

<b>Report of:</b>	Executive Director of Growth & Place, Kevin Parkes Deputy Mayor and Executive Member for City Centre Strategy, Charlie Rooney
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**AGENDA ITEM 4**

<b>Submitted to:</b>	Executive, 2 <sup>nd</sup> October 2018
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<b>Subject:</b>	Middlesbrough Rail Station – Capacity & Enhancements
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**Summary**

Proposed decision(s)
<p>That the Executive:</p> <ul style="list-style-type: none"> <li>a. notes the commitments and timescales for the southern entrance;</li> <li>b. notes the platform capacity issues and timescales;</li> <li>c. approves the principle of working with Tees Valley Combined Authority (TVCA) to secure the funding to accelerate the platform and capacity enhancements required to secure direct trains to London; and,</li> <li>d. notes the interim capacity proposals being pursued to address immediate capacity needs.</li> </ul>

Report for:	Key decision:	Confidential:	Is the report urgent? <sup>1</sup>
Information and Decision	No	No	Non-urgent

Contribution to delivery of the 2018-22 Strategic Plan		
Business Imperatives	Physical Regeneration	Social Regeneration
The benefits of increased capacity within the rail network, and the provision of a direct rail service to London would have a significant positive effect on the economic case for investment in Middlesbrough – supporting the longer term	The benefits of increased capacity within the rail network, and the provision of a direct rail service to London would have a significant positive effect on the portfolio of physical improvements planned for the area.	The benefits of increased capacity within the rail network, and the provision of a direct rail service to London would have a significant positive effect on the employment prospects of people in Middlesbrough, as well as the supporting

drive for increased levels of NNDR and Council Tax to support the Council's MTFP.		educational and social connections.
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<b>Ward(s) affected</b>
The station is located within Central ward, although the impact of better rail services would benefit all residents of Middlesbrough (and the wider Tees Valley).

### **What is the purpose of this report?**

1. To update the Executive on the proposed works to Middlesbrough Rail Station, rail capacity issues that need to be addressed, and the proposed joint working with TVCA to accelerate progress.

### **Why does this report require a Member decision?**

2. The proposed capital works to the station require significant investment from TVCA. Member approval is required to trigger a request for funding, which is scheduled to be submitted to the TVCA Board in November.

### **Report Background**

3. Middlesbrough Rail Station plays a key role in the transport infrastructure for the North East, and particularly the wider Tees Valley, with its success being critical to the economic ambitions set out in the sub regional Strategic Economic Plan. Middlesbrough's role as the commercial centre at the heart of the Tees Valley relies on having excellent connectivity, and modern, accessible public transport. As a result, the Rail Station was identified as a key priority within the Council's own Investment Prospectus.
4. The station itself is located in the heart of the historic quarter and the area acts as the northern gateway to the City Centre. The surrounding area is host to some of Middlesbrough's most historically significant buildings and provides direct access to Middlesbrough College, the proposed snow centre and burgeoning digital hub at Boho.
5. The arrival of seven direct trains to London each day, secured from 2020 offers a huge economic boost to the area, and has been a key factor in securing investment for schemes such as the Grade A office development at Centre Square.
6. Rail travel is seeing a real resurgence in both Middlesbrough and the wider Tees Valley. The Station has seen an increase in passenger numbers in the last five years with them now being in excess of 1.3 million per year, with continued growth expected in 2018.
7. Despite this increase in passenger numbers, the potential role that the station can play in growing the local economy is however under threat. Capacity issues caused by the existing rail timetable are resulting in the delay and cancellation of trains at Middlesbrough, with the knock on effect being felt throughout the network – particularly across the North West. The addition of regular London bound services would significantly exacerbate this situation, and without major investment in the station, and additional track capacity, the infrastructure would simply cease to function.

8. Although the case for investment in the station is widely understood within the rail industry, work has been undertaken to define the extent of the issues faced, and the potential for improvement, if addressed.
9. The management of the station, the rail infrastructure, and the train services operated throughout the network are all under different management, and the Council has taken a proactive role in drawing the various parts of the rail industry together to plan the activities required to move from the existing capacity issues through to modern, towards a fit for purpose infrastructure, that supports the economic growth aspirations of the area.
10. As the cost of the work required to provide additional capacity at Middlesbrough, and provide a modern customer experience has been estimated at £20m+, the options for securing this funding are naturally limited.

