

26th Nov. 2020

Executive

Report of the Director of Economy and Place
Portfolio of the Executive Member for Transport

YORK RAILWAY STATION GATEWAY – FUNDING AND DELIVERY

Summary

1. The purpose of this report is to update the Executive on the current status of the Station Frontage project, to seek Members approval for a phased delivery approach and to seek approval for a series of recommendations that allows progress whilst mitigating the Council's risks.

Recommendations

2. The Executive is asked to:
 - i) Approve the project scope, budget, delivery and procurement strategy of the scheme.

Reason: To enable arrangements to be put in place to purchase land, place orders with utility companies and to proceed with the detailed design and procurement of Packages 1, 2 and 4 of the scheme.
 - ii) Increase the Station Gateway budget by £12.250m to reflect the WYCA Transforming Cities grant funding.

Reason: To ensure the capital programme reflects the latest funding position
 - iii) Delegate authority to the Corporate Director for Economy and Place (in consultation with the s151 Officer and the Director of Governance or her delegated officers) to draw down further funds from West Yorkshire-Plus Transport Fund to complete land purchase

negotiations and take such steps as are necessary to enter into the resulting legal agreement(s).

Reason: To acquire land from Canada Life (George Stephenson House) and Network Rail to enable the delivery of the scheme.

- iv) Delegate authority to the Corporate Director for Economy and Place (in consultation with the s151 Officer and the Director of Governance or her delegated officers) to draw down funds from West Yorkshire-Plus Transport Fund to place orders with utility companies to fund Package 1: Enabling Works (package value of £2.04m) to divert services from Queen Street Bridge through the station car park.

Reason: To enable the delivery of Package 1: Enabling Works

- v) Delegate authority to the Corporate Director for Economy and Place (in consultation with the s151 Officer and the Director of Governance or her delegated officers) to draw down funds from West Yorkshire-Plus Transport Fund to issue a task order to commence detailed design of the scheme.

Reason: To enable the production of detailed cost plans and to progress the scheme to procurement.

Future Reports

- 3. Future reports will be brought to Executive to seek approval for further works packages with procured prices, detailed scheme design and confirmation of appropriate mitigation of delivery risk of subsequent packages.

Background

- 4. The York Railway Station Gateway scheme comprises a coordinated, multi-modal package of interventions in and around York Railway Station. The scheme complements and connects the proposals being progressed to the west and east of the station and will transform the Station Gateway to York; significantly improving access, addressing carbon and air quality issues, and directly supporting delivery of housing and commercial uses on the York Central development site. Therefore, City of York Council (CYC), in collaboration with Network Rail (NR) and London North East Railway (LNER), has developed a

masterplan that proposes to reorganise highway and public realm areas to the front of York Station through:

- the removal of the Queen Street Road Bridge and rebuilding the Inner Ring Road at grade;
 - the removal of the Parcel Square buildings to create space to relocate the proposed taxi rank, passenger drop-off and short stay car park. The buildings comprise Cycle Heaven and train operating company accommodation;
 - provision of new permanent accommodation for the train operating crews in the station's South Train Shed;
 - provision of new temporary pod accommodation for Cycle Heaven bike shop and retail storage in the station's North Train Shed;
 - the relocation of the RI band room to provide space for a loop road around the RI gymnasium;
 - the separation of pedestrian, bicycles and motorised transport to provide a safer and more efficient station transport interchange;
 - the removal of taxis and passenger pick-up and drop-off from the station porte-cochere to a dedicated area in order to take most traffic out of Tea Room Square and improve an air quality in the station;
 - the redevelopment of the areas to the front of the station to diffuse the current congestion by creating a more efficient bus interchange, relocated vehicle parking, drop-off and taxi rank and a more attractive public realm arrival experience; and
 - the redevelopment of Tea Room Square to create a safer and more attractive shared space;
 - the provision of a new multi-storey car park to rationalise all long stay parking to the east of the station to match current (636 spaces) parking levels. This will be funded and delivered by Network Rail.
5. On 29th November 2018, Executive approval was granted to submit a full planning application for the York Railway Station Gateway scheme. At the same time, approval was received to incorporate design changes to the Masterplan informed by public and stakeholder consultation; to enter into land acquisition negotiations with stakeholders and third party landowners; and to proceed with the relocation of statutory undertakers within the scheme red line boundary.

