

## **Marsh Barton Railway Station: Scheme Construction and Estimate Approval**

Report of the Head of Planning, Transportation and Environment

***Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.***

### **Recommendations:**

- (a) that the scheme shown on drawing B2300109-MBS-G4/CV.DRG/2052 P02 be approved for construction at an estimated cost of £7.4m with the contract not being awarded and scheme not proceeding until the funding package has been agreed;**
- (b) that the Head of Planning, Transportation and Environment, in consultation with the Cabinet Member for Economy, Growth and Cabinet Liaison for Exeter, be given delegated authority to make minor amendments to the scheme design.**

### **1. Summary**

Marsh Barton station has secured Growth Deal funding and construction and is due to start in the 2015/16 financial year. Costs have increased significantly and a revised funding package is proposed. This report seeks Cabinet approval to construct the scheme with a revised funding package.

### **2. Background/Introduction**

Marsh Barton station is a core element of the Devon Metro rail strategy for Exeter. It is central to the growth plans for the South West Exeter urban extension, Dawlish, Newton Abbot and Marsh Barton employment area itself alongside other schemes such as Alphington Park and Ride and Bridge Road. It also plays a major part in the growth of the rest of the city by enabling access to Marsh Barton employment from the growth areas to the east. This is particularly important given the limited capacity of key junctions such as Countess Wear and M5 Junction 30.

Cabinet approved the layout plans for both Marsh Barton and Newcourt stations at its meeting on 12 December 2012. This included approval to submit a detailed planning application.

Government allocated £2m of Growth Deal funding as part of the Heart of South West Local Enterprise Partnership's (HoSW LEP) Growth Deal 1 agreement in 2014. The HoSW Local Transport Board (LTB) subsequently approved the Programme Entry for the scheme on 31 July 2014.

Cabinet Member approval to issue tenders for the scheme was given in December 2014.

### 3. Proposal

The design of the scheme has not changed significantly from the layout approved by Cabinet in December 2012. Planning permission was granted for the station in March 2014 including a condition relating to the removal of the public right of way railway crossing to the south of the station.

The scheme includes two platforms on the Exeter – Newton Abbot – Torbay/Plymouth main line connected by a footbridge at its northern end. Access will be from both ends of Clapperbrook Lane East. Cycle and disabled car parking are provided as well as emergency vehicle access.

The station will be connected into the existing cycle and footpath network providing direct attractive access to Marsh Barton and the new South West Exeter urban extension, County Hall and the RD&E hospital. It will also provide an alternative option to St Davids station for access to the Exe Estuary Trail.

The station is due to be opened in 2016. A half hourly frequency is expected to serve the station from 2018 as part of a major timetable revision and when additional diesel units are cascaded from the Thames Valley and Bristol to Devon and Cornwall. This will link the station to Dawlish, Teignmouth, Newton Abbot, Torbay and stations to Exmouth via Exeter Central and Digby and Sowton. Torbay Council are planning to open a station at Edginswell on the northern edge of the area around 2018. Other origins and destinations including Tiverton Parkway, Crediton, Barnstaple, Cranbrook and Honiton will be available with one change at St Davids or Central stations, helping to reduce congestion on congested roads. A modified service will operate until 2018 due to timetabling constraints.

#### Scheme Costs and Value for Money

Following further design work the programme entry business case to the LTB in July 2014 estimated the cost at £4.33m and was approved at the LTB's meeting. The current value of the scheme in the 2015/16 Budget Book is £4.5m

The County Council now has the experience of opening Newcourt station, with Cranbrook due to follow in the near future. New rail station openings in the UK on existing lines (especially main lines) are still relatively rare and neither design consultants nor Network Rail themselves have significant recent experience in this field, particularly in estimating costs. The scheme cost is now expected to be £7.4m for the reasons explained below. It does however remain very good value for money with a benefit/cost ratio of approximately 8. This is based on tender returns which include a quantified risk assessment and further allowance of optimism bias at 6% and is therefore considered to be a robust figure.

The primary reasons for the cost increase can be summarised as:

- The consultant designers underestimating the difficulties of site access and limitations of trackside working outside of train operating hours (particularly the night sleepers to/from Penzance);
- Pressure on specialised contractor resources in the rail industry given the extent of work such as electrification taking place around the country has led to tender price inflation which has also affected many other major construction projects;
- Based on recent experience Network Rail and First Great Western fees are likely to be significantly greater than originally expected – there is no fixed rate and costs are dependent on the complexity of the scheme;
- New legislative changes introduced by the Office of Rail Regulation have increased costs in the areas of signalling, telephony and platform lengths.

