

DECISION OF: COUNCILLOR MIKE BELL. THE CABINET MEMBER FOR CAPITAL PROGRAMME INCLUDING MAJOR PROJECTS. IN ACCORDANCE WITH 14 JANUARY 2025 COUNCIL MINUTE COU 76, AND 8 JULY 2025 COUNCIL MINUTE COU 28

WITH ADVICE FROM: THE DIRECTOR OF ENVIRONMENT, ASSETS AND TRANSPORT SERVICES, ASSISTANT DIRECTOR LEGAL, GOVERNANCE AND MONITORING OFFICER, S151 OFFICER AND HEAD OF STRATEGIC PROCUREMENT

DECISION NO: 25/26 EAT 139

SUBJECT:

TO ENACT DELEGATIONS FOR METROWEST PHASE 1 AS PER 14 JANUARY 2025 AND 8 JULY 2025 COUNCIL MEETINGS

KEY DECISION: NO

REASON:

Enacting delegations authorised by Full Council on the following dates:

- 14 January 2025 under “COU76 MetroWest Phase 1 - Authorisations to Enable Project Construction”
- 8 July 2025 under “COU28 MetroWest Phase 1 – Authorisations to enable project construction: updates to risk, liabilities, change controls, and legal agreements”

BACKGROUND

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

Network Rail (NRIL) and their appointed contractors will deliver the main works relating to the detailed design and construction of the new rail line and associated works. A key prerequisite to enable NRIL to award construction contracts is for a series of legal agreements between the delivery partners to be finalised and entered into, for which authorisation is sought. NSC will be party to four legal agreements as shown in Table 1 below:

Authorisation is also requested to proceed with land assembly processes. To secure possession of land to construct the project, it is necessary to formally serve compulsory acquisition notices on landowners and commence other land related processes and actions. There are a significant number of processes that need to commence, as set out in the ‘MetroWest Phase 1 - Authorisations to Enable Project Construction report’ to Full Council on the 14th January 2025 COU76. This includes land related legal processes and actions to

enable the project to proceed, including compulsory acquisition, land transfer, and option agreements.

The final authorisation requested is to release the balance of NSC's allocated capital funding totalling £63.91m to Network Rail Infrastructure Limited (including sub-regional Economic Development Fund), set out in section 7.7, Table 7 of the 'MetroWest Phase 1 - Authorisations to Enable Project Construction report' to Full Council on the 14th January 2025. The transfer of funding is set out in a 'Funding to' agreement, detailed in recommendation no. 3 (iii) of the same Full Council report and included as a delegation in this notice.

A further paper was provided to Full Council on the 8th July 2025 "COU28 MetroWest Phase 1 – Authorisations to enable project construction: updates to risk, liabilities, change controls, and legal agreements", which set out the updated project position since COU76 was agreed in January 2025; this ensures Members are fully sighted before actioning the various delegated authorities.

An additional delegation was also included in the July 8th paper to serve requests for information requiring that holders of interests in Order land provide details of their interest to the Council under Section 5A of the Acquisition of Land Act 1981. This relates to land in the Bristol City Council area only; land within North Somerset is covered under section S16 of the Local Government (Miscellaneous Provisions) Act 1976, already delegated under recommendation 2 in COU76.

DECISION

It is requested that authorisation is given to:

1. enter into the Agreements set out in Table 1 below
 - A 'single governance agreement / governance principles mou' between North Somerset Council (NSC), West of England Combined Authority (CA), Department for Transport (DFT), and Network Rail Infrastructure Limited (NRIL).
 - A 'funding to' agreement between North Somerset Council and Network Rail Infrastructure Limited.
 - A 'funding from' agreement between North Somerset Council (NSC) and Network Rail Infrastructure Limited for the NSC/CA delivery scope.
 - A joint promotion agreement' between North Somerset Council (NSC) and the West of England Combined Authority (CA).
2. proceed with land related legal processes and actions to enable the project to proceed including compulsory acquisition, land transfer, option agreements etc.
3. release the balance of NSC's allocated capital funding totalling £63.91m to Network Rail (NRIL) the detailed arrangements for the transfer of funding is set out in the 'funding to' agreement.