6. Alongside the endorsement by City of York Council Executive, the scheme is funded through a combination of the West Yorkshire-Plus Transport Fund (WY+TF) and The Transforming Cities Fund (TCF). Both funds are administered by the West Yorkshire Combined Authority (WYCA) and are governed through a programme management process. The Full Business Case (Decision Point 4) for the WY+TF grant was approved by WYCA in January 2019. The Strategic Outline Case (Decision Point 2) for the TCF award was approved by WYCA in November 2020 together with approval to merge the WY+TF and TCF programme management processes at Full Business Case.
7. The project team has agreement in principle from project partners at Network Rail and LNER for the Delivery Strategy (Annex 1). This strategy outlines a delivery approach to align with the current funding WY+TF and TCF funding profiles by proposing five Packages of work as indicated in Table 1 in paragraph 21 below.

Consultation

8. The main York Station Front masterplan public and stakeholder engagement process took place between 11th June and 8th July 2018, and lasted one month. The masterplan consultation process and events comprised public exhibitions, drop-in sessions, heritage walks, targeted stakeholder meetings and an online consultation. The engagement methods were designed to span both traditional forms and contemporary social media platforms.
9. A detailed analysis of the public and stakeholder consultation is presented in the Statement of Community Involvement (SOVI) that was submitted with the full planning application in December 2018.
10. For the purposes of the consultation process, stakeholders were defined as follows:
 - a. Partners: including Network Rail, LNER, the West Yorkshire Combined Authority (WYCA) and Canada Life;
 - b. Internal Stakeholders: including elected members, internal CYC departments, community committees and service providers; and
 - c. External Stakeholders: including station users, local communities and community groups, local residents, road and transport users, local businesses, bus and taxi operators, local media, visitors to the city and interest groups.

11. Public exhibitions were staged in the railway station, CYC offices and the RI gymnasium and consultation events such as heritage walks were carried out by the project team and York Civic Trust. Meanwhile, emails were sent out to key stakeholders including landowners, directly affected parties, neighbouring businesses, local residents, transport groups and other interest groups with an invitation to meet with the project team or comment on the masterplan proposals. Many stakeholder meetings took place in which the proposals were discussed in detail and thoughts and feedback was recorded.
12. Door to door consultation was carried out by a member of the project team to houses on Queen Street and to businesses that were considered to be directly affected by the proposals.
13. In total 14 stakeholder groups responded and over 1,400 comments were received from the general public. Responses were channelled through a variety of sources including social media, email and written responses, together with face-to-face meetings and events. The vast majority of the respondents were supportive of the scheme.
14. From the analysis of consultation data, several important themes have emerged. In particular the traffic impact caused by the demolition of Queen Street bridge, the need for a dedicated bus interchange, the suitability of taxi and cycle provision and the impacts on existing facilities such as the York RI buildings.
15. A detailed consultation response from York Bus Forum proposed a dedicated bus station in the area currently occupied by the station long-stay car park linking directly into the station buildings. Extensive consultation with the bus operators gained endorsement of the approach proposed by station gateway project. The station gateway projects proposed approach was further endorsed by the operators, Network Rail and LNER at consultation meeting between the Bus Forum and all key stakeholders on 16th October 2020.
16. Feedback on the scheme highlighted conflicting demands, space constraints and highway safety concerns on Queen Street. In the detailed design of the scheme, the project team will seek to find the optimum balance of provision for pedestrians, cyclists and Queen Street residents.
17. The majority of respondents felt that the proposals would provide an improved transport interchange and station arrival experience.

