

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1021

Title: London Borough of Croydon – Wellesley Road Crossings Project

Executive Summary:

The purpose of this paper is to seek approval to award up to £4,800,000 for the Wellesley Road Crossings Project from London Enterprise Fund (LEF) general capital funds. MD895 gives delegated authority to the Director of Development and Environment following advice from the Regeneration Investment Group.

The project will create an improved environment for investment, residents, workers and visitors by creating improved links between Croydon's main retail investment area, the areas identified for new office and residential development, and the rail, bus and tram arrival points around East and West Croydon stations.

Decision:

That the director approves the GLA's:

- i) Award of up to a maximum of £4,800,000 (which includes a contingency of c.£777,000) from the London Enterprise Fund (capital) to the London Borough of Croydon as a contribution to its costs to deliver its Wellesley Road Crossings Project; and
- ii) Entry into and execution of a grant funding agreement with the London Borough of Croydon governing the GLA's provision of the funding.

AUTHORISING DIRECTOR/HEAD OF UNIT


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 Fiona Fletcher-Smith

Position Executive Director of Development and Environment

Signature



Date 25.03.13

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Following the public order disturbances in August 2011, the Mayor announced a fund of £70m to invest in the long term regeneration of some of the worst affected boroughs (MD895). £50m of this budget comprises the Mayor's Regeneration Fund (MRF) with the remaining £20m grant funding from CLG through the London Enterprise Fund (LEF) which is ring-fenced for Tottenham and Croydon.
- 1.2 Over the last 30 years Central Croydon has experienced a decline in jobs and a gradual degradation of the built character of the public realm. The GLA and Croydon have worked in partnership to develop an Opportunity Area Planning Framework (OAPF) which set outs a joint ambition to make Croydon a place where people want to live, work and invest.
- 1.3 Connected Croydon is a programme of coordinated public realm and transport improvements that will transform Croydon and facilitate the ambition of the OAPF to make Croydon a place of choice where people want to live, work and invest. The programme as a whole will address the poor public realm, disjointed street network and public transport bottle necks which have resulted in an environment which business have identified as a barrier to investment. The Wellesley Road Crossings Project is one important project within the Connected Croydon Programme.
- 1.4 Wellesley Road (the A212), runs through the centre of Croydon extending to six lanes in places and running through an underpass for 350 meters. On average it carries over 28,000 vehicles a day, equivalent to parts of High Street, Kensington or the King's Road in Chelsea¹. The current state of Wellesley Road is a major contributor to Croydon's poor public realm and has also been identified as the main barrier to pedestrian movement in Central Croydon². Improvements to Wellesley Road are consequently highlighted as an important element of the regeneration plans for the Croydon Opportunity Area.
- 1.5 Wellesley Road has been identified as having the worst quality of public realm in Central Croydon³;
- The urban environment is poor with insufficient space for pedestrians, cyclists and public transport users. Footways close to subway crossing points and the bus and tram stops are particularly narrow, limiting access to public transport, especially for those with mobility impairments
 - The majority of crossing points are via subways, with only a limited number of crossings at either end of the retail centre, meaning the official crossing points are both inconvenient and unpleasant and as a result a sizable number of pedestrians cross informally leading to high collision and personal injury rates
 - Crime, vandalism and anti-social behaviour, particularly at night, are seen as problematic across central Croydon, with 56% of people citing high levels of crime and fear of crime impacting on businesses' decisions to locate in the town⁴. This is particularly acute in Wellesley Road due to safety concerns associated with the use of subways after dark.
- 1.6 The Wellesley Road Crossings Project is the first part of a longer term vision and masterplan for Wellesley Road to transform it into a high quality urban space which becomes an asset capable of attracting inward investment. The Wellesley Road Crossings Project will help regenerate central Croydon by providing pedestrian and cycle connections between the office, retail and residential

¹ DfT Traffic data, 2012

² Report into Croydon's urban structure, layout and public space, Space Syntax (January 2007)

³ LB Croydon Townscape Appraisal, Croydon Urban Design Team (December 2006)

⁴ Safer Croydon Partnership Survey (January 2007)

areas and key transport hubs. Improving Wellesley Road crossings is also expected to improve the local night time economy by increasing the number of pedestrians and consequent footfall which can sustain new retail and community facilities on Wellesley Road and in the surrounding high street area.

