

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2015

### Title: Growing Places Fund – West Anglia route improvements, Stratford to Angel Road (STAR scheme)

#### Executive Summary:

This paper seeks Mayoral approval for the GLA to receive £250,000 grant funding contribution from the LB Enfield and £250,000 grant funding contribution from the LB Haringey, specifically intended for the STAR project. This funding will be transferred to the GLA under Section 31 of the Local Government Act 2003. Following receipt of this funding, this MD seeks approval for the GLA to transfer the combined boroughs funding of £500,000 to TfL via Section 120 of the Greater London Authority Act 1999.

The West Anglia route improvements, Stratford to Angel Road (STAR) project will benefit parts of the Upper Lee Valley which comprises some of the most deprived neighbourhoods in London. The Growing Places Fund investment of up to £30.7million was approved by MD1496.

This investment, which is part of a total £52.4 million funding package, is required for the extension of the Network Rail funded project to deliver a third rail line from Lea Bridge to Tottenham Hale. This funding package will enable the extension of the third rail line to cover the rail section between Tottenham Hale and Angel Road; the complete improvement works will contribute to the unlocking of major developments at Meridian Water and Northumberland Park by delivering the provision of better connectivity between Stratford and Angel Road on the West Anglia Route.

#### Decision:

That the Mayor approves:

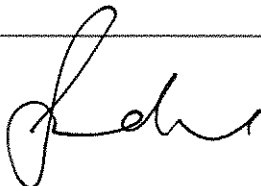
- 1) receipt of a £250,000 funding contribution from the London Borough of Enfield for the STAR scheme and its subsequent transfer to TfL, who are taking on the sponsor and administration role of the Stratford to Angel Road route improvement project; and
- 2) receipt of a £250,000 funding contribution from the London Borough of Haringey for the STAR scheme and its subsequent transfer to TfL.

#### 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:

19/8/16

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

### Decision required – supporting report

#### 1. Introduction and background

- 1.1. The Upper Lee Valley comprises some of the most deprived neighbourhoods in London, with high deprivation, low skills and associated high levels of worklessness and low life expectancy. Despite being an area of significant development potential, growth and private sector investment, the Upper Lee Valley has been constrained, in part due to the low frequency of trains at key stations along the West Anglia route. The Stratford to Angel Road (STAR) project seeks to address this barrier to growth.
- 1.2. The Growing Places Fund investment of up to £30.7million was approved under cover of MD1496. This investment, which is part of the projects £52.4 million funding package, is required for the extension of a Network Rail funded project<sup>1</sup> to deliver a third rail line from Stratford to Tottenham Hale; with this funding package enabling the extension of the third rail line to cover the rail section between Tottenham Hale (via Northumberland Park) and Angel Road<sup>2</sup>. The complete improvement works will allow for the running of an additional 2 trains per hour from Stratford to Angel Road on the West Anglia Route.
- 1.3. The Upper Lee Valley benefits from a range of development sites, including Meridian Water and Northumberland Park. The complete improvement works of the STAR project (to deliver the provision of better connectivity between Stratford and Angel Road on the West Anglia Route) will contribute to the unlocking of these key development opportunities and facilitate the delivery of jobs and homes at a scale which maximises the areas potential (Meridian Water (5,000 homes and 3,000 jobs) and Northumberland Park (3,500 homes and 500 jobs)).
- 1.4. The full funding package (as set out in MD1560) of £52.4m has been confirmed from the following sources:

Source	Finance
Growing Places Fund	£30,700,000
Network Rail	£5,200,000
London Borough of Enfield	£250,000
London Borough of Haringey	£250,000
Transport for London (TfL)	£10,000,000*
Department for Transport (DfT)	£6,000,000
<b>Total</b>	<b>£52,400,000.00</b>

\* This is in addition to funds allocated by TfL for the station works at Tottenham Hale (access for all bridge & the Hale Village link bridge), which is being delivered as a separate component.

- 1.5. Previous approvals for the STAR project are in place under the covers of MD1383 (18 July 2014), MD1496 (19 May 2015) and MD1560 (9 October 2015). Since the last approval, the STAR project has made good progress against the planned programme, in particular:
  - The Hendy Review Report was concluded and published in November 2015, the review focused on the re-planning of Network Rail's Investment Programme. The STAR project was approved to be delivered in the current control period (CP5) by the Hendy Review; the programme for STAR was then set out in the Network Rail Enhancement Delivery Plan which revised the indicative date for Infrastructure Entry into Service from March 2018 to December 2018.

