

12 November 2014		ITEM: 8
Planning, Transport and Regeneration Overview and Scrutiny Committee		
Grays South and Rail Station Regeneration		
Wards and communities affected: Grays Riverside	Key Decision: Key	
Report of: Brian Priestley, Regeneration Programme Manager, Regeneration		
Accountable Head of Service: Matthew Essex, Head of Regeneration		
Accountable Director: Steve Cox, Assistant Chief Executive		
This report is Public		

Executive Summary

In July 2013 Cabinet acknowledged the importance of enhancing the area around Grays Rail Station as an arrival and meeting point and reducing the barrier effect of the rail lines to support the delivery of the Council's vision for Grays. Cabinet supported continued discussion with Network Rail and others to secure the implementation of measures to upgrade the rail station and rail crossing. Following Cabinet a number of coordinated activities took place to develop the project further including:

- a) Engagement with key stakeholders including Network Rail, C2C and the Grays Town Partnership to establish the level of support for the proposals;
- b) Detailed discussions with Network Rail to establish an approach to delivery;
- c) Completion of a development capacity study, to understand the scale of potential development which could be generated by the sites created around the new public realm;
- d) Completion of initial development valuations, to understand the potential development costs and returns for development plots identified in the plans at appendix A; and
- e) Further design work including investigation of opportunities to address Network Rail's requirement for the underpass to provide level access between rail platforms. This work helped secure Grays as one of 42 Stations that would benefit from the Department for Transport Secure Access for All Fund.

These activities established that there is a feasible scheme that, with the support of Network Rail, could be viable and deliverable within the next four years. In March 2014 Cabinet agreed a series of further steps:

- a) Establishing a formal partnership with Network Rail and the rail service operator to outline roles and responsibilities in securing the delivery of the project.
- b) Procuring a coordinated professional team to develop the proposals further and develop a detailed cost estimate.
- c) Entering into direct discussions with affected land owners and occupiers to develop a partnership or acquisition strategy.
- d) Continuing to develop the funding strategy for the project based upon the delivery strategy which is outlined within this report.

A memorandum of understanding has been drafted with Network Rail and will be reported to Cabinet in December. An initial design workshop has been held with the team that Network Rail proposes to appoint. Network Rail aim to secure approval and funding for the appointment through their governance processes later this year. All known land owners and occupiers have been contacted and informed about the proposals. Funding is potentially available from a number of sources discussed in the report to Cabinet in March 2014. Opportunities have also been identified for improving the design for the 'end users' of the underpass and reducing costs of construction.

1. Recommendation(s)

- 1.1 Planning Transport and Regeneration Overview and Scrutiny Committee are asked to note the progress in developing the project and to comment on the next steps for progressing the project detailed in section 3 of this report.**

2. Introduction and Background

- 2.1 In July 2013 Cabinet agreed a vision for Grays and a number of key, early projects that were considered central to delivering that vision. Enhancing and improving Grays rail station and the surrounding area, improving safety and removing the barrier effect of the level crossing were recognised as vital elements of the regeneration of the town centre, particularly in light of the development of South Essex College's new Thurrock Campus and the separation caused by the level crossing to be exacerbated by the increase in commercial freight traffic generated by the opening of London Gateway.
- 2.2 Accordingly, the report outlined proposals to introduce a broad (8m wide) 'boulevard underpass' beneath the railway line to replace the existing level crossing. The underpass would be accessed via high quality, landscaped public squares at either end with the potential for a redeveloped rail station to

provide a significantly enhanced arrival point into the town centre linking directly to the College, High Street and all points beyond. New development sites created around the public squares would provide high quality frontages to include street cafes and new retail floorspace whilst allowing sufficient space for street entertainment, markets and events. The plans considered and approved by Cabinet in July 2013 are included at Appendix A.

2.3 Cabinet acknowledged the work completed up to July 2013 and supported continued discussions with Network Rail and others to secure the implementation of measures to upgrade the rail station and rail crossing as detailed within the report. Since July good progress had been made with the basic concept fixed by the approvals given by Cabinet, with a number of coordinated activities to develop the project further including:

- a) Engagement with key stakeholders including Network Rail, C2C and the Grays Town Partnership;
- b) Detailed discussions with Network Rail to establish an approach to delivery;
- c) A development capacity study, to understand the scale of potential development which could be generated by the sites created around the new public realm;
- d) Development valuations, to understand the potential costs and returns for development plots identified in the plans at appendix A; and
- e) Completion of a Level Access Study, to address Network Rail's requirement for the underpass to provide level access between rail platforms.

