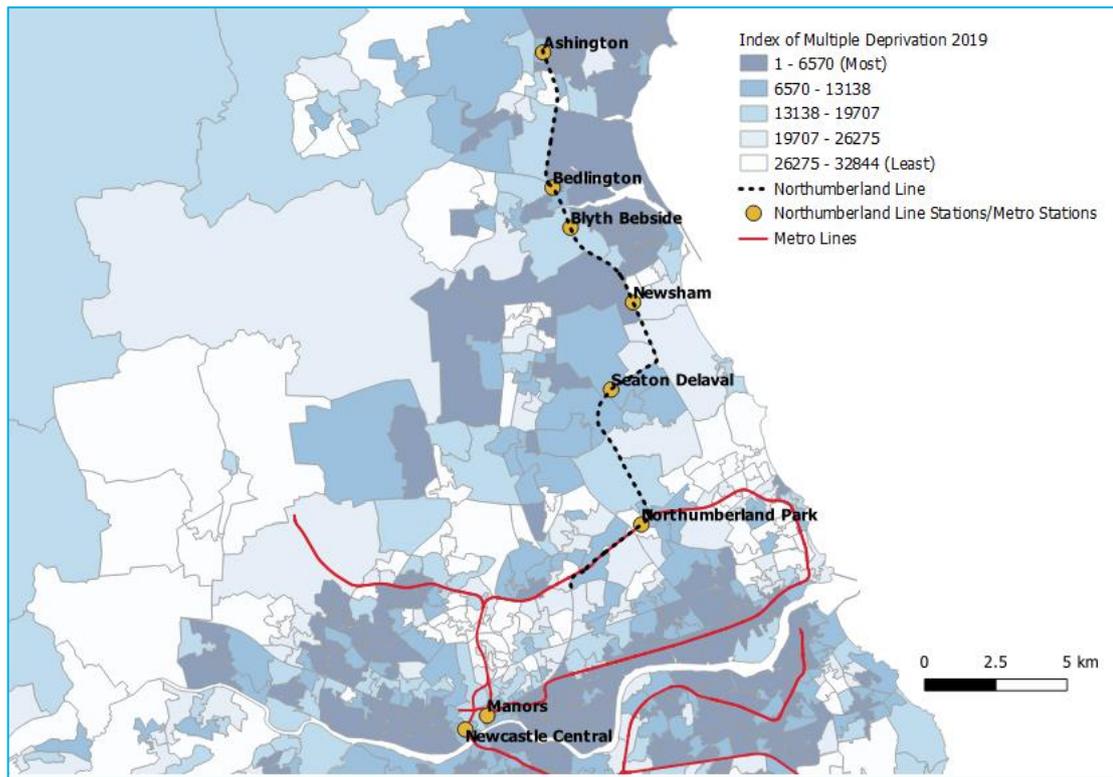
Figure 3-1: Northumberland, Newcastle upon Tyne, North Tyneside and the North East's socio-economic variables benchmarked against national figures (Indexed, national = 100)



Source: Steer-ED, 2019

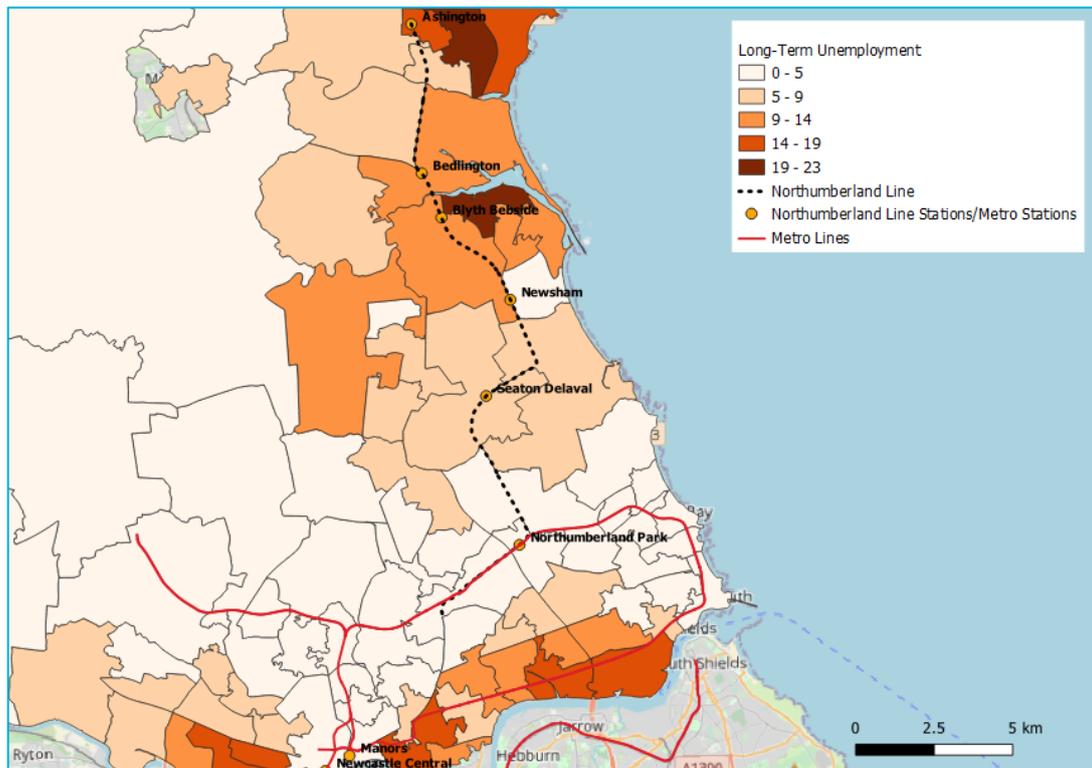
- 3.12 **The areas around the Line are characterised by significant deprivation and long-term unemployment.** Figure 3-2 below maps the Index of Multiple Deprivation and Figure 3-3, long-term employment, for the communities that surround the Line. In some areas along the Line, the long-term unemployment rate is six times greater than the national average. These areas stand in stark contrast to the rest of Northumberland, where deprivation levels are broadly on a par with national averages.
- 3.13 Other statistics to highlight...Figure A-14 in Appendix A shows that in line with high long-term unemployment rates, the economic inactivity rate in the WAP is also higher across the three Local Authorities, and highest in Newcastle, although this may reflect a larger student population. Figures A-19, A-24 and A-26, also in Appendix A, show similar maps for household poverty, male healthy life expectancy and female healthy life expectancy respectively; several areas along the Line exhibit some of the lowest healthy life expectancies; between 0-60. In general, the locations with some of the highest poverty indicators are in areas around Newcastle, Blyth, Ashington and Bedlington.

Figure 3-2: Deprivation around the Northumberland Line (Index of Multiple Deprivation rank), 2019



Source: MHCLG, 2019

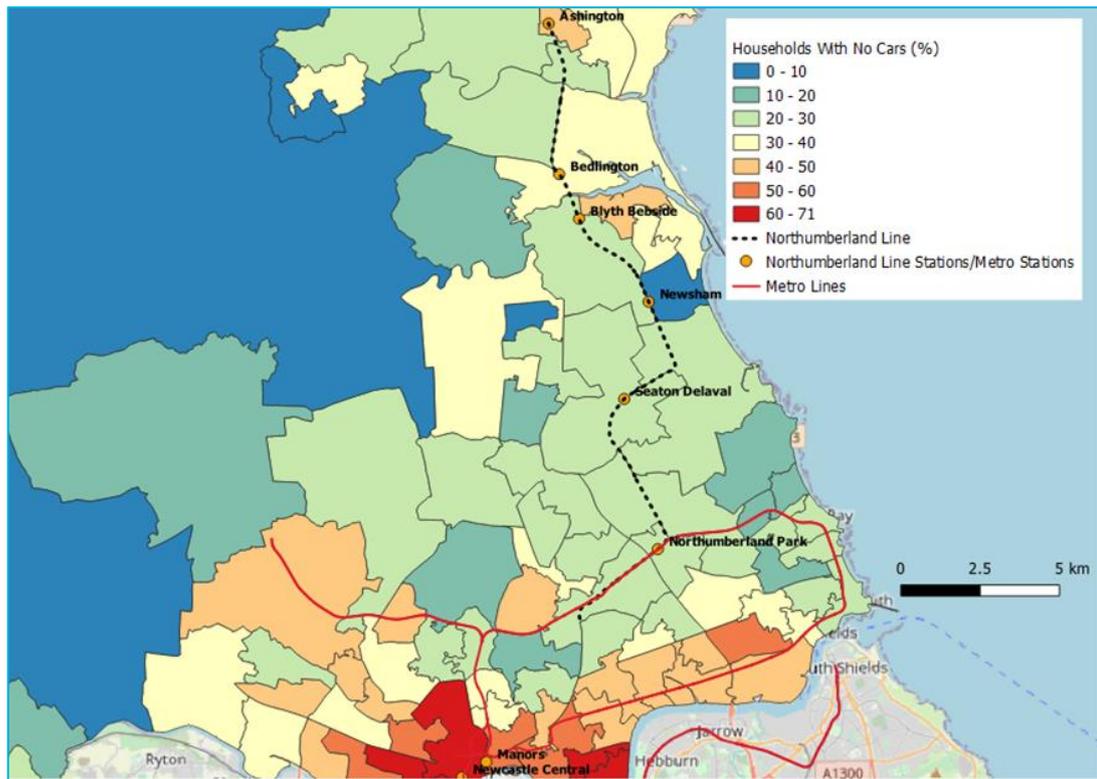
Figure 3-3: Long-term unemployment surrounding the Northumberland Line (rate per 1,000 working age population), 2017-2018



Source: Public Health England, 2017-2018

- 3.14 **Young people in the North East are less likely to be in Education, Employment or Training than the UK average. Degree level attainment is lower.**
- 3.15 Figures A-9 and A-10 in Appendix A show proportion of NEETs by Local Authority and attainment by qualification level by Local Authority. The proportion of 16- to 17-year olds that are NEET is higher in the North East than the national average, although this is not the case in Northumberland. Northumberland also differs in terms of its educational attainment patterns – the Working Age Population in Northumberland is more likely to be qualified up to GCSE level as a maximum, compared to the national average, for whom higher levels of qualification level (degree or A Levels) are more likely. Newcastle shows a more polarised picture – more individuals than the national average have no qualifications (8% versus 10% nationally), but a higher proportion are also degree educated (36% versus 31% nationally). This pattern is typical of a University city.
- 3.16 **The area is car-dependent for commuting, but the deprived areas surrounding the Line have low car ownership**
- 3.17 In terms of travel, people in the North East on average travel fewer miles and are less likely to travel by rail. The data suggests that rail is typically used for occasional long-distance journeys rather than regular short-distance journeys. These findings are consistent with our expectations, given the area’s transport connectivity limitations.
- 3.18 Of the roughly 100,000 working residents of Northumberland, just under 20% travel to Newcastle for work, and 75% of these travel by car. This is significantly higher car-dependence than for residents of North Tyneside and Newcastle, who are more likely to use metro and bus journeys to travel to work.
- 3.19 Area surrounding the Line have a high proportion of carless households (illustrated in Figure 3-4). In Blyth Cowpen and Ashington Hirst (two communities along the Line) for example, 42% and 46% of households respectively are without cars, compared with a national rate of 26%.

Figure 3-4: Proportion of carless households in areas surrounding the Northumberland Line, 2011



Source: Census, 2011

Summary of Key Statistics

3.20 Appendices A and B contain detailed information on sociodemographic variables, covering the demography of the North of Tyne sub region, employment rates and earnings levels, skills profiles, health outcomes, housing affordability and travel patterns. The points below provide a brief summary of the key statistics; the most compelling have already been highlighted in the commentary above.

| People & Human Capital | Infrastructure & Place |
|--|--|
| <ul style="list-style-type: none"> • Versus the national average: <ul style="list-style-type: none"> - Population growth is low, but Newcastle is closing the gap. - The employment rate is lower in Northumberland and Newcastle than N Tyneside. N. Tyneside’s employment rate continues to grow. - Earnings are lower across the area; Newcastle has highest wages. - Northumberland, and the NE has more individuals leaving school with GCSEs, and fewer achieving degree level or above. • Newcastle is the regional hub for professional occupations; Northumberland has skilled trades. • Significant deprivation exists along the Northumberland Line, e.g., long-term unemployment, poor health and poverty. | <ul style="list-style-type: none"> • Major transport assets in the area include Newcastle airport, various ports along the coast, the East Coast Mainline (connecting Newcastle to Morpeth and beyond) and the A1, which connects Newcastle to Edinburgh. • People in the North East travel 12% fewer miles per year than the UK average. They are more likely to use bus and less likely to use rail than the national average. • People travel from all over the North East to work in Newcastle, with 75% of those coming from Northumberland commuting by car. This is in comparison with residents from North Tyneside and Newcastle, for whom car commuters make up 53% and 39% of journeys to Newcastle respectively. • Low car ownership in deprived households is an obstacle to commuting. In Blyth Cowpen |

- The population is projected to rise, with a greater percentage of over-65s and less working age population.
- and Ashington Hirst, 42% and 46% of households are carless respectively, compared with a national rate of 26%.

The Economic Analysis

- 3.21 Figure 3-5 provides an overview of key economic variables, comparing the three Local Authorities and the North East with UK averages. The North East's performance lags the UK on many measures, including lower business density and job density, lower employment in 'higher skilled' Scientific and Technical occupations (which are crucial for future-proofing an economy) and lower GVA per head. Despite productivity gains in recent years across the three Local Authorities, productivity still does not match national rates.
- 3.22 Northumberland stands out as performing significantly worse than the rest of the North East. The exception is business survival and death rates, for which Northumberland performs better than the UK average. This indicates a more stable business environment – businesses do not appear and grow with the same rapidity in Northumberland as elsewhere, but those firms that do exist will likely persist.
- 3.23 The delivery of the Line will strengthen connectivity between the three Local Authorities, and could foster job creation and potentially enable a shift in demographics from densely populated areas of South East Northumberland to outlying areas.

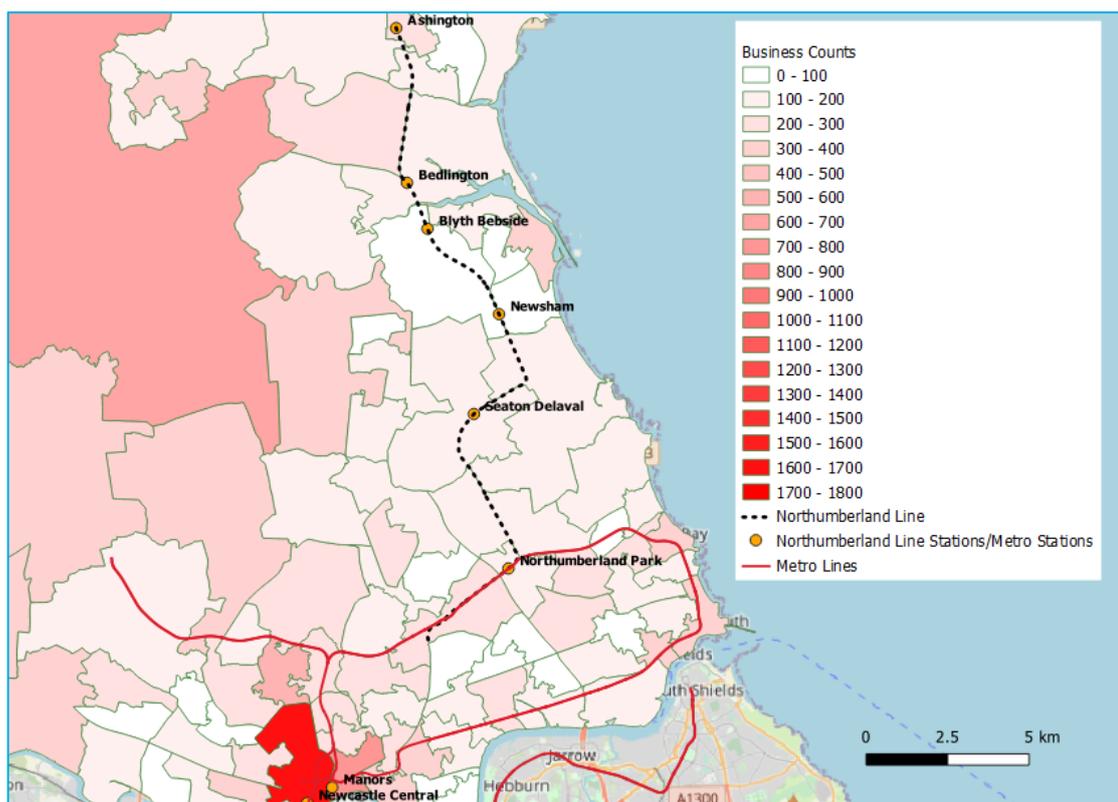
Figure 3-5: Northumberland, Newcastle upon Tyne, North Tyneside and the North East's business environment indicators benchmarked against national figures (Indexed, national = 100)



Source: Steer-ED, 2019

- 3.24 **The North of Tyne sub-region is polycentric. Newcastle is the economic hub offering knowledge and service jobs, Northumberland is characterised by agriculture, construction and manufacturing with a growing centre in Ashington, and North Tyneside hosts a growing number of business parks. Manufacturing is the dominant focus around the Line.**
- 3.25 Newcastle upon Tyne is the area's focal point for economic activity. Figure 3-6 shows the significantly higher number of businesses in Newcastle compared to the surrounding areas.

Figure 3-6: Business counts in the MSOAs surrounding the Northumberland Line, 2018



Source: UK Business Counts, 2019

3.26 Table 3-1 shows a breakdown by sector of the economy for the three Local Authorities. (This data is presented in Appendix C in greater detail, showing a sectoral breakdown for the areas along the Line (see Table C-2 in Appendix C). At the Local Authority level: Newcastle has a concentration of professional, finance and public sector roles, while Northumberland has a concentration of agriculture, construction and manufacturing. At the more granular level, manufacturing is the key employer for the areas of Northumberland surrounding the Line. Agricultural employment data is unavailable below Local Authority level in the Business Register and Employment Survey (BRES), so it is not possible to comment on agricultural concentration at this level.

