

Report of Head of Station Development

Report to Director City Development

Date: 1st April 2020

Subject: Authority to spend development funding for RIBA Stage 3b concept design activities and enter a contract with Network Rail to complete specialist tasks necessary to ensure effective completion of this work package.

Are specific electoral wards affected? If yes, name(s) of ward(s): Beeston and Holbeck, Riverside and Hunslet	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main Issues

- The purpose of this report is to seek approval to spend £264,144 for the delivery of RIBA Stage 3b, necessary to deliver the 'Active and Sustainable Travel within Leeds City Centre' project. Noting that this constitutes the second of two approvals for the completion of RIBA Stage 3. RIBA Stage 3a was subject to a previously approved report in December 2019 valued at £481,000. Due to funding programme constraints, and therefore the requirement to submit the full planning application by the end of March 2020, it was necessary to split the RIBA Stage 3 into two separate work packages in order to minimise the financial risk to the Authority whilst keeping the project on programme.
- Approval was granted in December 2019 to progress works associated with RIBA Stage 3a and submit the planning application, which was subsequently issued on the 27th March 2020. The submission of the planning application represents the completion of RIBA Stage 3a. This report refers to the remaining works associated with RIBA Stage 3b.
- To facilitate the completion of RIBA Stage 3, culminating in the submission of the feasibility report, approval is sought to issue a compensation event for the works associated with RIBA Stage 3b to the existing short form professional services contract with Balfour Beatty, set up for RIBA Stage 3a. Additional consultancy support is also required from Network Rail to complete specialist tasks necessary to ensure effective completion of this work package.

- On the 11th March 2020 the Department for Transport (DfT) announced that the Leeds City Region Strategic Outline Business Case (SOBC) had been awarded £317M from the Transforming Cities Fund. The West Yorkshire Combined Authority (WYCA) included the £39.5 million for the 'Active and Sustainable Travel within Leeds City Centre' project, within this and, LCC have been advised to progress to Outline Business Case submission in June 2020. It is anticipated that WYCA will release development funding from the TCF package at Outline Business Case stage, however, until that point it has been agreed with WYCA that LPTIP funding will be utilised and reimbursed by the TCF fund once WYCA transfer the development monies.
- The completion of RIBA Stage 3b is required to ensure continued development of the 'Active and Sustainable Travel within Leeds City Centre' project. The project, part of the Leeds City Region Transforming Cities Fund programme, aims to transform the entrance to the station into a modern, multi-modal 21st century sustainable transport exchange and a 'world class' gateway into Leeds.

2. Best Council Plan Implications

The enhancements described within this report will contribute to the delivery of the Best Council Plan in the following key areas:

- Health & Wellbeing
The creation of the largest station cycle hub in the North helps meet forecasted growth in cycle usage and supports and promotes healthy and physically active lifestyles.
- Sustainable Infrastructure
Installation of segregated cycle lanes on Bishopgate, Neville Street, Dark Neville Street as well as the wider City will help support the modal shift towards sustainable forms of transport. This will improve air quality in these areas by reducing harmful nitrogen dioxide (NO₂) levels. An air quality survey conducted earlier in the year by 'Friends of the Earth' found Neville Street to be the most polluted street outside of London.
- Inclusive Growth
The proposed works for a multi-modal transport hub will facilitate modal shift, circulation and capacity and improve connectivity to key and strategic areas of the city, in particular the South Bank which is Europe's largest regeneration project. Failure to address these constraints will be a barrier to growth

3. Resource Implications

The enhancements described within this report will have the following resource implications:

- Staff time
The Station Development Team along with resources from Highways, Planning, Urban Design and Heritage are working in partnership with Network Rail (NR) and the West Yorkshire Combined Authority (WYCA).
- Funding
The professional fees required for RIBA Stage 3b and the consultancy fees for Network Rail will be funded by Transforming Cities Fund monies. In March 2020 DfT announced that the Leeds City Region SOBC had been awarded £317M of TCF funding. WYCA are unable to transfer TCF development funding until OBC stage at the earliest therefore interim arrangements are in place to fund the works from LPTIP until they can be recovered from TCF.
- Overheads
Overheads will be reviewed as the scheme progresses

4. Recommendations

The Director of City Development is recommended to:

- a) Give authority to spend £264,144 for fees associated with the completion of RIBA Stage 3b, noting that this includes fees relating to Balfour Beatty and Network Rail to be paid from the LPTIP budget until arrangements are in place to reimburse from the TCF fund.
- b) Authorise the submission of a compensation event to the professional services contract, setup with Balfour Beatty to facilitate RIBA Stage 3a, to enable the completion of the activities associated with RIBA Stage 3b.
- c) Approve Basic Protection Agreement with Network Rail to undertake professional services in relation to the completion of RIBA Stage 3b.

