Les Waters

Manager, Licensing Railway Markets and Economics Email les.waters@orr.gov.uk



26 March 2019

Company Secretary
Network Rail Infrastructure
Limited
1 Eversholt Street
London
NW1 2DN

Network licence condition 7 (land disposal): Island Line railway, Isle of Wight.

Decision

- 1. On 12 March 2019, Network Rail gave notice of its intention to dispose of land siting the Island Line network and the associated railway infrastructure, on the Isle of Wight ("the land"), in accordance with paragraph 7.2 of condition 7 of its network licence. The land is described in more detail in the notice (copy attached).
- 2. We have considered the information supplied by Network Rail including the responses received from third parties consulted. For the purposes of condition 7 of Network Rail's network licence, ORR consents to the disposal of the land in accordance with the particulars set out in its notice.

Reasons for decision

- 3. We note that the proposed disposal is for a 20-year lease to First MTR South Western Trains Limited (operating as South Western Railway) ("SWR") which will facilitate SWR's provision of passenger services on the Isle of Wight, as required under its South Western Franchise Agreement.
- 4. We are satisfied that Network Rail has consulted relevant stakeholders with current information. In considering the proposed disposal, we note that:
 - there is no evidence that railway operations would be affected adversely; and
 - no other reasonably foreseeable railway use for the land was identified.
- 5. Based on all the evidence we have received and taking into account all the material facts and views relevant to our consideration under condition 7, we are satisfied that there are no issues for us to address.
- 6. We have had regard to our decision criteria in *Land disposal by Network Rail: the regulatory arrangements, December 2013,*¹ and balanced our section 4 duties given to us under the Railways Act 1993. In doing so we have given particular

Head Office: One Kemble Street, London WC2B 4AN T: 020 7282 2000

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¹ Available from <u>www.rail-reg.gov.uk/server/show/nav.150</u>



weight to our duty to exercise our functions in a manner which we consider best calculated to "protect the interests of users of railway services".

7. We have concluded that the proposed disposal is not against the interests of users of railway services. In light of that and our understanding of the transaction as set out above, we grant our consent to the proposed disposal of the land.

Les Waters

Duly authorised by the Office of Rail and Road

Proposed Property Disposal

Application by Network Rail Infrastructure Limited to dispose of land in accordance with the Land Disposal Condition of the Network Licence

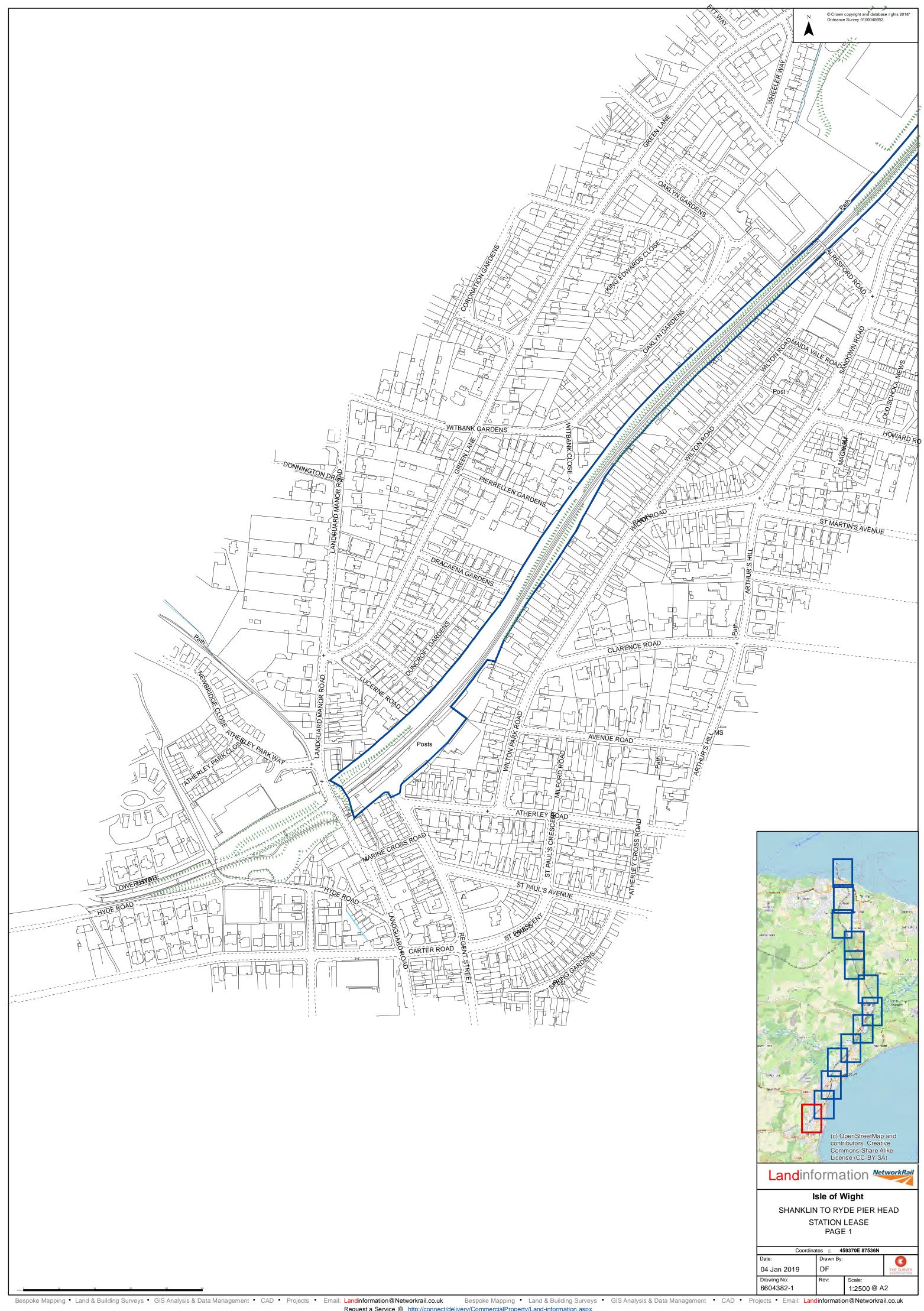
1. Site	
Site location and description	The eight railway stations, one passenger light maintenance depot, all of the Track, the land in the vicinity of the Track, and all of the Railway Infrastructure located on the Isle of Wight which it is proposed to dispose by way of a lease.
Plans attached: (all site plans should be in JPEG format, numbered and should clearly show the sites location approximate to the railway)	As detailed in Plan 6604382-1 attached- the land to be leased is identified edged blue on the plans
Clearance Ref:	Clearance is not required as this is a lease renewal and the demise area is not being altered
Project No.	N/A
Ordnance survey coordinates	459370E 87536N
Details of attached photographs (as required)	N/A
2. Proposal	
Type of disposal	A 20 year Lease of the eight railway stations, one passenger light maintenance depot, all of the Track, the land in the vicinity of the Track, and all of the Railway Infrastructure. The lease will be excluded from sections 24-28 of the Landlord and Tenant Act 1954.
Proposed party taking disposal	First MTR South Western Trains Limited (operating as South Western Railway)

