**REPORT TO:** Scrutiny and Overview Committee  
**8 October 2010**

**AGENDA ITEM:**  
3 – URGENT BUSINESS

**SUBJECT:**  
CALL-IN:  
EAST CROYDON STATION BRIDGE & ASSOCIATED STATION IMPROVEMENTS FUNDING AGREEMENT

**LEAD OFFICER:**  
Cover report: Julie Belvir  
Council Solicitor and Monitoring Officer,  
Director of Democratic & Legal Services

**CABINET MEMBER:**

| ORIGIN OF ITEM: | Cabinet’s decisions of 20 September on the East Croydon Station Bridge & Associated Station Improvements Funding Agreement have been called in by fifteen Members of the Council. |
| BRIEF FOR THE COMMITTEE: | To consider and respond to the Call-In in accordance with the procedure set out in the Council’s constitution. |

1. **Executive Summary**

The decisions taken by Cabinet on 20 September 2010 on the East Croydon Station Bridge & Associated Station Improvements Funding Agreement Stronger Communities Fund 2010-14 have been called in by fifteen Members of the Council. Attached is the original report to Cabinet and this report details the decisions of Cabinet, the reasons given for the call-in and the relevant procedures for call-ins in the Council’s constitution.

2. **Call-In – East Croydon Station Bridge & Associated Station Improvements Funding Agreement**

2.1 **Report to Cabinet**

The Cabinet considered a report by Councillor Jason Perry, (Cabinet Member for Planning, Conservation & Climate Change) and Mike Kiely, (Director of Planning and Building Control) on the East Croydon Station Bridge & Associated Station Improvements Funding Agreement at its meeting 20 September 2010. The report is attached as an Appendix.
The Cabinet, having given consideration to the report, agreed:

(1) that the Council enter into a funding agreement with Network Rail in respect of a contribution of £6m towards the £20m station improvement works as detailed in the report; and

(2) that the Executive Director Planning, Regeneration & Conservation, in consultation with the Council Solicitor, be given delegated authority to negotiate terms and complete the agreement.

2.2 Call-In

Cabinet’s decision was called in on 23 September by Councillors:


The reasons stated for the Call-In were that:

i) The decision is outside of the Policy Framework

ii) The decision is inconsistent with the budget

iii) The decision is inconsistent with another Council Policy

iv) The East Croydon Masterplan is still under consultation until 18th October 2010 and many residents and local businesses comments have not yet been received by the Council, let alone reviewed or considered. Residents in particular have not had time to respond to this consultation. The £20 million scheme does not deliver pedestrian access from Cherry Orchard Road to the new bridge and platforms or a new A to B route across to Dingwall Road. East Croydon Masterplan has not been adopted or approved by Croydon Council.

v) £6 million has been committed to this scheme at a time of severe financial strain on the council’s finances, with major cutbacks across departments. The Council is likely to receive a lot less support for capital projects from Central Government, and the Cabinet and Council needs to give more time than a cursory consideration on whether spending £6 million or more on a project is the right.

vi) This decision puts the council in conflict with its planning policy and guidance. The Council’s aspirations for access to the station from Cherry Orchard Road and a new A to B Route can only be delivered by funding from Menta, who have not yet submitted a planning application. This decisions casts doubts on the council’s ability to treat Menta’s forthcoming planning application for 171 metre tall skyscraper in a non-prejudicial manner, as they have indicated that they will be funding this new link.

vii) This decision has been rushed, that there has been a lack of scrutiny of how this decision was negotiated and agreed, it is unclear whether there were other ways of achieving this objective, at a lower financial cost of
the council. A scrutiny meeting would allow exploration of all these issues.

The alternative decision proposed by the signatories is that:

1) Decision is delayed until the outcome of the East Croydon Masterplan Consultation is completed and a full report of the findings is produced.
2) That the decision should have included funding for a pedestrian access from Cherry Orchard Road to the new divided bridge, so created the new A to B route.

The signatories have suggested that the following information is required to assist the Scrutiny and Overview Committee to consider the referral:

1) Review of East Croydon Masterplan proposals.
2) More detailed information from Network Rail about their proposals and funding issues.
3) Clarification of Stanhope Schroders and Menta's roles and interests in the formulation of this decision.
4) To review the timescales associated with these decisions, and why the recent rush.
5) Details of the Council's financial situation, the availability of resources for capital projects, and the funding streams for them.
6) To find out if there were any alternatives to this decisions, considered, suggested or available to the Council.

2.3 Call-In Procedures

The Council's constitution states:

11.09 At the meeting, the referral will be considered by the Committee which shall determine how much time it will give to the call-in and how the item will be dealt with including whether or not it wishes to review the decision. If having considered the decision there are still concerns about the decision then the Committee may refer it back to the Cabinet for reconsideration, setting out in writing the nature of the concerns. The Cabinet shall then reconsider the decision, amending the decision or not, before making a final decision.

