

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3232

### Levelling Up Fund - Colindale and Leyton stations

#### Executive summary:

On 18 January 2023 the government announced that the Greater London Authority (GLA) had been successful in its bid to the Levelling Up Fund for £43,166,006 in funding to upgrade Colindale and Leyton Underground stations, including provision of step-free access. This funding was provisional upon the submission, and approval by government, of a Full Business Case for the project.

On 14 December 2023, the Department for Transport (DfT) approved the business case for the project. The DfT approved release of funding for Colindale station immediately. Release of funding for Leyton station was approved provisionally, pending finalisation of the detailed design for the scheme.

The GLA is required to sign a Memorandum of Understanding with DfT for the delivery of the project. The grant funding is subject to certain terms and conditions as set out in the DfT letter dated 11 January 2024 for the initial tranche of funding, with such terms to also apply to subsequent tranches.

Once received, the GLA would transfer this funding to Transport for London (TfL) under section 120 of the Greater London Authority Act 1999 to deliver the station works on its behalf.

#### Decision:

That the Mayor approves:

- entering into the Memorandum of Understanding issued by the Department for Transport (DfT) for the delivery of the GLA's successful Levelling Up Fund (LUF) project 'LUF 20612 – Transforming Colindale and Leyton for all'
- acceptance of the DfT's grant offer of £12,716,765.56 towards the delivery costs for the project, including the terms set out in the DfT grant letter of 11 January 2024, and all future such grant offers up to the £43,166,006 total LUF bid amount for the project
- the transfer of this funding to Transport for London (TfL) for the purpose of delivering the station upgrades at Colindale and Leyton, by means of capital grants to TfL made pursuant to section 120 of the GLA Act.

#### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

31/1/24

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. Under the second round of the government's Levelling Up Fund (LUF), the GLA was permitted to submit one transport-related bid for funding of up to £50m in value. In August 2022 the GLA submitted a bid, 'Transforming Colindale and Leyton for all', which sought £43.2m to upgrade these two London Underground stations. These upgrades would provide step-free access for the first time; address capacity constraints; and support housing delivery and regeneration in the surrounding areas.
- 1.2. The bid was prepared in partnership with Transport for London (TfL), the London Borough of Barnet (LB Barnet) and the London Borough of Waltham Forest (LB Waltham Forest).
- 1.3. On 19 January 2023, the government announced that the GLA's bid had been provisionally successful. Confirmation of the full funding was dependent upon the GLA submitting, and the government approving, a Full Business Case for the project (as defined in the Department for Transport's (DfT) Transport Business Case Guidance).
- 1.4. The DfT provided £2,649,709.87 of the total grant amount up front as development funding to support the preparation of this business case document, and other preparatory activities to ensure that construction work could begin promptly once full funding was confirmed. Acceptance of this funding was confirmed under MD3154 in August 2023.
- 1.5. The GLA subsequently submitted a Full Business Case for the project. This was approved by DfT on 14 December 2023. The DfT approved the immediate release of £29.47m in LUF funding for the Colindale element of the project. The release of £13.69m in LUF funding for the Leyton element of the project was provisionally approved, subject to the GLA advising whether costs have changed materially following completion of detailed design work (expected imminently) and providing details of benchmarking of final costs for construction.
- 1.6. DfT issued a Memorandum of Understanding (MoU) to govern the delivery of the project (see Appendix 1 to the Part 2 form). The GLA is required to enter into the MoU to receive LUF funding and proceed with delivery of the project.
- 1.7. The GLA is required to sign an acknowledgement and acceptance declaration for an initial £12,716,765.56 tranche of grant funding, which is subject to certain terms and conditions set out in a grant letter received from DfT on 11 January 2024 (see Appendix 1). Future tranches of grant funding up to the total bid amount will be paid on a twice-yearly basis according to forecasted spend for the upcoming six-month period, subject to the same terms and conditions.
- 1.8. Once received, the GLA will transfer all grant funding to TfL under section 120 of the Greater London Authority Act 1999 (GLA Act). TfL has confirmed that it will use this funding to deliver the project on the GLA's behalf.
- 1.9. In May 2022, MD2988 approved the transfer of £500,000 in GLA grant funding to TfL for the purpose of completing concept design work for the upgrade of Leyton station, which has now been completed.
- 1.10. A funding agreement between TfL and LB Barnet was made on 30 August 2018 to provide £13.5m of section 106 funding, and direct funding, to provide step-free access at Colindale – £11m of which has already been received by TfL and used for design development. Collating other, smaller, section 106 funds, and the receipt of the LUF contribution in full, will complete the necessary funding to build and bring into use step-free access and enhancements at Colindale station.
- 1.11. LB Waltham Forest has allocated £9m of capped grant funding for the upgrade of Leyton station secured from borough Community Infrastructure Levy receipts. A grant-funding agreement between LB Waltham Forest and TfL is undergoing final stages of review and is expected to be sealed