1.0 Purpose of this report

1.1. The purpose of this report is:

- To update the Director of City Development on the progress of RIBA Stage 3 of the Active and Sustainable Travel within Leeds City Centre project.
- Seek authority to spend fees of £264,144 to facilitate the completion of RIBA Stage 3b and the production and submission of the feasibility report cost to be met from the LPTIP budget.
- Enact the associated contracts and extension of services with professional service provider Network Rail as necessary to complete the works detailed herein.

2.0 Background information

- 2.1. In November 2019 the West Yorkshire Combined Authority submitted the 'Transforming Cities Fund Strategic Outline Business Case' (SOBC) to the Department of Transport (DfT) on behalf of the Leeds City Region. The SOBC contains 22 packages of work, one of which is the 'Active and Sustainable Travel within Leeds City Centre' project. Valued at £39.5m this scheme aims to transform Leeds Station into a 21st Century transport exchange by improving pedestrian flow, integrating cycle links, providing accessibility enhancements and improving connectivity from the station to key areas of the city centre.
- 2.2. Whilst this project is part of the Leeds Integrated Station Masterplan, and funded by the Transforming Cities Fund, it also forms part of a wider programme of transformational transport projects to be delivered by LCC Highways Department. The programme, termed MBARC, encompasses works at Meadow Lane, Bishopgate (this project), Armley Gyratory, Regent Street and City Square. Together, these projects aim to reduce vehicle movements within the city centre and contribute towards the Council achieving its climate ambitions.
- 2.3. In March 2019 LCC Highways sought approval to utilise the Scape Civils Framework for the procurement of a principal contractor to design and build the highways project. Balfour Beatty were subsequently appointed as the principal contractor. Given the proximity and interdependencies of the 'Active and Sustainable Travel within Leeds City Centre' project to the other MBARC proposals, specifically Armley Gyratory and City Square, it was agreed to extend the Scape Civils Framework to include this project.
- 2.4. In December 2019 approval was granted by the Director of City Development to enter into a short-form professional services contract (PSC), between Leeds City Council and Balfour Beatty, to complete RIBA Stage 3. In addition to the completion of the feasibility report this task also included activities associated with planning approval, culminating in the submission of the full planning application.
- 2.5. Due to programme constraints and the need to meet the critical path dates, specifically the requirement to submit the full planning application by the end of March 2020, it was necessary to split the RIBA Stage 3 into two separate work packages in order to minimise the financial risk to the Authority. The first phase, RIBA 3a, was subject to a separate previously approved report for a sum of £481,000. This part of the programme was completed on the 27th March 2020, upon submission of the planning application. The second phase, RIBA 3b, will further develop the principals of the technical design and provide a revision of the project construction estimate as part of the feasibility report submission. Fees for this element are the subject of this report and have a value of £250,000.
- 2.6. To minimise time and resource costs associated in the preparation of a new contract for RIBA Stage 3b it has been agreed with LCC Legal Services that if approved, a

compensation event for RIBA Stage 3b will be instructed as part of the existing contract as the additional services for RIBA Stage 3b directly relate to the services under the current agreement (i.e. developing designs up to the end of RIBA Stage 3). If timescales had permitted in November 2019, LCC would have entered a single agreement for all design services under RIBA Stage 3, thus avoiding the need to enter two separate contracts. The appointment for RIBA Stage 3b is a direct call-off from the Scape framework, of which Balfour Beatty are the only provider on the framework, so a new contract would have been necessary under the same framework.

