

# APPENDIX A

## Draft Project Governance Arrangements Wellington and Cullompton Railway Station Project

*Version 6*

*Jointly prepared by: Somerset West and Taunton Council; Mid Devon District Council; Somerset County Council; Devon County Council; Network Rail; Great Western Railway; and Heart of the South West LEP*

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### Background

This paper proposes governance arrangements for the next phase of the Wellington and Cullompton Railway Station Project, for which the end product will be a Final Business Case (FBC).

For this project the Governance will need to consider the criticality of this project to the promoters and also for the Department of Transport (DfT) the funder of this phase of work. The Governance plan will need to comply with the requirements of all parties.

Agreed governance arrangements would also assist in establishing a consensus over the approach to the project in terms of: respective roles and responsibilities for key aspects of the project, general project management, together with stakeholder engagement.

In 2019, the Devon and Somerset Metro Group agreed that Somerset West and Taunton Council (SWT) and Mid Devon District Council (MDDC) would take on the role of project sponsor. This was to recognise that Devon County Council and Somerset County Council were unable to commit time and resources required to fulfil this role.

Following the funding announcement in the autumn budget statement in October 2021, the Steering Group have been working closely with Network Rail and the Department for Transport (DfT) to finalise next steps in relation to the new stations at Wellington and Cullompton.

The £5 million of funding announced will enable the project to advance significantly through the next two stages of project development and design, following the submission of the Strategic Outline Business Case at the beginning of 2021. The £5m will be administered by Network Rail as part of the Restoring Your Railway, Rail Network Enhancements budget with specific outputs and milestones agreed between DfT and Network Rail.

The promoters, Somerset West and Taunton Council (SWT) and Mid Devon District Council (MDDC), have agreed with DfT that Network Rail will lead on the project from this point onwards, with support from their alliance partner Great Western Railway. It is felt that this will bring significant benefits to the project.

Network Rail has committed to working collaboratively with the promoters to ensure wider land-use, access, masterplanning and community issues can be looked at holistically. The following set of revised governance arrangements aims to reflect this and the change in project lead.

Note:

In July 2021, the Secretary of State approved a proposal for a new single unitary council to be formed in Somerset, to replace Somerset's current five councils. Somerset's County and District Councils are now working together to deliver the new council for Somerset that will bring together existing council services. The five councils will also work with partners, city, town and parish councils and residents to create a new council which delivers for everyone. The new council will officially come into being in April 2023. Until then, services will continue to be provided by the four district councils - Mendip, Sedgemoor, Somerset West and Taunton and South Somerset along with Somerset County Council.

## **Governance Proposal**

The proposed governance structure (Appendix 5) is set up to oversee the development of the Final Business Case (FBC) and complete PACE 1, 2 and some elements of PACE 3 enabling deliverables. PACE refers to Network Rail's rail investment framework, "Project Acceleration in a Controlled Environment" (see Appendix 1).

The governance structure will be reviewed with all parties on commencement of the Construction stage/PACE 3.

The proposed governance structure seeks to continue some aspects of the current arrangements, but importantly it also looks to adapt to Network Rail's new role in leading the project from this moment forward. This proposal is considered to provide an appropriate basis for robust decision-making and project co-ordination to take the project through the next stages of its development. These governance arrangements are consistent with established project management good practice.

The various elements are explained in more detail below.

## **DfT Governance**

This project will follow DfT Governance as detailed within the Remit Letter between Network Rail and DfT and as prescribed for all RyR funded projects (see Appendix 2).

## Network Rail Governance

Network Rail will manage this project in line with all Investment Regulations Guidance (see Appendix 3).

## Great Western Railway Decision-Making Processes

See Appendix 4.

