

**Meeting:** Record of Decision

**Date:** 5 June 2020

**Wards Affected:** Shiphay, and Barton with Watcombe

**Report Title:** Edginswell Station Funding

**Is the decision a key decision?** No

**When does the decision need to be implemented?** Immediately

**Executive Lead Contact Details:** Councillor Mike Morey, Cabinet Member for Infrastructure, Environment and Culture, [mike.morey@torbay.gov.uk](mailto:mike.morey@torbay.gov.uk)

**Supporting Officer Contact Details:** Adam Luscombe, Service Manager Strategy and Project Management, [adam.luscombe@torbay.gov.uk](mailto:adam.luscombe@torbay.gov.uk)

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## 1. Background

- 1.1 Edginswell Station has been a strategic ambition of Torbay Council for many years, appearing in the Local Plan in 1995.
- 1.2 In 2014 the Council was successful with a bid to the Local Enterprise Partnership (through the Local Transport Board), for £4m.
- 1.3 By 2015 it had become apparent that original estimates for the cost of the station were considerably understated. The estimated cost in August 2016 was £12.935m.
- 1.4 At that time a bid was made to the Department for Transport and Network Rail, through their New Stations Fund, for a £7.739m contribution to the scheme. The match funding element would have included the £4m from the LEP and £1.2m from a combination of existing spending, the Local Transport Plan allocation and Section 106.
- 1.5 In 2017 the Council received notification that the funding bid had been unsuccessful. Initially costs were quoted as the main reason for this. However, later in 2017 officers met with DfT and Network Rail officials for feedback. At that meeting it was confirmed that the key risks were the concern as they needed more comfort that the costs associated with those risks would not increase substantially as the project moved forward.
- 1.6 The scheme in general did receive very positive feedback from the panel. They agreed that the strategic case was strong and that the economic benefits were clear. The links to supporting health facilities and the local housing and jobs growth in the area were also recognised.
- 1.7 In October 2017 it was agreed by Council that no further Council funding be committed to the scheme and that this should be reflected on the Capital Plan, and that any further

work on the business case shall only be supported by external funding.

- 1.8 It was necessary for the LEP to reallocate the £4m of funding initially set aside for Edginswell as it had become apparent that the scheme would not be delivered within their required timescales (by March 2021). This leaves the Council with only its own budgets and Section 106.
- 1.9 In September 2019 Network Rail and officers signed off the project at GRIP 3 level. This is an internal project management process to Network Rail that all schemes must follow. Updated documentation and ongoing discussions and collaboration with Network Rail (funded by Section 106) enabled the progress to be made to this stage. Both Network Rail and the DfT recognise this stage as a particularly strong 'gateway' where both they and the scheme promoter can take comfort that the principle of the scheme in line with the location and designs are acceptable. GRIP 4 will be for the submission of more detailed designs with GRIP 5 and 6 being associated with procurement, detailed design and build, and GRIP 7 being scheme handback and GRIP 8 is project close.
- 1.10 In addition to the previously strong strategic case, the declaration of a Climate Emergency and announcement of growth/re-build of Torbay Hospital will be key additional factors. In particular the hospital as it is one of a select few nationally and this has the potential to set the Edginswell project ahead of other schemes.
- 1.11 The benefits to the climate of encouraging more people to travel sustainably are clear. Transport is the biggest emitter of carbon in Torbay and in order to address the Climate Emergency we must tackle transport emissions. While active travel is clearly the best option for this, it is likely to be impractical for many of those travelling to the businesses or the hospital from outside of Torbay, or likewise travelling from the residential areas around the station to destinations outside of the Torbay, to travel in this way – as such public transport plays a key role.

## **2. Reason for Proposal**

- 2.1 In January 2020 Government announced that a new round of New Stations Funding would be opened, with details following in an announcement by the DfT on 28<sup>th</sup> February 2020 that £20m would be available for scheme proposals to be submitted by 5<sup>th</sup> June 2020.
- 2.2 On 10<sup>th</sup> March Informal Cabinet considered whether there was support to re-submit a bid and it was agreed that the Council should do so.
- 2.3 There has been no substantial change in the strong strategic case for the scheme.
- 2.4 Critically two of the three key risks that caused most concern in the last submission have been resolved. The rail industry have agreed to support out preference in the design for a lift instead of ramp, and Network Rail have confirmed that the issue with signaling is not applicable.
- 2.5 The remaining risk is with the track alignment. This relates to how to achieve a smooth consistent platform edge with equal spacing to the train at all points. This is a risk when working on any part of rail infrastructure and will need to be considered through the design and build process. This is covered by the overall project contingency.
- 2.6 Updating the design (lift instead of ramps and checking against changes to technical

standards), the costs (inflationary and design amendments), the economic case (latest methods), and ensuring the timetable is capable of enabling services to stop at the station has been challenging with the current commitment of resources within the Council and other organisations and general constraints as a result of Covid-19.

2.7 The cost estimate for the station has been revised to £13.048m. This is £0.163m more than the previous bid in 2016 and reflects a number of changes and the removal of risks as explained above. Included within the estimate is an appropriate (and required) level of optimism bias.

2.8 A decision is needed on where the replacement match funding for the scheme is identified from. The recommendation is that £5-6m will be needed, but the minimum contribution is 25% so there is potential for it being less though 'tactically' that is not a recommended approach as it will require a considerable ask of the limited Government funding. The fund is, in total, only £20m and it is expected that the DfT would want to deliver a minimum of three schemes based on previous allocations/decisions. However, it could be argued that Torbay is a small Council and the cost of a single station is a heavy burden. Therefore it can only afford to contribute the absolute minimum.

2.9 Options for the match funding are the Local Transport Plan allocation; the Town Deal; the Investment Fund; and more from Section 106. It is also possible to name this as a Community Infrastructure Levy project (using the Levy to repay a loan) but that would be set against, and therefore reduce, the contribution for the South Devon Highway so this approach is not recommended.

2.10 Around £0.55m has so far been invested in this scheme and can be included as match funding. The Town Deal could contribute £3-4m, and the Local Transport Plan could contribute £1.5m. Section 106 can contribute a further £116k. The proposal to develop the Edginswell Valley will be presented within the next 12-18 months but it is known that there are viability concerns with the scheme and until that is tested any guarantee of Section 106 from that development is difficult to assume. Other large scale Section 106 contributions appear unlikely.

2.11 The decision concerns the £1.5m Local Transport Plan allocation. This would be a commitment from future years funding and would be a proportion of the £5.3m we are allocated over five years from 2021/22-2025/26.

### **3. Recommendation(s) / Proposed Decision**

3.1 A decision is needed on how much the Council can afford to contribute to this project and by what means it will do so, noting the minimum 25% requirement.

3.2 The decision on the final allocation is to be made by the Chief Executive in consultation with the Group Leaders (and other members if appropriate). The position of needing an urgent decision is unfortunate but will be necessary given the time constraints.

3.3 This decision will be needed as soon as possible but in any case by 5<sup>th</sup> June 2020 in order to meet the submission deadline.

3.4 The recommendation is to approve £1.5m of Local Transport Capital funding as match funding for this project, subject to the successful outcome of the bid.