Discussions are ongoing with tenderers, Network Rail and First Great Western to find ways of bringing costs back down through, for example, retiming sleeper trains to allow more working hours overnight, using single line working at night and using innovative construction methods to minimise the need for railside working time. Officers will be pressing Network Rail to minimise internal delays and costs which can have a major impact on the scheme itself.

#### Scheme Delivery

The timing of the scheme's construction is expected to have a significant impact on costs. Following the recent tendering process a contract is due to be awarded in early September 2015. If the tender is not awarded at this time it is likely that a new tendering process will be required. This will significantly delay the scheme and may lead to further increases in costs as a result of the industry pressures noted earlier. There are particular constraints in securing the necessary Network Rail engineering resources such as signalling where there is a national shortage. There may also be impacts on the availability of Growth Deal funding.

#### **4. Consultations and Representations**

The December 2012 Cabinet report outlined the wider public consultations that led to the development of the scheme. This included the Exeter Local Plan, Devon and Torbay Local Transport Plan, discussions with rail user groups and 2010 Future of Transport in Exeter consultation.

There are extensive ongoing consultations with both First Great Western and Network Rail on the design of the station and services that will operate there. A timetable modelling exercise has also secured agreement from Cross Country Trains on an interim timetable to 2018.

The LTB agreed the business case for the scheme including value for money in July 2014. An updated business case reflecting the new cost and value for money will be formally considered by the board on 9 July 2015. It will then be considered further by the LEP's Strategic Investment Panel (SIP) which will make a recommendation to the LEP Board for final approval later in July.

Further more detailed consultation has taken place as part of the planning application process. Network Rail did not object on condition that an existing public right of way rail crossing south of the station was closed and the route diverted. The informal consultation on the diversion has now closed and there have been no objections from the stakeholders consulted. A formal diversion order will be published shortly with a four week objection period.

#### **5. Financial Considerations**

As noted above the cost of the scheme is £7.4m and involves the following funding package. Teignbridge District Council has agreed a contribution of £1.3m to the station in its capital programme. Exeter City Council has been requested to make the same level of contribution and is expected to ratify this at the meeting of its Executive in July. Both authorities are likely to fund their contributions from development contributions through the Community Infrastructure Levy. The County Council has already spent in the region of £0.32m in design fees and preliminary works and is proposed the authority contributes a further £0.98m from the corporate Growth Deal Match Funding budget agreed by Cabinet in February 2015, making a total of £1.3m.

As has been the case with other new stations in Devon, there are no direct funding contributions from the rail industry. Government funding towards Newcourt station was secured through the one-off New Stations Fund. The current short term nature of the Great Western franchise means that, unlike long term franchises such as Chiltern, there is insufficient scope to obtain a return on Train Operating Company investment before the direct award ends in April 2019.

Growth Deal funding for this scheme is to be requested from the LTB and LEP on top of the agreed £2m. The County Council has a number of other Growth Deal funded schemes in the programme including Heywood Road junction at Bideford. It is proposed that the level of Growth Deal funding on the latter scheme is reduced and compensated by funds from anticipated S106 agreements in the area. This would allow approximately £0.65m of Growth Deal funding to be transferred to Marsh Barton station subject to LTB and LEP agreement. It is understood that there is currently £0.9m of unallocated funds within the Growth Deal programme from schemes that have reduced their funding requirements.

In summary the proposed revised funding package is:

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| Teignbridge District Council                       | £1.3m  |
| Exeter City Council (subject to formal approval)   | £1.3m  |
| Devon County Council (including previous spend)    | £1.3m  |
| Growth Deal (LTB/LEP) (subject to formal approval) | £3.5m (an additional £1.5m including £0.65m transferred from Heywood Road and £0.85m of unallocated Growth Deal funds) |
| <b>Total</b>                                       | <b>£7.4m including quantified risk assessment and 6% optimism bias</b>   |

As noted above the LTB, SIP and LEP Board will consider the revised business case including funding package at their respective meetings in July. The LEP Board's final decision will be communicated verbally at this Cabinet meeting if available.

## 6. Environmental Impact Considerations

The new station will provide important economic, social and environmental benefits. It will increase accessibility to employment at Marsh Barton from a wide area, particularly new developments in the Newton Abbot, Dawlish and Exeter areas. Connections from other rail and bus services will increase this further. This will help support the continued expansion of the Marsh Barton employment area, creating additional jobs. The trips removed from the local road network will enable businesses in the Exeter area to grow.

The station will also help to serve the new urban extension at South West Exeter. It will provide important connections to the city centre and employment areas to the east of the city as well as other destinations on the rail network.

Overall the station will play an important part in developing the Devon Metro strategy which in itself will make a major contribution to enabling Exeter to grow sustainably. New stations are an important means of making the local rail network more financially sustainable in the long term, reducing the need for support from the taxpayer.