18. In general, less than 10% of respondents rated their current arrival experience into the station as good or very good and respondents listed accessibility and congestion issues as major negative aspects to the current station usability.
19. Around 50% of respondents strongly agreed that the proposals would improve the setting for the City's heritage.

Key Milestones and Current Activity

20. In spring 2020, the project team together with appointed project development consultant, Arup, submitted an addendum to the 2018 full planning application and Listed Building Consent to address issues raised in the original planning consultation. The addendum was formulated through regular engagement with project partners, stakeholders, technical specialists and conservation team, as well as engagement with Historic England and other statutory authorities and interest groups. The main themes of the addendum address heritage issues concerning proposals for the façade treatment to the reconstructed Parcel Square, proposed permanent TOC accommodation in the South Train Shed, temporary retail space and storage in the North Train Shed, new architectural plans for the proposed long stay multi-storey car park and highways safety issues on Queen Street. A planning decision is currently anticipated in December/January 2020/21.
21. The project team, together with the appointed project development consultant, Arup, have worked with project partners to agree a preferred delivery strategy for the scheme. The preferred strategy identifies works packages, programme and which party (for example, CYC, Network Rail or LNER) is best placed to deliver the individual packages that constitute the scheme (see table 1 below for preferred delivery approach). The preferred strategy informs procurement routes to delivery of the identified packages (see table 2 below for recommended procurement routes). York Station Board endorsement to the principles of the York Railway Station Gateway Delivery Strategy was received in November 2020.

Package	Construction Contract	Scope of Works	Estimated Cost (incl. risk and contingency)	Indicative Delivery Organisation

1	Enabling Works	BT diversion, YW diversions, northern power grid	£2.04m	CYC
2	Highway Works	Removal of Queen Street Bridge Reorganisation of Highway and Public Realm	£14.52m	CYC
3	Station Works	New buildings within station Demolition of Parcel Square & new façade Taxi/Rank & drop off Tea Room Square Portico	£7.53m	LNER (under Development Agreement with CYC)
4	Loop Road and Short Stay	Loop road around RI Gym Short Stay Car Park	£2.51m	CYC
5	Multi-Storey Car Park	636 space MSCP	Not Included	Network Rail
		Total (including risk and contingency)	£26.6m	

Table 1: Preferred Delivery Approach

Package	Estimated value	Recommended procurement route	Reason
Package 1: Enabling Works (Utility Diversion)	£2.04m	Direct Awards to utility companies (would require a CPR waiver)	Only the utility companies can carry out the works
Package 2: Highway Works (Removal of Queen St Bridge)	£14.52m	Framework (call off)	Still enables competition to obtain best value but is quicker than open and restricted processes
Package 3: Station Works (Removal of Parcel Square)	£7.53m	Framework (call off)	Still enables competition to obtain best value but is quicker than open and restricted processes
Package 4: Loop road and short stay	£2.51m	Framework (call off)	Still enables competition to obtain best value but is quicker than open and restricted processes

Table 2: Recommended Procurement Routes

22. A detailed scheme of ground and archaeological investigation has already taken place and indications show that ground conditions are favourable to the construction of the proposed scheme and there have been no significant archaeological finds.
23. Updates to the first round of ecology and environmental surveys were completed in October 2020.
24. Owing to the creation of new public realm and redesigned streetscapes, the project team has taken part in a series of workshops with counter terrorism organisations to integrate appropriate measures into the finished design of the public realm.
25. As well as engagement with Historic England and other statutory authorities and heritage interest groups, an architect has been appointed to advise on treatments to the station façade once the Parcel Square buildings have been removed.
26. The project team is now in advanced engagement with statutory utility providers and has developed a detailed scheme of diversionary works

with costings. This scheme of diversionary works is the subject of Package 1: Enabling Works of the proposed Delivery Strategy.

