

## PART A

**Report to:** Cabinet  
**Date of meeting:** 13 July 2015  
**Report of:** Head of Regeneration and Development  
**Title:** Update on Croxley Rail Link

### 1.0 **SUMMARY**

1.1 This report provides an update on the Croxley Rail Link project including funding arrangements and governance.

### 2.0 **RECOMMENDATIONS**

2.1 To note the delivery arrangements for the Croxley Rail Link and to agree the proposed stakeholder project structure and chairing arrangements and delegate attendance at the Board to the Managing Director

2.2 To confirm the Council's long term financial contribution to CRL as set out in paragraph 3.3 .

**Contact Officer:**

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**Report approved by:** Jane Custance, Head of Regeneration and Development

### 3.0 DETAILED PROPOSAL

3.1 The purpose of this report is to provide a formal update on the Croxley Rail Link project.

The Croxley Rail Link is a proposed diversion and extension of the Watford branch of the Metropolitan Line to Watford Junction via Watford High Street. New stations will be provided on the new rail link at Cassiobridge, serving Western Gateway, and at Watford Vicarage Road, serving the football club and Watford Health Campus.

The key objectives of the project are:

- To enhance sustainable transport links across South West Hertfordshire and connections to north west, central and the city of London and the national rail network, thus reinforcing Watford's role as a key transport hub north of London.
- To promote economic and housing development by improving public transport linkages between current/potential employees, Watford town centre and the key development areas of Watford Junction, Watford Business Park/Ascot Road (Western Gateway) and the Watford Health Campus.
- To provide a sustainable and value-for-money alternative to car travel, with inherently lower environmental impacts per trip including noise and greenhouse gas emissions.

3.2 Following positive discussions between HCC, WBC, DFT and TfL, on 26 March 2015 the Mayor of London approved a Mayoral Direction to TfL to:

- take over responsibility for delivering the entire project including civil engineering works, systems and the procurement of additional rolling stock.
- provide £46.5m of funding towards the costs of delivering Croxley Rail Link based on a total cost of the project of £284.5m on the basis that the Government increases TfL's overall borrowing requirement by £30m and that £16m will be funded from the TfL capital budget.
- be responsible for any cost overruns above the current project estimate of £284.5m.

3.3 The following breakdown of funding has been agreed for the scheme:

<b>Funding Partner</b>	<b>£m</b>
Department for Transport	<b>109.82</b>
Transport for London (including fare box borrowing)	<b>46.50</b>
Hertfordshire LEP	<b>87.85</b>
HCC & Watford Borough Council	<b>40.23</b>
<b>TOTAL FUNDING</b>	<b>284.40</b>

Watford Borough Council's contribution to the above is as follows:

- £2.59m S106 and capital contribution made in 2014/15
- £5.85m to be paid from CIL receipts through to 2031 and/or development receipts. A reserve will be set aside to make this provision.

As part of the total funding package, the developers taking forward major schemes benefiting from the rail link will also contribute £1.150m.

As a result of the Mayor of London's decision the project is now being led by London Underground Limited and will be re-branded as the Metropolitan Line Extension to Watford.

3.5 Below is the TFL delivery timetable for the project.

<b>Activity</b>	<b>Timeline</b>
Procurement of contract [notice to proceed with construction phase issued]	September 2015
Delivery Start Date	Autumn 2015
Delivery End Date [start of operational service]	May 2019
Project Closure:	March 2020

