

[REDACTED]
From: [REDACTED]
Sent: 30 January 2018 15:25
To: [REDACTED]
Subject: FW: Queen Street Station - North Hanover Street/Glasgow TIF - Meeting with Minister for Transport and the Islands - 9 August 2017

Importance: High

[REDACTED]
[REDACTED]
Rail Directorate
Transport Scotland
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Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]
Sent: 11 August 2017 14:28
To: [REDACTED]@scotrail.co.uk; [REDACTED]@glasgow.gov.uk; [REDACTED]@landsec.com); [REDACTED]
Cc: [REDACTED]@networkrail.co.uk); [REDACTED]@networkrail.co.uk); [REDACTED]@networkrail.co.uk); j[REDACTED]@glasgow.gov.uk; [REDACTED]@scottishfuturestrust.org.uk'; [REDACTED]
Subject: Queen Street Station - North Hanover Street/Glasgow TIF - Meeting with Minister for Transport and the Islands - 9 August 2017
Importance: High

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[REDACTED]
Copy: as e-mail (for information and wider circulation as appropriate)

Thank you for your attendance at the meeting with the Minister for Transport and the Islands on Wednesday 9 August to discuss the alternative proposal for North Hanover Street and the relationship with the Glasgow Tax Incremental Financing scheme.

Appreciate I have had some correspondence with some of the parties since and information has been relayed within the respective organisations but thought it worthwhile setting out the requirements falling out of the meeting and the intended way forward in addressing the requirements.

The Minister is seeking a supplementary paper, further to that submitted 29 June, which addresses the following:

1. **Programme** -- milestone by milestone programme assessing the impact on EGIP Key Output deliverables and the delivery of passenger benefits with absolute clarity on which party is taking forward the development/construction

both below and above podium deck level (clarification may be required on the relationship between NDR and the Glasgow TIF dependent).

2. **Cost** – a definitive assessment of the funding gap to deliver the alternative proposal which covers all potential costs.

3. **Funding options** – detail around potential funding options to bridge the funding gap.

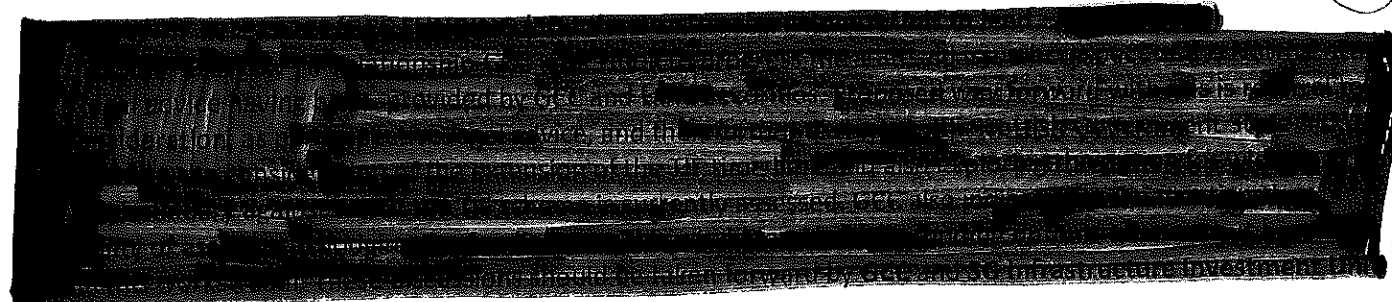
COST AND PROGRAMME (Network Rail to lead – [REDACTED] to determine lead individual)

A large part of the information on cost and programme is already in existence, however, it would be helpful to revisit these to validate the content to ensure it captures all the necessary information to enable an informed decision to be made. I envisage **Network Rail** and **Land Securities** being the key parties in carrying out this exercise. Whilst Land Securities are unlikely to be involved in the delivery of the alternative proposal at North Hanover Street they have been immersed in the process around cost and programme to date and that continued input will assist in presenting an agreed position paper in advance of the next meeting with the Minister. I would suggest representation from TS (myself) and GCC be in attendance at those meetings. Given the excellent input that [REDACTED] had to facilitating the previous feasibility review he should also be involved subject to availability.

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FUNDING OPTIONS (Transport Scotland to lead – [REDACTED])

On the funding options the Minister made reference to CP6 being one possible route to be further considered, this emerging as a possibility only recently as discussions with HM Treasury on the CP6 settlement for Scotland have progressed. This element of the submission will need to be led by **Transport Scotland** and **Network Rail**.



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request

The Minister has proposed a further meeting in 4 weeks. In light of this I would propose the following timeline:

- Information from the above workstreams no later than **23 August 2017**
- On receipt of above I aim to draft paper within 3 working days for issue **28/29 August 2017**
- Comments to be returned by **1 September 2017**
- Paper to be submitted **4/5 September 2017**

I trust this accords with those in attendance recollection of the meeting and hope that the proposed strategy for arriving at a jointly agreed paper meets with your support.

Happy to discuss any of the above as appropriate.

Regards

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Reg 11 (2)

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From: [REDACTED]
Sent: 21 December 2017 09:55
To: [REDACTED]@networkrail.co.uk
Cc: [REDACTED]@networkrail.co.uk; [REDACTED]@networkrail.co.uk;
[REDACTED]@networkrail.co.uk; [REDACTED]@networkrail.co.uk;
[REDACTED]@networkrail.co.uk; [REDACTED]@networkrail.co.uk;
[REDACTED]@networkrail.co.uk; [REDACTED]@networkrail.co.uk;
[REDACTED]@scotrail.co.uk; [REDACTED]@scotrail.co.uk; PS/Transport
Scotland; [REDACTED]
Subject: Queen Street - North Hanover Street
Importance: High
Follow Up Flag: Follow up
Flag Status: Completed

Good Morning [REDACTED]

Further to our communication yesterday I can now confirm that we have received confirmation from Ministers that they wish to proceed with the alternative proposal at North Hanover Street.

Transport Scotland appreciates that this raises some sensitivities for Network Rail, particularly around the current contract with Balfour Beatty for delivery of the current scheme in North Hanover Street. Transport Scotland would be happy to assist in any of the required dialogue with Balfour Beatty to close down that element of the contract.

There is also the not insignificant reputational risk around the presence of prominent structural steel work in the site which does not align with the alternative proposal and will therefore have to be dismantled at a point in time to allow the larger scheme to be delivered. Whilst this is regrettable we believe a positive line of communication around accelerating investment in the site can be developed. It should not be forgotten that the variation to deliver the current scheme was only ever intended to provide a temporary facility and the risk always remained that it would be abortive if/when a decision was taken to deliver the larger scheme. The positive line of communication will require buy in from all the relevant stakeholders who have been involved to date. Transport Scotland are in the process of developing a holding line in the event that any queries may arise over the festive period. We will share this with the relevant stakeholders, however, we recognise that early engagement in the new year will be required to set out the framework for moving forward with the alternative proposal.

Turning to the alternative scheme, Network Rail have assisted the decision-making process by providing Transport Scotland both cost and programme information which has been incorporated into advice. Network Rail will be aware of the current headroom capacity in Control Period 5 with discussions on-going regarding opportunities to identify schemes which could utilise the headroom funds. Accordingly, we welcome the opportunity to work with you to identify urgently opportunities to accelerate as much of the revised scheme as possible by bringing elements within the ambit of Control Period 5 headroom funding.

[REDACTED]

As indicated above, Transport Scotland plan to set up meetings early in the new year involving all parties to agree how the larger development is moved forward and the benefits secured and communicated.

Regards

[Redacted]

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11(2)

From: [REDACTED]
Sent: 30 January 2018 16:20
To: [REDACTED]
Subject: FW: QUEEN STREET STATION PROJECT - NORTH HANOVER STREET/GLASGOW TIF

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From: [REDACTED]@networkrail.co.uk]
Sent: 16 October 2017 12:11
To: [REDACTED]
Cc: [REDACTED]
Subject: QUEEN STREET STATION PROJECT - NORTH HANOVER STREET/GLASGOW TIF

Please see responses on the Network Rail actions coming out of Wednesday's meeting on the above matter:

Temporary Suspension of Current Works on North Hanover Street site - Station Retail and Operations Building

The estimated costs of a temporary suspension of works per week during October are [REDACTED] rising to £[REDACTED] during November and dropping again to [REDACTED] during December. (Total estimated costs for a temporary suspension of Works between now and the end of 2017 calendar year is [REDACTED]). There is no impact on KO 3 or KO 4 delivery.

Establish Timeframe When Building Superstructure Commences on North Hanover Street site - Station Retail and Operations Building

The steel frame is due to commence delivery and erection on Monday 30th October, at which point the structure will start to come alive and be visible to the public.

At the risk of stating the obvious, it is worth emphasising that the latter of the above two options is the better solution, as there isn't a financial cost or a delay to the works or any reputational issues to deal with.

Also, in the meantime, we will do further work on the financial analysis / investment appraisal of the NHS development deck. That way, we can consider what options this opens up for us on the overall funding / financing position.

Hope this helps, however, please let me know if you need anything else.

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Regards,

Reg 11 (2)

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From: [REDACTED]
Sent: 30 January 2018 16:19
To: [REDACTED]
Subject: FW: Queen Street - North Hanover Street
Attachments: QueenSt-EGIP Retail Appraisal April 2017.xlsx

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Tel - 0 [REDACTED]
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From: [REDACTED]@networkrail.co.uk]
Sent: 09 October 2017 10:35
To: [REDACTED]
Subject: RE: Queen Street - North Hanover Street

In May this year NR's Retail Team commented on the current EGIP proposals as follows:

'The total area of the retail proposed is circa 6,000 sq ft which is far too small for a station the size and stature of Queen St. To put that in context the retail floor area at Glasgow Central is over 31,000 sq ft plus several thousand sq ft of storage and back of house areas in the basement.

The size will obviously limit the retail offer meaning that other than a few basic offers there will be nothing to excite station users. There would only really be space for a small supermarket, coffee shop, high street bread offer and a newsagents. The lack of a full retail offer is likely to make the station a less attractive place to visit/wait which will effect both rental income and passengers satisfaction. Given the improvements in station retail over the last 10 years, the expectations from station users have increased and they will expect a full retail offer from such an important mainline station following the redevelopment.

Mistake regarding a limited retail offer were also made at Haymarket which only has a small supermarket and two coffee kiosks when the station had far greater potential.

The location of the proposed retail is also poor being largely outside the main station. Passengers will have to look for the retail and walk to it as opposed to it being on route to and from the trains (other than via the North Hanover St entrance/exit). Given the station design however that is unlikely to be changed.

Lastly the "prime unit" in the scheme is actually the current JD Wetherspoon's pub which is to become station toilets fronting onto George Square. That unit should have been retained for retail with the toilets being housed within the main building or proposed extension'.

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In April our Retail team undertook an appraisal of the potential rents that could be achieved within the car park site. They concluded that rental would be in the region of [REDACTED] per annum. Please note the attached breakdown on this.

Hope this helps.
Regards

From: [REDACTED]@transport.gov.scot [mailto:[REDACTED]@transport.gov.scot]
Sent: 09 October 2017 10:15
To: [REDACTED]
Subject: Queen Street - North Hanover Street

Morning [REDACTED]

Hope you are well.

Do you have to hand an assessment of the likely rental return for the current EGIP scheme in North Hanover Street? You've given pretty detailed breakdown of the alternative scheme but I can't see anything on the current proposal.

Many thanks

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Property	Area (Sq M)	Area (Sq Ft)	Usable (Sq Ft)	Example Category	Example Tenant	Turnover %	Income / Sq Ft	Total Income
G147/148	315	3391	2500	Supermarket	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
G148 (Part)	100	1076	700	Bread	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
G150-153	66	710	400	CTN	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
G155	55	592	450	Coffee	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Total

Note: The lack of additional storage affects the rental values as tenants will have to store within their units reducing usable space.

Note: An additional [REDACTED] of storage could give circa [REDACTED] of additional income.

Note: This table does not include G011 which is located on the main station concourse (assumed coffee use).

Reg
1015Xe

From: [REDACTED]
Sent: 30 January 2018 16:17
To: [REDACTED]
Subject: FW: Queen St

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Tel: [REDACTED]
Mobile: [REDACTED]

From: [REDACTED] (Scotland) [mailto:[REDACTED]@networkrail.co.uk]
Sent: 02 October 2017 12:06
To: [REDACTED]
Subject: Queen St

I hope you are well.
I have set out below a summary I provided to [REDACTED] which may also be useful to you as an update on the figures I presented to you in May. This may be of assistance in preparation of your report to Ministers and in advance of the 11th October meeting.

Financial and other benefits from a comprehensive redevelopment of the car park site are set out below:

BENEFITS OF COMPREHENSIVE REDEVELOPMENT

- Protects TIF business case by creating the opportunity for commercial development necessary to generate business rates .
- Better integration of the car park site into the station with improved passenger facilities such as better connectivity to low level station entrance, improved retail etc.
- Creation of a new Cathedral St station entrance that has presence as well as providing passenger facilities (ticket machines, CIS, retail unit, cycle hub etc.).
- Income of circa [REDACTED] per annum from will be achievable from enhanced retail provision. This has an investment value of [REDACTED]
- Capital value of [REDACTED] to [REDACTED] achieved from disposal of development rights above podium deck.
- Facilitates expansion of Buchanan Galleries over North Cutting thus releasing value from N. Cutting deck scheme. Budget for capital receipt of say [REDACTED]
- Opportunity to remove vehicles (taxis, staff car parking, passenger drop off) from site may reflect wider NR policy, improve security, reduce vehicle pollution in station.
- Future proofs for a new platform 8 if this is ever required.
- Could help address commitments made to Millennium Hotels in TAWS agreement.

- Optimises this 'once in a lifetime' opportunity for Queen St Station to become focal point within the City for transport, retail, work and leisure.

SUMMARY OF FINANCIAL BENEFITS

	EGIP Scheme	Comprehensive Scheme
CAPITAL RECEIPTS <ul style="list-style-type: none"> • N. Cutting (Premium payable by Land Sec for lease of airspace) • Podium (Premium payable by office developer for development rights above podium level) • Total Capital Receipts 	Nil Nil Nil	[REDACTED] [REDACTED] [REDACTED]
CAPITALISED RENTAL INCOME (i.e. Investment value from retail rent that could be achieved if sold as income stream at some future point)	[REDACTED]	[REDACTED]
TOTAL VALUE	[REDACTED]	[REDACTED]

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Please let me know if any of the above requires further explanation.

