

Report of Project Manager Station Development

Report to Chief Officer Asset Management & Regeneration

Date: 5th March 2021

Subject: Authority to vary an existing Development Services Agreement and enter into a funding agreement with Network Rail with respect to the Leeds Existing 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 submitted to the Department for Transport (DfT) for consideration. This document includes a request for design development and Outline Business Case (OBC) development funding and is presently progressing through the formal governance and approval channels.
- An OBC and preferred option development design will need to be developed to obtain the necessary approvals and funding to achieve the overall development ambition. This includes a costed design proposal.

- In August 2020, LCC entered into a Detailed Services Agreement (DSA) with Network Rail's Capital Delivery Team to initiate interim OBC development through the delivery of Phase 2 outputs. This facilitated the continued development of the proposals whilst awaiting a decision from central government on the SOBC. This approach was 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 have been 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.
- This report is seeking authority to vary the existing DSA to extend the term of the agreement from 31 March 2021 to 30 June 2021 and increase the value by an additional £1.135m to an overall maximum contract value of £2.956m. This interim funding is required to meet Property and Programme Management costs to ensure continued delivery pending the anticipated allocation of RNEP funding. In addition, this report is seeking authority to enter into a funding agreement with Network Rail to facilitate contributions towards LCC for the continued operation of a Programme Management Office pending confirmation of RNEP funding.

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 Chief Officer Asset Management and Regeneration is requested to:

- a) Authorise a variation to the existing Development Services Agreement with Network Rail for the development of the Leeds Existing Station Programme to extend the contract period to 30 June 2021 and the value by an additional £1.135m (maximum).
- b) Authorise entering into a funding agreement with Network Rail to facilitate contributions towards LCC for the continued operation of a Programme Management Office pending confirmation of RNEP funding.

1. Purpose of this report

- 1.1 The purpose of this report is to summarise the requirement for a variation of the existing DSA and enter into a funding agreement with Network Rail, the potential obligations and risks for the authority and to seek authority from the Chief Officer Asset Management and Regeneration.

2. Background information

- 2.1 Leeds Railway Station has, for the past decade, consistently been 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 is one of the most important pieces of transport infrastructure in the UK. 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. Redevelopment is critical to meeting the Leeds Inclusive Growth Strategy call for 21st century infrastructure to support the growth of the city and region.
- 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 May 2021.
- 2.6 Leeds Rail Station is a Network Rail asset and a DSA is required for any proposed design and development work. In August 2020, LCC entered into a DSA with Network Rail's Capital Delivery Team to initiate interim OBC development through the delivery of Phase 2 outputs. This facilitated continued development of the proposals whilst awaiting a decision from central government on the SOBC. This approach was agreed with DfT and endorsed at Senior Steering Group (27th November 2019) and Leeds Station Programme Board (18th December 2019).
- 2.7 The interim OBC development activities have been funded through LPTIP. 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 either be in contract or 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. 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 £5.5m 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 August 2020, LCC entered into a DSA with Network Rail at risk for the value of £1.821m for the development of interim OBC outputs while awaiting a decision on the LESP RNEP SOBC. In addition to maintaining programme momentum, this facilitated a constructability review of the shortlisted options which has delivered additional benefits of an expedited development programme and reduced development funding ask. The existing DSA expires on 31st March 2021.
- 3.4 The RNEP approvals process has been impacted by external factors, such as the outcome of the Comprehensive Spending Review and Integrated Rail Plan for the North. As a consequence the approvals process has been delayed.
- 3.5 LCC is seeking to vary the existing DSA to extend the contract period to 30 June 2021 and increase the value by an additional £1.135m (maximum). This interim funding is required to meet Property and Programme Management costs to ensure continued delivery pending the anticipated allocation of RNEP funding. This will be funded through the existing LPTIP allocation for Station Development. Failure to agree this extension may result in development work being paused pending the outcome of the SOBC.
- 3.6 LCC is presently providing a Programme Management Office (PMO) function for the scheme. LCC is seeking to enter into a funding agreement with Network Rail on the basis Network Rail will make a £420k contribution towards continued delivery of the PMO function once RNEP funding has been allocated.
- 3.7 The LESP programme interfaces with other schemes, such as the Bishopgate Transforming Cities Fund Project (Zone 1) and design development for Princes Square. Continued development funding is critical in ensuring a holistic solution.

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 Leader of the Council and Executive Member for Climate Change, Transport and Sustainable Development was undertaken on 25th January 2021 who confirmed their support for the proposals.
- 4.1.3 Engagement with Members representing the affected Wards was undertaken 29th January 2020 and also 9th June 2020 who confirmed support for the proposals.
- 4.1.4 Engagement with the Member of Parliament for Leeds Central was undertaken on 7th February 2020.
- 4.1.5 The utilisation of LPTIP funding across the LISM programme is supported by partner organisations.
- 4.1.6 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 In March 2019, LCC passed a Motion declaring a climate emergency, committing the city 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 The existing DSA with Network Rail allows for variation to the agreement. The £1.135m uplift to the agreement will be funded through the Station Development LPTIP allocation.
- 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 report is eligible for Call-In.

4.6 Risk management

- 4.6.1 It is forecasted that the station will reach capacity by 2026. Failure to vary the DSA with Network Rail may delay the development of proposals and delay overall programme delivery.
- 4.6.2 LPTIP funding needs to be spent by 31st March 2021. However, WYCA have confirmed that as long as the supplier is in contract spend can continue into 2021/22. This risk has been mitigated as this is a variation to an existing DSA.
- 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.

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. A decision is expected by May 2021. An OBC will need to be developed to obtain the necessary approvals and funding to achieve this ambition.
- 5.3 LCC is seeking to vary the existing DSA to extend the contract period to 30 June 2021 and increase the value by an additional £1.135m (maximum). This interim funding is required to meet Property and Programme Management costs to ensure continued delivery pending the anticipated allocation of RNEP funding. This will be funded through the existing LPTIP allocation for Station Development. In addition, this report is seeking authority to enter into a funding agreement with Network Rail to facilitate contributions towards LCC for the continued operation of a Programme Management Office pending confirmation of RNEP funding.

6. Recommendations

- 6.1 The Chief Officer Asset Management and Regeneration is requested to:
 - 6.1.1 Authorise a variation to the existing Development Services Agreement with Network Rail for the development of the Leeds Existing Station Programme to extend the contract period to 30 June 2021 and the value by an additional £1.135m (maximum).
 - 6.1.2 Authorise entering into a funding agreement with Network Rail to facilitate contributions towards LCC for the continued operation of a Programme Management Office pending confirmation of RNEP funding.

7. Background documents¹

- 7.1 Network Rail paper requesting authority to vary the DSA with LCC

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.