

REQUEST FOR DIRECTOR DECISION – DD1220

Title: Growing Places Fund - Hackney Wick Station Improvements

Executive Summary:

Further to endorsement from the London Enterprise Panel (LEP) and approval of Stage 1 and Stage 2 by the Investment and Performance Board, this DD seeks approval for the GLA to provide funding of £8.5m to the London Legacy Development Corporation to deliver improvements to Hackney Wick station which will improve legibility, linkages and walking times between the station and surrounding development.

The finance is to be drawn from the Growing Places Fund (GPF) in 2014/15 (£1.75m) and 2015/16 (£6.75m) and will be repaid over the period 2016-17 to 2023-24 as part of the London Legacy Development Corporation's Ten Year Business Plan.

Decision:

That the Executive Director approves GLA expenditure of up to £8,500,000 (capital) on the provision of funding to the London Legacy Development Corporation from the Growing Places Fund (GPF) as a contribution to the costs of delivering improvements to Hackney Wick station to be repaid back to GLA over the period 2016-17 to 2023-24.

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: Fiona Fletcher-Smith

Position: Executive Director-Development, Enterprise & Environment

Signature:



Date:

23/07/14.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. In July 2013, bids were received in response to the second round of the Growing Places Fund which sought proposals that delivered LEP Jobs and Growth Plan objectives. At the LEP meeting on 24th July the results of the GLA evaluation were reported, and the LEP endorsed the continued development of selected proposals. At the LEP meeting on 2nd October the LEP provided in principle approval for allocation of £8.5m for the Hackney Wick Station Improvements project which would improve access to the station and the neighbourhood and support development.
- 1.2. This report seeks a Director Decision (in accordance with the delegation set out in MD940) to approve the provision of £8.5m of funding with repayment conditions which will be used by the London Legacy Development Corporation (LLDC) to deliver improvements to Hackney Wick station including a new station entrance, a new ticket hall at street level, provision of lift for step-free access and a new north-south pedestrian route via a subway. This investment in the station will connect the station to the surrounding development sites, “Here East” (formerly iCity) and Queen Elizabeth Olympic Park, improve legibility, reduce journey times for station and non-station users, create a new improved arrival point in Hackney Wick and support the creation of a new neighbourhood centre.
- 1.3. The project will also contribute to the Mayor’s commitment to create jobs and growth in the capital by supporting development of empty sites and the growth of jobs in the area as businesses are more attracted to “Here East” and other new and existing employment space in the area.
- 1.4. The Stage 1 (strategic decision) and Stage 2 (Investment decision) papers were presented to and endorsed by the Investment and Performance Board on 16th January 2014 and the 24th April 2014 respectively.
- 1.5. LLDC has included the income and expenditure relating to this project in its Ten Year Business Plan, considered by IPB on 20 May and it is anticipated will be formally approved by the Mayor in MD1358 shortly. No additional approval is required by LLDC, subject to approval of MD1358 being granted.

2. Objectives and expected outcomes

- 2.1 The aim of the project is to support the delivery of jobs and growth in the Hackney Wick area by improving access to the station resulting in better links and quicker journeys to surrounding developments sites, such as “Here East”, a new digital and creative hub at the former Press and Broadcast Centres and Queen Elizabeth Olympic Park.
- 2.2 The project will help to create a place focused around a new town centre at Hackney Wick within this new part of city in East London. It will improve connectivity to, and enhance the commercial viability of the area’s evolving economic base, and key employment generators, including “Here East” which is projected to create 7,500 jobs. It will also support the development of 2,125 housing units in the area and will deliver public realm improvements, increased pedestrian usage and provide a more permeable, legible high quality arrival point. It will also enhance perceptions of the area as an attractive business and residential location, and of a successful legacy from the 2012 Games in East London.
- 2.3 Outputs and outcomes expected are:
 - Reconfigured station including step free access, a new north south pedestrian route through the railway embankment and relocated station entrance

- Based on projected demand, the majority of users of the station will experience a reduction of journey time by 2 minutes
- Increased permeability and shorter journeys in the area (including for non-station users) via the north-south subway
- Direct jobs and apprenticeships created from construction works
- Development of c.2125 housing units supported
- Better legibility of the station and the area in relation to Hackney Wick Town Centre, "Here East" and Queen Elizabeth Olympic Park.
- Support the creation of a neighbourhood centre in Hackney Wick connecting key clusters of uses
- Accessibility benefits to passengers with restricted mobility, safety and security benefits and journey time savings to non-station users.
- Approx. 960 sqm of new public realm at station entrances along the new North-South route and through the subway
- Improved connectivity to, and enhanced commercial viability of, key employment generators and developments in the area, such as "Here East", projected to create 7,500 new jobs
- Place-making benefits, including enhanced perception of the area as an attractive business and residential location, that will attract more commercial uses and investment

3. Equality comments

- 3.1. Through their existing public sector duties and via the requirements which will be set out in the funding agreement, the LLDC must ensure that they give due regard to the requirements of the Public Sector Equality Duty: eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out this project. Designs have been presented to the LLDC's Built Environment Access Panel which has reviewed the scheme designs suitability for access requirements. Feedback from this Panel has been incorporated into the developed outline designs. The LLDC will be required to monitor the project against the equality duty.
- 3.2. Although the station is already DDA-compliant the ramp entrance is long and winding and the new station entrance will provide lifts and much better accessibility. The station design has taken into account the needs of users with disabilities and visual and hearing impairments, as well as safety and security requirements.

