

Executive

30 September 2021

Report of the Corporate Director of Place
Portfolio of the Executive Member for Transport

HAXBY STATION – UPDATE & LAND ACQUISITION

Summary

1. This report provides an update to Executive on progress made towards a proposed new rail station in Haxby. It seeks approval to add the Haxby Station project to the council's Capital Programme 2021/22 and continue with development work with our delivery partners Network Rail. Additionally approval is sought from Members to acquire the freehold interest of a specific plot of land within the area of Haxby, which would either significantly de-risk the future delivery of the project or be utilised for other strategic council objectives.

Recommendations

2. The Executive is asked to:
 - 1) Note progress made to date concerning a potential new rail station in Haxby.
 - 2) Approve the addition of the Department for Transport grant of £400k to progress the Haxby Station project and include the scheme in the Capital Programme 2021/22 and to delegate authority to the Director of Place (in consultation with the Director of Governance or her delegated officers) to take such steps as are necessary to enter into the resulting grant agreement.
 - 3) Subject to the approval of recommendation 2), approve the grant of the funding to Network Rail for the delivery of the development works and to delegate authority to the Director of Place (in consultation with the Director of Governance or her delegated officers) to take such steps as are necessary to enter into the resulting agreement.

- 4) Agree to the acquisition of the freehold interest comprising 6.8 acres of land within the area of Haxby **as detailed within Confidential Annex A** and agree to the establishment of a budget of £250K to fund the purchase and associated acquisition costs.
- 5) Agree to the virement of £250k from the Highways budget to fund the land purchase.
- 6) To delegate authority to the Corporate Director of Place, in consultation with the Executive Member for Transport, the council's S151 Officer and Monitoring Officer, to take such steps as are necessary to complete the purchase once all due diligence is satisfactorily conducted on the land.

Reason: To afford City of York Council the best opportunity to progress this project and present the strongest case possible to Central Government (the Department for Transport; and Treasury) for their anticipated granting of funding to enable the full delivery of a new rail station at Haxby.

Background

3. A funding bid to Department for Transport's (DfT) *New Stations Fund* (NSF) was submitted by the City of York Council (CYC) in June 2020, requesting a 75% contribution towards a new rail station at Haxby. At the time, an initial appraisal indicated an estimated cost of circa £17.6m for delivery of this project, although it should be noted that this is expected to reduce following further development.
4. A preliminary funding decision was received in November 2020 confirming that CYC had not been awarded the full award requested at this stage, however a grant allocation of £400k had been made available for CYC to fund further development work by their delivery partners Network Rail (NwR) to strengthen the strategic and business case; and refine the costs.
5. DfT have indicated their support of this project and that they would expect to make a decision within the first half of 2022 on awarding full funding for delivery of the station, subject to a satisfactory resolution of the above items, and conditional on the identification of 25% local match funding.

6. Timescales set out by DfT mandate that construction of the new station would be required by March 2024. An indicative high-level programme is included below for your information:

Start	End	Activity
Jun 2021	Aug 2021	Pre-Feasibility Study on two site options
Sep 2021	Oct 2021	CYC Executive – endorsement of single site for further progression
Oct 2021	Jan 2022	Option Selection Report
Feb 2022	Apr 2022	Next phase authority & DfT funding approval
May 2022	Sep 2022	Outline Design
Jul 2022	Sep 2022	Planning Consent
Oct 2022	Feb 2023	Tender process & contract award
Feb 2023	Aug 2023	Detailed Design
Sep 2023	Mar 2024	Construction

7. The 2020 bid to NSF was based on an assumption at the time that the new station would be constructed at Station Road (*Site 1*), within the vicinity of the previous rail station, closed in 1930. However, a secondary site option (*Site 2*) has also been investigated which has some advantages to deliverability that the Station Road site does not. Due to commercial confidentiality, the precise location of this *Site 2* cannot be named publically at this particular time upon the wishes of the owner of the site who is in discussions with the council over a potential sale. If the Executive approves the purchase of the site it is proposed to disclose the location in a further report to the Executive once the acquisition is finalised.
8. With two credible potential sites for the proposed station, DfT requested that CYC and their delivery partners Network Rail (NwR) undertake work to hone the proposal to just one single preferred site to take forward and develop to the required level. As such, a pre-feasibility technical study and appraisal of the two sites has been undertaken. NwR now require a formal instruction from CYC on which site to develop further in preparation for submission to the DfT in the new year. This specific decision is the subject of a forthcoming report to Executive on 14 October 2021.
9. However, a fortuitous (but time-limited) opportunity has recently presented itself, with a specific parcel of land totalling 6.8 acres being offered for sale within the area of Haxby. Discussions have been undertaken between the council and the vendor's agent for an off market acquisition and it is recommended that this land be acquired.