- 2.7. As part of the RIBA Stage 3a activities a number of design workshops have taken place with colleagues from across the Council, specifically; accessibility, highways, urban design and heritage. Findings from these consultations have been utilised to inform the development of the planning submission ensuring it meets Council priorities.
- 2.8. In February 2020 the Strategic Outline Case (SOC) was submitted to the West Yorkshire Combined Authority, the second stage in the Combined Authority's governance process. The first stage was the Strategic Assessment Review Group approved in September 2019. The SOC will undergo an appraisal assessment and, if approved at the PAT meeting scheduled for the 15th April, the project will progress to Outline Business Case stage, due in June 2020. In event that the SOC does not obtain approval abortive fees to the sum of £481,000 for RIBA Stage 3a will be incurred and not recouped.
- 2.9. On 11th March 2020 DfT announced that the Leeds City Region SOBC had been awarded £317M of TCF funding, this represents the core value of the twenty-two schemes. It is anticipated that the 'Active and Sustainable Travel within Leeds City Centre' project will be allocated the full funding of £39.5M as the low, core and high project scenarios were of the same value.
- 2.10. WYCA has advised that some TCF funding will be made available to assist local authorities in the development of projects and the necessary business cases required to fulfil WYCA's governance process. It is likely that this development funding will not be made available until the Outline Business Case stage, which in respect of the 'Active and Sustainable Travel within Leeds City Centre' project will be June 2020. As previously noted, in order to meet critical path dates the project needs to progress at pace therefore it is proposed to utilise the LPTIP funding allowance until such time the TCF development funding is made available by WYCA. At this juncture the LPTIP monies will be reimbursed back to its parent scheme as appropriate.
- 2.11. On the 21st June 2017 Executive Board approved a £173.5m injection into the LCC capital programme of LPTIP funding, of this £5m was allocated to Leeds Station. A proportion of the £5m allowance will be used to fund RIBA Stage 3b.

3.0 Main Issues

3.1 Design proposals and full scheme description

- 3.1.1. Design activities for the 'Active and Sustainable Travel within Leeds City Centre', RIBA Stage 3b consists of the following essential components;
 - Submission of any outstanding planning information
 - Respond to initial planning queries
 - Completion and further expansion of technical design concepts
 - Further development of the highways concept design
 - Principal Contractor to complete and submit feasibility report including high level programme and project costings
 - Engagement with Network Rail to assess design concept and feasibility

- 3.1.2. At the beginning of RIBA Stage 3a discussions were held with LCC Planning to confirm the validation requirements for the planning application. There were a number of elements that Planning confirmed could be submitted post-submission provided that a summary of the information be included within the application. Consequently RIBA Stage 3b will be utilised to answer any initial planning queries, following submission of the planning application, and provide any outstanding information required to determine the application.
- 3.1.3. A contingency sum has been allowed for within the RIBA Stage 3b costs to address scope changes arising from the planning process, for example conditions imposed by the various statutory consultees. At present it is difficult to determine the extent of any required modifications to the proposals following completion of the planning process as this is an ongoing process.
- 3.1.4. The construction works to be delivered as part of this project predominately take place on Network Rail owned land, consequently the assets created will be handed over to Network Rail for management and maintenance following completion. Network Rail involvement throughout the design development process is therefore integral to project success, as it will ensure the proposals will be accepted by Network Rail upon handover. These costs have been agreed at £14,144.
- 3.1.5. In-line with Network Rail standard practice a Basic Asset Agreement will required to access chargeable specialist resource within the organisation. The contract establishes the obligations of the Customer (LCC) and Network Rail in discharging their responsibilities as set out in the Basic Asset Agreement. This includes; consents, access, possessions, variations, cost and termination. With regards to liability it should be noted that Network Rail will not be culpable for any losses unless the value exceeds £10,000, with their liability in these eventualities capped at £100,000. In return, Leeds City Council's limit of liability will not exceed an amount equal to 10% of the cost of the Agreement.

3.2. Programme

- 3.2.1. The key milestones for the project are noted below:

Milestone	Date
Submission of the Planning Application	27 th March 2020
Strategic Outline Case Approval	15 th April 2020
Signing of the Network Rail Basic Asset Protection Agreement	17 th April 2020
Completion of RIBA Stage 3b	1 st May 2020
Submission of the Outline Business Case	1 st June 2020

- 3.2.2. Approval of fees of £264,144 to facilitate the completion of RIBA Stage 3b is vital to ensure the critical path dates noted above are met and the 'Active and Sustainable Travel within Leeds City Centre' remains on programme.

