

Implementing the Euston Growth Strategy

Report for Euston Strategic Board – 16 June 2016

1. Introduction

This paper provides an update on the work to implement the recommendations and ambitions of the Growth Strategy for Euston, published in 2015. The report sets out next steps for delivering growth and recommended actions, including the production of a Implementation Plan covering the next two years of activity envisaged to be required to facilitate the delivery of a comprehensive redevelopment of Euston Station to maximise the delivery of new homes and jobs, the core objective of the Growth Strategy.

2. Recommendation

It is recommended that the Euston Strategic Board agree to the next steps set out at section 7, notably the collaborative production of a short Euston Growth Strategy Implementation Plan to identify key actions, risks and responsibilities over the next two years, in order to help facilitate the delivery of the growth ambitions in the Euston area.

3. Introduction

The Euston Growth Strategy was published in October 2015 to provide an economic narrative in support of the Euston Area Action Plan published in February 2015.

The information available at the time background research was being conducted was limited by two factors; firstly a lack of clarity over the final preferred High Speed 2 (HS2) scheme for the bill (AP3) and secondly the lack of clarity over whether comprehensive station redevelopment could be achieved. Therefore, the Strategy could not be definitive about the scale, configuration or timescales for achieving growth at Euston.

What the Growth Strategy could highlight was the economic strengths of Euston and the scale of potential for 16,000 new jobs and over 2,200 homes through Over-station Development – between 180,000m² and approximately 280,000m² of new employment floorspace.

Work by Billfinger GVA estimated the associated benefits of development value at circa £3bn, annual additional Gross Value Added to the UK economy of £1.1bn and £1.3bn in fiscal receipts to HM Treasury.

Due to uncertainty, the Growth Strategy's five key recommendations focussed on key issues to unlock potential, all ultimately working towards achieving the comprehensive station redevelopment that will provide the footprint for maximum over-site development (OSD).

Five Key Recommendations and progress made

Recommendation	Progress
Commitment to comprehensive redevelopment at Euston	ESSRB commitment to integration of designs – ongoing
Comprehensive master planning, design and engineering	HS2 Station led Masterplan & Master Development Partner
Easing rail capacity to get Euston right	Any viable solutions still subject to further study and depend on timetabling and other milestones
Upfront funding for OSD enabling works	HS2 side secured at 2015 Spending Review NR side unfunded – no specific financial ask due to project status – progressing through NR GRIP process
Local skills and employment strategy to get our people ready	LBC to progress with DCLG and GLA as appropriate

Post AP3 Assurances and new governance structure

In November 2015, towards the end of the Commons Select Committee process, HS2 and Camden Council agreed over 100 assurances included significant steps in establishing a joint governance structure to work towards comprehensive station redevelopment – alongside the existing Euston Strategic Board.

- Euston Station Strategic Redevelopment Board (ESSRB)– a senior strategic board to address high level issues affecting regeneration and development around Euston as well as certain mitigation issues during construction phase
- Euston Integrated Programme Board (EIPB) – a technical board to address detailed programme decisions relating to the integration of HS2, Network Rail (NR) ‘classic’ station and Crossrail 2 station projects and programmes.

The assurances also included £4.1m towards a Construction Skills Training Centre in Euston, which will be a key element of the Skills Strategy to support growth at Euston and covered in more detail later in this report.

Over-site development (OSD)

OSD is fundamentally how growth will be delivered at Euston – realising its potential is critical. We know that HS2 have a fully funded scheme for phase 1 that includes the ‘structural decks’ required to facilitate OSD. It is broadly understood that the HS2 station terminal will enable over half the commercial and residential floorspace projected in the Growth Strategy to be provided.

Network Rail OSD potential should, in principle, reflect what HS2 have set out in their business case. However, with the business case still relatively undeveloped it is neither financially nor technically secured and there are potential design issues related to how HS2 and Crossrail 2 integrate that could reduce growth potential.

Following the publication of the Euston Area Plan (EAP) the next milestone is to complete the Planning Brief. This is one of the key pieces of work for the Euston Strategic Board and

will build on the EAP to ensure that the station and surrounding development is in line with its objectives.

With a new Mayor of London comes a new London Plan, which could present an opportunity to review and refresh Euston's position in the London planning framework and a chance to revisit viewing corridors and achievable densities across the site.