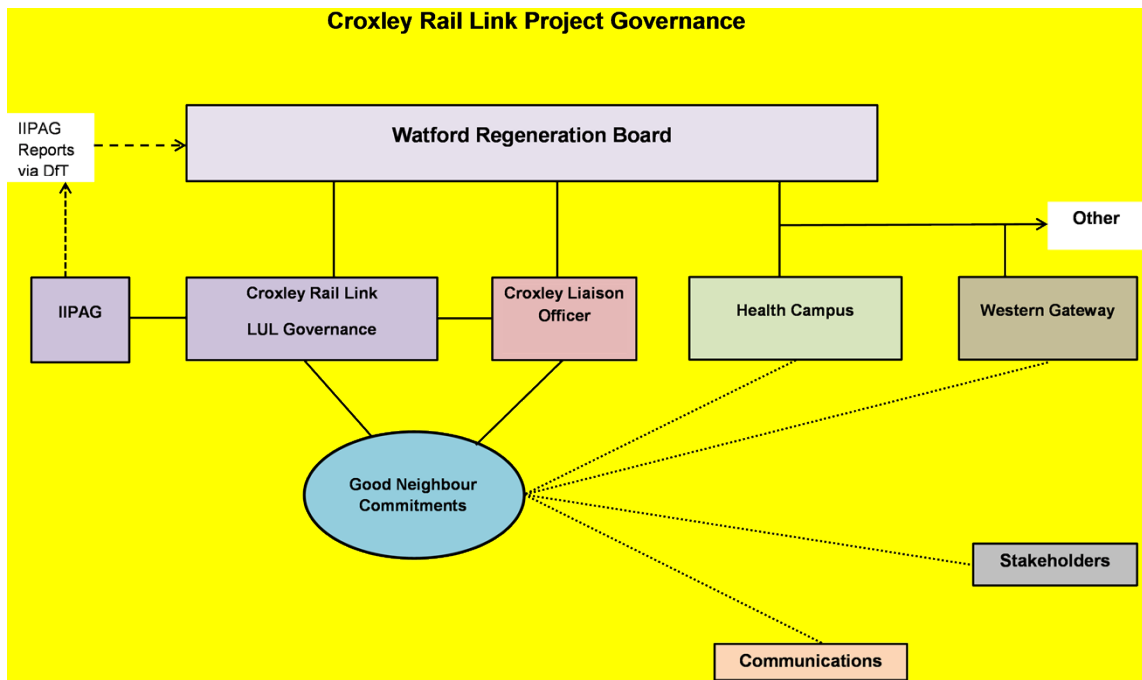
3.6 Discussions are currently taking place between Hertfordshire County Council and London Underground Limited to finalise a well-defined Governance structure for implementation of the project. It is estimated that the time period required to ensure the successful transfer and clarification of roles and responsibilities will continue until July 2015. Both parties are working in partnership to ensure the effective delivery of the scheme and HCC and WBC have agreed to push for the earliest possible opening.

### 3.7 **Proposed Project Governance**

The Croxley Rail Link is a fundamental enabler of the regeneration of Watford and the substantial investment is based more on the accrued economic regeneration benefits than on purely transport benefits.

The primary objective of economic regeneration and the substantial public sector investment levered in to support it, therefore needs to not just drive the Croxley Rail Link, but also the local development in a coordinated way.

The proposed Governance Structure is that a Watford Regeneration Board (WRB) will be established to provide an overseeing role for both the Rail Link project. and the capture of the wider benefits. The wider economic impact of the Croxley Rail Link has been estimated by economists as contributing £8.3b to the area in the long term, including catalysing 7,600 construction jobs and 4,400 permanent jobs.



The WRB, meeting quarterly, shall provide the overseeing role, ensuring that the stated outcomes for regeneration are delivered and in a coordinated manner.

The Board will comprise key project stakeholders, including:

- Watford Borough Council (Chair)
- Hertfordshire County Council
- Hertfordshire LEP
- Transport for London
- London Underground Ltd.
- Representatives from Watford's Major Development Projects, including Watford Health Campus, Watford Business Park, Ascot Road, Charter Place and Watford Junction.

The WRB shall oversee the CRL delivery planning and ensure alignment with the Council's major projects.

3.8 For the Croxley Rail Link this shall include:

**Specifying and Monitoring Programme.** Key dates to be monitored include the opening date and all Good Neighbour Commitment dates, such as dates for land entry, site occupation of the Health Campus, roads and bridge construction and other operational issues of the like.

**Specifying and Monitoring Service Levels.** Whilst service levels have been determined, any future proposed variances that will have an impact on the business case for Croxley Rail Link and/or the accessibility within the corridor e.g consideration of promoting services to Amersham and extending the Bakerloo Line into Watford Junction will be considered by this Board.

**Co-ordinating Funding.** The Board will be responsible for co-ordinating the complex funding arrangements between local contributors and managing cash flow.

**Receiving Progress and Exception Reports** from London Underground Ltd. These reports will provide a general update on expenditure, programme and delivery of Good Neighbour Commitments, plus highlight any opportunities or threats to delivering to the specification and reputation for consideration by the WRB.

The WRB will also oversee a branded campaign (e.g. Watford – Access All Areas) aimed at providing a positive image of Watford, whilst ensuring that both residential and business communities and all stakeholders are kept informed during construction peaks, disruption is minimised and all good neighbour commitments are delivered from each development.

The Board is a project board taking a co-ordinating and advisory role. It will not have legal status and formal voting rights.

#### 4.0 **IMPLICATIONS**

##### 4.1 **Financial**

4.1.1 The Shared Director of Finance comments that the financial implications are contained within the report.

##### 4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that there are no legal implications in this report as the WRB will have no legal standing.

##### 4.3 **Equalities**

4.3.1 No equalities issues

##### 4.4 **Potential Risks**

Potential Risk	Likelihood	Impact	Overall score
Project costs increase	2	4	8
CRL is not delivered to programme	2	4	8
Progress on other projects is adversely impacted by CRL	2	4	8
The predicted benefits associated with CRL do not arise	2	2	4
Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.			

#### Background Papers

London Mayoral Direction MD1478 dated 26 March 2015  
NLP Report – Wider Economic Impacts of CRL

#### File Reference

- None