

CABINET
22 JUNE 2022

DARLINGTON STATION IMPROVEMENT PROJECT

Responsible Cabinet Member –
Councillor Jonathan Dulston, Leader of the Council
Councillor Andy Keir, Local Services Portfolio
Councillor Alan Marshall, Economy Portfolio

Responsible Director - Dave Winstanley, Group Director of Services

SUMMARY REPORT

Purpose of the Report

1. To provide an update to Members on the Darlington Station Rail Improvement Project and to seek the necessary approvals for the delivery phase of the project.

Summary

2. The Darlington Station Rail Improvement Project (the Project) has been in development for several years and there have been previous reports to Cabinet outlining the development of the project and the land acquisition strategy.
3. The project has multi-dimensional aspects. It is primarily a strategic transport project that is a fundamental building block in unlocking capacity on the east coast mainline and local rail network delivering the actions in the Tees Valley Rail Strategy. However, it has the potential to deliver numerous priorities including economic, social, and environmental benefits to the Borough, as well as to the Tees Valley region.
4. The project will improve rail capacity for both local and long-distance train services; it will improve facilities at the station and will create two transport interchanges to integrate with other modes of transport. The project will help to deliver the regeneration aspirations of the area including links to the town centre, Central Park, and the regeneration of the former cattle market site.
5. The Council has progressed the design of the scheme and the land assembly through funding from TVCA. Network Rail has progressed design work on the station and rail infrastructure with Department of Transport Funding following the submission of a strong Outline Business Case (OBC). This is a major capital project being delivered in partnership with several organisations and this report outlines the project governance and outlines the agreements required to progress the project. The Final Business Case (FBC) is now being prepared for submission to Government to fund the final scheme and this report seeks Cabinet approval to progress the delivery phase and enter into the necessary agreements required to deliver the project.

Recommendations

6. It is recommended that:

- (a) Cabinet note progress on the project, support the submission of the Full Business Case by TVCA and approve the delivery of the project as outlined in the report.
- (b) Members delegate authority to the Group Director of Services, in consultation with the Leader of the Council and Group Director of Operations, to enter into the following agreements, subject to the matters identified in the report being satisfactorily addressed:
 - (i) A Funding Agreement with TVCA.
 - (ii) Works Contracts for the delivery of the Project.
 - (iii) An Asset Protection Agreement with Network Rail.
 - (iv) A sale agreement to dispose of land on the East side of the current station, in line with paragraph 20(c) of this report, to Network Rail.
 - (v) A Temporary Lease Agreement with LNER to use the former Cattle Market site as a temporary car park.
 - (vi) Station Change Agreement.
 - (vii) Any further agreements relating to the above.
- (c) Members approve the commencement of demolition and enabling works for the Project funded through TVCA ahead of the main contract to ensure the main contract can commence as soon as reasonably practicable upon approval of the Full Business Case.
- (d) Members note that the majority of funding to deliver the scheme will be from the Department for Transport and TVCA, with a contribution from the Towns Fund Programme for the Victoria Road interchange and that Members approve:
 - (i) The release of the funding received from TVCA and DfT to deliver the project, and
 - (ii) The release of £980,000 from the Towns Fund programme.

Reasons

7. The recommendations are supported by the following reason; to deliver a project that contributes to national, regional and local strategic transport and economic objectives that will bring economic, social and environmental benefits to the Borough, as well as to the Tees Valley Region.

Dave Winstanley
Group Director of Services

Background Papers

- (i) Darlington Station Vision (Cabinet 6 February 2017)
- (ii) Darlington Station Improvements (Cabinet 4 February 2021)

S17 Crime and Disorder	The Project seeks to ensure that the station and surrounding areas are accessible and safe for everyone. Measures to reduce and prevent crime have been considered during the design stages.
Health and Wellbeing	Improving connectivity and promoting rail use and active travel options to, from and around the Station are a key objective of the Project.
Carbon Impact and Climate Change	The Darlington Station Improvements Project seeks to enhance access to low carbon transport options and incorporate sustainability in its design and construction.
Diversity	The vision seeks to deliver a scheme that will benefit all station users. Diversity has been considered throughout the design process and continues to be reviewed.
Wards Affected	The Project is located within Bank Top and Lascelles and in Park East wards. Improved train services and improved local connectivity to the station will however have benefits well beyond these wards, benefitting those who live, work and visit the Borough.
Groups Affected	In order to deliver the project several residences and business properties had to be acquired. The Council has undertaken work to support and minimise any negative impacts on these individuals. The new facilities will help all sections of the community.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	Yes
Urgent Decision	No
Council Plan	The Project makes a significant contribution to “Growing Darlington’s Economy” by improving our transport infrastructure.
Efficiency	The Project will improve access (for both local and long-distance travel), encourages local investment and is being delivered in partnership with Network Rail to maximise the benefits to rail travellers and the community through a single project that aligns to the Council’s Town’s Fund and Central Park investments.
Impact on Looked After Children and Care Leavers	This report has no specific impact on Looked After Children or Care Leavers.

