

<b>DECISION-MAKER:</b>	Cabinet
<b>SUBJECT:</b>	Northam Rail Bridge
<b>DATE OF DECISION:</b>	17 September 2024
<b>REPORT OF:</b>	<b>COUNCILLOR KEOGH</b> <b>CABINET MEMBER FOR ENVIRONMENT &amp; TRANSPORT</b>

<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>	
Not applicable	
<b>BRIEF SUMMARY</b>	
<p>This paper details the latest position on the Northam Rail Bridge project covering the requirement to appoint Network Rail as the lead design and build contractor for the bridge span element of the project, changes in the costs for the Outline Business Case (OBC) submission to the Department for Transport (DfT) for funding for the proposed works, and accepting the OBC development grant from the DfT.</p>	
<b>RECOMMENDATIONS:</b>	
(i)	To delegate authority to the Head of Supplier Management to direct award a contract for design and build in relation to the Northam Bridge Project via a procurement exemption to Network Rail to support the development of the Outline Business Case (for the design and other products).
(ii)	To accept the initial Outline Business Case grant of £1.45M from Department for Transport, to adjust the Northam Rail Bridge capital budget, and authorise spend of the funding across 2024/25-2026/27 financial years.
(iii)	To delegate authority to the Executive Director of Growth and Prosperity in consultation with the Executive Director of Enabling Services (s.151 Officer) to accept any future grants in relation to this project and make the necessary budget adjustments (including spend approvals within budget) arising from the acceptance of such grants.
(iv)	To approve the change in the local contribution (an increase of £0.416M to now a total of £1.377M consisting of SCC Local Transport Plan, Revenue, and S106 Developer Contributions funding from 2024/25 and 2025/26) and change the allocation for Northam Rail Bridge OBC in the Capital Programme.

<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1	<ul style="list-style-type: none"> <li>i. The condition of Northam Bridge is deemed to be extremely poor and mitigation measures that will be needed if the current structure is retained (such as weight restrictions or restricted motor vehicle access) will have significant impacts on the wider city transport network, and as such a replacement bridge is preferred.</li> <li>ii. To enable the Council to direct award via a procurement exemption to Network Rail to deliver the necessary design, assurance, rail surveys, engagement with the train and freight operating companies, and to deliver accurate and compliant bridge structure design that is acceptable to Network Rail achieving financial best value without compromising the required service specification.</li> <li>iii. To enable the grant monies received from the DfT to be added to the Capital Programme and enable spend.</li> </ul>
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2	<p><u>Not to proceed with the project</u></p> <p>Due to the condition of the Northam Bridge, additional mitigation measures would be needed such as additional weight restrictions or possible restriction on all motor vehicle access over the Bridge. This would have significant impacts on the wider city transport network and reduce the number of east / west crossings.</p>
3	<p><u>Use an open tendering exercise</u></p> <p>Network Rail are not on any framework that the Council has access to, therefore an open tender would have needed to be carried out. Given the value of the potential work this would be through a longer tender process which would elongate the scheme development. The tasks required can only be carried out by Network Rail and as such a tendering exercise may lead to an award to Network Rail in any case.</p>
4	<p><u>Use the Highways Services Partnership (HSP)</u></p> <p>The Council has a 5 year Highways Service Partnership (HSP) with Balfour Beatty Living Places (BBLP) for highways design, construction and maintenance. The current contract is due to end in 2025 and while BBLP are part of the wider Balfour Beatty company and have access to Balfour Beatty Rail – who work with Network Rail on delivery of rail infrastructure projects – the nature of the work at Northam Rail Bridge means this is not an optimal route. BBLP would have to engage with Network Rail to carry out many of the activities that the direct commission would do. This would incur additional costs to the project.</p>
<b>DETAILS</b>	
5	<p><b>BACKGROUND</b></p> <p>Over several years, the Council (SCC) has been working with a range of partners, including National Highways and Network Rail, to bring forward a major project to replace and enhance the A3024 Northam Rail Bridge.</p>
6	<p>The bridge is an ageing asset that carries the single carriageway A3024, a major route into Southampton City Centre and the Port of Southampton from the east, across the main railway lines into Southampton. The single carriageway acts as a constraint on the A3024 for all traffic, particularly buses, making their journey times longer and unreliable.</p> <p>Location of the bridge and context is in Appendix 2.</p>

