

# Decision Pathway Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 03 December 2019

<b>TITLE</b>	<b>Local Growth Fund Re-allocation, including Portway Park &amp; Ride Rail Station</b>	
<b>Ward(s)</b>	Avonmouth & Lawrence Weston	
<b>Author:</b>	<b>Andrew Davies / Douglas Sole</b>	<b>Job title: Principal Transport Planner</b>
<b>Cabinet lead:</b>	<b>Cllr Kye Dudd</b>	<b>Executive Director lead: Stephen Peacock</b>
<b>Proposal origin:</b> <i>BCC Staff</i>		
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> <i>Cabinet</i>		
<b>Purpose of Report:</b> <ol style="list-style-type: none"><li>1. To provide information on the status of the remaining Bristol allocation of the Local Growth Fund (LGF) Sustainable Transport Package (STP) funding.</li><li>2. To seek approval to submit requests to the West of England (WoE) Local Enterprise Partnership (LEP) to re-allocate £1m LGF STP funding to the Portway Park &amp; Ride Rail Station project and to spend this funding subject to requests being approved.</li><li>3. To provide an update on the Portway Park &amp; Ride (P&amp;R) Station Project, including changes to project costs and programme.</li></ol>		
<b>Evidence Base:</b> <ol style="list-style-type: none"><li>1. There is £3.266m LGF STP funding remaining to be allocated to Bristol projects; Cabinet approval was granted on 4 September 2018 to submit an outline business case for this funding to be utilised on Redcliffe Corridor. This funding was not given effect to as delivery of the project was deemed unachievable during the timescales of the funding. This funding is therefore eligible for re-allocation to schemes which meet the desired objectives.</li><li>2. £1.824m of this funding is provisionally allocated to the A4018 project, subject to completion of Full Business Case; this leaves £1.442m to be allocated. BCC Cabinet approval for the allocation of LGF STP funding to the A4018 Corridor project was given on 18 June 2019.</li><li>3. LGF STP funding is required to be utilised by March 2021 or it will be returned to central government. The West of England LEP administers the fund on behalf of the local councils.</li><li>4. This funding must be used on projects to promote sustainable transport by delivering infrastructure improvements.</li><li>5. Following detailed development of the Portway P&amp;R Station project, the cost estimate for completing the project now has a funding gap of £1m to £1.3m, so it is recommended that £1m of the unallocated LGF funding be requested for this project, subject to WoE LEP approval, in order to secure the project's delivery.</li><li>6. The remaining £0.442m is intended to be allocated to the Hengrove Junctions Improvement Project, but the details of this will not be included in this report, as the costs for this project have not yet been confirmed.</li></ol>		
<b>Portway P&amp;R Rail Station Background</b> <ol style="list-style-type: none"><li>7. The Portway P&amp;R Rail Station project was considered by BCC's Cabinet in November 2016 when approval was given to bid for funding to deliver the project, and if that bid(s) was successful, to enter into agreements with Network Rail to undertake design and construction of the new station. Following this, BCC successfully bid to both the LEP LGF and the Department for Transport's (DfT) New Stations Fund (NSF) as follows:</li></ol>		