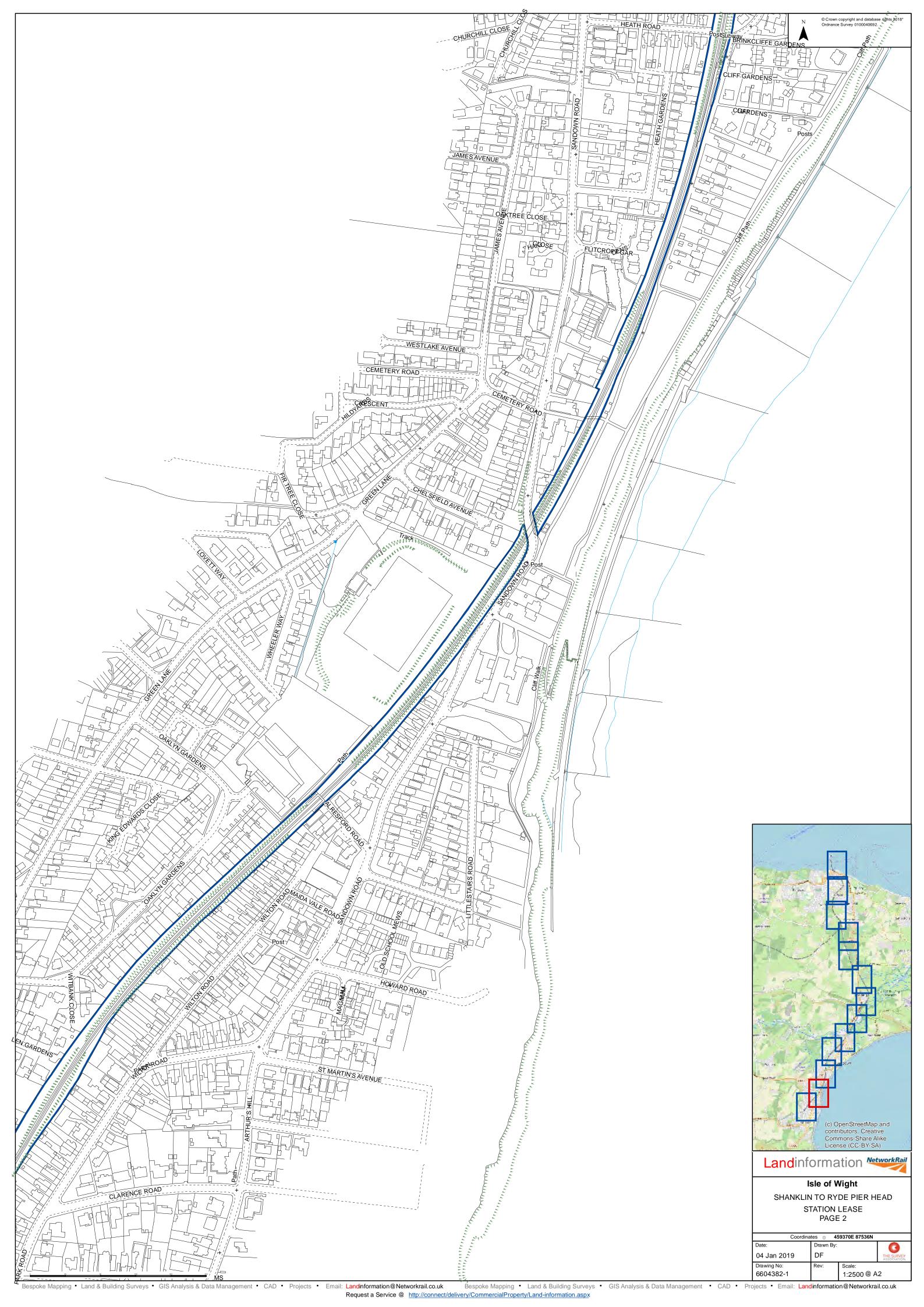
Proposed use / scheme	The provision of railway services on the Isle of Wight to support the South Western Passenger Franchise Agreement and subsequent franchises
Access arrangements to / from the disposal land	As the leased area includes all stations, light maintenance depot all of the Track, the land in the vicinity of the Track, and all of the Railway Infrastructure there are sufficient access arrangements within the lease
Replacement rail facilities (if appropriate)	N/A
Anticipated rail benefits	To support the South Western Passenger Franchise Agreement and subsequent franchises. This will enable the tenant to continue to provide a railway service on the Isle of Wight. The Island Line runs for 8.5 miles from Ryde Pier Head to Shanklin on the Island's east coast. Trains connect with passenger ferries to Portsmouth Harbour at Ryde Pier Head, which connect with the rest of the National Rail network. The line also connects to the Isle of Wight Steam Railway, a steam-operated heritage railway at Smallbrook Junction.
Anticipated non-rail benefits	The continued provision of railway services on Isle of Wight will also generate social value and contribute to the local economy
3. Timescales	
Comments on timescales	It is planned to grant the new lease from 1st April 2019
4. Railway Related Issues	
History of railway related use	This is a renewal of the current Island Line lease which has been in place for the last 25 years.
When last used for railway related purposes	The site is currently used for railway related purposes.

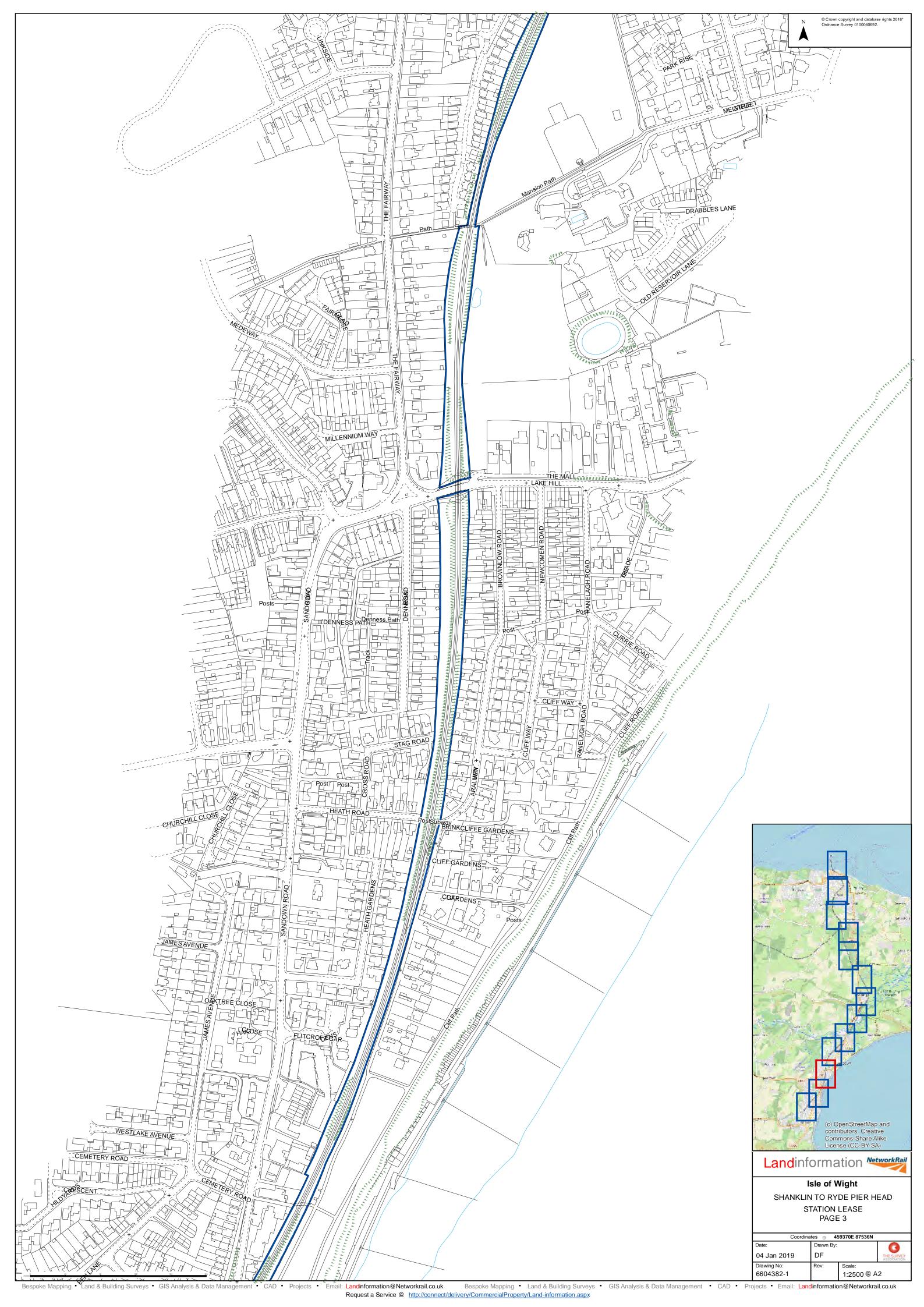
Any railway proposals affecting the site since that last relative use	None known
Impact on current railway related proposals	The current South Western Passenger Franchise Agreement supports the continued provision of Railway Services on the Isle of Wight and the proposed disposal will support this.
Potential for future railway related use	A 20 year lease will enable any future Passenger Franchise Agreements to continue to provide a railway service on the Isle of Wight, connecting with passenger ferries to Portsmouth Harbour at Ryde Pier Head, which connect with the rest of the National Rail network.
Any closure or station change or network change related issues	None – the railway services on the Isle of Wight are not regulated
Whether disposal affects any railway (including train operator) related access needs, and how these are to be addressed in future	The proposed disposal will enable the current train operator to continue to provide railway services on the Isle of Wight during the length of their franchise. It will also enable any future operators to provide railway services as the lease can be assigned to another approved party.
Position as regards safety / operational issues on severance of land from railway	The disposal does not include any requirement for new fencing of the railway boundary, as sufficient fencing already exists.
	The disposal is on a basis under which Network Rail has had due regard (where applicable) to impact of the disposal on lineside works, including railway troughing, signalling and their maintenance. The disposal is without prejudice to Network Rail's safety obligations, with which Network Rail will continue to comply. Network Rail's network licence requires compliance with Railway Group Standards. These set out requirements for – amongst other things – fencing, access and signal sighting. In addition, the Railways and Other Guided Transport Systems (Safety) Regulations 2006 require Network Rail to have a safety management system and safety authorisation in respect of its mainline railway system and its railway infrastructure. These, in turn, require Network Rail to comply with Railway Group Standards as well as its own internal standards; and also continually to monitor changes to the risks arising from its operations and to introduce new control measures as appropriate.