Regards

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From: [REDACTED]
Sent: 30 January 2018 15:38
To: [REDACTED]
Subject: FW: Queen Street - train shed roof

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Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED] (Scotland) [mailto:[REDACTED]@networkrail.co.uk]
Sent: 04 September 2017 15:10
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Queen Street - train shed roof

We discussed this further internally but the [REDACTED] was kept in the cost estimate since there is no other identified CP6 budget for this work.
Regards

From: [REDACTED]@transport.gov.scot [mailto:[REDACTED]@transport.gov.scot]
Sent: 04 September 2017 14:16
To: [REDACTED] (Scotland)
Cc: [REDACTED]
Subject: Queen Street - train shed roof

Afternoon [REDACTED]

Hope you are well.

When we met with [REDACTED] and [REDACTED] we discussed the merits of the inclusion of the [REDACTED] for the train shed roof in the estimate for North Hanover Street. I asked if you could discuss with NR colleagues internally the most appropriate place for this to sit as it had been identified in 2015 as requiring maintenance.

Grateful if you could advise if those discussions have taken place and the outcome.

Many thanks in advance.


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Dh'fhaodadh gum bi teachdaireachd sam bith bho Riaghaltas na h-Alba air a chlàradh neo air a sgrùdadh airson dearbhadh gu bheil an siostam ag obair gu h-èifeachdach neo airson adhbhar laghail eile. Dh'fhaodadh nach eil beachdan anns a' phost-d seo co-ionann ri beachdan Riaghaltas na h-Alba.

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FW: Buchanan Galleries - Planning

1

Out with scope /
Not relevant
no nearest.

S
To

Subject's personal business

No
that
ing
at only
has
terms
any
Ac
internal

[REDACTED]
[REDACTED]
[REDACTED] Planning and Building Control,
[REDACTED]
[REDACTED] Exchange Street,
[REDACTED]
[REDACTED]
[REDACTED]
E-mail: [REDACTED]

[REDACTED]
From: [REDACTED]
Sent: 30 January 2018 15:37
To: [REDACTED]
Subject: FW: NHS - '2015' Land Sec Scheme - Updated Cost Report
Attachments: Cost Estimate Levels 1-5 Addendum LS Scheme 22 Aug.pdf
Importance: High

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Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]@networkrail.co.uk]
Sent: 01 September 2017 11:56
To: [REDACTED]
Cc: [REDACTED]
Subject: NHS - '2015' Land Sec Scheme - Updated Cost Report
Importance: High

[REDACTED]
Following our meeting, please find attached T&T Cost Estimate which reflects construction of the 2015 Land Sec scheme updated for revised programme and any other factors that have changed since original estimate for that scheme was prepared.

It should be noted that in both this, and the cost summary previously provided for the alternative NHS Scheme, the [REDACTED] cost of our current NHS Scheme is reported within the current Queen Street AFC and the deduction below the line represents the portion of this [REDACTED] that will remain unspent/uncommitted as at October.

If you have any further questions, please do not hesitate to contact me.

Regards

[REDACTED]

[REDACTED]

EGIP

Reg
11(2)

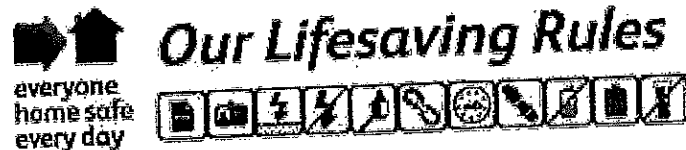
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From: [redacted]
Sent: 30 January 2018 15:37
To: [redacted]
Subject: FW: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

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Tel - [redacted]
Mobile - [redacted]

From: [redacted]@networkrail.co.uk]
Sent: 25 August 2017 15:44
To: [redacted]@scottishfuturestrust.org.uk; [redacted]@glasgow.gov.uk;
[redacted]@landsecurities.com; [redacted]
[redacted]@scotrail.co.uk; [redacted]
Cc: [redacted]@drs.glasgow.gov.uk
Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

All,

Further to the issue of our position paper on Wednesday 23 and our meeting with Landsec on Thursday 24 August, it was felt worthwhile to set out for illustrative purposes, the cost and programme associated with the original Landsec proposals for the NHS site.

“2015” Landsec Scheme (Multi-Storey Car Park)

The cost estimate previously prepared for the ‘2015’ Land Securities Scheme has been revised to reflect updated programme and current site activity, as summarised below:

Description	Cost Estimate £m
Podium Building	[redacted]
Associated / additional Costs	[redacted]
Total Estimated Scheme Costs	[redacted]
Less – Reduction in Queen St AFC to reflect the value of uncompleted / uncommitted spend on current NHS Scheme*	[redacted]
Net Total Estimated Scheme Costs	[redacted]

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*The current Queen Street AFC will reduce by an amount equivalent to the value of uncompleted / uncommitted expenditure on the current North Hanover Street scheme. This is estimated to be in the region of [REDACTED] depending on when any instruction to cease work is confirmed.

Looking at the high level programme for this scheme, it's felt that the development deck could be delivered [REDACTED]

Regards,

Infrastructure Projects
Scotland and North East
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36 North Hanover Street, Glasgow G1 2AD

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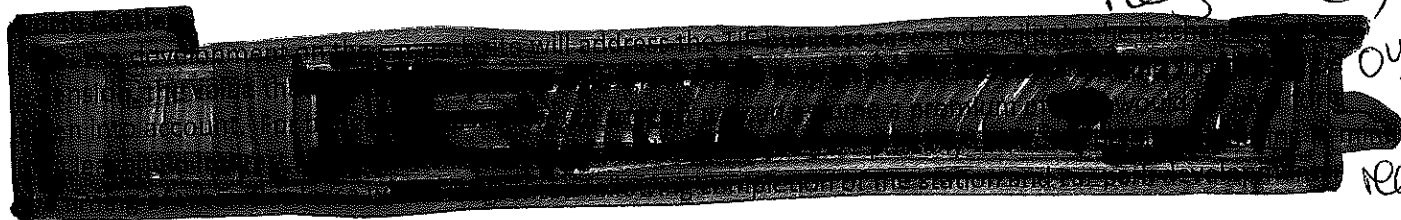
From: [REDACTED]
Sent: 30 January 2018 15:36
To: McBride R (Robert)
Subject: FW: Queen St

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[REDACTED]
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Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]@networkrail.co.uk]
Sent: 24 August 2017 10:33
To: [REDACTED]
Subject: RE: Queen St

Following our meeting yesterday there are a couple more points I wanted to highlight that may assist the business case:



Retail Investment Value

The retail built within the car park would be of considerable interest to investors looking for a secure income backed up with the covenant strength of Network Rail. Post development it would be possible to 'sell' the income achieved from the retail via a sale and leaseback arrangement (albeit in this instance grant of a long leasehold interest of say 30 yrs would be preferable to sale). We would receive a significant capital payment and in return pay a rent to the purchaser. We would retain full control of the station and could utilise the retail space for station/operational purposes if ever required to do so. This would not be an issue for the investor whose interest is in the rent paid by NR rather than the use to which the property is put. NR's status following reclassification would make this a very secure income for any investor and this will be reflected in the price paid. Payback/lease term could be 30 yrs and we would benefit from any profit rent achieved that is over and above the rent payable to the purchaser.

Regards
[REDACTED]

From: [REDACTED] (Scotland)
Sent: 16 August 2017 16:07
To: [REDACTED]@transport.gov.scot;
Cc: [REDACTED]@networkrail.co.uk; [REDACTED]@networkrail.co.uk; [REDACTED]
Subject: Queen St

I have set out below some further explanation to the figures presented in my email of 16th May. Please treat these as confidential and not to be shared with Land Securities or Glasgow City Council.

Retail

At present, the below podium retail provision remains as it was designed at June 2015. This provided for 35,000 sq ft of space arranged over two floors with the first being largely F&B.

Total rent assessment (base, turnover and ancillary) has been assessed as [REDACTED] per annum by Network Rail's retail team.

The expectation is that the majority of the income will flow from the ground floor/concourse level. It has been assumed that a new station entrance is constructed at Cathedral St level and so the mezzanine level will benefit from the pedestrian flow that this creates.

Rent has been capitalised at [REDACTED] for base, [REDACTED] on turnover and [REDACTED] on ancillary. Net development value is considered to be [REDACTED].

Re-design of the below podium layout is probably a necessity to develop a construction deck off which an office scheme will be developed. This would provide an opportunity to consider improving the layout of the station and passenger facilities, including retail.

Offices

The scheme proposed by Land Securities includes 305,591 sq ft GIA. For the purpose of appraisals NIAs have been assumed at 263,152 sq ft. Accommodation is Grade A. There is ancillary retail within the office scheme (accessed from Cathedral St) of 27,521 sq ft.

It is assumed that rents achievable would be [REDACTED] of producing an assessment of [REDACTED] per annum. For the ancillary F&B, [REDACTED] psf has been applied. Total rent assessment is [REDACTED] per annum. In assessing the rent that could be achieved, the rate psf was reduced to reflect the North Hanover St address, the road gradient, Cathedral St entrance and the fact that there is no real presence on George Square due to the existing M&C hotel. These figures are below those suggested as achievable by Land Sec.

Lack of car parking provision for the offices has also been reflected in the valuation. It is however noted that some spaces could be made available in the existing Buchanan Galleries mscp.

It was concluded that if the office podium was presented to the market, it is feasible that a price in the order of [REDACTED] to [REDACTED] could be achieved, albeit most likely at the bottom end of this range.

Timeline assumptions

These figures assumed a timeline of [REDACTED] for the completion of the retail and podium level. Offices to be completed [REDACTED]. Phasing of development would be likely.

Please let me know if you require any further explanation.

Regards

[REDACTED]
[REDACTED]
Network Rail
1st Floor, George House
36 North Hanover Street
Glasgow G1 2AD

M: [REDACTED]
E: [REDACTED]

Reg 11 (2)

www.networkrail.co.uk/property

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From: [REDACTED]
Sent: 30 January 2018 15:36
To: [REDACTED]
Subject: FW: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM
Attachments: EGIP -GQS - Station Redevelopment - Position Paper (23.08. final.5).docx; EGIP - GQS - Station Redevelopment - NHSD August 2017 Review -High Levelxlsx

[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED] [mailto:[REDACTED]@networkrail.co.uk]
Sent: 23 August 2017 16:59
To: [REDACTED]@scottishfuturestrust.org.uk; [REDACTED]@glasgow.gov.uk;
[REDACTED]@landsecurities.com; [REDACTED]@scotrail.co.uk; [REDACTED]@drs.glasgow.gov.uk
Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

All,

Please find enclosed our position paper on the above together with a separate file that details the high level timeline. Whilst, It is expected that further discussions will take place on this, however, it is important that this was issued to Transport Scotland today. As [REDACTED] pointed out earlier, if amendments are required, these can be carried out by the end of this week.

Thanks again for your help on this.

Best regards,

[REDACTED]
Infrastructure Projects
Scotland and North East

Reg 11(2)

3rd Floor Desk 31
36 North Hanover Street, Glasgow G1 2AD

T [REDACTED] 5 (Ext) [REDACTED]
M [REDACTED] 8
E [REDACTED]@networkrail.co.uk
W www.networkrail.co.uk

From: [REDACTED]
Sent: 23 August 2017 13:19
To: [REDACTED]@transport.gov.scot; [REDACTED]@scottishfuturestrust.org.uk; [REDACTED]@glasgow.gov.uk;
[REDACTED]@landsecurities.com; [REDACTED]
[REDACTED]@scotrail.co.uk; [REDACTED]
Cc: [REDACTED]@drs.glasgow.gov.uk
Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME
WORKSTREAM - DRAFT POSITION PAPER

All,

I have updated this paper to incorporate a number of changes suggested by a number of the team. I have also included a high level programme, with the cost breakdown to follow.

One of the bigger changes is on the cost, this has now come down to a range of [REDACTED]. As set out in the paper, we have now considered the uncompleted /uncommitted/ cessation expenditure on the current NHS project and deducted this allowance. This amount may change dependant on timing of any change.

Can I ask we use this current version for any further suggested changes.

Regards,

From: [REDACTED]
Sent: 22 August 2017 16:17
To: [REDACTED]@transport.gov.scot; [REDACTED]@scottishfuturestrust.org.uk; [REDACTED] (DRS);
[REDACTED] (Scotland); [REDACTED]
Cc: [REDACTED]@drs.glasgow.gov.uk
Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME
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All,

As agreed at our review kick off meeting on 14 August, please find enclosed DRAFT position paper on the above.

The intention is to finalise this paper tomorrow and forward to Transport Scotland.


It is now very difficult to make any meaningful comparison with the previous [REDACTED] cost and completion [REDACTED] given the re-design of the development (ref [REDACTED] earlier email) and the different timescales and other costs that are now included, such as the train shed roof strengthening.

I feel the paper covers all the questions asked, however, please do not hesitate to get back to me with any comments or queries.

Thanks again for all your help in completing this exercise in such a short timescale.

Let me know if you feel a conference call being set up tomorrow will help any discussion?

Best regards,

 Reg 11 (2)

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QUEEN STREET STATION PROJECT – NORTH HANOVER STREET/GLASGOW TIF

1. Background

With Queen Street Station Redevelopment Project (Part of EGIP) now in implementation, Network Rail (NR) has been requested by Transport Scotland to consider the implications on cost and programme of taking forward an alternative proposal for the North Hanover Street (NHS). This alternative proposal would be in lieu of the station scheme currently underway within NHS site and better aligns with the aspirations of the Glasgow Tax Incremental Financing Scheme.

2. Introduction

The purpose of the paper is to provide key information, including; programme implications on KO3 and KO4, costs, temporary accommodation requirements for Abellio ScotRail (ASR) staff and details of when retail will be available to passengers.

3. Executive Summary

If the alternative proposal is taken forward within the NHS site, the Queen Street Station Redevelopment KO3 and KO4 can still be delivered for December 2019 and March 2020 respectively, as currently planned. Platform 1 extension can also be delivered as planned by July 2018 (targeted for May 2018); this assuming the staff can be relocated for the longer duration. Indicative gross cost for the revised scheme is circa [redacted] with a net cost position of [redacted]

A key assumption is that the proposed car park proposed by Land Securities (2015) should be re-designed to accommodate a Grade A office development.