- DfT NSF: £1.672m
  - LGF: £553k
8. In the meantime, the project has been progressing through Network Rail's project development process, known as 'GRIP', which all rail projects must comply with. The 'GRIP4' development work (the detailed development of the preferred option) has now been completed and this has highlighted an increase of total project costs. The cost to complete the core rail elements of the project from this point is now £2.842m plus additional industry risk and fee costs. The full cost of the station, including development work already undertaken and funded, is in the range of £3.4m to £3.6m, depending on detailed design and the level of allowance made for risk, which will be refined with further project development.
  9. The funding gap for completion of the project, including the delivery of wider access arrangements within the Park & Ride site, is in the region of £1m to £1.3m. It is hoped that refined costs following further project development will come in at the lower end of this scale, with potential reductions in risk allowances and opportunities for savings in construction given that it is likely to be a relatively simple construction project in rail station terms. It is therefore proposed to allocate £1m of LGF STP funding with any further funding requirements to be identified and approved as part of the wider annual transport capital programme, funded by the Integrated Transport Block.
  10. There are a number of key areas which have influenced the project's cost increase:
    - Network Rail's presentation of previous project scheme costs did not comprehensively represent full project costs, such as the cost of work already undertaken, project management and contractor overheads / profit.
    - Detailed development of the scheme has highlighted additional costs associated with track drainage, and other construction costs such as foundations for signals, lighting, walkways and associated preliminary works.
    - Platform length design has increased from 105m to 126m and an additional passenger waiting shelter has been included, to future proof the station for longer trains which is an aspiration for the Severn Beach line.
  11. There has been a reduction of costs in some areas of the project as it has developed, for example overall risk costs have reduced, in recognition of a more detailed understanding of overall project costs, which has been informed by a Quantified Cost Risk Assessment that has appraised risk across all areas of the project. The risk allowance is now approximately 18% of total costs to complete the project from this point.
  12. The previous programme set out in the 2016 Cabinet Report aimed to complete the project in 2019. Due to delays in completing the GRIP4 study, and the further delays incurred due to the cost estimate increase, the programme has now been revised for completion at the end of 2020.
  13. The next phase of the project is detailed design. Officers are working with Network Rail and DfT to agree the key deliverables to enable the project to progress into this stage with no financial risk to BCC as the cost of deliverables will be drawn down against the New Stations Fund. However, to enable the project to continue without further delay, BCC needs to identify funding to complete the project and it is felt that the LGF STP is appropriate for this.
  14. Whilst it is disappointing that project costs have increased, it is felt that the reasons for the cost increase relate predominantly to Network Rail project development processes and future proofing of the station, so the project is still considered to be feasible. If the project was to be further delayed, the LGF and DfT grants already allocated to the project would be put at risk, making the station far more challenging to deliver in the future.

**Cabinet Member / Officer Recommendations:**

That Cabinet

1. Delegate authority to the Director, Economy of Place, to submit a request to the West of England Local Enterprise Partnership to allocate £1m of the remaining LGF STP funding to meet the additional Portway Park & Ride Rail Station project costs as set out in this report.
2. If the request is approved, delegate authority to Director, Economy of Place, to spend up to £1.3m on the Portway Park & Ride Rail Station project. Any additional funding requirements over and above those already covered by these grants will be met from the transport capital programme budget.
3. Delegate authority to the Director, Economy of Place, to procure and enter into all contracts required for the

Portway Park & Ride Rail Station project.

**Corporate Strategy alignment:**

1. The Portway P&R Station project is seeking to deliver a new station at the existing Portway P&R site, linking the site to the Severn Beach Rail line, thereby widening access to the rail network, better linking the local community to the rail network and encouraging modal shift from private car trips.
2. This directly aligns with the key Corporate Strategy theme of 'Well Connected'; improving links between people and jobs. The scheme will also increase passenger numbers using public transport and, as part of a wider transport strategy, encourage active travel and promote wellbeing.

**City Benefits:**

1. The Portway P&R Station project is seeking to deliver a new station at the existing Portway P&R site, linking the site to the Severn Beach Rail line, thereby widening access to the rail network, better linking the local community to the rail network and encouraging modal shift from private car trips.
2. Park & Ride sites are perceived to be safe for users to use and the ability to park close to the station, in an area covered by CCTV and lighting, widens access to the rail network to some citizens who may feel excluded, for example by not feeling comfortable using local rail stations at quieter times. The station will include accessible parking bays close to the entrance and secure cycle parking.
3. The station forms part of the wider MetroWest programme of rail enhancements, which will improve cross city rail services and; deliver new rail lines and stations.
4. The new station will be designed to be fully accessible and will be managed and operated by the Great Western rail franchise operator who is required to comply with franchise requirements around accessibility and assisted travel.

