

**To: Oxfordshire Growth Board**

**Title of Report: Investment in improved rail connectivity for Oxfordshire**

**Date: 24 November 2020**

**Report of Chief Executive, Oxford City Council**

**Status: Open**

**Executive Summary and Purpose:**

The purpose of this report is seek the support of the Growth Board for a joint letter to Government backing Network Rail's application for funding for significant rail infrastructure improvement in the Oxford Rail Corridor. The c£160 million funding bid is currently with Treasury for consideration.

**Recommendation:**

That the Growth Board:

1. Notes the report requesting support for Network Rail's Phase 2 funding bid.
2. Approves the submission of a letter to the Chancellor of the Exchequer and Secretary of State for Transport supporting Network Rail's application.

**Appendix**

Appendix 1: Draft letter to the Chancellor of the Exchequer and Secretary of State for Transport.

## **Introduction and Background**

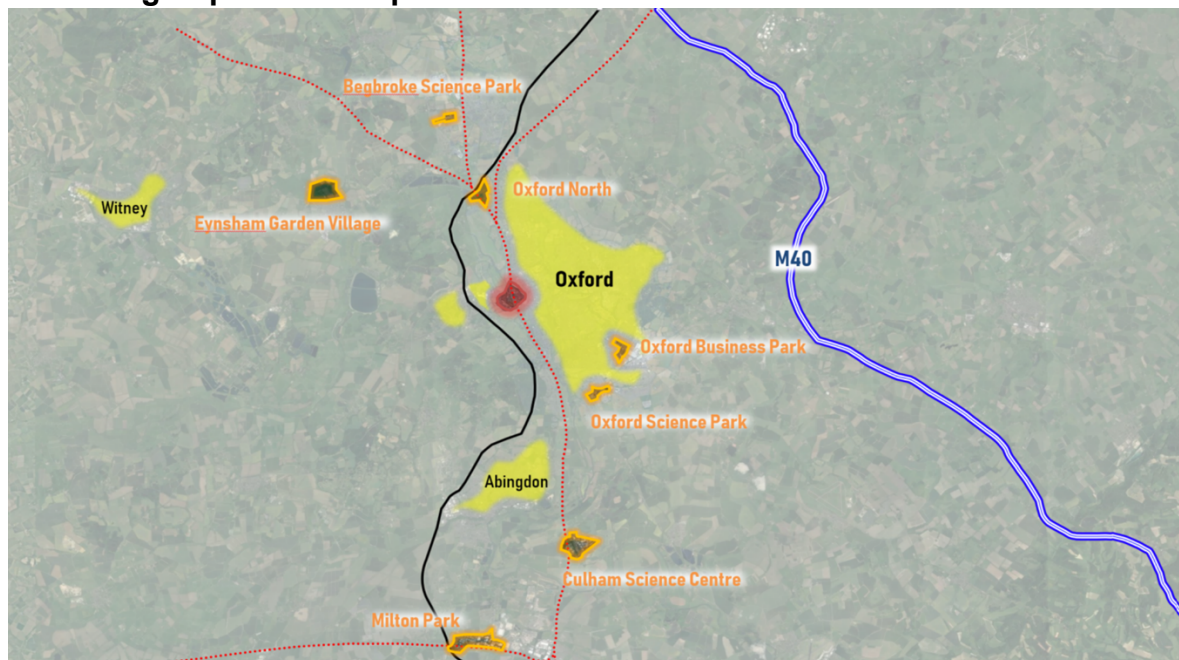
1. Network Rail has confirmed it has submitted the Outline Business Case for Phase 2 works in the Oxford section of the Oxfordshire Rail Corridor to Government for funding approval. It is understood that the Treasury is shortly to make a decision on the £160 million capital finance required for the project. The Oxford Station Promoters Group have requested that the Growth Board provides a letter to Government highlighting their support for the works - which are key to unlocking rail infrastructure improvements and connectivity across the county and regionally, as well as delivery of the Global Innovation District, a key commitment in the Oxfordshire Local Industrial Strategy (LIS).
2. Oxfordshire's rail system – which functions as a strategic corridor for local and national services – has accommodated significant growth in the last ten years but has little further capacity and does not link important hubs within Oxfordshire and beyond. It is a bottleneck to future rail network expansion.

