
Executive Decision Report

Leicester Railway Station – Funding support from
Department for Transport

Decision to be taken by: City Mayor

Decision to be taken on: 22 July 2026

Lead director/officer: Andrew Smith/David Beale

Useful information

- Ward(s) affected: Castle
- Report author: David Beale, Programme Manager Development Team
- Author contact details: 37 2904
- Report version number: 1

1. Summary

- 1.1 The purpose of the report is to secure City Mayor approval to accept £9.95m of Government Department for Transport (DfT) grant funding towards the Leicester Station Gateway project.

2. Recommendations

- 2.1 It is recommended that the City Mayor:
 - a. Approve the allocation of £9.95m of Government Department for Transport Levelling Up grant funding into the Leicester Station Gateway project budget and add this to the approved capital programme; and
 - b. Delegate authority to the Director of Planning, Development and Transportation and Director of Finance to finalise grant funding details with the DfT to secure the award.

3. Background and further details:

- 1.2 Leicester Station Gateway is a significant regeneration opportunity for the city. The project comprises creation of a new station plaza and entrance to the north of the building; a reconfigured and expanded concourse including an extended ticket gate line; and, repurposing of the historic porte-cochere as a destination hospitality and retail space.
- 1.3 The scheme will create a high-quality gateway to the city centre and provide significant additional passenger capacity. The station has not received the same level of investment other similar city stations have received elsewhere and the facilities and customer experience are very poor as a result. Without intervention, the station experience, in terms of passenger congestion and safety, is expected to significantly worsen.
- 1.4 The project would also enable longer-term regeneration of land and buildings around the station. The surrounding area is allocated for office-led mixed-use redevelopment, potentially capable of delivering substantial employment growth and supporting Leicester's long-term economic prosperity.
- 1.5 The approved station budget is £22.6m comprised of £17.6m of Levelling Up Government grant and £5m match funding from the Council's resources. Since the

award of the grant planning and listed building consent has been secured, land assembled and technical approval secured from Network Rail. A first stage of enabling works (demolition of 48 London Road) has been carried out.

- 1.6 The Council commenced a procurement exercise for a main contractor but this was subsequently terminated due to insufficient prospective bidders, linked to contractor capacity being focussed on other large rail projects being procured at the same time. During the procurement and post-bid engagement with potential contractors it became apparent that additional funding would be required to complete the scheme. In common with comparable projects in the UK, cost increases are attributed to construction inflation levels of 30%+ since 2021. In addition, the post-tender market engagement provided further information on the likely scale and cost of temporary works needed to maintain operation of the station during construction.
- 1.7 Work to appoint a contractor was paused while officers, working with expert external advisors, reviewed the project budget and also explored all funding options, including from the rail industry (Network Rail/East Midlands Trains) and DfT who are key beneficiaries.
- 3.7 The station scheme is a high priority for DfT and it has agreed to offer Levelling Up funds totalling £9.95m that it has reallocated from The St Margaret's Levelling up scheme.
- 3.8 This additional funding, in combination with the original station funding, will bring the project budget to £32.6m with the council's contribution remaining at £5m. This budget is assessed as sufficient to deliver the main transportation benefits of the station scheme, specifically the reconfigured public realm, new entrance and concourse with a consolidated and extended ticket barrier.
- 3.9 Until we receive tenders back it is not clear that the revised funding package will deliver the full project scope and value engineering may be required. Consequently, The Department for Transport and EMR are also considering an additional £5 million investment made available to enhance the development opportunity and the passenger experience. Confirmation is expected prior to award of the construction contract.
- 3.10 There has been good interest from potential contractors awaiting a second procurement exercise and the additional funding now available is sufficient to immediately progress a new procurement exercise to secure a contractor. Further delay could add additional cost, for example through inflation.
- 3.11 Accepting the additional £9.95m DfT funding offer will allow the project to proceed to procure a contractor starting this summer and concluding spring 2027. Subject to the process progressing as anticipated works could start in spring 2028 and complete in 2030.

4. Financial, legal, equalities, climate emergency and other implications

4.1 Financial implications

This report seeks the addition of £9.95m to the Train Station project, financed by Levelling up grant following agreement by DfT to reallocate funds not required for the St Margaret's junction scheme. The revised budget will rise to £32.6m, which is sufficient to enable a procurement exercise to commence.

Stuart McAvoy – Head of Finance
24th June 2026

4.2 Legal implications

The additional £9.95m DfT funding is subject to conditions which will be reviewed by Legal Services prior to acceptance. The main points include that the grant must be used solely for the capital costs of the project and be spent by March 2029. The project will be subject to regular monitoring and evaluation and any significant changes to the project must be approved by DfT.

Legal Services will provide further advice as required to ensure the agreement is entered into on appropriate terms.

Kevin Carter, Head of Law
29th June 2026

4.3 Equalities implications

The Council has a duty under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity, and foster good relations between people who share protected characteristics and those who do not.

The report recommendation to accept the funding into the Leicester Station Gateway project is expected to have a positive impact on accessibility and inclusion. The proposed improvements, including a reconfigured station entrance, expanded concourse, and enhanced public realm, will improve access for all users, particularly for people with disabilities, older people, and those with mobility impairments. Improved pedestrian routes and increased capacity are also likely to benefit passengers with pushchairs and those travelling with luggage.

No adverse equalities impacts have been identified as a result of accepting this funding. As the project moves forward into detailed design and construction, a full Equality Impact Assessment (EIA) should be undertaken and kept under review to ensure inclusive design principles remain deeply embedded throughout delivery.

Equalities Officer, Surinder Singh, Ext 37 4148
Dated 15 June 2026

4.4 Climate Emergency implications

The proposed redevelopment of Leicester Railway Station continues to present a significant opportunity to support delivery of the Council's Climate Ready Leicester Plan. Since 2021, expectations around sustainability and net zero delivery have increased, and

any progression of the scheme would now need to demonstrate alignment with the recently published local plan, including measurable whole-life carbon reduction, low/zero carbon energy systems, climate resilience, and adherence to corporate sustainability standards. The project retains the potential to deliver substantial city-wide emissions savings through modal shift from road to rail, although these benefits should be updated and evidenced using current data. Approval of the additional £9.95m funding would therefore enable a strategically important low-carbon infrastructure scheme to proceed, subject to strengthened sustainability performance targets and robust monitoring, reducing city-wide emissions, modernising a key public asset, and demonstrating leadership in addressing the climate emergency.

Phil Ball, Sustainability Officer, Ext 372246

16th June 2026

4.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

NA

5. Background information and other papers:

None

6. Summary of appendices:

None

7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

8. Is this a “key decision”? If so, why?

Yes as capital expenditure is proposed in excess of £1m as part of the Local Transport Scheme Programme.