<sup>1</sup> 'A003 West Anglia Main line Capacity Increase project', as identified in Network Rail's Enhancement Delivery Plan

<sup>2</sup> In a separate but dependant project the London Borough of Enfield have secured £12.303 million funding (including funding from the GLA) to relocate Angel Road station, by constructing a new station to better serve the planned Meridian Water development. As part of this separate project, Angel Road station will be renamed Meridian Water station.

- The GLA extended their Development Services Agreement (DSA) contract with Network Rail in October 2016 to cover the delivery of GRIP<sup>3</sup> Stage 3 and GRIP Stage 4 in full; these works were completed by Network Rail in December 2015 and May 2016 respectively. The GRIP Stage 3 works covered designs for track, signalling structures, overhead line equipment, and telecoms.
- A proposal for progressing a package of early enabling works was authorised at a Network Rail Investment Panel on 18th December 2015. A funding agreement was signed with the GLA in December 2015; and the early enabling works (which helped to de-risk the overall STAR programme ahead of the construction phase commencing) started on 4 January 2016 and were completed on 31 May 2016 as programmed. The works included the purchase of long lead materials (HVI track circuits - a type of signalling equipment) and commencement of early physical enabling works to move signalling equipment that was located on the eastern side of the existing railway tracks which needed to be moved as that is where the new third track will be positioned.
- The development of a communication strategy, which is being led by Network Rail and VolkerFitzpatrick, began in May 2016. The strategy is expected to be completed in August 2016, with implementation beginning in September 2016.
- The Network Rail investment paper for GRIP Stages 5 - 8 (detailed design & construction) was submitted for authority in May 2016; investment authority was granted by Network Rail for GRIP Stages 5-8 on 10 June 2016. At this point, Network Rail is working with TfL (who are taking on the sponsor and administration role from the GLA from GRIP Stage 5 onward) to finalise and sign their Agreement for the STAR project.

1.6. Network Rail is on programme to enter into a contract with VolkerFitzpatrick at the start of August 2016 (in time to start on site for early construction works on 24 September 2016). The original plan was for TfL to go into funding agreement directly with the two boroughs for their funding contributions of £250,000 each for STAR. However, due to time pressure and in order for the project not to lose momentum, the STAR/Meridian Water Station Steering Group<sup>4</sup> agreed on 26 May 2016 that it would be a faster process and more time efficient for the boroughs to channel their funding via the GLA to TfL; this is because (i) letters are already in place between the GLA and boroughs which confirms this funding and (ii) the GLA are at advanced stages of their agreement with TfL to transfer over STAR sponsorship, administration and funding into which the GLA can easily integrate the borough funding.

## 2. Objectives and expected outcomes

The aim, objectives and outputs are unchanged from MD1560.

## 3. Equality comments

The equality comments are unchanged from MD1560.

## 4. Other considerations

4.1. Accept for the following item, the other considerations are unchanged from MD1560:

### Links to mayoral strategies

4.2. This STAR project investment links to Mayoral manifesto pledges as follows:

- A “Modern and Affordable Transport Network” – the STAR project supports the Mayor’s manifesto pledge by improving the West Anglia service from Stratford to Angel Road through direct investment

<sup>3</sup> The “GRIP process” is Network Rails’ way of managing the development and delivery of projects on the operational railway. The GRIP stages are as follows: GRIP 1: Output definition; GRIP 2: Feasibility; GRIP 3: Option Selection; GRIP 4: Single option development; GRIP 5: Detailed design; GRIP 6: Construction test and commission; GRIP 7: Scheme hand back; GRIP 8: Project close out.

<sup>4</sup> Meridian Water station is known in previous approval documents as ‘Angel Road Station’

and through planning for London's future transport needs as the population of the Capital continues to grow.

- "Homes for Londoners" – by supporting the unlocking of two key development sites in the Upper Lea Valley (Meridian Water (5,000 homes) and Northumberland Park (3,500 homes)) the STAR project is supporting the delivery of the Mayor's manifesto pledge by helping build thousands more homes in London.
- "Business, Prosperity and Opportunity" – by helping create the modern transport infrastructure the Upper Lea Valley needs to grow and expand, the STAR project is supporting the Mayor's manifesto pledge around business growth in London (with the Meridian Water development forecast to unlock 3,000 jobs and Northumberland Park development 500 jobs).

