

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2296

Title: Delivery of Beam Park Station

Executive Summary:

This Decision seeks authorisation for a new funding strategy for Beam Park Station, previously allocated for delivery under the Housing Zones programme.

This DD follows on from previous approval documents: MD1545, DD2065 and DD1485

Decision:

That the Executive Director, Housing and Land approves the following:

1. The GLA assumes responsibility for the delivery of Beam Park station project from LB Havering;
2. Housing Zone funding previously allocated to LB Havering for the project, amounting to £9.6m of grant funding, is reallocated to the GLA; and
3. The £8.8m in recoverable grant is converted to non-recoverable grant.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.
It has my approval.

Name: David Lunts

Position: Executive Director, Housing & Land

Signature:



Date:

20.11.18

Name: Martin Clarke

Position: Executive Director, Resources

Signature:



Date:

20.11.18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Rainham and Beam Park land assembly and regeneration proposal was designated a Housing Zone in MD1545 and funding of £30.56m was indicatively allocated to the zone to unlock housing and regeneration in the local area.
- 1.2 In December 2015, the GLA and the London Borough of Havering (LBH) entered into an Overarching Borough Agreement (OBA) to record the indicative allocation of funding for the Rainham and Beam Park Housing Zone. £9,600,000 of this funding was allocated to design and construction of Beam Park station.
- 1.3 The Beam Park station project will deliver a new railway station between Dagenham Dock and Rainham on the C2C line, placed to unlock and accelerate housing development on Beam Park, the former Somerfield development site (now controlled by Clarion HA), and other adjacent sites situated within the Housing Zone.
- 1.4 Beam Park station is identified as a key infrastructure component and development catalyst in the *London Riverside Opportunity Area Planning Framework* (September 2015) and it is at the heart of the *Rainham and Beam Park Masterplan and Planning Framework* (adopted by LBH as a material planning consideration in February 2016). The new station will significantly increase the Public Transport Accessibility Level (PTAL) within the Housing Zone, allowing an increase in the development densities achievable at Beam Park and at nearby sites. Cumulatively, delivery of the station is expected to unlock housing sites with the capacity to deliver between 7,000 and 9,000 homes.
- 1.5 Land for the new station will be provided on the Beam Park development site, which is owned by GLA Land & Property Limited (GLAP). The GLA selected Countryside Plc (CPUK) and London & Quadrant (L&Q) as its preferred development partners for the site through a competitive procurement process using the GLA's London Development Panel. The Development Agreement includes the obligation for Countryside to provide a station building to a shell and core specification. The scheme secured a resolution to grant planning consent on 28th September 2018.
- 1.6 Under the original Housing Zone programme LB Havering lead on the first stage of delivery of the new station in partnership with GLA, following the Governance for Railway Investment Projects (GRIP) process through a contract with Network Rail. LBH funded GRIP stages 1-3 and GRIP 3+, obtaining 'Approval in Principle' for the new station scheme. £2.1m was allocated by LBH and GLA for this element of the study. A detailed cost estimate for delivery of the station was provided as part of this process and is appended to part 2 of this decision paper.
- 1.7 The Delivery Services Agreement for GRIP 4, which progresses the station design and regulatory approvals and consents, is due to be entered into in November 2018. This is a standard form document produced by NR and has been reviewed by GLA's internal and external legal advisors. A copy is appended to part 2 of this paper.
- 1.8 The new station is projected to open by May 2022.

2 Objectives and expected outcomes

Proposition

- 2.1 This paper seeks approval for GLA to assume responsibility for delivery of the station and enter into contract for GRIP 4 and subsequent GRIP phases with Network Rail.

- 2.2 Officers at LBH have indicated that the council is unable to offer sufficient capacity or resource to project manage and provide critical oversight for the project at the current time. Given the strategic importance of the station to the wider regeneration of the local area and the need to commission the project quickly so that new housing schemes are served by the new transport link, GLA officers will assume responsibility for commissioning the station from Network Rail.

Funding

- 2.3 LBH's Housing Zone bid allocated a grant of £9,600,000 to contribute towards the costs of the design and construction of the new station. £800,000 of this was grant funding, with £8,800,000 set out as recoverable grant. £1.1 m of this grant has been spent on funding GRIL 1-3+. It is now proposed that all funding allocated is made non-recoverable. With the transfer in responsibility for delivery from LBH to GLA, there is now no scope to recover funds through local s106 and CIL contributions.
- 2.4 The grant funding will not contribute towards the construction of the station building itself – this obligation rests with CPUT through the Development Agreement with GLA Land and Property (GLAP). CPUT will build the new station to a shell and core specification, with the fit out being provided by Network Rail.
- 2.5 The former Housing Zone funding allocation will be moved to a Land and Property budget, within the GLA Capital programme, to allow Strategic Project and Property officers to oversee the contract with Network Rail.
- 2.6 The costs of GRIP 4 will be met by the former GLA Housing Zone funding. The costs of GRIP 5-8 (construction phases – signalling, platforms, link bridge etc) will be spread across three sources; the remaining balance of former Havering Housing Zone funding (now allocated through Land and Property budgets), TfL Growth Fund and the Transforming London Riverside Housing Infrastructure Funding (HIF) bid.
- 2.7 The GLA is submitting a bid to the Ministry of Housing Communities & Local Government (MHCLG) under the HIF Forward Funding programme to fund a number of infrastructure interventions, including the balance of funding for the Beam Park Station. The bid will be submitted on 1 March 2019 and confirmation on whether the bid is successful is expected from May 2019. Should the bid not prove successful, GLA will identify alternative funding pots that could be used to meet the funding gap.