Table 3-1: Location Quotient (employment by broad industry group, England = 1.0) 2017

| Industry | Northumberland | Newcastle upon Tyne | North Tyneside | North East LEP |
|---|----------------|---------------------|----------------|----------------|
| Public administration and defence; compulsory social security | 0.8 | 2.3 | 1.1 | 1.7 |
| Electricity, gas, steam and air conditioning supply | 1.1 | 0.1 | 0.9 | 1.5 |
| Manufacturing | 1.3 | 0.5 | 1.2 | 1.4 |
| Water supply; sewerage, waste management and remediation activities | 2.7 | 0.2 | 0.9 | 1.3 |

| Industry | Northumberland | Newcastle upon Tyne | North Tyneside | North East LEP |
|--|----------------|---------------------|----------------|----------------|
| Accommodation and food service activities | 1.7 | 1.4 | 1.1 | 1.2 |
| Human health and social work activities | 1.3 | 1.4 | 1.2 | 1.2 |
| Other service activities | 1.0 | 1.3 | 1.1 | 1.1 |
| Education | 0.8 | 1.2 | 0.7 | 1.0 |
| Administrative and support service activities | 0.7 | 0.9 | 1.4 | 1.0 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 1.0 | 0.7 | 0.9 | 0.9 |
| Agriculture, forestry and fishing | 4.1 | 0.0 | 0.0 | 0.9 |
| Construction | 1.3 | 0.6 | 1.1 | 0.9 |
| Arts, entertainment and recreation | 1.1 | 1.3 | 0.6 | 0.9 |
| Mining and quarrying | 3.3 | 0.0 | 0.3 | 0.9 |
| Transportation and storage | 0.6 | 0.8 | 0.4 | 0.8 |
| Real estate activities | 0.8 | 1.0 | 0.6 | 0.8 |
| Financial and insurance activities | 0.3 | 0.9 | 0.8 | 0.7 |
| Information and communication | 0.3 | 1.1 | 1.4 | 0.7 |
| Professional, scientific and technical activities | 0.5 | 0.8 | 0.8 | 0.5 |

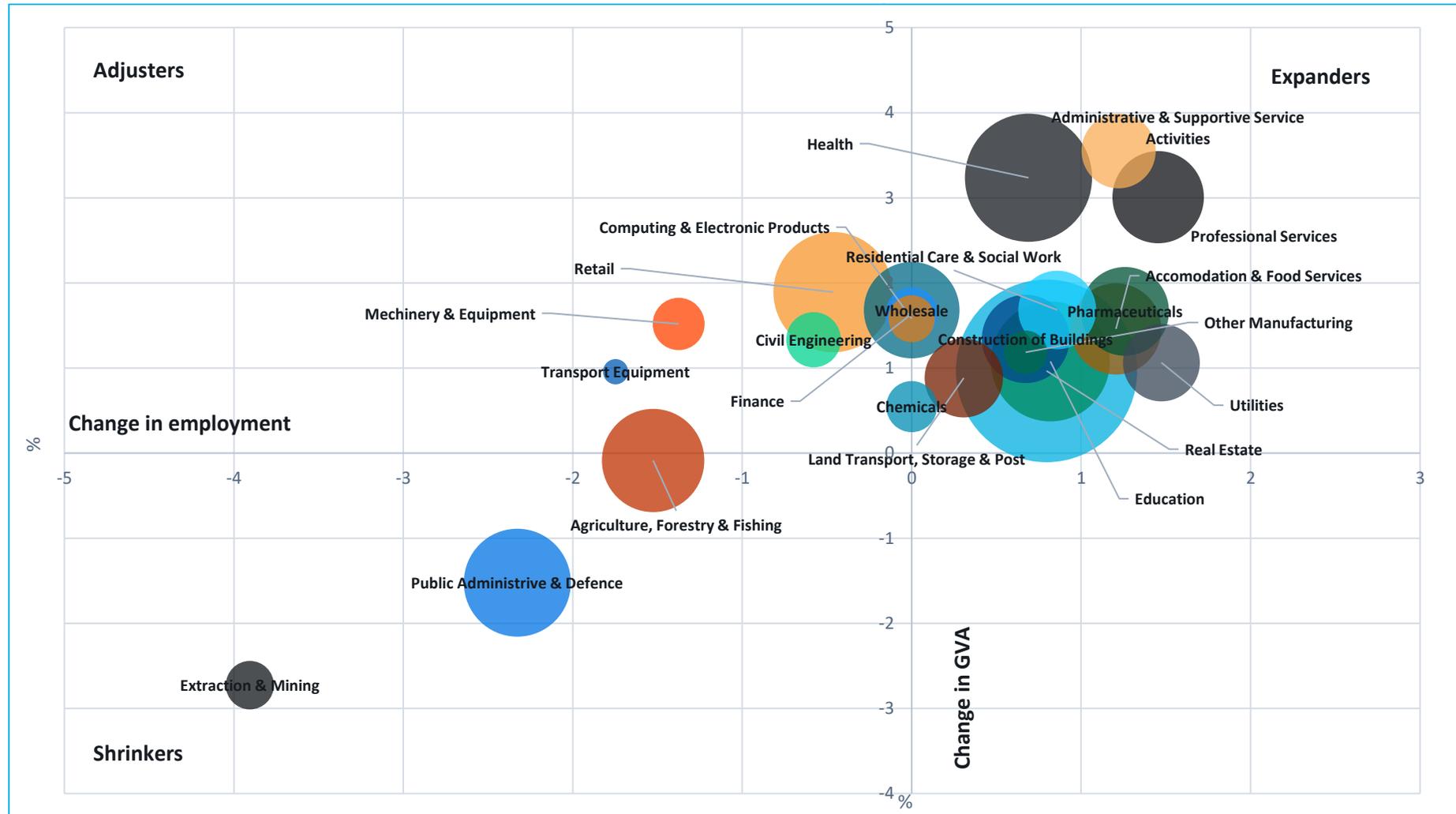
Source: ONS Business Register and Employment Survey 2017

3.27 In the future, the knowledge economy and service sectors are predicted to expand in Northumberland.

3.28 In terms of future projections, Figure 3-7 provides a view to 2037 of how industry cluster dominance is expected to change in Northumberland. The mining and extraction sector in Northumberland are expected to continue to decline, alongside public administration, defence, and the agriculture sector. In contrast, there is projected expansion in the knowledge economy and service sectors such as health, professional services, education and real estate⁴.

⁴ Peter Brett Associates & Experian (2018). *Housing and economic growth options Findings report*

Figure 3-7: Projected change in workforce jobs in Northumberland by broad industry group, 2014-2037



Source: Peter Brett Associates & Experian, 2018

Summary of Key Statistics

3.29 Appendices C and D contain detailed information on economic variables covering productivity levels, business demography, proportions of knowledge-based businesses and innovation assets. The points below provide a brief summary of the key statistics uncovered; the most compelling of which have been brought forward into the commentary above.

| <i>Business Environment</i> | <i>Knowledge & Ideas</i> |
|---|---|
| <ul style="list-style-type: none"> • There is low job density and business density in the North East compared to national levels. • Though productivity has increased across the North East, a significant productivity gap prevails. • Northumberland has strengths in Agriculture, Energy and Utilities, Construction, Health, Hospitality and Food industries but future employment will increase in knowledge and service sectors. • A large proportion of Northumberland’s total GVA comes from Manufacturing and Real Estate. • Jobs and businesses are most densely concentrated in Newcastle. • Northumberland provided a near equal proportion of the North East’s total start-ups in 2018 and has strong business survival rates. • The rate of business births per year is growing in Newcastle, but more volatile/shrinking for Northumberland and North Tyneside. | <ul style="list-style-type: none"> • Newcastle is the regional centre for knowledge-based businesses. • Northumberland and the North East LEP as a whole lag national averages on this knowledge economy metric. • There are many Higher Education and Further Education providers across the North East region. Durham and Newcastle University achieve research excellence scores for STEM subjects in particular. • Though the North East received a greater per capita share of Innovate UK funding grants, patent applications per capita show that the commercialisation of ideas may be lagging in the region. |

4 Economic Assets

Approach

- 4.1 This Section presents insights and findings from a one-to-one consultation exercise carried out between mid-January and mid-February 2020. The exercise provides a rich body of information on the local area, as well as insights on the economic opportunities and challenges facing the corridor.
- 4.2 The consultations were structured around key themes and explored:
- The key economic assets, growth and development opportunities in the area;
 - The opportunities and challenges facing the corridor;
 - Other initiatives and investments required alongside the physical delivery of the Line; and
 - Other challenges to be expected in delivering the economic corridor.
- 4.3 Consultees included senior representatives from local and regional public sector bodies (including regeneration agencies) private businesses, partnerships, universities and local colleges. Consultations were carried out either face-to-face or by telephone. A detailed account of consultation responses, organised by theme, can be found in Table 4-1 at the end of this Section. Table 4-3 provides a full list of the names and organisations consulted.

Key Findings

- 4.4 Key messages uncovered by the stakeholder consultation have been summarised below:
- Educational attainment levels in the region are below where they should be;
 - Existing skill levels of local workforce fall short of new industry and modern business requirements;
 - Significant skills shortage exists around the visitor economy, construction, digital, health, life sciences and advanced manufacturing sectors;
 - The offshore renewable energy sector represents a key priority growth sector in the North East, however the energy business cluster in Blyth is small and needs to attract investors;
 - There is demand and need for good quality affordable housing;
 - Low property values make self-financing developments difficult to deliver;
 - Culturally there is some resistance to longer commute times;
 - Quality of the place/visitor offer (hotels, leisure, shopping etc) is lacking and money is spent elsewhere;
 - Business parks and development areas are struggling to attract new tenants and have difficulty competing with facilities in Newcastle and Tyneside;
 - The rail line will draw in more people from the area and create a larger labour market pool for Newcastle;
 - Passenger demand could come from more affluent areas – and these may not be in the vicinity of proposed stations;

- The Line could connect young people to Northumberland College and/or to the revamped further education colleges in and around Newcastle – for example Tyne Metropolitan College, marked on Figure 4-1;
- The locations of the proposed stations (apart from Ashington) are somewhat remote from the town centres and key economic assets;
- Attracting skilled millennials to the area from Newcastle is now a challenge – many do not want to commute by car;
- The Line could create operational viability issues for the bus network, triggering reductions in service and this could affect local connectivity.

4.5 Major implications and lessons uncovered by the consultation exercise are as follows:

- The existing training facilities and educational offer should be enhanced to develop the skills required to support existing and new business needs;
- An integrated transport network is required to create connections between existing housing, economic assets and development areas;
- Local station plans should incorporate innovative housing developments, including an affordable offer, but also employment offer, education and visitor facilities;
- Further work is required to explore how local people will respond and the impact of the scheme on social inclusion;
- Building on its key sector strengths, the region needs to establish an economic purpose; and
- Securing inward investment in the renewable energy sector would provide a significant boost to the local economy and help to create a sustainable high value industrial cluster.

Analysis: Key assets and development opportunities

4.6 The consultation discussions helped to build Steer-ED's understanding of the existing economic assets and development opportunities along the corridor. These include:

- The renewable energy sector in the Port of Blyth, including the Offshore Renewable Energy Catapult⁵ and North Sea Link⁶;
- Business space and development opportunities in Northumberland and North Tyneside, such as Cobalt Business Park⁷, Ashwood Business Park and Plant Based Valley⁸;
- The presence of advanced manufacturing in Ashington and automation and robotics technology in Blyth;
- Higher education, further education and R&D facilities in Newcastle (for example the National Innovation Centre for Data⁹); and the emerging cluster of research,

⁵ <https://ore.catapult.org.uk/>

⁶ <http://northsealink.com/>

⁷ <http://cobaltpark.co.uk/>

⁸ <https://plantbasedvalley.co.uk/>

⁹ <https://newcastlehelix.com/about/national-innovation-centre-for-data>

education and training provision in the Port of Blyth (for example Blyth port training services¹⁰).

4.7 Figure 4-1 illustrates the location of these assets alongside the proposed line. Many are located on the eastern part of the corridor around the Port of Blyth and on the outskirts of Ashington. The map also shows the 400m and 800m catchment areas around the proposed stations. The station locations (apart from Ashington) are somewhat remote from the key economic assets and town centres.

4.8 Figure 4-2 provides the housing allocation and housing development sites provided in NCC's local plan (January 2019).

The Line is expected to be attractive to commuters, students and visitors accessing Newcastle city centre and other opportunity areas in North Tyneside, with the majority reaching the local stations by car. To counter this, the economic plan for the corridor needs to address and tackle the wider local challenges and provide a framework to maximise the economic value the Line can bring to the local area and region.

¹⁰ <https://porttrainingservices.co.uk/>

Figure 4-1: Location of economic assets and developments, showing Northumberland Line route and stations. Circles around stations show 5 minute (400m) and 10 minute (800m) walking catchments

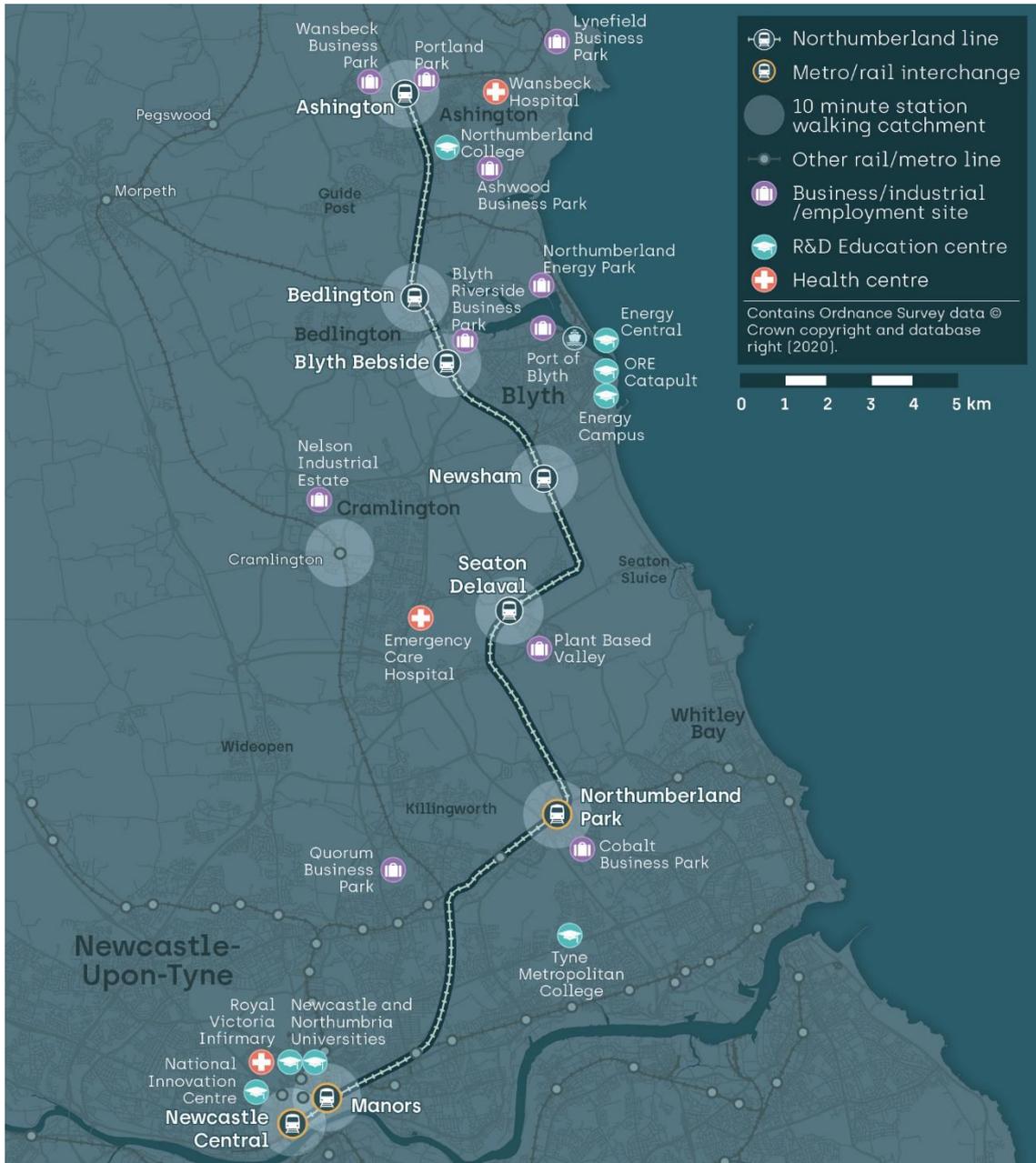


Figure 4-2: Housing allocation sites in the NCC's local plan

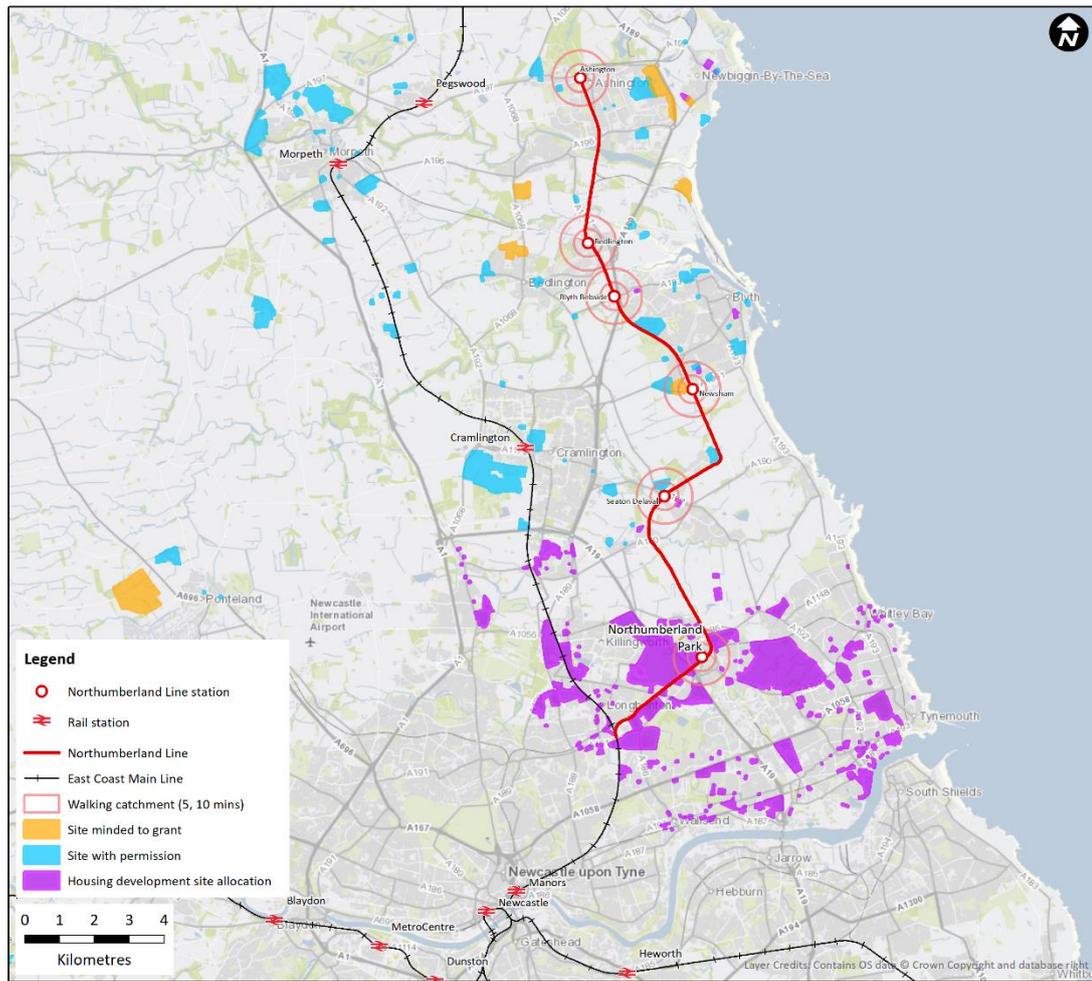
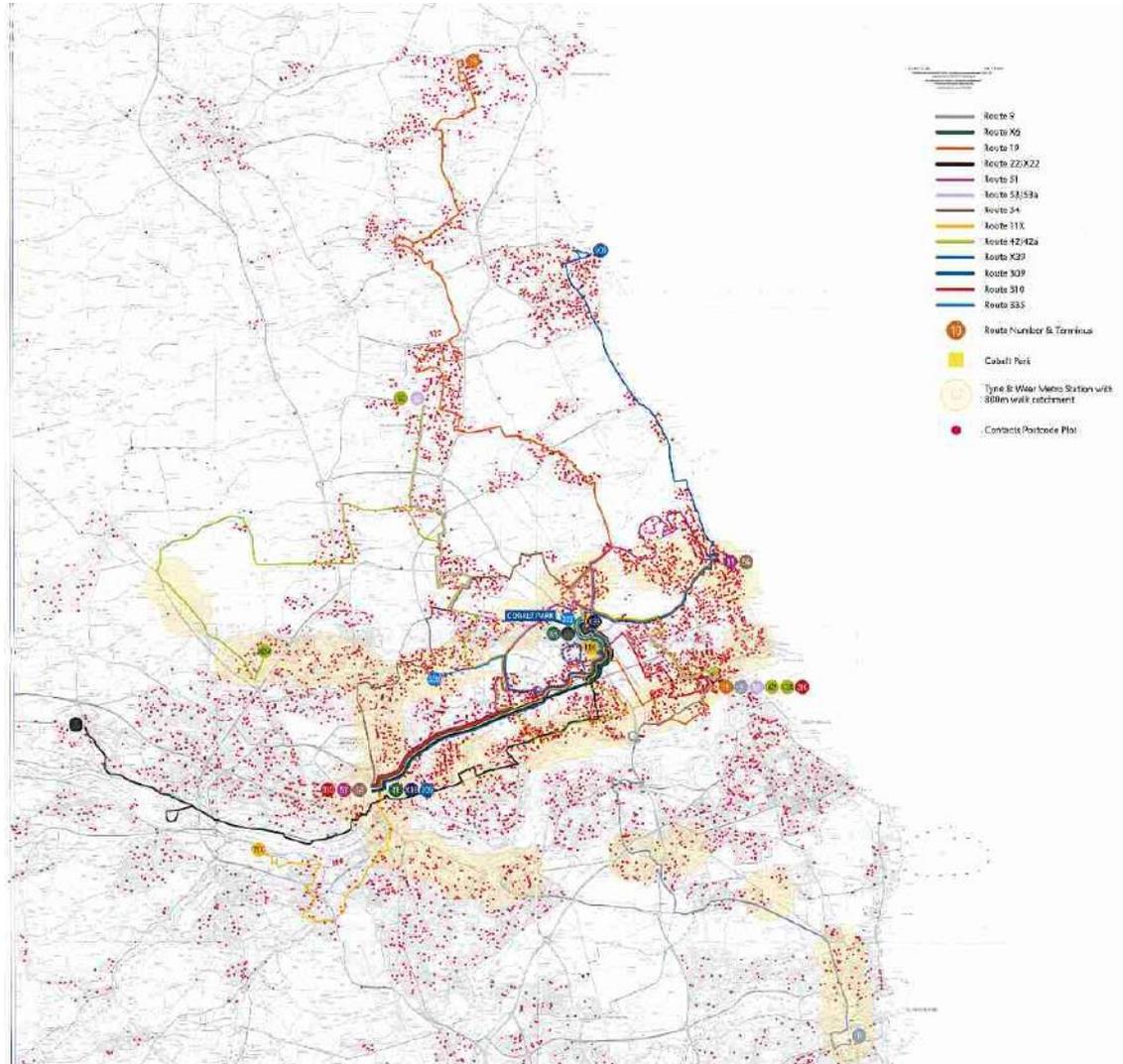
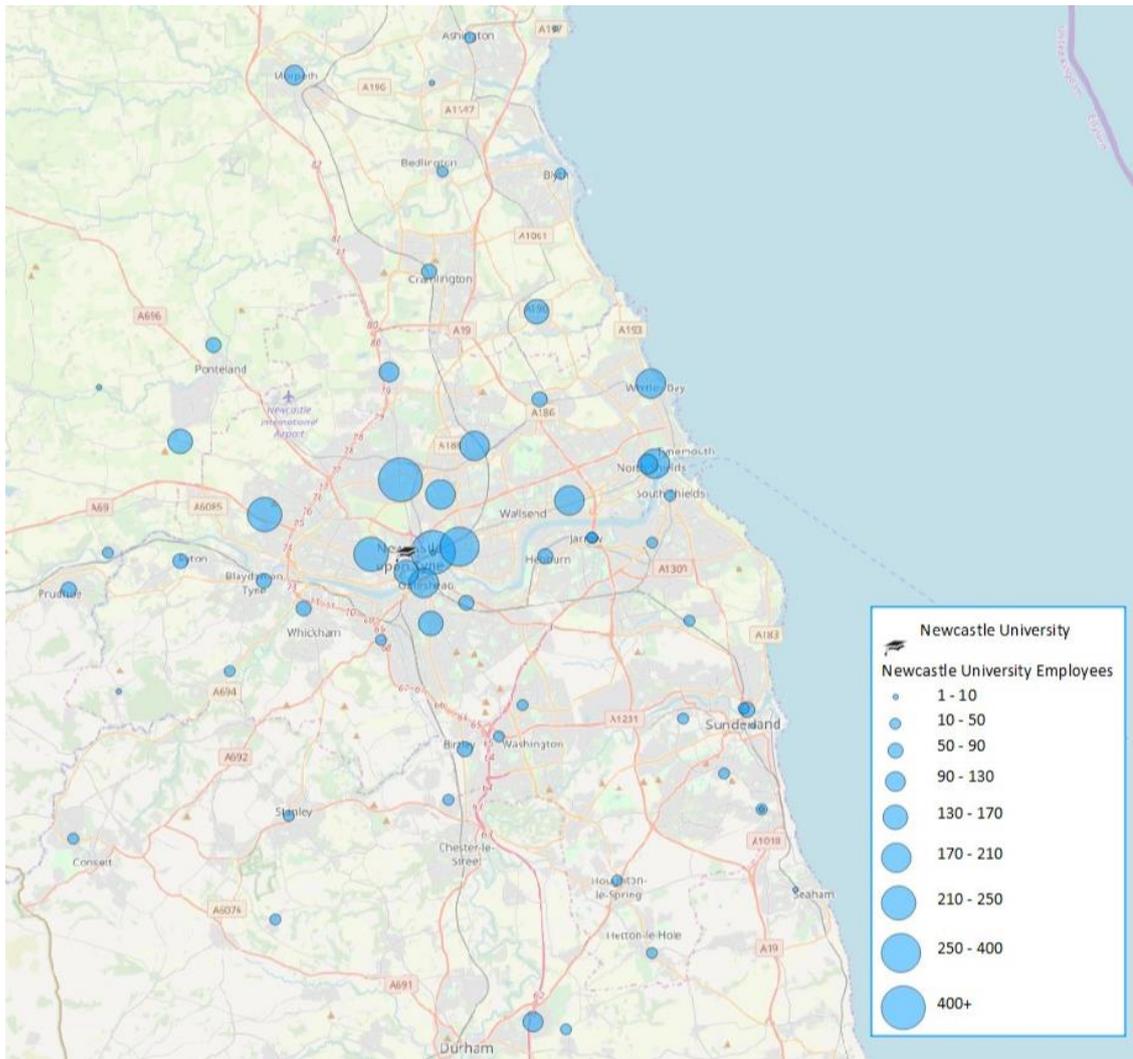


