

18 October 2022		ITEM: 6
Planning, Transport, Regeneration Overview and Scrutiny Committee		
Stanford-le-Hope Interchange Report		
Wards and communities affected: All	Key Decision: N/A	
Report of: Keith Rumsey, Interim Programme Director		
Accountable Assistant Director: Kevin Munnely, Assistant Director, Regeneration and Place Delivery		
Accountable Director: Sean Clark, Corporate Director of Resources and Place Delivery		
This report is Public		

Executive Summary

This report is provided at the Chair's request to inform Members of progress on the Stanford-Le-Hope Railway Station and Transport Hub project.

1. Recommendation(s)

1.1 That the Planning, Transport and Regeneration Overview and Scrutiny Committee notes and comments on the information provided relating to the Stanford-le-Hope Interchange project.

2. Introduction and Background

- 2.1 This project consists of 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 several stakeholders involved in the project including UK Power Networks, SELEP, Train Operating Company -c2c, Network Rail and the Port of London Authority. A Development Agreement with c2c, who are the principal landowner will be in place.
- 2.3 Since the last update to the PTR Overview & Scrutiny Committee in July 2022, there has been progress in resolving Station design issues but continued delay in executing the Station D&C contract.

3. Issues, Options and Analysis of Options

Progress:

3.1 The Project scope comprises:

- **Phase 1** - the construction of new station buildings with footbridge and lifts, widened platform, passenger information system and enhanced facilities,
- **Phase 2** - bus turnaround facility, passenger drop-off points and cycle parking.

Phase 1 is now in the Detail Design & Construction/Implementation Stage

Phase 2 is in the Concept Design Stage

3.2 SLH Phase 1 (New Station) contract award for the station to the successful contractor - Volker Fitzpatrick Limited was made in early March. To ensure mobilisation as quickly as possible, a Letter of Intent (LoI) was issued pending formal contract execution.

3.3 The planned Contract with VFL is NEC4 Engineering and Construction Contract June 2017 main Option A. This is a fixed priced contract with an activity schedule where the risk of carrying out the work at the agreed prices is largely borne by the contractor. Execution of the contract has been delayed due to continued concerns regarding cost inflation, national supply chain for manufactured goods issues, scope change risk with NR and c2c as design approvers and rail possession availability impacting the contractors risk liability.

3.4 VFL have offered alternative means of moving into contract which TC has rejected as they are outside the procurement rules. TC and VFL have now developed a proposal that allows the parties to execute the contract and manage the risks step by step and incrementally within the existing contract terms and conditions. It is now planned to execute the contract by 31 October 2022 subject to further clarifications of detail and agreement on matters such as the treatment of inflation and possession availability.

Alternative procurement strategies are being considered and developed concurrently.

3.5 An updated Business Case (BC) was issued to SELEP to take account of increased estimated costs. The revised BC demonstrated High Value for Money. However, SELEP have asked for additional information outside of the original scope of the Business case and details that cannot yet be answered as Phase 2 is in Concept stage. Because of this the Independent Technical Evaluator - ITE (Steer) did not assure the BC. It was confirmed at the September Accountability Board that Thurrock were to have an assured BC in place with a full funding package in place by the first Board meeting of 2023 (likely June 23). If this condition is not fulfilled the £7.5M funding allocation will be reviewed further.

- 3.6 In the development of Phase 2 – Transport Hub - opportunity exists to refine and or enhance scope and funding to account for new developments and demand in the area eg Freeports, new bus lines, property development. The design of the current scope of Phase 2 is on hold until revised client requirements and a design remit are developed and issued. The current assumption is that the Daybreak windows site will not be released for development until the Phase 1 works are completed.

An occupation license is currently being sought from TBC for the contractor's access.

Budget

- 3.7 The budget for the overall project remains at £29.09M
The successful contractor for Phase 1 confirmed a contract price which met the budget requirements. Key Risks have been costed and allowances made in the contract budget to create a suitable risk pot/contingency. Examples of Key Risks are illustrated in 3.11.

The project team are currently reevaluating the risk exposure due to procurement and inflation issues. It is highly likely that additional funds will be required to take account of these risks and to capture the opportunities that the development of Phase 2 presents.

Programme

- 3.8 Soon after signing/implementing the contract the Contractor will submit their formal contract programme which upon acceptance by TBC will become the baseline programme for the project. Phase 1 of the works will be delivered first with the Phase 2 works following with the opportunity to award this work as a Variation Order to the current Contractor/designer. The mitigation and recovery of any delay to date will be dependent on detail design acceptance, procurement and manufacture times and rail possession availability
- 3.9 Covid is a receding issue in project delivery and any residual impacts will be monitored and mitigated but as there is not a significant presence on site now, any impacts have been kept to a minimum. This will be monitored and kept under review. However, the economic and logistics issues that Covid has caused plus the war in Europe are impacting on time and cost parameters of the project.