- 1.7 The project will also aim to reduce the number of pedestrians and cyclists crossing at the George Street and Wellesley Road junctions where there is most risk of conflict between modes, thereby helping to improve overall pedestrian safety along the corridor.
- 1.8 Works to the crossings projects will also be supported by other public realm, including footway and carriageway resurfacing and soft landscaping around each of the new crossings and approximately 110 new street trees.
- 1.9 The Wellesley Road Project comprises of three project strands:

Project strands	Component	Description
Strand 1 – Lansdowne Road & Dingwall Roundabout	WR03B Lansdowne Road (coded in the Stage 2 report as CMC4)	Enhanced pedestrian route to link the at-grade crossing of Wellesley Road with the new East Croydon station footbridge entrance New link between East Croydon station and the Whitgift Centre.
	EC12a Dingwall Road (coded in the Stage 2 report as EC12)	A safe and attractive new crossing linking the East Croydon Bridge to Lansdowne Road.
Strand 2 – Wellesley Road Junctions	WR01E Wellesley Road / Bedford Park/ Poplar Walk junction	New at-grade pedestrian crossings Removal of the pedestrian subway Removal of the u-turn north of the Bedford Park junction to improve bus facilities in the Dingwall Road area to take advantage of the new East Croydon station entrance
	WR01D Wellesley Road / Lansdowne Road junction	New at-grade pedestrian and cycle crossings Removal of the pedestrian subway New right-turn only for buses from Lansdowne Road onto Wellesley Road in order to enhance (an additional 3 No. bus stops) outside the Whitgift shopping centre to improve access
Strand 3 – George Street Junction	WR01C Wellesley Road / George Street junction	Upgrade of the existing crossings and public realm works at the key junction between East Croydon station and the town centre

- 1.10. The proposals have been developed by the Borough in conjunction with the GLA's Design for London team and Transport for London (TfL) and have been tested in terms of traffic impact and the opportunities and any potential conflicts with a major retail investment in the Whitgift centre. The crossings have been modeled and are being taken through TfL's VMAP consent process to ensure that they are neutral in terms of overall impact in the current levels of vehicular capacity in the highway.

1.11. The anticipated outcomes and outputs of the three projects are as follows;

Outputs	Outcomes
4 new or improved crossings;	15% reduction in pedestrian journey time between transport and retail hubs
Approximately 420 m2 of guardrail cleared	5% increase in subjective wellbeing due to environmental benefits
Approximately 11,575 m2 carriageway & footways re-surfaced & new landscaped areas	7% increase in pedestrian usage of new crossings (compared with subways) and an increase in use by children, women and older people to reflect a reduction in real and perceived crime and anti-social behaviour
Approximately 110 trees planted	Road safety improvements including; - vehicular speed at 85 th percentile speeds on approaches to the crossings - reduction in pedestrian and cyclist casualties - reduction in proportion of road traffic accidents that result in casualties being killed or seriously injured
Approximately 115 items of degraded or obsolete street furniture and lighting removed	Reduction in average bus journey times
15 temporary construction jobs	5% increase in subjective well-being

*Collection of Baseline information and uplift targets to be agreed as part of the project Development to Delivery milestone

Project strand 2 runs along the periphery of the planned £1bn retail development in Central Croydon. The project area also includes one of the main the Tramlink routes through the town centre. The final design for this strand may be impacted by the emerging retail plans and discussion with Tramlink. For this reason Croydon may request changes to the proposed outputs and outcomes for this strand later in the design process. Any changes will be subject to review and approval of the GLA.

1.12 As a key part of the Connected Croydon programme Wellesley Road Crossings project will also contribute to broader programme objectives of enhancing the economic vitality of the Croydon Metropolitan Centre. These economic outcomes will be measured and reported at a programme level and are currently considered include;

- Increase in footfall of 7.7m visits annually or 21k per day
- £160m additional retail investment
- Net increase in retail floorspace of 300,000 sq ft
- Increase in retail jobs of c.1000
- Around 70 construction jobs of which, a minimum of 6 will be apprenticeships, with expectations of more to be secured through the tender process

1.13 A Connected Croydon programme-wide outcomes schedule is being produced to capture the economic outputs that will be generated by the Connected Croydon programme as a whole, the parameters of which will be agreed with the GLA prior to the first of the Connected Croydon projects within the MRF programme reaching the Development to Delivery milestone as outlined in the Funding Agreement.