**Consultation Details:**

1. Internal and member consultation undertaken via the Cabinet approval process in November 2016.
2. Periodic progress updates and discussions with key stakeholders via the West of England MetroWest Stakeholder Group.
3. Ongoing engagement with West of England colleagues and rail industry stakeholders.

**Background Documents:**

Cabinet Approval 'Transport Investment Programme' (4 October 2012):

<https://democracy.bristol.gov.uk/CeListDocuments.aspx?Committeed=135&MeetingId=466&DF=04%2f10%2f2012&Ver=2>

Cabinet Approval 'Portway Park and Ride Rail Station bid proposal' (1 November 2016):

<https://democracy.bristol.gov.uk/ieListDocuments.aspx?CId=135&MId=235>

Cabinet Approval 'Redcliffe Corridor Improvements – Local Growth Fund Bid' (4 September 2018):

<https://democracy.bristol.gov.uk/ieListDocuments.aspx?CId=135&MId=3094>

Cabinet Approval 'A4018 outcome of consultation & request to submit full business case to WECA' (18 June 2019):

<https://democracy.bristol.gov.uk/ieListDocuments.aspx?CId=135&MId=3684>

<b>Revenue Cost</b>	<b>£0</b>	<b>Source of Revenue Funding</b>	<i>N/A</i>
<b>Capital Cost</b>	<b>£1,300,000</b>	<b>Source of Capital Funding</b>	<b>Grant</b>
<b>One off cost</b> <input checked="" type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:**

The Portway P&R Rail Station project was considered by BCC's Cabinet in November 2016 when approval was given for funding to be bid for to deliver the project. BCC successfully bid to both the LEP LGF and the Department for Transport's (DfT) New Stations Fund (NSF) as follows:

- DfT NSF: £1.672m
- LGF: £553k

1. Recent 'GRIP4' development work (the detailed development of the preferred option) has now highlighted an increase of total project costs. The full cost of the station, including development work already undertaken and funded, is in the range of £3.4m to £3.6m, depending on detailed design and the level of allowance made for risk, which will be refined with further project development.
2. The funding gap for completion of the project, including the delivery of wider access arrangements within the Park & Ride site, is in the region of £1m to £1.3m (including contingencies).
3. This report is seeking approval to submit a request to WECA to reallocate £1m already allocated to BCC projects to the Portway P&R project, and also to approve up to an additional £1.3m spend on the Portway P&R project. There are no additional funding requirements for BCC. Any additional funding requirements over and above those already covered by these grants will be met from the transport capital programme budget.

**Finance Business Partner:** Kayode Olagundoye, Interim Finance Business Partner, Growth and Regeneration, 5 November 2019

**2. Legal Advice:**

The Council has the power to apply for the funding detailed in the recommendations and spend such funding as set out in the recommendations under Section 1 of the Localism Act 2011.

The Council will be in receipt of a grant which has the potential to constitute State aid, which is prohibited under the Treaty on the Functioning of the European Union, and is likely to remain prohibited following Brexit. It is likely the project can be structured to ensure the grant does not constitute State aid, or that any State aid present falls under one of the available exemptions. However, officers will need to ensure legal advice is obtained to ensure this risk is mitigated.

The procurement process must be conducted in line with the 2015 Procurement Regulations and the Councils own procurement rules. Legal services will advise and assist officers with regard to the conduct of the procurement process and the resulting contractual arrangements.

**Legal Team Leader:** Sinead Willis, Team Leader Commercial and Governance, 5 November 2019

**3. Implications on IT:** No impact expected to IT Services

**IT Team Leader:** Simon Oliver, Digital Transformation – Resources, IT, 16 October 2019

**4. HR Advice:** No HR implications anticipated

**HR Partner:** Celia Williams, HR Business Partner, 27 October 2019

<b>EDM Sign-off</b>	Patsy Mellor	9 October 2019
<b>Cabinet Member sign-off</b>	Cllr Kye Dudd	14 October 2019
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	4 November 2019

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>NO</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>

<b>Appendix I – Exempt Information</b>	<b>NO</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>