

21 February 2024		ITEM: 8
Planning, Transport, Regeneration Overview and Scrutiny Committee		
Regeneration Projects Update		
Wards and communities affected: All Wards	Key Decision: N/A	
Report of: George McCullough, Head of Regeneration		
Accountable Assistant Director: N/A		
Accountable Director: Mark Bradbury, Director of Place		
This report is Public		
Version: Final		

Executive Summary

This report is provided to update Members on progress on the delivery of the Council's regeneration projects.

Commissioner Comment:

N/A

1. Recommendation(s)

That the Planning, Transport and Regeneration Overview and Scrutiny Committee:

1.1 Notes the proposed changes to the original programmes and the progress on delivering the Regeneration Projects.

2. Introduction and Background

2.1 This report is to provide the Overview and Scrutiny committee with an update on a number of regeneration projects that were brought to both Cabinet and this Committee in July, September and October of 2023 following the Best Value Inspection report.

2.2 All projects have received South East Enterprise Partnership (SELEP) funding. The report provides an update on actions taken with the SELEP Accountability Board to reallocate funding to avoid potential clawback.

3.0 Project Updates

3.1 A13 Widening

A report was presented to Cabinet on 12 July 2023, setting out the completion of the A13 widening project and a summary of lessons learnt. The report also provided details of post completion works required to close out the project and this report updates on progress.

The Highways team has been appointed to carry out post completion works that were agreed would fall outside Kier's contract as part of the final account settlement. These works include the construction of an access road to the balancing pond and improvements to an area of public right of way (PROW). The works are being incorporated within the Highways programme and are expected to be complete by July 2024.

Major infrastructure projects such as the widening of the A13, require the purchase of 3rd party land and at the time of the July report, there were 5no. land acquisition settlements outstanding. 4no. of the claims have now been agreed and the Council remains in negotiation with the remaining party.

Neighbouring landowners who have not had land acquired but believe they have been negatively affected by the scheme, can apply for compensation under the Land Compensation Act 1972. Compensation claims can be made for the loss in the value of land (Part 1) or for the affect of noise (Part 2). The Council has received 39 claims and has appointed an advisor to validate and if required negotiate with the claimant.

The cost of post completion works, land purchase and potential compensation has been incorporated within the project budget. The project remains on course to be delivered within the budget agreed by Cabinet on 12 July 2023.

The project is part funded by SELEP. The Council submitted a revised value for money (VFM) statement in 2023, reflecting the increase in project cost and the benefits of Freeport Status. The revised VFM is below the required business case threshold, however it is accepted that there are wider qualitative benefits for the region not currently included within the business case. As part of the ongoing evaluation process, the Council will keep the scheme under review to ensure that all benefits are realised and captured.

3.2 Stanford Le Hope

An update on the Stanford Le Hope project was presented to the Planning, Transport and Regeneration Overview and Scrutiny Committee on 28th September 2023 and Cabinet on 11th October 2023. Following those meetings, a planning application for Phase 2 (transport interchange) was submitted on 13th October 2023.

The project involves the rebuilding of Stanford Le Hope Station (Phase 1) and the development of a transport interchange (Phase 2) on the land opposite the station to connect bus, cycle, taxi and pedestrian modes of transport to the station. The project's main aims include expanding the capacity of the station to serve new housing and major employment growth sites, curb traffic growth in the area and help unlock the next phase of development at London Gateway and development at Thames Enterprise Park and Thames Oil Port.

The Council is working in partnership with Network Rail and C2C to design the scheme.

The design process for Phase 1 has now reached the end of the GRIP 4 stage, which provides an opportunity to undertake a Gateway Review of the project. This review will evaluate the scheme options available and investigate further value engineering opportunities. The review will identify the optimum scheme that can be delivered within the financial parameters and which meet the funding outputs. Whilst that process is underway, the Phase 2 planning application will be paused. This option analysis will be presented to Cabinet for decision and the Planning, Transport and Regeneration Overview and Scrutiny Committee will have the opportunity to scrutinise the options.

Alongside the Gateway Review, a focused package of survey, design, engineering and minor works will be instructed to ensure that the Phase 1 planning conditions can be discharged. These works will not be abortive.

To assist the project's viability, the Council has submitted a business case seeking to reallocate £5.4m of unspent funding from the Grays South scheme to the Stanford Le Hope project. A decision from the SELEP accountability board is expected on 16th February 2024.

3.3.1 Purfleet

Cabinet delegated authority to the Director of Place to terminate both the HIF Funding Agreement with Homes England and the Development Agreement with Purfleet Centre Regeneration Ltd (PCRL) on 11 October 2023. Both agreements were terminated in January 2024.

Homes England remain committed to the regeneration opportunity and has agreed that the project can retain the HIF funding spent to date. The Council remain in active discussion with Homes England to identify alternate funding programmes and appropriate delivery options. A report will be presented to Cabinet in March setting out the recommended next steps.

