

Report of Project Manager City Development

Report to Director of City Development

Date: 15th June 2020

Subject: Authority to enter into a Development Services Agreement with Network Rail with respect to Leeds Integrated Station Programme

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s):	
Beeston & Holbeck	
Burmantofts & Richmond Hill	
Hunslet & Riverside	
Little London & Woodhouse	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary

1. Main issues

- Leeds Railway Station is the busiest station in the North of England and the third busiest outside of London. Approximately 34 million passengers use the station a year. Leeds station is forecast to reach capacity by 2026 and development work has been identified as a priority to ensure the station continues to operate effectively. This work is continuing in spite of the COVID-19 crisis.
- A Rail Network Enhancement Pipeline (RNEP) Strategic Outline Business Case (SOBC) has been developed and approved by North of England Programme Board. This document includes a request for design development and Outline Business Case (OBC) development funding and is presently progressing through the Department for Transport (DfT).
- An OBC and preferred option development design will need to be developed to obtain the necessary approvals and funding to achieve this ambition. This includes a costed design proposal.

- By commissioning Network Rail Capital Delivery Team to support delivery phase (including OBC and GRIP 3/4), it is possible to initiate interim OBC development to ensure the scheme remains on programme while a decision is awaited from central government on the SOBC. This approach has been agreed with DfT and endorsed at Senior Steering Group (27th November 2019) and Leeds Station Programme Board (18th December 2019).
- The interim OBC development activities will be funded through the Leeds Public Transport Investment Programme (LPTIP). The Director of City Development granted authority to spend for LPTIP funds on the 20th April 2020 including commissioning commencement of OBC and preferred option design works.
- Leeds Rail Station is a Network Rail asset and a Development Services Agreement (DSA) is required for any proposed design and development work. This report is seeking authority to enter into a DSA.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- Sustainable infrastructure – investment in infrastructure will promote modal shift which will reduce carbon emissions which is key to the city of Leeds becoming carbon neutral by 2030
- Sustainable infrastructure – investment will enable the station to facilitate forecasted passenger growth by creating capacity / circulation space in and around the station

3. Resource Implications

- Budget – LPTIP monies will be drawn down from the West Yorkshire Combined Authority (WYCA) through a pre-existing funding agreement
- People - the work is being delivered through a mix of Council and Network Rail personnel. A dedicated delivery team has been established in the Council and is integrated with colleagues in partner organisations
- Overheads – no impact

Recommendations

The Director of City Development is requested to:

- a) Authorise entering into a Development Services Agreement for the sum of £1.821m with Network Rail for the development of the Leeds Integrated Station Programme.

1. Purpose of this report

- 1.1 The purpose of this report is to summarise the requirement for entering into a DSA with Network Rail, the potential obligations and risks for the authority and seek authority from the Director of City Development to proceed.

2. Background information

- 2.1 Leeds Railway Station is the busiest station in the North of England and the third busiest outside of London. Approximately 34 million passengers use the station a year. The station serves inter-city services to London, is an important stop on the Cross-Country network to Scotland, Midlands and Southwest England and it serves

major Northern destinations including services to Manchester, Liverpool and Newcastle. It is also an important commuter station for local services, 80% of services in the West Yorkshire area originate or terminate in Leeds Station.

