

**MOORLAND & CITY RAILWAYS LTD  
APPLICATION FOR PLANNING PERMISSION FOR  
RESIDENTIAL DEVELOPMENT  
LEEKBROOK JUNCTION  
LEEK  
STAFFORDSHIRE.**

**FUNDING AND DELIVERY PROPOSALS FOR THE NEW  
RAILWAY INTO LEEK ENABLED BY THE APPLICATION  
DEVELOPMENT.**

**Introduction**

This planning application covers, amongst other things, the proposed development of 89 residential units of various types. From previous discussion with officers at the District Council and from the accompanying Planning Statement, it will be seen that a principle objective of a successful application is to produce sufficient funding to enable the railway at Leekbrook, owned and operated by Moorland & City Railways Ltd ( MCR) and the Churnet Valley Railway ( 1992) PLC ( CVR.) to be extended into Leek on the following basis :-

- 1) The railway extension is shown on plan no.      which accompanies the application.
- 2) The cost of the railway development and the extent of the work is as contained in the Capita Report " Leekbrook to Leek Track Estimate Commentary " ( the Report.) which accompanies the application. ( See note 1 below for Capita's role.)
- 3) The applicant's obligations under any planning consent extend to the provision of funding as identified in the Report but not to the construction of the new line.

This document covers the applicant's proposals in respect of:-

- 1) The funding condition to be included in a planning permission.
- 2) The mechanism to be used for the secure holding of all monies to be used in the construction of the railway.
- 3) A suggested method of delivery by which the railway will be constructed and opened.

Points 1 & 2 above will form part of any planning permission or its accompanying documentation. Point 3 is outside the scope of this application but is the applicant's suggested method of choice by which the new line will be constructed.

### The Funding Condition

Before any development permitted by this consent ( to include additional aspects approved under later reserved matters applications.) is commenced, the applicant will deposit a sum representing the total cost of the railway extension as detailed in the Report into a bank account to be approved by the LPA.

### The Funding Mechanism

- 1) The District Council will set up a new dedicated bank account at any UK clearing bank of its choice.
- 2) This account will hold only monies deposited by the applicant under the Funding Condition and all interest that accrues to the account.
- 3) Payments made for line construction works from the account will be as directed by MCR and requests for payment must be accompanied by a certificate from Capita confirming that the amount requested is correct, fairly relates to the works contained in the detailed specification for the project and that the works carried out are of the appropriate quality.
- 4) All bank statements on the account will be copied to MCR as and when they are received by the Council.
- 5) On completion of the new railway works, all remaining unspent monies in the account will be returned to MCR. For this purpose, completion will occur following sign off and certification by Capita as to works and value and approval for running purposes by HM Railway Inspectorate.
- 6) If, within a period of 5 years commencing on the date of the Leekbrook planning consent, the line extension has not been commenced through no fault of MCR, CVR or the PLC or if the Council decides within this period not to proceed with the project, then all monies, including accrued interest, held in the account will be returned to MCR. If, within the same time period, the line extension has not been commenced due to reasons directly attributable to any failing on the part of MCR, CVR or the PLC, then in these circumstances, the Council may proceed with the project itself and utilise the monies held in the account for that purpose. Both parties will act in good faith in the application of this provision.

### A Suggested Delivery Mechanism.

[It is emphasised that the following is a suggested proposal only and is not intended to form part of any planning obligation resulting from this present consent.](#)

- 1) A new unquoted PLC would be set up to carry out the new railway development.

- 2) Suggested shareholdings would be 51% to MCR, 30% to CVR and 19% to the Council ( See note 2 below.)
- 3) Directors would come from MCR and CVR and the Council if it wished to have this type of representation. If not, there would need to be a reporting mechanism to the Council say, every three months.
- 4) The Council would lease that part of the trackbed and any other land in its ownership required for the railway to the PLC. Suggested term would be 150 years ( to match MCR leases with Network Rail on the Stoke - Cauldon line.) and rent would be a peppercorn.
- 5) Capita will prepare a detailed design and technical specification for the new line construction.
- 6) The PLC would be the developer for the purposes of the line construction, project managed by MCR and certified by Capita.
- 7) Post completion, the PLC would act as infrastructure owner with responsibility for repairs etc to the new line and would collect charges from users eg. CVR, MCR and possibly others.
- 8) New PLC has the advantages of no historic debt structure and the ability to raise additional capital through share issues.
- 9) The location of a station site in Leek is the biggest remaining issue for the Council to consider. All parties would be under a time defined obligation to cooperate on the agreement of this.

Note 1 - Capita Property and Infrastructure Ltd. are MCR's appointed engineers and technical consultants for the whole of MCR's project.

Note 2 - It is understood that the Council can not hold more than a 19% shareholding in a PLC.