

## **EUSTON GROWTH STRATEGY- SCOPING DOCUMENT**

**To: Euston Strategic Board, 14<sup>th</sup> July 2015**  
**From: Euston Growth Strategy Project Group**

---

### **1. RECOMMENDATIONS**

The Euston Strategic Board is asked to agree:

- The approach outlined in this Growth Strategy Scoping Document.
- The recommendation for working with DCLG to develop an aligned programme for delivery of the Growth Strategy. An update to the timetable, as required, will be tabled by email with the board following the next meeting with DCLG/DfT scheduled for the 21<sup>st</sup> July.
- To equally fund the Growth Strategy across the Strategic Board partners of LB Camden, GLA, Network Rail, HS2 Ltd and TfL, to the sum of up to £70k (total).
- To note the additional costs for Development Infrastructure Funding (DIF) and Financing Studies, that may be required alongside or to follow the Growth Strategy.
- The acquisition of consultants to produce the Growth Strategy.
- To offer continued agreement for the sharing of information, subject to any necessary confidentiality controls, to enable the production of the Growth Strategy.

### **2. INTRODUCTION**

On the 11<sup>th</sup> June 2015, the Euston Strategic Board agreed to work jointly to develop a Euston Growth Strategy. The Growth Strategy will highlight the opportunity to the local and UK economy of the comprehensive redevelopment of Euston station, and associated potential regeneration. It will set out how the case for this significant redevelopment can be secured, delivered and financed and will set the scene for future government investment and support. It was agreed that the Growth Strategy should be in place by September 2015.

The London Borough of Camden agreed to scope the Growth Strategy including a high level timetable and costs in advance of the next Strategic Board meeting. This scoping document provides the required information. The board also agreed to write to the Treasury requesting an early meeting. This letter was send to Treasury on the 29<sup>th</sup> June.

A Euston Growth Strategy Project Group has been established to steer the development of the Growth Strategy, with representation comprising all board member organisations (TfL nominee awaited) and DfT. The project group will meet fortnightly.

Lead project group members met with DCLG/DfT on the 24<sup>th</sup> June, to review the central government approach to HS2 Growth Strategies. Further detail of this is outlined below.

### **3. ADVICE FROM DCLG/ DFT**

Following the HS2 Growth Taskforce recommendations, government tasked the DCLG Cities and Local Growth Unit to lead the development of Growth Strategies for station areas. A cross Whitehall Local Growth Project Board was set up to act as a conduit between local areas and Whitehall and a HS2 Places Group was formed, LB Camden has now been invited to be part of the HS2 Places Group.

Work commenced with local areas on the preparation of Growth Strategies for Birmingham Curzon, Birmingham Interchange and also Old Oak Common. These Growth Strategies,

along with provision for the OSD enabling works for the HS2 part of Euston Station (proposals being led by HS2 Ltd.) are expected to form part of proposals feeding into HM Treasury's 2015 Spending Review in September (SR15).

DCLG's approach was that the Growth Strategy for Euston, along with Crewe, would follow once the high degree of uncertainty surrounding station design had been resolved. As such, it was not anticipated that the Euston Growth Strategy would lead to a request as part of SR15.

The emphasis of the spending review is likely to be on the 'Northern Power House', with Birmingham at the centre. Treasury have been warmed up to these financial asks over a number of months. Adding additional requests at this late stage is likely to carry a significant risk.

Current advice from DCLG is to develop a programme for the production of the Euston Growth Strategy over the next 6 months, with a view to submission to treasury for the 2016 Budget. This approach could unlock significant funding to enable comprehensive redevelopment at Euston Station, and regeneration around the station. However to ensure the opportunity to develop a unified approach to Euston across the Strategic Board partners is not missed at this vital stage, the project group consider that a Growth Strategy for Euston be in place by September 2015. DCLG have not objected to this approach.

With the over-site development (OSD) enabling works for the HS2 part of Euston Station already proposed for SR15, this could be utilised effectively as a first step. Using this as a building block, it is recommended that further discussion take place with DCLG to explore how a marker can be laid with Treasury for the comprehensive approach to Euston, as part of the September 2015 spending review. This may be similar to the marker put in place for Brent Cross as outlined at Appendix 1.