10. The acquisition of the land would de-risk the delivery of a station in Haxby as it could be used for a number of purposes. It provides the land to deliver the *Site 2* station option, but part of it could also potentially be utilised for the provision of a replacement location for the allotments displaced in the event that *Site 1* was the preferred option chosen at Executive on 14 October 2021. It is considered that the land, if acquired, could be utilised for other purposes pursuant with the council's strategic objectives, being potentially suitable for allotments; or for the planting of trees in accordance with the council's aspiration (as set out in a report to Executive in August 2020 and August 2021) setting out the council's vision and objectives for York Community Woodland in pursuit of its ambition to reduce carbon emissions and plant 50,000 trees by 2023. A £3m Northern Forest (NF) budget was allocated to this project.
11. As with many major capital funded projects, land assembly is perhaps the highest identified risk to the future delivery of a new station at Haxby, especially within the already tight timescales set out by DfT – e.g. a new station must be constructed by March 2024. To significantly reduce this risk, Officers consider it prudent to acquire the above plot of land (*Site 2*) which could strategically be utilised whichever site is ultimately chosen by Executive as the preferred site for the station (or even if a decision is made not to take this project any further at this time). Due to strict commercial confidentiality concerning the land being considered, this is detailed within **Confidential Annex A**.
12. Although Haxby Station has been awarded provisional funding for further development by the DfT, the project is not formally identified separately on the council's Capital Programme for 2021/2022. In the interim however an allocation for the development of Haxby Station has been identified in the Transport Capital Programme using Local Transport Plan funding pending the finalisation of the funding agreement.

Consultation

13. Public consultation on the *principle* of a Station at Haxby was undertaken locally during May 2020, as part of the bid process for DfT New Station Funding. 1,311 responses were received, with 91% supporting the idea of building a station in Haxby (82% strongly supporting).
14. There were widespread announcements from the local MP and local leaders in November 2020 that Haxby Station had received support from the DfT and the Treasury.

15. Further public consultation would be undertaken in advance of a decision to progress to the next development stage, prior to the potential submission of a planning application, expected during 2022. Further detail will be provided in the proposed 14 October Executive Report.

Options

16. Members are asked to note the progress made to date with the Haxby Station project.
17. Additionally, Members are asked to endorse the addition of the project to the council's Capital Programme 2021/22.
18. Regarding the potential purchase of land associated with this project, there are two options available to the Executive:
 - 1) Approve the immediate acquisition of the freehold interest comprising 6.8 acres of land within the area of Haxby to be funded from the unallocated Highways budget arising from additional DfT funding.
 - 2) Do not approve the purchase of this plot of land.

Analysis

19. With the delivery of a new station (subject to funding being awarded by DfT) being required before the end of March 2024, timescales are already tight, but still deliverable at this stage providing that the project proceeds at pace. With land assembly being the highest identified risk to the future delivery of a new station at Haxby, the acquisition of a suitable plot of land at this time would significantly de-risk the future delivery of the project.
20. Regardless of which site is endorsed as the preferred option at Executive on 14 October 2021, this land can be productively utilised by either site. Even in the event that the project is not awarded funding by DfT and does not proceed, it could be utilised in part for the planting of trees as part of the York Community Woodland. Alternatively, the council could sell all or part of the land in the future to recoup some of the original investment.
21. The pro-active purchase of this land, at this stage, would demonstrate significant commitment to the delivery of this project to the decision-makers at DfT. It is anticipated that this would help to *pump/prime* the full capital funding for the station from the Government going forward and

remove one of their main risk concerns – that being that the station can be delivered within their mandated timeframe. Additionally, the investment by the council would be used as part of the council's required match-funding element of the project.

22. It needs to be recognised that if this land is not purchased at this particular time, there is no indication that any future owner of the site would be willing to sell the plot to the council, potentially leading to an expensive negotiation and could ultimately result in a lengthy Compulsory Purchase Order (CPO). This could be the case regardless of whether this location is ultimately chosen as the preferred site for a station, or if it was to be used as replacement allotments.
23. Executive is recommended to agree Option 1 – the purchase of the 6.8 acres of land within the area of Haxby, to afford City of York Council the best opportunity to progress this project at pace; and present the strongest case possible to Central Government for their anticipated granting of funding to enable the full delivery of a new rail station at Haxby.

Council Plan

24. The proposal accords with the Council Plan 2019-2023 in specific regard to the following core outcomes of the Plan:

Getting around sustainably – New accessible rail station for the town of Haxby and surrounding villages and suburban area.

