

North East Joint Transport Committee

Date: 15 November 2022

Subject: South of Tyne and Wearside Loop Strategic Outline Case (SOC)

Report of: Managing Director, Transport North East

Executive Summary

As the first phase of a wider ambition to reopen the Leamside Line in full, a Strategic Outline Case (SOC) has been developed for the South of Tyne and Wearside Loop (the northern section of the corridor).

The SOC, part funded by the North East Local Enterprise Partnership (NELEP), builds on previous engineering feasibility and demand forecasting work undertaken as part of the wider suite of corridor studies funded through the Joint Transport Committee.

The SOC looks at a broad network that connects the Wearside and South Tyneside areas using a series of newly built or re-opened rail alignments. It also identifies options for the development of this network. The preferred option is for a Metro connection from Pelaw to South Hylton via Washington. It is proposed to refer to the preferred option in future as the 'Washington Metro Loop'.

The preferred option is predicted to generate over £90m per year in economic benefits and reduce carbon emissions by over 86,000 tonnes by replacing up to £1.7m car journeys per year. The estimated cost for the preferred option at this stage is in the order of £745m (inclusive of additional Metro cars required).

It is now proposed that Nexus begins the work to develop the Washington Metro Loop as an Outline Business Case, subject to funding being identified.

Recommendations

The North East Joint Transport Committee is recommended to:

- i. Note the Executive Summary of the draft Strategic Outline Case (SOC) as set out in Appendix 1;
- ii. Approve the preferred option, as outlined in the draft SOC, to be taken forward to the Outline Business Case (OBC) stage;
- iii. Authorise Transport North East to work with the government and other relevant bodies to identify sources of funding for both the OBC and for the full scheme;

- iv. Note that future references to the preferred option will use the name 'Washington Metro Loop'; and
- v. Note that at this stage it is assumed that Nexus will be the body tasked with developing the OBC.

1. Background Information

- 1.1 The creation a South of Tyne and Wearside Loop would provide significant connectivity and accessibility improvements to residents and businesses along the route covering South Tyneside, Gateshead and Sunderland, as well as the wider North East region. The key residential area to benefit would be Washington, whose population of circa 70,000 are disconnected from the Metro and Rail network (the fourth largest disconnected town in the UK. This corridor is part of a long-term programme of potential future routes for Metro or local rail expansions identified in the North East Transport Plan. A programme of studies has been approved and endorsed by the North East Joint Transport Committee.
- 1.2 At the 18th of January 2022 meeting JTC approved the SOC development work, part funded by the NELEP, to set out the compelling case for a strategic sustainable intervention to improve key economic, environmental and social outcomes across the areas covered by the line. The SOC is the first step in a three stage process to secure the funds to deliver the project on the ground. The South of the Tyne and Wearside Loop (SoT&WL) along with the full Leamside Line has cross party support, both across local and national governments and growing business backing.
- 1.3 As part of the development of the case for change, an overarching vision has been proposed “To transform connectivity for the people of Washington and the wider Sunderland, Gateshead and South Tyneside areas, in a sustainable way, ensuring we deliver significant positive changes across our economic, social, and environmental priorities.”
- This vision is underpinned by five project objectives which connect Transport North East’s Rail and Metro Strategy to stakeholders aims and Government policy, these are:
- Access to opportunity; Enhance connectivity and accessibility to current and future employment and training opportunities, particularly for areas with the greatest 'need' for 'levelling up'
 - Economic development; Help support the delivery of new employment and housing in a sustainable manner
 - The Environment; Reduce the adverse impacts of transport, and help ensure natural and built assets are protected and enhanced
 - Place; Support the ‘sense of place’ across the area and within distinctive and thriving centres and communities
 - Build back better; Support the recovery of public transport post the Covid-19 pandemic, delivery enhanced user experience and confidence
- 1.4 There is a clear need to improve the economic, environment and social outcome within the areas that the South of Tyne and Wearside Loop would serve. By 2040 the new Metro services would generate over £90 million per annum into the economy and it would ensure the businesses in the area can access an increased labour pool, while, vice versa, local residents are able to access opportunities which align with their skills, qualifications, and aspirations. Similarly improved

connectivity to further and higher education, particularly connecting Washington will be a key benefit.

When considering the environmental impacts around the area, Sunderland, Gateshead, and South Tyneside, the main local air pollutant of concern is Nitrogen Dioxide (NO₂), with the primary source being from road vehicle exhaust emissions. A shift to a more sustainable mode would bring about associated climate and health benefits. The new Metro loop would reduce carbon emissions by over 90,000 tonnes per year by replacing up to £1.7m annual car journeys.

Looking to the future, the importance of sustainable access to the growth of existing businesses and proposals for new businesses at the likes of IAMP and Follingsby Park are key factors for success. There are also other key clusters of future opportunities around the centre of Washington and along the River Wear between Washington and Sunderland and in Sunderland city itself, thus, to maximise access to these opportunities via sustainable transport is a must. The loop would also enable improved access to labour markets within the wider North East, for example major development is outlined in the Port of Tyne's 2050 strategic plan. providing a long-term vision which aims to cement the Port of Tyne as a gateway for regional growth, development and transformation.

