Capital Project Business Case Stanford le Hope Transport Package

The template

This document provides the business case template for projects seeking funding which is made available through the **South East Local Enterprise Partnership**. It is therefore designed to satisfy all SELEP governance processes, approvals by the Strategic Board, the Accountability Board and also the early requirements of the Independent Technical Evaluation process where applied.

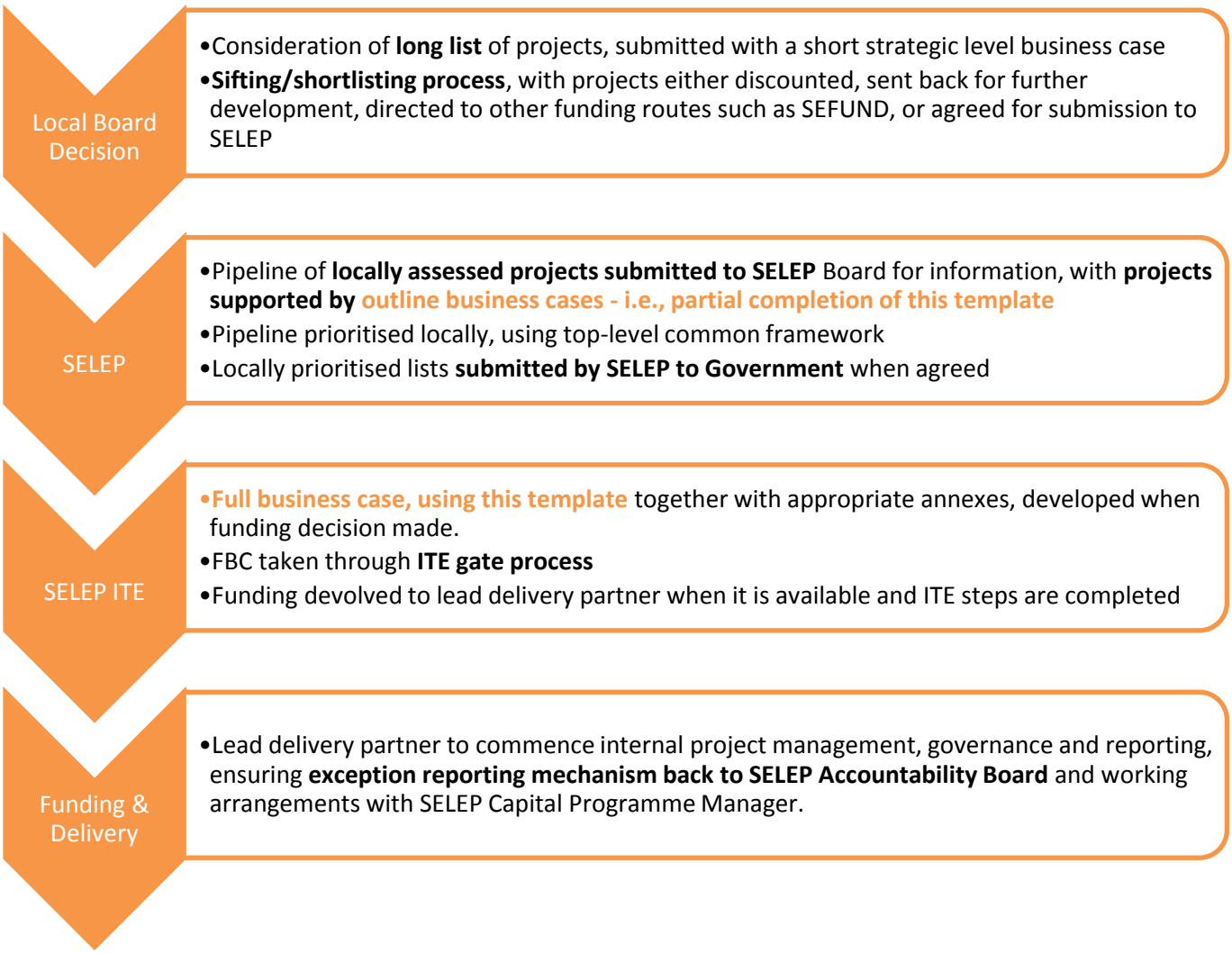
It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable Body for a private sector final beneficiary. In those circumstances, the private sector beneficiary would complete this application and the SELEP team would be on hand, with local partners in the federated boards, to support the promoter.

