

Director: Rob Norreys, Director,
Policy, Strategy and Communications
Author: Tom Gifford



Report to: West Yorkshire Combined Authority

Date: 5 October 2017

Subject: HS2 and the HS2 Growth Strategy

Is this a key decision?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible 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, state paragraph number of Schedule 12a, Local Government Act 1972, Part 1	

1 Purpose

- 1.1 To provide WYCA with an update on the development of HS2.
- 1.2 To seek endorsement from WYCA for the principles of the Leeds City Region HS2 Growth Strategy and approve submission to Government.
- 1.3 To seek endorsement from WYCA for the principles of the joint WYCA and Leeds City Council response to the High Speed 2 rolling stock depot consultation.

2 Information

- 2.1 This report provides a summary of progress to ensure the City Region makes the most of the HS2 opportunity for local growth and regeneration.

HS2 Overview

- 2.2 In November 2016, the Secretary for State for Transport confirmed the majority of the Government's preferred route for Phase 2b of HS2, which will complete the full Y network. Following the previous public consultation HS2 Ltd has been developing the scheme and has recommended a number of refinements to the route in order to respond to concerns raised.
- 2.3 HS2 has the potential to help WYCA and its partners deliver its transport strategy through:
 - Reshaping our economic geography by bringing together the city regions centred on Leeds, Sheffield, Nottingham and Birmingham into a coherent and integrated economic zone of over ten million people, five million jobs, and some of the UK's

most significant manufacturing clusters. HS2 will enable people to have greater access to jobs and attract businesses to invest here.

- Adding capacity to the national network and therefore freeing up capacity creating opportunities to improve the frequency and reliability of rail services for commuters, business travel and potentially freight on the local and regional network.
- Being a catalyst for growth – in Leeds and York where HS2 currently arrives and then, with improved local connectivity, to the economic hubs in Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Selby and Wakefield.
- Creating opportunities for skills and employment which Leeds City Region is well placed to take advantage of with fourteen further education colleges and eight higher education institutions, the latter producing 35,000 graduates every year, many in vital STEM subjects.
- Transforming Leeds Station – after local intervention, the proposals for an integrated station will now create a single interchange between HS2 services, and local rail services to places such as Bradford, Wakefield, Huddersfield and Halifax, and potentially future Northern Powerhouse Rail ('NPR') / HS3 services.

2.4 In February 2017, Parliament granted powers for the construction of the first part of the route (Phase One) from London to the West Midlands. Construction contracts have now been signed and train services are due to commence in 2026.

2.5 In July 2017, Government reaffirmed its support for Phase 2b¹ and confirmed the preferred route for the full Y network – the Eastern Leg to Leeds and the Western Leg to Manchester. This enables preparations for the third HS2 hybrid Bill, which is intended to be deposited in Parliament in autumn 2019 and enables construction to commence in 2023 with train services to Leeds and Manchester commencing in 2033.

2.6 WYCA set out its continuing support for HS2 coming to Leeds at its meeting in July 2016. The eastern leg of Phase 2 delivers a greater financial benefit, at a lower cost, than any other part of HS2. Without the eastern leg, the case for the rest of HS2 is weaker. WYCA concluded that only transformational change to connectivity through new and radically improved HS2 and NPR networks, together with improvements to City Region transport networks, would support the Leeds City Region's Strategic Economic Plan vision and objectives. The proposed LCR HS2 Growth Strategy will sit firmly within the City Region policy framework and as such is clearly linked to the Strategic Economic Plan 2016 – 2036 vision and wider strategic framework and investment priorities and also complements the West Yorkshire Transport Strategy.

¹ Phase 2b includes both the Eastern and Western legs of HS2 from Birmingham. Further details can be found here: <https://www.gov.uk/government/publications/hs2-from-concept-to-reality>

HS2 / NPR touchpoints

- 2.7 Alongside the Department for Transport, Transport for the North (TfN) are continuing to work with delivery partners HS2 and Network Rail on the development of the Northern Powerhouse Rail (NPR) concept. WYCA are involved and represented in the work. Item 7 provides a detailed overview on the progress of the HS2 / NPR touchpoints.

