



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.2
25 SEPTEMBER 2019	PUBLIC REPORT

SOHAM RAIL STATION – DETAILED DESIGN & CONSTRUCTION

1.0 PURPOSE

- 1.1. This report seeks Board approval to commence detailed design and construction of the Soham Rail Station Phase 1 project by authorising Network Rail (NR) to proceed into GRIP (Governance for Railway Investment Projects) 4 to 8.
- 1.2. To agree in principle the Implementation Agreement (IA), which sets out the terms and conditions of the contractual relationship between Cambridgeshire & Peterborough Combined Authority (CPCA) and Network Rail (NR) for GRIP 4-8 and delegate authority to the Monitoring Officer and Chief Finance Officer, in consultation with the Chair of the Transport Committee to approve this document once finalised.
- 1.3. Approval from the Board is sought for additional budget of **£18,636,899** with a potential termination clause liability of up to a maximum of 10%.
- 1.4. The Board is also asked to mandate continued discussions with NR, Department for Transport (DfT), and the Freight Operating Companies (FOCs) for provision of a second track (Ely to Soham) and the development of the second platform at Soham Station.

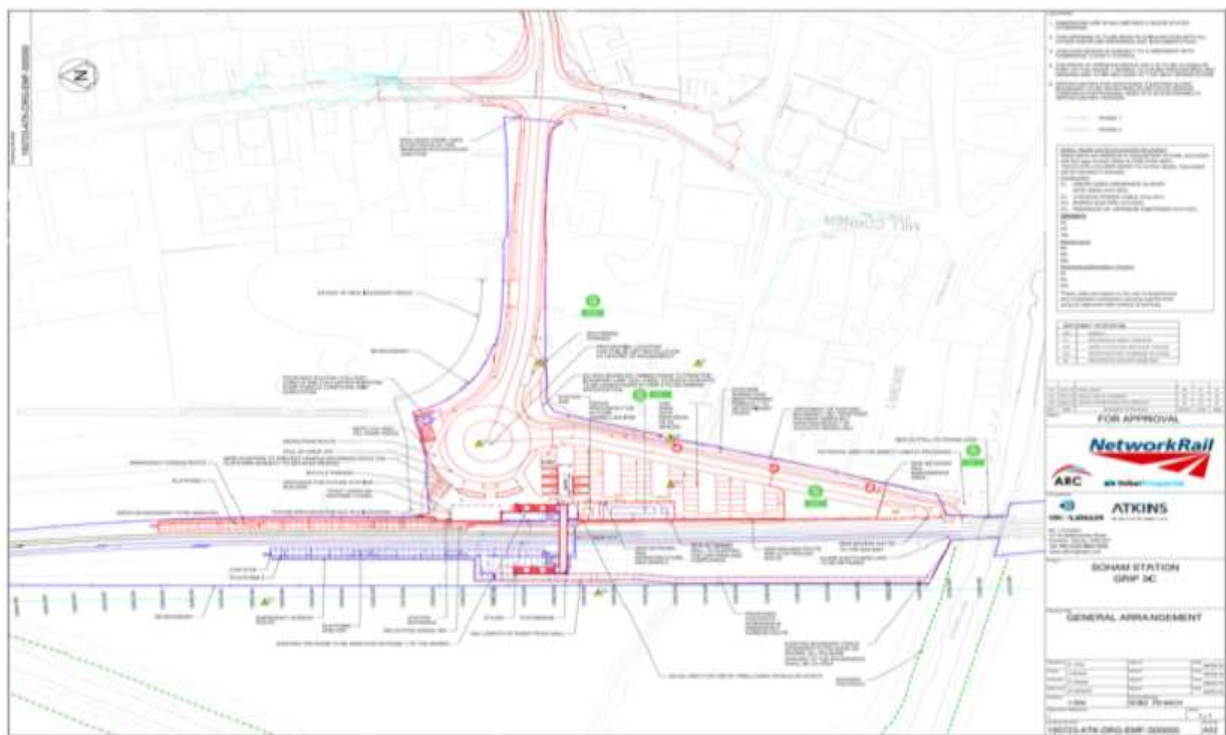
<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Paul Raynes, Director of Delivery & Strategy
Forward Plan Ref: 2019/054	Key Decision: Yes
	Voting arrangements

<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> a) Approval to commence detailed design and construction of the Soham Rail Station Phase 1 project by authorising Network Rail (NR) to proceed into GRIP (Governance for Railway Investment Projects) 4 to 8. b) Agree in principle the Implementation Agreement for the development and delivery of the single platform for Soham station (Phase 1), and delegate authority to the Monitoring Officer and Chief Finance Officer, in consultation with the Chair of the Transport Committee to approve this document once finalised. c) Approve additional budget of £18,636,899 with a potential termination clause liability of up to a maximum of 10%. d) Mandate continued discussions with Network Rail, Department for Transport, and the Freight Operating Companies for provision of a second track (Ely to Soham) and the development of the second platform at Soham station. 	<p>At least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members</p>
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2.0 BACKGROUND

- 2.1. This project will reinstate the railway station at Soham, providing a direct link to Ely. That will bring sustainable transport benefits to the growing market town of Soham and support growth. It has significant public and partner support. The design will provide an attractive approach and setting to the new station, as well as facilitating access.
- 2.2. In October 2017 and March 2018, the CPCA Board approved a programme of transport projects, including an enabling budget of £1.75 million for Soham Station.
- 2.3. In September 2018, the Board approved additional funding of £1.7 million to complete the GRIP 3 development phase.
- 2.4. The latest cost estimate for the detailed design and construction phase following completion of the GRIP 3 process is £18.6 million.