The recommendation to Strategic Board from the project group is to proceed with the September Growth Strategy delivery timeframe. A further meeting with DCLG is programmed for Tuesday 21<sup>st</sup> July. Following this meeting the Board will receive by email an update to the recommended timetable (as required). It is essential we get the timing and scope of the Growth Strategy right to maximise the opportunity of securing government support and funding.

#### **4. EUSTON GROWTH STRATGY SHARED OBJECTIVES**

The Growth Strategy will make the case for comprehensive redevelopment at Euston and the benefits this delivers both at the station, to the local area, and to the wider London and national economy. The Growth Strategy will identify the scale of potential at Euston and its ability to deliver more affordable homes and local jobs. The strategy will follow on from the EAP and identify the measures required to unlock comprehensive regeneration, whilst providing information on the local context, the development programme and setting the scene for future Government investment and support.

Current proposals give no guarantees on timescales or funding for a full development of the station. The Growth Strategy will set out what decisions need to be taken and the timescales for doing this to ensure that the full regeneration and growth opportunity is achieved, benefitting the national and local economy.

The objectives of the growth strategy are to:

- Make the regeneration case for a comprehensive approach at Euston.

- Assess benefits of a comprehensive approach to station redevelopment Including the potential lowering of the tracks to achieve a level deck solution across the HS2 (phased scheme) and conventional side of the station, to maximise regeneration potential and deliver homes and jobs as set out in the EAP.
- Make the case for Euston to become a world leading station, building on the success of neighbouring King's Cross St. Pancras and acting as a catalyst for regeneration, including developing its current success as a Knowledge Quarter.
- Set the scene for infrastructure requirements and make a compelling case for future Government investment and support required to unlock the full potential at Euston.
- Establish a shared approach to Euston across the Strategic Board partners, building confidence and addressing petitions to the HS2 Hybrid Bill.
- Increase certainty and market confidence for potential developers and investors to ensure that the right development partners to fulfil the ambitions set out in the EAP and the Growth Strategy are achieved.
- Outline options for a delivery vehicle.

## 5. SCOPE OF THE GROWTH STRATGY

Building on the approach of the HS2 Growth Taskforce, the strategy will cover how we get our 'places', 'transport network', 'people' and 'businesses' ready, to ensure the benefits of new infrastructure are maximised. Taking a similar approach to OOC and Birmingham, it is proposed that the scope for the Euston Growth Strategy will cover:

- **The Vision for Euston** - As set out by the Euston Area Plan
- **Scale of potential at Euston** Including benefits to the UK Economy and regeneration benefits.
- **The challenges to achieving the vision at Euston** - Outlining the physical and financial challenges in achieving a comprehensive approach to station design including the provisions and costs of enabling development and the identification of the funding gap.
- **Funding and financing options** - including developer contributions, Enterprise Zone, TIF, New Homes Bonus, Stamp Duty, sales receipts etc.
- **Harnessing the benefits for our businesses and communities** - including the STEM educational programmes in schools, local procurement and SMEs and promoting local training and job opportunities in construction and end user jobs building on the success of King's Cross Construction Skills Centre and King's Cross Recruit for Euston.
- **Delivery vehicle** - partnership options to ensure delivery.
- **Key interventions/asks** - to secure the delivery of the above.

The Strategic Board has agreed to share the information that each organisation holds that is required to produce the Growth Strategy. The majority of technical information required has already been produced, although some updating and supplementing would be beneficial. A schedule of the existing information base across the partners and additional information required/desirable is provided at Appendix 2. Whilst the project group are working to collate the required information, key information such as the 2014 Business Case for the Comprehensive Station Approach and information and current business case for AP3, have still yet to be shared.

Development Infrastructure Funding (DIF) and Financing Studies were produced to support the Growth Strategy at Old Oak Common. However this was against a background of having no supporting information about a large brownfield site. The nature of development at Euston differs in that it essentially involves an OSD of which a significant amount of work has already been procured examining the engineering, transport and technical challenges

involved. This may need some supplementing, however, it is recommended that existing information is utilised, updated and supplemented where possible to cover these areas, with additional studies to double track or follow in due course as required.