Figure 4-3: Cobalt Business Park, North Tyneside – Employee catchment areas



Note: sample size >10,000

Figure 4-4: Newcastle University – Employee catchment areas



Note: sample size >6,000

Detailed Consultation Responses

- 4.9 Table 4-1 provides a summary of the insights obtained from the one-to-one consultation exercise carried out between mid-January and mid-February 2020, broken down by key theme and by business category.
- 4.10 The consultation exercise provided a rich body of information on the local area, as well as insights on the economic opportunities and challenges facing the corridor, and consideration of their implications, as well as other interventions required to support the economic development of the region.

Table 4-1: Summary of findings from consultations

| Type | 1. What are the opportunities facing the economic corridor? | 2. What are the challenges facing the economic corridor? | 3. Other initiatives/investments required | 4. What other challenges should be expected in delivering the corridor? |
|---------------|--|--|--|--|
| Public sector | <ul style="list-style-type: none"> • Offshore energy sector is a key priority growth sector for the NE – Port of Blyth is a key opportunity area • Blyth offshore represents key opportunity to grow a new industrial cluster – discussions are being held to secure inward investment for production and operations facilities on key port development sites. • Sub-sea sector provides other opportunities – possibly linking up with other sectors involved in advanced manufacturing and automation • Once a new cluster begins to be established supply chains will follow • Greater opportunity for people to access North Tyneside and Newcastle much faster • The scheme will support the case for more investment into Ashington • Good quality affordable housing is required along the line to deliver economic growth • Advanced manufacturing, automation and energy & subsea technology sectors need to be supported and strengthened • SE Northumberland could provide housing for commuters into North Tyneside • North Tyneside local plan (2017-32) makes provision for significant economic/employment opportunities along the A19 and riverfront | <ul style="list-style-type: none"> • Need to ensure that we have the range and depth of skills to support the energy sector regionally • Regeneration opportunities (outside Ashington) expected to be more difficult and slower to happen • Ashington has limited stock of good quality affordable housing • The locations of the proposed stations (apart from Ashington) are somewhat remote to town centres and key economic assets • As a regional project it requires buy-in from everyone including area/stakeholders not affected by the scheme • Culturally there is some resistance to longer commute times • Existing skill levels of local workforce fall short of requirements to secure employment opportunities along the corridor • Passenger demand likely to be higher in more affluent areas – and these may not be in the vicinity of proposed stations • Region needs to generate/attract high value jobs – currently too dependent on public and hospitality sector • Road capacity at specific junction locations has become an issue. HE believes upgrades are required to support further development | <ul style="list-style-type: none"> • Energi coast promotes investment across the NE – though the ports compete, there are clusters of specialism within each port, and synergies from partnership working • Housing being delivered at the right locations along the line will be critical to its success • The line by itself cannot tackle social inclusion, this investment needs to be supported by a programme targeting improvement to local skill levels • To encourage use, the local population and workforce should be offered discounted fares • Ways to improve access to/from the stations need to be addressed • The project needs incorporate and integrate with new technology emerging in the mobility sector • Supporting Blyth to become a key base for the manufacture of wind turbines – given the government’s target to increase the UK manufacturing component to 60% • Good quality connectivity serving key economic assets is very important to business and investors • Innovation is required to make offshore energy sector more efficient – expertise in Automation and AI will become increasingly important • Linkages with National Innovation Centre in Helix (Newcastle) could | <ul style="list-style-type: none"> • There are significant cultural barriers that would need to be overcome around commuting and travel/cost amongst the community served • Ensure a balanced two-way demand along the line • The line is likely to require an operating subsidy, as well as additional costs to provide access to/from stations • Further work is required to explore how local people will respond and the impact of this scheme. • Travel behaviours will need to change, along with the appetite for longer commutes to take advantage of the job opportunities that will open. • Project needs to demonstrate its contribution to decarbonisation and climate resilience. • More collaborative working and incentives are required to unlock barriers to inward investment |

| Type | 1. What are the opportunities facing the economic corridor? | 2. What are the challenges facing the economic corridor? | 3. Other initiatives/investments required | 4. What other challenges should be expected in delivering the corridor? |
|-----------------------------|--|---|---|--|
| Public sector (continued) | <ul style="list-style-type: none"> • Growing businesses in SE Northumberland, particularly in Blyth, will benefit from increased labour force catchment area • Improved north-south connectivity could support wider benefits/agglomeration in North Tyneside (Cobalt BP) and in Newcastle. • House building and opportunities to stimulate residential development and grow new communities • Blyth ORE Catapult and business involved in automation/robotics provide potential for growth and creation of an innovative cluster around future engineering offer | <ul style="list-style-type: none"> • Educational attainment levels below where they should be – improvement in this area is massive priority • Property values are low making self-financing property development difficult | <p>provide opportunity for partnership working with Energi Coast</p> <ul style="list-style-type: none"> • Need to consider each station individually and assess innovative development potential • Each station needs to be considered as a local hub – providing employment opportunities in addition to access/parking facilities • Incentives/tenant guarantees are required to support release of development finance | |
| Private sector & businesses | <ul style="list-style-type: none"> • With Increased congestion, introduction of clean air zones etc there is a new need for extra public transport into Newcastle • AkzoNobel's £100m paint facility opened in 2017 in Ashington, employees c.150 with a degree of advanced manufacturing and automation. Could become the anchor to attract further investment in the sector • Fintech business in Newcastle in growing and will need to attract talent from a broader catchment area • Growing automation and robotics offer in Blyth centred around Tharsus (provides robotic technology for Ocado warehouses) and employs c. 300 people. • Couple of small start-up/spin off have emerged and based from Newcastle university involved in process | <ul style="list-style-type: none"> • Northumberland college is a mixed bag and has had problems recently. Higher education options in Newcastle and Tyneside are more appealing to the local population • Renewable energy businesses are relatively small and there is a new attract large investors to support expansion and develop the sectoral offer • Access to skilled workforce and knowledge base required to grow and diversify • Significant requirement of specialist digital skills in manufacturing/automation -these are centred in Newcastle – this is resulting in mounting pressure to relocate digital parts of the business to Newcastle • Quality of the place offer and town environment needs attention, as | <ul style="list-style-type: none"> • Digital infrastructure needs to be delivered alongside the line to support businesses and deliver growth • Port of Blyth needs to attract larger investors to drive investment and help to develop this sector • Cross-selling expertise into the energy renewable is not in our short-term horizon • Looking at opportunities to diversity into low carbon/sustainability and waste to energy sector • Looking to strengthen established links with Cambridge University in the automation sector • More support/interaction needed with other emerging tech firms – many of these located in South Tyneside/Sunderland area. • Investment in relevant training and skills to support the tech industry remains a key priority | <ul style="list-style-type: none"> • Export markets increasingly important – we currently export to 14 countries and need good access to airports and ports. • How to create a critical mass of tech firms in the region, as this will help attract skilled talent to the wider region and allow us to draw from a larger pool of talent. • Focus on delivering the core scheme, build in flexibility and consider upgrades etc as and when the scheme demonstrates economic benefit • Some frustration from some businesses on the complexity of regional public sector governance structure and coordination • Public sector bodies need to proactively engage with employers to secure government funding as when it becomes available. Better communication is required for |

| Type | 1. What are the opportunities facing the economic corridor? | 2. What are the challenges facing the economic corridor? | 3. Other initiatives/investments required | 4. What other challenges should be expected in delivering the corridor? |
|--|--|--|---|---|
| Private sector & businesses (continued) | <p>automation (electronic controls and switches)</p> <ul style="list-style-type: none"> • Attracting skilled millennials from Newcastle to Blyth is a challenge – many don't want to commute by car • Recent growth has been enabled by linking R&D, design directly into manufacturing in a more integrated way. This helps to service our clients in a better way, as provides the model for further growth. The area can provide us the facilities to grow the business • Rail connectivity into the heart of Ashington will strengthen investor confidence and support further regeneration activity • Potential for the region to link key economic assets around advanced manufacturing, automation and renewables –to deliver innovation into the new industrial sectors • Ashington is home to the UK's most sustainable paint plant and could attract other businesses and suppliers -employees are local and showcase what local people are capable of • If competitively priced local suppliers can be sourced, they would become our preferred suppliers | <p>does connectivity between different parts of the towns</p> <ul style="list-style-type: none"> • Ashington and Blyth have large areas of old traditional terraced housing – requiring investment to modernise and make energy efficient • Need to have more leadership, access to finance and ability/experience of integrated working • Ashington business parks are not attracting new tenants. Ashwood Park, where the AkzoNobel site and Bernicia Homes (the largest property management and development firm in Northumberland) are located, has no other tenants. • Need to develop education and training locally to be more suited to our manufacturing requirements • Ashington offers nothing to many of our visitors (hotels, leisure, shopping) and money is spent elsewhere i.e. Morpeth, Cramlington and Newcastle. • Non-UK market important for growth, need to be able to source materials from Europe and have free trade agreements back into the EU (this is the only potential for growth) • Buses serving the corridor carry c.9 million passengers/year. The viability of the bus network relies on maintain a sustainable level of demand on longer distance trips. Abstraction from bus will force reductions in service levels, and this will affect local connectivity | <ul style="list-style-type: none"> • Increased engagement between the business community and educational establishments need to be prioritised • Invest in regional programmes to deliver first class training and apprenticeships focused on future business needs • Homes England funds to support development are available and we need to lobby hard • The provision of electric charging points is not keeping up with demand. Business parks and other key locations need more facilities to charge electric road vehicles. • To provide connectivity to the economic assets in Blyth, Ashington and Bedlington you need high quality local bus network linked to the stations • Many of existing developments are low density, cul-de-sacs and difficult to serve by public transport • An integrated approach to public transport investment is required. Buses need to be provided with priority on key corridors to improve their level of service | <p>business to understand what is required from them.</p> |

| Type | 1. What are the opportunities facing the economic corridor? | 2. What are the challenges facing the economic corridor? | 3. Other initiatives/investments required | 4. What other challenges should be expected in delivering the corridor? |
|---|---|---|--|---|
| Private sector & businesses (continued) | | <ul style="list-style-type: none"> • People don't like to interchange and prefer direct public transport services • Corridor is struggling to attract investors and new businesses – competition from large business parks in North Tyneside and Newcastle makes it increasingly difficult | | |
| Partnerships | <ul style="list-style-type: none"> • Over past decade Signs that skilled people moving back to the area with new job opportunities • the Port of Blyth has evolved to become a major offshore energy national asset • Off-shore industry provides once in generation opportunity • Jobs doubled (current workforce is over 500) and is expected to double again over next 5 years • Port is bidding for the Dogger Wind farm O&M contract – creating c 100 jobs • Growing investor interest in Blyth for services around the port. • Looking at opportunities to develop energy central learning at the port, adding digital courses and shorter transition courses to upskill local workforce • Clear opportunity to support job growth not just in port of Blyth but along the renewable energy coast • R&A activity focused on increasing efficiencies and reducing cost of renewable energy – also looking at opportunities of increased automation and robotics | <ul style="list-style-type: none"> • The skills gap amongst local workforce in the Blyth area is a key concern with businesses • Many students are reliant on public transport and poor public transport connectivity is making it more difficult to increase the catchment and participation across a broader community • Poor quality facilities (i.e. shops, leisure) in the proximity of the Port • Attracting business visitors to the area, board meetings are normally held in Newcastle city centre | <ul style="list-style-type: none"> • Improving Blyth as a destination to live and work is important for attracting appropriate and skilled workforce, particularly in retaining graduates • Increased road capacity to/from port area – new road is planned and needed to support growth • World class renewable energy investment backed with state-of-the-art testing and manufacturing facilities. This will attract more spinouts and research companies to design and test equipment in early stages of development • Provide incentives to attract innovation and research to the area, including intellectual property for the long-term energy cluster and sector development. | <ul style="list-style-type: none"> • Jobs in Blyth are concentrated on the Estuary and are located well away from the line • Transport links to the port of Blyth for business are poor – most visitors use taxis from Newcastle • Local offer in many areas needs to improve to attract the quality people needed • Ensuring connectivity from the proposed rail station to the port and other key employment sites. The existing road to be port is already congested during the peak. • |

| Type | 1. What are the opportunities facing the economic corridor? | 2. What are the challenges facing the economic corridor? | 3. Other initiatives/investments required | 4. What other challenges should be expected in delivering the corridor? |
|--------------------------|--|--|---|---|
| Partnerships (continued) | <ul style="list-style-type: none"> In the long term there could be tidal energy opportunities to exploit – but these are 10-15 years away | | | |
| Academic Institutions | <ul style="list-style-type: none"> Newcastle University have a training facility at the Port of Blythe and are interested in growing the education offer - particularly in offshore marine and renewable technology The university is the 4th largest employer in the North East and around 6% of employees live along the corridor. The majority come from the southern end (Seaton area) that have closer access to the metro The North East recently secured hosting the National Centre for Rural Enterprise – the location of the centre is yet to be decided Earlier Newcastle City Futures (NFC 2065) work look at alternative growth scenarios and creating a circular economy and relationship of this economic corridor with Cramlington/Morpeth North East (esp. Newcastle) has one of the fastest growing digital sectors outside London. – any digital activity in the corridor could be linked to this Proposed plans for Medical Village in east Morpeth for children cancer patients and their families – could provide opportunity for Ashington-Morpeth sector links in health? Provide a new multi-functional Northumberland College building by Ashington station Opportunity to provide new and innovative projects around the | <ul style="list-style-type: none"> Northumberland college is a mixed bag and has had problems recently. Higher education options in Newcastle and Tyneside are more appealing to the local population Concern that the rail line will suck growth from the area and just create a bigger labour market for Newcastle Poor health outcomes – not recent work by NHTA linking poor health to poor outcomes/productivity Viability of housing development along the corridor (flood risk, contamination etc) needs to be investigated How to upskill and modernise the existing Newcastle is the draw for start-ups and new private sector firms, and this is affecting business parks in North Tyneside and along the line How to create sustainable high value clusters. AkzoNobel built a new plant recently but other players have not been secured and Ashington can't compete with the advanced manufacturing park in Sunderland Significant skill shortages in SE Northumberland around the visitor economy, construction, digital, health, life sciences and advanced manufacturing. Ageing workforce and skills gap key issue The line will exacerbate skills leakage from the area, as most higher value | <ul style="list-style-type: none"> Connectivity to/from stations remote to economic assets is a significant concern, and needs further consideration Corridor provides opportunity for new housing offer – locations around the stations could be attractive for accessing jobs and opportunities in the metropolitan area Promotion of cultural and tourism opportunities need attention Attracting new investment to support growing renewable and subsea sector The Port of Blyth should have stronger links to other ports Development of a clear pathway that links into FE and HE opportunities Develop local offer in retail, schools etc to support corridor become an attractive place to live and work The line needs to be integrated with Newcastle metro Need a robust and clear economic investment plan from NCC/AN to create jobs and draw in people from Newcastle Without further investment it will be increasingly difficult for Northumberland college to compete with other colleges in the region. | <ul style="list-style-type: none"> Large areas of deprivation due to shifts in industrial structure Explore potential of supporting growth by linking to increased interest in green/sustainable technology building on the industrial heritage Ensure consistency with the North East productivity work that fed into the LIS and see what sectoral strengths are emerging and how they can be applied to the economic corridor There is a clear divide between the two corridors – the ECML and the proposed new line Making the line relevant to support changes in the local economy i.e. Blyth and its renewable offer Newcastle/North Tyneside represent a significant draw – high quality connectivity to business parks, areas of entertainment etc suck more people out of the areas served. |

| Type | 1. What are the opportunities facing the economic corridor? | 2. What are the challenges facing the economic corridor? | 3. Other initiatives/investments required | 4. What other challenges should be expected in delivering the corridor? |
|-----------------------------------|---|--|---|---|
| Academic Institutions (continued) | stations – need new housing offer to attract people to work for the likes of Tharsus. | jobs particularly in digital/diagnostics are being created outside SE Northumberland <ul style="list-style-type: none"> • The line will draw more young people from the local area to other revamped and modern colleges (Newcastle and Tyne Metropolitan). | | |

Table 4-2: Insight meetings and consultations – list of consultees

| List of consultees | |
|--------------------------|--|
| Richard Baker | NELEP - Head of Strategy and Policy |
| Michael Black | Advance Northumberland - Director of Economic Growth & Investments |
| Rob Hamilton | Newcastle City Council - Economic Director |
| John Sparkes | North Tyneside District Council - Economic Director |
| Tobyn Hughes | Transport North East - Managing Director |
| Jonathan Walker | North East Chamber of Commerce - Assistant Director |
| Rory Wilson | Northumberland Estates |
| Martin Lawlor | Port of Blyth - Chief Executive |
| Rick O'Farrell | Northumberland County Council – Executive Director |
| Mark Tewdwr-Jones | Newcastle University - Professor of Town Planning |
| Andrew Clark | NELEP - Energy Lead |
| Andy Williamson | Port of Blyth - Senior Business Development Manager |
| Jane Robinson | Newcastle University - Dean of Engagement and Place |
| Paul Parry | Port of Blyth - Business Development Manager (Training) |
| Tony Quinn | Offshore Renewable Catapult - Test & Validation Director |
| John Johnston | CEO, Bernicia Group |
| Brian Palmer | CEO, Tharsus Group |
| Alex Wardle | AkzoNobel - Business Development Manager |
| Lisa Harwood | Heather Mills Project/Advance Northumberland |
| Nick Knox | Arriva North East |
| Lisa Harwood | Advance Northumberland - Business Growth and Investment Manager |
| Andrew Martin | Advance Northumberland - Workspace Manager |
| John Hildreth | Advance Northumberland - Deputy Head of Economic Growth |
| Garry Ward | Highbridge Properties (Cobalt Business Park) |
| Iain Nixon | Education Partnership North East |
| Nigel Harrett | Northumberland College |

5 Transport Corridor Case Studies

Approach

- 5.1 This Section provides findings from three case studies of recent Rail Corridor developments: The Borders Railway in Scotland; the Ebbw Vale line in Wales; and the Ebbsfleet High Speed 1 Line in England. For each case study, we present details of the scheme, including its construction, delivery and socio-economic context; and the realised benefits of the scheme. Each case study concludes with key lessons and implications for the Northumberland Line.