1.14 The total project cost is £7,496,724. The overall GLA investment requested is £4,800,000 of capital funding. £2,696,724 (or 36% of total cost) is match funding. In addition to the Boroughs match funding for project costs, since Stage 2 the Borough have confirmed they will also provide £380,800

contingency allowance as detailed in section 1.17 below. To note, the GLA contribution also includes £777,000 of contingency funding which is distinct from the LB Croydon contingency allowance as detailed in section 1.16 below.

- 1.15 As outlined in the stage 2 report, on the basis of current project cost estimates, only £4,023,000 of the £4,800,000 GLA funding requested has been included in the initial financial profile. The full £4,800,000 however, is being requested to ensure that there will be sufficient funding to cover unforeseen implementation requirements necessary to achieve the project outcomes. The funding agreement will specify that at the Development to Delivery milestones, when the construction costs are known, the final Wellesley Road Crossing project costs will be confirmed. At this stage if some or all of the £777,000 (not currently included in the project financial profile) is required, the Borough will present robust financial evidence of the need and scope of the deliverables that would consequently be secured by the inclusion of some or all of this sum. The GLA will then consider any change and if agreed will seek to amend the current financial profile in accordance with the financial delegations which apply to the Mayor's Regeneration Fund. Beyond this point LB Croydon, any of the £777,000 of this GLA funding which is not agreed for use on the project will revert to the GLA.
- 1.16 Following the Development to Delivery milestone, the Borough will carry the financial risk of the project. Since the stage 2 report, the Borough has confirmed they have budgeted £380,800 to cover project construction cost contingency. This is in addition to the match funding (as outlined in 1.14 above). As detailed above the estimated final project construction costs will be confirmed at the Development to Delivery milestones, however on the basis of the current construction cost estimate this contingency sum would represent approximately 9% of construction costs.
- 1.17 Since the stage 2 proposal was reviewed in April 2012 the overall level of funding requested and project completion date remains unchanged however;
- MRF spend has been reprofiled across the financial years (see financial table below)
 - £777,000 of 'construction cost' contingency was included in the stage 2 spend profile. This has now been removed from the spend profile. At the Development to Delivery milestone when final tender costs will be known and some or all of the £777,000 may be added to the construction stage costs, if agreed by the GLA (as outlined in 1.15 above);

Year	Funding profile endorsed at Stage 2 £	Revised profile £
2012/13	169,000	225,262
2013/14	1,680,000	1,898,126
2014/15	2,951,000	1,899,612
Total	4,800,000	4,023,000

2. Issues for consideration

a) Links to strategies and Mayoral and corporate priorities

The proposed project is not mentioned in the strategic plan directly, as it is a response to the unforeseen exceptional incidents of August 2011. However, the programme overall, and the individual projects for Croydon closely link to three of the Mayor's priority themes: improving Londoners' quality of life; investing in young Londoners; and making London safer.

b) Impact assessments and Consultation

Impact Assessment

An equality impact assessment was carried out during the development of the Wellesley Road Crossings Project. Introduction of the proposed scheme will provide pedestrians and cyclists with appropriate facilities which should lead to a reduction in pedestrian and cyclist casualties in the area and provide equality of access to services for all including vulnerable members of the community.

As part of the tender process for consultants and contractors on the project, tenderers will be asked to provide details of their equality policy and environmental impact policy.

Consultations

Informal consultation has been carried out through Wellesley Road Competition Steering Group and Exhibition which included local residents; Croydon Cycle Campaign; Croydon Mobility Forum; Metropolitan Police; Croydon BID; and LBC officers. This confirmed general overall support for the proposed scheme and provided detailed comments on technical solutions which were incorporated into the design.

Informal consultation has also been carried out as a part of community involvement through the Local Development Framework and with appropriate Cabinet members who all support the proposals. Further consultation will be carried out through the briefing of relevant Ward Councillors.

A number of statutory consents are needed to accompany amendments to crossings and footpaths. These are identified in the programme and the risk register to ensure they are managed in a timely manner.