[redacted]

4. Programme/Schedule

The dates set out in the table below are based on a new design and planning permission for the development deck. It is the view of NR Property and the design team that the Land Sec scheme (from 2015), which was for a multi-storey car park, is not best placed to support a Grade A office development.

Programme Milestone	Forecast
Main Works Start On Site	[redacted]
Operational Staff Accommodation Building Complete	[redacted]
Platform 1 4-car Platform Extension Works Complete	[redacted]
KO3 Revised Regulated Milestone	[redacted]
KO4 Revised Regulated Milestone	[redacted]
Temporary Staff Accommodation	[redacted]
Revised Staff Accommodation Complete	[redacted]
Revised NHS Scheme (Development Deck) Complete	[redacted]

Reg
10
(5)(e)

It is worth noting, if we go ahead with the revised scheme, passengers will face close to 8 years of continuous development at the station. This will include the train shed roof strengthening works

(wind loading) which depending on the extent of the works may require an extensive crash deck above the station platforms, although the timescales for these works is to be confirmed on completion of the ongoing assessment works.

5. Station Operation Facilities

[Redacted]

[Redacted]

6. Station Retail

Station retail would not be available until the [Redacted] with this scheme, albeit it would be more extensive than what is currently planned.

7. Cost Position

Indicative gross cost for the revised scheme is circa [Redacted] with a net cost position of [Redacted]n. The table below breaks down the [Redacted]n cost.

In summary it comprises [Redacted] of construction costs for the revised podium scheme together with a further [Redacted] of other costs associated with the scheme.

Description	Cost Estimate £m
Podium Building	
Construction with Prelims and Design	[Redacted]
Risk Allowance P80	[Redacted]
Inflation from 4Q2015 to mid-point construction 1Q2023	[Redacted]
<i>Sub-Total Podium Building</i>	[Redacted]
Associated/Additional Costs	
ScotRail Temporary Accommodation/Parking	[Redacted]
Temp retail & passenger Facilities	[Redacted]
Design / Procurement new development above podium level	[Redacted]
Structural works to train shed roof	[Redacted]
<i>Sub-Total Associated Costs</i>	[Redacted]
Total Estimated Scheme Costs	[Redacted]
Less – Reduction in Queen St AFC to reflect the value of uncompleted / uncommitted spend on current NHS Scheme*	[Redacted]
Net Total Estimated Scheme Costs	[Redacted]

Reg 10 (5)(e)

**The current Queen Street AFC will reduce by an amount equivalent to the value of uncompleted / uncommitted expenditure on the current North Hanover Street scheme. This is estimated to be in the region of [REDACTED] depending on when any instruction to cease work is confirmed.* Reg 10(5)(e)

8. Development Deck

It is proposed that NR build up to and including the development deck. The appointed developer would then build the office block from the available deck. It should be noted that the development deck will need to be sufficient to allow for ongoing station operations below whilst the office development is being constructed above in due course

9. Design & Town Planning

While the consent granted to LS Buchanan is still extant, NR believes a revised planning application will be required for the following reasons;

- The layout, and impacts, of the alternative scheme may be considered to be sufficiently different from the consented scheme that a separate consent may be required;
- If relying on the extant consent; it is subject to the approval of a number of matters prior to commencement of the development/phases of the development which may not all be related to the podium;
- It is generally accepted that you can't be selective as regards which elements of a development to carry out; and
- There is a provision in the Act (S61) which enables the planning authority to serve a Completion Notice to ensure consent is implemented in its entirety and within a reasonable time.

Therefore, there is a requirement to submit a new Town Planning Application. In order to do this, an outline design is required for the whole development.

10. TAWS Order Obligations

If we proceed with the scheme to develop an alternative proposal for the Station car park, early engagement with Archyfield (Millennium Copthorne Hotel) during design development will be required. Under our TAWS agreement we are obliged to have a good faith discussion on any redevelopment of the car park which involves the disposal of development rights with Archyfield. We are obliged to give Archyfield an opportunity for them to put forward a proposal to Network Rail for their proposed redevelopment which would extend the Hotel.

11. Next steps/Decisions

With implementation works very much underway in the NHS site, an early decision would be beneficial. The information contained herein is based on a decision being made by end of September 2017. Any change to this, will mean the programme and cost will require to be further assessed.

It is also recommended that if the Glasgow TIF scheme is approved for the NHS site, that an integrated team review is set up to work through further details of the impact on; programme, cost, passenger and TOC operation.

Reg 11(2)
[REDACTED]
23 August 2017

22 August 2017

Report

Cost Estimate, Levels 01-05 North Hanover
Street Development

Queen Street Station, Glasgow
Network Rail

making the difference

DRAFT

2009
10/15/16



Turner & Townsend Cost Management Limited
33 Bothwell Street
2nd Floor
Glasgow
G2 6NL



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e: 
w: 

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2	Summary of Estimated Cost	3
3	Basis of Construction Costs with North Hanover Street Proposal	4
4	Construction Cost Estimate	5
5	Information available for review	6
6	Indirect costs	7
7	Exclusions	8

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Rev	Originator	Approved	Date
0			21 August 2017
1			22 August 2017
2			23 August 2017

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F:\GLA\CM\PROJ\QS23162- QUEEN STREET GRIP3 AND 4\2017\COST ESTIMATE LEVES 1-5 22 AUG REV 2.DOCX

[REDACTED]
From: [REDACTED]
Sent: 30 January 2018 15:36
To: [REDACTED]
Subject: FW: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM
Attachments: EGIP -GQS - Station Redevelopment - Position Paper (23.08. final.5).docx; Cost Estimate Leves 1-5 22 Aug Rev 2.pdf; EGIP - GQS - Station Redevelopment - NHSD August 2017 Review High Levelxlsx

[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile - 0 [REDACTED]

From: [REDACTED]@networkrail.co.uk]

Sent: 23 August 2017 16:41

To: [REDACTED]

Cc: [REDACTED]

Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

[REDACTED]
As requested, please find enclosed our position paper on the above. I have also included separate files that detail the high level timeline together with a breakdown of the indicative cost.

I trust this covers all the key points as set out in your email of 11 August 2017, however, please do not hesitate to contact me should you have any queries on this.

Best regards,

[REDACTED]

[REDACTED]
Infrastructure Projects
Scotland and North East
3rd Floor Desk 31
36 North hanover Street, Glasgow G1 2AD

T [REDACTED] (Ext) [REDACTED]
M [REDACTED]
E [REDACTED]@networkrail.co.uk
W www.networkrail.co.uk

From: [REDACTED]
Sent: 23 August 2017 13:19
To: [REDACTED]@transport.gov.scot; [REDACTED]@scottishfuturestrust.org.uk; [REDACTED]@glasgow.gov.uk;
[REDACTED]@landsecurities.com; [REDACTED]
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I feel the paper covers all the questions asked, however, please do not hesitate to get back to me with any comments or queries.

Thanks again for all your help in completing this exercise in such a short timescale.

Let me know if you feel a conference call being set up tomorrow will help any discussion?

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 Reg
11/12

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A key assumption is that the proposed car park proposed by Land Securities (2015) should be re-designed to accommodate a Grade A office development.

[redacted] Reg (S)(e)

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The dates set out in the table below are based on a new design and planning permission for the development deck. It is the view of NR Property and the design team that the Land Sec scheme (from 2015), which was for a multi-storey car park, is not best placed to support a Grade A office development.

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Reg 10(5)(e)

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Reg
10
(5)(e)

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[redacted]
23 August 2017

reg
11
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res 11 (27)

Tel - 0 [REDACTED]
Mobile - 0 [REDACTED]

of the team. I have also
reg 10 (5) (e)

I have updated this paper to incorporate a number of changes suggested by a number of the team. I have also included a high level programme, with the cost breakdown to follow.

 $\log_{11}(2)$

Regards,

1

reg 11 (27)
Cc: [redacted]@drs.glasgow.gov.uk
Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME
WORKSTREAM - DRAFT POSITION PAPER

All,

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[redacted] given the re-design of the development (ref [redacted] earlier email) and the different timescales and other (S) (P)
costs that are now included, such as the train shed roof strengthening.

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[redacted] Reg 11 (27)

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QUEEN STREET STATION PROJECT – NORTH HANOVER STREET/GLASGOW TIF

1. Background

With Queen Street Station Redevelopment Project (Part of EGIP) now in implementation, Network Rail (NR) has been requested by Transport Scotland to consider the implications on cost and programme of taking forward an alternative proposal for the North Hanover Street (NHS). This alternative proposal would be in lieu of the station scheme currently underway within NHS site and better aligns with the aspirations of the Glasgow Tax Incremental Financing Scheme.

2. Introduction

The purpose of the paper is to provide key information, including, programme implications on KO3 and KO4, costs, temporary accommodation requirements for Abellio ScotRail (ASR) staff and details of when retail will be available to passengers.

3. Executive Summary

If the alternative proposal is taken forward within the NHS site, the Queen Street Station Redevelopment KO3 and KO4 can still be delivered for December 2019 and March 2020 respectively, as currently planned. Platform 1 extension can also be delivered as planned by July 2018 (targeted for May 2018); this assuming the staff can be relocated for the longer duration. Indicative gross cost for the revised scheme is circa £[REDACTED] with a net cost position of [REDACTED].

A key assumption is that the proposed car park proposed by Land Securities (2015) should be re-designed to accommodate a Grade A office development.

4. Programme/Schedule

The dates set out in the table below are based on a new design and planning permission for the development deck. It is the view of NR Property and the design team that the Land Sec scheme (from 2015), which was for a multi-storey car park, is not best placed to support a Grade A office development.

Programme Milestone	Forecast
Main Works Start On Site	[REDACTED]
Operational Staff Accommodation Building Complete	[REDACTED]
Platform 1 4-car Platform Extension Works Complete	[REDACTED]
KO3 Revised Regulated Milestone	[REDACTED]
KO4 Revised Regulated Milestone	[REDACTED]
Temporary Staff Accommodation	[REDACTED] 23
Revised Staff Accommodation Complete	[REDACTED]
Revised NHS Scheme (Development Deck) Complete	[REDACTED]

It is worth noting, if we go ahead with the revised scheme, passengers will face close to 8 years of continuous development at the station. This will include the train shed roof strengthening works

(wind loading) which depending on the extent of the works may require an extensive crash deck above the station platforms, although the timescales for these works is to be confirmed on completion of the ongoing assessment works.

5. Station Operation Facilities

[Redacted text block]

[Redacted text block]

6. Station Retail

Station retail would not be available until the May of 2024 with this scheme, albeit it would be more extensive than what is currently planned.

7. Cost Position

Indicative gross cost for the revised scheme is circa [Redacted] with a net cost position of [Redacted]. The table below breaks down the [Redacted] cost.

In summary it comprises [Redacted] of construction costs for the revised podium scheme together with a further [Redacted] of other costs associated with the scheme.

Description	Cost Estimate £m
Podium Building	
Construction with Prelims and Design	[Redacted]
Risk Allowance P80	[Redacted]
Inflation from 4Q2015 to mid-point construction 1Q2023	[Redacted]
<i>Sub-Total Podium Building</i>	[Redacted]
Associated/Additional Costs	
ScotRail Temporary Accommodation/Parking	[Redacted]
Temp retail & passenger Facilities	[Redacted]
Design / Procurement new development above podium level	[Redacted]
Structural works to train shed roof	[Redacted]
<i>Sub-Total Associated Costs</i>	[Redacted]
Total Estimated Scheme Costs	[Redacted]
Less – Reduction in Queen St AFC to reflect the value of uncompleted / uncommitted spend on current NHS Scheme*	[Redacted]
Net Total Estimated Scheme Costs	[Redacted]

reg
(S)(e)¹⁰

**The current Queen Street AFC will reduce by an amount equivalent to the value of uncompleted / uncommitted expenditure on the current North Hanover Street scheme. This is estimated to be in the region of [REDACTED] depending on when any instruction to cease work is confirmed.*

8. Development Deck

It is proposed that NR build up to and including the development deck. The appointed developer would then build the office block from the available deck. It should be noted that the development deck will need to be sufficient to allow for ongoing station operations below whilst the office development is being constructed above in due course

9. Design & Town Planning

While the consent granted to LS Buchanan is still extant, NR believes a revised planning application will be required for the following reasons;

- The layout, and impacts, of the alternative scheme may be considered to be sufficiently different from the consented scheme that a separate consent may be required;
- If relying on the extant consent; it is subject to the approval of a number of matters prior to commencement of the development/phases of the development which may not all be related to the podium;
- It is generally accepted that you can't be selective as regards which elements of a development to carry out; and
- There is a provision in the Act (S61) which enables the planning authority to serve a Completion Notice to ensure consent is implemented in its entirety and within a reasonable time.

Therefore, there is a requirement to submit a new Town Planning Application. In order to do this, an outline design is required for the whole development.

10. TAWS Order Obligations

If we proceed with the scheme to develop an alternative proposal for the Station car park, early engagement with Archyfield (Millennium Copthorne Hotel) during design development will be required. Under our TAWS agreement we are obliged to have a good faith discussion on any redevelopment of the car park which involves the disposal of development rights with Archyfield. We are obliged to give Archyfield an opportunity for them to put forward a proposal to Network Rail for their proposed redevelopment which would extend the Hotel.

11. Next steps/Decisions

With implementation works very much underway in the NHS site, an early decision would be beneficial. The information contained herein is based on a decision being made by end of September 2017. Any change to this, will mean the programme and cost will require to be further assessed.

It is also recommended that if the Glasgow TIF scheme is approved for the NHS site, that an integrated team review is set up to work through further details of the impact on; programme, cost, passenger and TOC operation.

[REDACTED]
23 August 2017

From: [REDACTED]
Sent: 30 January 2018 15:31
To: [REDACTED]
Subject: FW: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM - DRAFT POSITION PAPER
Attachments: EGIP -GQS - Station Redevelopment - Position Paper (final draft.3).docx

[REDACTED]
[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]@networkrail.co.uk]

Sent: 22 August 2017 16:17

To: [REDACTED]@scottishfuturestrust.org.uk; [REDACTED]
[REDACTED]

Cc: [REDACTED]n@drs.glasgow.gov.uk

Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM - DRAFT POSITION PAPER

All,

As agreed at our review kick off meeting on 14 August, please find enclosed DRAFT position paper on the above.

The intention is to finalise this paper tomorrow and forwarded to Transport Scotland.