Leeds City Region HS2 Growth Strategy

- 2.8 Transport Committee and LEP Board have both considered reports on HS2 Growth Strategy during September 2017.
- 2.9 These reports have provided an overview around the development of the Strategy, and its role to unlock the benefits of HS2 across the city region, as well as a focused look at growth in the area around Leeds station (e.g. South Bank, and City Square areas). The proposed ambition for the LCR HS2 Growth Strategy is:

HS2 is the catalyst for accelerating and elevating the Leeds City Region's position as an internationally recognised place of vitality, connecting the North and creating an inclusive, dynamic economy, accessible to all.

- 2.10 The emerging ambitions / outcomes of the Strategy are set out below:
- Establish Leeds Station as a world class gateway (*further details in the following section*)
 - Inspiring all of our People
 - Develop our business and supply chain
 - Create a step change in City Region connectivity
 - A catalyst for regeneration
 - A magnet for investment and cultural destination
- 2.11 In delivering these ambitions, it is proposed that the Strategy will aim to:
- Create significant additional new jobs across the City Region
 - Double the GVA of Leeds City Centre
 - Triple residential completions in Leeds City Centre
 - Deliver 20% of the total workforce on HS2 (within LCR) to live in the LCR, of which 5% will be previously unemployed
 - Ensure HS2 delivers significantly enhanced regional connectivity
- 2.12 Following the WYCA meeting, the Strategy will be considered by LCC Executive Board at its meeting on 18 October, prior to the initial submission to Government. The HS2 Growth Strategy will continue to develop over the coming 12 months.

Leeds Integrated Station Masterplan (LISM)

- 2.13 Following the Government announcement in November 2016 that Leeds will be served with the station configuration as proposed by Sir David Higgins in *The*

Yorkshire Hub (November 2015), the multi-agency team incorporating HS2 Ltd, London Continental Railways, Leeds City Council, WYCA and DfT have been jointly overseeing initial development work to create the Leeds Integrated Station Masterplan (LISM). LISM is a key workstream of the LCR HS2 Growth Strategy, providing the key interchange for this region serving both commuter and long distance markets.

2.14 There is broad consensus about the need to create a single integrated transport hub in Leeds to support the ambitions of the city and the region. Leeds station's role in the city region's transport network needs to be further strengthened to ensure the benefits of HS2 and Northern Powerhouse Rail (NPR) are spread across the city region and beyond.

2.15 It is intended that a 'blue-print' is created that will ensure each component project can be defined, designed and delivered in a harmonised manner over time that will ultimately realise the greatest overall value for money. It has been led by following the four key design objectives;

- **World Class Hub:** from quality of architecture and urban design to intermodal connectivity, clarity and delivery.
- **Distinctive Gateway:** that celebrates travel, proudly announces arrival into Leeds and speaks of the unique characteristics of the city.
- **Destination Station:** an attractive place to visit in Leeds city centre, where South Bank meets City Square.
- **Connected Place:** that seamlessly integrates national / regional / local transport modes and optimises every form of connectivity for all users.

2.16 The draft masterplan is yet to be finalised but a summary of the emerging principles for the masterplan are presented below:

- **Common concourse:** A common concourse of a combined station is achievable despite of the physical constraints.
- **Multiple transport hubs and multiple entrances** are desirable to take advantage of the linear configuration of the combined station and to unlock growth in the South Bank area.
- **Accessible station:** The combined station should be easily accessible by all modes of transport.
- **Capacity for growth:** The station should have sufficient circulation capacity to cater for future passenger growth and cater for potential additional platforms to accommodate the levels of local and regional connectivity proposed in the Yorkshire Rail Network Study and Rail Plan 7 alongside with NPR and HS2.
- **Value of investment and affordability:** The study has identified opportunities for development within the station boundary which could be re-invested to help fund the work.
- **Early delivery:** The plan has identified some potential opportunities for early improvement to ensure that the station and the region is 'HS2 ready'.

- **Support Growth:** The masterplan has identified opportunities to enhance station environment and public realm that aligns with the Leeds City Council's South Bank Regeneration framework and ambition for City Square,

2.17 The conclusions of the study will also be subject to the sign off by the Leeds City Council Executive Board on 18 October 2017. The key principles of the study will be served as our inputs to the HS2 Hybrid Bill for phase 2b.

HS2 – Rolling Stock Depot Consultation

2.18 At the time of the November 2016 High Speed 2 (HS2) consultation, Government explained that HS2 Ltd was actively looking at alternatives to the proposed Eastern Leg Rolling Stock Depot at New Crofton in Wakefield. HS2 Ltd believes it has now identified a better site for the depot, to the east of Leeds in the Aire Valley adjacent to the M1. The government is now consulting on this proposal with a deadline of the 12 October 2017.