2. Proposals

- 2.1 After setting out a compelling case for the need for a transport intervention to address the economic, environmental and social problems in the area, a long list of possible options was derived through working with the consultants, TNE, the local authorities and Nexus. The options include not only Metro but heavy rail, bus based and road improvements. Using a government approved assessment tool the long list was ranked against meeting the project objectives and the ease of deliverability. Four options were shortlisted (three Metro extensions and one lower cost bus based alternative). The Metro options include the basic loop connecting Washington with the existing Metro system, with higher cost options that expand connectivity to the Metro line to South Shields. This shows how the full network could be built up over time to deliver the maximum benefits but in a realistic, affordable and deliverable phased approach. More details on the options are included in the summary SOC attached as appendix 1

At this stage, the exact junctions and connections are not required to be determined in detail, these are tackled in the next design stage. Thus, a range of high level costs and benefits have been derived which show the basic Metro loop with a positive Benefit-to-Cost Ratio of above 1.0. At this stage however the higher cost Metro options and the lower-cost bus options do not meet this threshold.

- 2.2 The preferred option to be put forward for recommendation therefore is the Washington Metro Loop proposal, which links Washington into the existing Metro network at both Pelaw (using a partially reopened Leamside Line), and South Hylton. The other options will also be developed as part of the OBC to ensure that the scheme is providing the best possible benefits and value for money, and to allow for future development as appropriate.
- 2.3 There are some significant engineering challenges to overcome to deliver the Washington Metro Loop but will provide significant benefits. A range of investment costs have been derived and further work will be required in the next development

phase to further drive down costs using 'Project Speed' principles (as used on the Northumberland Line project) to deliver the minimum viable product (the best value for money scheme). Estimated costs range from £745m to £1.115bn with the preferred option estimated to cost £745m. Despite this high initial cost, the current Benefit-to-Cost Ratio (BCR) still achieves a figure above 1.00.

The economic benefits would bring new opportunities into the North East through developments along the line and increase access to a wider job market and enabling people to connect to a larger variety of training and education opportunities.

Each Metro journey on the Washington Metro Loop would add an extra £11.80 into the local economy.

3. Reasons for the Proposals

- 3.1 There is a strong compelling economic, social and environmental case (as described in detail within the summary SOC attached as Appendix 1) for a sustainable transport intervention to improve connectivity in the areas of South Tyneside, Gateshead and Sunderland covered by the corridor of the former Leamside line. Thus, the SOC proposal seeks to address this need and sets out the case to Government to seek support to develop further, more detailed design of the preferred proposition.

4. Alternative Options Available

- 4.1 Option 1 – The North East Joint Transport Committee may accept the recommendation as set out in the report
- Option 2 – The North East Joint Transport Committee may not accept the recommendations set out in the report
- Option 1 is the recommended option.

5. Next Steps and Timetable for Implementation

- 5.1 If the JTC is minded to approve the preferred option within the draft SOC, it is proposed to share the draft with the Department for Transport for comment prior to formally submitting to Government later this year or early next.
- In parallel, work will continue to review options for securing the funds to progress to the design stage during 2023 and 2024. Building on the lessons learnt from the Metro Flow project, and because the Washington Metro Loop is expected to form part of the Tyne and Wear Metro network, it is proposed that Nexus will be tasked with developing the OBC.
- Nexus has begun initial resource planning to prepare for undertaking the work required to take the project to the next level of detail to satisfy the OBC. This development of the OBC is estimated to cost in the order of £5-7m.

6. Potential Impact on Objectives

- 6.1 The proposed Washington Metro Loop will significantly contribute to the North East Transport plan objectives particularly the following:

Carbon neutral North East

Overcome inequality and grow our economy

Healthier North East

Appealing sustainable transport choices

7. Key Risks

- 7.1 At the SOC a high risk factor has been built into the cost estimates. Experiences from recent projects have shown the importance of detailed ground investigation to minimise uncertainty. Through a land and consents strategy and further refinement of design and service planning the OBC will deliver a more robust cost estimate and delivery programme.

8. Equality and Diversity

- 8.1 There are no specific implications for equality and diversity at this stage, although these issues will be considered throughout the development of the OBC.

9. Crime and Disorder

- 9.1 There are no specific crime and disorder implications arising from this report.

10. Consultation/Engagement

- 10.1 During the development of the SOC TNE and its consultants have engaged with Nexus and the local authorities along the corridor to align with development plans and ensure operational compatibility.
- 10.2 The North East Rail and Metro Strategy identified the South of Tyne and Wear Loop as a potential development, and this saw support during the public consultation stage.

11. Other Impact of the Proposals

- 11.1 No other impacts to note.

12. Appendices

- 12.1 Appendix 1 – SOC Executive Summary document

13. Background Papers

- 13.1 None

14. Contact Officers

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15. Sign off

- The Proper Officer for Transport:
- Head of Paid Service:
- Monitoring Officer:
- Chief Finance Officer:

16. Glossary

SOC – Strategic Outline Case

NELEP- North East Local Enterprise Partnership

DfT – Department for Transport

SoTWSL -South of Tyne and Wearside Loop

OBC – Outline Business Case

JTC- Joint Transport Committee

TNE – Transport North East