

 the low tax borough	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET MEMBER DECISION</b> <b>09/12/13</b>
<b>High Speed 2 (HS2) Petitioning Costs</b>	
<b>Report of the Cabinet Member Councillor Brocklebank-Fowler NB. <i>All Cabinet reports and Cabinet Member Decision reports are in the name of the relevant Cabinet Member</i></b>	
<b>Open Report</b>	
<b>Classification:</b> For Decision <b>Key Decision:</b> No	
<b>Wards Affected:</b> College Park And Old Oak	
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## 1. EXECUTIVE SUMMARY

1.1 On 25<sup>th</sup> November 2013, HS2 Ltd submitted a Hybrid Bill to parliament for Phase 1 of the HS2 Project, running from London Euston to Birmingham. The Bill, once enacted would establish the equivalent of outline planning consent for the proposals that it contains.

1.2 In LBHF, the submitted Bill includes proposals for a rail station in the north of the borough. Known as 'Old Oak Common', the station would provide connections from the proposed HS2 Line to London Crossrail and the Great Western Main Line.

1.3 The Council supports the principle of a HS2/Crossrail station being located in the north of the borough. However, officers have concerns about HS2 Ltd's proposals contained within the Bill and consider that without changes to the Bill, these concerns would impact on the potential for significant regeneration in the Old Oak area and in the borough as a whole. The Council has the opportunity to overcome these concerns by seeking

amendments to the Bill through petitioning at the Bill's 2<sup>nd</sup> Reading in the House of Commons and House of Lords.

1.4 Approval is sought for additional expenditure of up to £99,000 to fund the submission of a petition. These costs would be spread across the 2013/14 period as the timing of the 2<sup>nd</sup> Reading of the HS2 Bill is currently unknown.

## **2. RECOMMENDATIONS**

1. That approval is given to expenditure of up to £99,000 in 2013/14 and 2014/15 to fund the costs associated with the submission of a petition to seek amendments to the HS2 Hybrid Bill.

2. That approval is given to finance the petition and associated supporting studies from either Corporate Reserves or through Section 106 monies.

3. That authority be delegated to the Executive Director of Transportation and Technical Services to appoint solicitors in relation to the petition as set out in the body of the report.

## **3. REASONS FOR DECISION**

3.1. A Cabinet Member's Decision is necessary for the sign off of the financing for the petition.

## **4. INTRODUCTION AND BACKGROUND**

4.1. On 25<sup>th</sup> November 2013 HS2 Ltd and the Department for Transport (DfT) submitted a Hybrid Bill to parliament for Phase 1 of the proposed HS2 Line. The Bill is referred to as 'hybrid' because it contains both public and private considerations. The Bill, once enacted would establish outline planning consent for the proposals that it contains. In LBHF, the Bill is of high relevance as it proposes the creation of a HS2/ Crossrail station in the north of the borough, to be known as 'Old Oak Common'. The Bill also includes information on Compulsory Purchase Orders (CPO) necessary to deliver the proposals, highways improvements and proposed environmental mitigation.

4.2 Officers consider that the HS2 proposals could be a catalyst for regeneration in the north of the borough. In June 2013, the council, in partnership with the Greater London Authority (GLA), Transport for London (TfL) and the London Boroughs of Ealing and Brent consulted on a 'Vision for Old Oak', which demonstrated that with the right infrastructure and design of the HS2/Crossrail station at Old Oak, regeneration could deliver up to 19,000 homes and up to 90,000 jobs within the Old Oak area. Of this, 14,000 homes and 87,000 jobs were anticipated to be provided within the boundary of Hammersmith and Fulham.

4.3 Although going some way towards helping to deliver regeneration at Old Oak, officers are concerned that HS2 Ltd's current proposals for Old Oak Common, fall short of meeting the Council's ambitions for transformative regeneration in the area. In order to realise the full opportunity for

regeneration at Old Oak, officers believe that the Council should consider petitioning on the following four points:

- i). London Overground connections
- ii). Strategic road connections
- iii). Heathrow Express Depot relocation
- iv). Early delivery of Crossrail Station.

Any petition would need to be lodged at the 2<sup>nd</sup> reading of the Bill at the House of Commons, which is anticipated to occur between February and April 2014.

#### **4.4 i). London Overground Connections**

4.5 The London Overground network runs in close proximity to the planned HS2/Crossrail Old Oak Common station. The North London Line runs to the west, connecting Richmond to Willesden Junction and on to Stratford. The West London Line runs to the east and connects Clapham Junction to Willesden Junction.

4.6 HS2 Ltd's proposals for the planned Old Oak Common station do not currently include connections to the London Overground network.