27. As mentioned in paragraph 6, the scheme is part funded through the West Yorkshire-Plus Transport Fund. As this scheme is directly linked to the York Central Access scheme for the purposes of this funding and governance, a change request has been submitted to WYCA to separate the two schemes and funding has been agreed to place orders with statutory utilities and to progress land acquisition negotiations.
28. The next key stage for the development of the project is to issue a task order to project development consultant, Arup, to proceed with the detailed design of the scheme and prepare documents for the scheme to progress to procurement of a delivery Contractor.

Council Plan

29. The York Station Front proposals are well aligned with the aims of the Council's Plan 2019 - 2023. The implementation of York Railway Station Gateway scheme of highway and public realm improvements will answer an integral part of the key to "Making History, Building Communities:"
 - Good health and wellbeing;
 - Getting around sustainably;
 - A greener and cleaner city;
 - Creating homes and world-class infrastructure.
30. The improvements to sustainable means of transport and public realm infrastructure provided by the scheme will improve both access to public transport in and around the City as well as improving public transport links to the rest of the country. The proposed sustainable transport measures are key to creating a greener and cleaner city with world class integrated infrastructure. In turn, this will lead to economic growth and wealth and access to homes and opportunities provided by the York Central proposals. Meanwhile, the scheme design presented in the masterplan greatly enhances the heritage and environment of the station front area which reflects the making history aspects of the Council Plan.
31. Through well-planned and meaningful consultation, we have shown that the Council listens to residents to ensure that the delivery of a scheme that is desired and works for local communities. This is

achieved through the careful and unprejudiced consideration of all responses to the public and stakeholder engagement and the production of a detailed Statement of Community Involvement. In doing so, the Council has shown that we are transparent and always consider the impact of our decisions in relation to communities and equalities. This is reflected in our analysis of the consultation responses and the reappraising and reintegrating of people's views into the scheme design.

Options and Analysis

32. The York Railway Station Gateway scheme is funded through a combination of awards from WY+TF, TCF and LNER. When money already spent on project development and detailed ground and archaeological investigation is accounted for a delivery budget of £26.443m remains.
33. The delivery of the multi-storey car park that will rationalise the station long stay car parking will be led, funded and delivered independently by Network Rail. The project team is currently in the process of agreeing a car parking strategy with Network Rail and LNER that will account for displaced station long stay car parking during the delivery phases of the scheme. Approval for the York Railway Station car parking mitigation strategy will be the subject of a future report.
34. A cost plan exercise carried out by Turner and Townsend on CYC's behalf in spring 2020 valued the full Station Gateway scheme at £28.9m. This value is all inclusive of delivery costs, land acquisition, contingency, risk and inflation. Although, this reveals a potential funding shortfall, the project team has already identified several key areas where this shortfall can be accounted for with intelligent value engineering during detailed design. Meanwhile, the project team is seeking further funding from other sources.
35. The TCF funding has a prescribed programme delivery date condition of 31st March 2023. Current delivery programme analysis carried out for the TCF Strategic Outline Business Case Submission (SOBC) has shown that although this date would be challenging to achieve if the project is procured as a single package; it has also shown that if the scheme is defined in a series of delivery packages which can run concurrently or consecutively depending on WY+TF and TCF funding profiles then the date of 31st March 2023 can be achieved.