It is now very difficult to make any meaningful comparison with the previous [REDACTED] cost and completion by [REDACTED] given the re-design of the development (ref [REDACTED] earlier email) and the different timescales and other costs that are now included, such as the train shed roof strengthening.

I feel the paper covers all the questions asked, however, please do not hesitate to get back to me with any comments or queries.

Thanks again for all your help in completing this exercise in such a short timescale.

Let me know if you feel a conference call being set up tomorrow will help any discussion?

Best regards,

[REDACTED] Reg 11(2)

Reg 11(2)

Reg 10(5)(e)

QUEEN STREET STATION PROJECT – NORTH HANOVER STREET/GLASGOW TIF

1. Background

With Queen Street Station Redevelopment Project (Part of EGIP) now in implementation, Network Rail (NR) has been requested by Transport Scotland to consider the implications on cost and programme of taking forward the North Hanover Street (NHS) Glasgow TIF development, in lieu of the station scheme currently underway within NHS site.

2. Introduction

The purpose of the paper is to provide key information, including: programme implications on KO3 and KO4, costs, temporary accommodation requirements for Abellio ScotRail (ASR) staff and details of when retail will be available to passengers.

3. Executive Summary

If the Glasgow TIF development is taken forward within the NHS site, the Queen Street Station Redevelopment KO3 and KO4 can still be delivered for December 2019 and March 2020 respectively, as currently planned. Platform 1 extension can also be delivered as planned by July 2018 (targeted for May 2018).

A key assumption is that the proposed development deck proposed by Land Securities (2015) should re-designed to better suit a Grade A office development.

4. Programme/Schedule

The dates set out in the table below are based on a new design and planning permission for the development deck. It is the view of NR Property and the design team that the Land Sec scheme (from 2015), which was for a multi-storey car park, is not best placed to support a Grade A office development.

Programme Milestone	Forecast
Main Works Start On Site	
Operational Staff Accommodation Building Complete	
Platform 1 4-car Platform Extension Works Complete	
KO3 Regulated Milestone	
KO4 Regulated Milestone	
Temporary Staff Accommodation	
Revised Staff Accommodation Complete	
Revised NHS Scheme (Development Deck) Complete	

It is worth noting, if we go ahead with the revised scheme, our passengers will face close to over 8 years of continuous development at the station. This includes the train shed roof strengthening works (wind loading) which will require an extensive crash deck above the station platforms.

5. Station Operation Facilities

6. Station Retail

Station retail would not be available until the [redacted] with this scheme, albeit it would be considerably more extensive than what is currently planned.

7. Cost Position

Indicative gross cost for the revised scheme is circa [redacted] n. The table below breaks down the [redacted] cost.

In summary it comprises [redacted] of construction costs for the revised podium scheme together with a further [redacted] of other costs associated with the scheme

Description	Cost Estimate £m
Podium Building	
Construction with Prelims and Design	[redacted]
Risk Allowance P80	[redacted]
Inflation from 4Q2015 to mid-point construction 1Q2023	[redacted]
<i>Sub-Total Podium Building</i>	[redacted]
Associated/Additional Costs	
Costs of current works to end October 2017	[redacted]
ScotRail Temporary Accommodation/Parking	[redacted]
Temp retail & passenger Facilities	[redacted]
Design / Procurement new development above podium level	[redacted]
Structural works to train shed roof	[redacted]
<i>Sub-Total Associated Costs</i>	[redacted]
Total Estimated Scheme Costs	[redacted]

Reg

(i)(e)

8. Development Deck

It is proposed that NR build up to and including the development deck. The appointed developer would then build the office block from the available deck. It should be noted that the development deck will need to be sufficient to allow for ongoing station operations below whilst the office development is being constructed above in due course.

9. Design & Town Planning

While the consent granted to LS Buchanan is still extant, NR does not consider that should be used to develop the podium. The reasons for this are set out below:

- The layout, and impacts, of our podium scheme may be considered to be sufficiently different from the consented scheme that a separate consent may be required;
- If relying on the extant consent; it is subject to the approval of a number of matters prior to commencement of the development/phases of the development which may not all be related to the podium;
- It is generally accepted that you can't be selective as regards which elements of a development to carry out; and
- There is a provision in the Act (S61) which enables the planning authority to serve a Completion Notice to ensure consent is implemented in its entirety and within a reasonable time.

Therefore, there is a requirement to submit a new Town Planning Application. In order to do this, an outline design is required for the whole development.


10. TAWS Order Obligations

If we proceed with the scheme to develop an alternative proposal for the Station car park, early engagement with Archyfield during design development will be required. Under our TAWS agreement we are obliged to have a good faith discussion on any redevelopment of the car park which involves the disposal of development rights with Archyfield. We are obliged to give Archyfield an opportunity for them to put forward a proposal to Network Rail for their proposed redevelopment which would extend the Hotel.

11. Next steps/Decisions

With implementation works very much underway in the NHS site, an early decision would be beneficial. The information contained herein is based on a decision being made by end of September 2017. Any change to this, will mean the programme and cost will require to be further assessed.

It is also recommended that if the Glasgow TIF development is approved for the NHS site, that an integrated team review is set up to work through further detail of the impact on; programme, cost, passenger and TOC operation.


22 August 2017

From: [REDACTED]
Sent: 30 January 2018 15:31
To: [REDACTED]
Subject: FW: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM - DRAFT POSITION PAPER
Attachments: EGIP -GQS - Station Redevelopment - Position Paper (final draft.3).docx

[REDACTED]
[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]
Sent: 23 August 2017 11:45
To: [REDACTED]@networkrail.co.uk
Cc: [REDACTED]@scottishfuturestrust.org.uk; [REDACTED]@glasgow.gov.uk; [REDACTED]
[REDACTED]@networkrail.co.uk; [REDACTED]@networkrail.co.uk; [REDACTED]
[REDACTED]@networkrail.co.uk; [REDACTED]@networkrail.co.uk; [REDACTED]
[REDACTED]@landsec.com); [REDACTED]
[REDACTED]@glasgow.gov.uk)
Subject: FW: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM - DRAFT POSITION PAPER

Many thanks for pulling the draft paper on programme and cost together in such challenging timescales. I have made a few suggested amendments to the paper for consideration.

Regards
[REDACTED]

From: [REDACTED]@networkrail.co.uk
Sent: 22 August 2017 16:17
To: [REDACTED]@scottishfuturestrust.org.uk; [REDACTED] (DRS); [REDACTED]
[REDACTED] (Scotland); [REDACTED]
Cc: [REDACTED]@drs.glasgow.gov.uk
Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM - DRAFT POSITION PAPER

All,

As agreed at our review kick off meeting on 14 August, please find enclosed DRAFT position paper on the above.

The intention is to finalise this paper tomorrow and forwarded to Transport Scotland.

It is now very difficult to make any meaningful comparison with the previous [redacted] cost and completion [redacted] given the re-design of the development (ref [redacted]'s earlier email) and the different timescales and other costs that are now included, such as the train shed roof strengthening.

I feel the paper covers all the questions asked, however, please do not hesitate to get back to me with any comments or queries.

Thanks again for all your help in completing this exercise in such a short timescale.

Let me know if you feel a conference call being set up tomorrow will help any discussion?

Best regards,

[redacted] reg 11 (2)

reg 10 (5) (6)

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Network Rail, 2nd Floor, One Eversholt Street, London, NW1 2DN

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QUEEN STREET STATION PROJECT – NORTH HANOVER STREET/GLASGOW TIF

1. Background

With Queen Street Station Redevelopment Project (Part of EGIP) now in implementation, Network Rail (NR) has been requested by Transport Scotland to consider the implications on cost and programme of taking forward an alternative proposal for the North Hanover Street (NHS) – Glasgow TIF development. This alternative proposal would be in lieu of the station scheme currently underway within NHS site and better aligns with the aspirations of the Glasgow Tax Incremental Financing scheme.

2. Introduction

The purpose of the paper is to provide key information, including; programme implications on KO3 and KO4, costs, temporary accommodation requirements for Abellio ScotRail (ASR) staff and details of when retail will be available to passengers.

3. Executive Summary

If the alternative proposal Glasgow TIF development is taken forward within the NHS site, the Queen Street Station Redevelopment KO3 and KO4 can still be delivered for December 2019 and March 2020 respectively, as currently planned. Platform 1 extension can also be delivered as planned by July 2018 (targeted for May 2018).

A key assumption is that the proposed development deck proposed by Land Securities (2015) should be re-designed to better suit a Grade A office development.

[REDACTED]

4. Programme/Schedule

The dates set out in the table below are based on a new design and planning permission for the development deck. It is the view of NR Property and the design team that the Land Sec scheme (from 2015), which was for a multi-storey car park, is not best placed to support a Grade A office development.

Programme Milestone	Forecast
Main Works Start On Site	[REDACTED]
Operational Staff Accommodation Building Complete	[REDACTED]
Platform 1 4-car Platform Extension Works Complete	[REDACTED]
KO3 Regulated Milestone	[REDACTED]
KO4 Regulated Milestone	[REDACTED]
Temporary Staff Accommodation	[REDACTED]
Revised Staff Accommodation Complete	[REDACTED]
Revised NHS Scheme (Development Deck) Complete	[REDACTED]

Comment [u1]: Would it be possible to have the fuller programme in pdf format as it may be submitted as a supplementary. From milestones proposed I think we would want to see the design process and timescales articulated as well as the indicative start on site for the North Hanover Street development.

Page 11 (5/6)

It is worth noting, if we go ahead with the revised scheme, our passengers will face close to over 8 years of continuous development at the station. This includes the train shed roof strengthening works (wind loading) which will require an extensive crash deck above the station platforms.

DRAFT

5. Station Operation Facilities

[Redacted]

[Redacted]

6. Station Retail

Station retail would not be available until the [Redacted] with this scheme, albeit it would be considerably more extensive than what is currently planned.

7. Cost Position

Indicative gross cost for the revised scheme is circa [Redacted]. The table below breaks down the [Redacted] cost.

In summary it comprises [Redacted] of construction costs for the revised podium scheme together with a further [Redacted] of other costs associated with the scheme.

Description	Cost Estimate £m
Podium Building	
Construction with Prelims and Design	[Redacted]
Risk Allowance P80	[Redacted]
Inflation from 4Q2015 to mid-point construction 1Q2023	[Redacted]
<i>Sub-Total Podium Building</i>	[Redacted]
Associated/Additional Costs	
Costs of current works to end October 2017	[Redacted]
ScotRail Temporary Accommodation/Parking	[Redacted]
Temp retail & passenger Facilities	[Redacted]
Design / Procurement new development above podium level	[Redacted]
Structural works to train shed roof	[Redacted]
<i>Sub-Total Associated Costs</i>	[Redacted]
Total Estimated Scheme Costs	[Redacted]

Comment [u2]: Could we have the detail sitting behind the cost estimate which T&T will have revised since June submission.

Reg
10.15 (e)

Reg
11(2)

Comment [u3]: Had some discussion with [Redacted] and [Redacted] this morning. Agreed that NR would look at appropriateness of including this cost here as work was identified as being required in 2015. Not currently included in CP6 renewal/maintenance programme but may be best situated there. For the purposes of paper we will use a range of cost.

8. Development Deck

It is proposed that NR build up to and including the development deck. The appointed developer would then build the office block from the available deck. It should be noted that the development deck will need to be sufficient to allow for ongoing station operations below whilst the office development is being constructed above in due course.

9. Design & Town Planning

While the consent granted to LS Buchanan is still extant, NR believes a revised planning application will be required for the following reasons: ~~does not consider that should be used to develop the podium. The reasons for this are set out below:~~

- The layout, and impacts, of the alternative ~~our podium~~ scheme may be considered to be sufficiently different from the consented scheme that a separate consent may be required;
- If relying on the extant consent; it is subject to the approval of a number of matters prior to commencement of the development/phases of the development which may not all be related to the podium;
- It is generally accepted that you can't be selective as regards which elements of a development to carry out; and
- There is a provision in the Act (S61) which enables the planning authority to serve a Completion Notice to ensure consent is implemented in its entirety and within a reasonable time.

Therefore, there is a requirement to submit a new Town Planning Application. In order to do this, an outline design is required for the whole development.

10. TAWS Order Obligations

If we proceed with the scheme to develop an alternative proposal for the Station car park, early engagement with Archyld ~~(Millennium Copthorne Hotel)~~ during design development will be required. Under our TAWS agreement we are obliged to have a good faith discussion on any redevelopment of the car park which involves the disposal of development rights with Archyld. We are obliged to give Archyld an opportunity for them to put forward a proposal to Network Rail for their proposed redevelopment which would extend the Hotel.

11. Next steps/Decisions

With implementation works very much underway in the NHS site, an early decision would be beneficial. The information contained herein is based on a decision being made by end of September 2017. Any change to this, will mean the programme and cost will require to be further assessed.

It is also recommended that if the Glasgow TIF development is approved for the NHS site, that an integrated team review is set up to work through further detail of the impact on; programme, cost, passenger and TOC operation.

From: [REDACTED]
Sent: 30 January 2018 15:31
To: [REDACTED]
Subject: FW: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]@networkrail.co.uk]

Sent: 22 August 2017 14:04

To: [REDACTED]@scottishfuturestrust.org.uk; [REDACTED]

Subject: RE: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

Dear all,

Further to discussions last week regarding the redevelopment of the North Hanover Street car park site, I write to provide further information on the basis of the costing and programme work which is currently being undertaken by Network Rail.

The 2015 BDP design is of a single complete building built in one phase. In order to limit loading upon the low level railway, the design is a hung structure. Phasing construction so that the 'deck' is delivered first means that an alternative structural solution will be required to limit loading on the low level in the absence of the hung structure framework. The location and load bearing capacity of foundation piles will also have to be designed to accommodate future construction of the hung structure if it is ever delivered as a later construction phase.

The 2015 BDP design included foundations piles, stairwells, service cores, entrances etc. for a multi storey car park. Although the Benoy office scheme reflects the location of these elements, it cannot be assumed that this is would suitable for an office development. In particular, Cushman & Wakefield who acted for Network Rail in assessing viability of office development questioned whether the office scheme would be designed in such a manner. For instance phasing of development to reflect market demand and investors preference may lead the design towards individual buildings. Location of buildings may also be influenced by the requirement not to impact on the existing engine shed roof. These factors may require different location and loading capacity of piles which could require re-design of accommodation below podium level.