2.4 In March 2014 Cabinet acknowledged the further work that had been progressed and approved a number of further activities including:

- a) Developing the partnership arrangements with Network Rail and the rail service operator for consideration by Cabinet at a later meeting;
- b) Procuring a professional team to develop the designs for the underpass, station and public realm proposals; and
- c) Entering into direct discussions with affected land owners and occupiers to develop a partnership or acquisition strategy for consideration by Cabinet at a later meeting.

3. DEVELOPING THE APPROACH

3.1 With the general scheme largely settled through the approvals given in July 2013 and March 2014 the main focus of activity since has been to broker discussions with Network Rail and establish a general approach to securing

the delivery of the project. Network Rail has identified the Grays level crossing as one of the most hazardous and frequently abused within the region. Their concerns are amplified by the increase in users generated through the opening of the new College and the expectation that the crossing will be closed more frequently through increased freight movements to/from London Gateway.

- 3.2 Network Rail's response to the risk presented by the crossing had been to replace it with an upgraded pedestrian bridge. Funds had already been allocated to this proposal which needed to be spent by 2019. However, acknowledging that an underpass could provide a better solution than a bridge and a solution which also has the potential for redeveloping the existing station, Network Rail is content to work with the Council to develop the proposals considered by Cabinet. In March it was reported to Cabinet that Network Rail expected the Council to develop a delivery strategy and obtain consents by first quarter of 2015. Agreement has now been reached that Network Rail would manage design development and construction of the underpass and public squares to enable delivery of these by 2019. The broad programme for delivery is discussed in more detail later in this report.

Establishing the Formal Partnership

- 3.3 A draft memorandum of understanding sets out the framework for joint working and funding of the project between the Council and Network Rail and this will be report to Cabinet in December. The rail service operator C2C will have responsibility for the rail station and its car park. While these areas will not be directly affected by the proposals for the underpass, they would be an essential part of realising the broader objective of providing a high quality public realm. The MOU will formalise the working relationship and commitment to delivering the scheme and will commit the parties to the delivery strategy. It will provide a framework for the further formal agreements necessary to implement the project. Among other things the draft of the agreement covers:

- Broad parameters of the proposals;
- Delivery strategy including phasing;
- Roles and responsibilities in securing delivery;
- Timescales for actions;
- Funding commitments;
- Project management arrangements;
- Decision making arrangements; and
- Dispute resolution/termination.

Delivery Programme

- 3.4 Due to the implications for rail infrastructure the design process will be carried out in accordance with the Network Rail Governance for Railway Investment Projects (GRIP) Policy. Broadly the project timetable is expected to be;
- a) Design and Costing to 'Approval in Principle'. It is anticipated that this stage will start in November/December 2014 and will require 7 months. At the end of the stage the Council and Network Rail will have a more detailed understanding of the feasibility of the project.
 - b) Detailed Design and Consents. A range of consents will be required including planning, highways, and Network Rail internal consents for works affecting rail infrastructure. It is anticipated that this will require 12 months.
 - c) Detailed construction design and implementation: It is anticipated that this would require 24 months with completion in 2018.
- 3.5 Prior to construction starting all the necessary land would need to be acquired and so discussions and negotiations with land owners and occupiers would be progressed alongside this programme for design and implementation.

Design

- 3.6 Network Rail has agreed that the approach to designing the underpass will be based on the plans agreed by the Council's Cabinet in March 2014. Network Rail has considerable experience and expertise in designing and implementing this type of infrastructure and have agreed to procure one of their framework contractors to develop the design, secure consents, and construct the underpass. An initial design workshop was held in July and Network Rail has been provided with details of the Council's design expectations based on the plans previously agreed by Cabinet. Network Rail now aims to secure approval for the appointment of these contractors through their Governance procedures in October/November of this year with a view to starting work in December.

The funding strategy

- 3.7 The approach to funding the project is split into two distinct elements; funding for land acquisitions and funding for the works. The approach to funding is set out in the report to Cabinet in March 2014. Development valuations by Savills indicated potential for the Council to acquire land and dispose of development plots created around the project area using the proceeds to support the costs of borrowing incurred to take the project forward. The approach to funding the works to construct the underpass has been the primary area of discussion between the Council and Network Rail as both have a part to play.
- 3.8 Ramboll's study set a headline cost estimate for the underpass and associated public squares of £7.9m. Network Rail has indicated that they could support the project with up to up to £4 million of funding. This includes funds originally

identified for a bridge. Following on from the design work commissioned by the Council the Department for Transport announced that Grays was one of 42 stations that could benefit from the Secure Access for All Fund, there would be up to £3 million available from the fund subject to detailed design to enhance accessibility. Separate funds may also be available for redevelopment of the rail station subject to discussion with the rail service operator C2C and Network Rail.

