

29 July 2015

ITEM: 7

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: Cllr. Richard Speight Portfolio Holder for Regeneration

Accountable Head of Service: Matthew Essex Head of Regeneration

Accountable Director: Steve Cox Assistant Chief Executive

Executive Summary

In July 2013 Cabinet approved the introduction of a broad (8m wide) 'boulevard underpass' beneath the railway line to replace the existing level crossing. The proposals included access via high quality, landscaped public squares at either end of the underpass and the potential for a redeveloped rail station to provide a significantly enhanced arrival point into the town centre. New development sites created around the public squares would provide high quality frontages designed to include street cafes and new retail floor space with flats or offices on upper floors whilst allowing sufficient space for street entertainment, markets and events.

In December 2014 Cabinet noted progress on developing the project and approved a Memorandum of Understanding with Network Rail that set out the framework for a partnership to deliver the project. Broadly, through these arrangements, it was envisaged that Network Rail would lead the design and construction of the underpass and the Council would lead the necessary land assembly.

Since then both organisations have commissioned consultants to develop the design proposals and consider the land and property implications respectively. This work has now reached the point where a preferred underpass option has been identified and costed and a Land Acquisition and Partnership Strategy developed. This report updates on progress under the various work streams since December and seeks the committees views on the approach to developing the project.

The Land Acquisition and Partnership Strategy sets out an approach based on discussion and negotiation with affected land owners using the Council's powers of Compulsory Purchase as a last resort. The report seeks the committees view on the approach recommended in the strategy.

The cost estimates provided by Network Rail show a design and construction cost that is similar to the budget price identified in the studies by Ramboll of £8,851,565.

However additional costs appear excessive, taking the cost estimate to £15,163,396 for the underpass with additional sums for relocating Crown Road and for inclusion of lifts. Officers are working with network Rail to understand these estimates and to consider how they can be reduced.

Further reports will be submitted to Cabinet for consideration of the next stages of the project including detailed design, funding and, if necessary, the drafting of a Compulsory Purchase Notice.

1. Recommendation(s)

1.1 Planning Transport and Regeneration Overview and Scrutiny Committee are asked to provide their views on the design options and cost estimates and the approach to land assembly set out in this report.

2. Introduction and Background

2.1 As one of six Growth Hubs in the Borough, Grays has been a focus for investment in recent years as the Council seeks to support the delivery of the vision for the town agreed through a major public consultation exercise in 2013:

“Building on its strengths as a Chartered Market Town, Grays will be an exciting, high quality destination for people to live, work, learn, shop and socialise. Reconnected to the River Thames, Grays will support growing resident, student and business communities throughout the day and entertain a diverse and vibrant population through the evening.

Cafés, bars, restaurants, shops and markets will combine with culture, entertainment and events in unique venues to provide a safe and attractive place for communities to meet and businesses to thrive.”

2.2 Under the Grays Regeneration Programme the Council has, among other things, supported the relocation of South Essex College’s Thurrock Campus onto the High Street and is in the process of completing the refurbishment of the former Magistrates Court for business use, developing 53 new homes as the first phase of the refurbishment of the Seabrooke Rise estate together with a new purpose built community house, and addressing the longstanding congestion caused by the existing one way system. The benefits of these schemes are now starting to be seen with activity in the High Street increasing together with a commensurate increase in interest among potential business occupiers. There remains work to be done however to address the longstanding issues of accessibility, image and north-south connectivity with the barrier formed by the level crossing and the disruption caused when it is

closed representing serious impediments to the aspiration articulated within the vision to reconnect the town to the River Thames.

- 2.3 These issues have been highlighted in a series of reports to Cabinet and other Council committees seeking to progress proposals to replace the existing level crossing with an underpass as part of a wider public realm scheme which would, in time, include a new station building and transport interchange. High quality, mixed-use developments set around hard and soft landscaped public squares supporting street entertainment, markets and events will provide attractive frontages for street cafes and new convenience retail whilst apartments and/or offices on upper floors will continue the increase in footfall on the High Street. Collectively, these developments will serve to form a new gateway into Grays for in excess of three million commuters who use the station every year.
- 2.4 The first of these reports (July 2013) set the context for this work and considered the relative benefits of a range of options for providing unimpeded, separated access across the railway line in place of the existing level crossing. These options included various bridge and underpass designs which were rejected because they would not provide the required level of accessibility within an acceptable public realm. This was particularly so in respect of the bridge options where the structure required to clear the overhead cables would have reached nearly 8m in height and would have had a significant negative impact on movement, sight lines and future development potential.
- 2.5 Cabinet selected the introduction of a broad (8m wide) 'boulevard underpass' beneath the railway line to replace the existing level crossing as the preferred option. Cabinet also approved actions under a series of work streams including design, land acquisitions and the establishment of a partnership with Network Rail to secure the ultimate delivery of the scheme. There have been regular reports to Cabinet providing updates on progress and seeking further approvals as required. Through the last update report, in December 2014, Cabinet agreed a Memorandum of Understanding (MoU) that set out the framework for a partnership between the Council and Network Rail to secure the delivery of the underpass. Broadly, through these arrangements, it was envisaged that Network Rail would lead the design and construction of the underpass and the Council would lead the necessary land assembly.
- 2.6 Since striking this agreement both organisations have commissioned consultants to develop the design proposals and consider the land and property implications respectively. This work has now reached the point where a preferred underpass option can be identified and a Land Acquisition and Partnership Strategy has been developed. The designs and associated costings are currently being reviewed and will be the subject of a report to Cabinet in the Autumn. This report updates on progress under the various work streams and seeks the Committees views on the approach taken to developing the project.