7	<p>Due to the age and extremely poor condition of the bridge, which is a joint maintenance liability between SCC and Network Rail, a weight limit of 7.5 tonnes has been imposed (except for buses). If the bridge is left in its current condition without significant investment and allowed to deteriorate further the weight limit may need to be lowered further and ultimately the bridge closed to traffic. This would sever the A3024 and place significant traffic pressures on other roads into the City Centre including Itchen Bridge and Cobden Bridge and disrupt bus services from the east. It would also impact on the development potential of the Itchen Riverside area.</p>
8	<p>The A3024 Northam Rail Bridge project consists of:</p> <ul style="list-style-type: none"> <li>• Replacement and widening of the existing single carriageway road over rail bridge structure with two new 2-lane highway bridges and associated approach works – with potential for bus priority lane(s);</li> <li>• New pedestrian-cycle bridge that realigns the St Mary’s Stadium footbridge;</li> <li>• Junction changes at Brinton’s Road and Britannia Road with new traffic signals, bus priority and pedestrian-cycle crossings;</li> <li>• New pedestrian and cycle routes around the bridge to improve connectivity, safety and accessibility for all; and</li> <li>• Public realm, landscaping and biodiversity works in Old Northam Road and other areas.</li> </ul>
9	<p>This project is a key component of the infrastructure pipeline required for Southampton’s economic growth and renaissance. Completing the project with replacement structures would secure the long-term future of the bridge and route into the City centre, Itchen Riverside – including approved redevelopment of the adjacent former Northam Gasholders site, St Mary’s Stadium and the Port. It would improve safety, journey times and reliability for all modes of transport particularly buses and cycles. The scheme is part of the Saints Mile which provides improvements from St Marys Stadium to Southampton Central Station.</p> <p>The project will provide health benefits related to air quality (via a reduction in congestion along the corridor), increase in physical activity (through the enhancement of the pedestrian and cycle facilities) and increase in biodiversity. The Outline Business Case will assess what level of benefits there will be from the project.</p>
10	<p><b>PROGRESS TO DATE</b></p> <p>The Northam Rail Bridge project has been a longstanding aspiration for Southampton and has been through several stages to reach the current position:</p> <ul style="list-style-type: none"> <li>• Developed by National Highways in 2015-17 as part of the then M27 Southampton Junctions Roads Investment Strategy (RIS1) scheme. The RIS1 scheme was descoped removing the A3024 and Bridge components in 2019. Since then SCC has taken on the lead, working with Network Rail, to secure funding for the project.</li> <li>• SCC led scheme to improve junctions on A3024 Bursledon Road completed in 2020;</li> <li>• The A3024 has been identified as part of the Major Road Network (MRN) and SCC put forward Northam Rail Bridge as part of the South East’s portfolio of MRN schemes for funding.</li> <li>• This was accepted and a Strategic Outline Business Case (SOBC) was submitted, initially in Summer 2019 and then resubmitted in Summer 2021 for consideration by DfT for MRN funding.</li> </ul>