Case Study One: Borders Railway

Project Summary

- 5.2 The Borders Railway was claimed to be one of the most strategic Scottish transport projects of the last 45 years¹¹. It opened on the 6th September 2015, re-establishing passenger railway services for the first time since 1969 between Edinburgh, Midlothian and the Scottish Borders. The total scheme cost was £353 million, of which £295 million was construction costs in 2012 prices.
- 5.3 The overall vision for the new line was to deliver a diverse range of benefits for the economies of Midlothian, the Scottish Borders and Edinburgh. By better connecting the City Region and its communities, the new railway was anticipated to generate significant economic benefits for Scotland. *“It will help stimulate the growth of businesses, generate employment and boost tourist visitor numbers”¹².*

Construction Process

Key Facts: Borders/Northumberland Line Railway Comparative Table

| | Borders | Northumberland Line |
|-----------------|--|---------------------|
| Length | 30 Miles | 14 Miles |
| New stations | 7 | 6 |
| Cost | £353m incl. £295m construction costs (2012 prices) | £169m |
| Single Journeys | 1,267,599 (2015/2016) | 494,000 (2024) |

- 5.4 The table above shows how the Borders Railway compares with the proposed Northumberland line. The Borders Project is over double the length, cost and number of

¹¹ Borders Railway Maximising the Impact: A Blueprint for the Future, preface and Borders Railway Year 1 Evaluation Transport Scotland

¹² Op cit. p2

passengers (256% of the passengers projected for the Northumberland Line) with a similar number of stations. The differences reflect the fact the Borders region has an even less dense population than Northumberland at 24 persons per km² compared to 64 per km².

5.5 With over 100 planning and prior approval applications, Network Rail and their lead contractor, BAM Nuttall, worked closely with the three Councils and advanced works began in 2013. Construction began in April 2014 and involved:

- Extensive mining remediation with just under a million tonnes of earth moved.
- The laying of 30 miles of new railway and 90,000 sleepers.
- The development of seven rail stations and six station car parks.
- Over 100 new and repaired bridges, road and path upgrades signalling, telecoms, accommodation works and a train servicing facility.

5.6 At its peak there were over 1,100 workers working on the construction of the project. The following timeline shows there was a relatively short construction period of one year five months.



Delivery

5.7 The objectives of the Borders Railway reflected the strategic vision of the Scottish Government and the scheme was a committed infrastructure project in Transport Scotland’s Corporate Plan (2012 – 2015). The key players were the Project Sponsor (Transport Scotland), the Project Delivery Partner (Network Rail) and the project partners (Local Authorities).

Roles of the Principal Partners

| Organisation | Summary Roles |
|--|---|
| Transport Scotland (TS): Funder & Project Sponsor | <ul style="list-style-type: none"> - National transport agency for Scotland, client, project sponsor and funder and manager of business case. - The specification of ‘client requirements’ and outputs including the train service specification, passenger demand forecasts and completion dates. - Securing appropriate rolling stock and notification of any changes to the train service specification, assumptions and planned delivery timescales. - Funding procurement and management of changes to franchise agreements. |
| Network Rail (NR) | <ul style="list-style-type: none"> - Owner and operator of Britain’s rail infrastructure and delivery partner for the Borders Railway and owner of the Project Delivery Plan. |

| | |
|--|---|
| <p>Delivery Partner</p> | <ul style="list-style-type: none"> - Consultation with TS, the train operators and other key stakeholders on its plans for delivery of the NR Programme to achieve the Key Output dates. - NR provided finance for the project via the NR Regulatory Asset Base (RAB). |
| <p>The Office of Rail Regulation (ORR) Safety & Economic Regulator</p> | <ul style="list-style-type: none"> - Regulatory body for rail matters in Britain. - Determination of NR's obligations for the Borders Railway including delivery. - Approval of commercial submissions and the associated delivery plan and confirmation of NR obligations and determination of efficient prices for the works and incentive arrangements for the amounts to be added to the RAB. - Review and report of the commercial submissions. - Monitoring role and holding NR to account for delivering its obligations. |
| <p>Scottish Borders Council (SBC) Part funder & key stakeholder</p> | <ul style="list-style-type: none"> - Lead partner of the Waverley Railway Partnership (WRP). - Key delivery partner and alongside the two other councils, a part funder of the project. - Regular liaison with NR in providing the necessary consents for elements of the Railway Works (i.e., roads, structures). - Employment of an Environmental Clerk of Works to ensure the legal Environmental Requirements were met by NR during design and build phases. - Employment of a Council Liaison Manager (CLM) to maintain strong and positive links with the local community, and between the councils, NR and TS. - The CLM also ensured planning authorities (both SBC & MLC) approached the works in an efficient manner and expedited design approvals promptly. - Management of the land assembly on behalf of TS since 2008 including appropriate land assembly agreements. - Ensuring public transport systems, including local bus services and walking/cycling routes, were integrated with services provided by the railway. |
| <p>Midlothian Council (MLC) Part funder & key stakeholder</p> | <ul style="list-style-type: none"> - Part funder and a key delivery partner. - Planning authority liaising regularly with NR in providing the necessary consents for elements of the Railway Works (i.e., roads, structures). - Ensuring public transport systems, including local bus services and walking/cycling routes, were integrated with services provided by the railway. |
| <p>City of Edinburgh Council (CEC) Part funder & key stakeholder</p> | <ul style="list-style-type: none"> - Financial contributor and key stakeholder in providing a rail connection between the city, Midlothian and the Scottish Borders. As no parts of the new infrastructure were located within the CEC area, there was no planning interface with the CEC Planning Authority. |

Source: Transport Scotland Borders Railway Final Business Case final version Publicly Available Version, Ernst and Young, November 2012

- 5.8 An integrated Borders Railway Inward Investment proposition was developed by Scottish Enterprise, Scottish Development International, Skills Development Scotland and the three Councils ([Blueprint for the Future](#)).

Socio Economic Context¹³

- 5.9 The value of goods and services produced in Edinburgh, Midlothian and the Scottish Borders is just under £20 billion, about 20% of Scotland’s wealth. Over 11,000 businesses in Edinburgh, Midlothian and Scottish Borders operate in Scotland’s growth sectors including food and drink, creative industries, sustainable tourism, energy, financial and business services and life sciences. While the three council areas perform well in Scottish terms, Midlothian and the Scottish Borders account for only around a third of these businesses, but contribute just over a tenth of the value. In other words, the gap with Edinburgh was considerable.
- 5.10 Midlothian and the Scottish Borders have fewer companies active in business and financial services and creative industries, but proportionately, three times the number of companies in food and drink and tourism, reflecting their strength in these sectors. The ambition was to grow businesses here and improve the number of higher value and better paid jobs, making Midlothian and the Scottish Borders better locations for businesses to invest. By improving competitiveness in tourism and food and drink production it was hoped that the gap with Edinburgh levels would be reduced.

Strategic Context and Rationale

- 5.11 The Borders Railway was a fundamental part of delivering the Tourism Scotland 2020 Strategy and promoting growth in Scotland’s visitor economy to 2020. Within the strategy, developed in 2012, the Scottish Tourism Alliance said it would work with sectors such as transport and finance to address the barriers to growth that can’t be fixed by tourism alone. Examples included enhancements to road, rail and ferry routes within Scotland and opening access to investment.
- 5.12 The Government Economic Strategy at the time (2011) reaffirmed the core purpose for the Scottish Government: “to focus Government and Public Services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.” Furthermore, the strategy sets out a Cohesion target, which aimed: “to narrow the gap in participation between Scotland’s best and worst performing regions by 2017.”
- 5.13 The strategy also set the following objectives for transport:
- Making connections across and within Scotland better;
 - Improving reliability and journey time;
 - Maximising the opportunities for employment, business, leisure and tourism.
- 5.14 In addition, the National Transport Strategy (2006) highlighted the following high-level objectives to:
- Promote economic growth and social inclusion;
 - Improve integration;
 - Improve safety of journeys;

¹³ Op cit. p8

- Protect our environment and improve health.

5.15 The aim of the Borders Railway was to support the Scottish Government’s objectives by delivering improvements in access to Edinburgh and important regional markets for those living in the Scottish Borders and Midlothian, enhancing access to the capital’s labour market. The Borders Railway also contributes to fulfilling the transport objectives set out in the Government Economic Strategy by improving the opportunities for leisure and tourism in the region, and the National Transport Strategy’s objectives by improving integration, promoting regional cohesion/social inclusion and by helping to promote economic growth.

Assessment of Economic and Social Benefits

“It will grow the Edinburgh city region and make it a more attractive place to live and work. For the Borders, it will act as a catalyst for businesses to set up in the area and for tourism. There are many important social aspects too. The scheme will transform public transport to and from Edinburgh, taking half an hour off public transport trips from places like Galashiels. The key is for us and Abellio to work with local authorities, Scottish Enterprise, local attractions and Visit Scotland to realise the full opportunity”

Aidan Grisewood Transport Scotland’s Director of Rail ScotRail Special - Spring 2015, p23

5.16 The Strategic Business Case set out the following investment objectives (an assessment of progress against these from the full business case and year one evaluation appears in italics):

- Investment objective 1: The promoting of accessibility to and from the Scottish Borders and Midlothian to Edinburgh, including the airport and the central belt. *The project continues to perform well in improving accessibility, with two trains per hour in each direction providing regular and reliable access to Edinburgh city centre.*
- Investment objective 2: Foster social inclusion by improving access to key services for those without access to a car. *Approximately 21% of households in the Scottish Borders do not have access to a car. This project contributes positively to this objective.*
- Investment objective 3: To prevent decline in the Borders population by securing ready access to Edinburgh’s labour market. *By delivering a fast end to end journey time of 56 minutes this project still performs well against this objective.*
- Investment objective 4: To create a modal shift from the car to public transport. *The Borders Railway meets this objective successfully as demonstrated by the year one evaluation which claims there has been significant modal shift from the car to public transport; with the majority of respondents (57%) who previously made their trip by another mode stating that they used to drive all the way to their destination, equating to an estimated 40,000 saved car journeys.*

5.17 Two different types of economic benefits were calculated to demonstrate the full business case developed by Ernst and Young in 2012: standard passenger and operator benefits, and wider economic benefits. These are illustrated in the following table.

Appraisal of Economic Benefits from the Borders Railway

| Benefit | £m |
|---------|----|
|---------|----|

| | |
|--|-------------|
| <i>User benefits</i> | |
| Travel time | 88.8 |
| Decongestion benefits | 17.2 |
| User charges | -84.4 |
| Vehicle operating costs | 69.5 |
| Total | 91.1 |
| <i>Private sector impacts</i> | 0.4 |
| Indirect taxation | -21.8 |
| Present value of benefits | 69.7 |
| Wider economic benefits | 25.8 |
| Present value of benefits including wider economic benefits | 95.5 |

Source: Transport Scotland Borders Railway Final Business Case final version Publicly Available Version, Ernst and Young, November 2012, p4

- 5.18 During the final business case exercise the Benefit to Cost Ratio (BCR) fell from 1.2 to 0.5. However, the main reasons for this decrease related to the way the project was appraised, rather than changes to the project itself. Moreover, the final business case noted that accessibility and social inclusion benefits were not considered in the core economic appraisal. When the benefits were included this increased the BCR to 1.3. It was shown that the project made a positive contribution to all the objectives and on this basis the project was approved¹⁴.
- 5.19 The opening of the line has led to improved connectivity to Edinburgh, created direct jobs during the construction phase and resulted in a number of indirect and induced employment impacts as a consequence of new housing and complementary investments such as the Central Borders Business Park and the expansion in Newtongrange (see next section). These developments will provide new mixed-use business space, safeguarding current levels of employment and delivering additional jobs (440 jobs in new businesses in Newtongrange alone). Direct, indirect and induced visitor generated jobs will also be generated as new tourism business development opportunities are fully exploited.
- 5.20 The Borders Railway was also projected to achieve greater levels of social inclusion. For instance, as a result of the line there are better links for areas defined as deprived by the Scottish Index of Multiple Deprivation (SIMD). The area between Dalkeith and Gorebridge contained three zones that were within the 20% most deprived in Scotland. These were in close proximity to the new Eskbank, Newtongrange and Gorebridge stations and the new Borders Railway offers greater accessibility for residents to new employment opportunities. It is hard to attribute any changes in the index to the rail line but there have been some improvements between 2016 and 2020 in Midlothian in terms of the number of areas in the 20% most deprived. The following map downloads are from the Scottish Index of Multiple

¹⁴ Transport Scotland Borders Railway Final Business Case final version Publicly Available Version, Ernst and Young, November 2012, p2

Deprivation and show areas of Midlothian in the most deprived 20%. There are fewer red areas which denoted the most deprived.

Scottish Index of Multiple Deprivation: Midlothian Areas in the Most Deprived 20% (2016 and 2020)



Source: Scottish Index of Multiple Deprivation 2016 and 2020.

Business and Investment

[Newtongrange Station](#)

“We are convinced that the presence of this important rail link we have to the Scottish Borders and Edinburgh and onwards into the national network, will result in enhanced and increased opportunity for business expansion, and will very much help ensure the future



Source: Edinburgh Evening News

prosperity of the region” George Archibald Chief Executive, The Business Partnership and Midlothian and East Lothian Chamber of Commerce

5.21 The investment in the new railway was complemented by the roll-out of fibre-optic high-speed broadband and Digital Scotland investments, and inward investment incentives through Assisted Area Status within the Railway Corridor area. A Borders Railway Prospectus was launched in 2015, a PR and marketing campaign promoting site-specific development opportunities in the Railway Corridor and station hub areas to housing, commercial and leisure developers. The ‘Borders Railway Blueprint Programme’ was set up to maximise the economic opportunities of the line supported by £10m of Scottish Government money. It targeted new and expanding businesses and public sector agencies who, until then, had not considered the area as a competitive location from which to operate.

5.22 The following complementary activity has also taken place or is underway:

- Investment in the Tweedbank Industrial Estate to create the Central Borders Business Park, providing ‘city centre’ office accommodation, suites and facilities including a Phase 1 programme of 2 hectares of new serviced development land and up to 1,000 m² of office space for sale or let. Further expansion will deliver an additional 2,300 m² of refurbished and replacement industrial and office space and, in addition, provide up to an extra 3,000 m² of new mixed-use business space.
- Funding packages totalling £3.4 million have been secured to revitalise the centre of Gorebridge and turn a disused building at Newtongrange railway station into a community space and bistro. Agreed match funding of £1,038,000 for ‘Gorebridge Connected’ and a further £191,000 for the Newtongrange Track2Train initiative.
- There are plans to create more than 440 jobs in new businesses, 600 homes, £20m of community investment and the creation of a ‘town centre’ as part of its expansion in Newtongrange, a former mining village in Midlothian.¹⁵

Promotion and Visitor Benefits: Exploitation of Destinations and Attractions

5.23 Tourism is a key part of the economic vitality of Edinburgh, Midlothian and the Scottish Borders, supporting some 6,000 jobs in the region. Prior to the railway being developed in 2013 some 4.3 million people visited Edinburgh, the Lothians (including Midlothian) and the Scottish Borders, spending £1.3 billion. However, Edinburgh accounted for more than 80% of this expenditure and it was anticipated, with careful investment, the Borders Railway could inspire these visitors to spend more time in Midlothian and the Scottish Borders.

¹⁵ <https://www.edinburghnews.scotsman.com/news/rail-investment-newtongrange-could-bring-hundreds-new-jobs-and-homes-122965>

- 5.24 In 2015 Midlothian Council and the Scottish Borders Council commissioned a destination audit to identify tourism business development opportunities arising from the opening of the Borders Railway. The report identified almost 30 themed tourism business development opportunities to exploit the Borders Railway and outlined a variety of actions to progress them. This included a £12m investment in Abbotsford, the Home of Sir Walter Scott, investments in the National Mining Museum Scotland at Newtongrange and development plans for Dalkeith Country Park. The Park supports major national and international sporting events such as the Melrose 7s and cultural events like the Borders Book Festival. There is also a plan to deliver a fitting home at Tweedbank for the 160 panels of the Great Tapestry of Scotland (the world's longest tapestry), developed and phased to complement both the arrival experience at Tweedbank and the development of the Central Borders Business Park. This £6.7m project will be a catalyst for creating a destination of national and international significance and will assist the development of a cluster of wider textiles innovation heritage activity. It is currently running a year later than anticipated and is now expected to open in 2021¹⁶.
- 5.25 The Railway offers a tourist experience in its own right, with an occasional steam train experience operating (typically in August).
- 5.26 With nearly 2 million return journeys predicted, the ambition was to ensure a significant proportion of these being used by visitors. Abellio, who run the new ScotRail franchise, plan to include the Borders Railway as one of its Great Scenic Railways of Scotland. It is promoted by [Visit Scotland](#). At Waverley Station Abellio developed new signage, livery and information to enhance the tourist embarkation experience. The Borders Railway and its partners are encouraging attractions, accommodation providers, local producers, pubs and restaurants to develop new ideas and products to further enhance their quality. For example, the Midlothian and Borders Tourism Action Group (MBTAG), established in January 2017, was awarded £150,000 of Borders Railway Blueprint money and £150,000 from the Tyne & Esk LEADER programme.
- 5.27 The Borders Railway has developed a targeted and coordinated marketing programme to support its development. This included the development of tailored visitor itineraries, particularly through digital media available through Wi-fi on both trains and in stations.
- 5.28 Looking at the year one passenger survey review, the analysis of visitor trips shows that¹⁷:
- 39% of respondents indicated the purpose of their trip was either a day or overnight trip. While the majority of these were Edinburgh based, a reasonable proportion of the overall sample (11%) were trips to the Scottish Borders, with a further 2% heading to Midlothian.
 - The re-opening of the Borders Railway was a relatively important factor in people's decision to make tourism trips, with more than 65% of tourist users stating that it was a factor in their decision to make their trip and 23% stating that they wouldn't have made their trip were it not for the rail line.

¹⁶ <https://www.thesouthernreporter.co.uk/business/opening-date-ps67m-galashiels-home-great-tapestry-scotland-put-back-year-978178>

¹⁷ Borders Railway Year 1 Evaluation Transport Scotland, Executive Summary

- Staying with friends and / or family was the most common accommodation type amongst those from the Borders and Midlothian, with most respondents indicating they did not pay for accommodation. Visitors undertook a range of activities during their trip with shopping the most commonly cited activity.