The Knowledge Economy

The economic narrative in the Growth Strategy puts the Knowledge Economy at the heart of the preferred commercial approach for Euston. More specifically, this is the potential to provide floorspace for the life sciences to grow from the existing cluster on the Euston Road and at Kings Cross (including the Wellcome Trust, UCLH, the Francis Crick Institute and MedCity).

Alongside the life sciences, Euston can support the growth of Digital/tech sector activity – both because it is a key growth sector for Camden, but is also increasingly important to the life sciences, which requires massive data processing to analyse genetic information– bioinformatics – which, in turn, has its own specific spatial needs. An example of this clustering will be delivered on the British Library Expansion and the locating of the Alan Turing Institute next door to the Francis Crick Institute.

The Area Action Plan further defines and protects this narrative through Strategic Principle EAP1 in the Area Action Plan, which sets out spatial thresholds and use classes to guide developers. However, backed by the findings of a recent study by MedCity¹, the life sciences sector is barely looking 5 years into the future for their space needs because of the intense demand for space in this area. Therefore, it is difficult to ascertain the spatial demand at Euston for property that won't be delivered until after 2030.

The Council is preparing a commission to understand, in more detail, the specific property needs of key growth sectors in the borough economy; professional and business support services, creative Industries, life sciences and digital (IT and tech). Through this work we will start to establish an evidence based understanding of how projected commercial space development can and will meet the capacity and specific requirements of Camden's growth sectors.

4. Delivering Growth

The priority for Camden Council at Euston is the comprehensive redevelopment of Euston station, enabling the OSD and the full economic growth potential at Euston. The five key recommendations of the Growth Strategy capture this goal and achieving it depends on a number of factors:

- Securing the green light for the Network Rail project to redevelop the existing 'classic' station

¹ Demand for Healthcare R&D Space in London <http://www.medcityhq.com/wp-content/uploads/2016/05/MedCity-Planning-for-Growth-Demand-for-Healthcare-RnD-Space-in-London-March-2016-1.pdf>

- Ensuring that the Network Rail project is fully funded to include 'structural decks' for OSD
- Ensuring that the Crossrail 2 station and infrastructure is integrated with the existing Euston Station and minimising landtake outside the existing station footprint
- Ensuring that there is a 'whole site' approach to master-planning and appointing development partners to take forward OSD.

Assisted by the new governance structure Camden is working collaboratively with HS2, NR, Department for Transport (DfT), Transport for London (TfL) (both strategically and on Crossrail 2) and the Greater London Authority (GLA) to ensure a strategic approach to three projects. Initial work is focussing on:

- Understanding the opportunities to ease rail capacity at Euston to enable a more intensive construction programme and reduce costs and time. It has been indicated that a number of options have been considered in relation to this, but these have been parked because decisions are dependent on other factors being resolved first, in particular, Network Rail work on train movement
- Understanding the pace of Network Rail's GRIP process to secure the business case for the 'classic' station and what work can be done in advance of this decision
- Clarifying what can be done before the Master Development Partner (MDP) is appointed in terms of OSD testing – the Planning Brief work and Joint Station(s) Masterplanning work will be testing parameters prior to MDP appointment
- Identifying key milestones across all programmes
- Supporting the investment case to Treasury for the 'classic' station – considering any suitable delivery vehicles
- Developing the Planning Brief to enable the right OSD opportunities and push for HS2 to lead on masterplanning and development partner(s) for whole station

5. Skills Strategy

The Skills Strategy for the Euston Growth Strategy is being structured into three phases, reflecting the different construction stages and the different approaches and infrastructure required to deliver skills relevant to each phase:

Phase 1: Construction of the railway – 2017 to 2033

- During the first phase of construction, it is estimated that the HS2 will generate the equivalent of 14,600 full time construction jobs and create at least 2,000 new apprenticeships.
- The majority of the jobs are anticipated to fall within the civil engineering field (construction of tunnels, structures and stations)
- The Euston Construction Skills Centre (CSC) will be our flagship intervention – providing IAG, training, brokerage of jobs and apprenticeships and being a referral pathway to the National College for Rail and other specialist providers
- The Euston CSC will focus on opportunity in Euston, Camden and Central London and along the HS2 route