Please note that this template should be completed in accordance with the guidelines laid down in the HM Treasury's Green Book. https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-governent

As described below, there are likely to be two phases of completion of this template. The first, an 'outline business case' stage, should see the promoter include as much information as would be appropriate for submission though SELEP to Government calls for projects where the amount awarded to the project is not yet known. If successful, the second stage of filling this template in would be informed by clarity around funding and would therefore require a fully completed business case, inclusive of the economic appraisal which is sought below. At this juncture, the business case would therefore dovetail with SELEP's Independent Technical Evaluation process and be taken forward to funding and delivery.

The process

This document forms the initial SELEP part of a normal project development process. The four steps in the process are defined below in simplified terms as they relate specifically to the LGF process. Note – this does not illustrate background work undertaken locally, such as evidence base development, baselining and local management of the project pool and reflects the working reality of submitting funding bids to Government.



In the form that follows:

- **Applicants for funding for non-transport projects should complete the blue sections only**
- **Applicants for funding for transport projects should complete both the blue and the orange sections**

Version control	
Document ID	SLH 01
Version	1
Author	Lambert Smith Hampton
Document status	Issue 1
Authorised by	
Date authorised	10/1/2017

1. PROJECT SUMMARY	
1.1. Project name	**Stanford le Hope Transport Package**
1.2. Project type	Integrated package of works to create a new transport interchange and redeveloped station
1.3. Location (inc. postal address and postcode)	**Stanford-le-Hope Railway Station, London Road, Stanford Le Hope, SS17 0JX**
1.4. Local authority area	**Thurrock Borough Council**
1.5. Description (max 300 words)	On the north banks of the Thames Estuary in Stanford-le-Hope, Essex, London Gateway is the U.K's newest and most technologically advanced deep sea container port catering for global shipping. Once fully developed, London Gateway shall comprise six deep sea shipping berths alongside Europe's largest logistics park comprising up to 830,000 square metres of 'B' class warehouse floorspace. In total DP World London Gateway is anticipated to generate approximately 12,000 direct jobs (on-site) with a further 24,000 indirect jobs created within supply chains (Source – London Gateway – November 2016). Currently, two port berths are operational with a third becoming operational early in 2017. The first two buildings of the DP World London Gateway Logistics Park (comprising approximately 49,000 square metres of floorspace) are completed, with a third building (to become UPS's latest regional distribution hub) under construction with an anticipated opening date of Q4 2017. Currently approximately 600 people are employed within the operational development of DP World London Gateway (Source – DP World London Gateway – November 2016). In order to meet population demand 568 new homes already have planning permission and are projected in Stanford-leHope/Corringham within the next five years. There is also an open planning application for a further 750 homes that is yet to be determined. DP World London Gateway is remote from the Thurrock Urban Area and accessibility will be an issue for prospective employees without access to a car. Ensuring a sufficient labour supply and good job/ skills matching will be critical for not only realising the growth but sustaining the jobs in the long term by maximising productivity. It is therefore necessary to ensure that high quality accessibility is provided by non-car means through better bus facilities in Stanford-le-Hope (SLH) and high quality rail/bus integration to attract employees. In addition, good quality passenger transport facilities and bus/rail integration will be necessary to achieve the modal split targets for the development. Adjoining the DP World London Gateway Port a consortium of operators has recently announced the Thameside Enterprise Park project to refurbish part of the recently closed Coryton oil refinery and also develop up to 300 acres of land as a flagship environmental and energy park creating 2,000 new jobs.