2.19 Concerns were raised about the initial proposal for the depot at New Crofton in Wakefield². The new location, is brownfield land, but is within the Leeds Enterprise Zone and as such could potentially blight a large part of the Zone. It should be noted that the LEP has also previously invested in the EZ through the Growing Places Fund (GPF) with a loan for site remediation to Aire Valley Land. Work is still ongoing to consider the impact of the HS2 depot. Included within this is the impact on a current GPF loan application by Gateway 45 to support development of commercial buildings on the site.

2.20 WYCA is therefore asked to endorse the following principles that officers can work up into a response. It is proposed to support the new location subject to the following:

- Working with Leeds City Council (LCC), HS2 and Aire Valley Land to review the exact location and to consider refinements to minimise the impact on the Enterprise Zone.
- Confirmation of how the remaining land could be utilised to its full potential via minimising sterilisation of plots or the need for significant new infrastructure
- Seeking to ensure that the expected outcomes of WYCA/LEP/LCC investment in the EZ to date (i.e. jobs and business rate growth) are supported either within the EZ or via mitigation to account for the loss of land and blight implications.
- Proposing mitigation options on the impact on the Leeds Enterprise Zone and business/economic case for the LCR EZs Programme. Including on inward investment in the medium term and on EZ business rates income for the LEP. Mitigation options may include seeking a range of the following:
 - An extension to the boundary of the Leeds EZ
 - An extension to the EZ Business Rate retention period

² A summary of the issues raised during consultation and HS2 Ltd's rationale for relocating the eastern leg rolling stock depot are summarised by: HS2 Phase 2a route refinement advice (HS2 Ltd, 2017) (see sections 5.3 and 15). Available at: <https://www.gov.uk/government/publications/hs2-phase-2b-summary-of-route-refinements--2>

- Enhanced flexibility to relating to occupier incentives (Enhanced Capital Allowances and Business Rate Discount). This may include an extension to eligibility periods and/or the ability to offer both incentives
 - An opportunity to consider designation of a new EZ within the Leeds/LCR geography
 - Seeking political and financial support for the University of Leeds plans to create an Institute for High Speed Rail Engineering, which will be a world-leading research and innovation hub and wider technology park. There is a unique opportunity to locate this next to the HS2 depot and to integrate the plans to act as an exemplar for how major infrastructure projects can drive economic growth.
- 2.21 LCC and WYCA officers will be preparing a joint response which is the preferred approach from DfT/HS2 Ltd. This will consider HS2's alignment for the depot and other potential viable/technically feasible alternatives. The response will also outline collective LCC/WYCA views regarding the potential impact on the Leeds EZ, wider EZ programme and options to provide mitigation for this impact.
- 2.22 The joint response will require approval from LCC and WYCA. It is proposed that WYCA endorse the principles of the response with delegated powers for the WYCA Managing Director to submit the final response in consultation with the LEP Board Chair and WYCA Chair.
- 2.23 Following the formal consultation process there will need to be further detailed discussion regarding the potential mitigation options (as outlined in paragraph 2.10). This discussion will include liaison between all interested parties and stakeholders.

3 Financial Implications

- 3.1 Funding for development of the LCR HS2 Growth Strategy includes two grant awards totalling £1.25m from central government. WYCA is the accountable authority for the grants. Financial approval was gained from WYCA to spend the Phase 2 grant of £625k as part of the Capital Approvals report at the 6 April 2017 meeting.

4 Legal Implications

- 4.1 None as a result of this report

5 Staffing Implications

- 5.1 Development work is being undertaken within the Economic and Transport Policy team, in partnership with Leeds City Council.

6 External Consultees

- 6.1 All LCR district authorities are being consulted with on the development of the LCR HS2 Growth Strategy.

- 6.2 The draft HS2 RSD consultation response has been developed collaboratively with officers from Leeds City Council.

7 Recommendations

- 7.1 That WYCA endorse the principles of the Leeds City Region HS2 Growth Strategy and delegate final drafting of the submission to the Managing Director in consultation with the WYCA Chair.
- 7.2 That WYCA endorse the principles of the response to the HS2 rolling stock depot location consultation and delegate final drafting of the submission to the Managing Director in consultation with the LEP Board Chair and WYCA Chair.

8 Background Documents

- 8.1 None.