

**Proposed Joint Decision to be taken by the
Portfolio Holders for Transport and Highways and the
Portfolio Holder for Finance, Improvement and IT
on or after 22nd February 2013**

Kenilworth Station – Bid to the ‘New Station Fund’

Recommendation

That the Portfolio Holders for Transport and Highways and for Finance, Improvement and IT approve the virement of £1.851m of funds from the approved capital allocation for Transport and Highways to the Kenilworth Station scheme, if required, to enable a total Warwickshire County Council contribution of £6.321m towards the Kenilworth Station scheme.

1.0 New Stations Fund Bid

- 1.1 On the 16th July 2012, the Secretary of State for Transport announced that the Department for Transport (DfT) would be making a new fund available for new railway stations – the New Stations Fund (NSF). The NSF will be administered by Network Rail and a competition inviting bids for new stations was opened on the 24th January 2013. The deadline for bids is the 25th February 2013.
- 1.2 The Portfolio Holder for Transport and Highways, on 26th October 2012, approved the submission of a ‘New Stations Fund’ Bid to Network Rail for funding towards Kenilworth Station. Accordingly, a NSF bid has been prepared by the County Council for Kenilworth Station. The scheme makes a contribution to the DfT’s strategic objectives, generates additional revenue for the Cross-Country, the West Coast and the Chiltern Franchises and also offers ‘added value’ to the DfT by providing additional passenger capacity on an overcrowded corridor which would otherwise need to be funded by the DfT in due course. These factors, together with the widespread public and political support for the station are indicators of a positive outcome to the bid.

2.0 Warwickshire County Council Financial Contribution

- 2.1 On the 24th January 2013, Network Rail published detailed criteria for bids to the New Stations Fund with a bid submission deadline of 25 February 2013. The headline criteria in deciding the size of a NSF bid are as follows:
- The contribution of the NSF is a capped amount and is not expected to exceed 75% of the cost of the New Station and it must be less than the available value of the fund. It is expected that a third party contribution of 25% or more of the project cost will be provided. It is specifically stated that funding from Network Rail (e.g. HLOS funds) does not qualify as third party funding; and
 - The NSF bid amount per station is assumed to be no more than £5 million aside from exceptional circumstances and this is subject to the decision of the NSF Awards Panel.

- 2.2 The NSF criteria indicate that bids should not exceed £5.0m. A bid for £5.0m of NSF funding would be 36% of the total Kenilworth Station scheme cost and would be compliant with both of the NSF criteria listed in paragraph 2.1 above.
- 2.3 On the 5th February 2013, the County Council agreed an additional £2.0m allocation to the scheme in the Capital Programme. However, there remains a shortfall of £1.851m which it hoped to secure from the Local Transport Body through Devolved Major Scheme Funding (DMSF). A decision by the Local Transport Body in respect of funding will not occur until after the County Council makes a decision on the bid to the New Stations Fund which is due 25th February 2013.
- 2.4 In the unlikely event that a bid to DMSF is unsuccessful, then the County Council would need to allocate additional funding to cover the £1.851m shortfall. If required, it is proposed that this would be through the virement of £1.851m of funds from the approved capital allocation to Transport and Highways.

3.0 Financial Implications

- 3.1 An NSF bid will be made on the basis that submission is simply the County Council making a bid. This does not bind the Council to a firm funding commitment. The final decision to proceed with the scheme will remain with the County Council.

4.0 Proposed Next Steps

- 4.1 That the Portfolio Holders for Transport and Highways and for Finance, Improvement and IT approve the virement of £1.851m of funds from the approved capital allocation to Transport and Highways to Kenilworth Station, should it be required, to enable a total Warwickshire County Council contribution of £6.321m towards the Kenilworth Station scheme.

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