

NORTH SOMERSET COUNCIL DECISION



DECISION OF: COUNCILLOR MIKE BELL – LEADER AND EXECUTIVE MEMBER FOR STRATEGIC POLICY, COMMUNICATIONS, FINANCE, CAPITAL PROGRAMME (INC METROWEST PHASE 1) & CORPORATE SERVICES

WITH ADVICE FROM: S151 OFFICER AND ASSISTANT DIRECTOR LEGAL & GOVERNANCE AND MONITORING OFFICER

DECISION NO: 23/24 DP 556

SUBJECT: METROWEST PHASE 1 – SUBMISSION OF THE FULL BUSINESS CASE AND ADDENDUM TO AN EXISTING AGREEMENT WITH NETWORK RAIL

KEY DECISION: NO

REASON: On 9th January 2024 Full Council authorised delegation for Cllr Bell as Executive Member for MetroWest Phase 1 to finalise and submit the project Full Business Case and to enter into an addendum to an existing funding agreement with Network Rail.

BACKGROUND:

MetroWest Phase 1 (the project) proposes to re-open the Portishead rail line with stations at Portishead and Pill (Phase 1B). The project has already implemented the upgrade to the existing local train service for the Severn Beach Line and the Westbury to Bristol Line (Phase 1A).

The project is a Department for Transport (DfT) sponsored project under the 'Restoring your Railway' Programme, where Network Rail is the DfT's delivery agent. Subject to the approval of the Full Business Case, the construction and implementation of the project will be funded by the funding partners; the DfT, North Somerset Council (NSC), and the West of England Combined Authority (WECA).

The current phase of the project up to the submission of the Full Business Case is being funded by the DfT. North Somerset Council is delivering the NSC/WECA project scope as a sub-contractor to Network Rail. The NSC/WECA project scope in summary comprises; ecology enabling works, the design of minor highways/bridges works, land assembly, production of the Full Business Case and project management resources.

The project Development Consent Order (DCO) was granted by the Secretary of State for Transport on 14th November 2022. The DCO provides planning consent, powers for the compulsory acquisition of land where necessary and ancillary powers.

A detailed report was taken to Full Council on 9th January 2024 setting out progress with the project detailed design and preparation of the Full Business Case. The report sought delegated authority for Cllr Bell as Executive Member for MetroWest Phase 1 to finalise and submit the project Full Business Case and to enter into an addendum to an existing funding agreement with Network Rail (where NSC is a sub-contractor to Network Rail), for the

delivery of scope during the transitional period after submission of the Full Business Case and up to the award of construction contracts (the period from April to August 2024).

Full Council approved both delegations, and this was recorded in the minutes of the meeting (see link under the background papers section below). Following the submission of the Full Business Case, the DfT and HM Treasury are aiming to make their approval decision and confirm their funding by summer 2024. A further report will be taken to the 9th July 2024 Full Council meeting to seek various authorisations relating to the construction of the project which is programmed to commence from September 2024, subject to the aforementioned decision making.

DECISION:

To proceed with:

- a) the submission of the project Full Business Case to the Department for Transport (DfT), and
- b) entering into an addendum to an existing funding agreement with Network Rail.

REASONS:

- a) The report to 9th January 2024 Full Council set out the basis on which the Full Business Case has been produced, in terms of financial implications for North Somerset Council. The Full Business Case has now been completed based on the standard five case model; Strategic Case, Economic Case, Management Case, Commercial Case and Finance Case. No changes to NSC's financial contributions and liabilities have been made since the 9th January 2024 Full Council meeting. The Full Business Case is now ready for submission to the DfT.
- b) The existing funding agreement with Network Rail (where NSC is a sub-contractor to NR) was entered into for the detailed design phase in December 2022 for the period up to end March 2024. The estimated cost of the NSC scope was £3,497,302, however NSC (working jointly with the West of England Combined Authority) have delivered the scope for £2,567,028, yielding a net saving to the project of £930,274. The agreement now needs to be updated with new NSC scope for the transitional period from April to August 2024, for key activities during the period between submission of the FBC and the start of construction works. The estimated cost of the new NSC transitional scope is £858,189 which can be met from the remaining £930,274 budget, leaving an estimated net saving of £72,082 on the original £3,497,302 budget. Note the £3,497,302 is funding provided by the DfT to Network Rail, who in turn contracted NSC to deliver the scope.

OPTIONS CONSIDERED:

The options considered for the project were set out in the report to 9th January 2024 Full Council. The option to not proceed with submitting the Full Business Case and/or not proceeding with entering into an addendum to the existing funding agreement with Network Rail, would mean the project could not be taken forward to construction, the benefits of the project would not be realised and the council along with the West of England Combined authority would have substantial abortive costs (revenue reversion costs).

FINANCIAL IMPLICATIONS:

The financial implications of submitting the Full Business Case were covered in detail in the report to 9th January 2024 Full Council. No changes to NSC's financial contributions and liabilities have been made since the report to 9th January 2024 Full Council.

[\(Public Pack\)Agenda Document for Council, 09/01/2024 18:00 \(moderngov.co.uk\)](#)

LEGAL POWERS AND IMPLICATIONS

The legal powers and implications of submitting the Full Business Case were covered in detail in the report to 9th January 2024 Full Council. Nothing has changed since the report to 9th January 2024 Full Council.

[\(Public Pack\)Agenda Document for Council, 09/01/2024 18:00 \(moderngov.co.uk\)](#)

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The climate change and environmental implications of submitting the Full Business Case were covered in detail in the report to 9th January 2024 Full Council. Nothing has changed since the report to 9th January 2024 Full Council.

[\(Public Pack\)Agenda Document for Council, 09/01/2024 18:00 \(moderngov.co.uk\)](#)

CONSULTATION

A summary of the formal and informal project consultation undertaken over several years is included in the report to 9th January 2024 Full Council. Nothing has changed since the report to 9th January 2024 Full Council.

[\(Public Pack\)Agenda Document for Council, 09/01/2024 18:00 \(moderngov.co.uk\)](#)

RISK MANAGEMENT

The approach to risk management along with the details of the top 5 risks were included in the report to 9th January 2024 Full Council. Nothing has changed since the report to 9th January 2024 Full Council.

[\(Public Pack\)Agenda Document for Council, 09/01/2024 18:00 \(moderngov.co.uk\)](#)

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes

[\(Public Pack\)Agenda Document for Council, 09/01/2024 18:00 \(moderngov.co.uk\)](#)

CORPORATE IMPLICATIONS

The improvement of the transport network is a key priority in the Corporate Plan. The project will play a significant role in Supporting Economic Prosperity (Aim 5) and Protecting and Improving the Environment (Aim 3). There are no specific cross-service implications.

APPENDICES

None

BACKGROUND PAPERS

[\(Public Pack\)Minutes Document for Council, 09/01/2024 18:00 \(moderngov.co.uk\)](#)

SIGNATORIES:

DECISION MAKER(S):

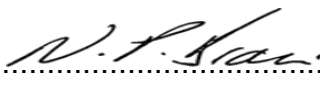
Signed:  Executive Member

Date: 3 May 2024

With advice from

Signed:  S151 Officer

Date: 3 May 2024

Signed:  Assistant Director Legal & Governance and
Monitoring Officer

Date: 3 May 2024