For the reasons outlined above, Network Rail's proposal is that a redesign is undertaken in conjunction with further consultant advice on office and investment market requirements. There is otherwise a considerable risk that the deck is designed in such a manner that it is unattractive to developers and remains unbuilt upon. As a key objective is to make sure the TIF business case is addressed through commercial development, it is crucial that the deck design offers flexibility to future office design so as to be as attractive as possible to developers. A redesign also offers an opportunity to consider how the below podium layout can be re-designed to better integrate with the main station accommodation and provide improved passenger facilities.

The initial advice of Network Rail's planning team is that we could not rely upon the existing Land Securities consent for the 2015 design and that we could not presume to build the 2015 design to podium level, but deliver an entirely redesigned different scheme above. On this basis, our programme will assume that a fresh planning consent will be sought for the works.

In addition, our working assumption is that Network Rail will dispose of the development opportunity above podium level. The selected purchaser/developer will be responsible for construction above podium level.

Kind regards,

Network Rail
151 St Vincent Street
Glasgow
Lanarkshire
G2 5NW

Int: [redacted]
Ext: [redacted]
E-mail: [redacted]@networkrail.co.uk

-----Original Appointment-----

From: [redacted]
Sent: 14 August 2017 11:05
To: [redacted]@transport.gov.scot; [redacted]@scottishfuturestrust.org.uk; [redacted]
[redacted] (Scotland); [redacted]
Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM
When: 16 August 2017 10:00-12:00 (UTC) Dublin, Edinburgh, Lisbon, London.
Where: Meeting Room 3.1; 3rd Floor George House.
Importance: High

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[REDACTED]
From: [REDACTED]
Sent: 30 January 2018 15:30
To: [REDACTED]
Subject: FW: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED] [REDACTED]@networkrail.co.uk]

Sent: 22 August 2017 12:49

To: [REDACTED]

Cc: [REDACTED] (Frozier)

Subject: RE: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

[REDACTED]
Thanks for your response. I know [REDACTED] as spoken with you earlier today as regards the redesign.

The reason for the redesign is mainly two fold:

- 1) To get a better a designed scheme more suitable to railway needs and more in line with the requirements of a on office block vice multi storey car park
- 2) To make sure we can build to podium level without a hung structure and but making sure the podium can accommodate an appropriate structure (be it hung or otherwise) which will carry the loads over the low level from the future office block development on the podium.

I plan to circulate the below later today.

Kind regards,

[REDACTED]

[REDACTED]
Network Rail

Reg
11/12

151 St Vincent Street
Glasgow
Lanarkshire
G2 5NW

Int: [REDACTED]
Ext: [REDACTED]
E-mail: [REDACTED]@networkrail.co.uk

From: [REDACTED]@transport.gov.scot [mailto:[REDACTED]@transport.gov.scot]
Sent: 22 August 2017 08:02
To: [REDACTED]
Cc: [REDACTED]@transport.gov.scot
Subject: RE: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

[REDACTED]

Thanks for this. I agree it would be helpful to circulate some form of capture of the outputs of the meeting last week. Obviously I wasn't party to the discussion with LS on the Thursday so not sure of their take on the proposed re-design. Given their technical competence I'm sure they were understanding of the proposed approach.

Just one query regarding the drafting of the proposed note and forgive my technical incompetence but the 2nd paragraph confuses me somewhat. We are saying that we are re-designing to reflect the move from a car park design above podium deck which was supported by a hung structure to limit the load bearing across the low level. It then goes on to indicate the re-design future proofing potential for a future hung structure? This sounds like we are proposing to over design on the basis that something might happen further down the line. From a TS perspective we are supportive of the requirement to re-design and of the opportunity to maximise the below deck development by rationalising the design in the absence of the hung structure. We are working on the basis of developing the podium for office accommodation or similar (noting the TAWS requirement to engage with the Hotel about any future development and present the opportunity for them to get involved).

Happy to discuss as appropriate.

Regards
[REDACTED]

From: [REDACTED]@networkrail.co.uk
Sent: 21 August 2017 17:54
To: [REDACTED]
Cc: [REDACTED]
Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

[REDACTED]

As a follow up to the NR/LS phone call last week on North Hanover Street, I thought it might be worth sending an update round the various parties SFT/GCC/LSB/TS/ScotRail setting out the principles of the cost and programme exercise currently being undertaken by Network Rail. This is in order to avoid any surprises to the team when information is shared next week. I would propose to send the below e-mail.

I would be grateful if you could advise if Transport Scotland agrees this would be appropriate, and let me know Transport Scotland's thoughts on e-mail and content therein below.

Thanks,
[REDACTED]

208
11/17

Dear all,

Further to our meeting last week to discuss the redevelopment of the North Hanover Street car park, I write to provide further information on the basis of the costing and programme work which is currently being undertaken by Network Rail.

The 2015 BDP design is of a single complete building built in one phase. In order to limit loading upon the low level railway, the design is a hung structure. Phasing construction so that the 'deck' is delivered first means that an alternative structural solution will be required to limit loading on the low level in the absence of the hung structure framework. The location and load bearing capacity of foundation piles will also have to be designed to accommodate future construction of the hung structure if it is ever delivered as a later construction phase.

The 2015 BDP design included foundations piles, stairwells, service cores, entrances etc. for a multi storey car park. Although the Benoy office scheme reflects the location of these elements, it cannot be assumed that this is would suitable for an office development. In particular, Cushman & Wakefield who acted for Network Rail in assessing viability of office development questioned whether the office scheme would be designed in such a manner. For instance phasing of development to reflect market demand and investors preference may lead the design towards individual buildings. Location of buildings may also be influenced by the requirement not to impact on the existing engine shed roof. These factors may require different location and loading capacity of piles which could require re-design of accommodation below podium level.

For the reasons outlined above, Network Rail's proposal is that a redesign is undertaken in conjunction with further consultant advice on office and investment market requirements. There is otherwise a considerable risk that the deck is designed in such a manner that it is unattractive to developers and remains unbuilt upon. As a key objective is to make sure the TIF business case is addressed through commercial development, it is crucial that the deck design offers flexibility to future office design so as to be as attractive as possible to developers. A redesign also offers an opportunity to consider how the below podium layout can be re-designed to better integrate with the main station accommodation and provide improved passenger facilities.

The initial advice of Network Rail's planning team is that we could not rely upon the existing Land Securities consent for the 2015 design and that we could not presume to build the 2015 design to podium level, but deliver an entirely redesigned different scheme above. On this basis, our programme will assume that a fresh planning consent will be sought for the works.

In addition, our working assumption is that Network Rail will dispose of the development opportunity above podium level. The selected purchaser/developer will be responsible for construction above podium level.

Kind regards,

[Redacted signature]

[Redacted signature]

Network Rail
151 St Vincent Street
Glasgow
Lanarkshire
G2 5NW

Int: [Redacted]
Ext: [Redacted]
E-mail: [Redacted]@networkrail.co.uk

REG 11(2)

From: [REDACTED]
Sent: 30 January 2018 15:25
To: [REDACTED]
Subject: FW: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM - Note of Meeting 16.08.17
Attachments: EGIP - GQS - Station Redevelopment - NHSD August 2017 Review Note of Meeting on 16.08.17 (v1, 17.08.17).doc

[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]@networkrail.co.uk]
Sent: 17 August 2017 09:59
To: [REDACTED]

Subject: RE: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM - Note of Meeting 16.08.17

All,

Please find attached note of meeting with key actions.

Regards,

[REDACTED]
[REDACTED]
EGIP
M [REDACTED]

-----Original Appointment-----

From: [REDACTED]
Sent: 14 August 2017 11:05
To: [REDACTED]@transport.gov.scot; [REDACTED]@scottishfuturestrust.org.uk; [REDACTED]
(DRS); [REDACTED] (Scotland); [REDACTED]

Subject: QUEEN STREET PROJECT - NORTH HANOVER STREET/GLASGOW TIF - COST AND PROGRAMME WORKSTREAM

When: 16 August 2017 10:00-12:00 (UTC) Dublin, Edinburgh, Lisbon, London.

Where: Meeting Room 3.1; 3rd Floor George House.

Importance: High

Res 11(2)

All as per [redacted] email this morning.

<< Message: FW: Queen Street Station - North Hanover Street/Glasgow TIF - Meeting with Minister for Transport and the Islands - 9 August 2017 >>

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Reg 11(2)

Subject:	EGIP – GQS – Station Redevelopment – North Hanover Street Development Review August 2017 Meeting 16.08.17		
	[REDACTED]	[REDACTED]	TS
	[REDACTED]	[REDACTED]	GCC
	[REDACTED]	[REDACTED]	ScotRail
	[REDACTED]	[REDACTED]	Network Rail
	[REDACTED]	[REDACTED]	Network Rail
	[REDACTED]	[REDACTED]	Network Rail
	[REDACTED]	[REDACTED]	Network Rail
	[REDACTED]	[REDACTED]	Network Rail
	[REDACTED]	[REDACTED]	Network Rail
	[REDACTED]	[REDACTED]	Network Rail
	[REDACTED]	[REDACTED]	Network Rail
Apologies:	[REDACTED]		
Date of meeting & Venue:	16.08.17; NR Offices, Meeting Room 3.2, 36 North Hanover Street, Glasgow, G1 2AD		
Notes prepared by:	[REDACTED]	Date:	16.08.17

Item	Notes	Action Owner	Date for Completion
1.0	Introductions & purpose		
	Action - Draft paper on cost and programme impacts including cessation costs to be circulated for review on Tuesday 22nd August.	[REDACTED]	22.08.17
	Action – Final paper on cost and programme impacts including cessation costs to be issued to Transport Scotland on Wednesday 23rd August.	[REDACTED]	23.08.17
2.0	Glidepath for Assessing Programme Impact		
	Meeting noted need to allow programme for planning permission as previous Land Securities NHSD scheme based on multi-storey car park rather than commercial development above podium (level 5).		

	Meeting noted no need to allow for any works (such as North Cutting Development) other than Land Securities NHSD scheme to podium (level 5). Meeting noted NR development of this may need to revise design to address new brief of commercial development above and improved layout for station operations.		
	Meeting noted for programming purposes assume commencement in October 2017. Meeting noted that should there be a change of scheme in NHS and therefore a cessation of ongoing works in NHS this would not affect works associated with delivery of Platform 1 extension works.		
	Action - Transport Scotland to confirm the date of next ministerial meeting where a decision to progress with a specified scheme.		18.08.17
	Action - Review possible disruption to Scotrail Operation staff (requiring longer term temporary accommodation) and delay to provision of retail.		18.08.17
3.0	Glidepath for Assessing Cost Impact		
	Meeting noted cost information to be based on previous 2015 Land Securities NHSD scheme to podium (level 5) with additional development deck as roof to this building.		
	Meeting noted no allowance in CP6 for Train Shed Roof works. Meeting noted Train Shed Roof works to be included in cost information.		
	Meeting noted Transport Scotland confirmed development funding for re-design would be made available in CP5.		
	Action - Turner & Townsend to provide a refresh of cost for the original 2015 Land Security proposal.		21.08.17
	Action - Network Rail to cost for Roof strengthening works.		21.08.17
	Action - Transport Scotland to confirm that the Roof strengthening works would be funded through CP6 funds.		18.08.17
	Action - Review Land Securities proposal for additional temporary low level access requirements and include in cost.		21.08.17
4.0	Assumptions/Opportunities/Risks		
	Action - Note: Report to detail that the North Hanover car park works are stand-alone do not interface with the North Cutting.		22.08.17
	Action - Assumptions / Opportunity / Risk list to be collated.		21.08.17
5.0	Wind Loading and Air Quality		
	Meeting noted Train Shed Roof works to be included in cost information. Meeting noted Train Shed Roof works required for development above podium (level 5) but not prior to that.		
	Meeting noted Air Quality more an issue for North Cutting Development and separately for Southern Extension Development, so not an issue for NHSD scheme.		
6.0	Communications Protocol		

208
11/2

	Action - Discussions to be held with the Millennium Hotel after the decision on which scheme is to be progressed.		w/c 04.09.17
	Action - Joined up communication to be put in place ahead of announcements when decision on which scheme is being progressed.		w/c 04.09.17
7.0	AOCB & Next Steps		
	Meeting noted draft paper to be cleared with [REDACTED] prior to issue.		
	Meeting noted review and paper to be treated as confidential.		

Reg
11(2)

From: [REDACTED]
Sent: 30 January 2018 15:25
To: [REDACTED]
Subject: FW: Queen St

[REDACTED]
[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
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G4 0HF

Tel - 0 [REDACTED]
Mobile - 0 [REDACTED]

From: [REDACTED]@networkrail.co.uk]
Sent: 16 August 2017 16:07
To: [REDACTED]
Cc: [REDACTED]
Subject: Queen St

I have set out below some further explanation to the figures presented in my email of 16th May. Please treat these as confidential and not to be shared with Land Securities or Glasgow City Council.

Retail

At present, the below podium retail provision remains as it was designed at June 2015. This provided for 35,000 sq ft of space arranged over two floors with the first being largely F&B.

Total rent assessment (base, turnover and ancillary) has been assessed as [REDACTED] per annum by Network Rail's retail team.

The expectation is that the majority of the income will flow from the ground floor/concourse level. It has been assumed that a new station entrance is constructed at Cathedral St level and so the mezzanine level will benefit from the pedestrian flow that this creates.

Rent has been capitalised at [REDACTED] for base, [REDACTED] on turnover and [REDACTED] on ancillary. Net development value is considered to be [REDACTED]

Re-design of the below podium layout is probably a necessity to develop a construction deck off which an office scheme will be developed. This would provide an opportunity to consider improving the layout of the station and passenger facilities, including retail.

Offices

The scheme proposed by Land Securities includes 305,591 sq ft GIA. For the purpose of appraisals NIAs have been assumed at 263,152 sq ft. Accommodation is Grade A. There is ancillary retail within the office scheme (accessed from Cathedral St) of 27,521 sq ft.

It is assumed that rents achievable would be [REDACTED] psf producing an assessment of [REDACTED] per annum. For the ancillary F&B, [REDACTED] psf has been applied. Total rent assessment is [REDACTED] per annum. In assessing the rent that could be achieved, the rate psf was reduced to reflect the North Hanover St address, the road gradient, Cathedral St

entrance and the fact that there is no real presence on George Square due to the existing M&C hotel. These figures are below those suggested as achievable by Land Sec.
Lack of car parking provision for the offices has also been reflected in the valuation. It is however noted that some spaces could be made available in the existing Buchanan Galleries mscp.
It was concluded that if the office podium was presented to the market, it is feasible that a price in the order of £[redacted] to £[redacted] could be achieved, albeit most likely at the bottom end of this range.