REASONS

A key prerequisite to enable NRIL to award construction contracts is for a series of legal agreements between the delivery partners to be finalised and entered into. NSC will be party to four legal agreements as shown in Table 1.

Table 1 – summary of agreements

No	Agreement	Parties to the Agreement	Nature of the Agreement
1	A Single Governance Agreement / Governance Principles MoU	DfT, NRIL NSC & Combined Authority (CA)	This agreement includes details of roles & responsibilities, reporting, change control, project assurance, project scope, contract management, comms, risk etc. The agreement is to be appended to the DfT's remit letter to NRIL, and the intention is that all parties countersign the remit letter (DfT, NRIL, NSC & CA).
2	'Funding To NRIL' template agreement	NSC (on behalf of NSC & CA) and NRIL	This agreement sets out details of the fixed funding contributions by NSC (and CA) for the project construction to be made to NRIL. The agreement will include details of the scope that must be delivered and assurance that a passenger railway is delivered. The agreement will include a flow of funding chart.
3	'Funding From NRIL' template agreement	NSC (on behalf of NSC & CA) and NRIL	This agreement sets out the details of the NSC/CA construction / delivery scope (where NSC is a sub-contractor to NRIL).
4	Joint Promotion Agreement	NSC & CA	NSC and CA updated joint promotion agreement for the sharing of any residual liabilities on a 50 / 50 basis relating to the NSC and CA delivery scope, which for whatever reason is not met by the DfT as the overall project sponsor.

The Joint Promotions Agreement will replace the Initial Promotion Agreement and sets out the joint working arrangements for the NSC / CA construction scope and delivery phase, at an estimated cost of £13.19m (as set out in section 7.3 and table 5 of the January 14th Full Council report)

Two of the agreements are template agreements with NRIL in relation to funding, with one agreement covering 'funding to' NRIL and the other covering 'funding from' NRIL. The schedules for these two agreements will need to be fully populated before they can be entered into, following confirmation in July 2025 from the DfT of FBC funding approval.

The fourth agreement is the 'Single Governance Agreement' which has been developed jointly by the project partners. A Remit letter will set out the scope and delivery assumptions for the project that will contract the delivery responsibilities and funding to Network Rail (NR). The intention is the Single Governance Agreement will be appended to the Remit letter issued by DfT to NRIL, for project construction and implementation, post FBC approval, with each delivery partner counter signing the Remit letter (i.e. NSC, MCA and NR being signatories).

To secure possession of land to construct the project it is necessary to formally serve compulsory acquisition notices on landowners and commence other land related processes and actions. This is a complex process, the details of which are set out in the 'MetroWest Phase 1 - Authorisations to Enable Project Construction report' to Full Council on the 14th January 2025.

For the project to proceed, the release of the balance of NSC's allocated capital funding is required (including sub-regional Economic Development Fund), as set out in section 7.5 Table 6 of the 'MetroWest Phase 1 - Authorisations to Enable Project Construction report' to Full Council on the 14th January 2025.

OPTIONS CONSIDERED

The Environmental Statement Chapter 3 Scheme Development and Alternatives and the Habitats Regulation Assessment considered the mode options, route alignment options and service frequency options for the addressing the major problems of the Portishead to Bristol transport corridor. These documents were scrutinised during the DCO examination and the DCO was subsequently consented by the Secretary of State for Transport DCO The documents are available from:

<https://metrowestphase1.org/dco-as-made-nov-2022/>

FINANCIAL IMPLICATIONS

The total capital budget for all elements of the project is currently **£182.21million** and these costs will be funded using the sources as set out in the detailed table below:

<u>Summary Funding Source</u>	Approved Budget	Spend to 31/03/2025	Balance of Funding Remaining for 2025/26 Onwards
	£'m	£'m	£'m
Summary			
NSC Contributions	£15.86	£1.50	£14.36
NSC Economic Develop Fund *	£52.53	£0.00	£52.53
WECA Local Growth Funding	£18.87	£18.87	£0.00
WECA Grant Funding	£15.86	£6.20	£9.66
WECA CRSTS Funding *	£27.20	£0.00	£27.20
WoE Other LA Contributions	£4.41	£4.41	£0.00
Dept for Transport	£47.48	£14.83	£32.65
	£182.21	£45.82	£136.40

NSC's total capital funding to the project is £68.39m and includes a fixed contribution of £15.86m and a further £52.53m from the Economic Development Fund (EDF), which is a long-term borrowing mechanism.

The Council's EDF contribution was previously £49.53m but was increased by £3m in the January 2025 report to Council, where it was agreed that WECA and North Somerset would share the increased costs of the project, meaning that EDF funding now totals £52.53m.

At the same time, the Combined Authority agreed to increase their contribution to the project by £27.2m from their City Regional Sustainable Transport Settlement (CRSTS). The report

recommendations above, include increasing the capital programme budget by this sum, bringing the overall total budget to £182.21m.

Further detail including spend profiling has been set out in the 8 July 2025 Full Council paper “COU28 MetroWest Phase 1 – Authorisations to enable project construction: updates to risk, liabilities, change controls, and legal agreements”

LEGAL POWERS AND IMPLICATIONS

The DCO has a range of legal implications which are set out in the report to Council at its meeting of 25th June 2019. This includes the consideration of Human Rights implications and the Council's Public Sector Equalities duties.

<https://apps.n-somerset.gov.uk/Meetings/document/report/NSCPM-38-603>

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

MetroWest Phase 1 required an Environmental Statement to support the DCO process. Climate change and environmental impacts have been assessed in the Environmental Statement. The Environmental Statement is a key DCO application document and is available from:

<https://metrowestphase1.org/dco-application/>

CONSULTATION

Extensive public consultation has been undertaken over several years on the project proposals. The response to the consultations was very high with almost 2,000 separate responses received over both stages and the level of support for the scheme is also very high with 95% of community respondents fully or mainly in support of the proposals. Further information on the project consultation is set out in the DCO Consultation Report which is a DCO application document and is available from:

<https://infrastructure.planninginspectorate.gov.uk/projects/south-west/portisheadbranch-line-metrowest-phase-1/?ipcsection=docs>

WARD MEMBER ENGAGEMENT

A Stakeholder Management Plan drafted by all project partners has been submitted as part of the Full Business Case. This includes ongoing Member engagement, who will be updated once funding approval is given from the HMT and approval of the Full Business Case by DfT.

RISK MANAGEMENT

The project risk profile for NSC and the CA has reduced substantially since the DfT took over the project sponsorship in late 2022. That being said, there remains a number of key project risks which need to be carefully managed leading up to the approval of the Full Business Case by the DfT.

The NSC/CA team manage risks jointly with NR. A full risk register is in place for the project and is reported regularly to the MetroWest Phase 1 Board. The Quantified Cost Risk

Assessment (QCRA) has been updated, and project risks are under continual review by the project team, sponsors and the S151 officers.

The following risks are relevant to this decision, as set out in the table below.