3. The Oxfordshire Rail Corridor Study 2020 (ORCS), commissioned by the Growth Board and other partners, identified the need for a 70% increase in services as well as improved calling patterns and service coverage by 2028. Growth will be concentrated on seven Oxfordshire Hubs in the Oxfordshire rail System: Banbury, Bicester Village, Culham, Didcot Parkway, Hanborough, Oxford and Oxford Parkway
4. Network Rail have identified the Oxford Phase 2 works as the critical next step in boosting rail capacity, frequency and connectivity in the county and across the region, and a key dependency to deliver the growth envisaged in ORCS . Key to this is to enable the majority of passenger services to be extended through, rather than terminate at, Oxford station. The total required investment of £162m would include a £10m OxLEP funding contribution to enable the associated highways works as part of the required Botley Rail Bridge replacement
5. Phase 2 will enable East West Rail by 2024, facilitating sustainable transport connections across the Oxford-Cambridge Arc and significantly freight growth. In the third phase, it will offer allow better connectivity between the 7 Oxfordshire hubs (para 3), increased capacity on the Cotswold Line, the rail corridor through to Didcot, EWR and into Coast to Midlands. This could see the creation of new stations at Cowley, Grove and possibly Begbroke, and a range of new routes open up Oxfordshire wide and nationally. These may include direct rail routes connecting Oxford, Swindon and Bristol, Reading and Heathrow, and the strengthening of connections with London, Birmingham, the Midlands, Worcester, and the South Coast and the opening of the Cowley Branch Line. Work is already under way with Network Rail and the Department of Transport to build a strong case for this Phase 3 investment through the ORCS Study.
6. Network Rail has confirmed that the COVID pandemic is not expected to damage the Phase 2 business case and the scheme is still expected to deliver a good Benefit Cost Ratio. Similarly, the Oxfordshire Infrastructure Strategy 2017 (OxIS) identified the redevelopment of Oxford Station to enable improvement of rail infrastructure as the top infrastructure investment priority for the county. These Phase 2 works and the Phase 3 scheme proposed by 2028 in the ORCS study would result in the station's redevelopment, first to the west, and then east of the station.
7. The rail improvements would deliver wider benefits for both growth and sustainability in Oxfordshire's economy. Increased capacity including extra tracking will enable Oxford to become a 'through' station, enabling more freight services that will take vehicles off the road. The increased rail movements will also allow future electrification of lines through Oxford and beyond to support decarbonisation.
8. Rail will also better connect the existing North to South Knowledge Spine linking Banbury, Bicester, Culham, Harwell/Didcot and - future opportunities to - Begbroke

and Grove. The Global Innovation District, within which the station sits, is highlighted as a central project in Oxfordshire's LIS to meet the huge and increasing demand for, business science and tech-led laboratories and workspace for early stage companies. The improved rail connectivity will ensure the 13,500 jobs created are easily and sustainably accessible countywide; and enable the expansion of successful businesses into other areas of the county. In addition the Innovation District will support 900 local businesses, 300 apprenticeships and 500 additional research posts over 15 years. It will attract and retain talent from the University of Oxford, Oxford Brookes University & City of Oxford College, and spin-out new ventures by nurturing a networked, entrepreneurial live/work environment.

9. Improved rail connectivity will also support the growth and expansion of businesses more widely across the county, opening up supply chain and market expansion opportunities, and providing access to a wider pool of labour for local businesses.
10. The Global Innovation District is planned as a mixed development, along with Oxpens and the Station redevelopment itself. Together they bring an additional 1,500 homes to Oxford's West End

### Knowledge Spine Rail Expansion



### The Phase 2 Scheme

11. Oxford Phase 2 is designed by Network Rail as the next element to provide for projected growth in both passenger and freight services at both a county and regional level, a range of immediate and longer-term benefits. It is a necessary precursor to Oxfordshire Connect.
12. Phase 2 enables increased speed and safety of Oxford Rail Corridor allowing East West Rail phase 1 – two trains per hour to Bedford and then Cambridge. Level