	<ul style="list-style-type: none"> <li>• The SOBC was approved by DfT in November 2023 which has enabled access to DfT funding (Business Case Development Grant – BCDG) to support the progression of Outline Business Case (OBC).</li> <li>• A paper was taken to Capital Board in January 2024 to include Northam Rail Bridge project and then expected OBC costs of £3.201M into the Capital Programme for 2024/25-2026/27, using £0.961M of Local Transport Plan funding as match.</li> <li>• Officers have been engaging with Network Rail to bring them on-board as ‘partners’ in the project due to the shared ownership of the bridge</li> <li>• Confirmation of the remit of works for Network Rail and updated costs which have increased from £1.96M (2019) to £2.81M because of inflation, third party costs and internal NR costs.</li> <li>• Project Team and governance being assembled within Integrated Transport and BBLP to progress the OBC and highway designs.</li> <li>• Latest OBC grant letter received from DfT for £1.45M.</li> </ul>
11	<p><b>NETWORK RAIL</b></p> <p>Northam Rail Bridge is a shared asset between SCC and Network Rail and crosses a busy and important section of the railway. Given this, the project needs to be developed as a partnership between SCC and Network Rail. This is to ensure that the necessary design parameters, agreements, surveys and other technical work specific to the railway is completed correctly, along with planning how and when the bridge can be constructed. Network Rail has a governance programme in place for the delivery of major projects on its assets known as Project Acceleration in a Controlled Environment (PACE) which requires schemes to pass through milestones, with each stage requiring financial contribution. The engagement with Network Rail is a vital part of the process as it will require closure of the South West Main Line in Southampton for a short duration. Having access to this expertise is essential for SCC to successfully deliver the project.</p> <p>Officers have been engaging with Network Rail’s Wessex Team and Network Rail have an appointed Sponsor who is the primary point of contact and lead for the project within the organisation. A red line boundary for the project has been drawn with Network Rail taking the lead on the bridge structure (abutment to abutment) and SCC the remaining abutments and highway infrastructure (junctions, abutments and approaches, bus &amp; active travel infrastructure, public realm, landscaping etc), and the OBC.</p> <p>As part of this a review of the project to date was done by Network Rail to understand the alignment with Network Rail’s internal PACE process and ensure that the correct pieces of work are completed. This includes option assessments, land &amp; consents strategy, risk register, costs, construction planning &amp; indicative delivery programme, safety &amp; hazards, costs, compliance, constructability, design and surveys.</p>
12	<p>With an updated remit Network Rail have supplied SCC with a revised cost to develop the project through PACE1 stage (feasibility design and surveys). The total is now £2.811M, which is an increase on the previous cost of £1.96M (+£0.851m). This increase is due to inflation (based on construction inflation Dec 2018-Jun 24 of 17%), risk increase to 15% from 10%, third party rates (benchmarked rate from DfT), Network Rail fee and Industry Risk Fee. This will have an increase in the project cost for the creation of the Outline Business Case.</p>

13	<p>To ensure compliance it has been identified that Network Rail are the most suitable supplier to carry out the PACE products as they have the expertise and experience to do the work. To engage Network Rail directly the Council would need to carry out an exemption to the Contract Procedure Rules (CPRs).</p>
14	<p>Procurement of services by SCC needs to adhere to the Contract Procedures Rules (CPRs) governing how SCC must buy what it needs. As a public body, SCC must comply with all relevant UK procurement legislation. The purpose of the CPRs is to ensure that the Council does so and mitigates the risk of legal challenge. The CPRs also help the Council to obtain its requirements at the best price considering all factors while promoting fair and open competition.</p> <p>The CPRs must be adhered to unless a valid exemption has been granted. An exemption means that activity can be undertaken would of the rules set out within the CPRs.</p> <p>Exemptions may only be authorised in exceptional circumstances and no exemption can be given which breaches public procurement law.</p> <p>Within Section 5 of the CPRs, an exemption is only agreed if there is sufficient justification to authorise the request on one of the following grounds:</p> <ol style="list-style-type: none"> <li>i. The nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirement of the Rules is justifiable; or</li> <li>ii. The requirement for the works, goods or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or</li> <li>iii. There are other circumstances which are genuinely exceptional.</li> </ol>
15	<p>Alternatives to Network Rail, such as through the Highways Services Partnership (HSP) with BBLP or an open market tender exercise were explored. However, given the value and timelines for open market this is not achievable and may not offer value for money. BBLP have access to a wider supply chain and the Rail Division of Balfour Beatty itself. Any appointed supplier or using BBLP would need to engage with Network Rail as the national rail infrastructure owner. There would be costs associated with this approach which would be higher than a direct award to Network Rail.</p>
16	<p>Therefore, following an investigation that identified Network Rail as the only market provider for the works and it was deemed that the first justification for exemption applies, as below:</p> <ul style="list-style-type: none"> <li>• Network Rail are the only provider of rail infrastructure in UK and have the experience and expertise in complex bridge structure scheme design and delivery;</li> <li>• Appointing a consultant or using the HSP does not provide value for money as there is a need to engage with Network Rail as the partial asset owner of the bridge and rail infrastructure owner. This engagement will come at an additional cost to any of the consultant;</li> <li>• The design of the bridge structure will need to meet the technical specification for Network Rail and requires their input;</li> <li>• Given the location of Northam Rail Bridge above the junction for the South West Main Line, Eastern Docks Branch Line, and accessing the Northam</li> </ul>