## The Senior Stakeholder Forum (held every 3 periods)

### ***Roles and Responsibilities***

The Devon and Somerset Metro Board, acting as the Senior Stakeholder Forum, will provide strategic direction and oversight in the development of the Final Business Case (FBC) for the project. It is likely that the Senior Stakeholder Forum will be required to meet Quarterly (every 3 periods) to enable it to be well informed of progress and issues. Key roles and responsibilities are listed below:

- Champion the new stations initiative, its delivery and reporting to respective corporate management teams and elected members to ensure corporate support and buy-in;
- Facilitate and promote joined up delivery and to engage with and secure support at a strategic level from key stakeholders and partners;
- Endorse the overall direction of the project whilst working within the framework of Restoring your Railway principles;
- Provide a point of escalation for the Steering Group should this be needed for matters outside the railway boundary;
- Make decisions/recommendations on strategic issues and resolve showstoppers; and
- Provide 'upwards' high-level liaison into Government bodies.

### ***Composition/Membership of the Devon and Somerset Metro Board***

The composition of the Devon and Somerset Metro Board, in fulfilling this role as the Senior Stakeholder Forum, would continue with the following existing representatives:

- Somerset West and Taunton Council (SWT) Leader/Portfolio Holder
- Mid Devon District Council (MDDC) Leader/Portfolio Holder
- SWT/MDDC Senior Officers
- Somerset County Council (SCC) Senior Officer/Portfolio Holder
- Devon County Council (DCC) Senior Officer/Portfolio Holder
- Heart of the South West LEP representative
- Rail Operators
- Passenger Representative
- Network Rail
- Local MPs
- Representative from Wellington Town Council
- Representative from Cullompton Town Council

## **Steering Group (held every period)**

### ***Roles and Responsibilities***

The Steering Group will be the forum where formal decisions are made, providing promoter/cross industry leadership and oversight for the development and delivery of two new railway stations at Wellington and Cullompton

The Steering Group will implement the Project Plan and focus on the day-to-day project management of the continuing development of the PACE objectives and driving forward the OBC. It will identify and oversee the project working groups and to do so effectively is likely to need to meet at least once every 4 weeks to generate and maintain momentum in the project.

The Steering Group will report to the Senior Stakeholder Forum. Key roles and responsibilities are listed below:

- Oversee the project development (including the work undertaken by either consultants or contractors) work up to the end of PACE 2 and enabling elements of PACE 3. This work will include matters such as resourcing, programme and budget;
- Review and monitor the project progress against the milestones agreed with DfT;
- Review and monitor project cost against forecast and authorised change control in line with proposed change control process;
- Review and monitor the land strategy plan and progress to programme. Provide a forum for discussion of any material input from any of the stakeholders represented, for example related to land use planning, transportation, rail industry standards, etc;
- Review and monitor risk and opportunities and detail where support may be needed to progress forward;
- Co-ordination of input from partner organisations and drawing in technical expertise as required;
- Review and endorse the 4-weekly update to the DfT New Station Board;
- Consider, identify and progress any potential of further funding opportunities;
- Prepare agendas for the Devon and Somerset Metro Board and agree any points of escalation the Steering Group may need;
- Review the need for external communications; and
- Be an escalation point for scope decisions.

### ***Composition/Membership of the Steering Group***

The composition of the Steering Group would be very similar to the current officer group. It is proposed that the Membership would include the following representatives:

- Network Rail
- Rail Operators
- SWT Officers
- MDDC Officers

- Heart of the South West LEP transport representative
- DCC and SCC Officers
- DfT

### **Project Working Group (2 weekly)**

To ensure the project delivers its ambitions and remit, it is anticipated that the current 2-weekly steering group is converted into a working group, 2-weekly, to track progress and work through tactical and technical issues and to be format for decision making. This working group will include members of Network Rail, Rail Operators, SWT officers, MDDC officers, SCC officers, DCC officers, Heart of the South West LEP and would call in assistance from other technical experts as required.

### **Stakeholder Engagement**

The steering group will need to call on others to help develop the project. This will include a range of technical experts and stakeholders. Likely stakeholders would include:

- Technical Rail/Transport Advisors
- Freight Operators and other Train Operators
- Western Power
- Environment Agency
- Health & Safety Executive
- Homes England
- Highways England
- Historic England
- Transport Forum (including representatives from business, transport, Sustrans and passenger/road user representatives)
- Landowners

The nature of this engagement will evolve as the projects develop.