Timeline assumptions

These figures assumed a timeline of [redacted] for the completion of the retail and podium level. Offices to be completed [redacted]. Phasing of development would be likely.

Please let me know if you require any further explanation.

Regards

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[redacted]
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Glasgow G1 2AD

M: [redacted]
E: [redacted]@networkrail.co.uk

www.networkrail.co.uk/property

Reg
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(5)
(CA)

Reg 11 (2)

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E [REDACTED]@networkrail.co.uk
W www.networkrail.co.uk

From: [REDACTED]@transport.gov.scot [mailto:[REDACTED]@transport.gov.scot]

Sent: 21 December 2017 09:55

To: [REDACTED]

Cc: [REDACTED]
[REDACTED]@transport.gov.scot; [REDACTED]n@transport.gov.scot; [REDACTED]an@transport.gov.scot;
[REDACTED]y@transport.gov.scot; [REDACTED]sh@transport.gov.scot; [REDACTED]y@transport.gov.scot;
[REDACTED]is@transport.gov.scot; [REDACTED]icar@scotrail.co.uk; [REDACTED]ce@scotrail.co.uk;
[REDACTED]e@transport.gov.scot; [REDACTED]@transport.gov.scot; [REDACTED];
[REDACTED]@transport.gov.scot

000

Subject: Queen Street - North Hanover Street

Importance: High

Good Morning [REDACTED]

Further to our communication yesterday I can now confirm that we have received confirmation from Ministers that they wish to proceed with the alternative proposal at North Hanover Street.

Transport Scotland appreciates that this raises some sensitivities for Network Rail, particularly around the current contract with Balfour Beatty for delivery of the current scheme in North Hanover Street. Transport Scotland would be happy to assist in any of the required dialogue with Balfour Beatty to close down that element of the contract.

There is also the not insignificant reputational risk around the presence of prominent structural steel work in the site which does not align with the alternative proposal and will therefore have to be dismantled at a point in time to allow the larger scheme to be delivered. Whilst this is regrettable we believe a positive line of communication around accelerating investment in the site can be developed. It should not be forgotten that the variation to deliver the current scheme was only ever intended to provide a temporary facility and the risk always remained that it would be abortive if/when a decision was taken to deliver the larger scheme. The positive line of communication will require buy in from all the relevant stakeholders who have been involved to date. Transport Scotland are in the process of developing a holding line in the event that any queries may arise over the festive period. We will share this with the relevant stakeholders, however, we recognise that early engagement in the new year will be required to set out the framework for moving forward with the alternative proposal.

Turning to the alternative scheme, Network Rail have assisted the decision-making process by providing Transport Scotland both cost and programme information which has been incorporated into advice. Network Rail will be aware of the current headroom capacity in Control Period 5 with discussions on-going regarding opportunities to identify schemes which could utilise the headroom funds. Accordingly, we welcome the opportunity to work with you to identify urgently opportunities to accelerate as much of the revised scheme as possible by bringing elements within the ambit of Control Period 5 headroom funding.

As indicated above, Transport Scotland plan to set up meetings early in the new year involving all parties to agree how the larger development is moved forward and the benefits secured and communicated.

Regards

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Tel - [REDACTED]
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[REDACTED]

From: [REDACTED]
Sent: 21 December 2017 09:50
To: [REDACTED]@networkrail.co.uk'
Cc: [REDACTED]e@networkrail.co.uk'; [REDACTED]s@networkrail.co.uk'; [REDACTED]
[REDACTED]ns@networkrail.co.uk); [REDACTED]
[REDACTED]
Subject: Queen Street station - North Hanover Street
Importance: High

Good Morning [REDACTED]

A quick e-mail to advise that we have received confirmation from Ministers that they wish to proceed with the alternative proposal at North Hanover Street.

I will be following up with a more detailed e-mail to [REDACTED] but would like to extend our appreciation to Network Rail colleagues for their co-operation and input to the process which has assisted the decision making process.

Transport Scotland look forward to working with Network Rail and the wider stakeholder group in delivering the alternative proposal and securing the benefits.

Regards

[REDACTED]
[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile - [REDACTED]

Res

11(2)

Res

11(2)

[REDACTED]

From: [REDACTED]
Sent: 30 January 2018 15:24
To: [REDACTED]
Subject: FW: EGIP - Queen Street Station - North Hanover Street - larger piles - July 2017
Attachments: Queen St Redevelopment project cessation assessment.docx; IMG_0063.jpg

[REDACTED]
[REDACTED]
Rail Directorate
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58 Port Dundas Road
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Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]@networkrail.co.uk]
Sent: 14 July 2017 14:35
To: [REDACTED]
Cc: [REDACTED]
Subject: EGIP - Queen Street Station - North Hanover Street - larger piles - July 2017

[REDACTED]

Thanks for our discussion on this matter yesterday afternoon. As discussed, whilst it could be possible to change to larger piled foundations being installed in North Hanover Street, it is worthwhile to paint a picture of what this would mean for EGIP North Hanover Street (NHS) proposals and the wider main station scheme.

The site works are going well and to programme on the Operational Staff Accommodation Building as you can see from the attached photograph taken yesterday.

Piling works are due to commence next week with the test piles being installed, and thereafter the main piling works are undertaken throughout next month. The piling works are on the critical path for completion of the NHS works, and in due course this links to the wider project and the critical path for the main station works, so there is no real opportunity for any programme flexibility at this stage.

In order to change to larger piles, this would require the cessation of the current piling activities. On the assumption the Buchanan Galleries design proposal is complete, we anticipate in the order of 4-6 months would be required to take forward the change to allow for approval, contractor design, procurement, and mobilisation of this new scope. This is obviously a high level assessment, and if this change is implemented we can firm this up in the coming weeks.

I fully appreciate that you are keen to also have an assessment of cost impact, however, as mentioned yesterday, the cessation cost table and graph previously provided (copy enclosed) is a helpful indicator, in broad terms, of the additional costs associated with cessation of the current NHS works over a timeline.

The wider implications on both cost and programme of this change on the main station works would require to be fully assessed, however, this would likely have a knock on impact. In particular the implication on Platform 1, given the installation of temporary accommodation for ScotRail within the NHS. This would most likely require an alternative temporary accommodation proposal if a change to the NHS scope was to be taken forward.

If taken forward, the necessary governance, commercial and procurement arrangements would also need to be fully explored.

Hope this helps meantime, however, we would be very happy to meet to discuss this further.

Regards,

From: [REDACTED]@transport.gov.scot [mailto:[REDACTED]@transport.gov.scot]
Sent: 13 July 2017 14:17
To: [REDACTED]
Cc: [REDACTED]@transport.gov.scot; [REDACTED]@transport.gov.scot; [REDACTED]@transport.gov.scot; [REDACTED]@transport.gov.scot; [REDACTED]
Subject: EGIP - Queen Street Station - North Hanover Street
Importance: High

REG
11(2)

You will be aware that there was Ministerial advice prepared at the end of June setting out the current status of Queen Street including the alternative proposal for North Hanover Street and the relationship with the Glasgow Tax Incremental Financing Scheme.

As this was cross cutting advice it was submitted to a variety of Ministerial offices.

We had a telephone conversation with the Minister this morning and it was clear he was uncomfortable with making a decision based on the information put before him. This is obviously a highly sensitive decision with numerous key stakeholders having a vested interest. The Minister has indicated an intent to set up a senior meeting including Minister(s), Network Rail, Glasgow City Council and Land Securities to try and address some of the issues and import some control over what he perceives as a particularly messy scenario.

Unfortunately the Minister is going to be on leave over the next couple of weeks, however, has asked his office to arrange the meeting for his return.

Network Rail had previously provided Transport Scotland advice on the likely cessation costs and timescales if Ministers were minded to instruct progressing with the alternative proposal at North Hanover Street. From our interpretation one of the critical dates in this advice was the planned commencement of piling in the North Hanover Street site for the current EGIP proposal.

This leads me to the purpose of my e-mail to enquire if there is anything that can be done with the piling proposal which could safeguard the current EGIP programme but afford an opportunity for the senior level discussions to arrive at an informed decision. Could larger piles be put in now which could potentially safeguard future provision of retail/podium deck in the North Hanover Street?

Apologies for landing this upon you at a key point in the delivery programme but I'm sure you will appreciate the need to ensure the correct option is progressed for passengers/the city.

Happy to discuss as appropriate.

Regards

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[Handwritten signature]

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Mobile - [REDACTED]

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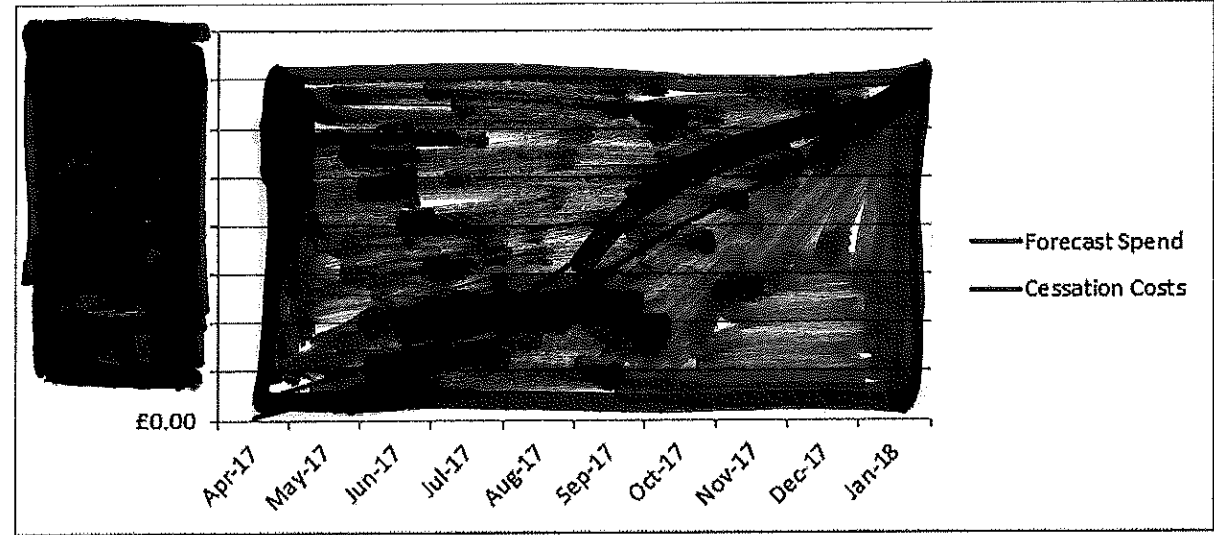
Tha am post-d seo (agus faidhle neo ceanglan còmhla ris) dhan neach neo luchd-ainmichte a-mhàin. Chan eil e ceadachd a chleachdadh ann an dòigh sam bith, a' toirt a-steach còraichean, foillseachadh neo sgaoileadh, gun chead. Ma 's e is gun d'fhuair sibh seo le gun fhiosd', bu choir cur às dhan phost-d agus lethbhreac sam bith air an t-siostam agaibh, leig fios chun neach a sgaoil am post-d gun dàil.

Dh'fhaodadh gum bi teachdaireachd sam bith bho Riaghaltas na h-Alba air a chlàradh neo air a sgrùdadh airson dearbhadh gu bheil an siostam ag obair gu h-èifeachdach neo airson adhbhar laghail eile. Dh'fhaodadh nach eil beachdan anns a' phost-d seo co-ionann ri beachdan Riaghaltas na h-Alba.

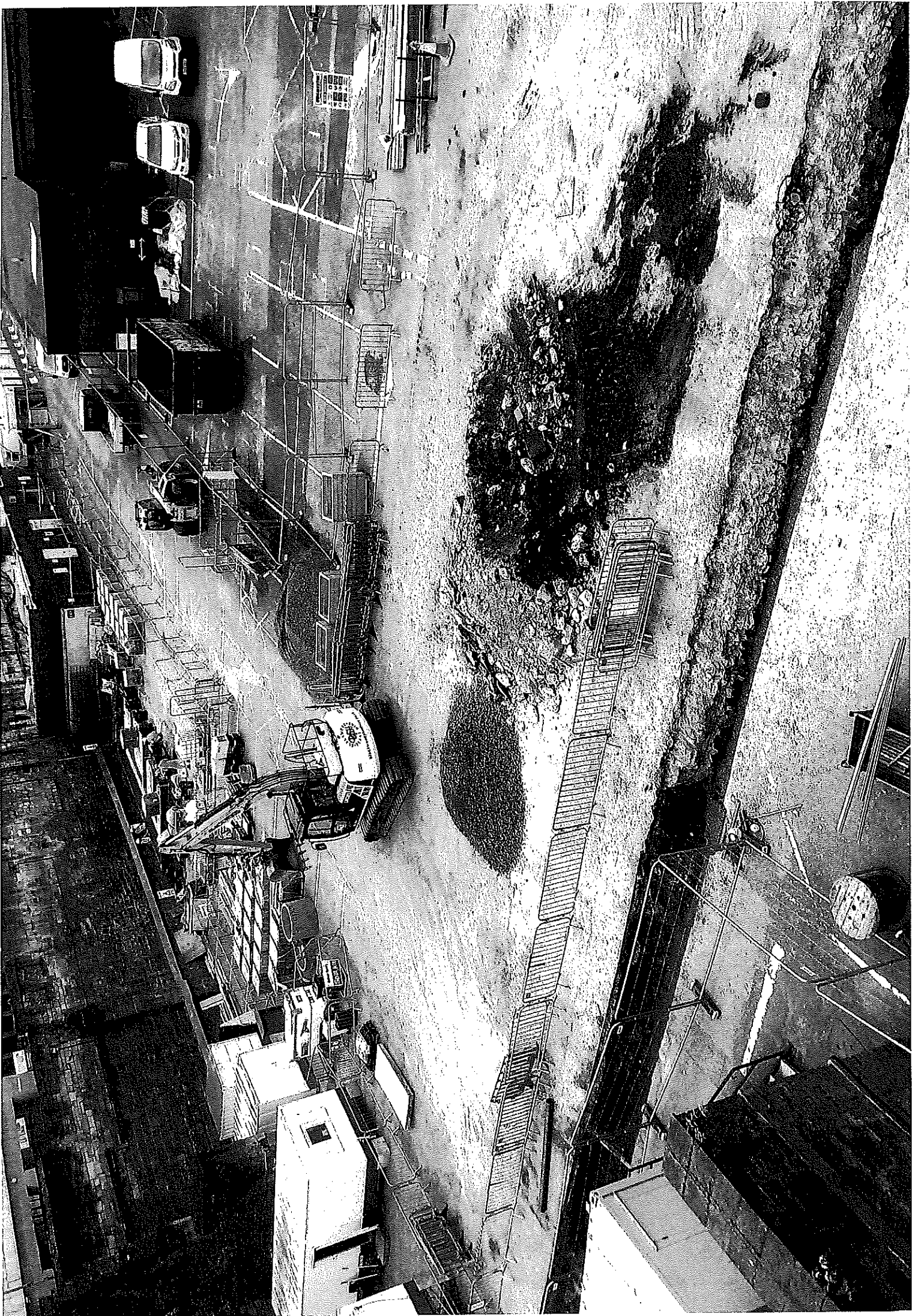
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Queen St Re-development project: cessation assessment