imminently. The receipt of the LUF grant, in full, will complete the funding necessary to build, and bring into use, step-free access and capacity enhancements at Leyton station.

## **2. Objectives and expected outcomes**

- 2.1. Colindale and Leyton face some of the highest levels of deprivation within their respective boroughs and nationally. This station upgrade programme is at the centre of a place-based regeneration programme, and addresses entrenched deprivation and inequality. It does so by widening access to economic, social and cultural opportunities for local residents, including those with reduced mobility.
- 2.2. These projects are central to the local plans of LB Waltham Forest and LB Barnet; and their investment, transport and climate action strategies. The intention is that new landmark station buildings, accessible to all in the community, will instil civic pride and drive growth in local economies. The station upgrades support major housing sites in priority growth locations and inclusive and sustainable travel across London.
- 2.3. The proposed upgrade to Colindale station would deliver the following objectives:
  - Future-proof passenger capacity up to and beyond 2041, accommodating the committed and planned future growth around the station. This includes the capacity for 7,000 new homes and 2,000 new jobs in the Colindale/Burnt Oak Opportunity Area, as outlined in the 2021 London Plan. Already 4,381 units have been completed, contributing to current high demand and congestion at the station. A further 5,311 units are under construction; 4,014 are consented; and 2,332 are proposed.
  - Introduce a lift from platforms to ticket hall/street level, enabling step-free access at the station for the first time.
  - Significantly improve station ambience.
  - Release the former station site for development by TfL to contribute to affordable housing targets alongside borough-led improvements to the surrounding urban realm; and create a safer, more pleasant approach to the station with wider footways.
- 2.4. The proposed upgrade to Leyton station would deliver the following objectives:
  - Future-proof passenger capacity up to 2041, with provision for a 70 per cent increase in demand to accommodate population growth, including from the significant development plans in Leyton over this period. Planning permission has been granted, with construction under way, for 2,000 homes on sites around the station. A further 5,300 are proposed.
  - Improve the station's operation during peak periods. This will reduce the risk of overcrowding on platforms and at street level on Leyton High Road, and the resulting potential for station closures.
  - Introduce lifts from platforms to ticket hall/street level, enabling step-free access at the station for the first time.
- 2.5. Without accessible public transport that has sufficient capacity to meet demand, there is a risk that fewer homes will be brought forward; and that residents will be disincentivised or excluded from travelling by public transport.

## **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010, as a public authority the Mayor is subject to a public sector equality duty and must have 'due regard' to the need to:

- eliminate unlawful discrimination, harassment and victimisation, and any other conduct that is prohibited by or under the Act
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- foster good relations between people who share a protected characteristic and those who do not.

3.2. TfL is subject to the same legal duty under section 149 of the Equality Act 2010.

3.3. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share a protected characteristic or are connected to a protected characteristic; take steps to meet the different needs of such people; and encourage them to participate in public life or in any other activity where their participation is disproportionately low. This can involve treating people with a protected characteristic more favourably than those without a protected characteristic. Relevant protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

3.4. By providing accessible travel, the Colindale and Leyton station-upgrade projects, if delivered, will directly support improvements for multiple groups with protected characteristics.

3.5. TfL has produced an Equality Impact Assessment (EqIA) for both station projects. The EqIAs highlight that the station upgrades will vastly improve the user experience for older and disabled customers, and those travelling with young children. At present neither station provides an accessible entrance or exit point to the network for passengers, because of the many stairs needed to reach the platforms and the absence of lifts. The upgrade projects will remove this barrier to travel. The improvements to capacity, signage, lighting and other facilities will also benefit customers, including those with protected characteristics, by (for example) improving safety.