MAIN REPORT

Background and Strategic Case

8. The Tees Valley Strategic Economic Plan (SEP) and Strategic Transport Plan (STP) clearly articulate the need for better transport connections across the City Region, providing businesses and residents with a high-quality public transport network that is frequent, integrated, reliable and offers a real alternative to the private car to provide more sustainable travel choices.
9. The Darlington Station Improvement Project (the Project) is an integral building block in the Tees Valley Rail Strategy and contributes to resolving the capacity issues on the east coast mainline that has an impact on current and future rail services for Darlington and the region.
10. The project will boost the competitiveness of the town and region through improved connectivity across the North, as identified in Transport for the North's (TfN) Strategic Transport Plan, linking key sectors and leading industries with other centres of expertise outside of the Tees Valley.
11. An improved rail network to, from and within the Tees Valley, will also provide more access to global markets, increasing the capacity for growth and creating more jobs for the people. This is particularly important as 70% of major local businesses are internationally owned.
12. The Council Plan – Delivering for Success for Darlington 2020-2023 sets the vision for the borough as “Darlington is a place where people want to live and businesses want to locate, where the economy continues to grow, where people are happy and proud of the borough and where everyone has the opportunity to maximise their potential”. The Project contributes across the Council's Plan Priorities, but specifically:
 - (a) “Growing Darlington's Economy” by directly attracting more jobs, business and improving commercial opportunities. Rail connectivity is key to attracting and retaining business opportunities.
 - (b) “Maximise The Potential of our Young People” by removing barriers to employment and education by improving public transport options.
13. Cabinet and Scrutiny have received previous reports on the project that outlined the components of the scheme, the land acquisition strategy, and the objectives of the scheme. The objectives are summarised below:
 - (a) To align with works by Network Rail that will provide improvements to the local and regional rail network and create a station with greater capacity and a higher quality offer.
 - (b) Providing the opportunity for much-improved bus interchange by the removal of significant existing constraints that currently prevent this.

- (c) Providing much better links to the surrounding pedestrian and cycling networks and improved cycle parking facilities.
- (d) Delivery of the new station shell that is integrated into the new MSCP. Providing a more fit-for-purpose station car park that is much more integrated and consolidated within the Station than the current parking provision.
- (e) Providing a higher quality and more easily accessed new station facility.
- (f) Providing better links between the station and Darlington town centre.
- (g) Providing better links between the station and the adjacent Central Park, a major centre for employment and education.
- (h) Improving the quality of the environment and perceptions of those arriving in Darlington and the potential for regeneration in the surrounding area.
- (i) Increasing the visibility and accessibility of the station from all key approaches.
- (j) Ensuring the new station facility plays a significant role in celebrating the 2025, bicentenary of passenger rail celebrations, complementing the facilities being developed at the Darlington Rail Heritage Quarter.

Project Delivery Arrangements

14. The project has three distinct interlinked areas of activity:

- (a) Operational Railway – the track improvements and new east side platforms (for both local and through services);
- (b) Station Enhancements – the new station building and accessible footbridge, together with internal changes to the existing station;
- (c) East and west of the Station– a new multi-storey car park (MSCP) and multi-modal interchange to the east, the enhancement of the portico and improved interchange to the west, and any amendments to the current approach from Parkgate. More detailed information on the component parts of the project are included at Appendices 1 to 3

15. The project is going to be delivered through a partnership with the Department for Transport, Network Rail, the rail operators, TVCA and Darlington Borough Council. Darlington Borough Council and TVCA are responsible for delivering the new station shell and the improvements to the east and west. The improvements to the existing station and rail aspects are being delivered by Network Rail.

16. Network Rail has engaged Bam Nuttall as a design and build team and Darlington Borough Council has engaged Willmot Dixon through the SCAPE framework as the Design and Build team to deliver the improvements to the east on behalf of TVCA. Darlington Borough Council will also deliver some components of the project internally.