3.10 TABLE - Key Phase 1 project milestones

Milestone	Planned Date	Actual/Forecast Date	Delays/Notes
Concept design complete	31 October 2020	31 October 2020	
GRIP 4 and planning application	15 December 2020	15 December 2020	
Planning decision Phase 1	15 June 2021	15 June 2021	
Planning Pre-application Phase 2	23 February 2021	23 February 2021	
Phase 1 Tender let	16 September 2021	16 September 2021	
Contractor site visits	14 October 2021	14 October 2021	
Tender submission deadline	7 January 2022	7 January 2022	
Contract award	18 March 2022	3 March 2022	
Contract signed/implementation*	30 March 2022	<i>End Oct/Nov 2022</i>	Delay mitigated by LOI
Site setup / surveys*	Summer 2022	<i>tba</i>	Delays to be recovered where possible
Construction start*	Summer 2022	<i>tba</i>	
Construction completion*	Autumn 2023	<i>tba</i>	
Entry into service*	end 2023	<i>tba</i>	

* The Contractor will submit their formal contract programme which upon acceptance by TBC will become the baseline programme for the project. The mitigation and recovery of any delay will be dependent on detail design acceptance, procurement and manufacture times and rail possession availability

TABLE - Key Phase 2 project milestones (Indicative dates) – Concept Stage

Milestone	Planned Date	Actual/Forecast Date	Delays/Notes
Appoint Designer	October 2022		
Existing Options appraisal	December 2022		
Design Brief	November 22		
Requirements Specification	December 22		
Scheme Development complete	January 2023		
Single Option selection	February 2023		
Submit Planning Permission	March 2023		
Submit Business case for review	April 2023		To Selep/Steer for Assurance

Key Risks and Opportunities

3.11 Key Risks & Mitigations

Risk	Detail	Mitigation
Construction Access	Changes to access assumptions made by the contractor	Work with stakeholders/residents to facilitate planned access
Changes to Scope	2 approving bodies Network Rail (NR)/c2c increases risk of scope change	Robust change control process and clear interfaces
Construction Inflation	Impact on materials and manufacturing costs, goods and services	Early purchase of materials or services. Create risk and contingency pots £ where possible
Resources within NR	Changes in team/ different perspectives - increases risk of scope change	Work with NR to achieve continuity
Procurement lead times of Manufactured items	Longer lead in times for Procurement of manufactured goods such as modular components for station buildings	Allow for in construction programme and plan installation and rail possessions accordingly
Structure of NR	Restructuring of NR – Responsibilities, resource or approvals process changes may impact scope and timeline of projects	Develop relationship with senior NR leaders to get early awareness of potential changes and impacts/mitigations
Contract Terms	NEC fixed price contract demands collaborative behaviours and rigour in responding to contract management with extensive record keeping (CEMAR)	Client contractor and partner teams to establish partnering principles and behaviours and create collaborative working
Changes to Code of Practice/Standards	Changes to codes of practice, standards can result in 'scope creep'	Establish a design 'freeze' at Key milestone -eg design Approved for Construction AfC
Ground Conditions	Unforeseen ground conditions, ecology and archaeology	Robust site investigations – revisit scope and undertake trial trenches
Unforeseen Utilities/Equipment	Unforeseen utilities or railway equipment requirements may impact on cost and programme	Review records, robust site investigations – revisit scope and undertake trial trenches and scanning at key points
Change to Fire Safety Standards	Fire Safety standards changes impact scope of the project	Establish early design freeze and undertaking with NR/c2c Ensure route assessment submission excludes consideration of secondary means of escape

Key Opportunities:

- Securing early possessions from NR could benefit schedule and cost.
- Approvals of design earlier than planned
- Reduction of design overall duration and cost
- Review of SI data and construction methodology could mitigate risk and gain time – reduce cost
- Reduction in piling in platform widening potential for significant time/cost saving.
- Explore other value engineering opportunities with VFL
- Phase 2 Business Case to explore transport interchange opportunities in support of SELEP funding and more benefits to stakeholders could attract additional funding.
- c2c/NR create increased number and or duration rail possessions – eg cancel last train and start overnights earlier, take advantage of other rail engineering projects possessions and blockades.
- Inflation recedes

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: **Jonathan Wilson**
Assistant Director for Finance

The budget implications are set out in section 3.7
The Key Risks to the project have been identified and mitigations developed.
The risks have been costed and allowances made in the contract budget to create a suitable risk pot/contingency

7.2 Legal

Implications verified by: **Kevin Molloy**
Principal Lawyer / Manager Contracts & Procurement Team

There are no new legal implications arising in this report

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project Monitoring Officer

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**

Appendix 1 – Current Concept Design Images

Report Author:

Keith Rumsey, Interim Programme Director

Appendix 1 – Current Concept Design Images

