

Appendix 1

Coventry to Leicester and Nottingham: Resubmission of Strategic Outline Business Case

1. Background

- 1.1. Midlands Connect (MC) is making the case for a direct train service to link Coventry with Leicester and Nottingham. The strategic case for doing so is compelling, helping to address the “fairer, greener, stronger” challenges identified in the 2022 Strategic Transport Plan (STP). A direct rail service used to exist between these stations, but that link was severed in the early 2000s when the West Coast Main Line was upgraded through Nuneaton. Since that time, a journey between these cities by rail has been indirect, requiring a change of train at Nuneaton, and less than 3% of journeys between Coventry and Leicester are currently made by rail, with many trips likely suppressed.
- 1.2. MC submitted a Strategic Outline Business Case (SOBC) to Government in 2021, via the Railway Network Enhancements Pipeline (RNEP), seeking funding for the next stage – an Outline Business Case (OBC). That funding has not been forthcoming, however, through a combination of factors, including the ongoing impact of the Covid pandemic and a level of uncertainty around the plans for HS2 services to the Nottingham area, and hence development work beyond refreshing the SOBC has not been possible.
- 1.3. MC is now resubmitting a refreshed SOBC to RNEP, again seeking funding for an OBC to allow development of the scheme to continue. This is in the context of the new Government taking a fresh perspective on a pipeline of schemes, noting there has been strong support for this intervention along the corridor.

2. Strategic Case for Intervention

- 2.1. The current rail journey time between Coventry and Leicester is 55 minutes (towards Leicester) or 68 minutes (towards Coventry), which is uncompetitive with a journey by highway, which is typically between 40 and 45 minutes depending on time of day.
- 2.2. The need for an improvement on the rail corridor between Coventry and Leicester was first recognised by MC as part of the 2017 Strategy. That document identified conditional outputs for the railway network, which for the Coventry to Leicester corridor translated into a two train per hour direct service with an end-to-end journey time below 40 minutes, representing an improvement over what is currently possible via highway.
- 2.3. MC’s “fairer, greener, stronger” challenges are manifested in this corridor, with the SOBC providing specific evidence on these, including productivity in the West

and East Midlands that is 10-15% below the England average; a rail mode share of 3%; and the presence of several social mobility coldspots, representing the worst 20% of local authorities nationally. An improved rail link aims to enhance connectivity between the three cities, increasing their attractiveness and potential for growth in knowledge-based sectors. Each city centre has small but expanding economic specialism(s) which require support to grow in forthcoming decades, with investment in rail identified as a clear means to facilitate this growth.

2.4. MC has explored two options¹ to provide a direct service between Coventry and Leicester / Nottingham. These are broadly as per the 2021 submission:

- **Direct / Faster:** The first of these (option A: see figure 1) provides a new fast service from Coventry to Leicester and Nottingham, avoiding Nuneaton. In addition, an extra local service from Coventry to Nuneaton is added, as per the longstanding NUCKLE² aspiration, which continues to be a priority for our partners. This option gives a Coventry to Leicester journey time of 30-35 minutes; or
- **Combined / Slower:** The second of these (option B: see figure 2) provides a stopping service between Coventry and Leicester / Nottingham, achieved by providing an extra local service from Coventry to Nuneaton, then extending both that and the existing Leamington Spa to Nuneaton service onto Leicester and Nottingham. This option gives a Coventry to Leicester journey time of ~47 minutes.

2.5. In order to facilitate the options outlined above, new infrastructure is required on the corridor.

2.6. For option A (direct / faster), new bay platform capacity is required at Coventry Station (expected to be a 'twin' bay – an enlargement of the single bay platform previously envisaged by the NUCKLE scheme), together with an increase in the line speed to 60mph (from 45mph) from Coventry to Nuneaton. A new grade separated crossing (diveunder) is then required at Nuneaton to allow trains to pass beneath the West Coast Main Line. Further infrastructure is then required at Leicester (see description below), as well as a modest intervention at Nottingham to increase capacity in the station throat.

2.7. For option B (combined / slower), the infrastructure requirement is similar, again requiring a new bay platform at Coventry (but only a single bay rather than the twin-bay described for option A). No increase to line speed is assumed to be required between Coventry and Nuneaton, although there may be some benefit to investigate, while a diveunder is again required at Nuneaton, albeit on a

¹ Midlands Connect has also tested variants of options A and B whereby trains run to Leicester only rather than onto Nottingham.

² NUCKLE - Nuneaton, Coventry, Kenilworth, Leamington Spa.

different alignment, to allow trains to reverse at Nuneaton and then pass under the West Coast Main Line. The same interventions are required at Leicester and Nottingham.

2.8. A material change since the 2021 submission is the treatment of the Leicester area in respect to the SOBC. The Leicester area is a known constraint in the railway network for both passenger and freight services. Network Rail's 2020 Continuous Modular Strategic Planning Study confirmed that the layout at Leicester and on its approaches can accommodate two further services from the Birmingham direction. To move above this increment, however, triggers the need for 4-tracking of the railway between Wigston and Leicester. MC has made the assumption that this existing capacity is used by Midlands Rail Hub and the planned additional Birmingham to Leicester services. The introduction of Coventry to Nottingham services therefore triggers the need for the 4-tracking works in the Leicester area. Network Rail has undertaken early development on a 4-tracking scheme at Leicester, but the scheme has not yet received any funding to enable an SOBC to commence, hence attaching it to the Coventry to Leicester and Nottingham SOBC provides a means to kickstart its development.