Project Governance Arrangements

17. A significant proportion of the scheme is to be funded by the Department for Transport which means the project must also progress through the Department for Transport and Network Rail governance processes. At Tees Valley level all partners and stakeholders are represented or consulted through the governance structure which consists of:
- (a) **Project Board** – Senior Political representation from TVCA and DBC, Senior DfT, Network Rail, Rail Operator, Transport for the North, TVCA and DBC representation.
 - (b) **Programme Delivery Group (PDG)** – This group is chaired by the Project Lead, the Assistant Director for Transport and Infrastructure at TVCA and is formed of a group of senior officials from each partner authority who provide the strategic direction and are accountable for keeping the project to programme.
 - (c) A number of **Development Steering Groups** report to the Programme Delivery Group and these consist of:
 - (i) Integrated Project Team Meeting – ensuring all components of the project from the rail and interchange elements are progressing to programme and are aligned and coordinated.
 - (ii) Land Assembly, Planning and Consents – ensuring all the necessary approvals are in place and that the land in private ownership has been assembled.
 - (iii) Finance, Legal and Governance – advising on all the contractual arrangements and agreements that need to be in place to deliver the project.
 - (iv) Communications – ensuring the communications on the project are delivered at the right time to the right stakeholders, residents and businesses.

Delivery Approvals and Agreements

18. The overall project budget is currently in the order of magnitude of £114m. The full business case is currently being finalised for submission to the Department for Transport which will finalise the overall project budget and options. The indicative contributions are £80m from the DfT's Rail Network Enhancements Pipeline (RNEP); £33m from TVCA and around £1m from the Towns Fund.
19. Funding has been committed from all parties to progress the project on the strength of the Outline Business Case (OBC) submitted to Government. It is standard practice that funding is released in phases as more certainty on the scheme and costs are developed. The Full Business Case (FBC) is the final stage of the approval process and will seek to secure the remainder of funding for the final scheme. As part of the Full Business Case process the elements of the project identified in **Appendix 1** are all subject to review and value for money checks to establish that they are all required by the funders and that they are elements that they wish to progress. The process will determine the final scope of the scheme. TVCA intend to submit the FBC in early summer 2022 with the outcome expected before mid-September.

20. In anticipation of approval of the Full Business Case and in preparation to commence on site a number of key delivery agreements are required to be progressed to secure the expeditious delivery of the project.
- (a) Most of the funding for this strategic rail project is from national government or TVCA. Darlington Borough Council are delivering elements of the project on behalf of TVCA. A **Funding Agreement** has been in place for the enabling elements of the project, but a new agreement or amendment will need to be entered into for the main delivery phase of the project. The funding agreement will need to ensure that the project costs and risks are covered by the funders. i.e. the Department for Transport and TVCA.
 - (b) In delivering elements of the project the Council will need to enter a **Works Contract** for the main works with Willmot Dixon. In doing so, the Council will need to enter into an **Asset Protection Agreement (APA)** with Network Rail. The APA is a standard agreement that all bodies must enter when undertaking work to or close to the railway network. This process does have financial risks that need to be mitigated through the agreement structure.
 - (c) The Council and TVCA have acquired land to deliver a strategic rail facility. The transport interchange on the east side and the MSCP will be a rail station facility and be managed by LNER under the current station lease. A **Land Transfer Agreement** is required to set out how land on the East side is transferred to the freeholder Network Rail (NR) and is subsequently developed by the Council and also to ensure that LNER (or their successor) are able to continue their lease and management of the facility post completion.
 - (d) Any change to the rail infrastructure requires the **Station Change** process to be followed. Finalisation of who leads on the various elements of station change in the project is being determined and as deliverer of the works to the East, the Council maybe a lead on certain elements for the Station Change process. This means the Council will take responsibility for delivering the agreed scheme to the satisfaction of the Department for Transport. The Council's design will be signed off by Network Rail in advance of works commencing, so as to ensure that it meets the applicable rail industry requirements. This process does have financial risks that need to be mitigated through the agreement structure.
21. This report seeks approval for the Group Director of Services in consultation with the Leader of the Council and Group Director of Operations to be authorised to enter into these agreements.
22. In entering into all these contracts and agreements the Council is committing to the conditions of the contracts and the agreement with the parties. These agreements and contracts have financial implications for the Council, which is why, prior to any commitment, the Council must have the funding agreement or side agreements in place to ensure any financial implications within these arrangements are borne or underwritten by the project and the main funders.