## **6. DELIVERY APPROACH AND COST**

It is recommended that consultants be procured to collate and deliver the Growth Strategy and any other supporting studies, under the steer of the project group. This will ensure that any crucial updating of the supporting technical information can most effectively be delivered and sufficient resource is in place to deliver the strategy within the limited timeframe. The sharing of confidential technical information has proved a barrier to progress so far. By using consultants it is hoped that this issue will be overcome, whilst also providing a greater level of autonomy for the strategy amongst the partner organisations, further supporting effective collaboration.

A significant volume of work has already been completed in association with the EAP and station design development across the partner organisations. This information (as set out in appendix 2) can be utilised and built upon by the consultants for the development of the Growth Study.

An initial outline quote for the work has been procured from consultants GVA, given their prior involvement with the Euston Area Plan. The quote outlines a cost of £47,900 for the delivery of the Growth Strategy. As much of the supporting information is yet to be shared between the partner organisations a full evaluation of the requirements of the consultants has not been possible at this stage. To ensure that sufficient funding is in place to cover any additional costs or requirements the board agree to fund the strategy up to a sum of £70,000.

- Outline quotation from consultants: **£47,900**
- Recommended funding requirement including contingency: **Up to £70,000**

The additional DIF and Funding Study carried out for OOC was at a cost of £180k. However this was essentially to cover the needs of redeveloping a large brownfield industrial estate of which there was no up to date evidence base of related infrastructure needs. The starting point at Euston differs, with much supporting technical work already done by all parties. The requirement for these studies at Euston needs to be further considered and developed alongside the Growth Strategy. The board is asked to note the scale of the potential additional costs for these studies pending further recommendations/ requests to the board at a later stage.

It is recommended that all board member organisations (LB Camden, TfL, Network Rail, HS2 Ltd and GLA- up to £14,000 each) contribute equally to the cost of the Growth Strategy and other supporting studies, with funds allocated to a Euston Growth Strategy budget, administered by the board.

The highly constrained timeframe for delivery does not allow the sufficient time for the usual procurement process. There is a significant risk that if consultants are not confirmed within the next fortnight that the strategy will not be deliverable by September. Given the high priority, a waiver to allow for the direct appointment of a consultant is currently under consideration.

## **7. Communication and engagement**

Building support amongst key partners and keeping local communities informed will be essential to the success of the Growth Strategy. The very limited timeframe will mean that

engagement will need to be focused and targeted. It is recommended that an engagement and communications strategy be developed by the project group which will include proposals for:

- Raising issues with Treasury, including the requested early meeting.
- Engaging with key partners such the London LEP, CLF, London First, the Knowledge Quarter, the Drummond Street Traders and the emerging Euston BID.
- Keeping local people and businesses informed.
- Growth Strategy Launch- communications and lobbying that times the launch for maximum impact and limits conflict, for example with HS2 Ltd.'s submission of AP3.

## 8. HIGH LEVEL PROGRAMME

The table below outlines a draft high level programme for the delivery of the Growth Strategy. This is likely to require updating and development to align with the DCLG approach. Following the meeting with DCLG (21<sup>st</sup> July), the high level programme will be updated (as required) and tabled by email with the Strategic Board. A draft skeleton Growth Strategy Report has been prepared by Camden officer's as requested, this is a very initial outline, without the input of consultants at this early stage. It is planned to share this draft with the project group and the appointed consultants for inputs and further development.

Activity/ W/C	6 <sup>th</sup> Jul	13 <sup>th</sup> Jul	20 <sup>th</sup> Jul	27 <sup>th</sup> Jul	3 <sup>rd</sup> Aug	10 <sup>th</sup> Aug	17 <sup>th</sup> Aug	24 <sup>th</sup> Aug	31 <sup>st</sup> Aug	7 <sup>th</sup> Sep	14 <sup>th</sup> Sep	21 <sup>st</sup> Sep	Budg et 2016
Information collation													
Procurement	asap												
Skeleton Draft													
Appointment/ inception meeting	asap												
Technical report review/ updating													
Report drafting													
First draft by consultants													
Final draft													
Agreement by ESB*													
Final Report													
Growth Strategy Launch													
Engagement TBC													
Engagement DCLG													
Marker Treasury													
Full case to treasury													

