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Report to: West Yorkshire and York Investment Committee

Date: 9 November 2017

Subject: Working with Network Rail

1. Purpose

- 1.1. To set out current issues and update the Committee on the progress being made towards more effective partnership working with Network Rail.

2. Background

- 2.1 We have a number of projects/programmes in the West Yorkshire plus Transport Fund (WY+TF), the Leeds Public Transport Investment Programme (LPTIP) and previous schemes in the Local Transport Plan (LTP) where Network Rail have an interest or involvement in the scheme. These projects and programmes fall into four main categories:

- Rail Park and Ride Programme Phase 1- which involves the extension of car parking provision at key commuter stations (there are 17 stations included in Phase 1) across West Yorkshire on land which is owned by Network Rail, Councils, or in a few cases third party ownership;
- Station Gateway improvements- this involves improving the frontage and entrance to key railway stations and often involves improvements in public realm and connection to the city/town centre. The stations currently included in the programme are Leeds, Huddersfield, Bradford Forster Square, Bradford Interchange, Halifax and Castleford;

The aim of both of these programmes is to increase rail patronage, reduce the number of vehicles on the roads, and reduce localised congestion;

- Masterplanning- Leeds Integrated Transport Masterplan- working jointly with partners to develop a masterplan for the Leeds station for the medium term to incorporate a traditional rail station and HS2 station. York Central- masterplanning of a major regeneration site adjacent to York Station;

- New rail stations- there are four new rail stations proposed in our region at Elland, Millshaw (White Rose), Thorpe Park and the Leeds Bradford Airport Parkway. This will require developing robust business cases for these schemes, designing and building the stations, and securing train services. This is in addition to three stations which have opened in the last 18 months at Apperley Bridge, Kirkstall Forge and Low Moor, and the new southern station entrance to Leeds station - we are currently working through legacy issues with Network Rail on these schemes.

2.2 There have been a number of delays to Growth Deal projects which require approvals from, or agreements with, Network Rail. As reported to Investment Committee on 6 September 2017 a number of these projects have now been RAG rated red. The Committee agreed to invite a senior Network Rail representative to attend the meeting of the Investment Committee on 9 November 2017.

3. Issues

- We see Network Rail as a key partner in growing our region and improving transport infrastructure. We welcome Network Rail's involvement in helping us shape our plans and working with us to deliver key projects and programmes and we would like to develop our partnership further.
- Where we have projects such as masterplanning for Leeds station and the station Gateway schemes the involvement of Network Rail in providing technical expertise in these discussions to shape the improvements has been very much welcomed in schemes such as the Leeds Integrated Transport masterplan, Bradford Forster Square and Halifax station discussions. Network Rail is trying to innovate/ change their approach to Station Gateway schemes by narrowing the area within the rail "red line footprint" to enable alternative contracting arrangements for public realm areas which fall outside the red line.
- When we work with Network Rail on the delivery of schemes, such as car park extensions or Leeds New Station Street entrance improvements we have faced significant delays in delivery and gaining agreements to access Network Rail land and/or the approval of plans/designs. Decision making has been protracted and it has typically taken 12-16 weeks to gain approvals for Basic Asset Protection Agreements (BAPAs) to be issued for station Car Parks. While the BAPA is a standard template there have been delays over the agreement of specific clauses which once agreed should help to speed up the sign off process. It has also taken approximately four months to agree a contracting route for the designs of the Leeds New Station Street entrance improvements. This delay has resulted in projects exceeding their tolerances and some projects being flagged as red.

- Our contracting arrangements make it difficult for us to work effectively in partnership as Network Rail insist on emerging cost contracts rather than fixed price contracts. Costs invariably go up over which we have little warning, and no provision or approval for this. We currently have a number of legacy schemes which have completed work on site but accounts are still being finalised.
- We also have other costs that have been incurred during the delivery of schemes such as the Wakefield Eastern Relief Road (WERR). Wakefield Council were required to pay costs of £1m for a dedication agreement for access under the rail bridge to enable the completion of the scheme. The land dedication agreement was based on securing “shared value” from the uplift of surrounding land for housing and employment uses. The Council had tight timescales to resolve the issue and were not able to enter into protracted discussions with Network Rail to resolve this satisfactorily. The cost of this land was met from the project costs (from WY+TF) and has contributed to the costs of the project going above the original allocation.

4. Steps taken to address the issues

4.1 It is in everyone’s interest to have an open and true partnership approach with Network Rail to ensure that delivery is achieved in a timely and cost effective manner. The following steps have been taken to improve this partnership approach:

- We have established quarterly update/review meetings between the Managing Director, WYCA and the Route Managing Director, LNE&EM, Network Rail. (The Director of Property, Network Rail also attended a recent meeting to explain that the “shared value” principle is a national policy that Network Rail must comply with);
- We have bi-monthly meetings with the Director of Delivery, WYCA and the Director of Route Sponsorship, LNE&EM, Network Rail;
- We are in the process of establishing joint Control Rooms on projects. This means we will jointly prepare update reports and report on progress to both WYCA and Network Rail leadership at the same time and on a regular basis. We set out clear actions and who is responsible for the delivery of each action. This will ensure we get consistent reports/updates on projects and an early warning on anticipated delays and how to deal with them;
- We have established a joint weekly update report on schemes;
- We have appointed an interim resource dedicated to concluding outstanding issues on legacy schemes;

- We are planning to hold a joint WYCA/Network Rail officer workshop in the New Year to discuss new ways of contracting on the design and delivery of schemes;
- The Director of Deliver, WYCA attended a 'meet the leadership' event on 16 October 2017 with Network Rail to discuss current barriers to working effectively together. This has raised operational issues with senior and middle managers in Network Rail;
- The Managing Director, WYCA met with the Director of Stations, Network Rail and will be seeking a further meeting to discuss issues further.

5. Financial Implications

5.1. As set out in the report.

6. Legal Implications

6.1. There are none arising directly from this report.

7. Staffing Implications

7.1. There are none arising directly from this report.

8. Recommendations

8.1. It is recommended that the Investment Committee notes the progress made towards developing an improved partnership approach to working with Network Rail.

9. Background Documents

9.1. None.