Communications

In addition to project-level communications, LB Croydon is developing a programme level communication plan which explains the level of GLA commitment and investment to Croydon. This is support by engagement with strategic stakeholders via the Croydon Taskforce. The Taskforce includes a number of community and business leaders within the Wellesley Road area and political representatives including Croydon's London Assembly Member.

c) Risk

Key risks and their control measures will be reported to IPB and the MRF steering group as part of the regular updates and performance management. Key risks are highlighted below:

Risk	Likelihood	Impact	Rating	Mitigation
Project goes over budget	2	5	10	Estimated project costs have been validated by independent cost consultants. A sum equivalent to 23% of estimated construction cost has been retained. Some or all of this sum could be drawn on if agreed by GLA.
Emerging plans for redevelopment of Whitgift Centre affect the outputs stated in the stage 2 report	3	3	9	LB Croydon has established close working partnership with developer to share intelligence and provide early input to respective designs
Potential for delay if TMAP consent required	2	4	8	The design team is working closely with the Traffic Directive

for the crossings is not forthcoming				at TfL to ensure issues arising during the development of the TRANSYT models are addressed quickly. Consent included in Development to Delivery milestone within GLA funding agreement.
Poor traffic management during construction causes delays on the TLRN (A232) and local roads	2	3	6	A robust Traffic Management Plan will be requested as part of the Tender which will be reviewed by the design team before works commence. Attendance of the programme manager at quarterly utilities coordination meetings to ensure that all traffic impacts are fully understood.
Objections or delays by TfL/Tramlink because of an incomplete understanding of consent procedures eg TMAP for the TRLN or health and safety procedures for the tram	2	3	6	An internal TFL programme coordinator has been appointed to support Connected Croydon. This senior figure will ensure LBC and TfL work effectively together including ensuring that relevant issues, permits and approvals are addressed with project plan. The TfL coordinator will have shared responsibility with the LBC Programme Manager to develop a culture of shared endeavour and transparency
Delays in achieving necessary consents	2	3	6	Work with Programme Manager and TfL / LBC Highways to programme in lead in times and take early action on consents
Design negatively impacts the functionality of the retail core in terms of access or parking	2	3	6	Ongoing liaison with LBC Planning and developers / TfL regarding the projects. Changes built into VMAP process to enable accurate modelling. The pedestrian and cycle crossings & public transport are seen as part of a balanced approach to movement in the CMC (not just cars)
Health and safety issues regarding new pedestrian crossings of the Tram system.	2	3	6	Conduct Road Safety Audit and liaise with TCL regarding MODS approval at a senior level to review appropriate approach given that the tram is established as an 'open system'.
Crossings' operation cause an increase in congestion on the road network	1	4	4	Work with TfL to go through VMAP consents process and adjust scheme as required.

Design team/ contractor goes insolvent during the project	1	4	4	Financial standing reviewed as part of framework procurement
Procurement processes push projects outside funding time horizons	1	3	3	Use of frameworks where appropriate and engagement with LBC Procurement early to ensure timescales built into the programme.

Note. Likelihood and Impact rated 1-5. Rating is a product of likelihood and impact and measured 1-25

3. Financial Comments

- 3.1 Approval is being sought to grant-fund up to £4.8 million to LB Croydon as a contribution to its costs of delivering Wellesley Road Crossings project (to be governed by funding agreement).
- 3.2 Since the Stage 2 approval was reviewed in April 2012, the project has been re-profiled. The proposed profile of spend and match funding is as follows :

	2011/12	2012/13	2013/14	2014/15	Total
	£'000	£'000	£'000	£'000	£'000
GLA capital		225	1,898	1,900	4,023
Match funding	1,049	195	170	1,283	2,697
SUB TOTAL	1,049	420	2,068	3,183	6,720
GLA capital contingency					777
TOTAL					7,497

- 3.3 The spend of up to £4.8 million will be funded from the London Enterprise Fund (LEF).
- 3.4 The remaining unallocated budget for LEF General and its profiling is shown below – subject to approval the £4.023m will need to be adjusted from the LEF General budget and transferred to a new cost centre.