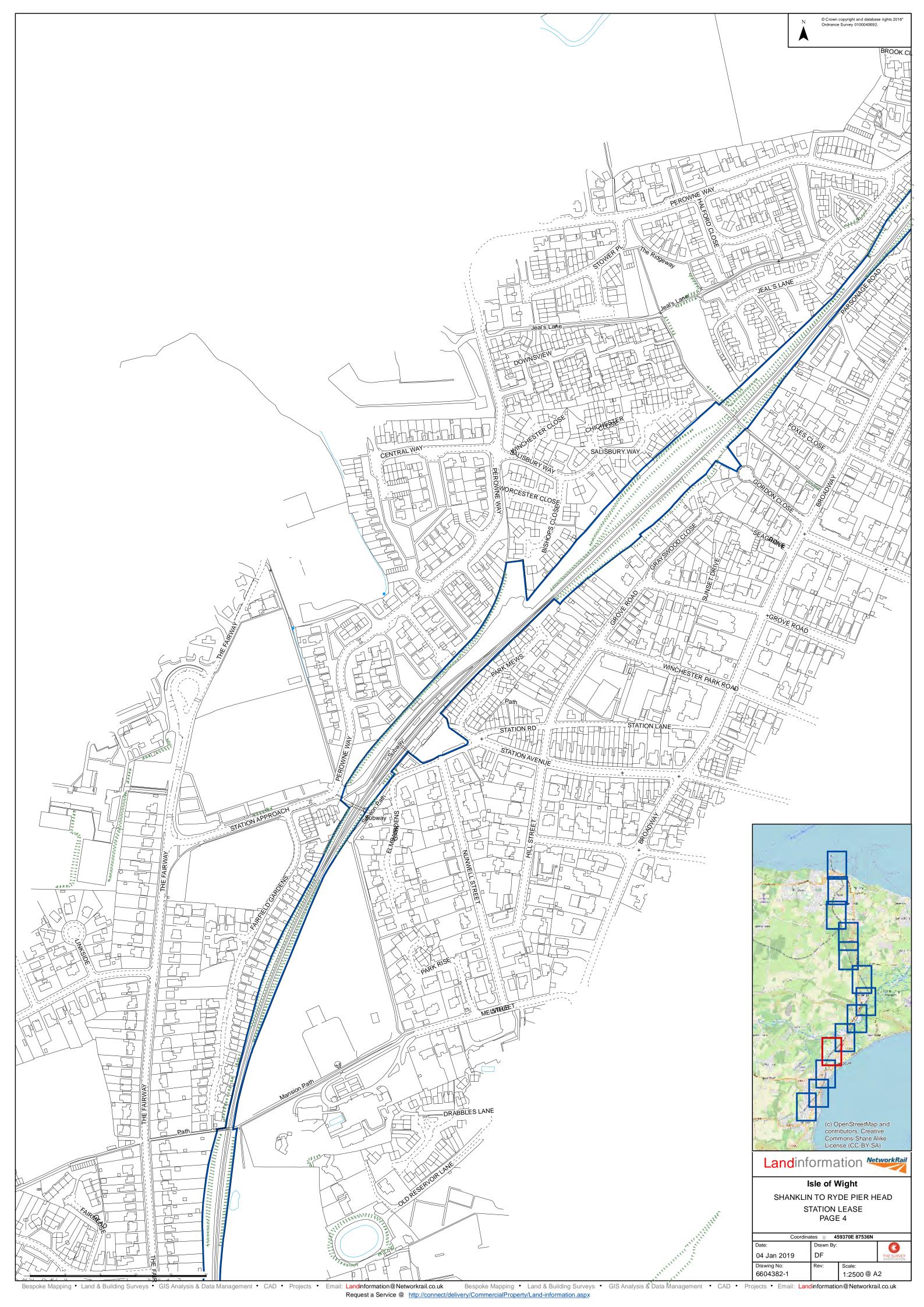
5. Planning History and Land Con	tamination
Planning permissions / Local Plan allocation (if applicable)	N/A
Contamination / Environmental Issues (if applicable)	N/A
6. Local Authorities	
Names & Email Addresses:	Isle of Wight Council - XXXX
Local Transport Authorities:	Isle of Wight Council – Highways and Transportation department - XXXX
Other Relevant Local Authorities:	None
7. Internal approval to consult	
Recommendation:	 By proceeding to consult I am: recommending that Network Rail consults on the terms of disposal confirming that I have read and understood Network Rail's Code of Business Ethics and policy on Interests in Transactions confirming that I have secured internal written approval to consult in accordance with Network Rail's policy on Authorising Application Forms.
8. Consultations	
Internal consultation	The Head of Franchise Management and Route Asset Management teams in Wessex Route have been consulted and support the proposed disposal