\*Euston Strategic Board

## APPENDIX 1

References to Brent Cross in the last two budgets, to inform the approach for laying a marker for Euston with Treasury for the September 2015 Spending Review:

- Budget 2015  
1.139 Budget 2015 also announces £97 million of funding and ring fencing of the local 50% share of business rate growth to support the London Borough of Barnet and the Greater London Authority's (GLA) plans for the regeneration of Brent Cross. This will unlock 7,500 new homes and create 4.9 million square feet of new commercial development with space for up to 27,000 jobs.
- Budget 2014  
1.144 The government will work with the Mayor of London and the Greater London Authority (GLA) to develop proposals for extending the Gospel Oak to Barking Line to Barking Riverside, and to ensure that any public investment unlocks the construction of up to 11,000 new homes. It will also work with the GLA and the London Borough of Barnet to look at proposals for the Brent Cross regeneration scheme, subject to value for money and affordability.

## APPENDIX 2

Euston Growth Strategy- Scope	Information Currently available	Information required/ to update
Vision for Euston	<ul style="list-style-type: none"> <li>- EAP, Jan 2015</li> <li>- EAP Economic Visioning work (GVA, Dec 2013)</li> <li>- GVA London and the Knowledge Economy</li> <li>- OOC Growth Strategy and Supporting Studies (guide for all scope)</li> </ul>	<ul style="list-style-type: none"> <li>- London Stanstead Cambridge Commission</li> </ul>
Scale of potential at Euston	<ul style="list-style-type: none"> <li>- EAP, Jan 2015</li> <li>- EAP Economic Visioning work (GVA, Dec 2013).</li> <li>- Comprehensive approach to station business case 2014, Arup and Volterra for Network Rail (wider benefits- inc. land value uplift)</li> <li>- Deloitte station options appraisal for HS2</li> </ul>	<ul style="list-style-type: none"> <li>Update figures/assumptions</li> <li>Opportunity cost- no provision for decking vs. HS2 station only vs. comprehensive vs. incremental based on phased scheme (GVA)</li> <li>Argent King's Cross Central Appraisal- If available</li> <li>Presenting information for treasury e.g. uplift in stamp duty etc.</li> <li>Decking (OSD enabling) additional information/study</li> </ul>
The challenges to achieving the vision at Euston	<ul style="list-style-type: none"> <li>- EAP-Sec of state letter- March 2013- opportunity cost baseline vs. option 8</li> <li>EAP- Viability</li> <li>- Comprehensive approach to station business case 2014, Arup and Volterra for Network Rail (wider benefits- inc. land value uplift)</li> <li>-Link to WCML at OOC and other enabling works.</li> <li>- HS2 station business case (current)</li> <li>- Partner petitions</li> </ul>	<ul style="list-style-type: none"> <li>Rail Study- Links to wider transport network inc. Crosstrail 2 (TBC)</li> <li>- Updated viability information.</li> <li>- Development Infrastructure Funding Study (DIFS)</li> </ul>
Funding and financing options	<ul style="list-style-type: none"> <li>-Partners initial financial scoping</li> <li>-LBC CIL calculations</li> <li>- Model from OOC, Northern Line extension at Vauxhall 9 elms, Brent Cross TIF</li> <li>- Comprehensive approach to station business case 2014, Arup and Volterra for Network Rail (wider benefits- inc. land value uplift)</li> </ul>	<ul style="list-style-type: none"> <li>-DIF's</li> <li>-Funding and Financing Study</li> </ul>
Harnessing the benefits of growth for our businesses and communities	<ul style="list-style-type: none"> <li>-Partners submissions to the HS2 Growth Taskforce.</li> <li>- Partners responses.</li> <li>- LBC business &amp; employment mitigation asks.</li> <li>-Partners petitions.</li> <li>- EAP economic vision</li> <li>-Sub-regional working</li> <li>-Devolution agenda</li> </ul>	

Delivery vehicle	TBC	<p>-Examples from elsewhere- Kings Cross, OOC, Vauxhall Nine Elms, Birmingham- others.</p> <p>-Planning brief.</p>
Key interventions/asks	OOO Growth Strategy Asks (as guide)	<p>Birmingham Growth Strategy Asks (As guide- if available).</p> <p>Guidance from DCLG.</p>