3.6. The EqIA for the Colindale station project is included at Appendix 2.

3.7. The EqIA for the Leyton station project is included at Appendix 3.

#### **4. Other considerations**

##### Links to Mayoral strategies and priorities

- 4.1. Delivery of step-free access directly supports the Mayor's Transport Strategy (MTS), which sets out that "the Mayor's longer-term aim is for the majority of the Tube network to be step-free".
- 4.2. The MTS also sets out the importance of delivering capacity enhancements, and the role of public transport in enabling active travel rather than car trips.
- 4.3. As detailed above, the project also supports the Mayor's objectives for housing delivery.

##### Key risks

- 4.4. Accepting the LUF grant and progressing the schemes would carry the risk of cost overrun on delivery of the projects. This risk sits with TfL/GLA, as the DfT and borough funding are both capped. This risk would be mitigated through the next design and delivery stages of the projects using normal TfL risk-management activities and ongoing cost control. These activities include quantitative risk assessments at key project stages; regular risk reviews of project and programme risk registers; and use of a qualified risk manager to manage these registers and respond to emerging risks. In addition, the contract-management approach taken has been to de-risk delivery by conducting more thorough design and survey work than usual at early design stages. This is to remove risks that often materialise during the delivery stage.

- 4.5. To not progress with project delivery, whether due to LUF withdrawal or other reasons, would risk reputational and relationship damage with both boroughs involved in funding the projects. It would also place future investment options with boroughs and third parties at risk.
- 4.6. The current economic situation brings with it a risk of further price inflation for construction and materials. This is mitigated by the contracting approach, using the London Underground Civils and Tunnelling framework. In this framework, the design phase is contracted separately and the decision to contract for the construction phase is only made following receipt of forecasts of the final project cost, from the contractor, at completion of each design stage. Additionally, both the contractor and TfL hold separate risk funds as part of the contract to pay for emerging risks. These risk amounts are included within the stated and funded estimated final costs for the projects. There is a residual risk of cost overrun, as these are not fixed-price contracts. Both Colindale and Leyton projects have used this framework to contract for their relevant design stages. Colindale has now contracted for construction through to completion, in order to meet time-critical milestones for a line closure required for delivery. The Leyton project has contracted for the design stage, completion of which offers the opportunity to re-assess the contracting approach if the costs change significantly.
- 4.7. All DfT funding for the project must be spent by March 2026. To achieve this for Colindale, significant amounts of surveying and advanced site preparation have been completed to enable rapid mobilisation towards a programme critical line closure in Easter 2024. Work to date has been funded by LB Barnet, and most recently advance funding from the LUF grant to allow business case development. All works from this point forward will be funded by the LUF grant until such point as these funds are exhausted – currently forecast as Q1 2025-26. After this, completion of the work will be delivered using committed funding due from LB Barnet.
- 4.8. To achieve this at Leyton a similar approach will be applied. Leyton is at an earlier stage, with detailed design currently under way, using the same Civils and Tunnelling framework.
- 4.9. The costs of post-completion monitoring, which is required by DfT, will be met by TfL.
- 4.10. Further risks are detailed in Part 2 (Confidential Facts and Advice) of this report.

#### Consultations and impact assessments

- 4.11. During the development of the LUF bid submission, GLA and TfL officers consulted with LB Barnet and LB Waltham Forest on the investment proposed in the bid. The Leader of LB Barnet provided a letter of support for the Colindale station upgrade project to be included in the GLA bid. Alongside supporting the GLA bid, LB Waltham Forest submitted the Leyton station project themselves as part of the council's wider borough-led bids. Wider support was demonstrated by letters of support from neighbouring boroughs, as well as private and third-sector partners.
- 4.12. Where required, each element of this project will go through statutory consultation via the planning process. LB Barnet has approved TfL's permitted development request for Colindale station. TfL has been working closely with LB Waltham Forest to agree the final details of the scheme at Leyton station. Whilst the scheme is anticipated to be able to be carried out under permitted development, TfL is liaising with LB Waltham Forest to ensure that all elements meet expected standards. If, upon receipt of the permitted development application, aspects are determined by LB Waltham Forest to need planning approval these approvals will be requested and will be subject to written consultation with statutory bodies and local residents as necessary.

