

Report to: EXECUTIVE CABINET

Date: 2 November 2020

Executive Member: Cllr Oliver Ryan, Executive Member (Finance & Economic Growth)

Reporting Officer: Jayne Traverse, Director of Growth

Subject: **HATTERSLEY STATION TICKET OFFICE REDEVELOPMENT, GOVERNANCE OF RAIL INVESTMENT PROCESS (GRIP) STAGES 6 – 8**

Report Summary: The report provides information on the progress made to date on the project and seeks the authorisation to make the award of a grant up to the sum of £571,828.51 to Northern Trains Limited for the construction and commissioning of the Hattersley Rail Station Ticket Office Redevelopment Project through a formal Grant Funding Agreement.

Recommendations: That Executive Cabinet is recommended to:

- (i) Approve the making of the award of a grant up to the sum of £571,828.51 to Northern Trains Ltd to undertake GRIP Stages 6 – 8 for the construction and commissioning of the Hattersley Rail Station Ticket Office Redevelopment Project through a formal Funding Agreement;
- (ii) Accept the risks of entering into the Grant Funding Agreement and approves that:
 - a. Delegated Authority is provided to the Director of Growth to enter into the Grant Funding Agreement on behalf of Tameside MBC;
 - b. Delegated Authority is provided to the Director of Growth to manage the programme of works associated with the Grant Funding Agreement and to drawdown and incur all expenditure related to delivery. On-going performance and reporting will be provided as required.

Corporate Plan: The report fully supports the priorities of the corporate 'Our People Our Place Our Plan.'

Policy Implications: The report fully supports the long term economic regeneration of the wider Hattersley Estate.

Financial Implications: The Council has been allocated £ 0.750 million grant funding to support this scheme via the national 2020/21 Local Growth Fund.

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

Section 2.13 of the report provides details of the expenditure and commitments to date against this allocation with a residual balance available of £ 0.574 million.

The proposed payment to Northern Trains Ltd as set out in section 3.2 and recommendation 2 (£ 0.572 million) is affordable within the residual grant balance.

It is essential that the programme and requirements of the grant agreement are stringently monitored and adhered to whilst also ensuring scheme milestones are delivered. It is also essential that the scheme is delivered within the sum approved stated in recommendation 2.

Section 4 of the report provides assurance that the final balance of Local Growth Fund for Greater Manchester has been paid to the Greater Manchester Combined Authority (GMCA). The Council should ensure that any balance due of the £ 0.750 million approved sum is claimed from the GMCA at the earliest opportunity following payment of the £ 0.572 million to Northern Trains Ltd.

Legal Implications:
(Authorised by the Borough Solicitor)

As set out in the main body of the report this is the final phase of the works which have to date been carried out under grant agreements to Northern Trains Ltd.

Advice was sought from STAR that this was the best process for engaging Network Trains Ltd for the delivery of the works.

As grant agreements cannot specify delivery in the same way as a contract would the Council has phased the work under separate grant agreements following advice so as to be able to monitor progress whilst not controlling it.

Members will note the risks outlined in section 4.0 of this report in relation to funding which is addressed in the financial implications section.

Risk Management:

The risks are outlined within section 4.0 of the report.

Background Information:

The background papers relating to this report can be inspected by contacting Simon Eastwood, Senior Engineer.



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1. BACKGROUND

- 1.1. The project will provide a refurbished and extended ticket office at Hattersley Railway Station and forms the second phase of the overall Hattersley Station project. This report informs Executive Cabinet of the progress made to date on the project and seeks the authorisation to make the award of a grant in the sum of £571,828.51 to Northern Trains Limited for the construction and commissioning of the Hattersley Rail Station Ticket Office Redevelopment Project through a formal Funding Agreement.
- 1.2. It was the Council's aim to provide a new ticket office at the station in order to replace the existing structure but in order to keep costs within the overall project budget it has been necessary to provide a hybrid scheme comprising a refurbished ticket office plus a new extension which will provide the additional space required.
- 1.3. The first phase of the strategy to improve Hattersley Railway Station was funded from Local Sustainable Transport Fund monies with a substantial contribution from the Hattersley Land Board and comprised:
- The realignment of Hattersley Road West passing immediately outside the station ticket office. This new alignment passed through land owned by TfGM and Peak Valley Housing;
 - New bus stops were provided immediately adjacent to the railway station to encourage interchange between bus and rail; and
 - The provision of a new more secure car park with 42 spaces which is covered by enhanced CCTV. The number of the vehicles parking at the station has increased from none to 30+ following the completion of the scheme.
- 1.4. Phase one was completed in March 2016 with a significant increase in passenger numbers, which is illustrated below.