### **Work Undertaken To Date**

11. As reported to Executive in March 2018, a Station Masterplan has been developed, setting out the aspirations for modern infrastructure, hosting the direct London trains, and providing a customer experience comparable with other key cities.
12. The masterplan builds upon the £3m of investment that has already gone into improving the roof, and other parts of the station infrastructure, and set out the vision for the southern entrance (which had previously been closed due to structural fragility).

### **Southern Entrance**

13. As a result of the established joint working, a further £4.5m has been secured from Network Rail (£2m), TVCA (£2m) and the Council's Capital Programme (£0.5m) to open up the southern entrance fully, develop the undercroft, and provide additional passenger amenities and commercial spaces. The work would also enhance the longer term building conservation and provide better connectivity with other sustainable transport modes such as bus, cycling and walking.
14. Following detailed design and consultation, these improvements are scheduled to take place between May 2019 and May 2020, and are expected to add significant vibrancy to the station, and the area around it. They will not however address any identified capacity issues.

### **Platform Capacity**

15. As noted above, a significant proportion of trains are already leaving late from the station, due to the platform capacity being insufficient to accommodate existing committed services. These late departures have a wider impact on the network across the north of England, and Transport for the North, has identified addressing capacity issues at Middlesbrough as one of its key priorities for network improvements.
16. Although the existing services are already causing capacity issues, there are a number of future planned services that will compound this problem further, with additional trains to Newcastle, Whitby and Hartlepool all scheduled to be introduced in 2019. Although these can theoretically be accommodated within the timetable, there is clearly

additional pressure caused as a result of delayed services, which again would impact across the network.

17. Unless a solution can be found to this capacity problem, there are significant adverse implications for future services (and extensions of services) to other stations within the north such as Newcastle, Hartlepool, Saltburn and beyond if no action is taken; including the mainline hub at Darlington.
18. As a result of this additional pressure, the introduction of the seven direct London trains in 2020 without increased platform capacity, would have a significant effect on the current timetable, as the London franchise would have access rights to the station that supersede those of other rail operators.

### **Providing Additional Capacity**

19. Both the station masterplan and subsequent Network Rail Capacity Analysis Study identified a clear need to urgently increase the capacity of the station, and the necessity for a third platform. As a result, Transport for the North agreed to undertake a joint piece of work with the Department for Transport (DfT) to commence the bidding process required to access DfT investment. This multi-stage process is expected to take many years to complete, and would be as follows:
  - a. identification of potential infrastructure solutions (underway now, reporting in Dec 18);
  - b. bidding for the funding to take identified solutions to design stage (Jan 2019 to Dec 2021);
  - c. design of identified solutions (Jan 2022 to Dec 2022); and,
  - d. construction (Jan 2023 to Dec 2024).
20. Given the timescales experienced through previous DfT bidding processes for the rail investments required to arrive at this point, it is not unreasonable to assume that completion in Dec 2024 is optimistic at best – with no guarantee of success at each stage. The recent transferral of £59m from DfT to TVCA to address local transport issues, may also work against any bid to DfT, as they may feel that the ability to address the situation already exists locally.
21. The delivery of additional capacity in 2024 (at best) would clearly be unacceptable, as the direct London service is available from 2020. It is therefore necessary to look at options for accelerating timescales, and increasing the certainty of success.

### **Transforming Cities Fund (TCF)**

22. As noted above, TVCA has been provided with £59m to support the development of public transport infrastructure in the Tees Valley, under the heading of the Transforming Cities Fund. A significant proportion of this is expected to be invested in Darlington Station to meet future demand arising from HS2. The TVCA board recently approved funding for Darlington to commence the detailed design process,

circumnavigate the multi-stage DfT bidding processes, and accelerate significantly the point at which physical work could commence.

23. It is therefore proposed that TVCA be approached formally to provide the funding to accelerate the process of designing the identified solutions at Middlesbrough, and contributing towards the overall capital cost of the scheme – currently estimated at £20m+.
24. Initial discussions have been undertaken with TVCA, and subject to approval by the Council's Executive, a paper proposing significant investment would be submitted to the TVCA Board in November.
25. This would not in itself resolve the timing issue, but would significantly bring forward the period in which the capacity could be delivered, and remove the risk of DfT redirecting the Council to TVCA resources part way through the process. The revised timescales would be as follows:
  - a. identification of potential infrastructure solutions (underway now, reporting in Dec 18);
  - b. design of identified solutions (Jan 2019 to Dec 2019); and,
  - c. construction (Jan 2020 to Dec 2021).
26. Again, this would not provide capacity in time for a new direct service to London in 2020, but would provide the certainty of delivery by the end of 2021.