- 2.5. This scheme is the first phase leading in due course to a two-platform solution based on twin-tracking the permanent way between Soham and Ely; on a standalone basis it provides a positive net present value (NPV) and Benefit Cost Ratio (BCR) higher than 1; the modelled NPV and BCR of the full scheme are significantly better.
- 2.6. The Combined Authority has now taken on responsibility for the Soham Rail Station project. A Novation Agreement transferring the contractual relationship with Network Rail from the County Council to the Combined Authority has been finalised.
- 2.7. Public Information Events were held in February; these were well attended, with approximately 550 attendances over two days. Below is the outline design that was shown at these events.



- 2.8. Monitoring was undertaken on the site in March.
- 2.9. The project team has engaged with the Department for Transport and Greater Anglia, the train operating company, (including a Board presentation to Greater Anglia) to ensure they are kept abreast of progress.
- 2.10. A gateway review has taken place which evaluated and signed off the completion of GRIP 3C.

3. NEXT STEPS

- 3.1. The Implementation Agreement (IA) is the delivery contract between the Combined Authority and Network Rail for the detailed design and construction of a single platform station at Soham Rail Station. It sets out the objectives of GRIP 4 to 8 of the project, the scope, delivery time and the costs required to achieve those objectives along with the roles and responsibilities of the Combined Authority and Network Rail.
- 3.2. Network Rail will initially award a GRIP 4 contract to their supplier, followed by a GRIP 5-8 contract. The Combined Authority will benefit from a break clause at the end of GRIP 4, if the cost estimate had increased by in excess of 10% or the programme had extended by more than 4 months. Liability at this point would be costs incurred only and within the £18.6m estimate. If the Combined Authority decided to terminate within the GRIP 5 – 8 stage because the cost estimate increased beyond 10% or the programme was delayed by more than 4 months, it would be liable up to a maximum of £1.86m.
- 3.3. The project's day to day governance for GRIP stages 4-8 will consist of a Working Group – whose main objective will be to review and monitor the project's plan and budget – seeking to prevent risks becoming an issue and having a negative impact to the project's budget and schedule. That will report to a Soham Station Project Board, whose main function will be to oversee progress on the project's deliverables, manage the project's contract, be the forum to review and discuss Amber and Red risks/issues, as well as act as an escalating point for the Working Group. It will also be the forum for deciding whether to escalate issues to the CPCA Transport Committee and potentially to CPCA Board.
- 3.4. The key dates for stages 4-8 can be found below. There would be an opportunity to accelerate the programme after the Accelerated Implementation Programme Review period has ended.

Activity	Date
Contract Award to VolkerFitzpatrick Ltd	11 October 2019
Accelerated Implementation Programme Review	5 June 2020
Start on Site	21 September 2020
Detailed Design Complete	16 April 2021
Ready For Use	26 April 2022
Timetable Change Date	8 May 2022

- 3.5. A previous Network Rail study of 2017 committed to a second track from Ely to Soham. This commitment was removed following Sir Peter Hendy's review of Network Rail's programme when enhancement funding was reduced significantly. The Combined Authority project team are in discussion with

Network Rail and Department for Transport to seek reinstatement of this commitment. This would allow more frequent services through the new Soham station but would also require a two-platform station. The single-platform station has been designed as part of a two-phase programme and can be upgraded to two platforms at a reasonable extra cost. Discussions about when that might take place, and how it should be funded, are ongoing. The Board is asked to mandate officers to take those discussions forward.

4. FINANCIAL IMPLICATIONS

- 4.1. The Medium-Term Financial Strategy made provision for £9 million in 2020-21 and £11 million in 2021-22 to fund Soham Station under the category of projects which were costed but not yet committed.
- 4.2. The Board is now invited to commit £18.6 million for the development and delivery of the single platform at Soham station. This is affordable within the total MTFS provision, undershooting it by £1.3 million. The estimated expenditure per each financial year can be found below and the board is recommended to approve this revised budget profile. This is not reflected in the MTFS review paper before the September board but will be taken on in the 2020-23 budget process.
- 4.3. The termination clause in the contract creates a potential liability on termination of £1.86 million. This is not considered to necessitate separate budget provision, as termination would only impact on the total budget envelope in the highly unlikely event that a decision to terminate were made when 90% or more of the cost had already been incurred.

Financial Year	2019/20 (post GRIP 3 completion)	2020/21	2021/22	2022/23	Total
Estimates by Network Rail	£0.951m (plus £0.941m fees)	£3.398m	£13.084m	£0.262m	£18.637m

5. LEGAL IMPLICATIONS

- 5.1. The Combined Authority assumed the role of the Local Transport Authority by virtue of Article 8 of the Cambridgeshire and Peterborough Combined Authority Order 2017. The Combined Authority must exercise the statutory functions of the local transport authority under Part II Local Transport Act 2000 and Parts 4 & 5 of the Transport Act 1985 so as to achieve effective and efficient transport within the area.

6. OTHER SIGNIFICANT IMPLICATIONS

6.1. There are no other significant implications.

7. RECOMMENDATIONS TO THE BOARD

7.1. The Board is recommended to:

- (a) Approve commencement of detailed design and construction via the completion of GRIP 4-8
- (b) To approve the Implementation Agreement document for the development and delivery of the single platform for Soham station in principle and delegate authority to the monitoring officer and Chief Finance Officer and in consultation with the Chair of Transport Committee to approve this document once finalised.
- (c) Approve additional budget of £18,636,889 with a potential termination clause liability of up to a maximum of 10%
- (d) To approve the continued discussions in relation to a second track and second platform at Soham

8. APPENDICES

8.1. There are no appendices to this report.