

<b>9 July 2020</b>		<b>ITEM: 12</b>
<b>Standards &amp; Audit Committee</b>		
<b>Stanford Le Hope Transport Projects</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> N/A	
<b>Report of:</b> Sean Clark, Corporate Director of Finance, Governance and Property		
<b>Accountable Assistant Director:</b> N/A		
<b>Accountable Director:</b> Sean Clark, Corporate Director of Finance, Governance and Property		
<b>This report is Public</b>		

## **Executive Summary**

This report is provided at the Chair's request in order to inform members on the following specific matters relating to the Stanford Le Hope Transport Hub:

- (i) the £7million spend on consultants and how the £7 million spend on consultants was financed and what did it achieve and who authorised this;
- (ii) the price for the Old Brewery to accommodate the parking and waiting area for buses and coaches going to DP World

### **1. Recommendation(s)**

**1.1 That the Standards and Audit Committee notes and comments on the report content.**

### **2. Introduction and Background**

2.1 This scheme involves the construction of new station buildings with footbridge and lifts, passenger information system, bus turnaround facility, passenger drop-off points and cycle parking.

2.2 There are a number of stakeholders involved in the scheme including UK Power Networks, C2C, Network Rail and the Port of London Authority and it will be delivered under a Development Agreement with C2C, who are the principal land owner.

- 2.3 A cabinet decision on 3 September 2014 approved the Local Growth Fund Transport Programme of which this scheme forms part. The report delegated the role of Project Director to the Head of Service for Transportation and Highways to:
- 2.3.1 agree the Board and Group membership for the scheme;
  - 2.3.2 agree and sign off project plans including proposals for public, partner and Member engagement;
  - 2.3.3 have the overarching responsibility for project management, including going out to tender, in the role of Project Director.
- 2.4 A subsequent Cabinet decision on 9 March 2016 agreed to delegate authority to the Head of Service for Transportation and Highways to commission the detailed design and business case for the scheme.
- 2.5 A contractor was appointed under a two stage Early Contractor Involvement (ECI) design and build contract to bring forward the scheme. Stage 1 was intended to be preliminary design with stage 2 including detailed design and construction.
- 2.6 As a consequence of the complexity of the scheme, it became necessary to bring forward some of the Stage 2 works into Stage 1. This resulted in scope creep, more optioneering than had been originally budgeted and anticipated and further, due to the emerging complexities of the design, the site constraints and land ownership it became apparent that the forecast expenditure would increase and the project would fall outside the budget envelope.
- 2.7 Due to the scheme being part funded by the National Station Improvements Scheme (NSIP), there were key milestones that had to be achieved within the programme to secure funding from Network Rail otherwise that funding would be lost. A decision was taken by the Director of Place in February 2019, to procure the footbridge and to demolish the station building therefore securing approximately £3.3m of NSIP funding.
- 2.8 In September 2019, the project underwent a pause and review to understand the key challenges and look at all the options to bring the project forward. An opportunity to acquire some additional land to bring the project forward in a way which removed a lot of risk and provided alternatives to deliver a much improved scheme including public realm area in front of the station and a dedicated drop off, bus turnaround, transport hub and parking on the former Brewery Site opposite.
- 2.9 A report in relation to this project was considered at the Planning and Transport Overview and Scrutiny Committee on 6<sup>th</sup> July 2020 to respond to specific questions raised by the Chair.

### 3. Issues, Options and Analysis of Options

#### Project spend, funding sources, outcomes and governance

3.1 The table below shows the funding sources for the project:

Source	£
SELEP	7,500,000
London Gateway (DPW)	550,000
NSIP (Network Rail)	3,050,000
C2C	737,000
Other S106 contributions	1,533,000
Council	5,720,000
<b>TOTAL</b>	<b>19,090,000</b>

3.2 Of this budget, costs incurred to date amount to £10,367,500. The costs incurred to date include the acquisition of the Old Brewery site, contract costs and professional fees under the ECI Design and Build Contract, demolition of the station, removal of apparatus, de-vegetation of the site, ongoing management and maintenance of the construction site.

3.3 Of the work done to date, there is a significant amount of the design work and studies undertaken that can be used to support the revised scheme. Currently the design team is working up the detailed design from the general arrangements to fit the available budget.

3.4 With regard to governance arrangements, the Cabinet reports set out in 2.3 and 2.4 delegated the authority to the Head of Transportation and Highways. That post has now been removed from the Council structure but has been incorporated within the Director of Place.

#### The Old Brewery Site

3.5 The land was acquired by negotiation in May 2020 at a cost of £3,087,500. A Cabinet report from 15 January 2020 delegated authority for the acquisition of the land to the Corporate Director of Finance, Governance and Property and the Director of Place in consultation with the Portfolio Holder for Regeneration.

### 4. Reasons for Recommendation

4.1 To respond to the Chair's request for information on the Stanford-le-Hope Interchange project.

### 5. Consultation (including Overview and Scrutiny, if applicable)

5.1 Consultation was undertaken as part of planning process and further stakeholder engagement is continuing. This includes meetings with the residents of Chantry Crescent and local Councillors.

## **6. Impact on corporate policies, priorities, performance and community impact**

6.1 The Stanford-le-Hope scheme supports the Place corporate priority, in particular:

- roads, houses and public spaces that connect people and places

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Rosie Hurst**  
**Interim Senior Management Accountant**

There are no direct implications arising specifically from this update report

### **7.2 Legal**

Implications verified by: **Assaf Chaudry**  
**Major Projects Solicitor**

Since this is an update report, there are no specific direct legal implications. Legal Services will provide any legal advice in relation to this project as and when required.

### **7.3 Diversity and Equality**

Implications verified by: **Becky Price**  
**Team Manager – Community Development and Equalities**

There are no direct implications arising specifically from this update report.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

Not applicable.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. **Appendices to the report**

None

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Place