- 2.7 Since the last update report to Cabinet Network Rail and the Council have delivered a coordinated campaign to address a sharp increase in the level of misuse of the rail crossing which had served to heighten already existing safety concerns. At its height, the numbers of recorded incidents of people crossing whilst the barriers were descending, jumping over/through the barriers once they were down and accessing/existing the station via the level crossing had reached in excess of 40 a month. This led Network Rail to conclude that the risk of an accident had become too great leaving them with no alternative but to close the crossing.
- 2.8 Network Rail has reported that the campaign, which included staffing of the crossing, increased signage, letter drops and various joint press releases, has had a considerable positive impact with recorded levels of misuse well down. However, the long term safety concerns still exist and whilst Network Rail is no longer considering an immediate closure it is critical that the work on a permanent solution continues to progress and that the Council can fulfil its obligations under the MOU. If it becomes clear that the project is likely to be delayed beyond the currently anticipated programme, cannot be delivered or there is another increase in misuse of the crossing it is likely that Network Rail will be forced to reconsider its position because of the underlying risks.

3. Issues, Options and Analysis of Options

- 3.1 Since Cabinet last considered this project at their meeting in December 2014 there has been good progress on all of the key work streams. The Council has worked closely with Network Rail and their appointed designers (Atkins) to develop fully costed design options and the Council's advisor (Montagu Evans) has completed the first stage of their commission to produce a Land Acquisition and Partnership Strategy on behalf of the Council. These are both considered in more detail in the rest of this report.
- 3.2 Development of the Underpass Design
- 3.2.1 As is noted above, with the Council having ruled out bridge options through its earlier work, the focus of the design work being led by Network Rail has been on considering the potential options for an underpass crossing of the rail line. Through a jointly developed brief, Atkins were appointed to undertake this work and, having undertaken a range of surveys (topographic, utilities etc), and provided their final options report. Each of the options has built on the design approach previously agreed by Cabinet in July 2013 and sought to maximise the width of the underpass to maintain the boulevard approach, meet the requirements of the Disability Discrimination Act and protect forward visibility as far as possible.
- 3.2.2 Plans of the four options are attached at Appendix One. Option 4 includes crescent shaped integrated steps and ramps and is considered by officers to be the preferred option of the 4 presented. This option provides the highest levels of accessibility, engineered structures are less obvious than in the other options and it therefore provides opportunities to provide the highest quality of

public realm. Members are requested to consider and comment on the design approach in this option.

- 3.2.3 Ramboll had estimated a budget price with exclusions of c£8million. The design and build cost estimate for option 4 is similar at £8,541,565. However officers have been surprised at the scale of additional costs associated with network rails project management and other costs, which result in a total estimate of £15,163,369 with additional sums for relocating Crown Road and including lifts. These costs are currently being reviewed with Network Rail.
- 3.2.4 Grays Rail Station has been identified by the Department of Transport (DoT) as one of 42 stations around the country that can benefit from their Access for All Programme (AfA) which aims to improve accessibility within rail stations. To secure any funding under the programme Network Rail is required to submit four options, including a preferred option to the DoT. The approach to designing the AfA works and the underpass has been coordinated. Atkins and Network rail have concluded that the preferred AfA option would be to incorporate the access improvements within the underpass structure.
- 3.2.5 When the initial design and costing has been completed the programme will be developed in more detail with Network Rail to bring together the main elements of the programme (Design, Land Acquisition, planning and other consents, construction, and development plots) that will need to be coordinated and to reflect the decision making processes of the Council and of Network Rail. A full programme will be reported to a future Cabinet meeting.