Month	Forecast Spend	Cessation Costs
Apr-17	[REDACTED]	[REDACTED]
Jul-17	[REDACTED]	[REDACTED]
Oct-17	[REDACTED]	[REDACTED]
Jan-18	[REDACTED]	[REDACTED]



Reg
10
(5)
(e)



[REDACTED]
From: [REDACTED]
Sent: 30 January 2018 15:23
To: [REDACTED]
Subject: FW: NR analysis of LSB property - approved by NR Property

[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile [REDACTED]

From: [REDACTED]@networkrail.co.uk]
Sent: 28 June 2017 10:54
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: NR analysis of LSB property - approved by NR Property

The recommendations that I put to [REDACTED] and GCC were supported by Property at HQ.
Regards
[REDACTED]

From: [REDACTED]
Sent: 27 June 2017 13:30
To: [REDACTED] (Scotland)
Cc: [REDACTED]@transport.gov.scot'; [REDACTED]
Subject: NR analysis of LSB property
Importance: High

Afternoon [REDACTED]

When we met with [REDACTED] and [REDACTED] a few weeks ago, we discussed the spreadsheet which analysed the revised 'LSB' proposal.

At that time we talked about the figures being sent down to the property team at the centre for review/approval. Were HQ supportive of the analysis and the figures therein?

The reason for the question is that it is a query which has been during the preparation of the paper to go ministers on North Hanover Street.

Thanks,
[REDACTED]

[redacted]
[redacted] - Route Business Scotland
Network Rail
151 St Vincent Street
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G2 5NW

11/12

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Ext: [redacted]
E-mail: [redacted]@networkrail.co.uk

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From: [REDACTED]
Sent: 30 January 2018 15:20
To: [REDACTED]
Subject: FW: Queen St NR paper
Attachments: QueenSt-Review of Options 10 May 2017.docx

[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]@networkrail.co.uk]
Sent: 16 May 2017 08:41
To: [REDACTED]
Cc: [REDACTED]
Subject: Queen St NR paper

As discussed attached is the Option Review that I presented at last Thursday's meeting. It is high level and should be treated as confidential. Please do not circulate this email or the attachment to others. The table sets out the possible cash flow from each option. This has not been done as a DCF at this stage and there are undoubtedly other cost items that haven't been accounted for within the gross scheme cost of [REDACTED]. These have been listed at the bottom of the table. Other issues have been identified that should be taken into consideration. There is also a Pros & Cons table for each option that is self-explanatory.

OPTION DESCRIPTION:

Option 1 – The EGIP proposal.

Option 2 – The Land Securities proposal. Please note that this has been set out in two columns, the first reflects Network Rail's opinion on values (as discussed with our appointed Agents) that can be generated from the site. The second reflects the Land Securities opinion on values as indicated by [REDACTED] in his email to SFT on 25th April.

Option 3 – Under this scenario NR would deliver the car park scheme, up to podium level but without the involvement of Land Securities. This option has the potential of a positive net value and also ensures that the whole of the station concourse level remains within the control of Network Rail. The significance of this is that this area can be utilised for future station/rail operation purposes and doesn't have the station management issues that will otherwise occur if the retail element is disposed of to Land Securities.

Option 4 – We have also looked at the scenario of re-marketing the site. Under this scenario the presumption would be that a new developer would take ownership of the station retail. In return NR benefits from the new station facilities built at the developer's expense (hence it is a nil cost option provided it is financially viable) and NR also benefits from the value derived from disposal of development rights above podium level.

ANALYSIS:

Option 1

- This is a low risk option being on site, funded and can be delivered to programme.
- The lack of a full retail offer will make the station a less attractive place to visit/wait which will effect both rental income and passengers satisfaction.
- This option will also sterilise the site for future development.

Option 2

- The funding gap is not addressed by the Land Sec financial proposals and this scheme will deliver a net loss.
- Utilising the Land Securities figure the outcome in terms of a negative net value is worse than utilising the Network Rail figures.
- This net loss is likely to worsen when unaccounted for costs are taken into account.
- There is a concern that disposal of the retail element will split the 'ownership' and control of an integral part of the station and this will have day to day station management issues.
- It would be a disposal of an interest in land that may be required in the future for station/rail operational use.

Option 3

- This option has no identified funding.
- The funding gap difference between Option 2 (Land Sec) and this option is estimated at £10m (Reg 10(5) (e))
- This option does however have the potential to produce a positive net value albeit there are unaccounted for costs that are likely to adversely impact on this outcome.
- It also retains the whole of the station concourse level including the retail element in Network Rail control.
- This should not preclude the wider Buchanan Quarter aspirations being met since the same level of commercial space is created to meet the TIF business case.
- The North Cutting remains available for the extension of the Buchanan Galleries.

Option 4

- Although this option may appear financially attractive (nil cost to NR/TS and a positive net value) it is high risk since it requires re-marketing of scheme.
- Consequential longer delivery will prolong passenger disruption with no certainty of a development proceeding.
- It would also require disposal of the station retail element (the value element attractive to a purchaser/developer) and this carries the same issues in terms of station management and future rail/operation expansion as option 3.
- The North Cutting remains available for the extension of the Buchanan Galleries.

CONCLUSIONS:

- 1) If funds can be identified within Network Rail and/or Transport Scotland then further consideration should be given to delivering its own development up to podium level (Option 3) that retains the retail element in Network Rail control.
- 2) If funds are not available, the low risk option is to press on with the EGIP car park scheme (Option 1).
- 3) The Land Securities proposal is not financially attractive. It would result in NR disposing of land at concourse level (the station retail) that will create day to day station management issues as well as being a disposal of a part of the concourse area of the station that may be required for future station/rail operational use. Option 2 should therefore be rejected.

I spoke to [redacted] last night and advised him of our conclusions. His primary objective appears to be ensuring that a development takes place that will generate the volume of commercial space to satisfy the TIF business case and thus assist in delivery of the North Cutting deck. Therefore it is not critical to Land Securities that they have ownership/control of the station retail.

Regards

[redacted]

[redacted]

Network Rail
1st Floor, George House
36 North Hanover Street
Glasgow G1 2AD

M: [redacted]
E: [redacted]@networkrail.co.uk

www.networkrail.co.uk/property

Reg
11(2)

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GLASGOW QUEEN STREET
NETWORK RAIL HIGH LEVEL OPTION REVIEW MAY 2017

Commercial in Confidence

		OPTION 1 EGIP SCHEME	OPTION 2 LAND SEC SCHEME NR figures	OPTION 2 LAND SEC SCHEME Land Sec figures	OPTION 3 NR PODIUM SCHEME (No Land Sec)	OPTION 4 RE-MARKET
A	GROSS SCHEME COST					
B	EGIP FUNDS					
C	LAND SEC CONTRIBUTION					
D	UN-FUNDED					
E	COST Net of Land Sec Contribution (B plus D)					
F	CAPITAL RECEIPTS <ul style="list-style-type: none"> N. Cutting Retail Podium 					
G	CAPITALISED RENTAL INCOME NR/TS					
H	GROSS VALUE TO NR/TS (F plus G)					
I	NET VALUE (H minus E)					

100g
(e)

OTHER ISSUES

1. **OJEU** – LS proposal considerably different from NR's original OJEU.
2. **State aid** – Potential issue if NR is building on behalf of Land Sec.
3. **LC7 risk** – Original scheme envisaged NR owning whole of ground floor thus future control if ever required for railway purposes. Land Sec proposal requires new LC7 consultation – Risk of challenge. Options 3 & 4 do not carry the same risk since NR retains control of entire concourse level.
4. **Additional Costs:** The following have not been accounted for in Options 2, 3 and 4:
 - a) Temporary ScotRail office and car parking rental cost.
 - b) Un-allocated costs set out in the June 2015 'Responsibility Matrix'.
 - c) Cost of providing temporary access to Low Level Station.
 - d) Cost of putting engine shed roof into 'Steady State'.
5. **Windloading** – Will be obligation on developer to demonstrate no impact or fund necessary improvements. Any impact requiring works to engine shed roof will diminish capital receipts from Podium.


6. **Programme** – Options 2, 3 and 4 have will entail delayed delivery of station facilities and extended passenger disruption at station.
7. **Millennium Copthorne** – Assumes no involvement with hotel. To do so impacts on investment value and introduces practical and legal challenges around shared services and other interfaces. Note however that if NR could acquire the hotel interest the development opportunity is significantly improved.

OPTIONS PROS & CONS

	NET VALUE	PROS	CONS
OPTION 1 EGIP SCHEME	[REDACTED]	<ul style="list-style-type: none"> Funded Will deliver to programme. On site. Minimises passenger disruption. Low risk 	<ul style="list-style-type: none"> Poor retail offer Poor passenger experience Sterilises future development on car park site Does not deliver the 'once in a lifetime' opportunity' to redevelop the station. Does not maximise potential of a high profile city centre development site.
OPTION 2 LAND SEC SCHEME	[REDACTED] Or [REDACTED]	<ul style="list-style-type: none"> Assists in delivering the wider Buchanan Quarter vision. Meets TIF business case. 	<ul style="list-style-type: none"> Inequitable share of risk. i.e. Construction cost risk is with NR. Land Sec only has retail letting risk (considered minimal risk). Funding gap. No identified funding. Station management issues caused by another party having long term interest within station area. NR has disposed of a long term interest in part of the station that may be required for future expansion of station/rail facilities. Provides no certainty that LS will proceed with the Buchanan Galleries extension despite their involvement. Extended passenger disruption at the station.
OPTION 3 NR PODIUM SCHEME	[REDACTED]	<ul style="list-style-type: none"> Positive net value (Albeit this is a high level study and other additional costs already identified). Assists in delivering the wider Buchanan Quarter vision and does not preclude expansion of Buchanan Galleries. NR retains control of station retail area. NR retains control of whole of concourse level within station thus protecting area for future rail/station expansion. Opportunity to re-design the retail and station facilities i.e relocate taxis & car parking to 	<ul style="list-style-type: none"> Extended passenger disruption at the station. Funding gap. No identified funding.

10(5)
(P)

820303

OPTION 4 RE-MARKET		better integrate site into concourse? <ul style="list-style-type: none">• Nil cost to NR/TS• Positive net value to NR from disposal of podium development rights.• Assists in delivering the wider Buchanan Quarter vision and does not preclude expansion of Buchanan Galleries.• Opportunity to re-design the retail and station facilities i.e relocate taxis & car parking to better integrate site into concourse?	<ul style="list-style-type: none">• Developer will require value/control of station retail to make scheme viable.• Station management issues caused by another party having long term interest within station area.• NR has disposed of a long term interest in part of the station that may be required for future expansion of station/rail facilities.• Will incur further costs and time (including 12-18 months for OJEU competition).• Extended passenger disruption at the station.
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CONFIDENTIAL

From: [REDACTED]
Sent: 30 January 2018 15:18
To: [REDACTED]
Subject: FW: ACTIONS LS/NR/TS/SFT/GCC 04/05/17

Importance: High

Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
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G4 0HF

Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]
Sent: 10 May 2017 14:27
To: [REDACTED]@scottishfuturestrust.org.uk; [REDACTED]
[REDACTED]@landsecurities.com); [REDACTED]@landsecurities.com); [REDACTED]
Cc: [REDACTED]
Subject: RE: ACTIONS LS/NR/TS/SFT/GCC 04/05/17
Importance: High

Folks

Further to the e-mail below from [REDACTED] can I just clarify/confirm what was discussed at the last meeting where I noted a couple of the [REDACTED] dates in the converged milestones changed to [REDACTED] 1 and [REDACTED] 2

Notwithstanding the above I have a significant concern around the fact that we have not worked up a programme which "works" for all parties. The converged scheme was presented as a jointly agreed programme early in the process, however, only recently has it become clear that as it is underpinned by taking forward the mitigated option this precludes LS doing the Southern Extension which in turn impacts on the viability of the North Hanover Street proposal and North Cutting.

Noting the criticality of the extension of platform 1 to the ScotRail operations which Stewart has helpfully confirmed it would be helpful if a quick review of the programme and phasing could be undertaken to determine if an option exists which delivers the May 2018 date for platform 1 and phasing revised to enable the Southern Extension to progress and other deliverables following on?

I'm mindful that regardless of the content of any paper there is a strong likelihood that it will necessitate further discussion/clarification with Ministers. The lack of a "workable" programme will not assist in this process.

Happy to discuss as appropriate.

Regards

From: [REDACTED]@networkrail.co.uk]

Sent: 08 May 2017 08:50

To: [REDACTED]@scottishfuturetrust.org.uk; [REDACTED]
[REDACTED]@landsecurities.com); [REDACTED]@landsecurities.com); [REDACTED]

Cc: [REDACTED]
Subject: RE: ACTIONS - LS/NR/TS/SFT/GCC 04/05/17

All,

Noting action item 7., could you provide any updates to the table by close tomorrow so that I can update and provide to Robert for Wednesday. I have attached a copy of the latest working draft for ease.

Please copy all in as any updates are provided to keep everyone informed and indicate amendments in a colour.

Thanks.

Regards,

EGIP

M [REDACTED]

From: [REDACTED]

Sent: 05 May 2017 16:02

To: [REDACTED]

Cc: [REDACTED] (DRS)

Subject: FW: ACTIONS - LS/NR/TS/SFT/GCC 04/05/17

Copy fyr.

