

CHESHIRE EAST COUNCIL

Cabinet Member for Prosperity and Economic Regeneration

Date of Meeting: 12th November 2012
Report of: Head of Highways and Transport
Subject/Title: Funding Agreement for Congleton and Sandbach Railway Stations
Portfolio Holder: Councillor Jamie Macrae

1.0 Report Summary

- 1.1 This report seeks approval to enter into a funding agreement up to a maximum value of £25,000 (excluding VAT) towards the completion of improvements at Sandbach and Congleton railway stations.
- 1.2 The report also seeks approval to delegate the final terms and conditions of the funding agreement to the Borough Solicitor in consultation with the Head of Highways and Transport.

2.0 Recommendation(s)

- 2.1 That the Council enter into a formal funding agreement with Northern Rail Limited (Northern) to the maximum value of £25,000 (excluding VAT) to enable the completion of a scheme of car park improvement and extension works at Sandbach and Congleton railway stations subject to the Borough Solicitor being satisfied that the financial assistance is not State aid or that the recipient will repay funding if required under State aid law.
- 2.2 That the terms and conditions of the funding agreement and any ancillary agreements necessary are delegated to the Borough Solicitor in consultation with the Head of Highways and Transport.

3.0 Reasons for Recommendation(s)

- 3.1 To provide local 'match funding' and honour the 'in principle' commitment made to Northern Rail Limited in preparing a competitive funding bid for central Government rail funding
- 3.2 To guarantee the delivery of improvements to Sandbach and Congleton railway stations

4.0 Wards Affected

- 4.1 Sandbach Elworth, Congleton East

5.0 Local Ward Members

- 5.1 Cllr David Brown
Cllr Peter Mason
Cllr Andrew Thwaite
Cllr Gill Merry

6.0 Policy Implications (including carbon reduction and health)

- 6.1 The investment accords with the Local Transport Plan Implementation Plan (2011-2015) policy S3 – investment in public transport
- 6.2 The investment is expected to encourage the increased use of public transport.

7.0 Financial Implications (authorised by Director of Finance and Business Services)

- 7.1 The agreed local transport plan programme for 2012/13 includes a dedicated allowance for investment in railway stations in the Borough
- 7.2 Sufficient budget provision is available to cover the costs of this funding agreement in the 12/13 financial year.
- 7.3 The Council has recently also agreed terms for the sale of surplus land to extend the car park at Sandbach station. This will generate a receipt of £15,000.

8.0 Legal Implications (authorised by Borough Solicitor)

- 8.1 It is believed that there is a strong argument that the council support to Northern Rail Limited (Northern) for railway station improvement does not distort competition nor is liable to affect intra Community trade and thus is not State aid. However, there does not appear to be a specific State aid decision linked to the Station Commercial Project Fund.
- 8.2 If there were to be unlawful State aid the council could be required under European Union State aid law (including without limitation under Article 107 of the Treaty on the Functioning of the European Union) to recover the funding with interest from Northern Rail Limited (Northern).

9.0 Risk Management Implications

- 9.1 There is both a reputational risk and a risk of losing external funding towards these locally supported enhancements if this funding arrangement is not honoured.

10.0 Background and Options

- 10.1 The Station Commercial Project Fund was set up by the Government to enhance railway facilities nationally. This was a competitive process.

- 10.2 Northern Rail bid for enhancements to both Congleton & Sandbach Railway Stations. The total value of improvements is estimated at £1.2M.
- 10.3 The improvements consist of additional car parking at Sandbach railway station (103 extra spaces) and formalising and resurfacing the 'overspill' car park at Congleton to provide an additional 63 spaces. Additionally, both stations will benefit from new signage, installation of CCTV and improved lighting. General arrangement drawings of the proposals are contained in Appendix A.
- 10.4 Northern Rail has committed not to introduce car parking charges at either station during the length of their rail franchise.
- 10.5 As part of the selection process CEC were asked if a financial contribution could be made towards the bid to improve its chances of success. Following consultation with Local Members and reflecting the priorities of the Local Transport Plan, the Director of Places confirmed via letter that a financial contribution would 'in principle' be available. This letter is attached for information at Appendix B.
- 10.6 The Northern Rail bid has been successful and we understand that the offer of financial support was a material consideration in the prioritisation of funding. Accordingly, budget provision was made in the Local Transport Plan 2012/13 programme.
- 10.7 As part of the funding agreement Northern Rail have agreed to issue a joint press release to inform and promote the improvements.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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