	The project scope will consist of a new multi-modal interchange and station buildings - New Multi-modal Interchange: • 2 car passenger drop-off positions with landing island • 2 taxi rank positions with landing island and shelter • Protected pedestrian walking routes and desire lines • 2 drop off and 1 pick-up position for a 12m rigid bus (allowing for double-decker) with waiting facilities • 84 new secure cycle parking spaces New Station Buildings: • Target a BREEAM Excellent rating • Adopt best practice station design to develop a carbon neutral station. Station design should include LED lighting, heat pump, heat recovery, PV, rain water harvesting and be thermally efficient • Increased and integrated waiting facilities with Customer Information Systems • Passenger toilets • Commercial retail facility • Widened Platform 1 with covered waiting areas • Integrated passenger footbridge with lifts • Level access from London Road to both station buildings and to the platforms • Provision for electric pedal bike hire scheme and charging points • Real-time Customer Information System for shuttle bus services to external waiting shelter and internal railway station waiting area These projects provide further confidence to the local economy and investors whilst also providing new jobs and a wider range of skills to local people. The scheme drawings can be found at Appendix C.
1.6. Lead applicant	Thurrock Borough Council (Ann Osola)
1.7. Total project value	£12.05m
1.8. SELEP funding request, including type	£7.5m
1.9. Rationale for SELEP request	The key objective of SELEP is to "..drive sustainable private sector-led growth and job creation". The project supports the sustainable development of the Port and Europe's largest logistics park. Funding is coordinated between both public and private sector organisations in to order provide support for the future economic growth, jobs and new housing in the area.
1.10. Other funding sources	c2c made a successful bid to the NSIP Board for a £2.85m allocation to the Stanford le Hope scheme. NSIP have guaranteed the £0.85M in 2016/17, Control Period 5 (up to 2019). The remaining funding is allocated for Control Period 6 (2019 onwards) though at the moment cannot be guaranteed. ALL CP6 funding will be applied for in Autumn next year as part of the rail industry submission for funding. c2c/NR have advised that they will not commit their £2.85m if the full £7.5m SLGF funding is not forthcoming. The NSIP funding letter can be found in Appendix G. DP World London Gateway funding is guaranteed and this contribution totals £550k. This forms part of the S106 agreement for the London Gateway development. Thurrock Borough Council funding, from other secured developer S106 agreements, is guaranteed and this totals £1.15m.

<table>
<tr><td></td><td>In addition, the Council has already contributed LSTF funds to the Stanford-le-Hope rail station travel plan. Cycle facilities have been funded through the Council's capital allocation for Highways and small scale walking and cycling improvements have been delivered in partnership with Sustrans. The Council's existing Local Sustainable Transport Fund has established strong working relationships with key stakeholders who together are able to remove many of the barriers associated with procurement, making delivery a more streamlined process that will enable early delivery of the package.</td></tr>
<tr><td>1.11. Delivery partners</td><td>
<table>
<tr><td>Partner</td><td>Nature and/or value of involvement (financial, operational etc)</td></tr>
<tr><td>Thurrock Borough Council</td><td>Lead applicant, funder and funder via SELEP</td></tr>
<tr><td>c2c (National Express)</td><td>Funding provided via NSIP and operational partner operating Stanford-le-Hope station and associated rail services. Responsible for approval of station design. Memorandum of Understanding already in place to formalise this relationship.</td></tr>
<tr><td>DP World London Gateway</td><td>Funding provided by S106 and operational partner with employees from the port and park using bus services from the rail station.</td></tr>
<tr><td>Network Rail</td><td>Administering the NSIP funding and responsible for approval of the new footbridge/lift design. Basic Asset Protection agreement is already in place to formalise this relationship.</td></tr>
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</td></tr>
<tr><td>1.12. Key risks and mitigations</td><td>The project risk register can be found in Appendix B.</td></tr>
<tr><td>1.13. Start date</td><td>March 2016 (Clients requirements and business case)</td></tr>
<tr><td>1.14. Practical completion date</td><td>December 2018 (practical completion on site)</td></tr>
<tr><td>1.15. Project development stage</td><td>A detailed feasibility study and option selection was completed in 2014 for the scheme. Detailed option selection for the footbridge location is due to be completed in Spring 2017.

Morgan Sindall have been appointed(November 2016) under the EHA Framework Contract using a NEC 3 Engineering and Construction Contract (ECC) Main Option C - Target with Activity Schedule. This appointment has been made using the ECI approach (Early Contractor Involvement).

Morgan Sindall are delivering pre-construction design services to develop the recommended design option and to propose a final Target Price for Stage 2. Stage 2 involves the detailed design and construction of the developed design to the agreed Target Price established under Stage 1. An initial Target Price has already been provided for delivery of the full scheme.