Kind regards,

[REDACTED]ns
Network Rail
151 St Vincent Street
Glasgow
Lanarkshire
G2 5NW

Int: [REDACTED]
Ext: [REDACTED]
E-mail: [REDACTED]@networkrail.co.uk

From: [REDACTED] (DRS) [mailto:[REDACTED]@glasgow.gov.uk]

Sent: 05 May 2017 15:38

To: [REDACTED]@scottishfuturetrust.org.uk; [REDACTED]@transport.gov.scot; [REDACTED]
[REDACTED]@landsecurities.com); [REDACTED]@scotrail.co.uk'

Subject: ACTIONS - LS/NR/TS/SFT/GCC 04/05/17

DRS - Housing and Regeneration Services
Glasgow City Council
231 George Street
Glasgow G1 1RX
t: [REDACTED]
m: [REDACTED]
e: j[REDACTED]@glasgow.gov.uk
www.glasgow.gov.uk



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From: [REDACTED]
Sent: 30 January 2018 15:18
To: [REDACTED]
Subject: FW: EGIP - GQS - Station Redevelopment - Draft Email to TS re Advanced Works Cessation Cost

[REDACTED]
[REDACTED]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]@networkrail.co.uk]
Sent: 09 May 2017 16:04
To: [REDACTED]
Cc: [REDACTED]
Subject: EGIP - GQS - Station Redevelopment - Draft Email to TS re Advanced Works Cessation Cost

I felt I would send this DRAFT to you before we open it out to the other team members. Let me know if you have any comments. Also, happy to meet with you to discuss.

Further to action item no.2 in the notes of meeting held on Thursday 04.05.17, we have prepared the information requested and include below the necessary background information for your use in informing the paper to Ministers.

We have undertaken an assessment of the potential costs associated with a cessation of the works within the Queen Street Advanced Works package currently awarded to Balfour Beatty.

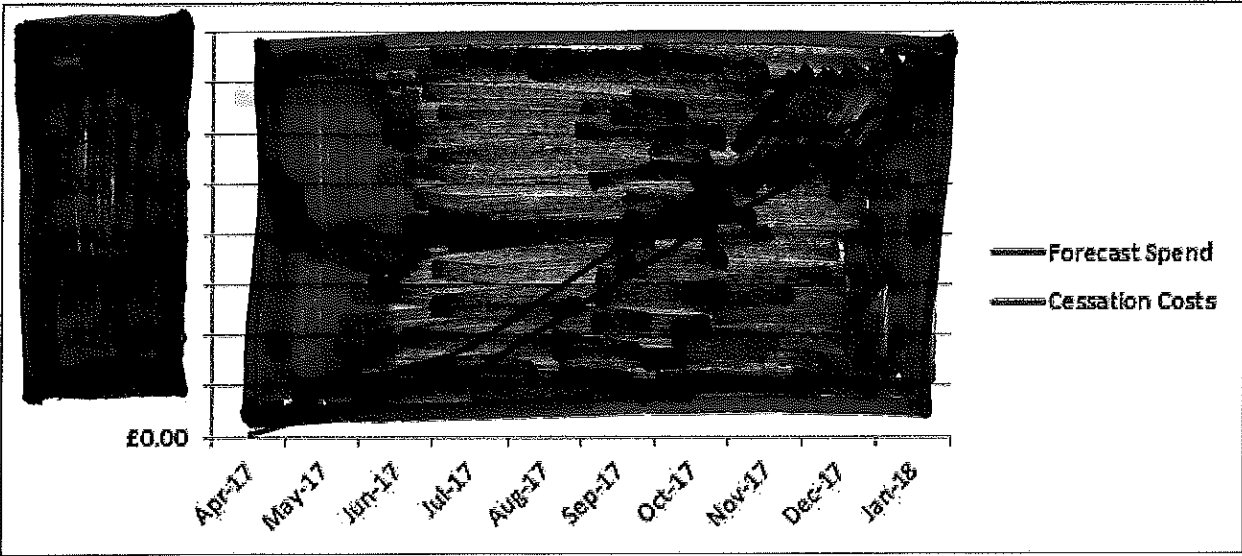
The overall value of this contract is [REDACTED] and the key areas of scope include construction of the new operations building in North Hanover Street (NHS), construction of the new substation in NHS, soft strip and removal of asbestos in Consort House and demolition of the operation buildings on platform 7. The contract was awarded in April 2017 with works due to complete in April 2018.

We have considered the construction programme and detailed below both an indicative overall construction spend at key intervals through the programme and also assessed the potential value associated with the cessation of the works to incorporate the Land Securities scheme into the project.

The following assessment has been prepared on costs;

Month	Forecast Spend	Cessation Costs
Apr-17	[REDACTED]	[REDACTED]
Jul-17	[REDACTED]	[REDACTED]
Oct-17	[REDACTED]	[REDACTED]
Jan-18	[REDACTED]	[REDACTED]

The below graph is based on a mid-point assessment of the cost range.



Within the construction programme, there are some strategic milestones within the programme that should be noted:

- [REDACTED] – works above ground commence on the new sub-station building
- [REDACTED] – steel procurement for the new operations building to commence
- [REDACTED] – piling for the new operations building is due to commence
- [REDACTED] – works ‘above ground’ will commence on the new operations building

The cessation of these construction works would also need to be considered from a reputational aspect depending on the timing of the decision and the progress of the works at the time.

The following points should be noted regarding the assessment:

- Costs proportionately increase for every month of construction for demolition, dismantling and reinstatement of the site.
- The costs above exclude any NR costs ([REDACTED]).
- Costs exclude any design costs ([REDACTED] spent on NHS design).
- Costs assume there would be no re-use of materials ordered, and 100% cancellation costs would apply
- Costs exclude any potential Contractual claims as a result of suspension/ cancellation
- Costs exclude any suspension/ delay/ preservation of core team costs.

Happy to discuss this in a quick meeting to assist and explain further as necessary.

Regards,

[REDACTED]

From: [REDACTED]
Sent: 30 January 2018 15:18
To: [REDACTED]
Subject: FW: ACTIONS LS/NR/TS/SFT/GCC 04/05/17
Attachments: Copy of Queen Street Station- Galleries development workshop (Draft 23.0....xlsx)

[REDACTED]
[REDACTED]
Rail Directorate
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58 Port Dundas Road
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Tel - [REDACTED]
Mobile - [REDACTED]

From: [REDACTED]@networkrail.co.uk]
Sent: 08 May 2017 08:50
To: [REDACTED]@scottishfuturetrust.org.uk; [REDACTED]
[REDACTED]@landsecurities.com); [REDACTED]@landsecurities.com); [REDACTED]
Cc: [REDACTED]
Subject: RE: ACTIONS LS/NR/TS/SFT/GCC 04/05/17

All,

Noting action item 7., could you provide any updates to the table by close tomorrow so that I can update and provide to Robert for Wednesday. I have attached a copy of the latest working draft for ease.

Please copy all in as any updates are provided to keep everyone informed and indicate amendments in a colour.

Thanks.

Regards,

[REDACTED]
[REDACTED]
EGIP
M O [REDACTED]

From: [REDACTED]
Sent: 05 May 2017 16:02
To: [REDACTED]
Cc: [REDACTED] (DRS)
Subject: FW: ACTIONS - LS/NR/TS/SFT/GCC 04/05/17

Copy fyr.

Kind regards,

Network Rail
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Lanarkshire
G2 5NW

Int: [redacted]
Ext: [redacted]
E-mail: [redacted]rd@networkrail.co.uk

From: [redacted]@glasgow.gov.uk
Sent: 05 May 2017 15:38
To: ' [redacted]@scottishfuturestrust.org.uk'; ' [redacted]@transport.gov.scot'; [redacted]
[redacted]@landsecurities.com); [redacted]@scotrail.co.uk'
Subject: ACTIONS - LS/NR/TS/SFT/GCC 04/05/17

All

I attach note of actions yesterday.

Please let me know if I've missed anything.

I can't find [redacted] email – could you forward it on [redacted]?

Thanks – [redacted]

[redacted]
[redacted]
City Centre Regeneration / City Centre City Deal / Ownership Information
DRS - Housing and Regeneration Services
Glasgow City Council
231 George Street
Glasgow G1 1RX
t: [redacted]
m: [redacted]
e: [redacted]@glasgow.gov.uk
www.glasgow.gov.uk




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Consideration	Original	Unmitigated	Mitigated	Converged
				

Reg 10 (5)
(e)

[REDACTED]

From: [REDACTED]@transport.gov.scot
Sent: 19 July 2017 14:00
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: EGIP - Queen Street Station - North Hanover Street
Importance: High

[REDACTED]

Thank you for the prompt turn around.

Having discussed internally Transport Scotland is content that Network Rail should continue with the current proposed programme whilst further high level discussions with Ministers etc are undertaken to determine the most appropriate final solution at North Hanover Street.

Appreciate this continued level of uncertainty is not helpful, however, the alternative proposal at North Hanover Street, and the direct link with planned wider investment within the Buchanan Quarter, is certainly worthy of further dialogue at a senior level.

Continuing with the programme as planned at present minimises the risk of further increases in the ScotRail assessment of compensation due from planned later delivery milestones given the direct correlation between all elements of the Queen Street programme.

I trust this provides you with sufficient comfort to proceed with the planned works until such a time as Transport Scotland, possibly, revert with an instruction to do otherwise.

Regards
[REDACTED]

From: [REDACTED]@networkrail.co.uk]
Sent: 14 July 2017 14:35
To: [REDACTED]
Cc: [REDACTED]
Subject: EGIP - Queen Street Station - North Hanover Street

[REDACTED]

Thanks for our discussion on this matter yesterday afternoon. As discussed, whilst it could be possible to change to larger piled foundations being installed in North Hanover Street, it is worthwhile to paint a picture of what this would mean for EGIP North Hanover Street (NHS) proposals and the wider main station scheme.

The site works are going well and to programme on the Operational Staff Accommodation Building as you can see from the attached photograph taken yesterday.

Piling works are due to commence next week with the test piles being installed, and thereafter the main piling works are undertaken throughout next month. The piling works are on the critical path for completion of the NHS works, and in due course this links to the wider project and the critical path for the main station works, so there is no real opportunity for any programme flexibility at this stage.

In order to change to larger piles, this would require the cessation of the current piling activities. On the assumption the Buchanan Galleries design proposal is complete, we anticipate in the order of 4-6 months would be required to take forward the change to allow for approval, contractor design, procurement, and mobilisation of this new scope. This is obviously a high level assessment, and if this change is implemented we can firm this up in the coming weeks.

I fully appreciate that you are keen to also have an assessment of cost impact, however, as mentioned yesterday, the cessation cost table and graph previously provided (copy enclosed) is a helpful indicator, in broad terms, of the additional costs associated with cessation of the current NHS works over a timeline.

The wider implications on both cost and programme of this change on the main station works would require to be fully assessed, however, this would likely have a knock on impact. In particular the implication on Platform 1, given the installation of temporary accommodation for ScotRail within the NHS. This would most likely require an alternative temporary accommodation proposal if a change to the NHS scope was to be taken forward.

If taken forward, the necessary governance, commercial and procurement arrangements would also need to be fully explored.

Hope this helps meantime, however, we would be very happy to meet to discuss this further.

Regards,

From: [REDACTED]@transport.gov.scot [mailto:[REDACTED]@transport.gov.scot]

Sent: 13 July 2017 14:17

To: [REDACTED]

Cc: [REDACTED]@transport.gov.scot; [REDACTED]@transport.gov.scot; [REDACTED]@transport.gov.scot;

[REDACTED]@transport.gov.scot; [REDACTED]@transport.gov.scot; [REDACTED]@transport.gov.scot

Subject: EGIP - Queen Street Station - North Hanover Street

Importance: High

You will be aware that there was Ministerial advice prepared at the end of June setting out the current status of Queen Street including the alternative proposal for North Hanover Street and the relationship with the Glasgow Tax Incremental Financing Scheme.

As this was cross cutting advice it was submitted to a variety of Ministerial offices.

We had a telephone conversation with the Minister this morning and it was clear he was uncomfortable with making a decision based on the information put before him. This is obviously a highly sensitive decision with numerous key stakeholders having a vested interest. The Minister has indicated an intent to set up a senior meeting including Minister(s), Network Rail, Glasgow City Council and Land Securities to try and address some of the issues and import some control over what he perceives as a particularly messy scenario.

Unfortunately the Minister is going to be on leave over the next couple of weeks, however, has asked his office to arrange the meeting for his return.

Network Rail had previously provided Transport Scotland advice on the likely cessation costs and timescales if Ministers were minded to instruct progressing with the alternative proposal at North Hanover Street. From our interpretation one of the critical dates in this advice was the planned commencement of piling in the North Hanover Street site for the current EGIP proposal.

This leads me to the purpose of my e-mail to enquire if there is anything that can be done with the piling proposal which could safeguard the current EGIP programme but afford an opportunity for the senior level discussions to arrive at an informed decision. Could larger piles be put in now which could potentially safeguard future provision of retail/podium deck in the North Hanover Street?

Apologies for landing this upon you at a key point in the delivery programme but I'm sure you will appreciate the need to ensure the correct option is progressed for passengers/the city.

Happy to discuss as appropriate.

Regards
[redacted]
[redacted]
Rail Directorate
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

Tel - [redacted]
Mobile - [redacted]

Reg 11 (2)

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Tha am post-d seo (agus faidhle neo ceanglan còmhla ris) dhan neach neo luchd-ainmichte a-mhàin. Chan eil e ceadachd a chleachdadh ann an dòigh sam bith, a' toirt a-steach còraichean, foillseachadh neo sgaoileadh, gun chead. Ma 's e is gun d'fhuair sibh seo le gun fhiosd', bu choir cur às dhan phost-d agus lethbhreac sam bith air an t-siostam agaibh, leig fios chun neach a sgaoil am post-d gun dàil.

Dh'fhaodadh gum bi teachdaireachd sam bith bho Riaghaltas na h-Alba air a chlàradh neo air a sgrùdadh airson dearbhadh gu bheil an siostam ag obair gu h-èifeachdach neo airson adhbhar laghail eile. Dh'fhaodadh nach eil beachdan anns a' phost-d seo co-ionann ri beachdan Riaghaltas na h-Alba.