23. Ahead of the main works there is the requirement to undertake enabling works and some demolitions. Land acquisitions have been progressing and demolitions of key properties are scheduled to commence from this summer to facilitate a start on site later in 2022.
24. Cabinet previously agreed to the former Cattle Market site being made available for temporary parking during the construction period and the original funding agreement allowed draw down of funds from TVCA for these works. Planning approvals have been secured and the temporary works are scheduled to commence Summer 2022 to facilitate the start on the East side Interchange later in 2022. Approval is sought to enter into a **Temporary Lease Agreement** with LNER for use of the site as a station car park under the control of LNER (or its successor). The Council's Park Lane Car Park will continue to be operated as a Council Car Park.
25. The former cattle market site will be returned to the Council following handover of the new MSCP. Work will commence on options for the future use of the former Cattle Market between now and completion of the station Project and as this is scoped it will involve consultation and Ward Members. The future use of the Cattle Market will be subject to future reports to Cabinet.

Progress on Land Assembly, Compulsory Purchase and Approvals

26. The Council has secured planning approval and Listed Building Consent (LBC) for the demolition of properties and the construction of the new rail facilities on the east and west of the station and for the temporary car park on the former cattle market site.
27. Since February 2020, the Council and TVCA have been seeking to acquire all land and properties that occupy land on the East and West development sites required for the Project. The priority has been to do this by agreement, but at the same time a CPO (Compulsory Purchase Order) has been progressed in the event that one or more properties could not be acquired by agreement. Currently, agreement or provisional agreement has been reached to acquire most property interests and there are only seven known owners where provisional agreement has not been reached although there are also a number of unknown ownerships. Whilst negotiations continue and support continues to be offered to all of those affected, some may have to be acquired through the CPO.
28. In parallel, the Council has proceeded with the legal process to Stop Up those roads within the area to the east, which will be replaced or built upon to form part of the new station facilities.
29. As part of the CPO and Stopping Up processes, a Public Inquiry was held between 18 and 21 January 2022 where the Planning Inspectorate considered the Council's case to acquire properties and close roads. On 28 February 2022, the Inspector confirmed the CPO to be valid and so the Council is now able to complete all required acquisitions and remove roads in order to deliver the Project.
30. The next stage of the CPO is for the Council to implement the General Vesting Declaration procedure. A Notice of Making of the General Vesting Declaration has been served on most of the plots under the CPO to ensure the acquisition can take place of any remaining ownerships or unknown interests not acquired by agreement. This also gives the Council the ability to override any third party rights affecting the land. All owners and other

interests have been kept informed at each stage of the CPO process and are now notified by the serving of the Notice of Making that their property will become vested in the Council (owned by the Council) on 31st August 2022. Whilst this is the end of an 18 month process involving these interests and the Council, it can be a difficult and upsetting event for some and so the Council will continue to offer assistance to any affected parties up to and potentially beyond the vesting date. This is in the form of payment of compensation which includes professional fees for advising on and identifying alternative accommodation and assistance with moving, for example.

Key Dates

31. The following table shows the key project dates subject to Cabinet and Full Business Case approval:

Activity	Organisation	Current Programme dates
Enabling Works		
Cattle Market Temporary Car Park	DBC	June to September 2022
Demolitions East Side (Neasham Road Side)	DBC	June 2022 potentially to March 2023
Demolitions West side (Victoria Road Side)	DBC	June 2022 potentially to January 2023
Main Project		
Station East Interchange (Neasham Road Side)	DBC	September 2022 to June 2024
Neasham Road Improvements and junction works	DBC	Currently proposed to be between May 2024 and September 2024
Station West Interchange (Victoria Road Side)	DBC	Dependant on other Council and Network Rail project works, but not likely to begin before September 2022.
Rail Track, New Platforms and Station enhancement	Network Rail	Not before September 2022, and completed no later than December 2024
New Train services in Operation	Train Operators	From January 2025

Financial Implications

32. The Council has already invested monies secured from TVCA to develop the Project to its current stage on behalf of TVCA by undertaking the design phase and also by acquiring a number of the required properties.
33. Cabinet is asked to support the securing of additional funds from TVCA, DfT and the Towns Fund to allow the project to be delivered in full and in partnership with NR's elements of the overall Station Project.
34. The land to the east will be transferred to NR as freehold so the Council will have no maintenance costs associated with this development.
35. The land to the west will be/continue to be adopted highway and will be managed as part of the Council's highways assets.

Legal Implications

36. The Council will enter funding agreements with each of the relevant funders and sign up to their respective conditions of grant.
37. The Council will enter into agreements with NR governing the delivery of the East side development, its future ownership and management; and with LNER to provide a lease for a temporary car park.
38. In exercising the delegated authorities requested to be approved in this report legal advice will be obtained in relation to mitigation of the risks outlined in the report prior to entering any agreements.