- 2.2 The number of rail passengers traveling to Leeds is predicted to increase by 34% by 2026 and by 81% to 2043. In terms of footfall, this equates to 45m passengers a year by 2033, and 70m by 2043. The station is due to reach capacity in the next decade and requires investment now to make sure that it can accommodate the growth.
- 2.3 HS2 will include a stop at Leeds and a new HS2 station will integrate into the existing station to the South is forecast to be open in 2035-40. The station will be a hub on the proposed NPR network which will significantly increase capacity and reduce journey times on services from Leeds to Manchester via Bradford, Liverpool, Newcastle, Sheffield and Hull. The TransPennine Route Upgrade and improvements to rail services as a result of franchise commitments is also expected to provide an uplift in passenger numbers at the station.
- 2.4 Urgent investment is necessary to ensure the station operates effectively and does not reach capacity. The development of proposals for the station address anticipated growth projections and capacity constraints which is required irrespective of other schemes. The development of Leeds station has been identified as a priority for the DfT and work is continuing in spite of the COVID-19 crisis.
- 2.5 In November 2017, the Leeds Integrated Station Masterplan (LISM) was published outlining proposals for redeveloping the station. An RNEP SOBC has been submitted to the DfT for consideration and includes a request for design development and OBC development funding. A decision is expected by March 2021.
- 2.6 LPTIP funding will enable work to commence on the RNEP OBC while the SOBC is considered by central government. This is considered essential to maintain the programme given the station is forecast to reach capacity in 2026.
- 2.7 In 2017, LPTIP was awarded £173.6m in grant funding by the Department for Transport. LPTIP is administered by WYCA and has been established to transform the bus network, improve rail stations at key economic, housing growth and employment locations, and providing a world-class city centre gateways. Any schemes using LPTIP funding must be delivered by March 2021.
- 2.8 Executive Board approved a report at the 21st June 2017 meeting for the injection of the £173.5m LPTIP funding into the capital programme. In April 2018, WYCA's PAT approved a request for £5m in funding through LPTIP for the development of Leeds Station. £1.779m of funding has been drawn down to date (April 2018 – December 2019). On 22 January 2020, WYCA's PAT approved a Change Request for the drawdown of the remaining £3.221m in LPTIP funds. On 20th April the Director of City Development granted authority to spend for the remaining LPTIP grant funding to support the development of the Leeds Integrated Station Programme.

3. Main issues

- 3.1 Urgent investment is necessary to ensure the station operates effectively and does not reach capacity.

- 3.2 Subject to an endorsement of the SOBC and a formal 'Decision to Develop' through the Investment Decision Framework and DfT/Treasury governance arrangements it is anticipated that up to £8m in funding will be made available to progress an OBC for the Leeds Existing Station Programme (LESP) culminating in a preferred design option for a 'Decision to Design and Develop' within the RNEP programme.
- 3.3 In order to maintain programme momentum whilst the SOBC makes it through the RNEP governance arrangements, WYCA via LCC are making available LPTIP funds of up to £1.821m at risk to progress interim workstreams.
- 3.4 Leeds City Council (LCC) is seeking to enter into a contractual relationship with Network Rail for the development of proposals for Leeds station. Leeds Rail Station is a Network Rail asset and a DSA is required for any proposed design and development work.
- 3.5 A Client Requirements Document has been developed to support this. The purpose of this document is to outline the scope of works and requirements for the programme outputs. This programme is summarised below and includes commissioning Network Rail's Capital Delivery Team to support development, design and delivery (including OBC and GRIP 3/4).
- 3.6 The outputs for **Phase 1** Interim Workstreams required for 30.06.20 are:
1. Stage gate review of work undertaken to date on the SOBC against GRIP 2
 2. High level review of the BAM Buildability Appendix to the SOBC to confirm assumptions and constraints
 3. OBC Programme cost range to support submission of a 'Decision to Develop' to North of England Programme Board for all Phases which:
- 3.7 The outputs for **Phase 2** Interim Workstreams are:
1. Itemised market tested Cost Loaded Programme developed in advance of DfT Infrastructure Board (anticipated 31.08.20), which:
 - Articulates the cost and time savings which could be realised if design Option 1 in both DS1 and DS2 scenarios were omitted from the OBC scope
 - Can be summarised in table extract to present key costs, savings and match funding
 2. Requirements Management Plan with implementation of findings
 3. Route Requirements Document (RRD)
 4. Cost assurance report of 3rd party AFC estimates (cost and opex for station components only) – output required in advance of IPPR and DfT Network Portfolio Definition Board (TBC but estimated 20 July 2020)
 5. QRA for Phase 3 OBC – output required in advance of IPPR and DfT Network Portfolio Definition Board (TBC but estimated 20 July 2020)
 6. Structural and Asset Condition Surveys linked to constructability and asset condition review below (6), including PCAT for GRIP 4 survey requirements – particular focus on existing overbridges, train shed roof and dark arches.
 7. Support NR Sponsor with RAM CP6 renewals interfaces including early components deliverables where deliverable without prejudice to OBC design development

