

Leeds Station Sustainable Transport Gateway

Date: 30 November 2022

Report of: Head of Station Development

Report to: Chief Officer Highways and Transportation

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The Leeds Station Sustainable Travel Gateway (LSSTG) project has commenced advance works on site including utilities, lighting and surface improvements to Dark Neville Street and highway drainage. This is helping mitigate the impact on programme of incorporating the Mill Goit renewal works which Network Rail has identified as essential part way through design development for the main scheme leading to delays. It is proposed to increase the advance works partly in line with previous approval which anticipated that the Neville Street lighting and cladding would be varied into the Advance Works contract once Network Rail Form 003 approval had been gained and partly to mitigate programme and cost on the main works contract by undertaking further drainage works, creating welfare facilities, undertaking the soft strip of Shababs. This report seeks approval to vary the Advance Works contract to undertake these additional works and also seeks injection into the capital programme and authority to spend for additional funding from WYCA Transforming Cities Fund to meet the additional costs to the project experienced as a result of the rising inflation and changing macro-economic conditions.

Recommendations

The Chief Officer Highways and Transportation is requested to approve the:

- a) Increase the scope of works of the Advance Works contract to include the refurbishment of units 17 and 18 on Dark Neville Street and the soft strip of the former Shababs restaurant.
- b) Extension of the Advance Works contract programme to include the above works and also extend the traffic management arrangements as a result of the utilities diversions works on Bishopgate Street incurred as a result of delays in statutory undertaker availability.
- c) Approval of the Neville Street and Bishopgate Street lighting and cladding designs and CCTV column design, noting that the lighting on Bishopgate Street will be delivered as part of the main works.
- d) Approval to accept the decorative lighting on Neville Street as a new LCC asset to be maintained by Street Lighting and funded from the monies originally allocated for the cladding

on Neville Street which will become a Network Rail asset upon completion of the Neville Street works.

- e) Authority to vary the contract under Contract Procedure Rule 21.7 to increase the value of the Advanced Works contract in accordance with Rule 10 of the Financial Regulations to deliver the Neville Street lighting and cladding works, the refurbishment of units 17 and 18 on Dark Neville Street, drainage works and the soft strip of the former Shababs restaurant. The total cost of the Advance Works contract is now £3.76m of which £2.89m was previously approved in April 2022.
- f) Injection and authority to spend of £10.451m as a result of inflationary cost increases to the target cost of the main works funded by WYCA Transforming Cities Fund subject to final Combined Authority Committee approval on the 8th December 2022.

What is this report about?

- 1 The Leeds Station Sustainable Travel Gateway Project (LSSTG) is being delivered as part of the West Yorkshire Combined Authority (WYCA) Transforming Cities Fund (TCF) programme and is also the first phase of delivering the Leeds Integrated Station Masterplan.
- 2 The aim of TCF is to improve access to good jobs and encourage an increase in journeys made by low carbon and sustainable modes of transport. This project meets the aim of TCF through improving the onward journeys for passengers on foot, by bus and cycling. It does this through the pedestrianisation of New Station Street in order to accommodate predicted passenger growth at the station, a circa 560-space cycle hub and segregated cycle infrastructure on Neville Street, Dark Neville and Bishopgate Street.
- 3 The main works contract is due to be entered into on the 26th January 2023. Programme delays during detailed design as a result of the inclusion of Network Rail's Mill Goit deck replacement works, resulted in the project team in conjunction with the Contractor and WYCA identifying a number of workstreams which could be delivered in advance of the main programme and start to deliver benefits sooner. These included highways work on the eastern side of Bishopgate Street, Neville Street (excluding the cycle infrastructure) and the installation of the new artwork on the eastern and western bridge structure elevations and Dark Neville Street. The scope for Dark Neville Street has been reduced to avoid abortive costs given the commencement of the Leeds Existing Station Programme (LESP) intrusive surveys which Network Rail propose to commence in January 2023. These preliminary works, which were approved by the Chief Officer, Highways and Transportation on the 10th May 2022 commenced on the eastern side of Bishopgate Street on the 23rd May 2022 and Dark Neville Street on the 4th July 2022.
- 4 When gaining approval to deliver the Neville Street works, it was always anticipated that the cladding and lighting on Neville Street element would be varied into the Advance Works contract at a later date as at the time of approval the lighting and cladding designs had not been finalised or approved by Network Rail or Highways. LCC currently own and maintain the cladding on Neville Street, however, whilst developing this project it has been agreed that this asset will transfer to Network Rail upon completion of the works who will then maintain the cladding. The lighting and cladding designs for Neville Street have now been completed and Network Rail approval is in the process of being obtained.