| Station | Annual passenger numbers December 2015 | Annual passenger numbers December 2019 | Percentage increase 2015 to 2019 |
|-------------|--|--|----------------------------------|
| Godley | 70,830 | 107,450 | +51.7% |
| Hattersley | 51,982 | 111,354 | +114.2% |
| Broadbottom | 151,698 | 197,316 | +30.1% |

- 1.5. The second phase of the strategy to improve Hattersley railway station is for the provision of an improved ticket office. The Council has secured grant funding of £750,000 from the Greater Manchester Combined Authority through the GM Growth Deal Round 2 to deliver this project. This funding has to be spent by the end of March 2021. Following approval, Northern Trains Limited will be awarded a grant to carry out these works.
- 1.6. The scope of the scheme does not include any provision for improvement works to the existing pedestrian footbridge accessing the platform directly from the ticket office building nor for any works to be undertaken on the platform.
- 1.7. The scheme will meet the Council's aims of supporting the regeneration in Hattersley and the proposed GGGV located immediately to the south west of Hattersley station on the opposite side railway line. As part of the GGGV development it is proposed to provide a new bridge for pedestrians, cyclists and equestrians across the railway line which will provide access to Hattersley Station and the surrounding area.

2. PROGRESS TO DATE

- 2.1 The redeveloped ticket office will be owned by and located on Network Rail land that they lease to Northern Trains Limited who is the current franchise operator. Therefore, both

Network Rail and Northern Trains Limited have been closely involved in the design and will remain closely involved with the construction of the ticket office.

- 2.2 In 2017, the Council decided to procure architectural design services from suitably experienced specialist design consultants to develop a viable design and project manage the delivery of the redeveloped ticket office. Strzala Architects Limited was appointed by the Council to undertake this work.
- 2.3 The rail project processes proved to be more complicated than anticipated and so it was determined that project managers more familiar and experienced with the mandatory procedures and requirements of Network Rail should be appointed.
- 2.4 The Franchise Operator, Northern Trains Limited offered to undertake the project management of the scheme on the Council's behalf. They have undertaken this for other local and transport authorities across their franchise area. This involves them undertaking the full range of project management services, including the provision of architectural design consultants and construction companies from their framework agreements and liaison with Network Rail and TfGM in order to deliver the project.
- 2.5 Strzala Architects Limited appointment was terminated and two grant agreements were entered into with Northern Trains Limited to deliver 1) GRIP stages 1 to 3, and 2) GRIP stages 4 to 5.
- 2.6 In order to progress to GRIP Stages 6 to 8, a similar award is required, again through a similar grant funding agreement as undertaken for GRIP stages 1 to 3, and 4 to 5.
- 2.7 The project is being undertaken through Network Rail's eight stage Governance of Rail Investment Process:
- GRIP Stages 1 – 3 Initial Project Development to Option Selection
 - GRIP Stage 4 – Single Option Development
 - GRIP Stage 5 – Detailed Design and Tendering
 - GRIP Stage 6 – Construction Works
 - GRIP Stage 7 – Scheme Handback and Commissioning
 - GRIP Stage 8 – Project Close Out
- 2.8 To date GRIP Stages 1 to 3 have been completed and a design option for detailed development has been agreed. This work is being undertaken by Vextrix (Northern Trains Limited's project managers) and Strzala Architects Limited who have been employed by Northern in a similar capacity as previously with the Council.
- 2.9 The funding agreement for GRIP Stages 4 and 5 was signed and sealed on 29 November 2019 by Tameside Council and the Franchise Operator, Northern Trains Limited.
- 2.10 Work is currently underway on GRIP Stages 4 and 5 producing a detailed final design for the redeveloped ticket office. This final design will be subject to approval by Network Rail as the owner of Hattersley Station.
- 2.11 The latest option for the detailed design for the reconstruction of the ticket office and a location plan of the station are appended to this report for information.
- 2.12 The costs to date for the scheme are set out in the table below.

| Financial Year | Cost (£'s) |
|----------------|------------|
| 2016/17 | 18,498.40 |
| 2017/18 | 27,299.75 |
| 2018/19 | 27,709.96 |
| 2019/20 | 2,340.06 |

| | |
|--|-------------------|
| Sub Total | 75,848.17 |
| 2020/21 GRIP 1-5 Design & PM Fees | 100,444.00 |
| Total Expenditure & Commitments | 176,292.17 |
| Total Grant Available | 750,000.00 |
| Remaining Balance | 573,707.83 |