The Initial feasibility study can be found in Appendix D.</td></tr>
<tr><td>1.16. Proposed completion of outputs</td><td>The development of DP World London Gateway Port and DP World London Gateway Logistics Park will directly impact upon the timing of the final scheme outputs and benefits. This will be dependent on the overall economic environment that may be impacted by the UK relationship with the EU. The development plans for DP World London Gateway had envisaged a period of 12 years from the start of the development to completion.</td></tr>
<tr><td>1.17. Links to other SELEP projects, if</td><td>There are no links to any other SELEP projects.</td></tr>
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applicable	

2. STRATEGIC CASE

The strategic case determines whether the scheme presents a robust case for change, and how it contributes to delivery of the SEP and SELEP's wider policy and strategic objectives.

2.1. Challenge or opportunity to be addressed

Challenges

Previously bus services did not stop at the station, there is a need to enhance the existing interchange between bus and rail and to improve the rail station in order to accommodate growth. SELEP supports the delivery of the required initiatives and infrastructure that will deliver an interchange that is fit for purpose.

Passenger growth forecasts provided by c2c have been used to undertake passenger flow assessments. These concluded that the existing ticket gate lines, footbridges and the station will have insufficient capacity to function. The facilities are currently grossly inadequate.

Opportunities

Stanford-le-Hope rail station and interchange is a vital component in providing access to 12,000 jobs at DP World London Gateway /Thames Enterprise Park, 24,000 indirect supply chain jobs and local housing developments. This scheme provides physical infrastructure to support the London Gateway Travel Plan.

There is an opportunity to deliver a full transport interchange and new station to support the growth that is projected before the existing become inadequate. If the scheme is not progressed at this point, future works may be more challenging due to increased passenger numbers.

There is an opportunity at the current time to pool funding from stakeholders however, this is time restricted in particular with reference to NSIP and the DP World S106 monies.

Ensuring a sufficient labour supply and good job/ skills matching will be critical for not only realising the growth but sustaining the jobs in the long term by maximising productivity. It is therefore necessary to ensure that high quality accessibility is provided by non-car means through better bus facilities in SLH and high quality rail/bus integration to attract and retain employees. Providing improved, good quality passenger transport facilities and bus/rail integration will be necessary to achieve the modal split targets for the development as shown below.

LDO Transport Assessment – Targets – Employee/Visitor

Development Year	% Development	Car Occupancy	% Non-Car	% Car Driver	% Car Passenger
Year 1	14	1.2	5	79	16
Year 6	50	1.25	7.5	75	17.5
Year 12	100	1.3	10	70	20

2.2. Description of project aims and SMART objectives

The DP World London Gateway/Stanford-le-Hope Transport Package is an integrated package of sustainable transport measures at Stanford-le-hope railway station focused on provision of forecourt and interchange improvements, a new

footbridge, cycle parking, bus stops and information, taxi provision, drop-off spaces, improved lighting, signing and resurfacing.

Replacement of the existing rail crossing adjacent to the station is excluded from this scheme but is included in the Thurrock Rail Package included in the SELEP's SEP document.

The main aims of the DP World London Gateway / Stanford-le-Hope Transport Package are to:

- Develop an interchange that will connect bus, rail, cycle, taxi and pedestrian modes of transport at Stanford-le-Hope station by the end of 2018
- Expand capacity at Stanford-le-Hope station gateline by the end of 2018
- Implement a package of works that meets the requirements of travel plans for DP World London Gateway and unlocks the next phase of development at DP World London Gateway. Provide improvements to public transport infrastructure and service reliability to new housing developments and to the major employment growth sites at DP World London Gateway/Coryton by the end of 2018;
- Help curb traffic growth and minimise growth in transport emissions in the area through this new transport interchange by the end of 2018

2.3. Strategic fit

The schemes have been identified in the following Thurrock policy documents which provide the strategic context for the project:

- Adopted Core Strategy
- Thurrock Transport Strategy and LSTF
- Thames Gateway South Essex (TGSE) Planning and Transport Strategy
- TGSE section of the SELEP's Strategic Economic Plan (SEP)document

The scheme provides the necessary sustainable transport linkage to the key TGSE growth areas and major housing and employment growth opportunities set out in the SEP document. It is also in accordance with the sustainable transport goals set out in the Council's Transport Strategy and regional and national strategies and guidance.