### **Project Sign Off**

Network Rail will need to seek approval on key decisions through their corporate processes.

## Proposed Project Meetings Timetable

<b>Week</b>	<b>Working Group</b>	<b>Steering Group</b>	<b>Project Board</b>
1	X		
2		X	
3	X		
4			
5	X		
6		X	
7	X		
8			
9	X		
10		X	
11	X		
12			X

***Project Acceleration in a Controlled Environment (PACE)***

Project Acceleration in a Controlled Environment (PACE) describes how Network Rail manages and controls investment projects on the rail network.

Network Rail has developed this approach to managing projects in order to minimise and mitigate the risks associated with project development and delivery.

The approach is based on best practice within comparable industries that undertake major investment projects.

Implementation of this standard will reduce the reputational and financial risk related to the delivery of complex projects.

PACE provides a more flexible control framework enabling Sponsors and Project Managers to tailor the controls herein to better meet the requirements of their project.

### ***Department for Transport Restoring Your Railway Governance Arrangements***

The funding for the first phase of works will be under the overall governance of Wales and Western Programme Board panel which is chaired DfT as the Client for the project. Should papers need to be endorsed to other boards (such as Portfolio Board) it is Programme Board that support this process.

Changes to programme funding (cashflow agreed) and material changes to anything else (programme, budget) should be flagged to this session whilst confirming at the 4 weekly RyR (national) review group and the Programme Steering Group the plan to do this. Network Rail sponsor will lead this activity and coordinate with all key stakeholders as needed.

This is standard process for all enhancement projects for which DfT is the funder. The detail of how the required Change Control process will work is detailed in the Remit Letter between Network Rail and DfT.



***Investment Regulations (IR01) – Network Rail***

Authority to Investment must be obtained in accordance with these regulations before any commitment is made to provide finance or any other resource to an investment project. Sufficient investment authority must be in place before:

- a) Committing to a principal agreement with a customer (in this case DfT)
- b) Committing internal (to Network Rail) resources to provide support for completing anything other than early work, such as Output Definition

For this project, the Authority to Investment is obtained from the Wales and Western Regional Investment Panel, which sits periodically. An Investment Paper is drafted by the Sponsor, with support from the Project Manager. This outline: what the project aims to achieve; the timescales; the costs; key risks and mitigations; other relevant information.

The Network Rail sponsor is accountable for management of the governance; supported by Network Rail delivery and commercial colleagues. Governance must be always maintained.

Wales and Western Regional Investment panel will approve:

- a) Scope;
- b) Budget (amount and annualised spend);
- c) Delivery phase (such as PACE 1-3 in the case of this project);
- d) Signing of any Principal Client agreement (subject to Corporate Commercial colleagues agreeing “authority to contract”).

Any change in what has been authorised (at Regional Investment Panel) would need the sponsor to revert to this authorising panel to detail that change. It could be

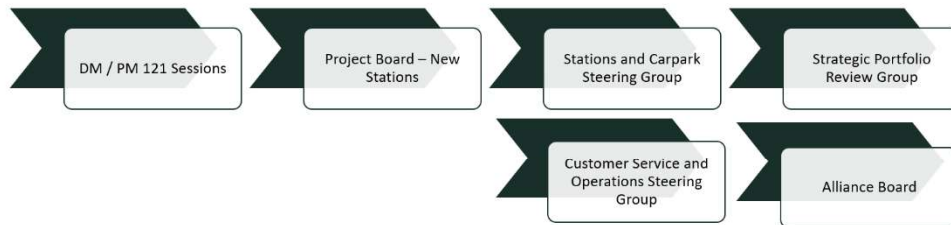
- a) Material scope change
- b) Changes which could impact the existing budget/programme/reputational issues or another other matters that the sponsor determines needs to be sighted to the authorising panel.

It should be noted that Network Rail will always work within Network Rail and DfT governance. The sponsor will lead this work and manage the governance.

Great Western Railway Decision-Making Processes

GWR – Governance and Decision Making

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GWR – Governance and Decision Making

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GOVERNANCE STRUCTURE

