

RECORD OF EXECUTIVE DECISION TAKEN BY AN EXECUTIVE MEMBER

This form **MUST** be used to record any decision taken by the Elected Mayor or an individual Executive Member (Portfolio Holder).

The form must be completed and passed to the Chief Officer Legal and Democratic Services no later than NOON on the second working day after the day on which the decision is taken. No action may be taken to implement the decision(s) recorded on this form until 7 days have passed and the Chief Officer Legal and Democratic Services has confirmed the decision has not been called in.

1. Description of decision

- (1) That approval be given to serving Network Rail with a formal notice of termination of the Implementation Agreement relating to the detailed design and construction of the current 2 platform station project at Wixams.
- (2) That a revision to the capital programme arising from the project termination be submitted to Full Council for approval.

2. Date of decision

25 July 2025

3. Reasons for decision

Government announced, on 9 April 2025, that Universal Destinations & Experiences would proceed with bringing a world-class theme park and resort to the area. Termination of the existing Implementation Agreement with Network Rail relating to the current 2 platform station project is necessary to enable design and construction of the larger station to commence for the Universal project. The capital programme relating to the project will need to be revised accordingly and reported to Council for approval.

4. Alternatives considered and rejected

Failure to serve formal termination of the contract at this juncture will expose the Council to financial risk.

5. How decision is to be funded

Capital borrowing and section 106 funding.

6. Conflicts of interest

Name of all Executive members who were consulted AND declared a conflict of interest.	Nature of interest	Did Standards Committee give a dispensation for that conflict of interest? (If yes, give details and date of dispensation)	Did the Chief Executive give a dispensation for that conflict of interest? (If yes, give details and the date of the dispensation).

The Mayor has been consulted on this decision

Not Applicable

Signed 

Date: **25 July 2025**

Name of Decision Taker:

Mayor Tom Wootton

This is a public document. A copy of it must be given to the Service Director Governance as soon as it is completed.

Date decision published:25July2025.....

Date decision can be implemented if not called in:5August2025.....

(Decision to be made exempt from call in.....NO.....)

Bedford Borough Council – Report to Mayor

Date of Report: 25 July 2025

Report by: SERVICE DIRECTOR FOR PUBLIC REALM, HIGHWAYS & WASTE MANAGEMENT AND HEAD OF CAPITAL PROJECTS, INFRASTRUCTURE AND SUSTAINABLE TRAVEL

Subject: WIXAMS STATION

1. EXECUTIVE SUMMARY

- 1.1 The report is to seek approval to serve formal notice to Network Rail to terminate the Implementation Agreement, which is currently in place with the Council, following announcement of the Universal Project on 9 April 2025.
- 1.2 This report sets out the current status of the project, financial implications and any associated risks to the Council.

2. RECOMMENDATIONS

- 2.1 The Mayor is invited to consider the report and, if satisfied, to:
 - (1) Approve serving Network Rail with a formal notice of termination of the Implementation Agreement.
 - (2) Recommend a revision to the capital programme be submitted to Full Council for approval.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Government announced, on 9 April 2025, that Universal Destinations & Experiences would proceed bringing a world-class theme park and resort to the former brickworks site just south of Bedford.

- 3.2 Termination of the existing current 2 platform station project (*Implementation Agreement*) is necessary to enable design and construction of the larger station to commence for the Universal project.
- 3.3 The report presented to the Executive Committee on 19 June 2024 noted that attention be drawn to the potential for the Council's project to be overtaken by an alternative scheme, should the Universal Theme Park go ahead: *"It is understood that Universal is in discussions with the government regarding the provision of a larger, four-platform station to serve both GTR and East Midlands Railways trains. If this were to proceed, then the Council would terminate its IA with Network Rail in favour of the more comprehensive version of the station. Provision for this to happen is included within the terms of the draft IA."*

4. THE CURRENT POSITION

- 4.1 Works have continued on site pending any announcement on Universal, though Bedford Borough has worked closely with Network Rail to adjust work scope and through agreement, delay the award of sub-contract work packages via their supply chains to mitigate risk and additional contractual obligations in anticipation of any announcement on Universal.
- 4.2 Government formally announced the Universal project would proceed on 9 April 2025.