4.7 LBHF, along with the London Borough's of Ealing and Brent, Transport for London (TfL) and the Greater London Authority (GLA) commissioned a Gross Value Added (GVA) study looking at various transport scenarios at Old Oak Common. This study shows that connecting the Overground Network at Old Oak Common would allow for an additional 865,000sqm of development in the Old Oak area, which would provide an additional 6,500 homes, 22,000 jobs and generate an additional £10billion GVA to the UK economy, an additional £32m business rates per annum and an additional £5m of council tax per annum.

4.8 Connecting the London Overground network to Old Oak would also have substantial economic benefits in other parts of the borough. The West London Line has stations at Shepherd's Bush, West Brompton and Imperial Wharf, which correspond to the White City, Earl's Court and South Fulham Riverside regeneration areas respectively. A direct London Overground connection at Old Oak Common would put these locations in contact with a much broader jobs market, allowing for greater employment accessibility for residents and greater employee accessibility for businesses.

4.9 TfL are currently examining two options to connect the London Overground network to the planned Old Oak Common HS2 station. Their preferred option (Option 8.2) involves some encroachment onto the north west corner of Wormwood Scrubs open space. However, TfL are also examining an alternative option that would not result in any encroachment onto Wormwood Scrubs (Option X). The Council are keen to work with TfL to further explore Option X. TfL still plan to petition for their preferred option and the Council may need to undertake additional work to support the case for Option X. RBKC plan to join any petition that LBHF lodge on this so any costs could be split 50:50 between both Local Authorities.

#### **4.10 ii) Strategic Road Connections**

4.11 The HS2 Bill includes a Transport Assessment which sets out what road improvements HS2 Ltd plan to make in order to facilitate vehicular access to the planned Old Oak Common Station.

4.12 Officers have been informed of HS2's Ltd's proposed road improvements and have grave concerns that these proposals:

a) will be insufficient to cater for the demand resulting from the HS2 station; and

b) are so insubstantial that HS2 Ltd's station would use up any free capacity in the surrounding road network and would therefore preclude any development/ regeneration being brought forward in the area.

4.13 HS2 Ltd's planned road improvements are focussed to the west of the station, with the station itself only accessible to vehicles from Old Oak Common Lane - which is currently heavily congested at peak times. Officers are concerned on the over reliance of this connection and believe that an alternative access should be provided into the station from the east. This could be achieved through the provision of a vehicular bridge over the Grand Union Canal. In addition to relieving pressure on the surrounding network, this bridge would provide a direct connection to the 35 hectares of land to the north of the Grand Union Canal, which would dramatically improve the viability of development in this location and help to act as a catalyst for the regeneration of this area.

4.14 TfL and the GLA also plan to petition for this bridge and have appointed consultants to undertake a cost estimate, which they would be willing to share with LBHF under the proviso that the Council undertakes a land acquisition assessment for the landing of the bridge to the north of the canal. The cost of this assessment could be shared with RBKC, who also plan to petition on this issue.

#### **4.15 iii) Heathrow Express Depot Relocation**

4.16 The site of the planned Old Oak Common HS2/Crossrail station is currently occupied by two railway depots – First Great Western and Heathrow Express, which would need to be relocated before any construction works could commence.

4.17 The First Great Western depot is planned to be relocated to North Pole West depot, which is planned to be used as an Intercity Express Programme Depot in the longer term but could be used in the intervening period to stable First Great Western trains, which are gradually in the process of being phased out.

4.18 DfT/ Network Rail plan to relocate the Heathrow Express depot to North Pole East depot. The depot straddles the borough's of Hammersmith and Fulham and Kensington and Chelsea and is currently vacant, having been used previously as a depot for Eurostar trains. The depot covers 5.85 hectares in Hammersmith and Fulham and is bounded to the south by the Mitre Bridge Industrial Estate, which covers 1.74 hectares.

4.19 LBHF and RBKC have been actively encouraging the redevelopment of the depot and adjacent land holdings for mixed use, residential led development. In LBHF, it is unlikely that the Mitre Bridge Industrial estate would come forward for development without the adjacent North Pole East depot. A high level development capacity study estimates that the site could provide over 1,500 homes, which could generate between £600m and £1.1billion of gross development value, generating approximately £5.7m Mayoral CIL receipts, £11m LBHF CIL receipts and £13m New Home Bonus, in addition to Council tax receipts in excess of £1.5m per annum.

4.20 The relocation of the Heathrow Express depot to the North Pole East depot would prevent this development and value from being generated. As a consequence, the Council plan to petition against the relocation of the Heathrow Express depot to this location.

4.21 HS2 Ltd have confirmed that there are two other possible sites that the Heathrow Express depot could be relocated to. Officers at LBHF and RBKC plan to build a convincing case regarding the value of releasing the North Pole East depot for redevelopment. This will involve the procurement of a land valuation study for the site. The costs of this study would be divided between LBHF and RBKC, who also plan to petition on this issue.