4.0 Corporate Considerations

4.1. Consultations and engagement

- 4.1.1. To date consultation has taken place with the following key project stakeholders; Member of Parliament for Leeds City Centre, Leader of Leeds City Council, Executive Board Member for Climate Change, Transport and Sustainable Development, Ward Members for Beeston and Holbeck, Ward Members for Hunslet and Riverside, Accessibility User Group, Bus Operators, Cycle Forum Sub Group and Train Operator Companies and Network Rail. Engagement with all parties will continue as the project develop into the next phase of work.

- 4.1.2. Consultation events were held at Leeds Station on the 10th February, 12th February and 14th February 2020. These sessions targeted station users and commuters during peak usage hours, with the intent to obtain their views on the proposals for the station. Feedback was collated and used to inform the concept design and planning submission.
- 4.1.3. Business consultation events were held at 34 Boar Lane on the 11th February and 13th February 2020. The project team presented the proposals to local businesses, inviting comments and feedback which was then collated and utilised to inform the proposals.
- 4.1.4. In addition to the public and business consultation events a 'Your Voice' survey was launched on the West Yorkshire Combined Authority's website. This online survey offered further opportunity for public comment and feedback to be incorporated into the scheme where practical. Further opportunities for consultation will be sought as the project continues.

4.2. **Equality and diversity / cohesion and integration**

- 4.2.1. An Equality, Diversity, Cohesion and Integration screening assessment has been completed for the 'Active and Sustainable Travel within Leeds City Centre' project. The assessment has been issued to the Equality Team for review and sign-off prior to publication.
- 4.2.2. Improving accessibility at Leeds Station is an integral part of the project, with the design providing extensive measures to ensure the station has step-free access as a key driver. To ensure the proposals are suitable and robust the project team have appointed a highly experienced specialist in accessible design to assist in the development of the concept designs. Periodic design reviews are undertaken by the specialist consultant to ensure the proposals are as robust as possible with respect to the aims surrounding accessibility. This process is ongoing as the design progresses.

4.3. **Council policies and the Best Council Plan**

- 4.3.1. The enhancements described within this report will contribute to the delivery of the Best Council Plan in the following key areas:
- 4.3.2. Health & Wellbeing - The creation of the largest station cycle hub in the North helps meet forecasted growth in cycle usage and supports and promotes healthy and physically active lifestyles.
- 4.3.3. Sustainable Infrastructure - Installation of segregated cycle lanes on Bishopgate, Neville Street, Dark Neville Street as well as the wider City will help support the modal shift towards sustainable forms of transport. This will improve air quality in these areas by reducing harmful nitrogen dioxide (NO₂) levels. An air quality survey conducted earlier in the year by 'Friends of the Earth' found Neville Street to be the most polluted street outside of London.
- 4.3.4. Inclusive Growth - The proposed works for a multi-modal transport hub will facilitate modal shift, circulation and capacity and improve connectivity to key and strategic areas of the city, in particular the South Bank which is Europe's largest regeneration project. Failure to address these constraints will be a barrier to growth

4.4. **Climate emergency**

- 4.4.1. Infrastructure improvements in the city centre will help support the Climate Emergency agenda through the encouragement of sustainable forms of transport. The infrastructure offers alternative and affordable choice for the residents of Leeds and will help drive the shift away from private vehicles. The increase usage of sustainable forms of transport will make a significant contribution to the reduction of carbon emissions in an already busy and congested area. The delivery of the 'Active and Sustainable Travel within Leeds City Centre' project, along with the other MBARC highways schemes, will dramatically reduce

the flow of traffic on Bishopgate and Wellington Street. With priority placed on pedestrian footways and cycle routes as the main mode of transport as well as the 700 space cycle hub.

