

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2399

Transfer of Strategic Investment Funding to Transport for London to progress design and development of southwest entrance to Stratford Station

Executive Summary:

In 2017, the Mayor, the London boroughs and the City of London Corporation (collectively referred to as 'London government'), with the agreement of the then Secretary of State for Communities and Local Government, established a London Business Rates Pool ('the pool') for 2018-19. The Mayor approved the GLA's participation in the pool under cover of MD2217.

It was agreed by the Mayor and the government that he would commit all of the GLA's share of the net additional benefit of pooling to strategic investment projects. In accordance with that agreement, the Mayor created a £112 million Strategic Investment Fund (SIF) comprising £107 million as the GLA's share of the additional growth resulting from creation of the pool and a further £5 million from other business rates growth separate from the growth arising from the pool.

Under cover of MD2363 the Mayor approved the allocation of £90.89 million from the SIF to a range of strategic investment projects which will support a further uplift in business rates and develop London's economic diversity and long-term sustainability (included in this amount was £4 million for the creation of additional capacity at Stratford Station); and delegated authority for detailed project level approval of these strategic investment projects to the relevant Executive Director through a Director's Decision.

This Director's Decision now seeks detailed project level approval for works at Stratford Station and making of a grant payment to Transport for London (TfL) to meet the costs of designing and developing a new entrance (known as the southwest entrance) funded from the Mayor's SIF.

Decision:

That the Executive Director of Development, Enterprise and Environment approves:

Funding, under sections 120 and 121 of the Greater London Authority Act 1999, of £4 million from the Strategic Investment Fund (£1.5 million revenue and £2.5 million capital) which Transport for London will use to progress the detailed design of the southwest entrance at Stratford Station.

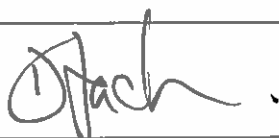
AUTHORISING DIRECTOR

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: Debbie Jackson

Position: Executive Director of
Development, Enterprise and Environment

Signature:



Date:

25/09/19

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. In 2017, the Mayor, the London boroughs and the City of London Corporation (collectively referred to as 'London government'), with the agreement of the then Secretary of State for Communities and Local Government, established a London Business Rates Pool ('the pool') for 2018-19. The Mayor approved the GLA's participation in the pool under cover of MD2217.
- 1.2. The main financial benefit of the pool is that in 2018-19 London government retained 100 per cent of growth in business rates income over and above the government-set business rates baseline. This additional income was distributed among the pool members in the proportions agreed and set out in the memorandum of understanding (MoU) between all pool members.
- 1.3. The Mayor agreed to commit all of the GLA's share of the net additional benefit of pooling to strategic investment projects. In accordance with that agreement, the Mayor created a £112 million Strategic Investment Fund (SIF) comprising £107 million as the GLA's share of the additional growth resulting from creation of the pool and a further £5 million from other business rates growth separate from the growth arising from the pool.
- 1.4. The Mayor approved the allocation of £90.89 million from the SIF to a range of strategic investment projects which will support a further uplift in business rates and develop London's economic diversity and long-term sustainability under cover of MD2363.
- 1.5. One such project approved under MD2363 was works at Stratford Station to create additional capacity through upgrades of entrances and relocation of a lift. £4 million was allocated to this project.
- 1.6. The Mayor also delegated authority for detailed project level approval of these strategic investment projects to the relevant Executive Director through a Director's Decision under cover of MD2363.
- 1.7. Ordinarily, under the Mayoral Decision Making Scheme of Delegation, grants under Section 120 and Section 121 of the GLA Act are approved by a Mayoral Decision. In this instance, this power is being exercised under the delegation to approve individual schemes given by MD2363.
- 1.8. This Director's Decision now seeks detailed project level approval for the making of a capital grant to Transport for London (TfL) who will use the funds for the Stratford Station project, as outlined below.