3.3 Land Assembly

- 3.3.1 The plan included at Appendix Two shows the approximate extent of land required for the preferred underpass layout and the separate land holdings within that area. Much of this is already owned by either Network Rail or Thurrock Council.
- 3.3.2 The Council has held a continuous, open dialogue with the owners and occupiers of property affected by the scheme. This has included written updates together with offers to meet directly with Council Officers or the Council's advisors which a number of businesses have taken up. More general updates have been provided to businesses elsewhere in Grays through the Grays Town Partnership. It is important that this dialogue continues throughout the development and delivery of the scheme.
- 3.3.3 The anticipated cost of acquiring those interests which are not currently within Network Rail or Thurrock Council ownership, including those leasehold interests within Network Rail owned property, is estimated at £5,845,600. This is considered to be a worst case scenario in that it is assumed that all interests will have to be acquired (i.e. there is no partnership arrangement) under a Compulsory Purchase Order (CPO) and includes provision for all fees and compensation that would be payable.

3.3.4 To ultimately deliver the underpass the Council will need to acquire or gain control of the various land interests. Montagu Evans was commissioned in December 2014 to produce a Land Acquisition and Partnership Strategy to support the project. The Strategy is based on relevant guidance issued by Government. Building upon the clear views expressed by Cabinet that any acquisitions should be through negotiation where possible, the main elements of the strategy are that:

- a. There should be clear and open communication with those with an interest in the site;
- b. The Council should look to negotiate agreement wherever possible with priority given to freeholds and long leases over short leases and occupational interests. The approach should be subject to review on an individual basis and tailored to each case;
- c. Use of Compulsory Purchase Powers should be a last resort if negotiation cannot bring about acquisition of a site;
- d. The Council should recognise that it may be appropriate to seek to agree conditional contracts for future purchase. There may also be benefit in early acquisition if interests are available and/or where the Council may be able to generate an income prior to implementation of the project;
- e. Opportunities for relocation of existing businesses should be sought, either outside the project area or in the new units to be created and sufficient time needs to be given for business to find alternative premises and to relocate; and
- f. Any residential premises within the scheme area should be handled sensitively.

3.3.5 Whilst the strategy clearly anticipates the majority of acquisition activity being conducted through negotiation and individual agreements, it is clear from the programme that achieving certainty over land assembly is critical to the ultimate delivery of the project. Alongside this, the Council will need to be content that it has not omitted any unregistered or undeclared interests and/or rights which might otherwise preclude delivery of the scheme. It is therefore proposed that, alongside any negotiations with affected landowners and occupiers, the Council also develops the case for a CPO which can be used to acquire interests where a negotiated solution cannot be found and that will address any unknown interests and rights which the Council would otherwise not be aware of. This will be the subject of a detailed report to Cabinet in the Autumn.

3.3.6 Whilst the use of a CPO provides an element of certainty in the event that agreement cannot be reached through negotiation it is an extensive process; both in terms of timescale and work required. Should the Council have to rely upon its CPO powers it will need to produce detailed statements in support of its proposals, participate in a full public inquiry and then follow the relevant processes to ultimately secure the necessary interests. Typically the full CPO process can take up to two years to complete. Given the requirement for the project to be completed by the end of March 2019 it is considered necessary

to commence both the negotiations and the preparatory work for the CPO as soon as possible.

- 3.3.7 Recognising the specialist nature of the work, the Council will require support from a legal team with expertise in compulsory purchase to support the implementation of the Land Acquisition and Partnership Strategy. Cabinet will be asked to approve a procurement exercise for these services.
- 3.3.8 Outside of the third party interests to be acquired, the existing Council owned land required for the scheme will need to be appropriated from its current purpose to planning purposes for the delivery of the scheme. The scheme will also require temporary and permanent closures and diversions of the public highway and is likely to require the creation of new highway for the necessary relocation of Station Approach. The necessary approvals to effect the various appropriations etc will be sought through further Cabinet reports as the project progresses.
- 3.3.9 The committee is asked to consider and comment on the approach to land assembly.
- 3.4 Financial Implications
 - 3.4.1 The preliminary estimate of costs of delivering the underpass scheme include land acquisition, design and construction.
 - 3.4.2 Costs of acquiring all land interests would depend on the nature of the public realm, the scale of the associated development plots, and the extent to which Crown Road is moved southwards to provide a shorter underpass. Costs of land acquisition using the Council's powers of compulsory purchase would range between £3,348,450 if Crown Road is moved southwards as illustrated on the plans in the appendices and £5,845,600 if Crown Road is not moved. These figures would be lower if properties can be purchased by negotiation.
 - 3.4.3 In July 2013 it was reported to Cabinet that the budget price for constructing the underpass would be in the region of £8 million with additional sums for a range of items including Network Rail costs, costs of temporary rail closures, costs for relocating utilities etc. The cost estimate for the design and construction of option 4 is £8,541,565. However Network Rail project management and other costs result in a total estimate of £15,163,396 for designing and constructing the underpass with additional sums for relocating Crown road and for AfA works. The unexpected scale of these figures is a major 'stumbling block' for the delivery of the project. More work is being done to understand the costs and to consider ways in which they can be reduced to a more manageable level before reporting the design options and cost estimates to Cabinet.
 - 3.4.4 Under the terms of the MOU with Network Rail, the costs of land assembly fall to the Council and are covered within the Council's Capital Programme. It is assumed that they will be met through prudential borrowing financed in part

through returns generated through the eventual disposal or development of the plots created around the public squares.