Key Delivery Risks

Risk	Inherent risk score	Residual likelihood	Residual impact	Residual risk score	Comments
Capital Cost Project Affordability - there is a risk that market prices will be higher than expected and the DfT are unwilling to meet any funding gap, resulting in the project not proceeding, causing a revenue reversion impact of up to £30m shared equally between NSC & WECA.	HIGH	3	5	HIGH	<ol style="list-style-type: none"> 1. The NSC/WECA team are fully engaged with the Network Rail team and its contractors on all technical aspects of the project detailed design to ensure all opportunities for scope reduction / avoidance and efficiencies are maximised. 2. NSC & WECA officers are fully engaged with the DfT officials at the technical project level through to the director / CEO level. 3. There is a very compelling case for strategic investment to deliver the project.
Capital Cost Delivery Risk for any future cost escalation – there is a risk that the DfT do not confirm they accept the full delivery risk for the project.	HIGH	3	5	HIGH	<ol style="list-style-type: none"> 1. NSC & WECA officers are fully engaged with the DfT officials at the technical project level through to the director / CEO level. 2. The feedback from the DfT to date on this has been positive and NSC & WECA have requested the DfT to confirm its position.
Transitional funding - The funding provided by the DfT is for the period up to late August 25. If the programme to start construction is delayed beyond August 25, additional transition funded will be required.	MEDIUM	3	3	MEDIUM	<ol style="list-style-type: none"> 1. NSC & WECA officers are fully engaged with the DfT officials at the technical project level through to the director / CEO level.
DfT Authorisation for Construction – DfT delay confirming FBC approval for NR to proceed to construction phase (post-FBC activities).	MEDIUM	3	3	MEDIUM	<ol style="list-style-type: none"> 1. NSC & WECA officers are fully engaged with the DfT officials at the technical project level through to the director / CEO level.

EQUALITY IMPLICATIONS

An Equality Impact Assessment has been undertaken for the DCO and is available from here: <https://metrowestphase1.files.wordpress.com/2020/01/6.25-es-volume-4-appendix-series-14-socio-economics.pdf>

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.

BACKGROUND PAPERS

- MetroWest Phase 1 – Authorisations to enable project construction: updates to risk, liabilities, change controls, and legal agreements (8th July 2025): <https://n-somerset.moderngov.co.uk/documents/s7596/07%20MetroWest%20Council%20Report%20July%208th%202025%20FINAL.pdf>
- MetroWest Phase 1 - authorisations to enable project construction report to Full Council (14th January 2025): <https://n-somerset.moderngov.co.uk/documents/s6797/08%20MetroWest%20Phase%201%20Report%20to%20the%20Council%2014th%20January%2025%20-%20Final.pdf>
- MetroWest Phase 1 Delivery Update to Full Council (19th July 2021): <https://n-somerset.moderngov.co.uk/documents/s1289/23%20MetroWest%20Phase%201%20-%20Delivery%20Update.pdf>
- MetroWest Phase 1 Procurement Plan (19th July 2021): <https://n-somerset.moderngov.co.uk/documents/s1290/23.1%20Appendix%20Draft%20Procurement%20Plan.pdf>
- MetroWest Phase 1 - Request delegated authority to finalise and submit the Full Business Case (9th January 2024): [https://n-somerset.moderngov.co.uk/documents/g1065/Public reports pack 09th-Jan-2024 18.00 Council.pdf?T=10](https://n-somerset.moderngov.co.uk/documents/g1065/Public%20reports%20pack%2009th-Jan-2024%2018.00%20Council.pdf?T=10)
- MetroWest Phase 1 - Submission of DCO Application (25th June 2019): <https://n-somerset.moderngov.co.uk/Data/Council/201906251800/Agenda/18%20MetroWest%20Phase%201%20Submission%20of%20DCO%20Application.pdf>

SIGNATORIES:

DECISION MAKER(S):

Signed:  Cabinet Member for Capital Programme
Including Major Projects

Date: 21 August 2025

WITH ADVICE FROM:

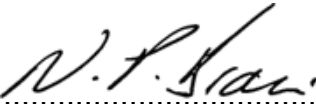
Signed:
Services



Director of Environment, Assets and Transport

Date: 21 August 2025

Signed:



Assistant Director Legal & Governance and
Monitoring Officer

Date: 21 August 2025

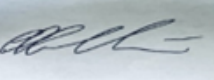
Signed: .



s151 Officer

Date: 21 August 2025

Signed: .



Head of Strategic Procurement

Date: 21 August 2025