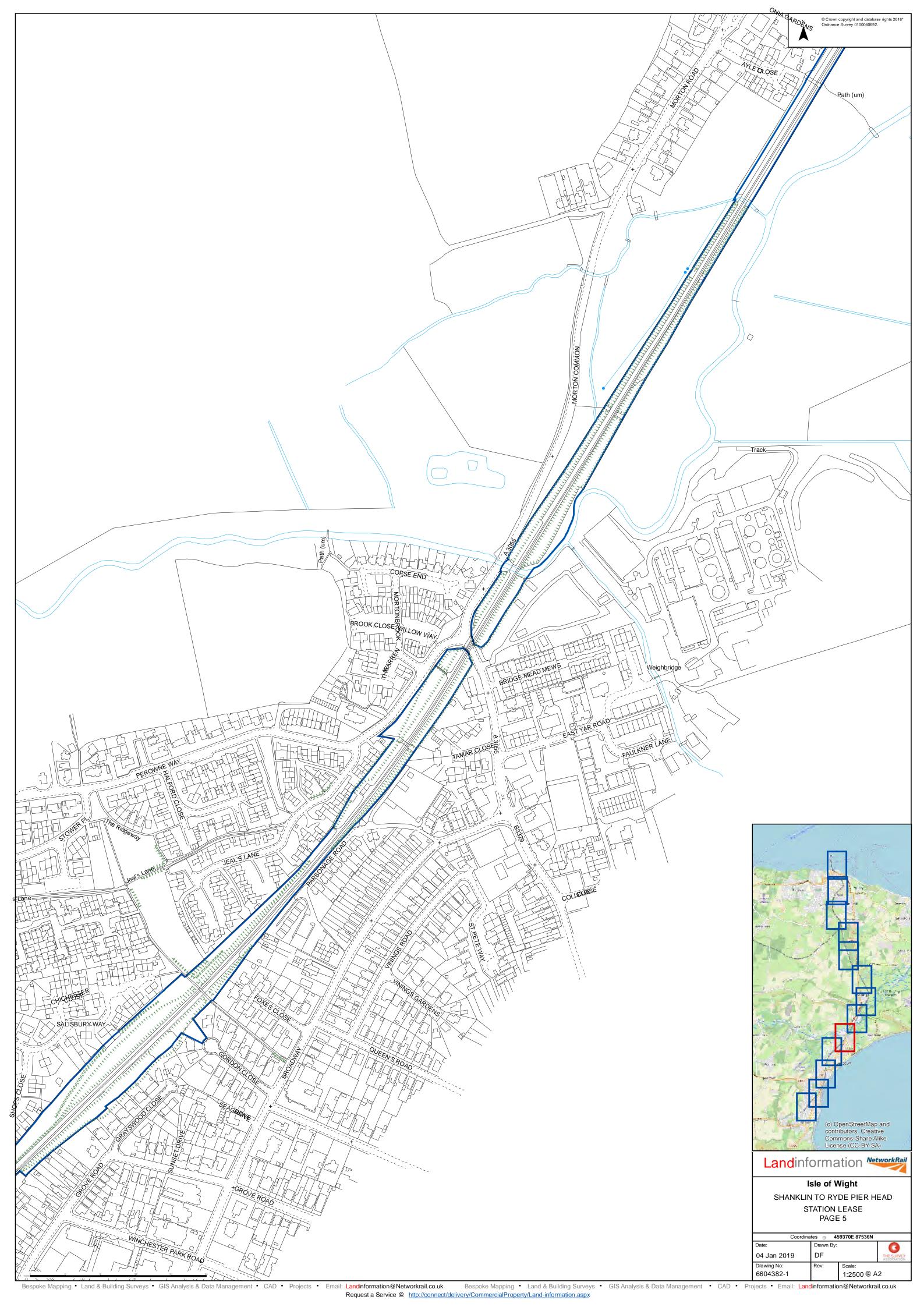
Summary of position as regards external consultations	N/A		
Analysis of any unresolved objections together with recommendation by Network Rail as regards a way forward	N/A		
9. Internal approval to dispose			
Recommendation:	Based on the above, I recommend that Network Rail proceeds with the disposal		
Declaration:	I have read and understood Network Rail's code of Business Ethics and Policy on Interests in Transactions		
Proposer's name:	Proposer's job title:		
XXXX	Station and Depot Portfolio Manager		
Signed	Date31/03/19		
Authorised by (name):	Authoriser's job title:		
XXXX	Leasing Manager		
Signed	Date31/03/19		