	<p>Traincare depot detailed negotiation and engagement is required with all the train and freight operating companies and planning of construction; and</p> <ul style="list-style-type: none"> <li>• Removes a considerable risk liability for the Council.</li> </ul> <p>As a consequence an exemption is required under the CPRs to engage with Network Rail.</p>																				
17	<p><b>OUTLINE BUSINESS CASE &amp; DESIGN</b></p> <p>The Outline Business Case (OBC) forms part of the DfT’s decision making process and projects need to demonstrate how they fit with HM Treasury’s ‘five-case business case’ model – strategic, economic, financial, commercial and management. The OBC will take the work completed to date through the SOBC and update it with latest designs, costs, value for money assessments and governance arrangements.</p> <p>As the SOBC was completed in 2019 and using information and designs developed between 2017 and 2018 these will all need up dating so that the latest information is used in the OBC. This includes the design for the bridge itself.</p>																				
18	<p>SCC would remain the lead for the reaming of the pieces of work associated with the OBC, design work, surveys, assessments, and public consultation, which will be funded from the remaining of the grant from the DfT (minus the Network Rail costs) and SCC match funding. These would either be done in-house, through the HSP, or using external consultants such as for traffic modelling or Environmental Impact Assessment:</p> <ul style="list-style-type: none"> <li>• Strategic Case – updating the narrative;</li> <li>• Economic Case – updating the value for money assessment and modelling;</li> <li>• Financial Case – updated costs;</li> <li>• Commercial Case – setting out the route to market and benefits realisation; and</li> <li>• Management Case – updating governance, monitoring &amp; evaluation, and stakeholder engagement – this would include public consultation on the proposed scheme.</li> </ul>																				
19	<p>The development of the OBC is anticipated be through 2024 with a submission of the final OBC to DfT by end of the year. Once approved SCC will be able to move onto the Full Business Case (FBC) development – which again access BCDG funding from DfT – for submission in 2026.</p> <p>The indicative timeline is:</p> <table border="1" data-bbox="293 1630 1460 2132"> <thead> <tr> <th data-bbox="293 1630 1094 1680"><b>Milestone Activity</b></th> <th data-bbox="1094 1630 1460 1680"><b>Estimated Date</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="293 1680 1094 1727">Obtain NR and SCC authority</td> <td data-bbox="1094 1680 1460 1727">17<sup>th</sup> September 2024</td> </tr> <tr> <td data-bbox="293 1727 1094 1809">Commence PACE1, Junctions &amp; Approaches Design, OBC</td> <td data-bbox="1094 1727 1460 1809">30<sup>th</sup> September 2024</td> </tr> <tr> <td data-bbox="293 1809 1094 1856">Public Consultation</td> <td data-bbox="1094 1809 1460 1856">Summer 2025</td> </tr> <tr> <td data-bbox="293 1856 1094 1904">Complete PACE1, Junctions &amp; Approaches, and OBC</td> <td data-bbox="1094 1856 1460 1904">17<sup>th</sup> October 2025</td> </tr> <tr> <td data-bbox="293 1904 1094 1951">Submit OBC to DfT</td> <td data-bbox="1094 1904 1460 1951">31<sup>st</sup> December 2025</td> </tr> <tr> <td data-bbox="293 1951 1094 1998">Obtain DfT Approval*</td> <td data-bbox="1094 1951 1460 1998">Spring 2026</td> </tr> <tr> <td data-bbox="293 1998 1094 2045"></td> <td data-bbox="1094 1998 1460 2045"></td> </tr> <tr> <td data-bbox="293 2045 1094 2092">Outline Design</td> <td data-bbox="1094 2045 1460 2092">Summer 2025</td> </tr> <tr> <td