

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2452

### Beam Park Station

#### Executive Summary:

Beam Park is a 29 hectare former industrial site in Dagenham, owned freehold by GLA Land and Property (GLAP). It is under a development agreement with Countryside Properties UK Ltd (CPUK) who will deliver a minimum of 3,000 new homes, two new primary schools, a new park and ancillary retail and leisure uses in partnership with London & Quadrant (L&Q), transforming the site from vacant ex-industrial site into a new community in the east of London.

This development will only proceed past phase 1 if a new mainline train station is delivered to serve the site. The station will also unlock housing development on neighbouring sites.

CPUK are only contractually obliged to deliver the ticket hall for the station and GLA is responsible for funding the remainder of the station works.

This paper sets out a strategic case for the new station and recommends GLA invests to deliver the station using its Homes for Londoners Land Fund (£250m) approved under Mayoral Decision (MD) 2207 which delegated authority to the Executive Director of Housing & Land to approve detailed expenditure.

The investment was endorsed by Land Fund Investment Committee on 5<sup>th</sup> February 2020.

#### Decision:

That the Executive Director of Housing and Land approves:

The investment of up to £32,747,000 from the Homes for Londoners Land Fund (MD2207) to enable the timely delivery and operation of a new train station at Beam Park, subject to the conditions noted in part 2 of this decision form.

#### 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:** Rickardo Hyatt

**Position:** Interim Deputy Executive Director, Housing and Land

**Signature:**



**Date:**

12 March 2020

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE**

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

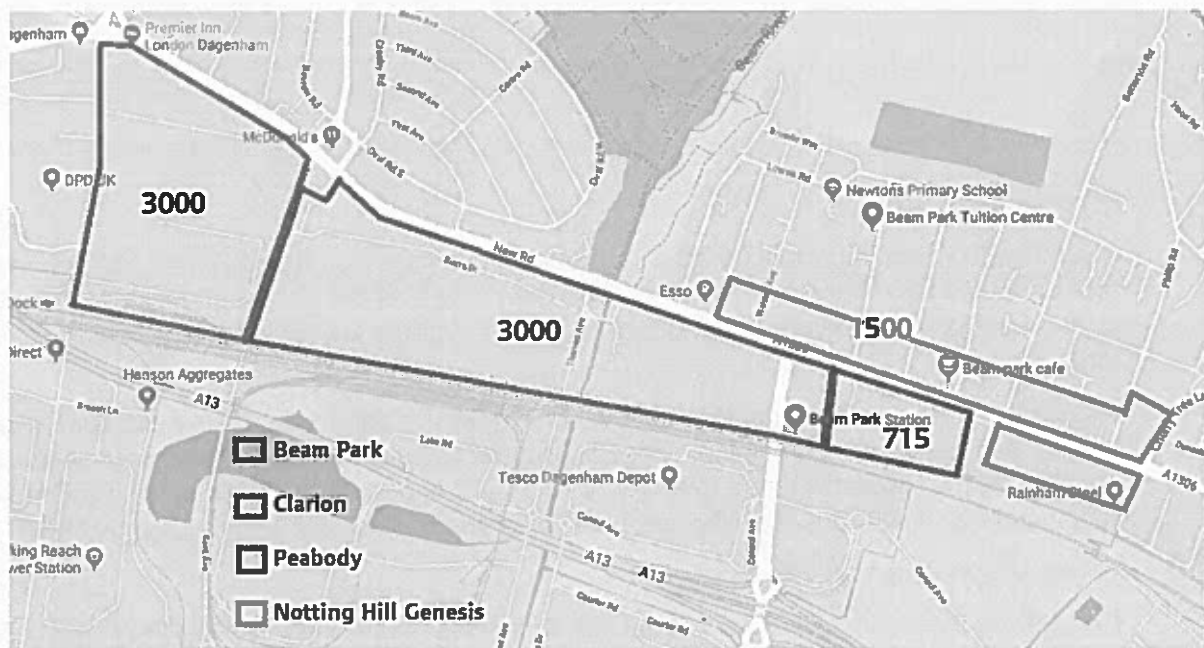
#### **1. Introduction and Background**

##### Project Description

- 1.1 Following a competitive procurement process under the first London Development Panel, GLAP entered a development agreement with CPUK in July 2017 for the comprehensive regeneration of its land at Beam Park, Dagenham. The agreement will see the transformation of this vacant ex-industrial site into a thriving new community which, in turn, will kick-start the regeneration of a number of residential sites along the A1306 corridor. CPUK, together with its JV partner L&Q, will deliver:
- a minimum of 3000 new homes;
  - 50% of which will be affordable;
  - two new primary schools;
  - a GP surgery;
  - a leisure centre;
  - community facilities;
  - retail units;
  - a significant new central park.
- 1.2 CPUK secured planning consent in early 2019 and are now on site delivering the first phase of 640 homes. A site and phasing plan can be found at Appendix 1. The development will be delivered through eight over-lapping phases up to 2030.

