

NORTH LINCOLNSHIRE COUNCIL

PLACE SHAPING CABINET MEMBER

GAUGE ENHANCEMENT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To update the Cabinet Member on the Gauge Enhancement project in North Lincolnshire.
- 1.2 To request approval to accept the £7.2m allocation from the Local Growth Fund to part-find the project.

2. BACKGROUND INFORMATION

- 2.1 By around 2020 more than 50% of containers destined for UK ports will arrive on 'high cube' containers. It is not currently possible to transport them to and from the South Humber ports, where local rail infrastructure only supports standard containers.
- 2.2 High cube containers are 9'6" in height and therefore limitations currently involve height and width restrictions to bridge platforms and other structures. Gauge enhancements are needed on the route between Killingholme, Immingham and Doncaster.
- 2.3 An application was submitted to the Humber Local Enterprise Partnership (LEP) to secure funding to enable progress of these works. Following appraisal of this bid, Humber LEP has allocated £7.2m towards this scheme. Network Rail has allocated £7.488m and the council has allocated £800,000. The total project investment is £15.488m.
- 2.4 The Local Growth Fund will be used to complete the enhancements to allow the high cube containers throughout the rail network. The works include bridge reconstruction, track lowering through bridges, copper realignment, platform edges and signal relocation.

3. OPTIONS FOR CONSIDERATION

- 3.1 That the Cabinet Member notes the information contained in this report and approves acceptance of £7.2m of Local Growth Fund monies to enable the project to go forward.

4. ANALYSIS OF OPTIONS

- 4.1 The project will see £15.488m in improving the rail network across North Lincolnshire including the leveraging of £7.488m in private sector funding. This will deliver much needed enhancements to gauge. The project would support the National Policy Statement for Ports and North Lincolnshire's Local Development Framework. This option is also forecast to create 50 jobs in 2017/18 and 2018/19 in the construction sector.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 The council has allocated £800,000 towards this scheme. Alongside this, £7.488m of private sector funding is being invested, in addition to the allocation of £7.2m from the Humber LEP.
- 5.2 As with all Local Growth Fund schemes, failure to achieve the project outputs or draw down the funding in line with the grant offer letter can result in clawback of some or all of the grant allocation. Measures are in place around monitoring and LEP updates to manage and mitigate this risk, including governance and regular project meetings.
- 5.2 Written confirmation has been received from Network Rail – confirming their commitment to the project. The Council has also received written confirmation that Network Rail will underwrite any overspend in the delivery of the whole scheme.
- 5.3 Confirmation has been received from Network Rail that the Strategic Freight Network will support a proposal that their funding is spent ahead of LEP funding.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 6.1 Not applicable.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 7.1 Network Rail and North East Lincolnshire Council have both produced letters of support for the project.
- 7.2 The Humber LEP were consulted and support the project.

8. RECOMMENDATIONS

- 8.1 That the Cabinet Member notes the information contained in this report and approves acceptance of £7.2m of Local Growth Fund monies to enable the project to go forward.

DIRECTOR OF BUSINESS DEVELOPMENT

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Background Papers used in the preparation of this report:

- LGF Business Case – Gauge Enhancements – South Humber Ports to Doncaster
– W10 & W12 Standard