Place Making

- 5.29 24,000 people a day commute to Edinburgh from Midlothian and the Scottish Borders, three-quarters of the total number of commuters from these areas. Estimates indicate an increase of 57,000 jobs in the Edinburgh City Region by 2030, 60% of these within the City of Edinburgh itself¹⁸. The plan was to seek to accommodate this growth as well as making it easier for people in Edinburgh to commute to Midlothian and the Scottish Borders. There is evidence from the Year 1 Evaluation that the Borders Railway has had an impact on peoples' choice of workplace. Amongst those responding to the user survey who had moved employment, over 80% stated that the re-opening of the line had been the main factor in their decision.
- 5.30 The aim of many of the initiatives within the Blueprint for the Future was to create more sustainable, prosperous and enjoyable communities. The new line has been accompanied by plans for new housing, business and leisure hubs around the seven new stations on the line. For example, Shawfair station, bordering the City of Edinburgh, will serve over 4,000 new homes and three new schools. Reflecting "Town Centres First" approach Abellio, the train operator, wants to connect visitors to local towns and the attractions they offer and maximise locations such as Eskbank, Stow and Galashiels stations, which are located at the heart of local walking and cycling routes. There are several new housing masterplans covering the Borders Railway corridor. Affordability policies will ensure that local people are not priced out, and a strategy of innovative sustainable retrofitting of current housing stock is anticipated to reduce living costs. Current housing masterplans include Shawfair and Redheugh, where there are plans establish a new community at Gorebridge. Along with the neighbouring communities of Danderhall, Newton and Millerhill, Shawfair station will serve over 4,000 new homes, three new schools and 24 hectares of employment land as part of a £200 million development plan. Redheugh alone will deliver capacity for 1,300 homes¹⁹.
- 5.31 Abellio has plans to work with housing developers and local authorities to create convenient walking and cycling routes from new housing and employment areas to the stations, drawing on experience from the Netherlands²⁰. There is evidence that the Borders Railway has already affected peoples' residential choices. Of those identified in the sample who had moved to a new house since the line opened, over half reported that the railway was a factor in determining their current address.
- 5.32 The Blueprint for the Borders notes that the Borders' towns of Galashiels, Selkirk, Hawick, Kelso and Jedburgh offer significant opportunities for housing investment with over 3,700 development sites, as well as settlement expansion close to Tweedbank. The ambition is to connect and grow communities that have suffered from the effects of industrial decline and depopulation, including the former coalfield communities of Dalkeith, Woodburn, Mayfield,

¹⁸ Borders Railway Maximising the Impact: A Blueprint for the Future, preface and Borders Railway Year 1 Evaluation Transport Scotland, p8

¹⁹ Borders Railway Maximising the Impact: A Blueprint for the Future, p12

²⁰ ScotRail Special - Spring 2015 p25

Easthouses and Gorebridge or the textiles communities of Galashiels. Total population in the three Council areas is projected to increase by over 20% by 2037, with working age growth lagging at 15%. But within the City Region, estimates indicate only a modest population rise in Midlothian and a decline in the Scottish Borders – this therefore sets a considerable challenge.

- 5.33 Partners intend to work on development plans to ensure there is a good supply of housing land to cater for the increase in people and families. The local Strategic Development Plan has identified land to deliver around 24,000 homes in Midlothian and the Scottish Borders between 2009 and 2024.

Labour Market Enhancements

“The railway coming to the Borders provides the College with the opportunity to offer excellent skills and training opportunities to a wider market and also allows us to deliver additional skills to support the business growth and economic developments, which will follow the arrival of the train.”

Liz McIntyre Principal and Chief Executive, Borders College

- 5.34 The full business case (p9) noted that accessibility benefits were likely to be the greatest in (a) the Scottish Borders, where the existing level of public transport provision was sparse compared to the levels in Midlothian and (b) areas close to Edinburgh, and where journey times will be greatly improved by the new railway. They are also likely to be significant as the railway substantially improves access to Edinburgh’s labour market and key regional market. A large majority of Borders’ residents (81.3% of the resident working age population) also work in the region, where the median weekly earnings for full time workers in the Scottish Borders Council area is ranked among the lowest in Scotland, at around 90% of the national average.
- 5.35 Midlothian and the Scottish Borders are less well represented in the higher earning professions, particularly in comparison with Edinburgh. Consequently, provision of the new fast, reliable and efficient rail service provides people in the Borders and Midlothian areas access to employment in high value sectors with higher than average wages, providing greater opportunities for social mobility. Conversely, it will ease pressure on the Edinburgh labour market by helping mitigate against the effects of planning constraints around Edinburgh, by making more affordable housing available within commuting distances.
- 5.36 The place making ambitions require a parallel effort to promote access to skills and learning. New travel-to-work/study patterns have emerged, reflecting the new economic geography being created. Eskbank station provides ready access to the Midlothian Community Hospital and a ten-minute rail link between Edinburgh College campuses in Midlothian. Shawfair links to the Royal Infirmary of Edinburgh, delivering benefits to patients and visitors from Midlothian and the Scottish Borders. New and improved bus routes from the Galashiels Transport Interchange connect people across the towns of the Scottish Borders.
- 5.37 With new stations in Galashiels and Tweedbank, Borders College plans to grow the number of pupils participating in the Hospitality and Tourism Academy (in partnership with Queen Margaret), science, technology, engineering and maths and construction curriculums. Partners intend to fund and deliver a Modern Apprenticeship Programme to achieve this.

Reducing Car Journeys and Integrated Transport

- 5.38 The new railway provides a convenient travel to work mode for the many people who move to the area, as well as better journeys for the 24,000 people who already commute from

Midlothian and the Borders into Edinburgh. Transport Scotland forecasted that tens of thousands of peak car trips will switch to rail, taking pressure off the roads and improving air quality²¹. The findings from the first year suggest this has been the case²²:

- Most of the patronage on the line is outward, with passenger numbers from the Scottish Borders stations much higher than Midlothian stations, and Tweedbank accounting for the biggest component of demand.
- Edinburgh Waverley is the most frequent destination for those buying tickets at Borders Rail Stations. However, there are also trips to / from elsewhere in the Central Belt including Glasgow and Kirkcaldy.
- Commuting is the most common journey purpose. There are also a considerable number of trips to education and large volumes of leisure users.
- A large proportion of respondents were relatively infrequent users, with the majority (24%) indicating that they make the journey less than once a month.
- Driving and parking at the station was the most common method of transport used by users of the service travelling from Tweedbank Station, with walking to the station more common at Galashiels, Stow, Gorebridge, and Newtongrange.
- Approximately 50,000 (36%) of the estimated annual single trips recorded via the sample were 'new trips', suggesting that the re-opening of the line has encouraged people to make additional / new trips which they previously did not.
- The line has provided those without a car a means to quickly access destinations along the route. Overall, 15% of users do not own or have access to a vehicle.
- There has been a significant modal shift from the car to public transport, with most respondents (57%) stating that they previously drove all the way to their destination, equating to an estimated 40,000 saved car journeys when frequency of trip is accounted for.
- While there has been a shift from car to rail, it is also evident that there has been a shift from bus to rail with 29% of the User Survey sample stating that they previously made their current journey by bus (equivalent to 22,000 bus journeys). While some of these saved car trips will be offset by car miles associated with new rail trips for which the car is used to access the station, the latter are likely to be shorter trips and therefore the net impact in terms of reduced car miles is likely to be positive, with resultant benefits in terms of carbon reduction, congestion and air quality.

5.39 The full business case (p8) noted that without Borders Rail, those living in Galashiels would not have been able to access Edinburgh City Centre by public transport within a reasonable commuting time of 90 minutes. With the introduction of the railway this is now possible, with those making the journey reaching the outskirts of Edinburgh within 60 minutes, including the assumed total of 20 minutes' walk time.

5.40 The plans also included the development and marketing of fully functional walk and cycle routes and multi-use paths directing pedestrians and cyclists on to the wider path network and into local town centres.

²¹ ScotRail Special - Spring 2015 p24

²² Borders Railway Year 1 Evaluation Transport Scotland, Executive Summary

The Government is exploring extending the Borders Railway line towards Hawick and Carlisle, including turning options at and beyond Tweedbank²³.

Lessons for the Northumberland Line

- **Tourism Development:** Several new tourism projects were devised to exploit the Borders Railway and the line offers a tourist experience in its own right with an occasional steam train experience. The Borders Railway and its partners are encouraging attractions, accommodation providers, local producers, pubs and restaurants to develop new ideas and products to further enhance their quality. By improving competitiveness in tourism and food and drink production, it is hoped that the gap with Edinburgh levels will be reduced.
- **Planned Economic Development, Business Support and Digital Investment:** The investment in the new railway was complemented by the roll-out of fibre-optic high-speed broadband and a 'Borders Railway Blueprint Programme'. This will maximise the economic opportunities of the line, supported by £10 million from the Scottish Government targeting new and expanding businesses and public sector agencies. It should be noted that it can take some considerable time for the longer-term strategic investments to be realised, which are often developed in phases over many years.
- **Management:** The management case outlined for the full business case demonstrated that a robust governance and management structure was in place to ensure the effective delivery of the Borders Railway project.
- **Social Mobility:** The new service has allowed residents in the Borders and Midlothian to access higher value sectors and job opportunities. The project has eased pressure on the labour market for Edinburgh, the same benefits could be realised in key parts of the Newcastle City Region.
- **Business Case Scope:** The parameters for the full business case should ideally incorporate a full range of legitimate benefits. The Borders appraisal potentially understated its potential impacts resulting in a low benefit/cost ratio.
- **Promotion:** The Borders Railway has developed a targeted and coordinated marketing programme to support its development. The Borders have developed tailored visitor itineraries, particularly through digital media available through Wi-fi on both trains and in stations.
- **Job Creation:** The new line has created direct jobs during the construction phase and resulted in indirect and induced employment impacts because of new housing and complementary investments. Direct, indirect and induced visitor generated jobs will also be generated as new tourism opportunities are fully exploited.
- **Labour Market Enhancements:** The place making ambitions require a parallel effort to promote access to skills and learning as new travel-to-work/study patterns emerge, reflecting the new economic geography being created. The Borders have used the railway as an opportunity for curriculum enrichment, recruitment and campus development.
- **Modal Shift:** In the borders, there has been significant modal shift from car to public transport, with the majority of respondents (57%) who previously made their trip by another mode stating that they used to drive all the way to their destination, equating

²³ <https://www.bbc.co.uk/news/uk-scotland-south-scotland-49984969>

to an estimated 40,000 saved car journeys when frequency of trip is accounted for. There are clearly substantial environmental gains to be realised through new line development.

- **Network Development and Expansion:** Investment in new lines brings the prospect of further network expansion and better national connections. As a consequence of the Borders Railway, the Scottish Government is now exploring extending line towards Hawick and Carlisle, including turning options at and beyond Tweedbank.
- **Social Inclusion:** New rail investment can be used as a tool to facilitate greater levels of social inclusion. For instance, they can offer greater accessibility for residents to new employment opportunities (median weekly earnings for full time workers in the Scottish Borders Council area is ranked among the lowest in Scotland).
- **Two Way Benefits:** Through the development of land, people and capital, two-way flows of benefits can be maximised and the labour catchments widened, making it easier for businesses to recruit.
- **Place making and regeneration:** The Borders Railway has been used as a tool to connect and grow communities that have suffered from the effects of industrial decline and depopulation, including the former coalfield communities. In this sense, there are many parallels with some of the poorer and more isolated communities of South East Northumberland.
- **New Communities:** The aim of many of the initiatives in the Blueprint was to create more sustainable, prosperous and enjoyable communities. The new line has been accompanied by plans for new housing, business and leisure hubs around the seven new stations.

Case Study Two: Ebbw Vale/Cardiff

Project Summary

This scheme involved the reopening of the Ebbw Vale Line in February 2008 between Ebbw Vale Parkway and Cardiff Central.

- 5.41 The project was a key part of the continued regeneration of the area following the closure of the Corus works in 2002. First Minister Rhodri Morgan announced to the Welsh Assembly on 30 January 2002 that the rail link between Ebbw Vale and Cardiff would be reopened. Morgan said it would be part of a "package of measures to offset hundreds of steel job losses at the Corus plant"²⁴.

Construction Process

[Key Facts: Ebbw Vale/Northumberland Line Railway Comparative Table](#)

| | Ebbw Vale / Cardiff | Northumberland Line |
|-----------------|--------------------------|---------------------|
| Length | 18 miles | 14 Miles |
| New stations | 6 (then 8) ²⁵ | 6 |
| Cost | £48m (2006 Prices) | £169m |
| Single Journeys | 573,442 (2008) | 494,000 (2024) |

- 5.42 The line is very similar to the Northumberland Line in many respects except cost (the works were much less costly). Work to restore the passenger service to the line took place between 2006 and 2008. The total cost of extending the line including an additional extension to Ebbw Vale Town and Pye Corner (see next section) was £48m, double the anticipated cost^{26,27} at £21.7m plus £11.5m for the town extension. There were three main funders. The European Regional Development Fund's (ERDF) Objective One Structural Funds provided £7.5 million through the Welsh European Funding Office, the Corus Steelworks Regeneration Fund contributed £7 million and the Welsh Assembly Government provided the balance²⁸.
- 5.43 The Ebbw Valley Railway is a branch line of the Great Western Main Line, a predominantly single track, running 19 miles (31 km) between Ebbw Vale Town station, where southbound journeys to Cardiff Central begin, and northbound journeys end. It is situated between the northeast of the mountainous South Wales valleys and the South Wales Main Line. The track runs mainly south and southeast, following the deep-sided Ebbw River valley. The line is heavily curved along most of its route and had gradients of up to 1 in 65²⁹. Before the project to restore passenger services began, these conditions restricted the maximum line speed for

²⁴ <http://news.bbc.co.uk/1/hi/wales/1792697.stm>

²⁵ Plus the Ebbw Vale Town (2015) and Pye Corner (2015) take this to eight.

²⁶ <https://www.audit.wales/system/files/publications/Rail-services-english.pdf>

²⁷ Although the early estimate for the Ebbw Valley line did not include any allowance for the eventual £5.12 million combined cost of land, compensation and Network Rail fees. Op. Cit.

²⁸ [See link](#)

²⁹ [See link](#)

freight services to 35 miles per hour (56 km/h). The track required extensive re-canting to enable the maximum line speed to be increased to 50 miles per hour (80 km/h).

5.44 Freight services to and from the steelworks at Ebbw Vale continued until the site closed on 5 July 2002. The final freight service to run from the Corus steelworks in Ebbw Vale in 2003 removed scrap metal from site³⁰. The line was upgraded with six new stations built (seven if you include the Ebbw Vale Town extension). It offers an hourly service providing better commuting opportunities for people in Blaenau Gwent. The Ebbw Vale rail link scheme upgraded 18 miles of railway line for passenger services, restoring a link with Cardiff that was severed in 1962. The first six new stations were built at Rogerstone, Risca and Pontymister, Crosskeys, Newbridge, Llanhilleth and Ebbw Vale Parkway. The following works were completed as part of the scheme:

- New station buildings, platforms, car parks
- 350 new parking bays
- New railway platforms
- The re-alignment of existing rail track
- Lighting, CCTV and electronic barriers
- Access roads
- Drainage and site clearance.



Two new stations were added to the line over time taking the total number to eight, Pye Corner in December 2014 and Ebbw Vale Town in May 2015, where the line was extended from the existing terminus at Ebbw Vale Parkway to the new station at Ebbw Vale Town. A total of £11.5 million was agreed to fund the station, line extension and associated landscaping for the surrounding area (see image).

Delivery

5.46 The main stakeholders involved in the project were³¹:

- Blaenau Gwent County Borough Council as the purchasing client;
- Network Rail, the owner of Britain's rail infrastructure ultimately responsible for the asset and for 'signing off' the final design;
- The construction contractor and employer's agent (the project manager which also had responsibility for developing the outline design before the appointment of the construction contractor); and

³⁰ [See link](#)

³¹ <https://www.audit.wales/system/files/publications/Major Transport Projects English 2011.pdf>

- The Assembly Government as the main funder through the Transport Grant.

- 5.47 Other stakeholders included Caerphilly County Borough Council and Newport City Council
- 5.48 Capita Symonds and Amey Rail led the construction of the six stations and railway from Cardiff to Ebbw Vale Parkway. They worked closely with Network Rail and Arriva Trains Wales. The scheme was the UK's first local authority-led train service has opened in Wales. The project was led by Blaenau Gwent council and supported by Caerphilly County Borough Council, Newport council and part-funded by the Welsh Assembly (see previous section for funders). The Welsh Assembly Government and Blaenau Gwent Council are running the service.
- 5.49 It should be noted there was a dispute between the Council, the Welsh Government and the contractor about responsibility for the cost of remedial works needed³². The Welsh Audit office noted there were lengthy negotiations and generally difficult relationships between the main stakeholders, leading at one point to a six-month delay. One key negotiating point related to the extent to which Blaenau Gwent County Borough Council could transfer its own risks to the construction contractor. The Auditor also noted the presence of protected species (slow-worms and common lizards) on-site led to delays of approximately three months and added an estimated £0.95 million to the total project costs.
- 5.50 In April 2013, consultants Arup carried out a Rail Services Efficiencies Review for the Welsh Government. The review was critical of the Welsh Government's approach to post-project monitoring and evaluation of service enhancements under the Wales and Borders franchise. It concluded that: *'there is no evidence of a systematic approach to reviewing the impact of new services once they are introduced'*.

Socio Economic Context

[Ebbw Vale Steelworks 2002 before Closure](#)



By the 1960s around 14,500 people were employed in the works in and around Ebbw Vale, but the end of the century witnessed a massive collapse to the industry. A strike in 1980 was followed by closures and redundancies which resulted in the dismantling of many of the old plants. In 2002 only 450 were employed in the old industries, and by July of that year the final works closed ending 200 years of steel making. The loss of 780 jobs at the tin-plate making plant dealt a severe blow to the Blaenau Gwent community, which had the highest proportion of its workforce

³² <https://www.audit.wales/system/files/publications/Rail-services-english.pdf>

employed in manufacturing of any constituency in Wales³³.

Source: Graham Morley Historic Photos / Alamy Stock Photo, 2002

- 5.51 The district of Blaenau Gwent is amongst the poorest performing in Wales in terms of its labour market supply. 26.8% of the local population are economically inactive, 3.6% and 5.1% higher than Welsh and British averages respectively. 4,600 (19.9%) of the district's households are workless, compared with rates of 17.2% in Wales and 14.3% in Britain. Education levels within the district's population are approximately 10% lower than Welsh and British averages from the level of NVQ1 through to NVQ4, and 14.8% of the Blaenau Gwent population have no qualifications at all (almost twice as high as British levels - 7.8%). In terms of labour density, the district has 0.5 jobs per working age member of the population, significantly lower than the average labour density in Wales (0.78) and Great Britain (0.86).
- 5.52 The manufacturing industry employs the highest proportion of the workforce (22.2%), followed by wholesale and retail and health and social work (each industry employing 16.7% of the workforce). Manufacturing in Blaenau Gwent has a significantly higher share of labour supply in compared to Welsh and British averages (11.4% and 8%), highlighting the relative dominance of the industry in the district and the legacy of the steel supply chain³⁴.
- 5.53 Between the nations within Great Britain, Wales has the lowest GVA per head at £19,140, and at a local area scale the Gwent Valleys had second lowest GVA at £14,759, and at the council level Blaenau Gwent had the lowest GVA per head in the entire UK at £11,640³⁵.

Strategic Context and Rationale

- 5.54 As noted previously, at the time when the project was being constructed (2007/8), the Valleys communities of South East Wales were facing a variety of socio-economic problems and historically high and persistent levels of economic inactivity and multiple deprivation. This was compounded by the global financial crisis (2007-2008) and its aftereffects. The regeneration of areas of high unemployment was an urgent policy priority and the reduction of barriers to travel was perceived as a key, achievable solution. Many households did not have access to a car and new train services to the large employment centres on the coast was perceived to be one way of unlocking latent rail demand and addressing some of the barriers outlined in the previous section such a low job density.
- 5.55 Enhancing services and transport infrastructure in the area was, therefore, identified as a strategic intervention to improve access to jobs (including better paid jobs), education and training opportunities and generally contribute towards a more sustainable transport system. The Welsh Government acknowledged these economic pressures and utilised EU funding mechanisms such as the 2007-13 ERDF Convergence Programme to help tackle the issues. Priority 3 of the ERDF programme had the objective to:

³³ <https://www.standard.co.uk/news/steel-making-era-ends-in-ebbw-vale-6342626.html>

³⁴ <https://www.nomisweb.co.uk/reports/lmp/la/1946157401/printable.aspx>

³⁵ <https://www.bbc.co.uk/news/uk-wales-42425797>

“Equip the region with the physical infrastructure necessary for the development of a modern competitive economy, and to promote agglomeration effects and sustainable integrated urban regeneration”.

- 5.56 National policies and strategies at the time³⁶ set out the rationale for the Project. The principle objective was to encourage modal shift through the provision of enhanced and additional train services across the Welsh rail network during peak hours. It was clear that new services, had the potential to reduce congestion on main commuter routes leading to a reduction in vehicle carbon emissions and an improvement in air quality. The Operational Programme noted that use of the rail network in the Valleys was less than half the British average, and that the Valleys lines network provided access to jobs located in the prosperous coastal strip, including Cardiff and Newport.
- 5.57 Whilst the project was consistent with policy objectives of the time, opportunities to use the line for commuting are constrained to some extent by the hourly headway (the time interval between successive trains). An improvement in the service frequency would significantly increase modal shift amongst commuters. The Welsh Government is currently exploring the feasibility of a frequency enhancement³⁷.