36. In light of the previous paragraph, the planning addendum of summer 2020 proposed two indicative project delivery phases corresponding to the two funding streams from WY+TF and TCF.
37. Given that the scheme could be delivered as a whole or in packages, analysis has shown that the best option to assure delivery of the scheme by 31st March 2023 is to deliver it in a combination of packages as follows (note final funding sources subject to detailed agreement with WYCA):
- Package 1 – Enabling utility diversionary works (funded by WY+TF);
 - Package 2 – Queen Street Highway Works (including demolition of Queen Street Bridge (funded by WY+TF));
 - Package 3 – Station works and remaining highway and public realm (funded by TCF);
 - Package 4 – Loop road and short stay car park (funded by TCF);
 - Package 5 – Multi-storey car park (funded and delivered independently by Network Rail).
38. In the proposed Delivery Strategy (Annex 1), an agreement in principle has been reached with LNER to deliver Package 3: The Station Works. This work comprises the provision of new and temporary building in the North and South Train Sheds, demolition of the Parcel Square buildings and construction of a new station façade, together with taxi rank/drop off and enhancements to Tea Room Square and the porte-cochere. Currently CYC is seeking a development agreement with LNER to provide these works. However, if formal agreement cannot be reached, the Package 3 works would default to being programmed and delivered by CYC alongside the other packages.

Implications

Financial

39. Funding for the York Station Gateway Scheme identified in this report is being provided from West Yorkshire Combined Authority Transport Fund (£12.873m) and West Yorkshire Transforming Cities Fund (£12.25m of the total £14.55m TCF allocation). This provides a total budget (exc. LNER works) for the Station scheme identified in this report of £25.123m. While the SOC for TCF funding has been successful the project team and WYCA are reviewing the funding elements to ensure the outcomes and benefits from the TCF are

maximised at minimum risk. This is likely to require a change request to be submitted to ensure the overall funding stays within the total £14.55m TCF allocation.

40. There is currently a balance of £2.3m in the WYCA Station works allocation funded from the TCF which will be subject to a future report as it relates to different outcomes.
41. To date spend on project development, ground and archaeological investigation totals £1.58m. This has been funded from drawdowns from the West Yorkshire Transport Fund. There remains funding of £25.123m for the station frontage works.
42. The estimated costs of delivering the station gateway scheme going forward is £26.6m including a contingency and risk allowance of approx. £4.5m.
43. Included within the scheme is a proposal to resurface the portico (porte-cochere) within the Station footprint (£0.6m) and it is assumed this element of work will be undertaken once LNER have agreed to fund the works.
44. The table below shows anticipated expenditure and funding.

Costs (excluding MSCP)	£'m
Development (to date)	1.580
Proposed works	22.100
Contingency/Risk	4.500
Cost Mitigation/Risk Reduction	-2.457
Total Costs	25.723
Funded By	
WY+ Transport Fund	12.873
WYCA Transforming Cities	12.250
LNER Contribution*	0.600
Total Funding	25.723

* the proposed works to reduce by £0.6m should LNER not agree to fund the portico works.

45. There is currently £4.5m of Risk/Contingency identified in the total scheme cost plan and a need to reduce scheme costs by approx.

£2.5m to meet the existing budget. Cost mitigation and risk reduction processes will be employed to ensure that the scheme can be delivered within the available budget.

46. This report recommends the approval of funding for the further development of the design and delivery of the enabling works. A review of the cost and funding arrangements will be undertaken and reported to the Executive prior to any decision being taken on progressing further phases of the scheme. The following cost/budget reviews will be undertaken to achieve the necessary risk/cost mitigation:

- Managing risk and inflationary allocations;
- Savings through procurement of contracts;
- Seeking additional funding from partners;
- Seeking cost reductions through value engineering / review of project;
- Seeking to reallocate budgets from other related projects.

Human Resources (HR)

47. There are no known HR implications

Equalities

48. The One Planet Council Better Decision Making Tool (Annex 2) has identified the following areas which can be explored further during the design and development of the York Station Front Scheme:
- a. Investigate an appropriate scheme of anti-terrorism response to incorporate into the landscape design;
 - b. Research methods to provide sustainable landscape and sustainable drainage options;
 - c. Continue to consult, research and build upon the team's understanding of heritage in and around station;
 - d. Identify a philosophy to provide public art to enhance public engagement and wellbeing in the public realm.

