



Department
for Transport

Closure of Folkestone Harbour Branch and Station

Consultation Document

21 November 2013

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Department for Transport Great Minster House 4/18 33 Horseferry Road
London SW1P 4DR Telephone 0300 330 3000 Website
<https://www.gov.uk/government/organisations/department-for-transport>

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1. Purpose of the consultation

Network Rail, as network operator, have carried out an assessment in accordance with the Department of Transport's (DfT) Railways Closures Guidance of whether maintaining the Folkestone Harbour branch and Folkestone Harbour station as part of the national rail network presents value for money. It concluded that expenditure on maintaining the facilities is neither an appropriate nor a responsible use of resources as there is no prospect of any traffic passing along the route which cannot be handled safely and effectively elsewhere.

Under sections 26(7)(a) and 29(7)(a) of the Railways Act 2005 the Secretary of State, as the relevant national authority, is required to carry out a consultation concerning a rail operator's proposals to discontinue operations on particular lines and stations if having received the operator's assessment it has formed an opinion that the closure should be allowed.

A copy of the Railways Closures guidance may be found at:

<http://webarchive.nationalarchives.gov.uk/+http://www.dft.gov.uk/pgr/rail/legislation/sgd/railwaysclosuresguidancea/railwaysclosuresguidance.pdf>

Stakeholders are therefore invited to comment on the Network Rail proposal.

This consultation is being carried out in accordance with Schedule 7 of the Railways Act 2005.

2. Background

The Folkestone Harbour Branch is a one mile long branch line connecting Folkestone East sidings with Folkestone Harbour station. Historically, the branch provided passenger and freight connections to the Continent linked with the ferry service operating from the Harbour. Since the opening of the Channel Tunnel, cross-channel ferry operations from the Harbour have ceased and the last regular timetabled train was in 2001. Since the cessation of regular traffic in 2001, the branch has been used by charter services, the majority of which had been promoted by Venice Simplon Orient Express (VSOE).

The final charter operation was in March 2009, after which the line was closed under a Short Term Network Change whilst Network Rail assessed future transport requirements and operating costs. Alternative facilities for VSOE to accommodate and manage passengers have been provided at Folkestone West station. Network Rail's subsequent assessment concluded that that expenditure on maintaining the line is neither an appropriate nor responsible use of rail industry resources.

This view was endorsed by rail industry stakeholders under the Network Change process, where the line has been designated as 'Permanent Out of

Use' since 21st December 2012. The Network Change documentation can be found at:

<http://wwta2.networkrail.co.uk/browsedirectory.aspx?dir=\network%20code\network%20change\completed%20proposals\kent\ncg12012kent003%20folkestone%20harbour%20branch%20permanent%20out%20of%20use&root=>

On 31st July 2013, Shepway District Council granted outline planning consent for the redevelopment of Folkestone seafront, including the harbour area. The plans for the redevelopment do not include retention of railway or ferry facilities.

By completing the formal closure, Network Rail seek to focus rail industry resources on providing value for money and to allow local stakeholders to develop alternative uses for the former rail facilities.

A diagram of the area affected by this proposal is provided in Appendix 1.

3. Summary of Appraisal

The appraisal takes the approach of testing the closure of the branch and station (the 'do something scenario') against the base case (the 'do minimum scenario') which is that the railway facilities are not formally closed and remain part of the GB rail network, albeit without any access rights for a train operator. The costs in this instance reflect the minimum required to ensure that buildings and structures are maintained to provide an acceptable environment and to ensure public safety.

The branch and station are both in an unsatisfactory condition, reflecting the coastal location and the amount of traffic that operated on the line when it was in use. Since 2009, work has been deferred whilst the long term future of the branch was established. This has resulted in a sizeable requirement for maintenance and renewals to the existing railway buildings and structures. The renewals costs have been estimated as a minimum of £1.325m, with £5,000 to undertake light maintenance to ensure public safety.

The appraisal compares the avoidable costs against decommissioning costs. The decommissioning costs are lower than avoidable costs therefore the business case is financially positive. The Net Present Value is £673k, therefore the case for closure is very strong.

Since the opening of the Channel Tunnel there has been a surplus of capacity available on cross-channel passenger and freight routes. Therefore the business case to resume a ferry service between Folkestone and France is very weak and does not form any part of local authority plans. In this context, the railway's original purpose as part of a wider cross channel transport network has been rendered obsolete. Passenger benefits to retain the railway on this basis can be assumed to be zero.