5. DETAILS

- 5.1 Construction of the Wixams Station was agreed by Full Council in July 2024. The Wixams Station is being constructed on the slow lines of the Midland Mainline with a proposed service of 4 trains per hour.
- 5.2 An Implementation Agreement (IA) was initially signed with Network Rail for the detailed design and construction of the new station in July 2024. The IA forms the binding contract between Bedford Borough Council and Network Rail on an 'emerging cost' basis, so is cost reimbursable. Construction commenced on site during September 2024 and has progressed to programme with an anticipated 'entry into service' date of 2026. Regular progress updates have been provided to Environment & Sustainable Communities Overview and Scrutiny Committee meetings since commencement on site.
- 5.3 A letter was received by the Council's Chief Executive from the Department of Culture, Media and Sport (DCMS), on 11 April 2025, formally notifying Bedford Borough of the Universal project. The letter recommended that the Borough negotiate with Network Rail to cease the Council's project at this time but also advised that any decision to pause or cancel the 2-platform project remained with the Council and warned that the letter did not form the basis of any guarantee against future costs if the Universal project did not proceed.

- 5.4 The insertion of a specific clause to enable the Council to negotiate a ‘termination’ of the IA contract, on receipt of an announcement from Government regarding the Universal project, was negotiated prior to signing of the contract by both parties. A copy of the DCMS letter was provided to Network Rail; initial observations from Network Rail’s Corporate Commercial team advised that the letter did not satisfy the termination clause provision in the IA contract, so a position of pause was agreed whilst discussions continued between the Council and Network Rail and measures to conclude the contract implemented in good faith.
- 5.5 A notice of intention to negotiate a termination to the IA contract was sent to Network Rail by the Council on 17 April 2025, whilst legal advice has been sought, and discussions have been ongoing with Network Rail to seek to close out the current Wixams project in the most cost-effective way. The Council has instructed Network Rail to desist from awarding any further non-safety critical work packages. Commitments for the civils package of c.£4 million value has been avoided, and Network Rail has paused procurement of the wider civils package planned for August 2025. The Council is obliged to leave the railway in a safe condition, which will enable Network Rail to transition to development of the larger station required to serve the Universal destination. A series of meetings have been held with Network Rail to commence a ‘negotiation to stop’ and works have continued to make safe and temporarily close down the construction site pending commencement of the successor project.
- 5.6 Network Rail has engaged with their sub-contractors to explore the works necessary to make safe and close out the project, including cancellation of sub-contract packages for track laying and signalling; all necessary to further reduce costs. A proposal detailing scope and high-level costs to make safe and temporarily close the site was received by the Council and these works are currently being progressed. This information has been reviewed by the Council’s cost consultant who has forecast an overall anticipated final project cost ranging from £33.1 million to £34.3 million with known costs to end June of £28.3 million. The costs represent an estimate of the Council’s forecast expenditure including project development prior to appointing Network Rail, detailed design, construction activities, stakeholder obligations and close out of the project.
- 5.7 Resource deployment to the site has dramatically reduced over the last period and it is apparent on site that the existing project has largely paused, pending a formal decision to terminate the contract being sanctioned to mitigate risk to the Council. This ‘close out’ work scope has continued and is anticipated to be complete by the end of August 2025. This work scope includes completing works started to a safe operable state, demobilising and clearing site of any plant, equipment and materials (including the site cabins), closing out obligations of Network Rail sub-contracts, payment for bespoke materials on order for Wixams, fulfilling contractual obligations under the construction licence and installation of new boundary fencing (where removed) to prevent trespass on the railway. The range of costs are current working assumptions until such time that termination has been formally notified, and Network Rail updates the Estimated Project Costs for the IA. Given the extenuating circumstances, all negotiations continue outside of the IA contract so formal notice to terminate the IA contract must be served to ensure that all costs are fully mitigated, and Network Rail are meeting their contractual obligation to rapidly reduce costs.

- 5.8 Specialist accountancy advice has been sought from Grant Thornton to discuss the capitalisation of assets for the project to mitigate the risk that current expenditure is considered as revenue. This work is progressing but there remains a risk until such time as this review and complex piece of work has been completed.

6. ALTERNATIVES CONSIDERED AND REJECTED

- 6.1 Any delay in serving formal notice to Network Rail to terminate the IA contract has been discounted as this would introduce risk of additional costs to close out the 2-platform project, carries ongoing contractual liabilities in the event of any incident on the railway within the site boundary, the uncertainty of continuing with a project that has been subsumed by the larger 4 platform project as well as having a detrimental impact on the timeline for the Universal project.