8. Cloud Point Data Conversion. Output required 31.03.21
9. Support NR Sponsor with DfT Workshop(s) to explore early delivery/funding opportunities as required - ongoing
10. Constructability and Asset Condition review of SOBC options relating to:

(a) station components;

Overbridges and new entrances:

- West Overbridge - Asset condition and structural suitability for extension into Riverside
- East Overbridge - Asset condition and structural bearings of the existing asset, including; the structural feasibility of replacing the existing structure with a new realigned concourse sized structure connecting to a new southern entrance at Sovereign Square (depending on options)
- Central Bridge - Structural feasibility of a new structure with supports landing on the Arch structures/platforms and a new southern entrance on the Hilton Hotel site including potential impacts on existing train shed roof structures
- Vertical circulation - Additional escalator, stair and lift provision to bridges
- Southern Mezzanine Link - Structural possibilities/width of the mezzanine link will impact the amount of commercial space that can be delivered
- Southern entrance location - Are there areas on the southern façade of the station that are better positioned for an additional southern entrance? This will have a bearing on station entrance location, commercial development outside the train shed, HS2 link, angle of the over bridge and then where it lands on the northern side of the tracks.

Concourses:

- Alternative arrangements for station concourse and placement relative to platforms including proposals for extensions and/or reconfiguration (depending on options)
- Northern Concourse and entrance - Integration of the Queens Hotel and new retail space at mezzanine - how feasible is putting a mezzanine area/walkway around this part of the station concourse and would heights align with the elevations of the Queens hotel/additional commercial space on the opposite side.

Dark Arches:

- Creation of new access between the Dark Arches and the station. What is the extent of works required to access down into the dark arches from the southern concourse? Is it possible to consider an access in the northern concourse/periphery of Princes Square? What is required to allow the Dark Arches to be safe for pedestrian access and the immediate archway areas as usable space e.g. for potential commercial areas

And;

(b) Over Site Development (OSD):

Administration block area:

- Can this be demolished/a new building(s) constructed out with the operational station area?

- 3.8 The scope of works will also need be cognisant of works progressed in tandem as part of the Bishopgate Transforming Cities Fund Project (Zone 1) and design development for Princes Square. Both projects interface with LESP. The Bishopgate TCF Project is being delivered by LCC and the Princes Square Project will be developed directly by Network Rail (Capital Delivery).
- 3.9 The DSA places a number of obligations on LCC and these are summarised under section 4.6 (Risk Management).

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Key stakeholders have been consulted concerning proposals for the Leeds Integrated Station Programme (LISP) and remain supportive of the scheme. For the sake of clarity, consultation has focused on overall scheme proposals and not necessarily extended to partnership contractual relationships (e.g. DSA).
- 4.1.2 Engagement with the Executive Member for Inclusive Growth and Culture was undertaken on 4th December 2019 who confirmed support for the proposals.
- 4.1.3 Engagement with the Executive Member for Climate Change, Transport and Sustainable Development was undertaken on 4th December 2019 who confirmed support for the proposals.
- 4.1.4 Engagement with Members representing the affected Wards was undertaken 29th January 2020 and also 9th June 2020 who confirmed support for the proposals.
- 4.1.5 Engagement with the Member of Parliament for Leeds Central was undertaken on 7th February 2020.
- 4.1.6 The utilisation of LPTIP funding across the LISM programme is supported by partner organisations.
- 4.1.7 The proposed approach of utilising LPTIP funding to support OBC development is supported by DfT and has been endorsed by Senior Steering Group and Leeds Station Board.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 LPTIP funding will contribute to the development of designs as part of the preparation of a costed OBC. This will state the case for investment in Leeds railway station and the creation of a modern transport hub which meets the diverse requirements of users.
- 4.2.2 A diversity impact assessment was created as part of the LISM masterplan in 2018 as an evolving document which will be reviewed and updated as part of the development of the preferred option.

4.3 Council policies and the Best Council Plan

- 4.3.1 The Elected Members of LCC have recently declared a Climate Change Emergency, committing to becoming carbon neutral by 2030. Transport in Leeds currently contributes to 26% of carbon emissions therefore there are significant opportunities with the right transport investments to radically change this and

reduce this total. LISP will create extra capacity in the station to meet anticipated passenger growth and provide an attractive alternative to private vehicle usage.