##### Rationale and Strategic Case

- 1.3 The planning consent includes a Grampian condition whereby residential occupations are limited to phases 1, 2 and 3 until a new mainline train station on the Southend to Fenchurch Street line (currently operated by c2c) at Beam Park is operational. In practice, this limits development to c1,290 homes until the station opens. The station must be operational by May 2022 to align with CPUK's phasing strategy and to maintain the pace of development on the site.
- 1.4 The new station will increase local Public Transport Accessibility Levels (PTAL) which unlocks potential to deliver additional density and additional homes on the site, further details of which can be found in part 2 of this decision form.
- 1.5 The new station will also unlock potential for a further c2,200 homes on a number of neighbouring sites, some of which are shown on the map below. For example, the housing proposed on the neighbouring site to the east (outlined in blue) relies on the new station coming into operation.
- 1.6 There is a strong strategic case for the new station; the station is critical to ensuring the timely delivery of the consented scheme at Beam Park, unlocking additional homes on the site and unlocking the development of neighbouring strategic sites in the area. The new 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 LB Havering as a material planning consideration in February 2016).



- 1.7 Responsibility for the delivery of the station is jointly held by CPMK and GLA. CPMK will fund and deliver the station ticket hall to shell and core, as required under the 2017 Development Agreement. GLA has taken on responsibility to fund the remainder of the station works (DD2296). It will enter a contract with Network Rail who will deliver the works using their framework contractor. When the station is complete (2022), the station land will be transferred to Network Rail and will form part of Network Rail's regulated asset base.

#### Progress to Date

- 1.8 GLA and CPMK have been working closely with Network Rail and c2c (the franchise operator on this line) to progress plans for the station. The partners are now at GRIP<sup>1</sup> stage 4 of the design process, the output of which will be a detailed cost plan for the capital works and network change approval.
- 1.9 GRIP stage 5 will see the detailed design of the new station and GRIP 6 – 8 will deliver its construction, commissioning and operation. To meet the critical May 2022 opening date, GRIP 5 work must commence in March 2020. Before Network Rail will enter contracts for GRIP 6 to 8, GLA must demonstrate it has committed funding for the entirety of the works. The GRIP stages and timing are outlined in the table below.

Stage	Timing
GRIP 4 - Scheme Development	June 2020 completion
GRIP 5 - Detailed Design	March 2020 to December 2020
Network Change Approval	May 2020
GRIP 6 to 8 - Installation & Commissioning	December 2020 to May 2022
Entry into Service	May 2022

<sup>1</sup> "Governance for Railway Investment Projects" – these are Network Rail's stages for managing the design, build and commissioning of new railway projects.

### Funding Requirement

- 1.10 Given the strategic importance of the station it is recommended that £32,747,000 from the Homes for Londoners Land Fund is invested to fund the delivery of the new station at Beam Park. This includes capital and revenue expenditure and further details are provided in part 2 of this decision form.
- 1.11 As set out in Mayoral Decision (MD) 2207, the Homes for Londoners Land Fund is proposed to be initially sourced from GLAP land receipts, supported by available GLA treasury management working capital where there is a need for "cash flow", and investments from this fund are expected to generate a return. It is therefore proposed that the funding will be provided by GLAP.

### Timing of Investment and Outputs

- 1.12 GLA will pay for the station works on receipt of invoices from Network Rail. The funds are due to be spent between 2021 and 2024. A payment profile has yet to be prepared but any invoices will be interrogated by GLA's dedicated project manager.

### Stakeholder Involvement

- 1.13 A range of stakeholders are involved in the delivery of the station:

Stakeholder	Role	GLA's mode of engagement with them
CPUK	GLAP's contracted developer for Beam Park. Responsible for the delivery of homes and the station building.	<ul style="list-style-type: none"><li>– Monthly steering group meetings</li><li>– Monthly station steering group meetings</li><li>– Pre apps with boroughs and GLA</li></ul>
Network Rail	Will deliver the station works under a contract with GLAP.	<ul style="list-style-type: none"><li>– Monthly station steering group meetings</li><li>– Contractor and impact modelling meetings</li></ul>
C2c	Franchise operator of the train service which will serve Beam Park	<ul style="list-style-type: none"><li>– Monthly station steering group meetings</li></ul>
LB Havering and LB Barking & Dagenham	Local Planning Authorities for Beam Park.	<ul style="list-style-type: none"><li>– Pre apps</li><li>– Strategic planning meetings</li></ul>
GLA Planning	Planning Authority for Greater London	<ul style="list-style-type: none"><li>– Pre apps</li><li>– Strategic planning meetings</li></ul>

TfL Project Manager	GLA's appointed representative, working directly with Network Rail and c2c to manage the GRIP contracts	– Fortnightly catch ups
---------------------	---	-------------------------

### Project Delivery – Roles and Responsibilities

- 1.14 The Strategic Projects and Property Team within the GLA's Housing & Land Directorate will lead on this project and will lead on the deployment and recovery of funding. Officers will engage with the stakeholders outlined above throughout the design and construction process for the station. In particular, with support from the TfL project manager, officers will lead legal and contractual negotiations for the delivery of the station.