#### **4.22 iv) Early Delivery of Crossrail Station**

4.23 The planned Old Oak Common station includes connections to Crossrail and the Great Western Main Line. Under current proposals, the Old Oak Common station would be built as two separate construction projects:

- i) Construction of the HS2 station
- ii) Construction of the Crossrail and Great Western Main Line station.

It is envisaged that both elements of the station would open at the same time, which is programmed to be in 2026.

4.24 LBHF wishes to see regeneration at Old Oak in advance of the planned Old Oak Common station and is keen to investigate whether the construction of the Crossrail/Great Western Main Line element of the station could be brought forward in advance of the HS2 station. The early delivery of a Crossrail station would help to kick start regeneration in the Old Oak area, delivering earlier financial benefits such as additional council tax, business rates and New Homes Bonus. It would also help to avoid any risk of delay in the HS2 project holding up the opening of the Old Oak Common station for Crossrail and Great Western Main Line passengers.

4.25 TfL are procuring a Regeneration Study for Old Oak Common, which is looking at a number of options for the delivery of transport improvements at Old Oak. LBHF officers are seeking an addendum to this study which would look in greater detail at the ability to deliver Crossrail (and London Overground) connections in advance of HS2. The costs of this study would need to be split between LBHF and RBKC and funding could also be sought from TfL and the GLA.

4.26 Timescales to progress the Petition process are as follows:

- Appointment of legal representation - November 2013
- Development of evidence base - December 2013 – January 2014
- Report to Full Council - 29<sup>th</sup> January 2014
- Submission of Petition - Feb- April 2014
- Representation at House of Commons Committee - March-May 2014

4.27 The costs for the production of the petition and supporting evidence documents are set out below:

	<b>Est. cost up to £</b>
External legal costs for the petition	40,000
Internal legal costs for the petition (pre & post – as necessary)	10,000
Legal advice on CPO and Land Aquisition (Grand	5,000
Case for early delivery of Crossrail Station (TfL Regeneration Study Addendum)	15,000
Overground Rail (Option X) Connectivity study	20,000
Heathrow Express valuation and viability	9,000
<b>total</b>	<b>£99,000</b>

*N.B. These figures are estimates and variations in the amounts may be necessary although it is not anticipated that the total cost will exceed the amount requested. Some of this investment will be recouped from the Royal Borough of Kensington and Chelsea and / or the Greater London Authority as we are jointly petitioning with them on specific issues. Internal staff costs are to be absorbed within existing budgets.*

## **5. PROPOSAL AND ISSUES**

5.1. That financing is provided to enable the Council to petition against the HS2 Hybrid Bill on the following four points:

- i). London Overground connections
- ii). Strategic road connections
- iii). Heathrow Express Depot relocation
- iv). Early delivery of Crossrail Station.

5.2 If the petition were successful, this could potentially realise the early regeneration of the Old Oak area and would optimise development capacity.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

6.1. The exact detail of what any petition would contact would need to be agreed at Full Council. The options considered within this Cabinet Member's Decision are therefore whether to agree the financing of a petition, or not agree the financing of the petition.

6.2 To not finance the petition would result in the Council being unable to petition against any of the points outlined in Section 4 of this report. It is considered that not to petition against the Hybrid Bill would be a missed opportunity to seek to amend the Bill and secure better outcomes for the early regeneration and development potential at Old Oak.

## **7. CONSULTATION**

7.1. In June-September 2013 the Council consulted on a Vision for Old Oak, which sought the public's views on the potential for regeneration at Old Oak.

7.2 Broadly, the respondees were supportive of the potential regeneration at Old Oak. However, concerns were raised about the impact of development on Wormwood Scrubs.

## **8. EQUALITY IMPLICATIONS**

8.1 Equality implications are currently unknown, The equality implications will be assessed as part of the Full Council report seeking agreement for the petition.

## **9. LEGAL IMPLICATIONS**

9.1 The appointment of the external solicitors will need to be conducted in the accordance with the Council's Contract Standing Orders.

9.2 Implications completed by Kar-Yee Chan, Solicitor (Contracts), 020 8753 2772.

## **10. FINANCIAL AND RESOURCES IMPLICATIONS**

10.1 There is no scope within the TTS department budget to finance the costs of petitioning Parliament as set out in this paper. Therefore a budget virement of £99,000 is requested from corporate reserves. This is the LBHF officer view of the likely costs for LBHF. It takes into account that costs will be shared with RBKC where it is feasible to do so.

## **11. RISK MANAGEMENT**

11.1 The additional resources required to represent the council's case at the House of Commons committee are not included on either the departmental or corporate risk register.

## **12. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

12.1 It is understood that the external solicitors will be appointed by calling-off from the LBLA framework agreement. This is a recognised framework which the Council is able to use in accordance with Contract Standing Orders.

12.2 Implications completed by Robert Hillman, Procurement Consultant, 020 8753 1538.

### **LOCAL GOVERNMENT ACT 2000** **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	None		