Phase 2: Construction of over-station development – 2027 to 2045

- The Growth Strategy projects up to 280,000m² of commercial floorspace and 2,200 homes at Euston – subject to achieving our preferred approach to comprehensive station redevelopment
- HS2 will deliver around half of this through the OSD proposals that have been prepared as part of AP3
- Understanding how the skills demand and labour supply will change over time and through facilities, such as the Euston CSC, adapt the curriculum and delivery model as required
- The Euston CSC has a legacy clause in the assurances, offering the potential for the Secretary of State to provide ongoing funding after the 9th year – coinciding with the start of phase 2

Phase 3: Occupation of development and end users – 2027 onwards

- Phasing of development plots could see the first planning applications for commercial and residential in 2027
- Euston should be well positioned to support the growth of the Knowledge Economy – this ambition for this is stated in the Growth Strategy and Area Action Plan
- Existing Medical technologies and life sciences cluster around Wellcome Trust, UCLH and West End are there to be built on
- Meanwhile uses now are a factor in shaping future state of local economy
- Skills strategy – to start with - will focus on early stage careers development – e.g. schools, FE & HE pathways which is already underway with the STEAM Commission and the Schools Business Brokerage work

6. Euston Construction Skills Training Centre – Aims and objectives

Camden secured £4.1m through assurances from HS2 for the provision of a Construction Skills Training Centre at Euston. The Council has a strong track record in Construction Skills Training – with the facility at Kings Cross (delivered through s106 agreements with Argent) delivering 1400 apprenticeships and 2400 jobs since 2005.

The Euston CSC will aim to:

- Mitigate against the impact of HS2, creating jobs and apprenticeships opportunities for local residents
- Offer training tailored to the needs of the employers and contractors, informed by their labour plans and training needs.
- Create entry routes & clear career paths to support new entrants into the construction industry
- Work with schools and colleges to promote the construction industry and generate a consistent supply of skilled people who want to work within the industry.
- Become a key part of the London construction skills training infrastructure by working with Central London Forward

- Take full advantage of Camden's position within central London to create a partnership network of referrals to offer training from level one to level eight.
- Utilise a hub and spoke model for skills delivery through referral pathways

Taking the Skills Strategy forward will involve the following:

- Building on good work done through Kings Cross Construction Skills Centre
- Contributing to emerging skills strategy for London – Area Based Reviews – understanding the needs of the future labour market and infrastructure for skills provision across all phases
- Defining the economic narrative for Euston in more detail – building on the Growth Strategy and what the 'knowledge economy' really means for Euston
- Building relationships with the National Rail College and other relevant providers – establishing the hub and spoke model
- Securing a site for the Construction Skills Centre and completing the legal agreement to release the £4.1m funds from HS2 – as well as further fundraising
- Engaging with HS2 contractors as they are appointed to access jobs and apprenticeship opportunities

7. Next Steps

As discussed, at the core of the Growth Strategy is the aspiration to secure comprehensive redevelopment to maximise potential for new homes and jobs. Key to this will be making a case for the existing station design and associated Business Case work to be expedited to better align with the Crossrail 2, NR and HS2 design timescales.

A contact programme will be maintained throughout 2016 with key decision makers from all key stakeholders to continue to highlight the issues around securing comprehensive redevelopment at Euston and the implementation of the Growth Strategy.

In order to continue to progress the implementation of the growth strategy it is recommended that Board member organisations and the DfT, Department for Communities and Local Government (DCLG) NR and Crossrail 2 work collaboratively to develop a short term Implementation Plan for the next two years. The Plan will set out the following:

- Progress to date
- Key milestones for the overall programme(s)
- Key outstanding actions/projects to achieve the GS ambition, timescales and leads for delivery
- Programme risks and dependencies
- Programme reporting and monitoring

This will provide a document which can be used to track progress against and it is envisaged it will be a "living draft" kept under continual review. Camden officers would lead in the production of this working closely with colleagues from the GLA, DCLG and TfL with technical support and input from DfT, HS2, NR and Crossrail 2 as necessary.

As part of this work, initial thinking and discussion on investment potential and delivery vehicles will be required, as well as continuing a programme of meeting key decision makers in the Treasury, DfT, DCLG etc to update on progress on the Growth Strategy and to highlight key risks, interdependencies and future funding requirements.

It is recommended that this is taken to the HS2 Local Growth Programme Board, chaired by Simon Ridley (DCLG), at the next opportunity following Strategic Board consideration of the Implementation Plan. The HS2 Growth Board is responsible for the delivery of Growth Strategies along the route.