data-bbox="293 2092 1094 2132">Full Business Case</td> <td data-bbox="1094 2092 1460 2132">Summer 2026*</td> </tr> </tbody> </table>	<b>Milestone Activity</b>	<b>Estimated Date</b>	Obtain NR and SCC authority	17 <sup>th</sup> September 2024	Commence PACE1, Junctions & Approaches Design, OBC	30 <sup>th</sup> September 2024	Public Consultation	Summer 2025	Complete PACE1, Junctions & Approaches, and OBC	17 <sup>th</sup> October 2025	Submit OBC to DfT	31 <sup>st</sup> December 2025	Obtain DfT Approval*	Spring 2026			Outline Design	Summer 2025	Full Business Case	Summer 2026*
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	Detailed Design	Winter 2026*
	FBC submitted to DfT & Approval	Winter 2026-Spring 2027*
	Start Construction	Summer 2027*
	Bridge Demolition & Installation (9-day rail blockade)	Winter 2028/29*
	Substantial Completion and opening	Summer 2029*
	(* - dates subject to DfT funding approval of OBC and FBC to maintain critical path)	
20	<p>The total cost of the OBC was reported to Capital Board in January 2024 at £3.201M with DfT providing capital funding of £2.24M and SCC £0.961M, which was added to the Capital Programme in March 2024. With the increase in Network Rail costs the total is now £4.052M with a request to DfT to provide £2.674M and SCC £1.377M local match. This is expanded on in Finance section.</p> <p>To date DfT have provided £1.707M – including the £1.45M grant for 2024/25. Under the Finance Procedure Rules the OBC grant requires acceptance by Cabinet.</p>	
<b>RESOURCE IMPLICATIONS</b>		
21	<p>The development of the OBC will be led by the Integrated Transport Service Area within Transport &amp; Planning. This will include existing officers and partners at BBLP (through the HSP) and working with Network Rail. Funding within the BCDG is for a dedicated project lead within the Service Area to client manage the project.</p>	
<b>Financial</b>		
22	<p>A criteria of 'Purposeful Investment' will be applied when reviewing all existing and proposed future capital programme items. This is to ensure investment is focused on delivering the optimum value for money for the Council and its benefits are fully considered against taking account of the financial challenges the Council faces. The Purposeful Investment criteria is as follows:</p> <ul style="list-style-type: none"> <li>• Does it reduce revenue expenditure/increase income in the current year or future years?</li> <li>• Does it stop a potential financial pressure in future years?</li> <li>• Does it have a significant impact on the lives of residents? In particular taking account of the following considerations: <ul style="list-style-type: none"> <li>○ Solid Return on Investment (RoI) (e.g. generating significant external funding/ investment or inward returns from the investment to the Council)</li> <li>○ Is it a major element necessary for the achievement of the Corporate Plan</li> <li>○ A key commitment of the Administration.</li> </ul> </li> </ul>	
23	<p>Northam Rail Bridge meets the third bullet as it is necessary to achieve the Corporate Plan, potentially bring in £71+M of DfT investment into Southampton. It also achieves the second bullet as removes the long-term maintenance liability of the bridge from SCC and Network Rail.</p>	
24	<p>The overall cost of the Northam Rail Bridge project is currently £71.7M based on 2023 prices. Following the Government announcements in October 2023 regarding HS2 and the launch of the Network North programme most schemes in the current MRN programme are likely to be 100% funded by the DfT. This includes Northam Rail Bridge. Previously funding from DfT would have covered</p>	