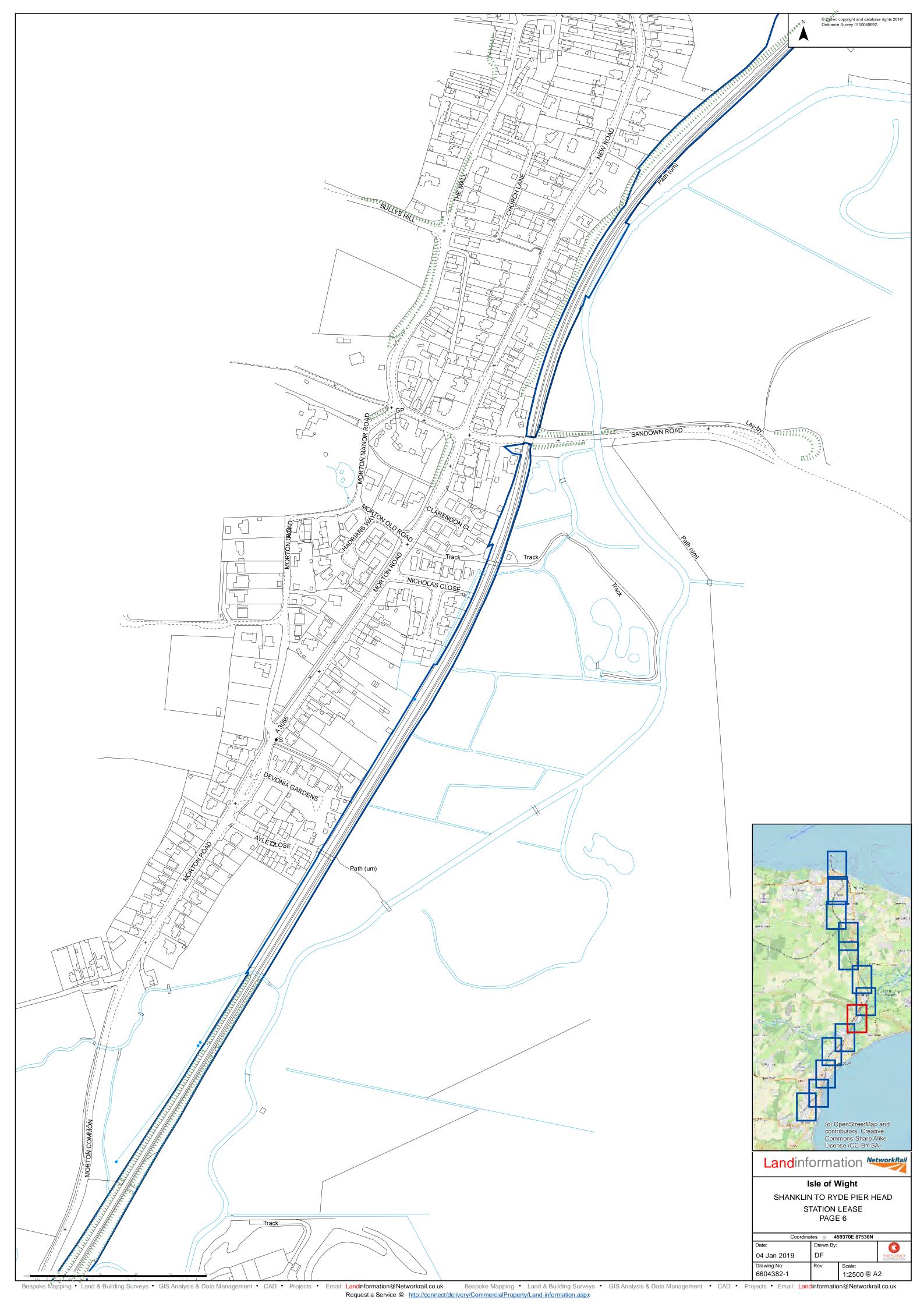


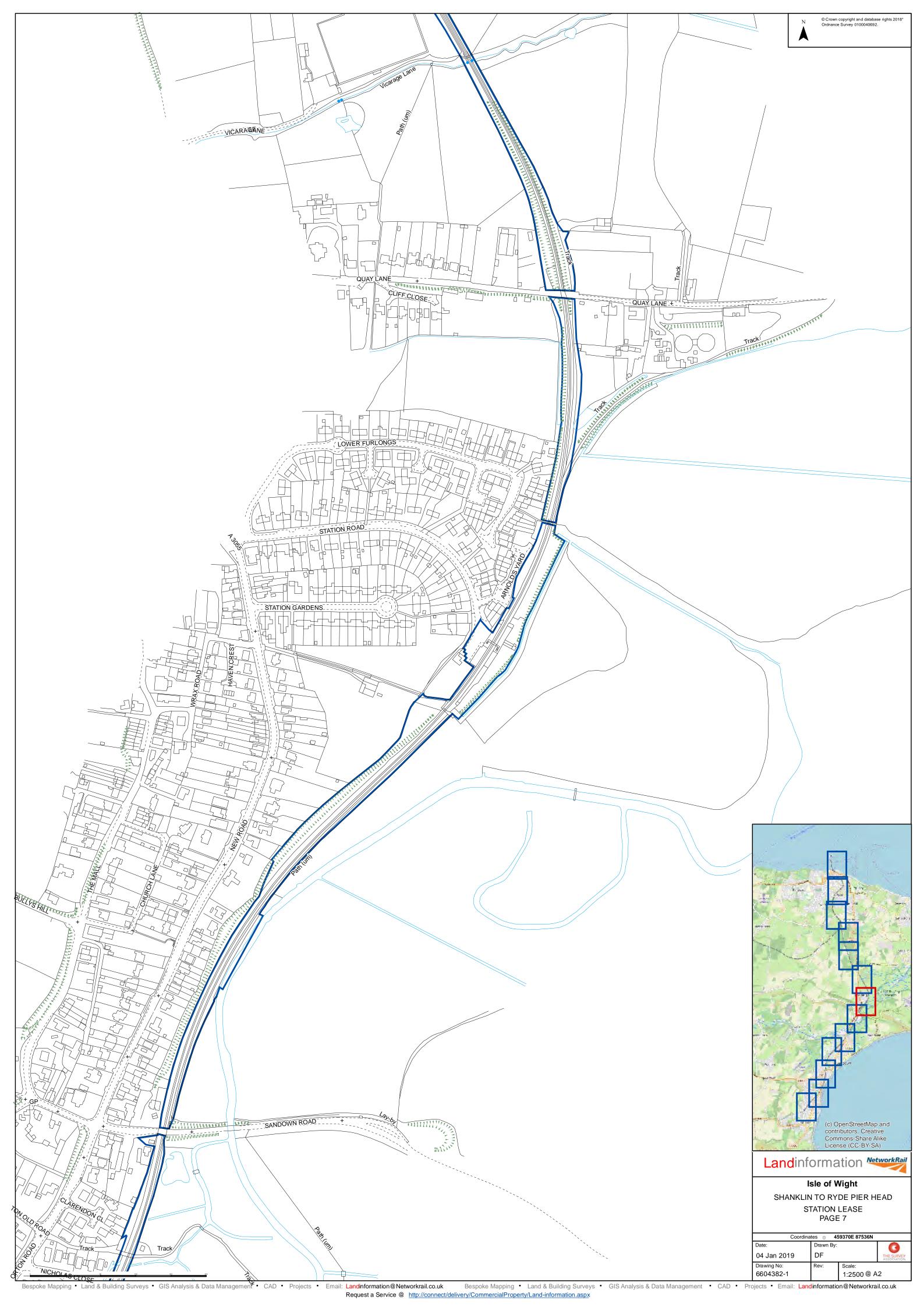




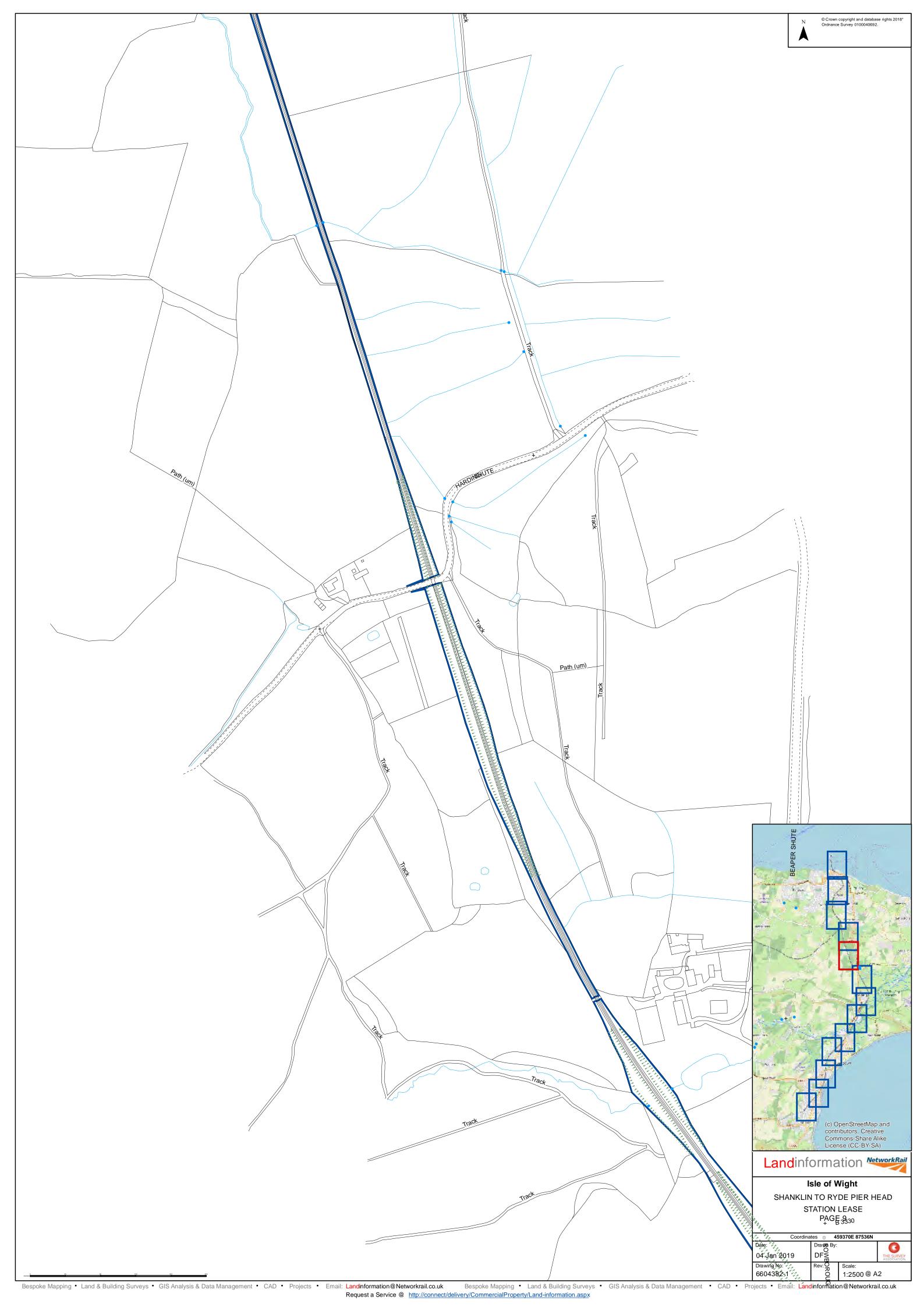


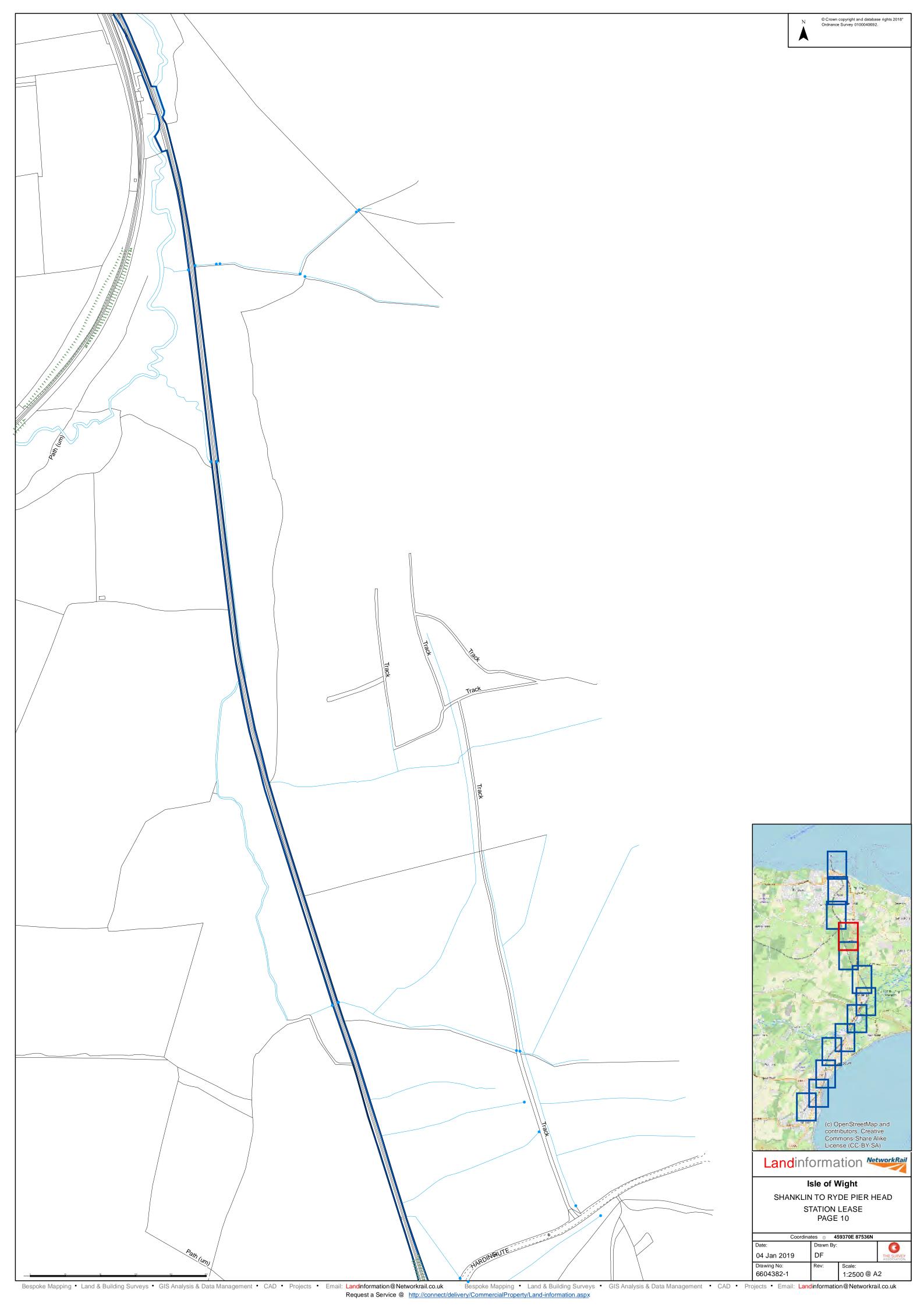


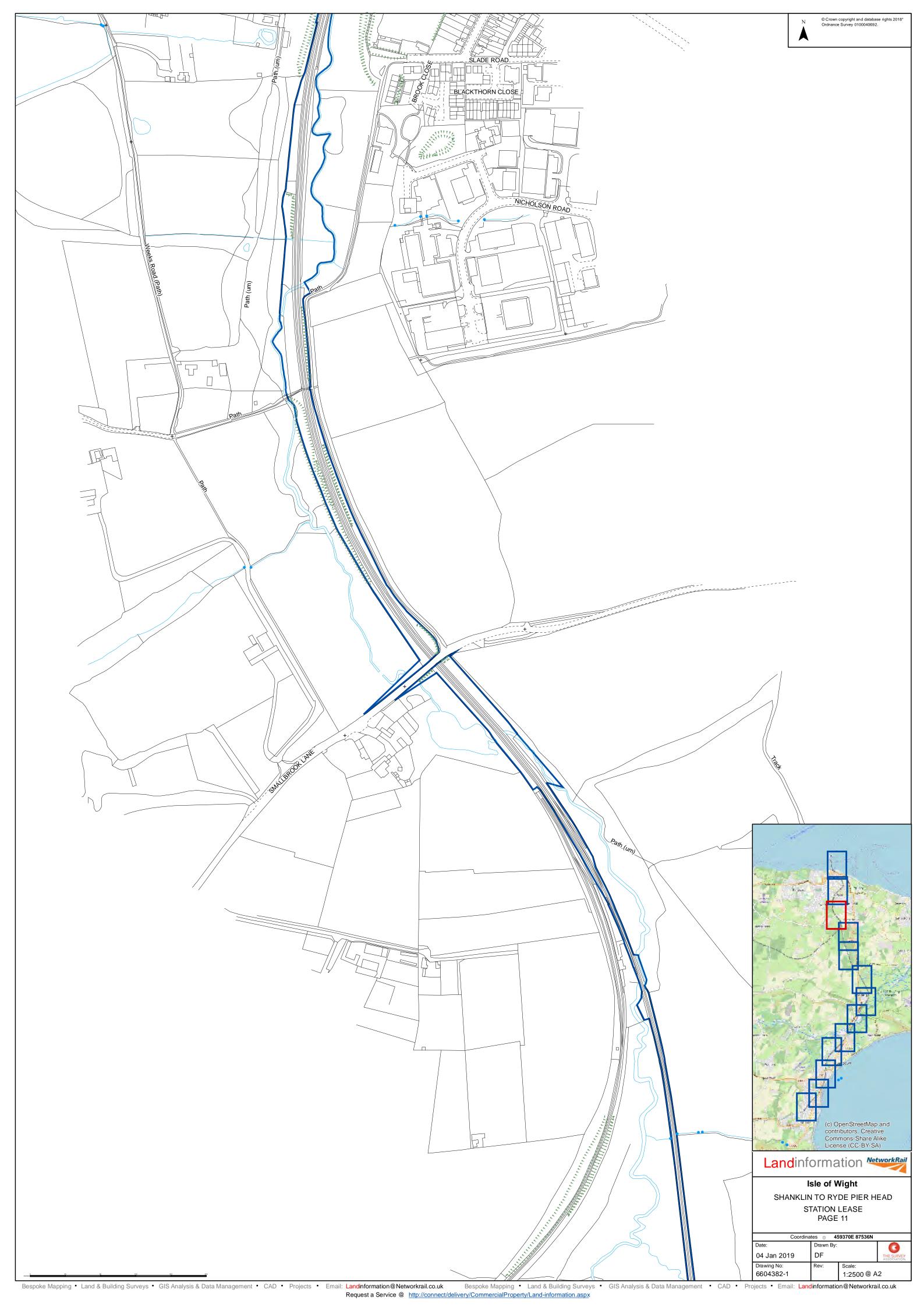


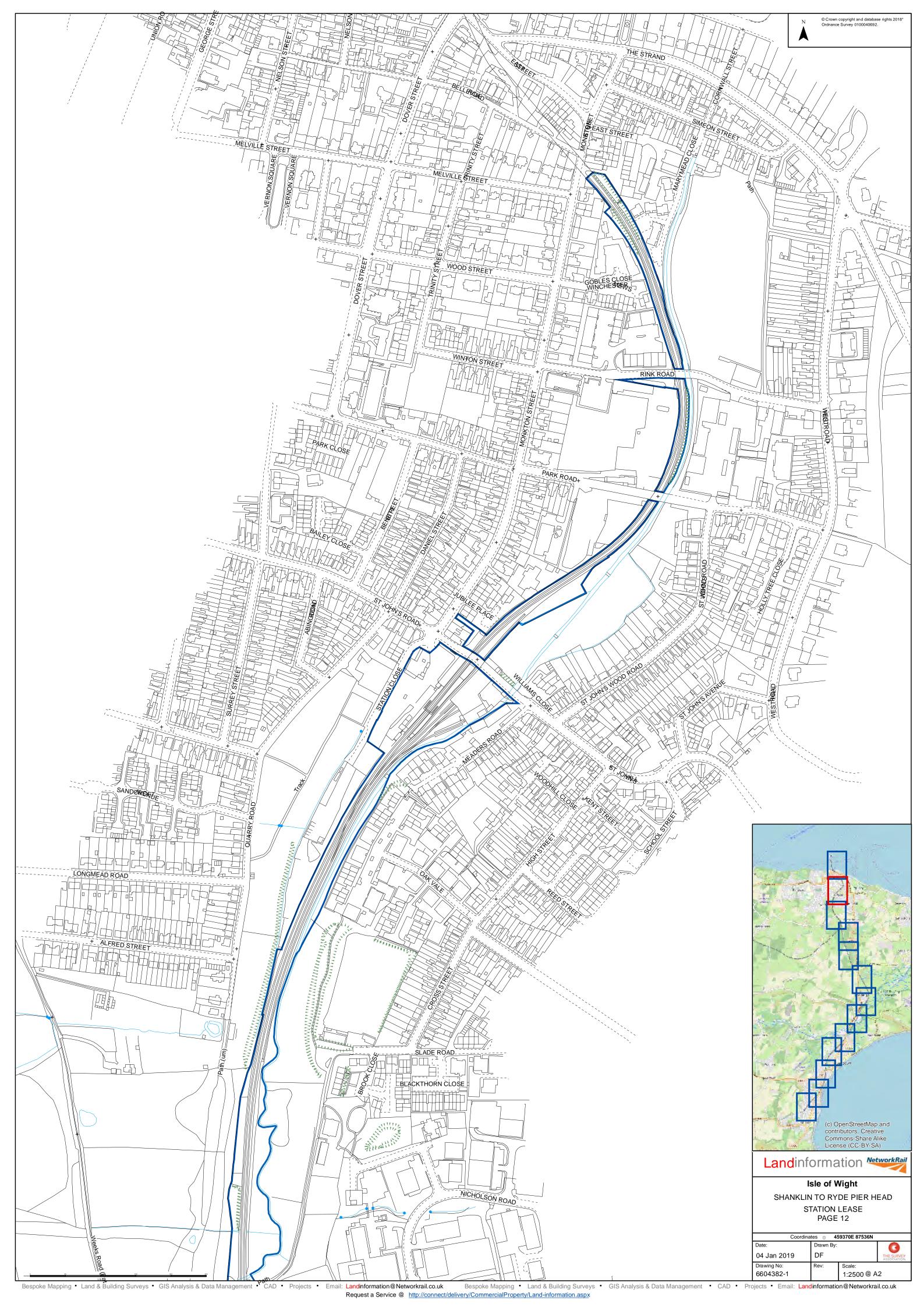


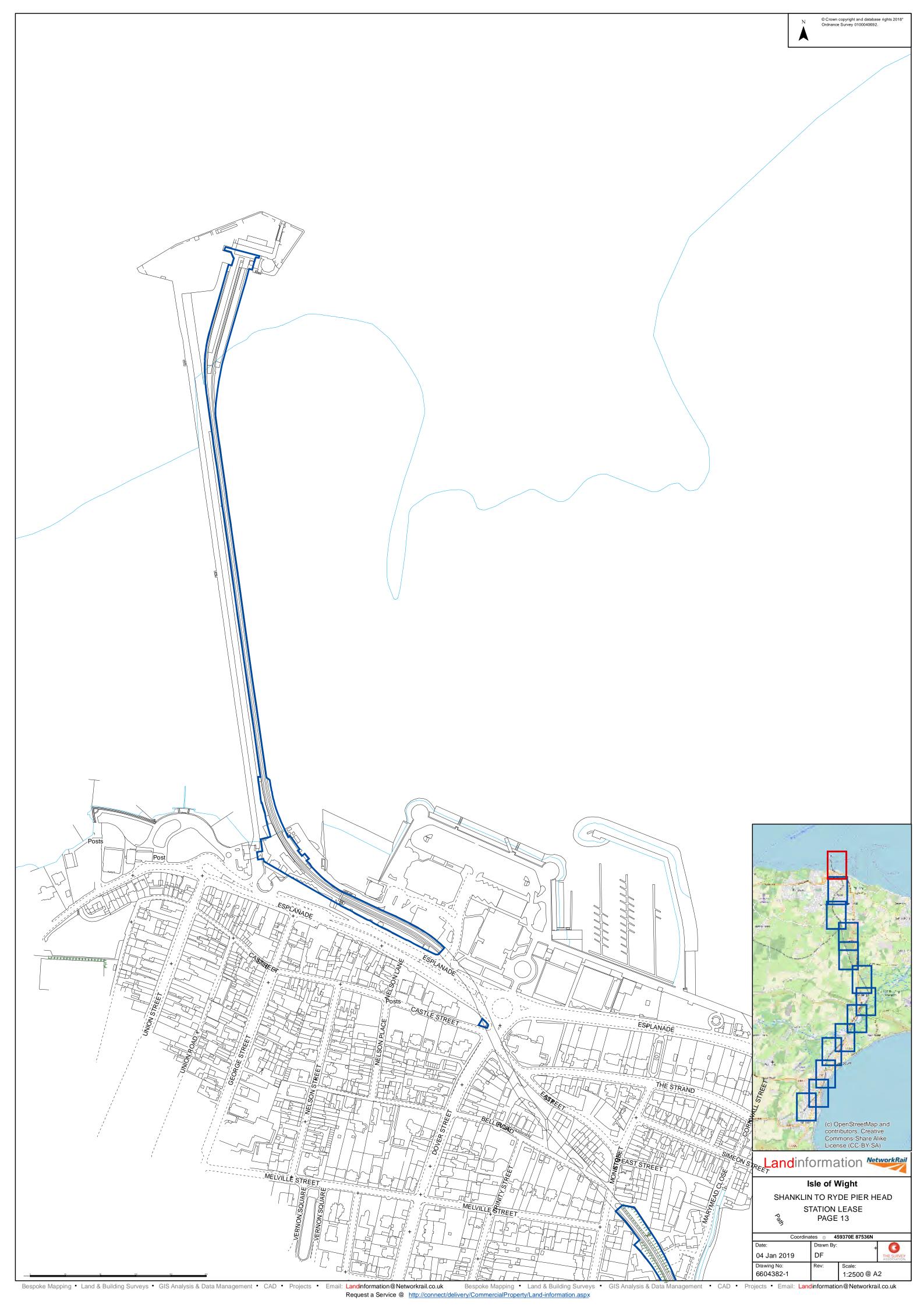












CONSULTATION REPORT

relating to

PROPOSED LAND DISPOSAL

This report is provided as a supplement to our forms for the proposed disposal of land at:

Site location and description: The eight railway stations, one passenger light maintenance depot, all of the Track, the land in the vicinity of the Track, and all of the Railway Infrastructure located on the Isle of Wight which it is proposed to dispose by way of a lease.

We have consulted in relation to this evaluation, and summarise the results of this as follows:

Summary of position regarding responses: 22 parties were consulted. 12 parties either supported or raised no objection. 10 parties did not respond to the consultation. No objections were received. Responses were received from the local council, TOC, ACORP,

and Isle of Wight Steam Railway who were considered to be the key consultees.

The full list of external consultees is set out below:

No.	External party (name)	Contact name, email a telephone	address and	Whether response received (y/n)	Date of response	Details of response (e.g. "no comment"), with reference to any accompanying copy representation in annexes to this report	(e.g. as regards endeavours to obtain response where none given)