Highway's approval is being sought within this report for the lighting and cladding designs on Neville Street and Bishopgate (noting that the lighting on Bishopgate will be delivered in the main works programme). Highway's Street Lighting colleagues have reviewed and provided comments on the first set of drawings issued for consultation and these comments have since been incorporated into the drawings that are submitted for approval as part of this report. Street Lighting colleagues have also confirmed that they are happy to adopt the new decorative lighting

on Neville Street and that the maintenance costs for this will be transferred for the existing maintenance budget for the cladding that is currently held by City Centre Management.

- 5 Approval is sought to vary the contract in line with CPR 21.7 from £1.82m to £3.76m and increase the value of the Advance Works contract to include these works on the basis it is better value for money for the existing Contractor who is already on site and has developed the designs to deliver the works than for an alternative contract or procurement process to be entered into.
- 6 There is also a further opportunity to increase the scope of the Advance Works contract to ease the pressure on the main programme of works by delivering a number of other workstreams namely, refurbishment works in arches 17 & 18 in Dark Neville Street, (designated as contractor welfare units) and the soft strip of the former Shababs restaurant that will become the cycle hub and delivered in the main works programme.
- 7 If the Main Works Contract were not to proceed, then the works to arches 17 & 18 would not be abortive works as the improvement also enables future commercial letting of the arches which supports the wider aims of LISM and activation of the Dark Arches to improve public safety for onward journeys.
- 8 The soft strip of the former Shababs restaurant would be abortive works if the Main Works Contract did not proceed, however, given the advanced nature of the contract negotiations for the main works and a cost and programme saving of approximately £160,000 and two weeks from the critical path of undertaking these works as part of the Advance Works contract it is recommended that these works progress prior to the signing of the Main Works Contract.
- 9 In respect of the main works, in June 2022 Executive Board approved the injection of £25.912m into the Capital Programme and gave authority to spend £25.912m to deliver the project.
- 10 Due to inflationary pressures and changes in the macro-economic since Executive Board approval the project target cost has increased by £10.451m. Further to competitive market testing of all work packages (noting that some sub-contractors declined to submit revised prices and some sub-contractors had gone into administration) WYCA approved the additional funding request at the Finance and Resource meeting on the 11th November 2022, and will now proceed to Combined Authority Committee on the 8th December 2022 therefore this report is requesting to inject and give authority to spend £10.451m to deliver the project subject to the Combined Authority Committee approval.
- 11 The purpose of this report is to seek approval to vary the contract in line with Contract Procedure Rule (CPR) 21.7 to increase the scope and value of the Advance Works contract to include the delivery of the Neville Street lighting and cladding works following Highways approval of the designs, the refurbishment works to arches 17 & 18, and soft strip of the former Shababs restaurant whilst noting that approval has already been obtained to deliver the works on Neville Street. This report also seeks authority to increase the injection into the capital programme and authority to spend by £10.451m, the increase in the total cost of the project as a result of inflation, risk and contingency as a result of macro-economic conditions since Executive Board key decision approval on the 22nd June 2022.
- 12 LISM seeks to redevelop Leeds Station and the surrounding area in a coherent way in order to meet the increasing growth in passenger numbers and create a world class gateway into the Leeds City Region. Leeds Station has consistently demonstrated a higher growth than the national average in terms of passenger number increases post COVID. On average passenger numbers are currently at 118% of pre COVID figures. The LSSTG project will specifically address issues of capacity, accessibility, health and safety, security and connectivity from the station's entrance on New Station Street to the City Centre and South Bank.

13 More specifically the LSSTG project contributes to key LCC ambitions of

- a) Health and Wellbeing - The creation of the cycle hub helps meet forecasted growth in cycle usage which supports and promotes healthy and physically active lifestyles.
- b) Sustainable Infrastructure - Installation of segregated cycle lanes on Bishopgate, Neville Street and Dark Neville Street as well as within the wider City will help support the modal shift towards sustainable forms of transport. Making New Station Street itself more appealing to cyclists and pedestrians by the removal of buses and taxis. This will improve air quality in these areas by reducing harmful nitrogen dioxide (NO₂) levels.
- c) 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.

What impact will this proposal have?