### **Providing Temporary Capacity**

27. To accommodate the additional services arriving in 2019 and 2020, it will be necessary to pursue temporary measures to manage the situation until the works can be completed in Dec 2021. These are being explored with Network Rail and the franchise holders, and may include measures such as:
  - a. extending the current Platform 2 at the eastern end to use its full length;
  - b. re-opening the old Platform 3 (eastern end)
  - c. extend services terminating at Middlesbrough to Saltburn; and,
  - d. Introducing a limited direct London service initially.
28. Although the current franchise holders are supportive of exploring these interim options, there would be both capital and revenue implications associated with them, and the shorter the time period they are required for, the lower these would be.

### **Further Development of Middlesbrough Station**

29. The approved Station Master Plan also identifies a third phase of development, concerning the public realm around the station, and the link to the city centre. This would be pursued in parallel to the capacity improvements, but is likely to require separate funding arrangements, with a greater reliance on Council funding. It is

anticipated that proposals and potential funding sources would be brought forward for Executive consideration in 2019.

### **What decision(s) are being asked for?**

That the Executive:

- a. notes the commitments and timescales for the southern entrance;
- b. notes the platform capacity issues and timescales;
- c. approves the principle of working with Tees Valley Combined Authority (TVCA) to secure the funding to accelerate the platform and capacity enhancements required to secure direct trains to London; and,
- d. notes the interim capacity proposals being pursued to address immediate capacity needs.

### **Why is this being recommended?**

30. The recommended decisions are considered to be the most appropriate course of action for the Council to take, as capacity issues at Middlesbrough Station continue to increase. The multi-year process for securing DfT funding, and the risk of being rejected means that the Transforming Cities Fund is the only viable option if the capacity issues are to be addressed in a reasonable timescale.
31. Working jointly with TVCA to secure TCF would be essential to accelerating the work, and ensuring the period where capacity issues would cause most damage to the network is minimised.
32. It does not seem feasible to secure the direct trains to London without this work being accelerated.

### **Other potential decisions and why these have not been recommended**

33. As identified above, pursuing the resources through DfT is highly risky, and would take a significant number of years to achieve. This would not be acceptable, given the franchise commitments in place for 2019 and 2020.
34. An alternative option would be for the Council to borrow the funding required, but as the works are expected to cost in excess of £20m, the Council would not be able to accommodate this level of borrowing, or have any means of recouping the funding.
35. Network Rail do not hold budgets to undertake this scale of work, and are required to bid to DfT for resources, on a case by case basis.

### **Impact(s) of recommended decision(s)**

36. A formal approach would be made to TVCA, to access around £20m for the development of additional capacity and passenger improvements at Middlesbrough Station. It is anticipated that a report considering this request would be submitted to the TVCA board in November.

## ***Legal***

37. There are no direct legal implications for the Council associated with the report's recommendations. Clearly the potential commitment of significant funding from TVCA may involve the Council in a formal role, although the asset to be improved is not in Council ownership or control.

## ***Financial***

38. There are currently no additional Council financial implications associated with the report's recommendations. There is however a need to explore further how the Council would be involved in the financial management of the project, should the TCF contribution be secured.

## ***Policy Framework***

39. Approval of the recommendations will not affect any part of the Council's Policy Framework.

## ***Equality and Diversity***

40. There will be no negative, differential impact on diverse groups and communities within Middlesbrough associated with this report. Any development of the station building will continue to support 'Access for All' and improve accessibility and connectivity for the building into the surrounding area.

41. It is anticipated that the improvements proposed for the station will be subject to a full assessment of ensuring disability accessibility.

## ***Risk***

42. In relation to the Strategic Risk Register, the relevant risks are outlined below;

- a. O1-005 - If poor economic growth occurs, then this will reduce public and private sector investment in the town, including town centre retail, housing development and business.
- b. O8-008 - If effective partnership working is not achieved, then this will reduce the Council's ability to deliver strategic priorities and key services, resulting in reduced outcomes for local communities.

43. In relation to the Directorate Risk Register, the relevant risk is outlined below;

- a. O1-048 - That the capacity of the rail station isn't increased to allow for all current and future services arriving and departing from Middlesbrough including the new direct London service from 2021.

44. These risks are all mitigated to an extent by the proposed approach.

## **Actions to be taken to implement the decision(s)**

45. A formal request for around £20m would be made to TVCA for consideration by their Board in November.

46. The recommendations in relation to the franchise improvements will be monitored by the Transport & Infrastructure Service and reported back to the Deputy Mayor and Executive Member for City Centre Strategy.

### **Appendices**

N/A

### **Background papers**

No background papers were used in the preparation of this report.

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