- 4.3.2 The proposed investments in the Station and infrastructure to drive growth will make a direct contribution to the Best Council Plan Priority of 'Transport & Infrastructure' - Connecting people and places, improving air quality. The proposals will also help to support the delivery of the Best Council Plan outcome of 'Move around a well-planned city easily'.
- 4.3.3 The proposed development of Leeds station will facilitate forecasted passenger growth, allowing users to move safely around the station and provide a realistic alternative to car travel.
- 4.3.4 The proposals for Leeds integrated rail station support the aspirations of inclusive growth by facilitating modal shift and creating capacity / circulation space in and around the station. This supports the Council's commitment to addressing the climate emergency and the inclusive growth strategy ambition for 21st Century infrastructure

4.4 Resources, procurement and value for money

- 4.4.1 LPTIP funding will be utilised to support the commencement of the development of an OBC and the delivery of the LISP masterplan. Deliverables, such as the procurement of advisers, will be procured using existing framework agreements (where possible), which have been secured through a formal competitive tendering exercise. Network Rail have just undertaken a procurement exercise for a framework contractor to support them in the development of proposals.
- 4.4.2 The work is being delivered through a mix of LCC, Network Rail and WYCA personnel. A dedicated delivery team has been established in the Council and is integrated with colleagues in these partner organisations

4.5 Legal implications, access to information, and call-in

- 4.5.1 This is a significant operational decision and is therefore not eligible for Call-In.
- 4.5.2 There have been previous decisions regarding LPTIP monies and the £5m for the station development, which have been key decisions. This decision therefore sits under these previous key decisions.

4.6 Risk management

- 4.6.1 It is forecasted that the station will reach capacity by 2026. Failure to enter into a DSA with Network Rail will delay the commencement of interim OBC inputs which will delay overall programme delivery.
- 4.6.2 LPTIP funding needs to be spent by 31st March 2021. If for any reason works are delayed this could impact on spend. However the contract will have been entered into and DfT have confirmed that as long as this is the case spend can continue into 2021/22.
- 4.6.3 The interim OBC development is being undertaken at risk on the assumption the SOBC is endorsed by central government and funding is allocated for OBC development. There is widespread recognition of the issues associated with Leeds station and the SOBC has been produced with advice from DfT. There was also a

commitment contained within West Yorkshire devolution agreement for allocation of up to £8m in OBC development for Leeds station.

- 4.6.4 The DSA places obligations on the LCC, notably Network Rail implement the right in clause 8.3 of the agreement to instigate a variation at their own expense, but this would impact on overall programme and therefore LPTIP spend. However the contract will have been entered into and DfT have confirmed that as long as this is the case spend can continue into 2021/22.

5. Conclusions

- 5.1 Leeds Railway Station is the busiest station in the North of England and is forecast to reach capacity by 2026. Urgent investment is necessary to ensure the station operates effectively and does not reach capacity. The development of Leeds station has been identified as a priority for the DfT and work is continuing in spite of the COVID-19 crisis.
- 5.2 An RNEP SOBC has been submitted to central government for consideration and includes a request for design development and OBC development funding. This has been approved by North of England Programme Board and a decision is expected by March 2021.
- 5.3 An OBC will need to be developed to obtain the necessary approvals and funding to achieve this ambition. This includes a costed design proposal.
- 5.4 Several interim activities need to be undertaken in the interim period to ensure the scheme remains on programme. These will be funded through LPTIP. The Director of City Development granted authority to spend for LPTIP funds on the 20th April.
- 5.5 LCC is seeking to enter into a contractual relationship with Network Rail for the development of proposals for Leeds station. Leeds Rail Station is a Network Rail asset and a DSA is required for any proposed design and development work.

6. Recommendations

- 6.1 The Director of City Development is requested to:
- 6.1.1 Authorise entering into a Development Services Agreement for the sum of £1.821m with Network Rail for the development of the Leeds Integrated Station Programme.

7. Background documents¹

- 7.1 None.

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.