11.10 The Scrutiny and Overview Committee may refer the decision to the Council if it considers that the decision taken by the Leader or Cabinet is outside the Budget and Policy Framework of the Council. The Council may decide to take no further action in which case the decision may be implemented. If the Council objects to Cabinet’s decision it can nullify the decision if it is outside the Policy Framework and/or inconsistent with the Budget.

11.11 If the Scrutiny and Overview Committee decides that no further action is necessary then the decision may be implemented.

11.12 If the Council determines that the decision was within the Policy Framework and consistent with the Budget, it will refer any decision to which it objects, together with its views on the decision, to the Cabinet. The Cabinet shall
choose whether to either, amend, withdraw or implement the original decision within 10 working days, or at the next meeting of the Cabinet after the referral from the Council.

11.13 The responses of the decision-taker and the Council shall be notified to all Members of the Scrutiny and Overview Committee once the Cabinet or Council has considered the matter and made a determination.

11.14 If either the Council or the Scrutiny and Overview Committee fails to meet in accordance with the Council calendar or in accordance with paragraph 11.08 above, then the decision may be implemented on the next working day after the meeting was scheduled or arranged to take place.

**Appendices**

Report to Cabinet 20 September 2010 on the “East Croydon Station Bridge & Associated Station Improvements Funding Agreement”.

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**BACKGROUND DOCUMENTS:**
No unpublished background documents were relied upon to a material extent in the preparation of the report.
**AGENDA ITEM:** 9  
**SUBJECT:** East Croydon Station Bridge & Associated Station Improvements Funding Agreement  
**LEAD OFFICER:** Mike Kiely, Director Planning & Building Control  
**CABINET MEMBER:** Councillor Jason Perry, Cabinet Member for Planning, Conservation & Climate Change  
**WARDS:** Addiscombe & Fairfield

**CORPORATE PRIORITY/POLICY CONTEXT:** Securing the bridge connection at East Croydon Station not only secures vital capacity enhancements at the Borough’s main transport hub, essential to delivering the growth agenda, but also significantly improves the public realm and development potential of this key location. These aims are central to the delivery of the East Croydon Masterplan, the Opportunity Area Planning Framework for Croydon Metropolitan Centre and the Core Strategy. This is the number one priority capital investment project in the regeneration strategy for the Croydon Metropolitan Centre.

**LOCAL AREA AGREEMENT (LAA) TARGETS:**

Many LAA targets will benefit from this investment. It should:

- help to regenerate the town centre (LAA’S 5,6,7)  
- help to reduce CO2 emissions by reducing the need to travel and securing sustainable construction and design (LAA31)  
- provide public transport and the reduction of congestion (LAA34)

**FINANCIAL SUMMARY:** Funding for the project comes from a range of sources: S106, GAF & Capital programme, totalling £6m

**FORWARD PLAN KEY DECISION REFERENCE NO.:** This item was not included on the forward plan of key decisions published on 17 August 2010. Therefore, in accordance with paragraph 15(b) of the Access to Information Procedure Rules (as contained in part 4B of the Council’s constitution), the Chair of the Scrutiny & Overview Committee has been notified of this addition to the forward plan.

This is a Key Decision as defined in the Council’s Constitution. The decision may be implemented from 1300 hours on the 5th working day after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.
1. RECOMMENDATIONS

The Leader of the Council has agreed that Cabinet have delegated power to make the decisions set out in the recommendations below:

1.1 Agree that the Council enter into a funding agreement with Network Rail in respect of a contribution of £6m towards the £20m station improvement works as detailed in the report

1.2 Agree that the Executive Director Planning, Regeneration & Conservation, in consultation with the Council Solicitor, be given delegated authority to negotiate terms and complete the agreement.

2. EXECUTIVE SUMMARY

2.1 East Croydon Station (ECS) suffers from severe congestion during the daily peak travel times due to the unusually high two-way flow of commuters that it experiences. The masterplan the Council is preparing for this major transport interchange has devised a solution to this through the provision of an additional station entrance via a mid-platform bridge. This project is underway by Network Rail and this report seeks authority to enter into an agreement that it be part funded by the Council and details those funding arrangements.

3. DETAIL

3.1 The Council is in the course of preparing a masterplan for ECS. The two main aims of the masterplan are to increase and improve capacity at the passenger interchange and to improve the pedestrian links from the station to the town centre.

3.2 An early outcome of the masterplanning process was to recognise the need for a new station entrance to deal with the unusually high two-way flow of commuters that ECS experiences during the daily peaks. Early investigations and design work revealed that a mid-platform bridge could be provided and the support of adjoining landowners was secured.

3.3 The consultation and stakeholder engagement carried out as part of the masterplan demonstrated very strong support for this initiative.