Valuation Comment

39. In the context of a fully funded strategic transport scheme to provide a significantly improved railway station and meet the aims set out in this report it is considered that, subject to NR/LNER having all maintenance obligations for the completed development, building agreements being in place to facilitate development by the Council and a reservation for surplus passenger parking to be made available to businesses on Central Park, the disposal of the DBC/TVCA jointly owned freehold land to the east side of the Station to NR at a peppercorn represents the best consideration available in line with the provisions of S.123 of the Local Government Act 1972.

Procurement Advice

40. The procurement of works and services are designated as strategic procurements, which under the Contract Procedure Rules, entails contract award decisions being made through the Procurement Board with Cabinet being updated via the procurement plan reports.

Equalities Considerations

41. The project has been designed in a way to make facilities as inclusive and accessible as possible for all users. The Project teams have engaged with Darlington Association on

Disability (DAD) and NR's Built Environment Accessibility Panel (BEAP) through different stages of design development.

Consultation

42. The Council has engaged in a number of consultation processes throughout the development of the Project and is committed to continuing to engage with partners and stakeholders and taking account of concerns and recommendations received. Events and activities undertaken include:
- (a) An initial public consultation drop-in and online opportunity took place in March 2017 seeking all views on the proposal to upgrade facilities. This was followed by providing a room in the station displaying project information and where views could be left.
 - (b) A project webpage has been maintained since the feasibility work was undertaken and is updated periodically.
 - (c) Updates are periodically provided in the press and in the Council's One Darlington magazine.
 - (d) Extensive consultation has been undertaken since February 2020 with those with property interests on the west and east sides and support offered to them to understand the CPO process and where appropriate, to help them in acquiring alternative premises. Public information has also been displayed at key stages of the process on site and when appropriate, for viewing at the Dolphin Centre.
 - (e) The Council has engaged with Darlington Association on Disability (DAD) and NR's Built Environment Accessibility Panel (BEAP) through different stages of design development.
 - (f) The project has been developed and designed in partnership and consultation with a large number of stakeholders in the region and nationally to ensure it has appropriate political, technical and financial support and remains fit for purpose.
 - (g) The plans for the east side were consulted upon online with letterbox drops undertaken in May 2021 with formal planning consultations following in June and July 2021.
 - (h) The plans for the west side were consulted upon online with letterbox drops undertaken in May 2021 with formal planning consultations following in June and July 2021.
 - (i) The plans for the temporary car park were consulted upon online with letterbox drops undertaken in November 2021 with formal planning consultations following in December and January 2021/22.

The component parts of the Darlington Station Improvement Project

There are several elements to the overall site. Attached at **Appendix 2** and **Appendix 3**, respectively, are the east and west site layouts and the information below provides further detail on each element:

The Eastern Transport Interchange and new station:

- (a) A new station building with platforms serving local and national lines removing the need for trains to cross the ECML to serve Darlington.
- (b) A multi-storey car park
- (c) Transport interchange and cycle facilities
- (d) Landscaped pedestrianised areas
- (e) New footbridge into the existing station building
- (f) Traffic improvements to Neasham Road

The Western Transport Interchange:

- (a) New road layout to improve pedestrian safety
- (b) Drop off points and a redesign of the portico station car park
- (c) A pedestrianised concourse in front of the building entrance.

Enabling Works on Former Cattle Market and Surrounding Roads:

- (a) The former cattle market site will be converted into a temporary station car park, managed by LNER for the duration of the improvement works.
- (b) Temporary signage will be erected in the local area to direct vehicular and foot traffic on where to park and how to access the station whilst work is ongoing.

As stated, the Council's Station Improvement Project is being developed and delivered in partnership with Network Rail's, Rail Enhancement elements of the project. Namely:

- (a) A new platform and tracks will be constructed next to the new station building, serving trains running to London and the south;
- (b) Additional platforms and tracks will be constructed to serve trains running to and from Middlesbrough and Saltburn (services to/from Bishop Auckland will continue to/from Platform 4);
- (c) A new bridge will be constructed linking the new and existing station buildings;
- (d) Improvements will be made to the existing station, providing better access to the new station through the exiting station and to the portico;
- (e) Additional improvements to the portico and Parkgate ramp are also being designed.

Illustrations of the East side Station Developments

1. Site Plan of new east side station and interchange located on current station car park



2. View of the new station from Central Park towards the new main entrance and concourse



3. View from Neasham Road showing the entrance to the MSCP



2. Image from Cattlemarket (Park Lane)



3. Image From Victoria Road