4.5. Resources, procurement and value for money

- 4.5.1. Authorising the recommendations within this report will enable the Council to draw upon extensive knowledge and skills for the continued delivery of the 'Active and Sustainable Travel within Leeds City Centre' project. The award of a compensation event to the existing short form professional services contract, between Leeds City Council and Balfour Beatty, will ensure that consistent terms and conditions are applied to the next phase of work.
- 4.5.2. The 'Active and Sustainable Travel within Leeds City Centre' project will be delivered by a Principal Contractor (Balfour Beatty) procured via the Scape Group, a nationally recognised public sector partnership, utilising the Scape Civils Framework. The framework utilised for this project was setup following a competitive, open market and OJEU compliant tender process. Leeds City Council have signed an 'Access Agreement' to the framework, enabling access to all Building and Engineering Services covered by the framework.
- 4.5.3. Specialist technical support is required from Network Rail to progress the next phase of works. A 'Basic Asset Protection Agreement' will be utilised to contract with Network Rail for their professional services and access to resources. This is the standard agreement utilised by Network Rail for all instances of this nature.
- 4.5.4. The cost will be met through the LPTIP scheme but reimbursed by the Transforming City Fund following release of the development funding by WYCA.

4.6. Legal implications, access to information and call-in

- 4.6.1. The contents of this report is not exempt or confidential under the access to information rules detailed in the constitution.
- 4.6.2. Authorising this appointment may leave the council open to a claim from providers who feel the contract should have been effectively advertised and that the council has not been wholly transparent, however both the Scape framework and Steers contract have been competitively procured.
- 4.6.3. The Council is to decide what degree of advertising is appropriate and it is felt that no advertising is the most appropriate method for the council.

4.7. Risk management

- 4.7.1. Project management resource from the Station Development team is tasked with ensuring the project remains within the risk tolerances.
- 4.7.2. A joint risk log has been developed with the Principal Contractor to ensure all project risks are identified with the relevant owner of the risk. The project risk log will continue to be maintained and updated throughout the project and escalation of any risks that sit outside of the agreed tolerances will be managed via the Head of Station Development Team.
- 4.7.3. The key risk to the project at present remains the potential for delay. The scheme is predicated on usage of TCF funding, guidelines for this state that these budgets must be spent by March 2023. To compound this risk Leeds Year of Culture is scheduled for 2023, no major building works are permitted in the city centre during this period. Consequently, the works to the station entrance, Neville Street and Dark Neville Street must be completed by December 2022. A delay in the approval of this report would exacerbate these timescales.

4.7.4. Despite the COVID-19 pandemic and the associated consequences of this, namely social distancing and industry shutdown, this project is still proceeding in-line with the previously agreed critical path programme dates (summarised herein in section 3.2.1). This remains an active and unquantifiable risk to both programme and cost, as such the project team will continue to actively monitor the impact against project tolerance and report back to senior management as appropriate.

5.0 Conclusion

5.1. The 'Active and Sustainable Travel within Leeds City Centre' project is necessary to help transform the station into a 21st Century multi modal transport exchange and create a world class gateway into the city.

5.2. Strict criteria dictates that TCF monies must be spent by March 2023, however, the Leeds Year of Culture requires the project to be completed by December 2022. As such the design and construction programme for the project has been compressed to work within the restrictions imposed by the Year of Culture.

5.3. To ensure the project is completed within the required timescales it is necessary for the development of the project to progress at pace. Following the submission of the planning application the scheme will be developed to feasibility detailing the costs and technical challenges of the project.

5.4. The costs for RIBA Stage 3b are £246,144, this figure encompasses all activities with RIBA Stage 3b and the submission of the fully costed feasibility report including costs to access Network Rail resources.

6.0 Recommendations

6.1. The Director of City Development is recommended to:

6.1.1. Give authority to spend the £264,144 for fees associated with the completion of RIBA Stage 3b, noting that this includes fees relating to Balfour Beatty and Network Rail to be paid from the LPTIP budget until arrangements are in place to reimburse from the TCF fund.

6.1.2. Authorise the submission of a compensation event to the professional services contract, setup with Balfour Beatty to facilitate RIBA Stage 3a, to enable the completion of the activities associated with RIBA Stage 3b.

6.1.3. Approve Basic Protection Agreement with Network Rail to undertake professional services in relation to the completion of RIBA Stage 3b.

7.0 Background documents¹

7.1. None

8.0 Appendices

8.1. Appendix A – Equality Impact Assessment Screening Document

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.