2. Objectives and expected outcomes

- 2.1. Stratford is at the centre of London's rapid growth eastward. It is emerging as a regionally and nationally significant innovation and business district and by 2050 it is anticipated 25 per cent of London's population will be housed in the area.
- 2.2. Key to the success of Stratford is its National Rail and Underground station. Passenger activity has tripled at the station over the last ten years. It is now the sixth most heavily used railway station in Great Britain and is the sixth busiest underground station in London. Demand is forecast to increase further with the introduction of new and more frequent rail services.
- 2.3. Successful regeneration and commercial growth in Stratford is dependent on the station being able to operate efficiently and with sufficient capacity. The station is now at a point where lack of capacity and indirect connections to neighbouring areas risk inhibiting growth in Stratford.
- 2.4. TfL has analysed the quantum of commercial floorspace that would be discouraged from coming forward unless interventions to increase station capacity are progressed. This analysis shows that

without the interventions, there would be a reduction of £255 million in business rates collected over a ten year period from 2021-2031 and a £85 million reduction from 2021-2026 within the London Legacy Development Corporation area alone.

- 2.5. Importantly, improvements to the station would help promote and support the provision of affordable workspace including at Here East which provides around 80,000m² of space, Hackney Wick, Fish Island which are both Creative Enterprise Zones, the new development coming forward with the East Bank, UCL, Stratford Waterfront projects, and the International Quarter London, all of which are within walking distance of Stratford station.
- 2.6. TfL analysed all capacity issues around the station and considered a range of options to address passenger congestion and connectivity issues in a detailed consultant-led outcome definition study which took six months to complete. The study identified both shorter and longer-term potential interventions which were shared with the full range of strategic stakeholders in Stratford.
- 2.7. One of the options identified is provision of a new entrance and associated public realm improvements at the southwest part of the station at the Jubilee line concourse leading to Gibbins Road. This will help reduce passenger journey times by removing the need for passengers to cross the Jubilee and DLR lines by bridge. It will also improve permeability and connectivity from the residential area known as the Carpenters estate and support both London Legacy Development Corporation (LLDC) and London Borough of Newham's proposals for regeneration of the area including the southern Olympic Park Planning Delivery Zones. Finally, it will promote further use of sustainable transport by enhancing connectivity and transport interchange with bus services.
- 2.8. Other options to increase capacity and connectivity were developed and considered by TfL. These include providing an entrance at Angel Lane and relocating a passenger lift in the western subway. Both these schemes were flagged in MD2363 as works towards which the £4 million SIF allocation would contribute.
- 2.9. Progress on the Angel Lane entrance is contingent on complex land ownership issues being resolved, which appears unlikely in the short term. Likewise, the relocation of the lift is a longer-term aspiration and is at an earlier stage of design.
- 2.10. Meanwhile, the southwest entrance is a far more deliverable solution and can provide increased capacity and connectivity in the shortest timeframe. Importantly, it has the strategic support of key partners including the London Borough of Newham and the LLDC, both of whom are providing vital section 106 funding towards the scheme.
- 2.11. It is also important to note that the southwest entrance also has an existing planning consent which will expire if not enacted by the end of September 2019.

3. Equality comments

- 3.1. Public authorities, such as the GLA and TfL, must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to the need to advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not, under section 149 of the Equality Act 2010. This involves having due regard to the need to remove or minimise any disadvantage suffered by those who share a relevant protected characteristic that is connected to that characteristic, taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low.
- 3.2. All of the recommended projects put forward for funding from the Mayor's Strategic Investment Fund contribute to the sustainable growth of London's economy and will directly or indirectly help create employment opportunities for Londoners.

- 3.3. Specifically, the southwest entrance will deliver accessibility improvements. Currently, customers accessing the southern ticket hall from the south must use stairs to cross a footbridge at Jupp Road. This journey takes approximately ten minutes and is not accessible. The alternative accessible route takes approximately 20 minutes. By building the new southwest entrance, this barrier to accessibility will be removed.
- 3.4. Initial assessment shows that there are no negative impacts over the long term and TfL will finalise a detailed Equality Impact Assessment as part of the concept design.