Assessment of Economic and Social Benefits

- 5.58 The opening of the Ebbw Vale line has led to improved connectivity to Cardiff, bringing the Ebbw Valley ‘closer’ to the capital and promoting economic agglomeration within the Capital Region. It has created direct jobs during the construction phase and boosted retail and leisure expenditure at both ends of the line where there are signs that indigenous employers have already benefited from increased footfall. It has resulted in indirect and induced employment impacts as a consequence of new housing and complementary investments such as the cable car and town centre public realm enhancements.
- 5.59 Larger direct employment opportunities on sites adjacent to the railway will flow in years to come as jobs are realised at Jubilee Park, Tredegar Park and Ebbw Vale Enterprise Zone. For instance, between May 2017 when it was launched to March 2018, 204 jobs have been created on the Zone either through direct financial support or through wider assistance from the Welsh Government, with a further 101 safeguarded and 144 assisted. It is anticipated that the Zone will create around 1500 sustainable jobs over the next decade³⁸.
- 5.60 The 2014 and 2019 WIMD datasets show there has been a sizeable reduction in overall levels of deprivation in the Ebbw Vale corridor for the most deprived wards. In 2014 Blaenau Gwent was the local authority with the highest proportion of Lower Layer Super Output Area (LSOAs) in the most deprived 10% in Wales (23.4%)³⁹. By 2019 this has decreased by almost half (45%) to only 12.8% and several other authorities performed worse – Newport (22.4%) Merthyr

³⁶ See Wales: A Vibrant Economy (WAVE); The Wales Spatial Plan (2004); Wales: A Better Country (2003); One Wales: Connecting the Nation; the Wales Transport Strategy (2008); One Wales; One Planet (2009); National Transport Plan (2010); and SEWTA Regional Transport Plan (RTP).

³⁷ <https://gov.wales/ebbw-vale-train-frequency-enhancement-scheme-starts>

³⁸ https://gov.wales/sites/default/files/publications/2019-03/ebbw-vale-enterprise-zone-strategic-plan-2018-2021_0.pdf

³⁹ Welsh Index of Multiple Deprivation 2014, Statistics for Wales, Welsh Government p21.

Tydfil (22.2%), Cardiff (18.2%), Rhondda Cynon Taf (17.5%), and Neath Port Talbot (15.4%)⁴⁰. Over the same period the income domain for the worst 10% of LSOAs decreased from 17% to 10.6% and the physical environment domain has decreased from 4.3% to zero for the worst 10% of LSOAs. This is encouraging given the new infrastructure has helped enable new economic development, regeneration activity and improved resident employment opportunities.

- 5.61 The service has proved highly popular, exceeding user expectations with 573,442 journeys in the first 12 months⁴¹. Walking is the most popular mode of travel to most of the stations on the Ebbw Vale line, particularly in relation to the town centre stations.

Ebbw Vale Parkway



Source: [Business Wales](#).

The reopening of the Ebbw Vale line offered users a faster, cheaper and more comfortable alternative to the mode of travel used previously. There were therefore both financial and social welfare benefits attributable to the reopening of the line.

Business and Investment

Ebbw Vale Enterprise Zone



Source: <https://tradeandinvest.wales/ebbw-vale>

- 5.63 Transport investment can have a pivotal effect on unlocking regeneration and land-use development opportunities. By enabling improved access both to and from major employment and leisure destinations, enhanced transport connectivity can act as a significant driver of economic development. Blaenau Gwent Council described how the improved connectivity provided by the rail line, combined with the benefits offered by the presence of

⁴⁰ Welsh Index of Multiple Deprivation 2019, Statistics for Wales, Welsh Government p21.

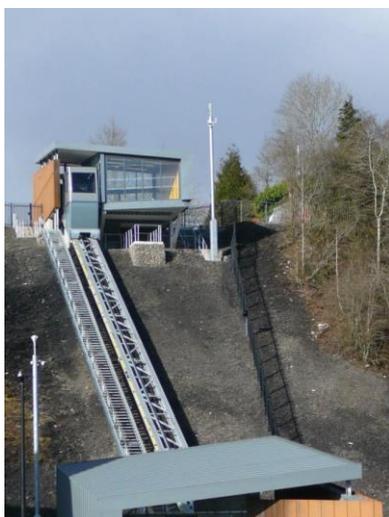
⁴¹ <https://www.southwalesargus.co.uk/news/4113478.ebbw-valley-rail-link-marks-first-successful-year/>

an Enterprise Zone in Ebbw Vale, has helped improve the attractiveness of the area to developers. Both factors have helped to stimulate development in and around the town.

- 5.64 Ebbw Vale Enterprise Zone (see previous image) has a rich international and indigenous manufacturing heritage comprising 40 hectares (98 acres) of development land with 100% expansion space. It offers a range of spaces from temporary accommodation to modified properties and speculative new build across five key sites. One of the most substantial sites is the Works, part of the regeneration of the former steelworks site in Ebbw Vale which is transforming the derelict site. It's a £350 million project that will create new opportunities for learning, working and recreation. It will be integrated into the existing town centre and link to important local landmarks. The scheme includes the delivery of new homes, primary and special educational needs school, a hospital, commercial floor space, a learning zone, a basement park, the central valley wetland park, the 2km railway extension and a mechanical link. Already some of the projects have been completed (e.g. Ysbyty Aneurin Bevan and the environmental resource centre and the rail link) and others are ongoing (the learning zone and general offices).
- 5.65 There has been also been positive impact on indigenous Ebbw Vale Businesses suggesting there has been some 'two-way traffic' and new investment.

"Whilst more Ebbw Valley residents now commute to the south coast, this is seen as beneficial in terms of bringing money back into the area and indeed encouraging in-migration. In addition, the reopening of the line has coincided with urban realm improvements in a number of settlements including Ebbw Vale, Newbridge and Risca". Year One Evaluation

Ebbw Vale Cable Car⁴²



In terms of town centre vitality, the report notes that the line had supported Ebbw Vale towns and villages. It was claimed that the types of retail activity in these towns and villages were sufficiently distinctive to avoid economic leakage to Cardiff and Newport. Data from Blaenau Gwent Council suggests that footfall in Ebbw Vale town centre increased because of the new Ebbw Vale Town station, the cableway and the new development in the surrounding area with 34% increase in daily visitors to the town in the last year. The line was seen as impacting positively on town centre footfall and urban regeneration.

Source: South Wales Argos

- 5.67 The benefits for Ebbw Vale are likely to have be accelerated as a result of the extension of the line to Ebbw Vale Town in May 2015 and the associated redevelopment of the town and the

⁴² ERDF funded and opened 2015. It's a free service between 7am and 7pm on weekdays with a capacity of 22. Each ride takes 20 seconds. ***"The creation of this link will lead to wider regeneration and economic opportunities allowing more visitors to reach the area. The urban, modern transport system will provide an easy, safe and efficient pedestrian link between the main square of 'The Works' site and the town centre"***.

former steel works site (mentioned previously). As part of the latter, several new trip attractors have been built including Coleg Gwent, Ebbw Fawr Learning Centre and Ysbyty Aneurin Bevan Hospital and the new rail line is central to the access strategy for the area, with the station located at the heart of the site. Public sector funding was required to kick-start local development, with several strategic investment projects taken forward including the major regeneration project to develop the former steel works site and the latter extension of the rail line into Ebbw Vale itself.

- 5.68 Commentators note that the development of the Valley's area has been slower than envisaged partly because of the significant barriers to economic recovery⁴³. It is anticipated that the development plans will gradually be realised in the coming years as the market recovers and the rail line, as part of the wider package of measures, is seen as an important enabler of this process. Caerphilly County Borough Council claim (they were consulted as part of the Year One Evaluation) that the enhanced connectivity offered by the line had assisted in making the case, particularly in terms of European funding, for urban realm improvements in towns such as Newbridge and Risca which has, in turn, helped to improve the viability of local town centres. However, they noted significant new land-use developments were limited as the Caerphilly stations were largely in town centres and were therefore site constrained. Commercial development in this part of the has therefore been more limited, although this is unsurprising given the proximity of the lower section of the corridor to Newport and Cardiff.

Promotion and Visitor Benefits: Exploitation of Destinations and Attractions

"But it [the new line] also gives others the chance to come into Blaenau Gwent - which is absolutely beautiful - to see what we've got here. A lot of history and beautiful landscapes."

Trish Law, independent assembly member for Blaenau Gwent

- 5.69 As well as employment opportunities the re-opening of the line has improved access to the Cardiff leisure and retail market. The services are well used at the weekend, with high numbers using the service on Saturday mornings. The number of Saturday trains has been increased to accommodate demand. It was also suggested that the service is well used during school holidays and during key sporting (particularly rugby) and cultural events within the capital. The on-board survey results showed most respondents were weekend users. Shopping and other leisure uses were more common journey purposes than commuting. It was suggested by several consultees, most notably the local authorities, that rail service is allowing people to make trips they otherwise would not have made or which they would have made by another mode.
- 5.70 As with employment, there is a suspicion that the opening of the line may have had some negative consequences for Newport as a leisure and shopping destination as a result of improving transport connections to and from Cardiff relative to the city. There is however no data available to confirm this assertion, and it is extremely difficult to isolate the impact of the rail reopening from, for example, the opening of St David's Shopping Centre in Cardiff in 2009 in conjunction with the repeated delay in the redevelopment of Newport City Centre.
- 5.71 Overall, the most common journey purpose was shopping with 35% of respondents to the evaluation. This was followed by visiting family and friends (16%) and leisure and sports

⁴³ <https://gov.wales/sites/default/files/publications/2019-08/fifty-years-of-regeneration-in-the-valleys-what-can-we-learn.pdf>

activities (15%), with commuting to/from work being only the fourth most popular journey purpose (14%). Overall, 71% were leisure trips, 21% were commuting to either work or education and 3% were business trips. In comparison, the proportions recorded in the most recent National Rail Passenger Survey (NRPS) for Arriva Trains Wales were 58% leisure, 32% commuting and 10% business⁴⁴. The proportion of leisure trips was therefore higher than those on the wider network, with commuting and business trips lower than that recorded in the NRPS. This may change if the Welsh Government's ambition of enhanced frequency is realised.

- 5.72 As may be expected, shopping, visiting friends and family and leisure/sport was more common on the weekends while commuting rates were significantly higher during the week. In particular, the enhanced rail accessibility to Cardiff appears to be stimulating leisure trips of various types to the capital.
- 5.73 Overall, 67% of respondents claimed that they would not be able to access leisure opportunities without using a car and 64% agreeing that they would not be able to access as wide a range of leisure opportunities without the line.
- 5.74 The Blaenau Gwent Local Development Plan to 2021 notes that the area's historical legacy provides opportunities to build tourism opportunities around heritage trails as well as tourism, leisure and cultural events in the town centres. The new rail link can play a key role in raising the profile of Blaenau Gwent and attracting visitors to the area. The plan hopes to build on 'activity tourism' too.

Place Making

- 5.75 It is highly significant that a quarter of survey respondents to the Year One Evaluation who had moved to their current address since the line re-opened indicated that the reopening of the Ebbw Vale line was a factor in their decision to move to their current address. "This is an excellent example of how a transport investment can support the regeneration and development of an area by attracting people to move there".
- 5.76 The new line has enabled and stimulated new housing development throughout the corridor. In Blaenau Gwent large site completions were higher in each year after the line opened, even though the period immediately after the line opening coincided with the start of the economic downturn. In Newport, there have been several new residential developments within the vicinity of the both Rogerstone and Pye Corner Stations.
- 5.77 There are also several large residential sites coming forward within Newport in close proximity to the line, with these areas increasing in popularity in terms of residential development. These include Jubilee Park development⁴⁵, located to the north of Pye Corner Station in close proximity to the station and Tredegar Park located south of the M4 will accommodate 900 and 1,000 new homes respectively as well as a range of local services. Rogerstone has, in recent years, progressed from being a largely post-industrial village into a sizeable commuter settlement. Consultees explained that there had been greater developer interest in both sites

⁴⁴ Transport Focus 2015

⁴⁵ Developers Walters Land have already been granted planning permission for up to 1,200 homes at the site of the former Novelis/Alcan aluminium factory, known as the Jubilee Park development, which also includes provision for retail. **Some 950 homes are planned in the next 18 months.**

as a result of the proximity of the rail line, which it is believed was an important factor in ensuring the viability of both sites.

Labour Market Enhancements

- 5.78 There was widespread agreement that the line has improved access to employment markets, particularly the Cardiff jobs market⁴⁶. This was deemed to be a key success of the project and a clear example of where positive government intervention can support economic development and regeneration. Patronage on the Ebbw Vale line significantly exceeded forecasts. The link to Cardiff is cited as a key reason for this. There has also been a marked shift in rail-based travel-to-work. With patronage levels well in excess of forecast, some of the commuter services have been strengthened to accommodate demand.
- 5.79 Whilst the line has substantially improved access to the Cardiff jobs market, the lack of a direct rail connection to Newport, the traditional centre for the Ebbw Valley, was highlighted as a key issue. Although it was widely acknowledged that Cardiff Central is the 'right' terminus for the line. With Newport being a key employment centre for the Ebbw Valley, the lack of a direct connection to the city means that there is believed to be significant latent demand for travel which is not currently being captured by the route.
- 5.80 Whilst the dominant flow is undoubtedly towards the capital, the re-opening of the line has also encouraged commuter flow into the Ebbw Valley, though in much smaller in scale. The reopening of the Ebbw Vale line was also seen as important in supporting employment through allowing people to access their place of work more easily and supporting longer working hours.

Reducing Car Journeys and Integrated Transport

"There has been significant growth in patronage on the Ebbw Vale line since it was reopened in 2008. The Blaenau Gwent station of Llanhilleth witnessed the largest growth over the period, which suggests that the new line has released an element of latent demand. Overall, patronage on the Ebbw Vale line exceeded forecasts by 450%. In absolute terms, Ebbw Vale Parkway has by far the largest number of users"⁴⁷.

- 5.81 Objective 1 for the Business Plan for new railway was to "encourage a modal shift by reducing the level of car usage, particularly single occupancy commuting"⁴⁸. The re-opening of the Ebbw Vale Line⁴⁹:
- Has generated around 530,000 additional train kilometres per annum and 77.5 million additional 'seat' kilometres per annum, significantly increasing rail supply. The strengthening provided a 19% uplift in non-Ebbw Vale Valleys rail capacity. The train kilometre estimate of 530,446 per annum compared well with the Business Plan figure of 527,974 per annum.
 - 630,000 journeys were undertaken in the 12 months to January 2016. In this dataset, around 90% of trips were to and from Cardiff Central. There is no evidence in this

⁴⁶ [Cardiff Local Development Plan 2006 - 2026](#)

⁴⁷ Valleys Rail Strengthening Final Evaluation: Final Report, Welsh Government, 2018. p22

⁴⁸ Valleys Rail Strengthening Final Evaluation: Final Report, Welsh Government, 2018. p2

⁴⁹ Op. Cit.

dataset of displacement of patronage from other Valleys lines, largely thought to be a consequence of the topography of the area.

- Removed around 14 million road kilometres annually, generating around £1 million of gross economic benefits per annum.
- Almost one fifth of respondents indicated that they would need at least one additional vehicle if the Ebbw Vale line was not in operation.
- Grew the travel-to-work area. The absolute number of people travelling to work by train in the Ebbw Vale – Rogerstone catchment area has increased by 309% between 2001 and 2011. The equivalent figure for the strengthened lines is 88% growth, 18% higher than in the non-strengthened areas. This is the largest rate of increase in rail travel across all the lines in the Valleys Rail network, including both the strengthened and non-strengthened services (there was a parallel project to strengthen capacity on adjacent Valley lines).
- Over the same time period the total number of people in employment increased by 11%. There was a decline in the numbers choosing to walk to work (17%) which, when combined with the increase in rail travel, suggests that there may have been an element of switching from a local job to a commuting related job. Travel by bus declined by 10%. This is likely to be linked to people switching to rail, which in turn caused further diminution of inter-urban bus services between the Ebbw Valley and Cardiff. The number of people who drive to work has increased, although the extent of this growth may have been suppressed by the option of taking the train.
- The Ebbw Vale line is well regarded by users, with 87% of users expressing satisfaction with the service.

5.82 The rail link created new opportunities to access employment and other services in Newport and Cardiff. It is likely that the rail users are made up of both new users and those who have switched from alternative modes. There are strong traffic flows between stations on the Ebbw Vale line (particularly Ebbw Vale Town) and Cardiff and most passengers are within the vicinity of the line, suggesting that most journeys undertaken are outbound. There are clearly benefits for Ebbw Vale residents being able to access Cardiff jobs.

5.83 The Welsh Government is looking at the feasibility of re-opening the line between Ebbw Vale and Newport. The line closed to passengers in 1962 and the Government has promised to reopen it in 2021. Currently, rail passengers travelling between Newport and Ebbw Vale must endure journeys of one hour and 25 minutes, including a mandatory change at Cardiff.

Lessons for the Northumberland Line

- **Catalytic Effect on Regeneration and Economic Development.** The line has stimulated investment in a new town centre link, regeneration projects and feasibility work around further new links including an Ebbw Vale to Newport line. It has acted as an enabler for development on the former Ebbw Vale steelworks, though some sites have taken longer to come to fruition than anticipated. Other impacts include facilitating new land-use, particularly housing development, in areas like Ebbw Vale and Rogerstone and the new line has been used to making the case (successfully) for urban realm improvements in towns.
- **Travel to Work.** The line grew the travel-to-work area by rail by 300% in the Ebbw Vale – Rogerstone corridor between the 2001 and 2011 Census periods. The line has had a transformative effect in terms of access to the jobs market, particularly in Cardiff.

- **Delays:** Careful scoping of the liabilities and risk sharing between the client and contractor during the scoping and design phase can help to avoid retrospective changes and redesigns with subsequent financial and contractual discussions (and cost increases).
- **Addressing Deprivation:** The 2014 and 2019 WIMD datasets show there has been a sizeable reduction in overall levels of deprivation in the Ebbw Vale corridor for the most deprived wards. This is encouraging given the new infrastructure has helped enable new economic development, regeneration activity and improved resident employment opportunities.
- **Agglomeration.** The Ebbw Vale line has led to improved connectivity to Cardiff, bringing the Ebbw Valley 'closer' to the capital. It is also encouraging that there was a lack of obvious economic leakage as a consequence of the reopening of the Ebbw Vale line. It has improved market access and enabled a wider package of policy initiatives.
- **Job Creation:** Direct jobs were created during the construction phase and retail and leisure expenditure boosted. A number indirect and induced employment impacts because of new housing and complementary investments have also been realised. Larger scale employment opportunities on adjacent sites will flow in years to come.
- **Latent Demand.** The reopening of the Ebbw Vale line has resulted in a significant growth in patronage unlocking latent demand at key station such as the Blaenau Gwent station of Llanhilleth which witnessed the largest growth followed by Crosskeys and Rogerstone.
- **Service Frequency.** A limited service will put constraints on commuting capacity and the degree to which a service can sustain jobs, investment and economic development in the wider area.
- **Leisure trips.** The line is stimulating leisure trips of various types to the capital providing new employment and leisure opportunities for Ebbw Valley residents and expanding the pool of resources and customers available to the Cardiff employment, retail and leisure markets. Gwent and others in coming years will seek to exploit tourism opportunities (e.g. heritage trails, adventure tourism, leisure and cultural events in the town centres).
- **Commuting Constraints.** The frequency will need to be increased through investment in unlocking capacity constraints if the proportion of commuters is to increase.
- **New Residents.** The Ebbw Vale Railway provides an excellent example of how a transport investment can support the regeneration and development of an area by attracting people to move there.
- **Modal Shift.** The reopening of the Ebbw Vale has led to a significant mode switch from the private car and, to a lesser extent, the bus to the train.
- **Impact Assessment.** In light of the ARUP review of Welsh Infrastructure projects, the Northumberland Line could ensure from the outset it has a robust and systematic approach to reviewing the impact of new services once they are introduced.

Case Study Three: Ebbsfleet

Project Summary

This scheme involved the introduction of domestic services in 2009 as part of the High Speed 1 (HS1) line connecting London with the Channel Tunnel and onwards to the rail network of continental Europe.

- 5.84 HS1 is the 109 km (68 miles) rail line between St Pancras International in London and the Channel Tunnel and connects the international high-speed routes between London and Paris, London and Brussels and London and Amsterdam, as well as the domestic route from London to Kent. It is the first high-speed railway in UK that allows for maximum speeds of up to 300kph for international services and 230kph for domestic services and, as a result, has reduced journey times for international and domestic train travellers alike⁵⁰.
- 5.85 The project opened to international services in two sections in 2003 and 2007 respectively. The line runs from St Pancras in London, via the stations at Stratford, Ebbsfleet and Ashford to the Channel Tunnel. Ebbsfleet International is just 17 minutes away from St Pancras International. It is close to the M25, M20 and A2 and, with 10 million people living within the catchment area, it's an obvious choice for commuters to use the extensive Park and Rail facilities.
- 5.86 One of the key original objectives of HS1 was urban rejuvenation, providing the transport spine for the east Thames corridor development, shifting development pressure from the west to the east of London and providing stimulus to the renewal of three derelict areas—Ebbsfleet and the inner city areas around Stratford and Kings Cross—and to reinforce the growth of the area around Ashford⁵¹. Whilst there have been some very positive visitor benefits in the wider Kent area, the scale of development in Ebbsfleet has failed to materialise on the scale anticipated. This is discussed later on.