3. Summary of Economic Case

3.1. MC has tested two options, A and B, principally using the Midlands Rail Network Demand Assignment (MiRANDA) multi-modal model. In summary, the work shows a credible economic case for both, even with the inclusion of the Leicester 4-tracking scheme in the capital costing.

3.2. For Option A (direct / faster), a benefit cost ratio, inclusive of the impacts of Covid and Wider Economic Benefits, is around two, falling into the 'high' value for money category. It should be noted that the Nuneaton diveunder required for this provides useful new capability for railfreight. This could allow existing railfreight services to be diverted onto a more efficient routing, while also helping to facilitate new rail freight paths. Drawing on the business case recently developed by Network Rail at Ely, MC has tested the addition of railfreight benefits to this option. This had the impact of increasing the benefit cost ratio from ~2 to ~3.5 and therefore provides a material boost in the value for money case. As part of the SOBC submission, MC has received letters of support from both the Railfreight Group and Chartered Institute of Logistics and Transport, regarding the benefits that a new 'avoiding' diveunder at Nuneaton would bring.

3.3. For Option B (combined / slower), a benefit cost ratio, inclusive of the impacts of Covid and Wider Economic Benefits, is just under two, falling into the 'medium' value for money category. The railfreight benefit is not applicable to this option.

3.4. On the basis of the additional railfreight capability provided, together with the more transformative impact on journey times for passengers, Option A 'avoiding'

Nuneaton appears preferable, although it will for the OBC to ultimately settle on a single option for more detailed development.

4. RNEP Submission

- 4.1. MC has received the necessary authority through its governance process (including Steering Group and Strategic Board) for the SOBC to be submitted to RNEP.
 - 4.2. MC has engaged Network Rail to provide a proposal to develop the OBC, which will form the basis of the request through the RNEP process. Based on similar business cases elsewhere, Network Rail has provided a ballpark estimate which is forming the initial RNEP submission. Network Rail is now working with MC to develop a detailed OBC proposal.
 - 4.3. In terms of the specific timeline for the RNEP submission, MC is working with colleagues at DfT to agree the timeline for the SOBC to be presented to the West Coast South & Central Programme Board, which forms the first part of the process, before later meetings identify whether there is headroom in the Government's budget to develop and ultimately deliver the scheme.
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Figure 1: Option A

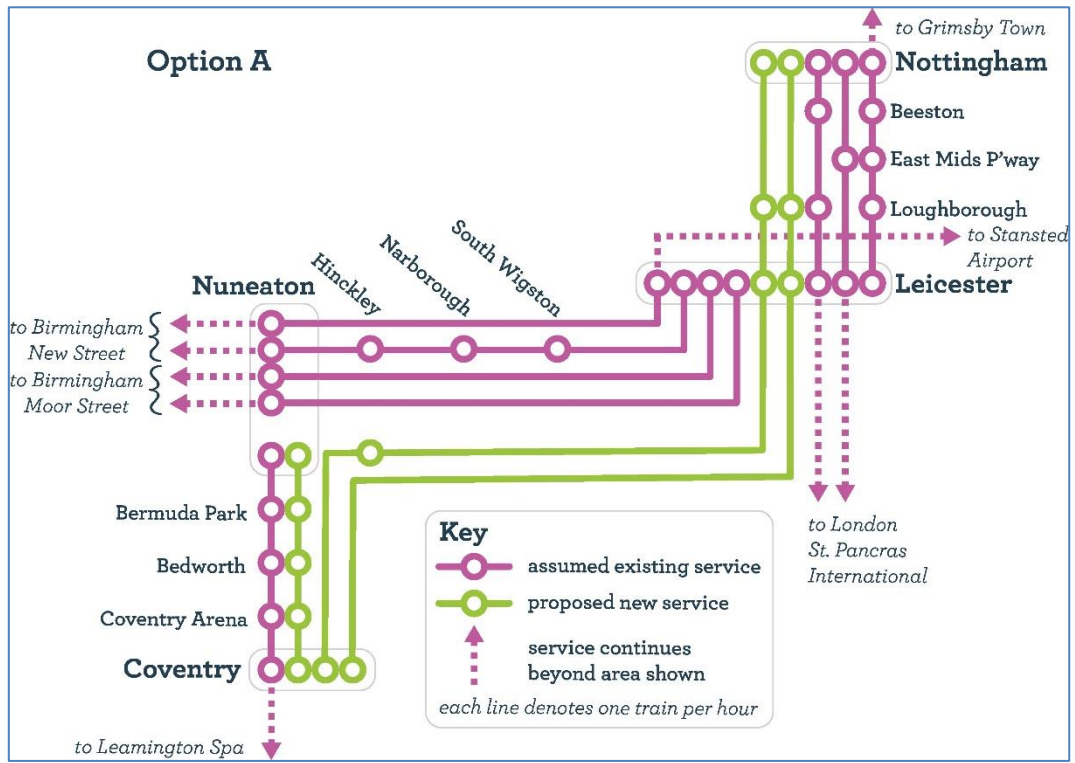


Figure 2: Option B