#### Conflicts of interest

- 4.13. There are no conflicts of interest to note for those involved in drafting or clearing this decision.

### **5. Financial comments**

- 5.1. Approval is requested for:

- acceptance of the grant offer from DfT for £12,716,765.56 towards the delivery costs for the project including the terms set out in the DfT grant letter of 11 January 2024, and all future such grant offers up to the £43,166,006 total LUF bid amount for the project
- the transfer of this funding to TfL for the purpose of delivering the station upgrades at Colindale and Leyton, by means of capital grants to TfL made pursuant to section 120 of the GLA Act.

5.2. The full breakdown of the expected LUF funding is shown below:

DfT funding issued in September 2023 (MD3154)	£2,649,709.87
DfT funding to be issued in February 2024	£12,716,765.56
DfT funding contribution remaining after February 2024 payment	£27,799,530.57
Total DfT funding contribution	£43,166,006.00

5.3. The grant can only be used on capital expenditure as set out in the MoU.

5.4. The receipt of the initial £12,716,765.56 grant and subsequent transfer to TfL will take place within the 2023-24 financial year.

## 6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decision requested of the Mayor falls within the statutory powers of the GLA (under section 30 of the GLA Act 1999) to promote and/or to do anything that is facilitative of, or conducive or incidental to, the promotion of economic development and wealth creation in Greater London – here in particular for the purposes of regeneration.
- 6.2. This decision form seeks approval of capital grants from the GLA to TfL pursuant to section 120(1) of the GLA Act. It should be noted that, in accordance with section 120(3) of the GLA Act, a grant made under section 120 must not be made subject to any limitation in respect of the capital expenditure which it may be applied towards meeting. Furthermore, in accordance with section 120(4) of the GLA Act, TfL must apply the grant towards meeting capital expenditure for the purposes of or in connection with the discharge of its functions.
- 6.3. In taking the decisions requested of them, the Mayor must have due regard to the Public Sector Equality Duty – namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.4. It is noted that, to date, a TfL-owned framework has been used to procure works relating to the scheme. Work must be instructed in accordance with the relevant framework agreement and applicable law (such as the Utilities Contracts Regulations 2016). It is understood that legal advice has been sought to ensure compliance with relevant legislation.
- 6.5. Further legal comments have been provided within Part 2 (Confidential Facts and Advice) of this report.

## 7. Planned delivery approach and next steps

- 7.1. Both projects will be delivered by an appointed principal designer and principal contractor managed by an internal TfL team. Both contractors were commissioned under TfL's Civils and Tunnelling Framework. Contractors are accepted onto the framework through a competitive process; then bid for work within the constraints of that framework. Each stage is completed under a separate call-off

contract within the framework, allowing re-tendering if the necessary value for money is not being achieved.

7.2. The delivery timeline is outlined below.

<b>Activity</b>	<b>Colindale timeline</b>	<b>Leyton timeline</b>
DfT approval for release of full LUF grant	December 2023 (achieved)	February 2024 (expected)
MoU with DfT for project delivery	February 2024	February 2024
Engagement of construction contract for Colindale	December 2023 (achieved)	April 2024
Delivery start date	January 2024	May 2024
Delivery end date	October 2025	March 2026
Project close	March 2026	Early Summer 2026

**Appendices and supporting papers:**

Appendix 1: DfT grant-funding letter of 11 January 2024

Appendix 2: Colindale station project Equality and Inclusion Assessment

Appendix 3: Leyton station project Equality and Inclusion Assessment.

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

**Part 1 - Deferral**

**Is the publication of Part 1 of this approval to be deferred? NO**

**Part 2 – Sensitive information**

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form? YES**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to  
confirm the  
following (✓)

**Drafting officer:**

Sam Barnard has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Phil Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Seb Dance has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

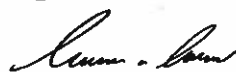
This decision was agreed by the Corporate Investment Board on 29 January 2024.

✓

**INTERIM CHIEF FINANCE OFFICER:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature:**



**Date:**

30/01/2024

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

**Signature:**



**Date:**

29/01/2024