Further details of the financial appraisal are provided in Appendix 2.

As highlighted above, following the establishment of the Network Change there are no access rights available to any train operator. However, in lieu of a separate appraisal, an assessment of investment and maintenance costs required to operate a regular train service is contained in Appendix 3.

4. Strategic case

Since the end of cross-channel traffic, the branch and station have been used by various charter trains. The majority of these have been promoted by Venice Simplon Orient Express (VSOE), and operated by DB Schenker (DBS). New station facilities at Folkestone West station have provided an alternative facility for VSOE to accommodate and manage passengers and a revised train plan have provided a suitable alternative since operation of the last service on the branch in March 2009.

A proposal to use the harbour branch and station as part of a light rail system has been tabled, which would see a tram-train operation between the harbour area and a new Park and Ride facility at the junction with the existing main line. The proposal suggests further extension would be possible to Folkestone Central station in order to interchange with high speed and main line train services. This proposal would require significant investment on the branch and station (see Appendix 3), and a new track and signalling layout between Folkestone East junction and Folkestone Central. Network Rail has taken the view that the capital costs of at least £4.5m required to operate this service will outweigh the required level of benefits to represent value for money by a very large margin.

Notwithstanding the above, Shepway District Council have recently granted outline planning consent for redevelopment of the harbour area. The redevelopment does not include the retention of the railway, therefore closure of the branch and station aligns with the strategic direction agreed through the local democratic process.

The branch and station are of historical interest as the rail facilities were used during both World Wars to transport men and materials to the Continent. It is difficult to provide an objective assessment of the benefits of retaining the rail facility to serve as a memorial to the past within a financial business case. The closure is predicated on avoiding costs that could not be matched through socio-economic benefits or recovered commercially through Track Access charges and would therefore be borne directly by the taxpayer. Network Rail believe that retaining the branch on historical or heritage grounds is outside their core objectives and that a decision on these issues should be managed by local stakeholders on completion of closure and land disposal.

5. How to respond

Views are sought on this proposal to complete the formal closure of the Folkestone Harbour Branch and Station. The consultation period began on 21 November 2013 and will run until 28 February 2014. Please ensure that your

response reaches us before the closing date. If you would like further copies of this consultation document, it can be found at www.dft.gov.uk/consultations/open or you can contact Simon Feast if you need alternative formats (Braille, audio CD, etc) at the DfT address below.

6. Invitations to consultees

The following stakeholders have been sent a hard copy of this consultation document and invited to respond:

Office of Rail Regulation
Kent County Council
Shepway District Council
Passenger Focus
Damian Collins MP
Southeastern Trains
DB Schenker Ltd
Freightliner Ltd
GB Railfreight Ltd
Rail Freight Group
Freight Transport Association
Kent Community Rail Partnership
Association of Community Rail Partnerships
British Transport Police
Folkestone Harbour Company
Remembrance Line Association

Consultees should send comments in the first instance to the Department for Transport, and may also wish to make their views known directly to Network Rail. Contact details for both organisations are given below.

When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

It should be noted that not every submission will receive a response.

Responses to this consultation should be sent by email to:
folkestoneharbourbranch.consultation@dft.gsi.gov.uk

Or by post to:
Folkestone Harbour Branch Consultation
Zone 3 /17
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

As noted above, copies of consultation responses should also be copied to Network Rail by email: folkestone.harbour@networkrail.co.uk

Or by post to:
Folkestone Harbour Branch Consultation
Network Rail
c/o Strategic Planning
Waterloo General Offices
London SE1 8SW

7. Action following consultation

Following the consultation period, we will consider the responses to the closure proposal and undertake such further analysis as might be necessary. We will produce a summary of the outcome of the consultation and publish this on the DfT website.

The outcome of the closure consultation will be shared with Network Rail. Should the outcome of the consultation process agree with Network Rail's assessment, the ORR will then be required to ratify the proposal to ensure it satisfies the requirement of the guidance and licence conditions.

8. Freedom of Information

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the DfT.