- 14 The works to Neville Street will significantly improve the environment and therefore a key pedestrian and connection route into the city centre in advance of the main works starting on site and ensure completion ahead of the Year of Culture commencing in January 2023.
- 15 Works to arches 17 and 18 in Dark Neville Street in advance of the main contract will provide suitable accommodation for operatives in close proximity to the site. The refurbishment works to arch 17 in particular (arch 18 is already established as a bar) will help contribute to Network Rail's commercial strategy and long-term ambitions to reactivate the arches in Dark Neville Street.
- 16 The soft strip of the Shababs restaurant is on the critical path of the main programme of works, by undertaking these works in advance generates a two-week saving and approximately £160,000 than if these works were delivered in the main works programme.
- 17 Traffic management arrangements are currently in place to facilitate the Bishopgate and Dark Neville Street works. It is likely that the works to the eastern side of Neville Street will require a lane closure. Specific requirements are being discussed in detail with Highways and Communications colleagues so that any impact on the traffic flow around the station can be programmed and fully communicated and managed across the adjoining and linked city centre highways schemes.
- 18 The works to Neville Street were included in the Network Rail Advance Works BAPA agreed in May 2022. Network Rail have confirmed that the refurbishment works to arches 17 and 18 sit outside the BAPA and Balfour Beatty will enter into a tenancy agreement direct with Network Rail property direct there is no requirement for LCC to gain approval from Network Rail for these works
- 19 It is proposed to deliver the Neville Street lighting and cladding works, the works associated with arches 17 & 18 and drainage on Sandford Street the soft strip of Shababs and associated traffic management under the existing NEC4 short form contract for the Advance Works.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 20 Health and Wellbeing - The creation of the largest station cycle hub in the North helps meet forecasted growth in cycle usage which supports and promotes healthy and physically active lifestyles.
- 21 Zero Carbon - Installation of segregated cycle lanes on Bishopgate, Neville Street and Dark Neville Street as well as within the wider City will help support the modal shift towards sustainable

forms of transport. Making New Station Street itself more appealing to cyclists and pedestrians by the removal of busses and taxis. 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.

- 22 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 area.

What consultation and engagement has taken place?

Wards affected: Beeston and Holbeck & Hunslet and Riverside

Have ward members been consulted? Yes No

- 23 Ward Members have been consulted on the overall scheme and are supportive. A local Ward Member has raised concerns in respect of the existing art installation on Neville Street, however, following discussions with the original curator and artist it has been agreed to incorporate a narrative which tells the story of the sound and light installation as part of a curated decommissioning approach. Therefore, these concerns have been resolved and Ward Members and the Executive Member for the Economy, Culture and Education are part of the evaluation panel for the procurement of artists to create the panels on the eastern elevation of Neville Street to help improve the environment to encourage sustainable forms of transport such as walking and cycling.

- 24 Multiple engagement sessions have been held with key stakeholders on the project as a whole including, the West Yorkshire Mayor, Member of Parliament for Leeds City Centre; Leader of Leeds City Council; Executive Board Member for Infrastructure and Climate; Ward Members for Beeston and Holbeck; Ward Members for Hunslet and Riverside; Network Rail, Network Rail Built Environment and Access Panel, Connecting Leeds Expert Panel, Access and Use-Ability Group; Bus Operators, Cycle Forum Sub Group; Train Operator Companies, Inclusive Design Group, Hackney Taxi Operators, Leeds Bradford Airport, Leeds Civic Trust and local businesses and residents near the station. The Inclusive Design Team referenced was established following a recommendation from Plans Panel that further consultation with groups that represent all protected characteristics under the Equality Act was required.

- 25 Consultation has been undertaken with WYCA, including the Bus Delivery Team, the TCF programme team, the Estates and Rail teams and Bus Delivery Board.

- 26 Overall, the feedback from the consultation has been positive with many stakeholders acknowledging the benefits provided by the proposals. There have been some concerns raised by a small number of people from both an accessibility and taxi operator perspective who believe the relocation of the taxi rank from New Station Street to Bishopgate discriminates people with protected characteristics as defined by the Equality Act. The project team have worked closely with the Access and Use-Ability Group (AUAG) over the last 18 months looking at alternative options for the taxi rank, including for it to remain on New Station Street. It was subsequently concluded that retaining the taxi rank on New Station Street would not achieve the benefits of the scheme. At a meeting on the 16th June 2021 the AUAG reviewed the detailed design proposals for the scheme and made comments in relation to the choice of materials for the footway and highway and the number of seats to be installed on New Station Street.

- 27 In compliance with the Equality Act 2010 engagement was undertaken with people representing the protected characteristics, this included development of an Inclusive Design Group with these representatives where designs were shared and developed.

What are the resource implications?

28 The Leeds Station Sustainable Travel Gateway project will be funded through the Department for Transport's (DfT) TCF. On the 11th March 2020 DfT announced that the Leeds City Region Strategic Outline Business Case (SOBC) has been awarded £317M in the TCF of which £39.5M has been allocated to this project together with additional cycle infrastructure, the latter being delivered through a different delivery route. CA Committee approval was supported at the Finance and Resource Committee meeting on the 11th November 2022 and will be ratified at Combined Authority Committee on 8th December 2022.