4. Other considerations

4.1. Key risks and issues

	Risk description	Mitigation / Risk response	RAG
1	Costs exceed the total funding available	Time and funding has been built into the project to undertake detailed design and costing assessments. Value engineering may be undertaken where necessary. Costs will be firmly established prior to implementation and LLDC has responsibility for cost over-runs.	A
2	Delay in the LLDC entering an agreement with Network Rail resulting in a delay to the project	The LLDC are working closely with Network Rail. There is flexibility in the work programme to allow for a slight delay.	G
4	Stakeholders do not sign off designs for implementation phase	All stakeholders will be kept fully informed throughout the process. Stakeholders attend a bi-monthly project working group meeting.	G

4.2. Links to Mayoral strategies and priorities

This project supports a number of Mayoral priorities. The activity supports the Mayor's manifesto commitments to create 200,000 jobs in London, regenerate town centres and drive investment. The project also supports the delivery of the objectives set out in the Mayor's 2020 vision and the Mayor's Economic Development Strategy to create new homes and jobs in the Lower Lea Valley and Stratford Opportunity Area to support convergence.

4.3. Impact assessments and consultations

The design, operational and maintenance requirements for the station have been informed by on-going discussions and meetings with Network Rail, TfL and LOROL. The outline designs were presented to the LLDC Quality Review Panel on 4th April and comments have been taken into account. This will inform further work and preparation of the documentation for the full planning application. Designs are being presented to stakeholders including TfL, LOROL, Network Rail and the London Boroughs of Hackney and Tower Hamlets.

5. Financial comments

5.1 There is £8.5m of capital funding within the Growing Places Fund budget earmarked against this project. It is expected that £1.75m will be incurred in 2014-15 and £6.75m in 2015-16. The overall cost of the project is £11.335m and the additional funding is coming from resources held by LLDC.

5.2 LLDC is budgeting to repay this funding over the period 2016-17 to 2023-24 as part of its Ten Year Business Plan and which is to be sourced from S106 and Community Infrastructure Levy funds. Cost overruns are to remain with LLDC, but the GLA is exposed to this risk and any shortfall in income in its role as LLDC's principal funder and 'lender of last resort.' An agreement will need to be finalised with LLDC, but the funding or write off of any shortfalls in repayment would need to be considered in light of circumstances at the time given that the GLA is directly funding LLDC.

6. Legal comments

6.1 The foregoing sections of this report indicate that:

6.1.1 the decisions requested of the Director acting pursuant to powers delegated by the Mayor under cover of MD940 fall within the powers of the GLA to do anything which promotes or which may be considered facilitative of or conducive or incidental to the promotion of economic development and wealth creation in Greater London; and

6.1.2 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.

6.2 Officers must ensure that:

- (a) they continue to liaise with the GLA's finance team, TfL Legal and any other advisors engaged in order to ensure that appropriate funding and any related documentation is agreed with LLDC; and
- (b) such documentation is put in place and executed by the GLA and the LLDC before any commitment is made to the provision of the proposed funding.

7. Investment & Performance Board

- 7.1 On 16th January 2014 the Investment and Performance Board agreed approval for the Stage 1 (Strategic Case) for this project.
- 7.2 On 24th April 2014 the Investment and Performance Board approved in principle the Stage 2 (Investment Decision) for up to £8.5m of Growing Places Fund funding for the improvement of Hackney Wick station.

8. Planned delivery approach and next steps

- 8.1. The project will be delivered and monitored by the London Legacy Development Corporation (LLDC) who will enter into an agreement with Network Rail to deliver the actual station improvement works.
- 8.2. The services of a contractor will be procured by Network Rail from their framework. This is considered the most cost effective and efficient way to procure the works.
- 8.3. The total estimated cost of the project is £11.335m and the LLDC is providing match funding of £2.84m. Current costs are estimated and will be confirmed once detailed design work has been undertaken. Responsibility for additional identified costs or cost overruns lies with the LLDC. TfL have agreed to fund the costs of the gate line. The exact cost is not yet known and as such is not included in the estimated total cost.
- 8.4. The GLA will enter into a funding agreement with the LLDC to provide the funds. The estimated profile of expenditure is £1.75m in 2014/15 and £6.75m in 2015/16. The funding agreement will set out clear requirements for repayment and will include a repayment profile starting in 2016/17 and completing in 2023/24. The LLDC will repay funds from S106 and CIL contributions from developments in the area. LLDC will not be required to gain further GLA approval for repayment of this funding.
- 8.5. All stakeholders, including Network Rail, TfL LOROL, LLDC and the boroughs of Tower Hamlets and Hackney attend a bi-monthly working group. GLA officers also attend these meetings. Regular meetings will take place through the design and works process.
- 8.6. Within the GLA, the project will be managed by the Regeneration Team reporting to the Growing Places Fund Programme Board and the LEP. Performance will be monitored through monthly dashboards and any amber and red risks will be reported to the Regeneration team's Budget and Performance Review process to ensure all steps are taken to mitigate and reduce any potential impacts of risks.
- 8.7. There will be an obligation for LLDC to undertake a self-evaluation at project closure, as well as a project impact review sometime after completion of the station to understand the impact of the investment. The LLDC will produce an evaluation plan, with support from the GLA and GLA Economics.

	Activity	Timeline
1	Designs completed, stakeholder sign off and Network Rail GRIP 4 documentation prepared and submitted	July 14
2	Submit planning application	July 14
3	Enter funding agreement	Aug 14
4	Network Rail to procure design and build contractor	Sep 14
5	Construction commences	Apr 15
6	Completion of works and open to public	Mar 16
7	Self-Evaluation (Project Impact review – timing to be agreed)	Q1 2016/17
8	Project Closure / repayment complete:	2023/24

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:

Laura Dubeck has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Debbie Jackson 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.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Gille

Date

21. 7. 14