3. NEXT STEPS: GRIP STAGES 6 TO 8

- 3.1. The final stages of the project are GRIP Stages 6 to 8, namely the construction works for the redevelopment of the ticket office and the handover to Northern Trains Limited and Network Rail.
- 3.2. Northern Trains project management consultants (Vextrix) have provided an initial pre-tender estimate for GRIP Stages 6 to 8, which is set out in the table below.

| Item | Cost (£) |
|--|-------------------|
| Construction | 430,076.00 |
| Fees | 52,833.00 |
| Contingency | 32,256.00 |
| Network Rail GRIP Stages 4-5 & GRIP Stages 6-8 APA Costs | 56,663.51 |
| Total | 571,828.51 |

- 3.3. However, the estimates above are based on an initial GRIP 4 cost estimate which will be further developed through GRIP Stages 4 and 5. The final construction and total project costs won't be known until project completion.
- 3.4. The scheme costs set out above for GRIP Stages 6–8 (table in section 3.2) also includes the cost for the Network Rail Asset Protection Agreements (APA) for GRIP Stages 4-5 and GRIP Stages 6-8 between Network Rail and Northern Trains. This will allow Network Rail to approve the final design and enable the project to proceed to GRIP Stage 5 (tendering) and GRIP Stages 6 – 8 (construction and handover) and then monitor and approve the construction.
- 3.5. The fees for the GRIP Stages 6 to 8 include both the Northern Trains project management fees and the fees of Northern Trains project management consultants (Vextrix).
- 3.6. If approval is provided for the recommendations within this report, a formal funding agreement will be made with Northern Trains as the sole provider, to project manage and undertake GRIP Stages 6 to 8 for the provision of a reconstructed ticket office at Hattersley railway station.
- 3.7. As the Funding Agreement is for a grant up to, but not exceeding, a value of £571,828.51 it will need to be signed and sealed by both parties.
- 3.8. The Funding Agreement states that the project is to be paid from GM Growth Deal Round 2 funding and that Northern Trains Limited agrees to be responsible for the costs of the Construction, Scheme Handback and Commissioning, and Project Close Out.
- 3.9. Legal Services will be involved in all stages of the process of drafting and agreeing the Funding Agreement.

4. FUNDING - MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

- 4.1. A letter received by the GMCA in May 2020 from the Ministry of Housing, Communities and Local Government (MHCLG) set out the position around how Government wanted to manage the 2020/2021 Growth Deal grant, based upon forecast spend and commitment.
- 4.2. In summary, the Government said that they will initially pay only 2/3 of GM's LGF allocation for FY2020-21 (the full allocation is £77 million) in advance followed by a period of joint working and review over the summer on contractual commitments and likely spend over the remainder of the year. The remaining 1/3 of Growth Deal grant would dependent on GM achieving full spend across the Growth Deal programme this financial year and being able to demonstrate that this full spend was 'contractually committed' by 31 July 2020. This is an unexpected departure from the usual process of the full year allocation being payed to GMCA in advance in May.
- 4.3. Following work by TfGM and GMCA with partners to maximise both the contractual commitment of spend on GD projects by 31 July 2020, and on bringing forward expenditure where possible, on all projects. The MHCLG responded to the GMCA stating that the final third of the LGF funding would be paid to the GMCA in August 2020.
- 4.4. This recent announcement emphasises the necessity to enter into the Grant Funding Agreement for GRIP Stages 6 to 8 at the earliest opportunity to minimise the risk of losing funding earmarked for this project.

5. OTHER FUTURE IMPROVEMENTS TO HATTERSLEY STATION

- 5.1. The current footbridge provides access from the ticket office to the platform and does not form part of this project. The existing footbridge does not meet accessibility regulations having only a sloped stepped ramp structure and consequently the station platform is not fully accessible from the ticket office. In the long term the only way to provide fully accessible access to the platform, is to include a lift and stairs. This would be a Network Rail/ Northern Rail undertaking.
- 5.2. The existing footbridge is located at the western end of the platform; there is not sufficient platform space to provide a new fully accessible footbridge at the current location. Should a new footbridge be introduced in the future, it would have to be located further east where the platform is wider. This means the footbridge will not provide direct access from inside the ticket office but would need to be a separate structure located a short distance away. This will enable the station to remain accessible to passengers whilst a new footbridge is constructed. Whilst a new footbridge has only been identified as a possible future option, this has still been taken into consideration during the design of the ticket office so as to future proof its current redevelopment.

6. RECOMMENDATIONS

- 6.1. As stated on the report cover.

APPENDIX A

Site Plan and General Arrangement Drawing