85% of the total (~£60.945M) with the remaining 15% (totalling ~£10.755M) to come from local match funding sources such as Community Infrastructure Levy (CIL), Developer Contributions being secured from adjoining developments in the area, SCC Local Transport funds and potentially Network Rail (likely through complementary works). This new funding level means that this potential liability for SCC has been removed, noting that has not finally been confirmed by DfT but this is officers current understanding. However, the new Government's review of Transport capital spend has made this unclear – the Council has had no clear direction from DfT on this and funding for the full delivery of the project is not yet secured.

25 The OBC development has been costed at £4.052M, this an increase of £0.851M from the indicative cost at SOBC stage which was £3.201M (as reported to Capital Board in January 2024). This covers design, consultation, environmental & transport survey, transport modelling, Network Rail related activities, surveys, business case development, risk, and resource. The cost increase at this stage is due to increases in Network Rail's costs from £1.96M in 2019 to £2.811M in 2024. These costs are based on an updated Client Remit and take into account cost increases from inflation, third parties costs, and risk. The updated cost estimates for the OBC activities is set out below.

OBC Activity	Estimated Cost (2019)	Estimated Cost (2024)
Data Collection	£20,000	£20,000
Consultation	£25,000	£25,000
Environment Surveys & EIA	£125,000	£125,000
Traffic Modelling	£60,000	£60,000
Highway & Approaches Design	£400,000	£400,000
Network Rail Costs	£1,960,000	£2,811,035
OBC Development	£185,000	£185,000
Project Management	£135,000	£135,000
Risk	£291,000	£291,000
<b>Total</b>	<b>£2,910,000</b>	<b>£4,052,035</b>

26 The DfT can provide capital grant (Business Case Development Grant) funding towards the development of the OBC to 66% of the total – in line with their guidelines. The total requested BCDG from DfT is £2,674,343 with a local contribution of £1.377M. This is an increase of £0.416M from the approved line in the Capital Programme and will require adjusting. The grant letter for 2024/25 is in Appendix A. The FBC is expected to be approximately £2.511M, which will be confirmed through the OBC.

OBC	
DfT 66%	£ 2,674,343
SCC 33%	£ 1,377,692
<b>Total</b>	<b>£ 4,052,035</b>
FBC	
DfT 66%	£1,657,746
SCC 33%	£828,873
<i>Total</i>	<i>£2,511,737</i>