3.4.5 The costs associated with the implementation of the underpass itself are to be met by the Council and Network Rail working in partnership. At the moment, the costs are anticipated to be met through a combination of Council funding, Council held s106 monies, the AfA monies and Network Rail's own funds. Consideration is also being given for the potential to secure additional resources through subsequent rounds of the Local Growth Fund where the underpass is likely to be Thurrock's highest priority scheme.

3.4.6 The cost of the professional fees will fall to the Council to meet and these can be contained within existing service budgets.

4. Reasons for Recommendation

4.1 The development of an underpass and enhancements to the public realm around Grays rail station are key elements of the Council's priorities for the regeneration of Grays town centre. In March 2014 Cabinet agreed a delivery strategy and in December 2014 agreed a Memorandum of Understanding that sets out the framework for a partnership with Network Rail to deliver the project. The implementation of the project will require the council to acquire land, it is hoped that this would be by agreement but may require the use of the Council's Compulsory Purchase powers. Approval in principle for the use of Compulsory Purchase powers is sought to enable the scheme to progress.

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

5.1 Various stages in the development and delivery of this project have been considered and approved by Cabinet in July 2013, March 2014 and December 2014 and by Planning, Transport and Regeneration Overview and Scrutiny Committee in March and December 2014. It has been subject to consultation with key stakeholders at the Grays Town Partnership and all known affected land owners have been sent details of the project. Further consultation would take place as the designs are developed and there will be a formal planning application stage which will require further consultation.

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

6.1 The Council's Community Regeneration Strategy and LDF core strategy identify Grays as one of the Growth Hubs where regeneration activity will be focussed. A vision for the town centre including this project was approved by Cabinet in July 2013 following extensive public consultation.

7. Implications

7.1 Financial

Implications verified by: Mark Terry

Senior Financial Accountant

The report seeks the committees views on the design of the preferred option and the delivery strategy. Network Rails costs for delivering the project are in excess of the costs anticipated in the Councils capital programme. More work needs to be done to properly understand these costs and to consider ways in which they can be reduced as a cost to the project before reporting the design options and cost estimates to cabinet. .

7.2 Legal

Implications verified by: Alison Stuart

Principal Solicitor

The report refers to relevant legislative provisions and the implications of progressing land acquisition and consents for the scheme. Cabinet approval will be required for use of the Councils Compulsory Purchase Powers. Further reports will need to be submitted to future meetings of Cabinet including a 'first resolution' seeking approval for the use of those powers in principle and for a 'second resolution report' seeking approval for the drafting of a CPO and submission to the Secretary of State.

The Town and Country Planning Act 1990 includes provisions whereby an affected party whose land interest is being acquired can serve a blight notice on the Council. The notice can be served at any time after the authority has submitted a notice to the Secretary of State for confirmation. Qualifying interests are defined in the regulations.

Qualifying objectors to a CPO have the right to be heard at a public inquiry. The Council will be required to submit a Statement of reasons to the inquiry detailing the case for Compulsory Purchase as set out in the report.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**

**Community Development and Equalities
Officer**

The project has been the subject of stakeholder engagement summarised in the previous reports to Cabinet. There will be three further increasingly detailed stages of design including submission of applications for planning permission and other consents. Further engagement activity will take place as the designs are developed. The need to ensure the design meets equalities act accessibility expectations have contributed to the scale of the access ramps and the land area required.

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

The Council would need to be satisfied that its use of its Compulsory Purchase powers is justified under Articles 1 and 8 of the First Protocol to the European Convention on Human Rights. The project is in the public interests as set out in this report and reports to Cabinet in July 2013, March 2014 and December 2014. Fair compensation will be paid to affected land interests. It is therefore considered at this stage that a fair balance has been made between the public interest and the interests of landowners. This will be addressed further in a future report to Cabinet.

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):

- Thurrock Economic Development Strategy
- Thurrock Local Development Framework Core Strategy 2012
- Thurrock Community Regeneration Strategy 2012
- Cabinet Report July 2013
- Cabinet Report March 2014
- Cabinet Report December 2014
- Government Circular 06/2004 Compulsory Purchase and the Criel Down Rules

9. **Appendices to the report**

- Appendix 1- Design Options
- Appendix 2 - Plan of scheme area

Report Author:

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Regeneration