The DfT will process your personal data in accordance with the Data Protection Act, and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

9. Appendices

Appendix 1 – Extract from Network Rail Sectional Appendix showing the area relating to the closure

LOR	Seq.	Line of Route Description	ELR	Route	Last Updated		
SO230	001	Folkestone East to Folkestone Harbour	FFH2 XTD	Kent / Sussex	02/02/2013		
Location		Mileage M Ch	Running lines & speed restrictions		Signalling & Remarks		
(Folkestone East SB (YE))		(70 79)			TCB RAS	Folkestone East (YE) DC:Canterbury	
(Junction)		(71 08)			Line out of use		
Folly Road LC (CCTV)		71 29			① - C&P out of use		
East Cliff UWC		71 46					
Folkestone Harbour SB (EBB)		71 25					
Folkestone Harbour LC		72 02					
FOLKESTONE HARBOUR		72 13					
					Area relating to the closure proposal		
					1 Up Folkestone Harbour 2 Down Folkestone Harbour		

Appendix 2 – Financial appraisal

The appraisal takes the approach of testing the closure and decommissioning of the branch and station (the 'do something scenario') against the base case (the 'do minimum scenario') which is that the railway facilities are not formally closed and remain part of the GB rail network. The appraisal valued the options over a period of 30 years.

The Network Change in December 2012 withdrew access rights for a train operator. The costs in the do nothing scenario assume no train service is operated on the branch and a minimum amount of renewal and maintenance is undertaken to provide acceptable environment and to ensure public safety.

The branch and station are both in an unsatisfactory condition, reflecting the coastal location and the amount of traffic that operated on the line when it was in use. Since 2009, work has been deferred whilst the long term future of the branch was established. This has resulted in a sizeable requirement for maintenance and renewals to the existing railway buildings and structures. The renewals costs have been estimated by Network Rail as follows:

Table 1 – Renewals costs (= the “Do Minimum”)

Asset type	Work required	Cost (2013 prices)
Civils & Structures	New retaining walls; brickwork within arches; securing swingbridge	£1,000,000
Buildings	Secure platform canopies; structural work on station buildings	£325,000

A further £5k per annum has been estimated for the cost of materials to maintain the rail facilities each year. No allowance has been made for labour cost in this appraisal.

Appraisal results

The appraisal compares the avoidable costs (as in Table 1) against decommissioning costs of £300k (i.e. removal of physical infrastructure such as rails and closure of the level crossings). Closure of the branch and station was found to be financially positive (a Benefit Cost ratio of minus 1.28 because costs are lower in the Do Something than the Do Minimum and passenger benefits are the same in both cases, i.e. zero,). The Net Present Value is £673k, across a payback period of 11 years.

Therefore it is recommended that the branch and station are formally closed.

Appendix 3 – Outline costs for full reinstatement

Following the establishment of the Network Change there are no access rights available to any train operator. Therefore it is extremely difficult to test a hypothetical scenario where the line is reinstated and a (new) regular train service is operated. However, in lieu of formal appraisal, an outline assessment of the capital and maintenance costs required to operate a regular train service is provided below. The costs are based on existing unit rates and reflect the infrastructure required to operate trains and handle passengers safely and reliably on a regular basis.

A summary of renewals and maintenance costs is provided in Tables 2 and 3 below:

Table 2 – Renewals costs

Asset type	Cost (2013 prices)
Track	£558,400
Signalling	£1,200,000
Civils & Structures	£2,000,000
Electrical & Plant	£80,000
Buildings	£750,000
Total	£4,588,400

Table 3 – Maintenance costs

Maintenance activity	Hours (p.a.)	Unit rate (£/hr)	Total (2013 prices)
Annual Labour cost	1,396	23.38	£32,638
Annual Materials cost	-	-	£15,000
Annual Total	-	-	£47,638

Given these costs, and noting that there appears to be no strategic case for new train services, Network Rail have taken the view that this underlines the case to close the line.

Appendix 4 – Consultation Principles

The consultation is being conducted in line with the Government's key consultation principles which are listed below. Further information is available on the Better Regulation Executive website at

<https://www.gov.uk/government/publications/consultation-principles-guidance>

If you have any comments about the consultation process please contact:

Consultation Co-ordinator
Department for Transport
Zone 1/14 Great Minster House
London SW1P 4DR
Email consultation@dft.gsi.gov.uk

Consultation principles

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before;
- departments will need to give more thought to how they engage with and consult with those who are affected;
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy; and
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.