1	South Western Railway			Yes	21/02/19	I formally confirm that SWR and First Group PLC do not have any formal objections to the proposed land disposal	
2	Alliance Rail Holdings			No	n/a	No response	Sent chaser e-mails

					on 18 th and 28 th February
3	Renaissance Trains	No	n/a	No response	Sent chaser e-mails on 18th and 28th February
4	Direct Rail Services Limited (DRS)	Yes	11/02/19	DRS have no comments.	
5	DB Cargo (incl Rail Express Systems,	No	n/a		Sent chaser e-mails on 18th and 28th February
6	West Coast Railway Company	No	n/a		Sent chaser e-mails on 18th and 28th February
7	COLAS Freight	No	n/a		Sent chaser e-mails on 18th and 28th February
8	Freight Transport Association	Yes	01/03/19	FTA does not have a comment on these proposals	
9	Freightliner Limited	No	n/a		Sent chaser e-mails on 18th and 28th February
10	GB Railfreight Limited	Yes	31/01/19	No comment from GBRf.	
11	Rail Freight Group	Yes	31/01/19	Ok with RFG	
12	Hutchison Ports (UK)	No	n/a		Sent chaser e-mails on 18th and 28th

					February
13	Roadways Container Logistics	No	n/a		Sent chaser e-mails on 18th and 28th February
14	Associated British Ports	Yes	31/01/19	No comment	
15	Association of Community Rail Partnerships	Yes	05/02/19	No comment	