Construction Process

Key Facts: HS1/Northumberland Line Railway Comparative Table

| | HS1 | Northumberland Line |
|--------------|--|---------------------|
| Length | 68 miles | 14 Miles |
| New stations | 3 | 6 |
| Cost | £7.3bn (2008 Prices) | £169m |
| Capacity | 20m domestic & international passengers (2016) ⁵² | 494,000 (2024) |

- 5.87 Section 1 opened in 2003 between the Channel Tunnel and north Kent terminating at Waterloo. Section 2 opened in 2007 between a newly built Ebbsfleet station in Kent and London St Pancras. Major work for the new six-platform Ebbsfleet International Station was completed in September 2006 with 9,000 parking spaces compared to the 2,000 provided at

⁵⁰ <https://highspeed1.co.uk/about-us>

⁵¹ "Channel Tunnel Rail Link Section 1: An Overview" – Mike Glover, Paper 13470, Institution of Civil Engineers – Proceedings, May 2003

⁵² <http://www.railtechnologymagazine.com/rail-news/looking-back-over-hs1-10-years-on>

Ashford International. In 2007 it opened for Eurostar services and in 2009 for domestic passengers. It is located on a brownfield site in the Kent Thameside area of South-East England, south of the River Thames. Services were provided by a new generation of high-speed commuter trains. The mainline time to London was 51 minutes prior to HS1. The fastest route is now 17 minutes - a saving of 33 minutes, an impressive 66% reduction. The average time is 21 minutes⁵³.

5.88 Section 2 of the Channel Tunnel Rail Link (CTRL) comprised of Southfleet Junction to St Pancras and running North West through the Ebbsfleet Valley. From Ebbsfleet, the new railway passes under the Thames in two 3km (2 mile) single-track tunnels (Thames Tunnel) and emerges in West Thurrock just to the east of the Queen Elizabeth II Bridge. The new railway 'threads the needle' passing neatly between the QEII Bridge approach spans and over the exit from the Dartford Tunnel, before running alongside the Purfleet by-pass and the existing railway through Rainham to Dagenham. At Dagenham the new railway has a junction with Network Rail lines for use by freight trains. From Dagenham the new railway runs through the 18.5km (11.5 mile) London Tunnels, ultimately reaching the King's Cross Railway Lands north of St Pancras⁵⁴. This phase involved:

- 8000 jobs created during construction
- Estimated person hours: 50 million
- Longest single tunnel (Stratford to Dagenham): 10.5 km
- Total number of bridges: 152 (60 rail bridges, 62 road bridges and 30-foot bridges⁵⁵).

5.89 51% of CTRL Section 2 was made up of tunnels and 60% of the route (55km) was built within existing road or rail transport corridors.



Source: Kent Rail

The HS1 project cost £7.3 billion to deliver including some £1.6 billion to operate the additional commuter services⁵⁶. Against that cost HS1 is forecast to generate additional rail and car park revenues (allowing for revenue losses to existing rail services) worth some £3.4 billion thereby offsetting all the net operating costs and a share (approximately 31%) of the capital investment.

5.92 Prior to its construction the Deputy Prime Minister John Prescott was bought into the concept of the railway's benefits for regeneration and wanted to see it go ahead.

"He was able to take forward an idea put forward by UBS, one of our advisers and shareholders, of the concept of government-guaranteed bonds. Bankers had got their fingers

⁵³ <https://www.thetrainline.com/train-times/ebbsfleet-international-to-london-st-pancras-intl>

⁵⁴ London and Continental Railways 'LCR – An Incredible Journey' <https://www.building.co.uk/the-incredible-journey/3059384.article>

⁵⁵ Op. Cit.

⁵⁶ Economic Impact of High Speed 1 Final report, London & Continental Railways, January 2009, p1

badly burned with Eurotunnel, which was fresh in people's memories, but the government guarantee of the money we needed to raise meant that the financing costs, and therefore the overall costs of delivering the project, were much more affordable.”⁵⁷

- 5.93 One of the stipulations of the financing model was the project was delivered in two phases to reduce risk. Construction News noted that Railtrack felt that if they focused on the delivery of the simple bit of the railway [the southern section from the Channel Tunnel to Fawkham Junction], they would learn lessons that could be applied to the difficult bit of the railway [Fawkham Junction to St Pancras].
- 5.94 Construction began on the southern section in October 1998, with Union Railways South overseeing the delivery on behalf of the customer, Railtrack, while LCR retained control of section two to develop the design further. Rail Link Engineering, a consortium consisting of Arup, Bechtel, Halcrow and Systra, was appointed as delivery partner for the line and acted as construction manager for some of the works. The construction programme went to plan on time and to budget although the UK endured two exceptionally severe winters which made the earthworks very challenging. Delivery was also complicated by a decision to take the railway right through Ashford town centre, instead of around it. *“That clearly increased the bill and the amount of disruption, but they saw it as a catalyst for the regeneration of Ashford”⁵⁸.*

Delivery

- 5.95 HS1 Ltd has the 30-year concession to own, operate and maintain High Speed 1 (HS1), the UK's only high-speed railway, as well as the stations along the route: St Pancras International, Stratford International, Ebbsfleet International and Ashford International. The use of the high-speed route by both international and domestic traffic created technical challenges and large number of complex interdependencies requiring contractual relationships with many stakeholders including regulators, customers, operators, suppliers and other entities. The train companies currently operating on HS1 are **Eurostar**, who operate the international train services to Europe and **London South Eastern Railway** (LSER) operating domestic services to Kent. Freight operator **East Midlands Railway** and **Thameslink** are also serviced by HS1⁵⁹.
- 5.96 Ebbsfleet Development Corporation (EDC) was set up in April 2015 to administer Britain's first garden city since the 1940s and has taken over planning powers for the area⁶⁰.

Socio Economic Context

- 5.97 The EDC area does not include significant existing residential communities. There are several existing communities adjacent to the area including Northfleet, Swanscombe and Greenhithe that have the following characteristics⁶¹:

⁵⁷ <https://www.constructionnews.co.uk/civils/sectors-civils/hs1-10-years-on-what-can-hs2-learn-07-11-2017/>

⁵⁸ <https://www.constructionnews.co.uk/civils/sectors-civils/hs1-10-years-on-what-can-hs2-learn-07-11-2017/>

⁵⁹ <https://highspeed1.co.uk/about-us>

⁶⁰ <https://www.bbc.co.uk/news/uk-england-kent-33478749>

⁶¹ <https://ebbsfleetdc.org.uk/wp-content/uploads/2016/10/Executive-Summary.pdf> Ebbsfleet Garden City Development Report Baseline - June 2015

- The existing population within or adjacent to the Ebbsfleet Development Corporation (EDC) boundary is 16,590.
- Northfleet North and Swanscombe wards have pockets of higher than average deprivation (in terms of indices of Multiple Deprivation) and higher than average levels of the population claiming income support and job-seekers allowance.
- The population within the EDC area and adjoining communities is projected to increase by 31,664 people by 2031.

5.98 The Garden City Baseline report claims it is important that there is a clear economic vision and strategy for the Garden City to underpin the employment provision. It also suggests co-ordinated employment and training initiatives to promote opportunities for local people and opportunities to rationalize/concentrate employment floorspace and integrate new jobs more closely with residential areas.

Strategic Context and Rationale

5.99 The EDC boundary extends across two local authorities, Dartford and Gravesham. Both Dartford and Gravesham borough councils, and Kent County Council, have planning policies that guide development within the area. They have been collaborating for many years to promote development at Ebbsfleet. The Ebbsfleet Implementation Framework (p10) notes that the idea of major development at Ebbsfleet is not new, with development proposals in the pipeline for over 20 years.

5.100 The Government's Thames Gateway Planning Framework (1995 - Regional Planning Guidance 9a) and the choice of Ebbsfleet for an International railway station initiated a series of sub-regional and local planning policy initiatives and stimulated several major mixed-use planning applications. These included the informal report Looking to the Future (1995) by the Kent Thameside Partnership as well as statutory development plans that soon followed. The influence on Ebbsfleet can clearly be seen as, prior to proposals for HS1, the land was designated as greenbelt – the change in planning status for the station and surrounding development proposals were conditional on HS1.

5.101 Contained within the Dartford and Gravesham Local Plans, five key strategic policy allocations cover the EDC area:

- Policy CS 4 (Dartford) - Ebbsfleet to Stone Priority Area;
- Policy CS 5 (Dartford) - Ebbsfleet Valley Strategic Site;
- Policy CS 6 (Dartford) - Thames Waterfront;
- Policy CS 03 (Gravesham) - Northfleet Embankment and Swanscombe Peninsula East Opportunity Area; and
- Gravesham CS 06 (Gravesham) - Ebbsfleet (Gravesham) Opportunity Area.

5.102 More recently Kent County Council's fourth Local Transport Plan (LTP) 'Delivering Growth without Gridlock 2016-2031' sets out the vision and strategy for transport provision in Kent and defines strategic national and local transport priorities and associated schemes. It notes that further investment is required on the whole HS1 network to increase service capacity. It also supports plans to extend Crossrail from Abbey Wood to Dartford and Ebbsfleet and proposes an increase in rail capacity needed to support the planned growth at Ebbsfleet Garden City and the surrounding area⁶², including 20,000 new jobs at Ebbsfleet Garden City

⁶² https://www.kent.gov.uk/data/assets/pdf_file/0011/72668/Local-transport-plan-4.pdf p4

and up to 27,000 new jobs at the leisure resort proposed on the Swanscombe Peninsula. Crossrail to Ebbsfleet would cost some £2 billion and three new train sets for increased Ebbsfleet High Speed rail services would cost around £23 million. An extension of Crossrail to Dartford and Ebbsfleet will also improve connections to Heathrow Airport.

- 5.103 The LTP also proposes extensions and improvements to the Fastrack bus service to support growth in the Ebbsfleet area and encourage greater bus use in the north of the county. Train services at Ebbsfleet International provide 17-minute journey times into London but the station has limited connectivity via public transport corridors or walking or cycling and is instead reliant on being accessible by private car.
- 5.104 The Government's Sustainable Communities Plan (2003) identified the Ebbsfleet area as the location for 10,000 new homes, 5.5 million square feet of commercial space and 2 million square feet of retail, leisure, community and supporting space. Although permissions were granted, only a small amount of housing and commercial development took place.
- 5.105 The Implementation Framework and First Interim Evaluation concur that the 2007 recession had a depressing effect on market confidence and construction costs with major landowners focusing on their core business activities elsewhere. The utility companies were not encouraged to prioritise the area and the programme for necessary highway improvements on the wider strategic road network, including major junction improvements, slipped⁶³.

Assessment of Economic and Social Benefits

- 5.106 Regeneration benefits were an important element in the case for investing in HS1. HS1 was expected to have regeneration effects in the areas around St Pancras, Stratford, Ebbsfleet, Ashford and North and East Kent. The availability of this improved transport has influenced the investment and output decisions of firms and so had positive effects on employment, rents, property values and economic activity in these areas. This has clearly happened faster in some areas (St Pancras more than others such as Ebbsfleet).

Summary of Transport Costs and Benefits

| | £m, 60-year PV |
|--------------------------|----------------|
| Journey time savings | 3,700 |
| Congestion relief | 100 |
| Total benefits | 3,800 |
| Capital costs | 5,700 |
| Operating costs | 1,600 |
| Revenue | -3,400 |
| Total cost | 3,900 |
| Net present value (NPV) | -100 |
| Benefit/Cost ratio (BCR) | 0.96 |

⁶³ Ebbsfleet Implementation Framework, p10

Source: Economic Impact of High Speed 1 Final report, London & Continental Railways, January 2009

- 5.107 The cost benefit analysis of the line⁶⁴ shows that the net costs are slightly higher than the predicted benefits, hence the Benefit Cost Ratio being just under one. The benefits include journey time savings and congestion relief. The costs include the capital costs and operating costs of additional domestic services, but the positive financial effect of the increase in revenues (shown as a negative cost in the results tables) also needs to be considered.
- 5.108 However, the impact study claims the benefits of HS1 extend far beyond those that are included in a conventional transport appraisal. Other transport benefits that that were not quantified included:
- The reliability improvements from having the new track.
 - The improved connections resulting from new stations at St Pancras, Stratford and Ebbsfleet.
 - Other improvements that would have been unlikely to occur without HS1 such as the concourse and ticket hall improvements at King’s Cross.

Business and Investment

- 5.109 One key benefit of HS1 highlighted by the First Interim Evaluation (p92) identified by businesses related to time savings for business travel and the resulting productivity benefits. When prompted, a fifth of businesses consulted reported to the evaluation team that HS1 had impacted positively on their business travel. In fact, four of the seventy companies interviewed stated that HS1 was an influencing factor when deciding where to base their company; one business of the four identified that it affected their decision to move to their current site.

“Absolutely, if High Speed 1 wasn’t here we probably wouldn’t have come here in the first place”. (Ebbsfleet)

- 5.110 Stakeholders emphasised the role of the economic downturn in creating inertia in terms of business location decisions. This is particularly apparent in the areas around Ebbsfleet and Ashford stations where only a small amount of development has occurred since the opening of HS1⁶⁵. Whilst access to HS1 is unlikely to be transformational, for some businesses it has presented opportunities to make savings and target new markets, in particular for organisations in higher value sectors⁶⁶.

Promotion and Visitor Benefits: Exploitation of Destinations and Attractions

“The route, servicing high speed trains from London to towns all over Kent, has had a transformative effect on the county, helping to revive its dilapidated and once moribund towns and secure the prosperity of its already successful areas”.⁶⁷

⁶⁴ Economic Impact of High Speed 1 Final report, London & Continental Railways, January 2009, p24

⁶⁵ HS1 First Interim Evaluation (p103)

⁶⁶ First Interim Evaluation (p105)

⁶⁷ <https://blogs.spectator.co.uk/2019/11/hs1s-impact-on-kent-shows-the-potential-benefits-of-hs2/>

5.111 HS1's total economic contribution to Kent's visitor economy since domestic services began is estimated at over £311 million⁶⁸. The headline findings from a study of the ten-year effects of HS1 on the visitor economy in 2017 are as follows⁶⁹:

- Leisure journeys to Kent via HS1 have increased almost nine-fold, from 100,000 in 2010 to 890,000 in 2016 with some 32% of journeys made on HS1 in 2016 being leisure related.
- HS1 is an important factor in the decision to visit Kent with one third (30%) of those surveyed for the review being influenced in their decision to visit Kent by the presence of the HS1 service. 47% of all visitors to Kent who travelled by rail did so via the HS1 service and 10% would not have visited Kent without the presence of the HS1 service.
- Almost three quarters (73%) of tourism businesses believe that leisure tourism has increased as a result of HS1 and 54% believe that HS1 has specifically benefitted their own business. 94% of tourism businesses stated that they had benefited because of HS1's high speed connections, with 80% saying that HS1 has helped attract visitors from further afield.
- Direct and indirect expenditure by visitors using HS1 during 2016 was approximately £72.7m (£56.5m direct plus £16.9m indirect). For every HS1 leisure journey made to Kent in 2016, £81.65 was added to the local economy. The total economic contribution to Kent's visitor economy since domestic HS1 services began is estimated at over £311 million with HS1 supporting nearly 5,800 tourism jobs since domestic services began.

5.112 The Spectator notes that many other Kent towns have experienced a revival, claiming the cost of London living and the advent of HS1 have combined to help the entire county. "Now tourists are coming back... The place is beginning to look alive again". The article cited the Dreamland amusement park and the Turner Contemporary art gallery in Margate as a 'clear instance of successful culture-led regeneration.'⁷⁰ It also claimed Folkestone and Deal have had a similar renaissance but that the renewal was not universally enjoyed. *"There also remain areas of poverty in Margate and Dover, while Ramsgate high street is a disaster zone. Nevertheless, HS1 has demonstrated that a new, high speed railway, far from sucking more wealth into London, can do the reverse, and bring more people and money out of the capital"*.

A Disneyland-type amusement park has been proposed for Swanscombe Peninsula but has been beset by challenges⁷¹. It was originally announced in 2011 with an opening in 2019, now anticipated to be at least 2024.

Place Making

5.113 There has been limited take up to date of development sites in strategic areas adjacent to Ebbsfleet in the years following the opening of the station. For this reason, the EDC was established with the direct involvement of Dartford, Gravesham and Kent local authorities at Board level to deliver new homes and associated employment and other developments and to

⁶⁸ <https://highspeed1.co.uk/about-us>

⁶⁹ High Speed One at 10: measuring HS1's impact on Kent's visitor economy, 2017, HS1 Ltd

⁷⁰ <https://blogs.spectator.co.uk/2019/11/hs1s-impact-on-kent-shows-the-potential-benefits-of-hs2/>

⁷¹ <https://www.kentonline.co.uk/dartford/news/kents-disneyland-on-course-despite-huge-losses-219676/>

stimulate an increased pace and quality of development. Ebbsfleet has not started in the same way as most Garden Cities and new towns, where the task was to capture the land value by taking most of the land into public ownership. Ebbsfleet, in contrast, is to be built on previously used land controlled by several private landowners and developers⁷².

- 5.114 Ebbsfleet has a series of existing development sites of different scales, and at different levels of planning status. At present, consent exists for 10,694 homes, with capacity identified within the Ebbsfleet Implementation Framework for up to 12,842 within the EDC urban regeneration area.

[Land Use Quantum with consent \(Maximum Parameters\)](#)

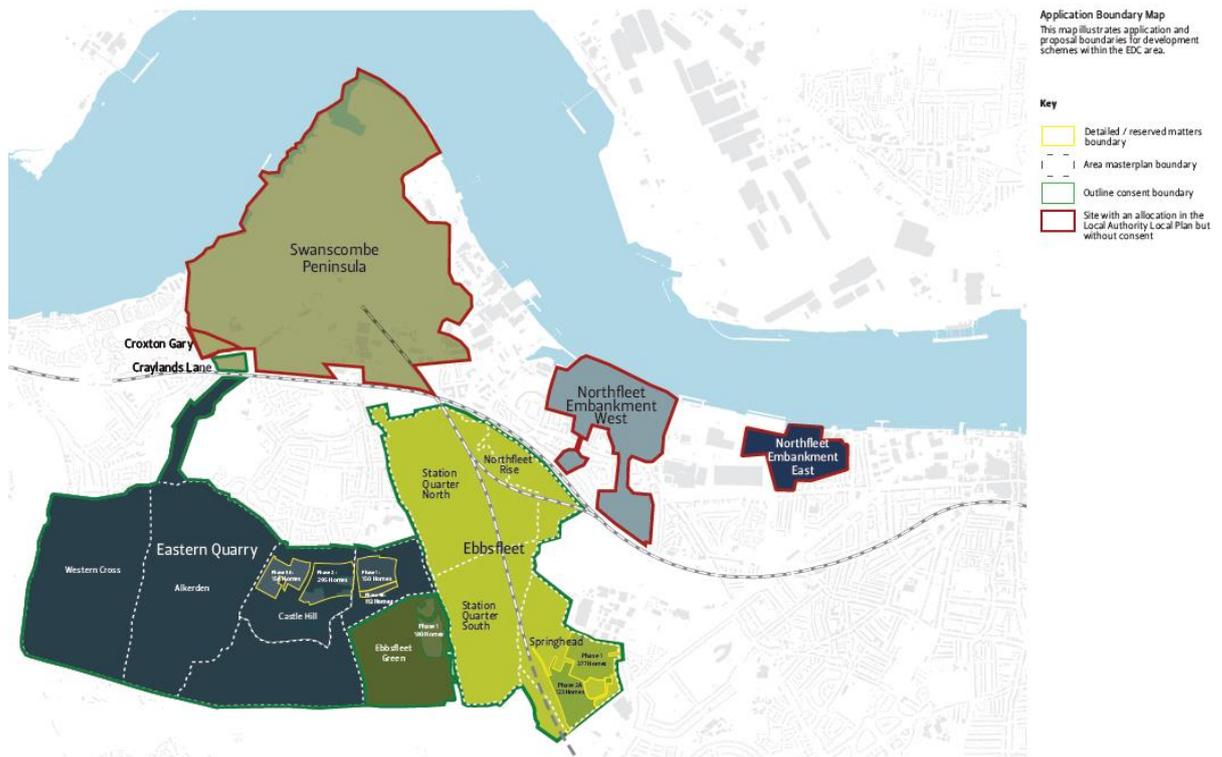
| Land Use | Quantum with consent (Maximum Parameters) |
|---------------------------------------|---|
| Residential (Use class C3) | 10,694 dwellings |
| Employment (B class) | 621,000 sqm |
| Core (Retail, Hotel and Leisure Uses) | 215,609 sqm |
| Community (C2, C2a, D1) | 74,258 sqm |

Source: Ebbsfleet Implementation Framework, p12

- 5.115 Despite the previous policy designations, planning consents and the fact that much work has been done on the area by key stakeholders, development since the station opened and the recession has been particularly slow. This is a result of the complex nature of sites and requirement for significant site preparation of ex-industrial or quarry land and the scale of infrastructure required to unlock development sites. This has affected development viability. There was also a lack of co-ordination in infrastructure provision, particularly related to utilities and transport infrastructure between some of the development sites. The current implementation framework has some ambitious proposals.