Well-paid jobs and an inclusive economy – Provides potential opportunity for residents to access a wider range of jobs within the region.

A greener and cleaner city – More commuting into the city by rail, rather than by private vehicle, reducing pollution and improving air quality.

Implications

25. Financial
The recommended acquisition budget for the land for £250k is proposed to be funded from the council Highways budget £10.994m. This budget was enhanced by additional DfT funding in 2020/21 that was not allocated to specific schemes. Whilst the DfT funding financed Highway projects in that year, the council prudential borrowing has carried forward into 2021/22. Should Executive approve the purchase the £250k will be vired from the Highways budget into the Haxby Station budget.

26. Moving forward, opportunities will be taken to seek contributions from other funding streams to use towards local match funding. However in the absence of this, the required 25% match funding would have to be supported by CYC prudential borrowing (currently estimated at approximately £4m). There is currently no budget approved to support the construction but would have to be considered in future budget rounds. Subject to the granting of full (75%) NSF funding by DfT for construction of a new station and council approval of match funding, this land acquisition would be used as part of the required 25% local match-funding.
27. Human Resources
There are no human resources implications.
28. One Planet Council / Equalities
The potential new station would be designed with equalities in mind and fully accessible to all users.
29. Legal
30. Grant Funding - The DfT funding will be subject to the UK Subsidy Control Rules, which replaced the previous European State Aid Rules on 31st December 2020. Legal Services will carry out a review in respect of the Subsidy Control Rules to confirm whether any mitigating actions need to be taken prior to entering into the funding agreements with both DfT and Network Rail.
31. Land Purchase - The Local Government Act 1972 gives the council powers to acquire any land for the purposes of its functions or for the benefit, improvement or development of the area.
32. Regard should also be given to Section 1 of the Localism Act 2011 which contains a “general power of competence” for local authorities to do anything that an individual may do, rather than be limited to those things which are related to or necessary for the discharge of an existing function of the authority. There are however statutory limitations on local authorities’ pre-existing powers and functions. If the dominant purpose for doing something is ‘commercial’ (revenue/profit generation) then Section 4 of that Act requires that it must be done through/via a company rather than directly by the council itself.
33. If, however, the council is proposing to acquire land, for example, to ensure the availability of sites for infrastructure then the fact that a

commercial return may also be achieved does not necessarily make this a commercial purpose.

34. The report states that the primary objective for seeking to buy the land is to progress two possible sites for the proposed Haxby Rail Station but that, should the project not proceed it could be used, in part, to plant trees on it for environmental and community health/well-being; allotment purposes; agricultural purposes; or it could be sold in full or part to recoup all or part of the council's original investment. This indicates that the dominant purpose for wishing to acquire the land is non-commercial and so it is considered that the Council could acquire directly in its own name rather than having to do so through a company instead.
35. Crime and Disorder
At this stage within the project, there are no crime and disorder implications.
36. Information Technology
There are no IT implications.
37. Property
All property implications are covered within this report.
38. Highways
At this stage within the project, highways implications have not been fully explored, however subject to the project advancing, a full highways impact assessment will be undertaken as part of the planning consent process.

Risk Management

39. Clearly there is a financial risk associated with acquiring land for this project prior to receiving confirmation from DfT that funding will be made available for construction of a future station. However, acquisition at this stage will substantially de-risk the future delivery of a station (in either location *Site 1* or *Site 2*) as land assembly is considered the greatest risk to delivery of this project within the applicable timescales.
40. Additionally, this early acquisition would demonstrate to DfT the council's significant commitment to this project, which it is considered will motivate the awarding of full funding from Government going forward.
41. Furthermore, if there was a subsequent inability to deliver the project, the council would potentially be able to utilise the whole or part of the

acquired land for other purposes; or sell all/part of it to seek to recoup all or some of the original investment.

Contact Details

Authors:

Richard Holland
Senior Transport Manager
01904 551401

Nick Collins
Head of Asset Management
01904 552167

Chief Officer Responsible for the report:

Neil Ferris
Corporate Director of Place

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Specialist Implications Officers

Financial:-
Patrick Looker
Finance Manager
01904 551633

Legal:-
Cathryn Moore
Legal Manager - Projects
01904 552487

Wards Affected: Haxby & Wigginton

All

For further information please contact the author of the report

Background Papers:

N/A

Confidential Annexes:

Confidential Annex A - Strategic Rationale for Purchase

Confidential Annex B - Plan showing land proposed to be acquired.

Confidential Annex C - Independent Valuation