4. Other considerations

Link to Mayoral strategies and priorities

- 4.1. This project is well aligned with the Mayor's broader strategic and policy priorities, particularly the Mayor's Transport Strategy (MTS). By easing congestion and providing greater capacity within Stratford Station, it will directly improve the public transport experience, which is one of the three pillars of the MTS. It will also support greater use of sustainable transport by enhancing connectivity with bus interchanges at the station, and support more active travel, by significantly reducing the walking time between the station and adjacent residential areas.
- 4.2. Further, it will support the development of London's economic diversity and long-term sustainability, supporting key priorities in the draft London Plan and the Mayor's Economic Development Strategy for London.

Key Risks

- 4.3. The £112 million allocated to the Mayor's SIF in the 2018-19 budget was based on forecasts of business rates income supplied by the boroughs and the City. The final amount receivable based on the year end returns submitted by each billing authority under the distribution mechanism agreed for the 2018-19 business rates pilot was in excess of this and therefore the funding is confirmed. This funding was transferred to and is now held in the GLA's strategic investment fund earmarked reserve. The £4 million of funding for this particular project was approved, in principle, as part of the original Mayoral Decision and will be drawn down from the SIF reserve.
- 4.4. A further key risk is the planning consent which expires on 30 September 2019. TfL is working on discharging the necessary pre-commencement conditions to be able to enact the consent. If the planning consent expires, the delivery of the project would be delayed and estimated costs would increase while a new consent was secured.
- 4.5. None of the officers involved in the drafting and clearing of this decision form has declared any conflicts of interest.

5. Financial comments

- 5.1. In the Mayor's 2018-19 budget £112 million was allocated to be applied to create the Mayor's Strategic Investment Fund. This represented the GLA's share of the additional growth in retained business rates under the London 100% retention pilot for that financial year and must under the agreement with Government for the pilot be applied for strategic investment. Based on the final returns for 2018-19 submitted by the 33 billing authorities this funding has now been secured for 2018-19 and at 1 April 2019 the sums unapplied in 2018-19 were held in the Strategic Investment Fund reserve on the GLA's balance sheet. MD2363 approved the allocation of just under £91 million of the £112 million pot which included in principle support for this particular project. If there had been a shortfall in the funds available in the SIF, and this could not be dealt with through reducing the committed allocations from the SIF, then this would have to be met by the GLA from other funding sources. This risk does not now apply.

- 5.2. The Mayor's own £112 million Strategic Investment Fund is entirely separate from the London pool's Strategic Investment Pot which has a budgeted allocation of £52 million. The Mayor has control over his Strategic Investment Fund without the need for the collective decision-making requirements applicable to the London pool's Strategic Investment Pot.
- 5.3. The £4 million approved under MD2363 is intended to co-fund the project and this contribution will be funded from the SIF reserve. The current funding package also comprises £1 million from London Borough of Newham and £1 million from London Legacy Development Corporation. £1.5 million will be used to progress from concept to detailed design and the remaining £2.5 million will be used for delivery. The planned delivery programme is set out at 7.1 of this decision form.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decision requested of the Executive Director falls within the statutory powers of the GLA to promote and/or to do anything which 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, and in formulating the proposals in respect of which a decision is sought officers have set out above how 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, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - consult with appropriate bodies.
- 6.2. The GLA may provide a capital and revenue grants to the functional bodies under cover of sections 120 and 121 of the Greater London Authority Act 1999 (the "GLA Act"). Accordingly, the Executive Director, acting pursuant to the delegation granted by the Mayor under cover of MD2363, may approve the making by the GLA of the capital grant proposed. Officers are reminded that, in accordance with sections 120 and 121 of the GLA Act, no conditions may be imposed upon the TfL's use of the funds other than that capital funds must not be used for revenue expenditure and vice versa.
- 6.3. In taking the decisions requested of them, the Executive Director 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, gender, 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 Executive Director should have particular regard to section 3 (above) of this report.

7. Planned delivery approach and next steps

- 7.1. The planned project delivery programme is set out below.
- Complete concept design (November 2019)
 - Complete detail design (February 2020)
 - Bring into use (October 2020).

Appendices and supporting papers:

None

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 either be published 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

If YES, for what reason:

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

Part 2 – Sensitive information

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

Is there a part 2 form –NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Tim Aldham has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Tim Steer 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

This decision was agreed by the Corporate Investment Board on 23 September 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Allie

Date

25.9.19