[Ebbsfleet Strategic Development Scheme Proposals](#)

⁷² Ebbsfleet Implementation Framework, 2017, p6



Source: Ebbsfleet Implementation Framework, p13

- 5.116 The Ebbsfleet Implementation plan also has some interesting distinctive features. These include integration of Ebbsfleet's 'blue' waterscapes and 'green' landscapes to bring the garden into all areas of the city. This network of parks, open spaces and green streets and corridors will provide beautiful and functional recreational spaces, and habitats that support local ecology and water management requirements in an integrated and sustainable way (p42). A network of landmark 'city' parks will provide Ebbsfleet with focal points for outdoor life, providing a range of open spaces to relax, play, exercise and socialise (p44).
- 5.117 Underpinning the Garden Grid is a 'water sensitive urban design' approach that uses the city's layout, landscape and buildings to intelligently manage water, and minimise flooding (p51). This is combined with a landscape that promotes health and activity, by providing unique sports that capitalise on Ebbsfleet's cliffs, lakes and natural landscape assets (p52) and food growing through the creation of orchards, allotments and greenhouses (p53).
- 5.118 Ebbsfleet's streets will provide a legible network of safe and comfortable green streets and public spaces, integrating landscape, parking and water sensitive design to provide attractive and functional places (p58). A network of local centres will be established to provide locations for jobs and cultural and community facilities that complement the existing centres and associated hierarchy across Dartford and Gravesham (p72). Key community facilities will be co-located alongside commercial activities to support vibrant and sustainable local centres (p76). Finally, the Implementation Plan notes that delivering sufficient utilities capacity will be a significant challenge for Ebbsfleet but will also provide a major opportunity to unlock development potential and accelerate the pace of development (p80).
- 5.119 There are clearly significant opportunities to exploit sites with access to HS1 and HS1 can provide a competitive advantage over other areas and there is further potential to for agglomeration as the links become established.

Labour Market Enhancements

- 5.120 Analysis of HS1 survey responses indicated 18% of respondents had moved to a new house and/or job since 2009, and that HS1 had been a factor in their choice of location. HS1 has improved access for staff and recruitment and retention - businesses in King’s Cross, Ashford and Ebbsfleet reported that HS1 had improved the daily commute for their staff⁷³. The recession is thought to have suppressed growth in the levels of employment over the 2009-2011 period.

[Absolute numbers of commuters to London, by station](#)

| Station | Commuting (2001) | Commuting (HS1) | Increase with HS1 | |
|------------------|------------------|-----------------|-------------------|------|
| Ashford | 940 | 1,980 | 1,040 | 111% |
| Gravesend | 2,350 | 3,220 | 870 | 37% |
| Chatham | 2,370 | 2,940 | 570 | 24% |
| Strood | 400 | 670 | 270 | 68% |
| Rochester | 410 | 560 | 150 | 37% |
| Gillingham | 1,370 | 1,860 | 490 | 36% |
| Rainham | 2,200 | 2,510 | 310 | 14% |
| Sittingbourne | 910 | 1,090 | 180 | 20% |
| Faversham | 640 | 780 | 140 | 22% |
| Canterbury | 300 | 800 | 500 | 167% |
| Folkestone | 270 | 470 | 200 | 74% |
| Dover | 50 | 300 | 250 | 500% |
| Ramsgate | 190 | 480 | 290 | 153% |
| Margate | 130 | 210 | 80 | 62% |
| Ebbsfleet | 2,820 | 5,010 | 2,190 | 78% |
| Total study area | 15,350 | 22,880 | 7,530 | 49% |

Source: Adapted from Economic Impact of High Speed 1 Final report, London & Continental Railways, January 2009

Reducing Car Journeys and Integrated Transport

- 5.121 HS1 has had a very significant impact on travel time for rail journeys. For Eurostar users the total saving is 33 minutes relative to the pre-HS1 route. For domestic rail users, the introduction of HS1 domestic services has achieved significant reductions in direct journey times, has added significant capacity to the network (a 40% addition to the longer distance

⁷³ First Interim Evaluation of the Impacts of High Speed 1 - Final Report, Atkins, for the Department of Transport, 2013, Atkins, p102

(i.e. Mainline) peak morning capacity into London from North and East Kent) and resulted in a reduction in average crowding⁷⁴.

- 5.122 The National Rail Passenger Survey provides evidence that the quality difference is valued by passengers, with higher ratings being secured for HS1 domestic services. The demand for HS1 domestic services has grown steadily by 20% over the first two years of operation and a further 10% the year after - an above the average rate for Southeastern and national services⁷⁵.
- 5.123 Close to a quarter of HS1 domestic demand can be considered new rail demand and much of this is longer journeys making longer distance commuting and leisure trips to London more feasible. This could had been larger had the original plans for Ebbsfleet come to fruition (only 300-400 of the anticipated 10,000 housing unit have been developed). Atkins estimate that annual demand for HS1 services could have been around 446,000 trips higher if Ebbsfleet had been developed as planned (around 5% of current journeys).



Crossrail (Plans to Extend to Ebbsfleet).

The evolution of Ebbsfleet International station from a Park and Ride site into a central transport hub is fundamental to delivering a higher modal share for rail within the area. The hub will provide an improved interchange with upgraded Fastrack and local bus services, walking and cycling routes and better connections with Northfleet Station and Swanscombe stations, which in time may have better service provision through an upgrade to Crossrail services or other metropolitan train services. The central transport hub would also benefit from further enhancement to the high-speed service between Ebbsfleet and St Pancras in terms of capacity and frequency.

- 5.127 A fundamental principle for the area is the promotion of active, enjoyable and sustainable shorter journeys within the local area to reduce car dependence and pressure on the local road networks. The Ebbsfleet Implementation Plan is promoting integrated street design that prioritises travel by foot and bicycle and Fastrack upgrades. Fastrack is the bus rapid transit system operator who aim to provide better integration with the central transport hub at Ebbsfleet International Station and a more direct route to Bluewater, Darent Valley Hospital and facilities in Dartford and Gravesend town centres. This will extend the offer of Ebbsfleet Central and reduce car-based traffic around the major shopping centre. EDC will invest in completing the network of dedicated Fastrack lanes to enable fast, frequent, reliable and sustainable journeys and reduce car-dependency in the area.

⁷⁴ Op. Cit. p9-10

⁷⁵ Op. Cit. p10

5.128 The Kent Area Route Study⁷⁶ (which reviewed Network Rail proposals) recognises that new housing and jobs created at Ebbsfleet could be supported by a new rail link to Swanley, Bromley South and beyond. It notes that traditionally north-south rail connectivity across Kent is poor, being historically developed about London-centric (predominantly commuter-based) passenger demand. The Ebbsfleet Southern Link would utilise the former Waterloo connection from HS1 to the Chatham Main Line with a new link line to Ebbsfleet International.

Lessons for the Northumberland Line

- **Integrated Transport:** The evolution of Ebbsfleet International station from a Park and Ride site into a central transport hub is fundamental to delivering a higher modal share for rail within the area. This is matched by enhancements to the bus rapid transit system (see below).
- **Rapid Transit:** Fastrack lanes will enable fast, frequent, reliable and sustainable journeys and reduce car-dependency in the area. Ebbsfleet sees the bus as complementary to its rail investment (in other areas bus services have declined).
- **Site Assembly:** The complex nature of sites and requirement for significant site preparation of ex-industrial or quarry land and affected viability.
- **Infrastructure:** The scale of infrastructure required to unlock development sites was greater than envisaged and had a knock-on impact on development viability.
- **Infrastructural Alignment:** A lack of co-ordination in infrastructure provision, particularly related to utilities and transport infrastructure between some of the development sites.
- **Special Purpose Vehicle:** Ebbsfleet Development Corporation was established to help developers and landowners with stalled sites bring forward infrastructure and accelerate high quality development.
- **Garden Grid:** Ebbsfleet's Garden Grid is intended to bring the city's parks and open spaces together into a unified network, allowing residents of every species to walk or cycle across the city within safe, beautiful and sustainable green corridors.
- **Visitor Economy:** HS1 has had a dramatic effect on leisure journeys, which increased almost nine-fold between 2010 and 2016. For 30% of visitors, HS1 influenced the decision to visit Kent and tourism business noticed an increasing number of visitors and has directly benefited, with over half of businesses attracting visitors from further afield.

⁷⁶ <https://ebbsfleetdc.org.uk/wp-content/uploads/2017/05/EDC-May-2017-Network-Rail-Kent-Area-Route-Study-Final.pdf>

6 Conclusions and Next Steps

Conclusions from the Baseline Assessment

6.1 This report has presented findings from three component studies. Major findings are as follows:

- The **Socio-economic baseline** highlighted the social and economic challenges in the communities surrounding the Line, including localised deprivation, long-term unemployment, low educational attainment and lower earnings than national average. These areas also face mobility issues, with car ownership significantly below national average. Newcastle is the economic engine of the region, with the strongest performance for business density, jobs, wage levels and concentration of service-based and knowledge-based businesses. Northumberland is currently more specialised in the agriculture and manufacturing sectors, however a transition towards greater service-based and knowledge-based businesses is expected in the future.
- The **Economic assets** study confirmed the skills shortage issues, specifically around knowledge-based sectors such as digital, health, life sciences and advanced manufacturing sectors. The Assets study highlighted the offshore renewable energy sector, a key priority growth sector in the region. Consultees discussed current concerns with attracting businesses, employees, visitors and students into the region. The study also highlighted issues around land use and infrastructure – the planned station locations are somewhat remote from key economic assets, and there is a lack of quality affordable housing at present.
- The **Transport Corridor Case Studies** presented findings from similar rail corridor initiatives, and a set of learning points for the Northumberland Line. The case studies emphasised the transformational effect rail corridors can have on commuting patterns, access to jobs, regeneration and over-heating economic hubs (such as Newcastle). However, whilst rail corridors can be catalytic, they are not sufficient and other initiatives are required to bring about transformation. Finally, the case studies highlighted the need for co-ordinated action in terms of planning, physical and economic development and integrated transport. A holistic approach to the infrastructure and assets surrounding stations helps to maximise attractiveness of the rail corridor for all users.

Next Steps and policy context

6.2 Having completed the Baseline assessment outlined in this Report, the next steps towards development of an economic corridor entail engaging the sectors concerned (businesses, education/skills providers, development and public sector bodies) to collectively define a strategy and set of actions to take forward the economic corridor.

- 6.3** This portfolio could form the basis of an ask to government to fund initiatives to realise the social and economic transformational potential of the Northumberland Line. **This “ask” aligns well with central government policy and programmes at the national/overarching level and at the more targeted level for transport and regeneration, as follows.**
- 6.4** At the national level, the key strategy of note for the Northumberland Line Economic Masterplan is the **UK Industrial Strategy**⁷⁷. This aims to increase the UK’s global competitiveness and strengthen its position in cutting-edge industries of the future. The Strategy outlines five core pillars (People, Place, Ideas, Infrastructure and Business Environment) and four Government Grand Challenges (AI and Data, Clean Growth, Future Mobility and the Ageing Society⁷⁸). Sitting underneath this, the **UK Clean Growth Strategy**, one of the four Grand Challenges, aims to ensure emission targets set out in the Climate Change Act 2008 are achieved. It sets out objectives for adoption of low carbon technologies, systems and services⁷⁹.
- 6.5** Sitting underneath the UK Industrial Strategy are a range of more targeted strategies and programmes to achieve regeneration, rebalancing, productivity increases and/or transport goals. Some of the key strategies of relevance are outlined briefly below:

Targeted strategies for regeneration and/or transport

- **Sector Deals** are partnerships between government and industry to help deliver the objectives of the Industrial Strategy. There have been ten sector deals, covering for example Rail, Offshore wind, Construction, Automotive and Tourism.
- **Rail Network Enhancement Pipeline (RNEP) and Beeching Reversal Fund** – both of which provide potential funding routes to facilitate the delivery of the Northumberland Line. The Line has already received some funding from the Beeching Reversal Fund, and it has passed the first stage towards RNEP funding.
- **Future High Streets Fund and UK Towns Fund**, regeneration funds of relevance to areas in proximity of the line. Blyth Town Centre has been shortlisted for both funds; if successful, the grants will enable a programme of local revitalisation and infrastructure development that would be additive to the local benefits brought by the Line. However, the recent global pandemic, Covid-19, may impact the timescales associated with the funding of such initiatives.
- **Transforming Cities Fund:** In November 2019, the North East region submitted an ambitious and integrated programme, in the form of a Strategic Outline Business Case, of capital investments to the Department for Transport (DfT), seeking funding from the Transforming Cities Fund⁸⁰.
- **Government Covid-19 Response:** In response to the COVID-19 crisis, the government has provided funding and commenced programmes aiming to cushion

⁷⁷HM Government, (2017). *Industrial Strategy: Building a Britain fit for the Future*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

⁷⁸ HM Government, (2017). *The Grand Challenges*. Available at: <https://www.gov.uk/government/publications/industrial-strategy-the-grand-challenges/industrial-strategy-the-grand-challenges>

⁷⁹ *ibid*

⁸⁰ North East Combined Authority. (2020). *North East Transforming Cities Fund Bid*. Available at: <https://northeastca.gov.uk/what-we-do/transport/north-east-transforming-cities-fund-bid/>

the impacts of the economic fallout. Several support packages have focussed on people and businesses however there have been some industry-based packages such as funding to help high streets and town centres survive through the pandemic⁸¹. Despite government backing, areas exhibiting high deprivation levels, such as those along the Line, may be severely impacted. As such, the Northumberland line may prove to be a crucial gateway to improving access to opportunities across the North of Tyne Combined Authority. The Combined Authority has already pledged £5 million to help businesses and communities respond to Covid-19⁸².

6.6 At the regional level, the following policy prescriptions support the Line's ambitions:

Regional Strategies

- **Northern Powerhouse Independent Economic Review**, which was published in June 2016⁸³. It highlights the productivity gap between the North and the rest of England, and identifies several factors driving this gap. It focusses on the role of Skills, Enterprise, Innovation and Transport as enablers of productivity growth. The review estimates that an additional 850,000 jobs could be created by 2050 through the removal of these productivity inhibiting factors.
- The **Northern Powerhouse Strategy**⁸⁴ sets out the direction of travel for the North of England and therefore to the areas surrounding the Northumberland Line. It aims to increase the productivity of the North through connecting cities and tackling barriers in skills, innovation and investment.
- Transport for the North's **Strategic Transport Plan**⁸⁵ sets out a vision is of "a thriving North of England, where world class transport supports sustainable economic growth, excellent quality of life and improved opportunities for all."

6.7 At the local level, there is a need to plan effectively for the employment needs of more than half the population of Northumberland, who are located in the South East of the County. Local plans build on 50 years of successful regeneration through new industries and infrastructure – such as for example the success of Cramlington and the A19/A189 corridor. The Northumberland Line has been recognised as part of this strategy for the last 20 years, given its strategic location and environmental advantages.

⁸¹ Deloitte, (2020). *Covid-19 Government Funding*. Available at: <https://www2.deloitte.com/uk/en/pages/financial-advisory/articles/covid19-uk-government-funding-response.html>

⁸² North of Tyne Combined Authority (2020). *Combined Authority pledges Covid-19 Help*. Available at: <https://www.northoftyne-ca.gov.uk/news/2020/5/14/capacityfund>

⁸³ Transport for the North, (2016). *The Northern Powerhouse Independent Economic Review*. Available at: <https://www.transportforthenorth.com/wp-content/uploads/Northern-Powerhouse-Independent-Economic-Review-Executive-Summary.pdf>

⁸⁴ HM Government, (2016). *Northern Powerhouse Strategy*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/571562/NPH_strategy_web.pdf

⁸⁵ Transport for the North, (2019). *Strategic Transport Plan*. Available at: <https://transportforthenorth.com/wp-content/uploads/TfN-final-strategic-transport-plan-2019.pdf>

Local Policies

- The **North East LEP (NELEP) Strategic Economic Plan (SEP)**, produced in April 2014 and revised in 2017 and 2019. NELEP’s vision is to create a globally competitive economy with more and better jobs by 2024⁸⁶. The LEP identifies four areas of strategic priority: digital, advanced manufacturing, health and life sciences, and energy sectors. It also identifies the importance of contributing to the UK’s goals of tackling climate change and promoting clean growth.
- **North of Tyne Combined Authority (NTCA) Economic Strategy**⁸⁷, which sets out a vision for a “dynamic and more inclusive economy, one that brings together people and opportunities to create vibrant communities and a high quality of life, narrowing inequalities and ensuring that all residents have a stake in our region’s future”. The NTCA **Economic Vision**⁸⁸ is also of relevance.
- Economic Strategies at the local level: The **Northumberland Economic Strategy**⁸⁹, **North Tyneside Local Plan**⁹⁰ and **Newcastle and Gateshead Plan**⁹¹
- Transport strategies and plans at the local level^{92, 93}
- Climate change strategies at the local level⁹⁴

⁸⁶ North East Local Enterprise Partnership. (2019). *The North East Strategic Economic Plan*. Available at: <https://www.northeastlep.co.uk/wp-content/uploads/2019/03/nel404-sep-refresh-2018-web-new-final.pdf>

⁸⁷ NTCA, (2019) *Economic Strategy*. Available at: https://static1.squarespace.com/static/5bbf08bdc2ff616708156a58/t/5be323872b6a2815fe9ab467/1541612442072/North+of+Tyne+Economic+Vision_web+final.pdf

⁸⁸ North of Tyne Combined Authority, (2018). *Economic Vision*. Available at: https://static1.squarespace.com/static/5bbf08bdc2ff616708156a58/t/5be323872b6a2815fe9ab467/1541612442072/North+of+Tyne+Economic+Vision_web+final.pdf

⁸⁹ Northumberland County Council, (2018) *The Northumberland Economic Strategy 2019-2024*. Available at: <https://www.northumberland.gov.uk/Business/Growth.aspx#economicpolicyresearch>

⁹⁰ North Tyneside Council (2017). *North Tyneside Local Plan*. Available at: <https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/North%20Tyneside%20Local%20Plan%202017-2032.pdf>

⁹¹ Newcastle and Gateshead Council, (2019). *Planning for the Future Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne 2010-2030*. Available at: https://www.newcastle.gov.uk/sites/default/files/2019-01/planning_for_the_future_core_strategy_and_urban_core_plan_2010-2030.pdf

⁹² Northumberland County Council, (2019). *Northumberland Local Plan January 2019 Publication Draft Plan (Regulation 19)*. Available at: <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Local%20Plan/Northumberland-Local-Plan-Reg-19-Publication-Draft-January-2019-Web-PDF-Version.pdf>

⁹³ North Tyneside Council, (2017). “North Tyneside on the Move” *The Transport Strategy for North Tyneside, 2017-32*. Available at: <https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/North%20Tyneside%20Transport%20Strategy.pdf>

⁹⁴ North of Tyne Combined Authority, (2019). *Prosperity you can be part of, Manifesto for the North of Tyne Mayor 2019*. Available at: <https://www.jd4mayor.com/wp-content/uploads/2019/04/manifesto.pdf> ; Northumberland County Council, (2020). *Climate*

- Inclusion and people strategies at the local level^{95, 96, 97}
- Regeneration initiatives in communities across the Line, Blythe and Ashington.

6.8 Many of these local strategies provide opportunities for growth, which could be enhanced by the Northumberland Line. Key development sites will be planned strategically to complement one another, by both sector and geography, with the Northumberland Line playing an important role in the integration of this strategy.

Moving forward

6.9 The three studies contained in this Report together provide an overview of the current situation, the assets to work with and the demonstrated success factors from other rail corridors. Steer-ED will bring these findings to stakeholder engagement sessions in the early-summer 2020 to foster involvement in shaping economic development initiatives to deliver the potential of the Northumberland Line.

6.10 Those initiatives will form the basis of a Northumberland Line economic corridor strategy and action plan.

Commitment Action Plan 2020-21. Available at:

<https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Projects/Climate%20Change/05-1-DRAFT-Climate-Commitment-Action-Plan.pdf> ; Newcastle City Council, (2018). Newcastle City Council Climate Change (Mitigation) Strategy 2018. Available at

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