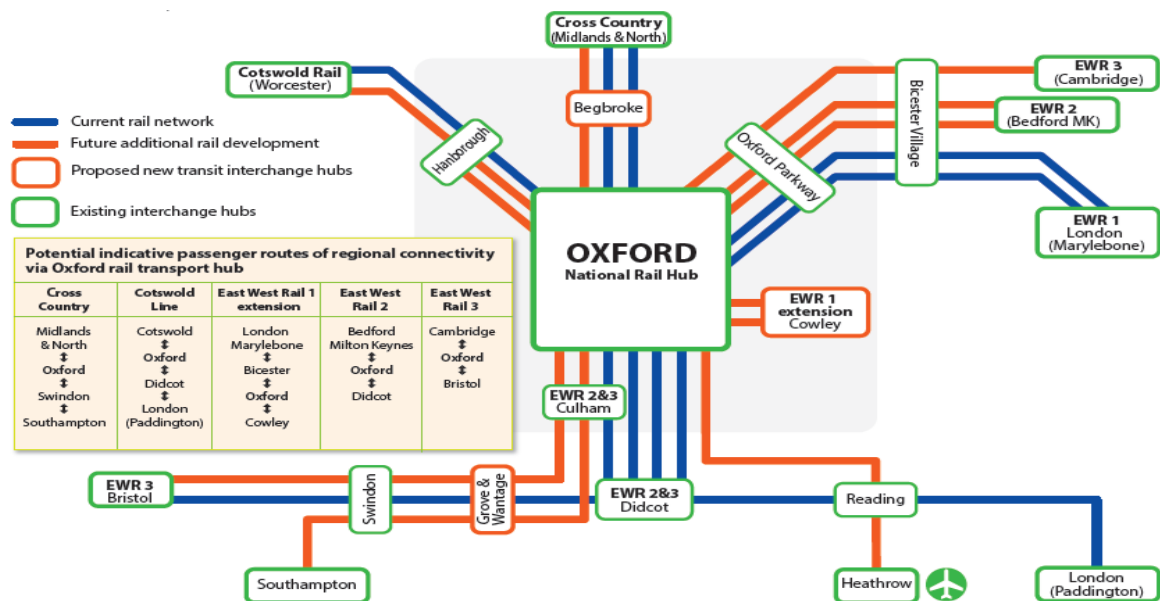
crossing closures will improve safety and create additional rail supporting East West Rail and freight services.

13. The creation of a new West side station entrance, and improved road corridor on Botley Road allowing better bus, cycle and pedestrian access into the city.
14. Phase 2 along with Phase 3 will allow Oxford to be a “through” station, rather than a terminating one, significantly improving countywide and regional/national connectivity. Extra tracking will be enabled by a wider replacement for the Botley Road rail bridge.

### **Phase 3 and beyond**

15. Phase 3 will see Oxford form a new national rail hub that will significantly enhance East-West and North-South connectivity. Additional tracking through the East side of the station will require the removal of the existing building and will enable four tracking through the Oxford to Didcot corridor. That will enable increased services on the Cotswold Line as well as between the Midlands and the South Coast. The extension through to Cowley, will support a new branch line in 2028, which in turn will support the delivery of additional housing adjacent to Oxford identified in the South Oxfordshire Local Plan.
16. At an Oxfordshire level the expanded capacity will facilitate the growth ORCS identified in seven key hubs: Banbury, Bicester Village, Culham, Didcot Parkway, Hanborough, Oxford, and Oxford Parkway. Improved connectivity is also required between Oxford inter-regional locations, including Heathrow Airport. Increased line capacity is a pre-requisite for the creation of new stations at Grove and possibly Begbroke. The market for rail freight in Oxfordshire is also forecast to grow and Oxfordshire’s rail system will continue to have a vital strategic role.
17. ORCS demonstrated that none of these rail enhancements can be achieved without first unlocking capacity through Oxford. For example, while expanded parking and track enhancements from Hanborough could unlock new services on the Cotswold Line, these would be stymied by a lack of capacity at Oxford North Junction and Oxford station. The position is the same for every other new service. At the same time the economics of electrification of the rail system in Oxfordshire is linked to line capacity and therefore throughput of services.

## Indicative service pattern including Phase 3 and beyond



## Next steps

18. The Chancellor of the Exchequer is expected to make a decision on the Network Rail's Phase 2 investment bid shortly, either as part of the Comprehensive Spending Review announcement on 25 November or in early 2021. Key stakeholders in Oxford that have come together to form the Station Promoters Groups are writing in support of the bid. These include Oxford University, OxLEP, Advanced Oxford, the Saïd Business School, Nuffield and Christchurch Colleges, Oxfordshire County Council and Oxford City Council. The Train Operating Companies and Oxfordshire's bus companies have also expressed their support.
19. Many other businesses within Oxford and across Oxfordshire are also strongly supportive of this programme that marks a critical step in unlocking much needed opportunities in Oxford and Oxfordshire, particularly at a time when economic recovery is paramount. They are also being asked to declare their support for the investment.
20. A draft letter from Growth Board members to the Chancellor of the Exchequer and the Secretary of State for Transport is attached for signature. It is requested this is expedited as a matter of urgency.