Governance

- 2.8 GLA will contract with NR and the agreement will be overseen by a designated transport project manager, specifically recruited to manage delivery of the station and protect the interests of GLA.

3. Equality comments

- 3.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public-sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.

- 3.2 Throughout the decision-making process relating to the approvals sought in this paper to facilitate this significant housing development moving forward to delivery, due regard has been had to the 'three needs' outlined above. The housing shortage in London disproportionately negatively affects people with certain protected characteristics. Increasing the supply of housing, and in particular affordable housing will help to achieve positive impacts in line with the 'three needs'.
- 3.3 The proposed changes to the project are expected to have a positive impact on those with protected characteristics by providing a larger number and a greater range of housing products which will generally improve access to housing across different economic and social groups.
- 3.4 The Rainham and Beam Park Housing Zone will contribute towards the implementation of the policies set out in the London Housing Strategy.
- 3.5 The designation of an area as a Housing Zone is intended to identify an area with high potential for housing growth and delivery within London. The GLA Housing Zone designation and associated funding is often partnered with other funding streams and non-financial assistance, in order to deliver these new homes, and therefore this decision will facilitate these goals and ultimately ensure that the needs of different groups are taken into account in the design and development of new homes.

4. Other considerations

a) key risks, issues and mitigation of these

- 4.1 Strategic Projects and Property officers do not routinely directly deliver transport infrastructure projects. To facilitate the timely and efficient delivery of the station GLA has appointed a dedicated transport project manager – on secondment from TfL – to oversee the project on its behalf.
- 4.2 There is a risk that the Transforming London Riverside bid will be unsuccessful. To mitigate this, the GLA has appointed specialist financial consultants Arup to work with GLA to build the business case. Arup, the GLA lead and other Transforming London Riverside stakeholders are working closely with Homes England (who are facilitating the Housing Infrastructure Fund on behalf of MHCLG) to ensure the bid is robust, comprehensive and clearly demonstrates the significant impact that the proposed interventions will deliver in the London Riverside Opportunity Area.

b) links to Mayoral strategies and priorities

- 4.3 The purpose of the Housing Zones Programme is to increase housing supply by accelerating and unlocking development sites. Delivery of the station will allow increased densities of development across several strategic housing sites in the Housing Zone area. The station increases PTAL and provides a clear alternative to private car use in an area currently lacking in public transport provision.

c) Environmental considerations

- 4.4 The scale of the Housing Zones programme presents significant opportunities for innovative building design, reducing development costs and unlocking investment to connect new developments to necessary utility and infrastructure assets. Assets include low carbon decentralised energy and water networks, green infrastructure, waste and recycling collection infrastructure, low emission transport hubs, as well as new parks and open spaces.

5. Financial comments

- 5.1 The decision is seeking approval for GLA to assume responsibility for delivery of the Beam Park station. The cost of designing and constructing the station will be funded from various sources. GLA will enter into contract with Network Rail for the delivery of the station.
- 5.2 The GLA housing zone grant of £9.6m to the London Borough of Havering included a recoverable grant of £8.8m. The GLA assuming responsibility for the delivery of Beam Park Station from the LBH results in the grant no longer being recoverable. £1.1m of the total grant has already been spent.

6 Legal comments

- 6.1 Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:
- Promoting economic development and wealth creation in Greater London;
 - Promoting social development in Greater London; and
 - Promoting the improvement of the environment in Greater London

and, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
 - consider how the proposals will promote the improvement of health of persons in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and
 - consult with appropriate bodies.
- 6.2 Sections 1 - 3 of this report indicate that the decision requested of the Director falls within the GLA's statutory powers.

7. Planned delivery approach and next steps

Activity	Target Date
GLA enters into Delivery Services Agreement for GRIP 4 with NR	15 November 2018
CPUK start construction on Beam Park scheme	November 2018
London Riverside Housing Infrastructure Bid announcement	July 2019
GRIP 4 completed	August 2019
Contract for GRIP 5-8 agreed with NR	September 2019
Station On-Network Works begin	Autumn 2019
Countryside completes station building shell	Summer 2020
On-Network Works and Station fit out completes - station opens	May 2022

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 either be published within one working day after approval or on the defer date.

Part 1 Deferral:

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

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:

Wil Stewart has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Simon Powell has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 12 November 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Cella

Date

20.11.18