3.4 Network Rail had funding allocated to improve ECS but there was a narrow window for the money to be spent otherwise it would be lost and probably diverted elsewhere on the network.

3.5 All these factors combined to accelerate the development of this project. It is now at the stage where engineers (Mott McDonalds) and architects (Studio Egret West – the masterplanners for ECS) have been appointed by Network Rail and they are progressing with its design. It is anticipated that the bridge will be available for use in 2013.

3.6 Funding for the project has been considered. Network Rail has £14M available, but the project (bridge and station building improvements) was estimated to be
around £20M. A funding package from the Council to meet this shortfall is put forward as follows:

- 2009/10 Growth Area Funding (GAF) £1.4M
- 2010/11 Growth Area Funding (GAF) £0.6M
- S106 transport improvement monies £1M
- Capital Programme £3M
- **Sub-total (Council contribution)** £6M
- Network Rail's contribution £14M
- **TOTAL COST OF PROJECT** £20M

3.7 The 2009/10 GAF funding is secure; however the 2010/11 allocation is currently pending the outcome of a further consultation exercise by the awarding body (the Homes & Community Agency). Early indications are that the original funding commitment will be met, but if the amount is reduced or lost, then it is proposed to increase the capital programme allocation to make it up given the importance of this project to the regeneration of Croydon Metropolitan Centre.

3.8 The purpose of this report is to agree the funding and give delegated authority to the Executive Director of planning, Regeneration and Conservation to conclude suitable terms for the funding agreement with Network Rail to enable the project to progress. The agreement will need to set out the timing of the payments, define the key deliverables and to cap the Council's contribution.

4. CONSULTATION

4.1 The project emerges from work undertaken by the Council in producing the East Croydon Masterplan. This has been subject to extensive engagement with stakeholders and partner organisations and is subject to further consultation on its route to formal adoption by the Council. There was very strong support to the bridge proposal throughout the process.
5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1 Revenue and Capital consequences of report recommendations

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<tr>
<th>Current year</th>
<th>Medium Term Financial Strategy – 3 year forecast</th>
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<td>2010/11 £’000</td>
<td>2011/12 £’000</td>
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Revenue Budget available
Expenditure
Income

Effect of decision from report
Expenditure
Income

Remaining budget

Capital Budget available
Expenditure 3,000
GAF – 2009/10 1,400
GAF – 2010/11 600
Section 106 1,000

Effect of decision
Expenditure 6,000

Remaining budget 0 0

2 The effect of the decision

The decision will contribute £6m of funding towards the station improvements. Growth Area Funding (GAF) as set out in the table above. The Section 106 contribution will come from the developers of the Ruskin Square site, Stanhope to Croydon Council, as the planning authority.

The timing and phasing of the payment is subject to negotiation, but Croydon’s contribution will need to be in line with the desired operational date of 2013 for these improvements.

3 Risks

Growth Area Funding is subject to the risks set out in Paragraph 3.7, which is that payment has not been confirmed for 2010/11 until a further consultation exercise has been completed by the HCA. However, this risk is mitigated by the ability to increase Croydon’s capital contribution.

4 Options

There are no alternative options presented in this report, as this funding agreement offers the best mechanism to secure the scale of station improvements.
5 Future savings/efficiencies
There are no direct savings or efficiencies arising from this report.
(Approved by: Ian Geary, Finance Manager, Planning Regeneration & Conservation & Chief Executives Office)

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER
6.1 The Council Solicitor comments that detailed advice is being taken on the terms of the agreement to ensure the Council’s interests and investment, including the matters detailed in para.3.8, are secured.

(Approved by: Gabriel MacGregor, Head of Legal Services (Corporate) on behalf of the Council Solicitor & Director of Democratic & Legal Services)

7. HUMAN RESOURCES IMPACT
7.1 There are no Human Resources considerations arising from this report.

(Approved by: Michael Pichamuthu, HR business partner, on behalf of the director, Human Resources & Organisational Effectiveness)

8. CUSTOMER IMPACT
8.1 These works will bring about a step-change improvement to the customer experience at East Croydon Station.

9. EQUALITIES IMPACT ASSESSMENT (EqIA)
9.1 The project emerged from the East Croydon Masterplan which was subject to an EqIA.

10. ENVIRONMENTAL AND DESIGN IMPACT
10.1 The project emerged from the East Croydon Masterplan which was subject to a full environmental and design Impact assessment.

11. CRIME AND DISORDER REDUCTION IMPACT
11.1 The improvements to East Croydon Station will improve conditions for crime and disorder management.

12. HUMAN RIGHTS IMPACT
12.1 No specific issues are raised.

13. FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS
13.1 The report and the background documents are in the public domain

CONTACT OFFICER: Mike Kiely

BACKGROUND DOCUMENTS: East Croydon Masterplan