## **5. Financial comments**

- 5.1 MD1560 set out the full funding package of £52.4m for this project, which originally included the proposal for TfL to enter into funding agreements with both the London Borough of Enfield and Haringey for their receipt of funding (£250,000 each). Due to reasons noted within paragraph 1.6 of this report, it was determined that it would be more efficient to transfer the funding to the GLA.
- 5.2 Consequently, the funding from both London boroughs will be transferred under Section 31 of the Local Government Act 2003. Following the GLA's receipt of this funding, the GLA will transfer the combined boroughs funding of £500,000 to TfL via Section 120 of the GLA act (for which this report is also seeking approval). All appropriate budget adjustments will be made.
- 5.3 There are no further changes to this project from that originally approved by MD1560.

## **6. Legal comments**

- 6.1 The foregoing sections of this report indicate that:
- 6.1.1 the decisions requested of the Mayor fall within the statutory powers of the GLA to do such things as may be considered facilitative of or conducive or incidental to the promotion of economic development and in Greater London and which relates to housing and regeneration; and
- 6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the GLA'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.
- 6.2 If the Mayor is minded to make the decisions sought officers must ensure that:
- 6.2.1 they are content with and that the GLA can comply with the terms of the funding being provided by the London Boroughs of Enfield and Haringey before placing reliance upon the same; and
- 6.2.2 appropriate arrangements are put in place to record the availability and transfer of the capital funds (pursuant to section 120 of the Greater London Authority Act 1999) from the GLA to TfL for use to meet capital costs in the related discharge of its functions in this regard.

## **7. Investment & Performance Board**

- 7.1. This decision was not considered at the Investment Performance Board (IPB) however:

- The full £52.4 million STAR funding package (including the contributions from the boroughs of Enfield and Haringey) was set out under the cover of MD1560 in October 2015, and this funding package remains unchanged;
- Approval for TfL to take on sponsorship and administration of the STAR project from GRIP Stage 5 was approved by MD1560 in October 2015, this governance structure remains unchanged; and
- Letters confirming funding contributions (including Cabinet approval) from LB Enfield and LB Haringey are already in place as they were received by the GLA in March 2015.

## 8. Planned delivery approach and next steps

- 8.1. Accept for the following two items, the planned delivery approach and next steps are unchanged from MD1560:
- 8.2. To date, project reporting has been to the STAR/Meridian Water Station Steering Group, which is facilitated by the GLA and includes representatives from Network Rail, Transport for London, Department for Transport, the train operating company, the London-Stansted-Cambridge Consortium, LB Enfield and LB Haringey. It is proposed that this Steering Group will continue, and progress will be reported to the representatives of the Group on a regular basis (quarterly).
- 8.3. The £250,000 grant funding contribution from the LB Enfield and £250,000 grant funding contribution from the LB Haringey, specifically intended for the STAR scheme, will be transferred to the GLA under Section 31 of the Local Government Act 2003. Following receipt of this funding, this MD seeks approval for the GLA to transfer the combined borough funding of £500,000 funding to TfL via Section 120 of the GLA act. The timing and terms of the transfer are to be agreed however the transfer can take place once TfL approvals to spend STAR funding (including approved contributions from TfL / GPF / London Boroughs / DfT) is in place (estimated July 2016).

<b>Planned activity</b>	<b>Indicative timeline</b>
Project sponsorship and administration transferred over from GLA to TfL	Late July 2016
TfL and Network Rail enter into Agreement for the STAR project	Late July 2016
Network Rail enter into contract with VolkerFitzpatrick	August 2016
GRIP Stage 6 commences (start on site for early construction works)	24 September 2016
GRIP Stage 5 completion (detailed design)	July 2017
Timetable change scheduled to take place	December 2018
GRIP Stage 6 completion (infrastructure ready for use)	15 October 2018
Infrastructure entry into service	11 December 2018
Project completion	March 2019
Evaluation	June 2019

### Appendices and supporting papers:

n/a

**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 – NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

Sarah Hayward 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:**

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

✓

**Sponsoring Director:**

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Jules Pipe CBE has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. D. Alle*

Date

*17.8.16*

**CHIEF OF STAFF:**

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

Signature

*D. Bellamy*

Date

*17/8/2016.*