16	Isle of Wight Community Rail Partnership	No	n/a		Read receipt on 08/02/19. Sent chaser e-mails on 18th and 28th February
17	British Transport Police	No	n/a		Sent chaser e-mails on 18th and 28th February
18	Isle of Wight Council	Yes	18/02/19	I can confirm that the Council does not object to the lease renewal on the basis of the information you have provided.	
19	The IOW Steam Railway	Yes	19/02/19	We have no comment to make on this.	

20	Transport Focus	Yes	21/02/19	Passengers and stakeholders await the long-promised improvements to the loW's railway. Transport Focus has no objection to the proposed disposal and hopes the renewed lease will soon see the release of the DfT's response to the "priced option" submitted last May.	
21	DfT	Yes	21/02/19	DfT (Rail Infrastructure South) wishes no make no comment in respect of this land disposal proposal.	
22	W. H. Malcolm	Yes	31/01/19	No objections.	
23					

Copies of responses are given in the annexes to this report, as indicated above.

A copy of the consultation request (before customisation for any individuals) is given in Annex 2

Annex 1

1. South Western Railway

From: @firstgroup.com

Sent: 21 February 2019 17:34

To: @networkrail.co.uk

Cc: @swrailway.com; @FirstGroup.com

Subject: RE: Consultation on proposed land disposal: Isle of Wight

I formally confirm that SWR and First Group PLC do not have any formal objections to the

proposed land disposal.