29 Initial approvals of £9.7m in May 2022 for design and feasibility works together with £25.9m approved at Executive Board on the 22nd June 2022 take the current authority to spend on the programme to £35.65m. Inflation and risk increases due to external economic pressures incurred over the last six months has increased this figure by a further £10.45m which will take the total to £46.1m in order to deliver the scheme.

30 Capital Funding and Cashflow table

Leeds Station Sustainable Travel Gateway 32774/LRS/TCF

Current Injection and authority to spend at October 2022	TOTAL £000's	TO MARCH 2022 £000's	FORECAST			
			2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's
PROJECT DEVELOPMENT & LAND ASSEMBLY	5,357.3	4,935.0	422.3	0.0		0.0
CONSTRUCTION WORKS	28,559.2	0.0	7,960.3	18,075.8	2,523.1	0.0
OTHER COSTS	1,732.5	0.0	334.2	0.0	1,398.3	0.0
TOTALS	35,649.0	4,935.0	8,716.8	18,075.8	3,921.4	0.0
Injection and Authority to Spend required for this current approval	TOTAL £000's	TO MARCH 2022 £000's	FORECAST			
			2022/23 £000's	2023/24 £000's	2024/25 £000's	2024 & on £000's
PROJECT DEVELOPMENT & LAND ASSEMBLY	39.7	0.0	39.7	0.0	0.0	0.0
CONSTRUCTION WORKS	8,520.7	0.0	0.0	0.0	2,678.1	5842.6
OTHER COSTS	1,890.2	0.0	0.0	0.0	42.8	1847.4
TOTALS	10,450.6	0.0	39.7	0.0	2,720.9	7690.0
Total overall Funding	TOTAL £000's	TO MARCH 2022 £000's	FORECAST			
			2022/23 £000's	2023/24 £000's	2024/25 £000's	2024 & on £000's
LCC Borrowing	0.0	0.0	0.0	0.0	0.0	0.0
LPTIP FUNDING 32774/LRS	250.0	250.0	0.0	0.0	0.0	0.0
TRANSPORT FOR CITIES (TCF)	45,313.6	4,247.0	8,658.5	18,075.8	6,642.3	7690.0
NETWORK RAIL HERITAGE	98.0	0.0	98.0	0.0	0.0	0.0
PRIVATE SECTOR	438.0	438.0	0.0	0.0	0.0	0.0
Total Confirmed Funding	46099.6	4935.0	8756.5	18075.8	6642.3	7690.0
Total Funding Balance	0.0	0.0	0.0	0.0	0.0	0.0

31 The LSSTG project will be funded with £45.3m of Transforming Cities fund administered by WYCA, together with £0.8m of other funding sources. Approval to Proceed was awarded at WYCA's Finance and Resource Committee meeting on the 11th November 2022 and is now subject to Combined Authority Committee approval due on the 8th December 2022.

32 The revised contract sum for the Advance Works contract is £3.76m of this £2.89m was approved by the Chief Officer of Highways and Transportation in April 2022.

- 33 New highway and decorative lighting will be installed on the adopted highway as a result of the Neville Street works and as such the maintenance of these assets will be borne by LCC. The Council already maintains the adopted highway lighting, the decorative lighting, however, will be a new asset. LCC is currently responsible for maintaining the cladding on Neville Street which will be transferred to Network Rail once the works are complete. Part of this maintenance budget will transfer to Streetlighting so they can maintain the new decorative lighting in addition to the adopted highway lighting both of which are fed from the same supply. The decorative lighting on Neville Street is LED and energy efficient and approval for taking on this additional asset is requested within this report.
- 34 Contractor resources required to deliver additional scope as outlined in this report will remain as per the current Advance Works contract. The Contractor was procured via the Scape Civils Framework. The Scape Framework was set up following a competitive, open market and OJEU compliant tender process. LCC signed the 'Access Agreement' to the framework, enabling access to all Building and Engineering Services covered by the framework.
- 35 External resources including a Commercial Manager and Highways site Supervisor, procured from Mark Matthews Consultancy will continue as per existing Advance works contract alongside LCC resources including a Project Manager and Technical Manager.

What are the key risks and how are they being managed?