Detailed environmental site impacts were considered as part of the planning application. These were not sufficient to require an Environmental Impact Assessment or Statement. The scheme will include mitigating planting where required.

## **7. Equality Considerations**

Where relevant to the decision, the Equality Act 2010 Public Sector Equality Duty requires decision makers to give due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

Taking account of age, disability, race/ethnicity (includes Gypsies and Travellers), gender and gender identity, religion and belief, sexual orientation, pregnant women/new and breastfeeding mothers, marriage/civil partnership status in coming to a decision, a decision maker may also consider other relevant factors such as caring responsibilities, rural isolation or socio-economic disadvantage.

An Impact Assessment has been carried out for this scheme, a copy of which has been circulated to Cabinet Members, and is available alongside this report on the Council's website at: [http://www.devon.gov.uk/index/councildemocracy/decision\\_making/cma/index\\_exc.htm](http://www.devon.gov.uk/index/councildemocracy/decision_making/cma/index_exc.htm)

The station will strongly support the County Council's commitment to equality, notably by increasing accessibility to jobs and local facilities and particularly for those who do not have regular access to a car or on isolated occasions. It will reduce the negative impacts of economic growth on a large number of people by minimising the level of traffic growth and therefore air quality and noise associated with it. The station has been designed to be fully compliant with disability regulations and includes disabled car parking spaces. It does not have general car parking spaces but these are available at other locations such as Exeter St Davids. Cycle parking is provided which, in conjunction with the station's location on the cycle network, substantially expands the number of people who can benefit from it, whether employees or residents.

## **8. Legal Considerations**

The lawful implications of the proposals have been considered and taken into account in the preparation of this report and formulation of the recommendations set out above.

The planning approval is subject to the diversion order for the public right of way not being contested or approved at inquiry.

A small piece of land is required from Exeter City Council which has indicated that this will be agreed in time to allow construction to start.

## **9. Risk Management Considerations**

This policy/proposal has been assessed and all necessary safeguards or action have been taken/included to safeguard the Council's position.

The construction of the station on Network Rail's network increases risks as a result of the potential for their requirements to change as detailed scheme design is completed. Similarly the Office of Rail Regulation can impose new standards part the way through a project.

Lessons have been learnt from the construction of Newcourt and Cranbrook stations and increased sums for a number of elements allowed, including Network Rail fees and signalling. A detailed Quantified Risk Assessment has been developed to recognise these risks and a further 6% optimism bias allowed for the whole scheme (compared to the normal 3%).

The revised funding package is still to be agreed by Exeter City Council (ECC) and the LTB/SIP/LEP Board. Discussions with ECC are positive but subject to final Executive approval in July. Similarly initial discussions with the LTB and LEP have been productive and the LEP has recognised DCC's proactive approach in developing a new funding package. Certainty of the funding package should be achieved by the end of July.

The public right of way diversion order remains a risk until no objections are received or are removed. If this was not achieved an inquiry may be required which may delay the scheme start. There have however been no objections during the informal consultation stage which gives a positive indication that the risk is relatively low.

## **10. Public Health Impact**

The scheme has a strong positive public health impact by encouraging the continued increase in active travel as part of the Devon Metro strategy. It is part of a range of measures to increase travel choice options across walking, cycling, car sharing, car clubs bus and rail travel, reducing dependence on multiple car ownership and the need for regular car trips. It is particularly important to embed this travel behaviour in the major new developments noted in the report.

The station has only disabled parking spaces and therefore maximises non car access to the rail network, whether for short or longer journeys. Secure cycle parking is provided and will open up opportunities for cycle connections to/from employment and residential areas including those across the river such as the RD&E hospital and County Hall. Walking is an attractive option from most of the Marsh Barton employment area.

Increasing rail travel will have further associated benefits by supporting improvements in local air quality as part of the Exeter Air Quality Management Plan, thereby reducing poor air quality's impact on health, particularly for those with respiratory problems. This is an important part of enabling further growth of the City.

## **11. Options/Alternatives**

Alternative locations for the station were considered as part of the initial design phase. The chosen location met required Network Rail standards and provided suitable access from surrounding areas.

## **12. Reason for Recommendation/Conclusion**

It is recommended that the station remains very good value for money despite the increase in cost. It is a central part of the nationally recognised Devon Metro strategy and critical to enabling the successful further growth of Exeter. It is also good value for the taxpayer, helping to increase the long term viability of the local rail network.

Dave Black  
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**Electoral Divisions:     Alphington and Cowick, Priory and St Leonards,  
                                  St Loyes and Topsham, and Exminster and Kenton**

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Local Government Act 1972: List of Background Papers

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| Background Paper | Date | File Reference |
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Nil

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