- 3.9 The Council's work in Grays – including Grays South – had been included as a high priority within the South East Local Enterprise Partnership Strategic Economic Plan (SEP); the document through which Central Government distributes the Local Growth Fund monies. Grays was not included in the first round allocation of funds, which would need to be spent before implementation of this project. However further allocations will become available that are more closely aligned to the delivery programme.
- 3.10 Feedback from Government on the SEP has made it clear that for the Council to secure any funds it will need to commit its own land and funds towards delivery together with securing match funding from third parties. Accordingly, provision has been made in the Council's Capital Programme to support the costs of the project through prudential borrowing.
- 3.11 Development of the full funding strategy continues with work to investigate ways to optimise the likely return from the development plots, explore the potential for grant and third party funding and explore the potential for match funding from the Council, Network Rail and C2C. Work will also continue to consider how the design of the underpass could be improved to reduce cost of construction while meeting the Council's expectations of quality.

Engagement with Businesses, landowners and occupiers

- 3.12 The plans in Appendix A considered by Cabinet have been presented to the Grays Town Partnership who have supported the proposals. Following the resolution of Cabinet in March 2014, letters have been sent to all known land owners and occupiers within and immediately adjacent to the area illustrated on the plans to inform them about the proposals. To date 6 individuals have responded seeking further information and all have received a response.
- 3.13 The valuation work undertaken by Savills on the Council's behalf has been at a high level to date and it will be necessary to undertake much more detailed assessment in discussion with land owners and occupiers. A detailed acquisition strategy will be produced to set out the approach and phasing for land acquisition to enable the implementation of the project. Appropriate expertise will be procured to support the Council's role in land acquisition to deliver the project.

4 Reason for Recommendation

- 4.1 The development of an underpass and enhancements to the public realm around the rail station and to the new college are key elements of the Council's priorities for regeneration of Grays town centre. The project is complex and requires a robust approach with key stakeholders to ensure that it is properly implemented. The delivery strategy outlined in section 3 is considered to be the Council's best route through which to secure delivery of the scheme with key stakeholders.

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

- 5.1 The project was supported by Cabinet in July 2013 and March 2014 and by Planning, Transport and Regeneration Overview and Scrutiny Committee in March 2014. It has been subject to consultation with key stakeholders including the Grays Town Partnership, Network Rail, and C2C.

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

- 6.1 The Council's Adopted Community Regeneration Strategy and LDF Core Strategy identify Grays as one of the Growth Hubs in the Borough where regeneration activity is to be focussed. A vision for the town and early projects were approved by Cabinet in July 2013, including the regeneration of Grays South and Rail Station. Further development of the project was supported by Cabinet in March 2014.

7. Implications

7.1 Financial

Implications verified by: **Mike Jones**
Management Accountant

The cost of constructing the underpass and the associated public squares will be in excess of £8million. This is expected to be funded from several sources detailed in the report. Funding arrangements will need to be confirmed and will be the subject of future reports to cabinet.

Provision for the costs of developing the project and for land acquisition has been included in the Council's Capital Programme.

7.2 Legal

Implications verified by: **Alison Stewart**
Principal Housing and Regeneration Solicitor

Formation of the delivery partnership and arrangements for joint delivery, funding, procurement and returns will need to be properly addressed in an agreement between the parties and will be the subject of further reports to Cabinet.

The project will require a range of statutory processes including land assembly and appropriations of unregistered land and open spaces, planning and highway consents.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**
Community Development Officer

The project has been the subject of engagement with a number of stakeholders including businesses, landowners and occupiers - as summarised in the report.

Further engagement activity will take place as the designs are developed to consider issues affecting equality of access. Specific requirements to enable equal access have already been considered including the scale of access ramps and the land area required to upgrade the rail station and rail crossing.

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

None at present, relevant issues will be identified as design and the approach to delivery are developed.

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):

- 10th July 2013 Cabinet report 'Grays town centre Regeneration Vision'
- 19th March 2014 Cabinet Report 'Grays South and Rail Station Regeneration'

9. **Appendices to the report**

- Appendix A: Extracts from Ramboll module 3 study: Plans for an underpass and public square

Report Author:

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