Legal

49. In order to deliver the York Railway Station Gateway scheme, various parcels of land will need to be acquired or have agreements in place. The project team is in active discussion with the Council's legal team

in the pursuance of land purchase by private agreement. Legal Services will provide resources to process the conveyance and land transfer agreements.

50. Formal legal agreements will need to be drawn up with our collaborative partners, Network Rail and LNER in order to safeguard each party's interests throughout the course of the project. These will be based on extant railway sector procedures and the need to protect public sector funding to ensure commitments are undertaken by the responsible organisation during the course of the scheme.
51. As part of the scheme it is necessary to remove the current car parking on Queen Street in order to ensure the safety of increased pedestrian footfall and cyclists using the proposed new segregated cycleways. In the detailed design of the scheme, the project team will seek to find the optimum balance of provision for pedestrians, cyclists and Queen Street residents. The need for any legal orders will be addressed in the planning approval and included in a further report to Executive.
52. The procurement of contractors for the packages of works will be carried out in accordance with the council's Contract Procedure Rules and the Public Contracts Regulations 2015 (PCRs).
53. It is noted that funding will be received from WY+TF and TCF (via WYCA). The standard terms of the WY+TF and TCF require the council to repay to the funders all, or a proportion of, the funding received from the funders if the council does not comply with its obligations under the grant agreement.

Crime and Disorder and Anti-Terror Measures

54. Owing to the location of the scheme in proximity to an asset of strategic importance with large congregations of people, the station front scheme has been identified as a site at risk for acts of terror. The project team is currently seeking advice from stakeholders and interested parties in order to incorporate appropriate protection measures in the scheme design.

Property

55. Existing pieces of land from project partner, Network Rail, and third party landowners, will be required to deliver the scheme. The land acquisition strategy is currently under review along with decisions over which parties will own land titles in future. Property Services'

assistance has been sought to advise and support the project team to achieve this.

Risk Management

56. There is a risk that the programme could be prolonged if land acquisition negotiations become protracted. The project team will procure professional services to provide help and advice in procuring or seeking agreements for each parcel of land. The associated professional fees are accounted for in the budget estimates mentioned above.
57. There is a risk of withdrawal of funding by WY+TF. All projects in the WY+TF Programme are under review by HM Government in order to ensure efficient delivery. Therefore, there is a risk that funding could be withdrawn if targets for delivery are not met by WYCA as a whole.
58. There are risks associated with the chosen planning strategy and the success of the approval process. Owing to the complexity of negotiation with NR and LNER over demolishing Parcel Square buildings and the York RI band room together, along with the treatment of the listed station structure, there are risks associated with the success of the chosen planning strategy. Risks are being mitigated by maintaining close working relationships with partners and keeping issues and negotiations high on agendas.
59. There are programme risks associated with the complex diversionary works required ahead of bridge demolition. Risks can be mitigated by building a close relationship with utility companies and the careful design of a detailed diversionary scheme.
60. Should the project not proceed at this time the diversion of the utilities proposed in this report would have been undertaken which would de-risk future works packages including the demolition of the Queens Street Bridge. However, the non-delivery of the remainder of the scheme, as noted above in paragraph 57 above, could result in the withdrawal of funding by WYCA. This would mean that either alternative funding would need to be sought or that CYC would need to fund the rest of the scheme. Additionally, the ongoing design and procurement expenditure would also be undertaken at risk.
61. In order to mitigate the above risks, a decision has been taken to take a phased approach to delivery and procurement and further reports

will be brought to Executive to demonstrate how risks have been mitigated before proceeding with further phases.

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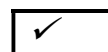
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Wards Affected: Micklegate/All



For further information please contact the author of the report

Background Papers:

All relevant background papers must be listed here.

York Station Front Proposed Improvements – Report on Public Engagements – Executive Report 29 November 2018

Annexes

Annex 1 – Delivery Strategy

Annex 1a – Delivery Strategy Drawings

Annex 2 – Better Decision Making Tool