Project List	2012/13	2013/14	2014/15	Total
	£'000	£'000	£'000	£'000
LEF – General	1,389	6,270		7,659
Reprofile		-1,900	1,900	0
LB Croydon Wellesley Road Crossing	-225	-1,898	-1,900	-4,023
LEF - General Unallocated	1,164	2,472	0	3,636

- 3.5 It is suggested that the Contingency amount of c£777k be transferred to the project at the start to ensure the budget is not allocated to other projects from the LEF General fund, reporting any unspent at the end of the project.
- 3.6 As the GLA is funding capital elements of the project which will be delivered directly by LB Croydon, reliance has to be placed on its certification of the total amount of capital spend, and the period over which the benefits arising from that spend will accrue. Consequently, LB Croydon's Chief Finance Officer will be required to certify that the sum is accurate and is in accordance with regulation and proper practice, and will be required to advise how this sum will be reflected in LB Croydon's own accounts.
- 3.7 All requisite budget adjustments will be made.

- 3.8 As the proposed funding above is to be governed via funding agreement, officers are reminded to ensure that they liaise with both the Legal and Finance Teams in the preparation and execution of the funding agreements. In addition, the monitoring of the funding and associated payments must be in line with the Authority's Funding Agreement Toolkit.

Officers will be responsible for assessing LB Croydon's grant claims against the funding agreement and taking any remedial action should output and costs vary from the agreement. The funding agreements should clearly state milestones to be met in order to claim funding.

Officers should also ensure that the requirements relating to the Authority's Contracts and Funding Code are met.

- 3.9 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 3.10 The Mayor's Regeneration Fund team within the Development & Environment Directorate will be responsible for managing this project and associated funding agreement.

4. Legal Comments

- 4.1. The foregoing sections of this report indicate that:

4.1.1 the decisions requested of the Director within her exercise of the statutory powers of the Authority (pursuant to her delegated authority granted under MD895) to promote economic development and wealth creation and the improvement of the environment, and/or to do anything which is facilitative of or conducive or incidental to the promotion of those purposes, in Greater London; and

4.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- (a) pay due regard to the principle that there should be equality of opportunity for all people;
- (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- (c) consult with appropriate bodies.

4.2 Officers have indicated in sections 1 of this report that the contribution of funding to the London Borough of Croydon and project will amount to the provision of funding and not a payment for services rendered. Officers must ensure that the funding is distributed and managed fairly, transparently, and in accordance with the Authority's Contracts and Funding Code.

4.3 Therefore, the director (having delegated authority via MD895 pursuant to section 38 of the Greater London Authority Act 1999) may approve the proposed award of grant funding and entry into corresponding funding agreements if satisfied with the content of this report.

4.4 Officers must ensure that funding agreements are put in place and executed by the London Borough of Croydon and the Authority before any commitment is made to the grant of funding.

5. Investment & Performance Board

The original MD895 was discussed and agreed at Regeneration Investment Group (RIG), which authorised the Executive Director of Resources to make all necessary budget adjustments associated

with the application and management of the London Enterprise Fund. On 11 April, RIG received a paper seeking approval for the London Borough of Croydon Wellesley Road Crossings Project to be supported by London Enterprise Funding.

The decision was made:

That an investment of £4,800,000 funding from the London Enterprise Fund to deliver the Wellesley Road Crossings project be approved.

6. Background/supporting papers

MD895

MD1092

Regeneration Investment Group – 11 April 2012 – Minutes

Stage 2: Investment Decision – London Borough of Croydon Wellesley Road Crossings Project

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Information on this decision will be included in the Mayor's report and decision list. The form will be available publically from then. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this approval to be deferred? YES

If yes, for what reason:

It contains information the disclosure of which would be likely to prejudice the Authority's and the London Borough of Croydon's commercial interests by distorting competitiveness in the relevant markets from which works, supplies and/or services will be required for the delivery of the project. Such distortion impacts upon the London Borough of Croydon's ability to secure competitive and sustainable bids for the provision of such supplies and services and value for money which is not in the public interest.

Until what date: 31 January 2014

Is there a part 2 form – NO

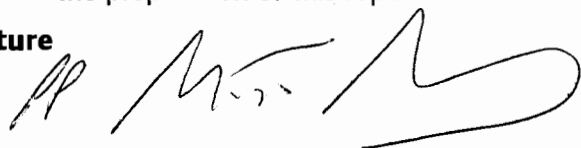
ORIGINATING OFFICER DECLARATION:

	Tick indicates approval (✓)
Drafting officer: <u>Laura Outhart</u> has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision:	✓
Assistant Director/Head of Service: <u>Deborah Jackson</u> has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.	✓
Advice: The Finance and Legal teams have commented on this proposal.	✓

Executive Director, Resources

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

Signature



Date

21.03.13