		Business Case Total																																																		
		DfT 66%	£ 4,332,089																																																	
		SCC 33%	£ 2,206,565																																																	
			£ 6,563,772																																																	
27	<p>DfT have confirmed £1.707M of BCDG (£0.257M in 2023/24 and £1.450M in 2024/25) so far. The funding profile is set out in Table 4 with the new Local Contribution consisting of S106 Developer contributions, allocation from SCC's Local Transport Plan Integrated Transport Block (LTP IBT) grant from DfT (annually £2.214M) for 2024/25 and 2025/26. There is no new or existing capital borrowing for this.</p> <table border="1"> <thead> <tr> <th>OBC</th> <th>2022/23 Actual</th> <th>2023/24 Actual</th> <th>2024/25 Budget</th> <th>2025/26 Budget</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>DfT Capital</td> <td></td> <td>£58,462</td> <td>£1,648,944</td> <td>£966,937</td> <td>£2,674,343</td> </tr> <tr> <td>SCC LTP ITB</td> <td>£100,804</td> <td></td> <td>£354,439</td> <td>£845,450</td> <td>£1,300,693</td> </tr> <tr> <td>SCC Revenue</td> <td></td> <td></td> <td></td> <td>£60,000</td> <td>£60,000</td> </tr> <tr> <td>S106</td> <td></td> <td></td> <td>£17,000</td> <td></td> <td>£17,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>£100,804</b></td> <td><b>£58,462</b></td> <td><b>£2,020,383</b></td> <td><b>£1,872,387</b></td> <td><b>£4,052,036</b></td> </tr> <tr> <td>In capital Programme</td> <td>£100,804</td> <td>£58,462</td> <td>£2,539,000</td> <td>£504,000</td> <td>£3,202,266</td> </tr> <tr> <td>Addition/(Rephase)</td> <td></td> <td></td> <td>(£518,617)</td> <td>£1,368,387</td> <td>£849,770</td> </tr> </tbody> </table>				OBC	2022/23 Actual	2023/24 Actual	2024/25 Budget	2025/26 Budget	Total	DfT Capital		£58,462	£1,648,944	£966,937	£2,674,343	SCC LTP ITB	£100,804		£354,439	£845,450	£1,300,693	SCC Revenue				£60,000	£60,000	S106			£17,000		£17,000	<b>Total</b>	<b>£100,804</b>	<b>£58,462</b>	<b>£2,020,383</b>	<b>£1,872,387</b>	<b>£4,052,036</b>	In capital Programme	£100,804	£58,462	£2,539,000	£504,000	£3,202,266	Addition/(Rephase)			(£518,617)	£1,368,387	£849,770
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Addition/(Rephase)			(£518,617)	£1,368,387	£849,770																																															
28	<p>Given the Council's financial position careful consideration about essential spend is required. This project is 'invest to save' by developing a business case that unlocks a significant amount of Government funding to replace an ageing highways structural asset.</p>																																																			
29	<p>The local match for the OBC, and identified for the FBC, is coming from SCC's Local Transport Plan Integrated Transport Block annual allocation of £2.14M, S106 Developer Contributions and General Fund Revenue.</p> <ul style="list-style-type: none"> <li>The LTP Integrated Transport is an annual capital grant from DfT to SCC as Local Transport Authority for spending on local transport projects. This is confirmed to 2024/25 but is a longstanding grant from Government and is expected to continue following any Spending Review in 2025.</li> <li>Developer Contributions have been, or planned to be, received from approved schemes such as Cemex and Northam Gasholders.</li> <li>The Revenue comes from Transport Policy budget allocation – a 'studies' budget for developing schemes and purchasing services. This is approximately £0.09Mpa, for 25/26 £0.03M is allocated for subscriptions with £0.06M available to support the OBC. This is subject to 25/26 budget being approved.</li> </ul>																																																			
30	<p>The LTP funding has been spread over 3 years for the OBC and potentially the FBC to minimise the impact on 1 year as there are other projects, maintenance, or schemes that require the LTP funding.</p> <p>The use of the £2.14M LTP grant impacts on the wider LTP Integrated Transport Programme for improvements to active travel, public transport, accessibility, sustainability and congestion reduction. As a result of the Northam Rail Bridge project, the level of investment available schemes in 2024/25-2026/27 will be reduced. The LTP programme for 2024/25 has not been finalised and had anticipated that match to Northam Rail Bridge would be required. No projects</p>																																																			