Kind regards,

Group Property Director

FirstGroup plc

Office: 8th Floor, The Point, 37 North Wharf Road, London W2 1AF

Landline: Mobile :

www.firstgroupplc.com

XXXX

2. Direct Rail Services Ltd

From: @drsl.co.uk

Sent: 11 February 2019 12:44

To: @networkrail.co.uk

Subject: RE: Consultation on proposed land disposal: Isle of Wight

Hi

DRS have no comments.

Best Regards,

Procurement Apprentice Direct Rail Services Ltd

Regents Court Baron Way Carlisle

CA6 4SJ T:

E: XXXX

3. Freight Transport Assocation

From: @fta.co.uk

Sent: 01 March 2019 13:28 To: @networkrail.co.uk

Subject: RE: Consultation on proposed land disposal: Isle of Wight

Dear

FTA does not have a comment on these proposals

Kind regards

Director of UK Policy

Freight Transport Association

Mobile:

www.fta.co.uk

4. GB Railfreight Ltd

From: @gbrailfreight.com Sent: 31 January 2019 17:47 To: @networkrail.co.uk

Subject: Re: Consultation on proposed land disposal: Isle of Wight

No comment from GBRf.

Regards,

Head of Capacity Planning, GB Railfreight Ltd., 3rd Floor, 55 Old Broad Street, London, EC2M 1RX.

Tel: Mobile:

E-mail: XXXX

GB Railfreight Ltd. Registered in England & Wales No. 03707899. Registered Office: 3rd Floor, 55 Old Broad Street, London, EC2M 1RX.

5. Rail Freight Group

From: @rfg.org.uk

Sent: 31 January 2019 11:29 To: @networkrail.co.uk

Subject: RE: Consultation on proposed land disposal: Isle of Wight

Ok with RFG

Director General Mobile



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6. Associated British Ports

From: @abports.co.uk Sent: 31 January 2019 10:23 To: @networkrail.co.uk

Subject: RE: Consultation on proposed land disposal: Isle of Wight

Dear,

No comment. Thank you.

Huw Turner | Group Head of Property | Associated British Ports Queen Alexandra House | Cargo Road | Cardiff | CF10 4LY

Tel: | Mob: | www.abports.co.uk



Delivering Property Solutions

New website now launched property.abports.co.uk

7. Association of Community Rail Partnerships

From: @acorp.uk.com

Sent: 05 February 2019 17:52 **To:** @networkrail.co.uk

Subject: RE: Consultation on proposed land disposal: Isle of Wight

No comment

Senior Operations Manager



Mobile

Web: acorp.uk.com

The Old Water Tower, Huddersfield Railway Station, St Georges Square, Huddersfield HD1 1JF

8. Isle of Wight Council

From: @IOW.gov.uk

Sent: 18 February 2019 16:31 **To:** @networkrail.co.uk

Subject: RE: Consultation on proposed land disposal: Isle of Wight

Dear

Many thanks for your email, it does clarify the position.

I can confirm that the Council does not object to the lease renewal on the basis of the information you have provided.

Kind regards

From: networkrail

Sent: 18 February 2019 16:18

To:

Subject: RE: Consultation on proposed land disposal: Isle of Wight

Dear

Thank you for your enquiry. As part of Network Rail's Licence from the Office of Rail and Road it is required to consult with a range of stakeholders before it enters into certain disposals (including leases) of its assets.

The current lease to South Western Railway expires in March and the intention is to grant further lease to SWR as set out in their Franchise Agreement. This will have no impact on your proposed works as it will be the same tenant and broadly on the same terms as the current lease.

If you required any further information please let me know. Otherwise if you are able to confirm you have no objection before 28 February I would be grateful.

Regards

9. The IOW Steam Railway

From: @iwsteamrailway.co.uk Sent: 19 February 2019 09:26

To: @networkrail.co.uk

Cc: @swrailway.com; @firstgroup.com; @networkrail.co.uk; @iwsteamrailway.co.uk;

@outlook.com; @aol.com; @iwsteamrailway.co.uk; @icloud.com **Subject:** Consultation on proposed land disposal: Isle of Wight

Dear

Thank you for your e-mail of 31st January.

We have no comment to make on this.

Kindest regards,

Director & Trustee,
Isle of Wight Steam Railway
Direct line: (if no reply, please ring and ask for)

Registered Address:

The Isle of Wight Railway Company Limited, The Station, Havenstreet, Ryde, Isle of Wight. PO33 4DS A Company registered in England No: 1068690 A registered educational charity No: 280918.

www.iwsteamrailway.co.uk

10. Transport Focus

From: @transportfocus.org.uk
Sent: 21 February 2019 11:40
To: @naturalyrail.co.uk

To: @networkrail.co.uk

Subject: Re: Consultation on proposed land disposal: Isle of Wight 3101c19

Thank you for sending Transport Focus the draft details of the proposed land disposal in the Isle of Wight. They note that:

it is proposed to renew, to South Western Railway, the lease of the Island Line's infrastructure for 20 years from the 1st of April, 2019;

the lease includes the eight stations, the passenger light maintenance depot, all the track and the land within the railway's boundaries;

the lease can be assigned to another approved party, should another operator be designated; the proposal is supported by Network Rail.

Passengers and stakeholders await the long-promised improvements to the IoW's railway. Transport Focus has no objection to the proposed disposal and hopes the renewed lease will soon see the release of the DfT's response to the "priced option" submitted last May.

Local concerns

Regards,

Tel.

11. DfT

From: @dft.gov.uk

Sent: 21 February 2019 15:19

To: @networkrail.co.uk

Subject: RE: Consultation on proposed land disposal: Isle of Wight

Good afternoon,

DfT (Rail Infrastructure South) wishes no make no comment in respect of this land disposal proposal.

Regards,

Briefing and Correspondence Manager, Great Western and Wessex, Rail Infrastructure South, Department for Transport 4/27

12. W H Malcolm

From: @whm.co.uk

Sent: 31 January 2019 09:55
To: @networkrail.co.uk

Subject: RE: Consultation on proposed land disposal: Isle of Wight

No objections.

Regards

Business & Estate Manager | W H Malcolm Ltd

Malcolm Group, Brookfield House, 2 Burnbrae Drive, Linwood, Renfrewshire PA3 3BU

DD: | Mobile:

Email: @whm.co.uk | Web: www.malcolmgroup.co.uk | Malcolm Group on LinkedIn

Annex 2 - A copy of the consultation request

From:

Sent: 31 January 2019 09:52

To: @firstgroup.com; @alliancerail.co.uk; @aol.com; @colasrail.co.uk; @drsl.co.uk; @deutschebahn.com; @fta.co.uk; @Freightliner.co.uk; @aol.com; @hpuk.co.uk; @maritimetransport.com; @abports.co.uk; @acorp.uk.com; @isleofwightcrp.co.uk; @btp.pnn.police.uk; @iow.gov.uk; @iwsteamrailway.co.uk; @Transportfocus.org.uk; @dft.gsi.gov.uk; @whm.co.uk

Cc:

Subject: Consultation on proposed land disposal: Isle of Wight

Dear Consultee

We are currently seeking views of relevant parties on our proposed land disposal at the Isle of Wight by way of Lease of the eight railway stations, one passenger light maintenance depot, all of the Track, the land in the vicinity of the Track, and all of the Railway Infrastructure located on the Isle of Wight. We attach a draft application form which together with the related plan(s), explains the proposed land disposal in detail.

Following this consultation and having considered any comments that are received we intend to submit a formal application to ORR for consent to dispose under the terms of our network licence.

Any application made will be based on our draft application form, updated in light of consultation responses. It is therefore important that we have your views on the proposed disposal.

We request your comments by e-mail by **Thursday 28 February 2019** (including any "no comment" response).

If a formal application to ORR is made we will, in accordance with ORR's regulatory arrangements for land disposal, send you a notification of our application in due course.

If you have any queries regarding our proposal do not hesitate to contact us. If future consultations of the nature should be directed elsewhere within your organisation please advise us of the appropriate contacts details so that we may amend our records.

Yours faithfully

Station & Depot Portfolio Manager

networkrail.co.uk