7. KEY IMPLICATIONS

7.1 Legal Issues – Relevant Legal Power

Access to the station quarter to enable construction of the station is currently facilitated via a tripartite construction licence (Urban and Civic, Bedford Borough and Network Rail) which expires at the end of August 2027. The Council continues to consult with Urban and Civic to ensure that the Council meets its obligations under the construction licence to leave the site in a safe condition and a pause status pending commencement of the larger 4 platform station by others.

7.2 Policy Issues

Provision of the Wixams Station is a key building block of the emerging Local Plan 2040 as set out in Policy HOU12 – covering the South of Bedford area.

7.3 Resource Issues

The capital programme was amended to include for a future budget for the Wixams Station capital scheme of £62.6 million in July 2024. The Capital Programme will be reviewed to reflect the final expected costs and funding arrangements of the project to the Council and included within the next update of the Capital Programme to the Executive.

Work will also continue with Grant Thornton to ensure that all costs are accounted for correctly within the Capital and Revenue account. Until this work concludes there is a risk that some of the costs incurred to date will be deemed to be revenue.

7.4 Risks

At the point of the Universal announcement, the project faced significant commitments for 'critical path' activities. On the balance of probability that Universal would proceed, the Council instructed these activities to be ceased to avoid unnecessary expenditure and introduce additional risk. Further instructions have since been given to halt other non-safety critical works and reduce financial liability for future railway possessions that now cannot be used.

Without action, the residual scope would continue to incur costs to be managed by Network Rail and their contractors, however, the project is now absent of a defined objective or viable programme for delivery. A termination notice would resolve uncertainty and set the objective of an orderly project close and place obligations on Network Rail to rapidly reduce expenditure. A delay in serving formal notice to terminate the IA contract presents risks of additional costs and completing unnecessary work to close out the 2-platform project in addition to accruing preliminary and Network Rail management costs of up to £300,000 per month.

There is also a risk to Universal as they require the railway to be left in a stable state and certainty from which to commence a design and construction of a larger station.

Specialist financial advice has been sought to determine whether any of the spend will need to be accounted for as revenue as opposed to capital. This is work in progress.

There is the wider risk that the Universal project stalls, for whatever reason, with an overall impact on and uncertainty over the provision of essential railway infrastructure in this location. It is difficult to assess the probability of such a critical risk but there is a continued need to effectively monitor the progress being made with this major inward investment project and the ongoing commitment of Government to deliver the new station. Furthermore, ongoing consideration will need to be given to potential actions or measures required to ensure that post-termination liabilities falling on the Council are avoided.

7.5 Environmental Implications

Train travel is generally more environmentally friendly than car use, primarily because it emits significantly less carbon dioxide per passenger-mile. Rail travel can reduce emissions by 73% compared to car travel. Trains also reduce congestion and noise pollution.

7.6 Equalities Impact

In preparing this report, due consideration has been given to the Borough Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.

7.7 Impact on Families

There are no direct implications on families arising from the recommendations of this report. The termination of the contract will mitigate costs to the Borough but pave the way for a bigger and better Wixams station.

7.8 Community Safety and Resilience

There are no direct impacts on community safety and resilience arising from the recommendations of this report.

7.9 Impact on Health and Wellbeing

There are no direct impacts on community Health and Wellbeing relating from the recommendations of this report.

8. SUMMARY OF CONSULTATIONS AND OUTCOME

8.1 The following Councillors, Council units, Officers and/or other organisations have been consulted in preparing this report:

Portfolio Holder for Environment
Deputy CEX and Executive Director of Environment
Service Director – Public Realm, Highways & Waste Management
Service Director for Finance
Monitoring Officer

8.2 No adverse comments have been received.

9. WARD COUNCILLOR VIEWS

9.1 This report is not relevant to an individual ward but provides a facility for all wards to benefit from and use.

10. CONTACTS AND REFERENCES

Report Contact Officer:	<i>Jo Branson-Budd Head of Capital Projects, Infrastructure and Sustainable Travel</i> joanne.branson-budd@bedford.gov.uk
Declarations of Interest by the Report Author:	<i>None</i>
File Reference:	<i>Wixams Station</i>
Previous Relevant Minutes:	<i>Full Council: 10 July 2024</i>
Background Papers:	<i>None</i>
Appendices:	<i>None</i>