Phase 1A1 is now being delivered by Sanctuary Housing who has stepped into Swan Housing's role. This phase will deliver 34 new homes and is due for completion in August 2024. Sanctuary will also deliver Phase 1A2 which includes 27 new homes having exercised step in rights. The Council remains in close communication with the developer to agree the programme for this future phase and will ensure the community is fully engaged going forward.

3.4 Grays South

Following several reviews into the project, the Cabinet approved the recommendation to stop the project and withdraw the planning application on 11 October 2023.

To ensure that SELEP funding can be spent in the timescales, the Council has submitted a business case seeking approval to reallocate £5.4m of unspent funding to the Stanford Le Hope project. The reallocation also requests that funding already expended on the Grays South scheme remains with the project to allow an alternate scheme to come forward. The decision from the SELEP Accountability Board is expected on 16th February 2024.

The Council remains committed to resolving the key crossing point and is in communication with Network Rail to explore alternate options.

4. Reasons for Recommendation

- 4.1 To provide the Committee with an update on the Regeneration projects that have received SELEP funding

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

- 5.1 Further consultation will be undertaken as individual proposals progress and as part of the planning process. Key decisions on spend and development proposals will need to be approved by the Cabinet and Commissioners.

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

- 6.1 The projects detailed in this report support a number of key Council economic and place regeneration priorities. These are set out in the Thurrock Local Plan, the Economic Growth Strategy and the Grays Town Framework 2017

The projects support the Council's Place priority of roads, houses and public spaces that connect people and place

7. Implications

7.1 Financial

Implications verified by: **Mark Terry**
Senior Financial Accountant
13/2/2024

It is noted the financial risk associated with the delivery of the proposed projects attaches to the Council (as the Accountable Body) and, consequently, must and will be managed by the Council as part of the capital programme. Current project expenditure is in line with budget allocations and will be subject to further gateway approval including Cabinet approval of implementation/funding agreements and associated leases.

7.2 Legal

Implications verified by: **Caroline Robins**
Locum Principal Solicitor- Law and Governance
14/2/2024

There are no new legal implications arising from this report.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project Monitoring Officer
14/2/2024

There are no direct implications arising specifically from this update report. Community Equality Impact Assessments will be carried out as required throughout the decision making and planning processes.

7.4 Risks

The key issues and risks to project delivery and benefit realisation, together with mitigating strategies to minimise their impact are outlined in the table below:

Key Risks	Risk Management Activity and Migrating strategies	Accountability & Monitoring
Insufficient capital committed to complete the projects	<ul style="list-style-type: none"> • Identify risks early • Pro-actively manage these risks • Inform the design and delivery process accordingly to mitigate risk • Increase certainty • Avoid additional cost • Inform timely change control; and • Ensure sufficient contingency management • Experience of previous related projects, programme and spend 	<ul style="list-style-type: none"> • Project meetings between the Council and various consultants to monitor project progress, manage key risks on the risk register and to ensure action is taken in good time to mitigate risks • The relevant project team and consultants will be collectively charged with identifying and managing risk throughout the project, so that it is avoided, mitigated and/or minimised. • Council governance (e.g. Strategic Property Board and Cabinet) consider next steps at key gateway points for example once a grant decision is confirmed, at the end of RIBA 3 and on receipt of main construction contract tenders • Communications to stakeholders and the community
Planning / local authority liaison	<ul style="list-style-type: none"> • Identify risks early • Pro-actively manage these risks 	<ul style="list-style-type: none"> • The project team and consultants will work alongside e.g. the appointed quantity surveyors (to quantify costs associated with each risk) and project managers to
Design		

Commercial	<ul style="list-style-type: none"> • Inform the design and delivery process accordingly to mitigate risk 	<p>maintain development of the risk register</p> <ul style="list-style-type: none"> • Mitigating actions will be assigned to the individual Project Team members to discharge, with regular review undertaken to monitor progress • Each project will ensure it has its own risk register template presenting an initial identification of risks/events, attributing a gross risk score which reflects the likelihood and impact of the said risk • Actions/mitigation measures required to control the risk will be identified and attributed • to named personnel in the project team. Further net risk is also considered alongside further action to be taken as and when required. • Project meetings between the Council and relevant consultants to monitor project progress, manage key risks on the risk register and to ensure action is taken in good time to mitigate risks
Highways and public realm	<ul style="list-style-type: none"> • Increase certainty 	
Services	<ul style="list-style-type: none"> • Avoid additional cost 	
Ground risks	<ul style="list-style-type: none"> • Inform timely change control; and 	
Programme	<ul style="list-style-type: none"> • Ensure sufficient contingency management 	
	<ul style="list-style-type: none"> • Experience of previous related projects programme and spend 	

7.5 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children

N/A

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

Report Author:

George McCullough
Head of Regeneration
Place