## **2 Objectives and expected outcomes**

- 2.1 The proposed GLA investment aims to:

- fund the delivery of a new mainline train station to serve Beam Park and the wider area;
- secure timely delivery of new homes on surplus public-sector land at Beam Park;
- safeguard delivery of 50% affordable housing at Beam Park;
- transform a large ex-industrial site and kick-start regeneration of the A1306 corridor;
- unlock the opportunity to deliver additional new homes at Beam Park and on surrounding A1306 sites.

## **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, as approvals have been sought to facilitate significant housing development, due regard has been had to the 'three needs' outlined above. The housing shortage in London disproportionately negatively affects people with certain protected characteristics. Overcrowding is severe in London, disproportionately affecting those on low incomes – specifically those with certain protected characteristics. As noted, Beam Park will deliver 3,000 new homes, 50% of which will be affordable. This will help to address housing shortage in this area of London. Increasing the supply of housing, and in particular affordable housing will help to achieve positive impacts in line with the 'three needs'.

## **4 Other considerations**

### Risks and issues

- 4.1 Delivering a long term multi-phased project of this nature, increases susceptibility to housing market trends. The GLA will undertake to retain appropriate commercial advisers throughout the

development programme to ensure robust risk management of the project. Further risks and issues are outlined in part 2 of this decision form.

#### Links to Mayoral strategies and priorities

- 4.2 Draft New London Plan (Policy H1) promotes the increase of supply of housing in general and affordable housing. The site will make a significant contribution to both LB Barking & Dagenham's and LB Havering's housing targets and meeting their affordable housing needs.
- 4.3 Draft New London Plan (Policy H5) outlines a strategic target for 50% of all new homes delivered across London to be affordable and specifically on public sector land. The site will deliver 50% affordable housing.

#### Conflicts of interest

- 4.4 There are no known conflicts of interest to note for any of those involved in the drafting or clearance of this decision.

### **5 Financial comments**

- 5.1 This decision seeks approval for an investment of £32.7m to enable the delivery and operation of a new railway station at Beam Park.
- 5.2 Further financial comments are set out in part 2 of this decision form.

### **6 Legal comments**

- 6.1 Under section 30(1) of the Greater London Authority Act 1999 (as amended) ("GLA Act"), the GLA has the power to provide the proposed funding providing that doing so will further one or more of its principal purposes of: promoting economic development and wealth creation, social development, and the improvement of the environment in Greater London.
- 6.2 This funding is intended to facilitate the delivery of housing and affordable housing, and it is open to the GLA to take the view that it will promote both social and economic development, and is therefore within its power, contained in section 30(1) of the GLA Act.
- 6.3 Section 31(1)(a) of the GLA Act prohibits the GLA from using its section 30(1) power to do anything which may be done by Transport for London. Whilst the provision of funding to deliver a station is potentially something that TfL may do, section 31(5B) provides that the prohibition in section 31(1)(a) does not apply where the GLA incurs expenditure in doing anything for the purposes of, or relating to, housing or regeneration. The provision of funding to deliver the Beam Park station will unlock the delivery of housing and is therefore for the purposes related to housing or regeneration and is not therefore prohibited under section 31(1)(a) of the GLA Act.
- 6.4 In exercising the power contained in section 30(1) of the GLA Act, the GLA must have regard to the matters set out in sections 30(3-5) and 33 of the GLA Act, and also the Public Sector Equality Duty in section 149 of the Equality Act 2010. To this end, the Director should have particular regard to section 5 (above) of this report.
- 6.5 The GLA has engaged with the stakeholders outlined in paragraph 1.13 above in relation to this funding which is the subject of this Director Decision. GLA officers have confirmed they do not consider it necessary or appropriate for the GLA to consult with any other persons or bodies including those specified in section 32(2) of the GLA Act for the purposes of this Director Decision.

- 6.6 Officers must ensure that all necessary and appropriate steps are taken and suitable contractual arrangements are put in place to formalise the provision of the funding, including any requirements to safeguard state aid compliance, before committing to the same.
- 6.7 See part 2 of this decision form for further legal comments.

**7 Planned delivery approach and next steps**

Action	Timeline
Funding for station secured	March 2020
GRIP 5 Detailed Design	March 2020 to December 2020
CPUK Phase 2 building lease draw down	April 2020
Network Change	May 2020
Conclusion of GRIP 4	June 2020
GRIP 6 Installation & Commissioning	December 2020 to May 2022
Entry into Service	May 2022

**Appendices and supporting papers:**

Appendix 1 – Site and Phasing Plan



**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**

Until what date:

**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 – **YES**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to  
confirm the  
following (✓)

**Drafting officer:**

Lauren Noble has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Assistant Director/Head of Service:**

Simon Powell name 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 9 March 2020.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. D. Lillie*

Date

11. 3. 20