- 36 Network Rail staff strike action has the potential to delay the programme should Network Rail project resource be diverted during the strikes. Dates of forthcoming strikes have not been announced so the project team will maintain a watching brief. Discussions, however, have taken place with the Contractor to ensure that where possible submissions and approvals required from Network Rail will be programmed around strike action once known.
- 37 The ongoing effects of COVID and Brexit has the potential to increase the costs of the works beyond the allowance included in the construction cost estimate. Following the conclusion of the retendering exercise the costs will be baselined as of the 14th October 2022 which will form the basis for the Target Cost in the contract. The costs at the 14th October include a limited number of provisional sums which will have been finalised prior to entering into contract and should not exceed the Target Cost.
- 38 COVID, Brexit and the cost-of-living crisis has the potential to impact on the cost and supply of goods, materials and resource. A retendering exercise on all the work packages commenced in July 2022 and the costs baselined as of the 14th October 2022. As part of this process the Contractor obtained (where possible as some sub-contractors declined to submit revised prices and some sub-contractors went into administration) three quotes for each of the work packages to ensure competition. To mitigate this risk further the Contractor will look to commence the early procurement of key materials and undertake due diligence when appointing sub-contractors. The project budget includes an allowance for inflation and risk / contingency, however, any significant cost increases as a result of these items may exhaust the monies available.
- 39 Stakeholder objections could be received in relation to the removal of the existing artwork on Neville Street. As noted previous objections have been raised and now resolved, however, additional stakeholder objections could be received once the work commences on site. To mitigate this risk positive communications messaging will be implemented during this period.
- 40 A joint risk log has been developed with the Contractor to ensure all project risks are allocated to the relevant and appropriate risk owner. The Council's risk register has been developed by Mark Matthews Consulting and both risk log prices are included in the project cost. The project risk log

will continue to be maintained and updated throughout the project and escalation of any risks that sit outside the agreed tolerances will be managed via the LSSTG Project Board.

What are the legal implications?

- 41 The inclusion of the Neville Street, welfare works and soft strip of Shababs into the Advance Works contract will require approval to vary in line with Contract Procedure Rule 21.7 the existing Advance Works contract in accordance with Rule 10 of the Financial Regulations.
- 42 The Council will need to enter into a property licence with Network Rail to access the highway lighting on Neville Street as it will be attached to a Network Rail structure. The terms of the licence are yet to be agreed so approval to enter into the licence will be sought from the Chief Officer for Asset Management and Regeneration.
- 43 Planning permission and listed building consent was gained on the 23rd October 2020. There is an outstanding planning condition in relation to providing samples of the cladding and vinyl to be used on Neville Street. These samples are due to be submitted to Planning by the end of November 2022.
- 44 Highways approval for the design for the highways element of the scheme was obtained on the 13th September 2021. Highways Board approval will be sought for the lighting on Neville Street and Bishopgate (noting that the Bishopgate lighting works will be delivered in the main works programme). The Council currently maintain the street lighting on Neville Street, however, the decorative lighting will be an additional asset for the Council. The estimated annual maintenance costs for the decorative lighting are £10,000. The funds to pay for the annual maintenance costs of the decorative lighting on Neville Street will be transferred from the City Centre Management maintenance budget for the cladding which will be transferred to Network Rail upon completion of the works.

Options, timescales and measuring success

What other options were considered?

- 45 1. Enter into a new short form contract to deliver the Neville Street and welfare works. This was discounted due to the time and costs associated with negotiating and agreeing a new short form contract.
- 46 2. Incorporating the Neville Street and welfare works into the main contract due to be signed in January 2023. This option was discounted as it delays the Council and WYCA receiving the benefits of Neville Street during the Year of Culture and it adds further pressures to the main works programme.
- 47 3. Extending the existing advance works contract as anticipated in the report approved on the 10th May 2022 to enable the contractor to remain on site and reduce mobilisation and demobilisation costs, enable the works to be undertaken early in the Year of Culture 2023, and enable savings in programme on the Main Works Contract.

How will success be measured?

- 48 The LSSTG has a monitoring and evaluation plan for the entire scheme. In respect of the Neville Street works and the additional scope included within this report the success will be measured by the following indicator:
 - Delivering the advance works to enable the artwork on the eastern side of Neville Street to be installed during the 2023 Year of Culture.

What is the timetable and who will be responsible for implementation?

49 It is anticipated that the Neville Street and the welfare works would commence in December 2022, with the soft strip commencing in January 2023. The soft strip would be completed by mid-January with the remaining works completed in June 2023.

Appendices

50 Appendix 1 – Lighting and Electrical Layout for Bishopgate and Neville Street

51 Appendix 2 – EDCI Screening

Background papers

52 Neville Street Lighting and Cladding and CCTV column on Bishopgate drawings.