	<p>are stopping as a result of this but it should be noted that due to the funding required, new schemes such as walking / cycling / wheeling projects will be limited in the next three years unless new government funding is provided (such as Active Travel Fund grants from the DfT).</p> <p>The LTP programme is supplemented by additional competitive grants that SCC applies for which can continue to deliver the aspirations of the LTP and Corporate Plan.</p>
31	<p>With the change in funding profile the Capital Programme will required adjusting to the £4.052M total and £1.377M of SCC funding to reflect this and the recommendation is to do so to accurately reflect the latest funding profile.</p>
32	<p>It should be noted that the costs for the other elements of the OBC are indicative and may change or could be done in-house to keep costs down. As costs become clearer the 2025/26 amount may change. Any overspend/higher costs may need to be met locally or in some cases discussions with the DfT. If there is overspend, or costs increases are significant for elements these will either not be done or where possible work would be done in-house by SCC staff.</p>
33	<p>Options were considered for the SCC match:</p> <ul style="list-style-type: none"> <li>• Additional Capital Borrowing (not recommended) – the OBC development was in the Capital Programme but removed. No new capital borrowing is permitted,</li> <li>• Not to increase the BCDG ask and local match - to keep the budget as set out in the January 2024 Capital Board paper. This would cover the Network Rail costs and some of the OBC work (e.g. Highway &amp; Approach design)</li> <li>• Not to provide match - there is a requirement from DfT that match funding of minimum of 33% is provided to access the Development Grant.</li> </ul>
<b><u>Property/Other</u></b>	
34	<p>The ownership and maintenance liability for the bridge is shared between Network Rail and SCC, with the structure and some of the approaches responsibility of Network Rail and the carriageway and remaining part of the approaches the responsibility of SCC. At this time, there is no budget set aside for a major maintenance / replacement of the bridge in SCC forecasts.</p>
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
35	<p>The Highways Act 1980 contains the primary source of powers to make repairs and improvements to highway assets (including rail bridges that carry highways). S.1 Localism Act 2011 also provides wide powers to carry out improvement works to public infrastructure (the 'General Power of Competence').</p>
<b><u>Other Legal Implications:</u></b>	
36	<p>The report sets out the options available to the Council under relevant UK procurement legislation. In designing and delivering this project the Council has had due regard to its duties under s149 Equalities Act 2010 (the Public Sector Equality Duty) , s.17 Crime &amp; Disorder Act 1998 and other relevant general legislation.</p>
<b>RISK MANAGEMENT IMPLICATIONS</b>	
37	<p>The main risks for this are:</p>

	<ul style="list-style-type: none"> <li>• Cost increases on the OBC elements and further funding required – elements will be developed within the cash limited budgets and if further funding required discussions with Network Rail;</li> <li>• Resources within SCC and Network Rail to carry out the OBC and related products – at this time the work will be coordinated by the Integrated Transport team and will need the use of external service partners to complete the OBC;</li> <li>• Not proceeding with the project – as highlighted this will require mitigation measures due to the condition of the asset;</li> <li>• Changes in Government funding following the DfT’s Transport Capital Programme review;</li> <li>• LTP funding for 2025/26 and 2026/27 being confirmed by Government.</li> </ul>
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**POLICY FRAMEWORK IMPLICATIONS**

38	<p>Northam Rail Bridge is a key project in Southampton and the development of the OBC aligns/included with several SCC policies:</p> <ul style="list-style-type: none"> <li>• Corporate Plan – named within the Prosperous City goal;</li> <li>• Supports the Transformation plans as part of the ‘grow’ strand by working with partners at Network Rail to achieve growth and prosperity through improved transport connections;</li> <li>• Connected Southampton 2040 (LTP4) Transport Strategy – named project to support the A Successful Southampton goal, and supports the visions of the Bus Service Improvement Plan (BSIP) and ten-year Cycle Strategy to improve bus journey reliability and time and create the Southampton Cycle Network;</li> <li>• Emerging Local Plan;</li> <li>• Supports Renaissance Masterplanning areas of Itchen Riverside and Cultural Quarter (Old Northam Road) and connectivity to the City Centre (‘Saints Mile’);</li> <li>• Other policies/projects - River Itchen Flood Alleviation Scheme, Climate Change Strategy, Healthy Lives Strategy (better access to Northam and Golden Grove Estates), Economic &amp; Green Growth, the emerging Solent Transport Strategy and the Transport for South East Transport Strategy &amp; Strategic Investment Plan.</li> </ul>
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<b>KEY DECISION?</b>	<b>Yes</b>	
<b>WARDS/COMMUNITIES AFFECTED:</b>	Bargate and Bevois	
<u>SUPPORTING DOCUMENTATION</u>		
<b>Appendices</b>		
1.	DfT Grant Letter	
2.	Location Plan	
3	Equality and Safety Impact Assessment	
<b>Documents In Members’ Rooms</b>		
1.	None	
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>Yes</b>

<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>No</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
1.		
2.		