2.4. Summary outputs (3.2 will contain more detail)

	16/17 – yr 1	**17/18 – yr 2**	**18/19 – yr 3**	**19/20 – yr 4**	**20/21 – yr 5**
Jobs (Direct)	35	35	35	35	35
Jobs (Indirect)	15	15	15	15	15

	21/22 – yr 6	22/23 – yr 7	23/24 – yr 8	24/25 – yr 9	25/26 – yr 10
Jobs (Direct)	35	35	35	35	35
Jobs (Indirect)	15	15	15	15	15

	26/27 – yr 11	27/28 – yr 12	28/29 – yr 13	29/30 – yr 14	30/31 – yr 15
Jobs (Direct)	35	35	35	35	35
Jobs (Indirect)	15	15	15	15	15

Note: 1 FTE job = 30 hours per week or more; Permanent job = 12 months or more

2.5. Planning policy context, consents and permissions

The proposed scheme will require a number of statutory and rail industry consents as follows, all of which are highlighted on the detailed programme contained within appendix A. This programme provides specific advice regarding both their duration and programme status in relation to the critical path.

Planning Permission- Consultation with Thurrock Council planning department was undertaken as part of the feasibility study. The pre-application submission is to be issued in February 2017 and a full planning application is projected to be issued in Q1 2017. This has been highlighted on the project programme.

c2c Asset Team Consent – c2c are the station lease holder and are responsible for approval of works within the station lease area (excluding the proposed new footbridge due to its interaction with operational rail infrastructure). c2c are partners and have been consulted since the project inception, a Memorandum of Understanding is in place between Thurrock Council/c2c and all clients requirement documentation has been jointly approved. An electronic consent process will be completed once detailed design is delivered, this has been identified on the project programme.

Station Change - This rail industry consultation will begin on completion of the outline design process and will be submitted to all station beneficiaries by c2c including Network Rail, freight operators and Office of Rail and Road(ORR).

Network Rail Approval – NR are the landlord for the station lease area, partners in the project and have been consulted since the inception. They are responsible for approval of the works that may impact on the operational rail infrastructure. Based on the current design this approval will relate to the proposed new footbridge and lifts. A Basic Asset Protection Agreement (BAPA) has been signed by Thurrock Council and the NR asset team are reviewing designs with Morgan Sindall.

2.6. Delivery constraints

The detailed design is yet to be undertaken. The design process may identify technical or environmental constraints which need to be overcome, but it is believed they will be manageable within the project. A risk register including monetary allocation from the contingency sum is provided within appendix B to demonstrate the process.

Specific constraints identified are:

	• The planning application process and consultation will need to be taken into account in the design. There is a risk that alteration or delay may be incurred as part of this process. It is considered that any requirements will be able to be incorporated into the detailed design. • It is expected that all of the construction will be within the existing Network Rail boundary but additional land may be required. The exact requirement will become clearer as the detailed design is undertaken. Negotiations are underway with the owner in order to secure the option to purchase the land. • Statutory undertakers' plant is known to be present in various locations. Consultation and mitigation measures will be undertaken to reduce risks to the programme and scheme costs during detailed design. • Network Rail are responsible for reviewing of the footbridge/lift and will act as facilitator to secure the required track possessions/isolations in order to complete the works. The project programme is constrained by the number and availability of track possessions/isolations for access. • Full Geotechnical Investigations, Flood Risk Assessment and Ecological Surveys were carried out which highlighted a number of technical constraints which are detailed in full in the Feasibility Study included in appendix D.
2.7. Scheme dependencies	The realisation of full economic benefits of the scheme may be dependent on the extent of investment and hence development in the area. In particular there is a specific reliance on the full development of DP World London Gateway Port and the DP World London Gateway Logistics Park to generate employment and demand for public transport. Funding for the scheme is dependent on the key stakeholder agreements and NSIP settlement plan as set out in section 1.1.
2.8. Scope of scheme and scalability	The scheme combines SELEP, NSIP, DP World London Gateway and Thurrock funding streams. This combination creates an overall outcome of benefits greater than the funds could provide in isolation. The scope of the project is to provide a multi-modal transport interchange and new station building that will: • Provide additional passenger capacity at the station to accommodate local growth in jobs and housing • Provide a transport interchange in line with requirements of the DP World London Gateway Travel Plan • Provide a new interchange and station building that improves the perceptions of Stanford-le-Hope station in line with the c2c Station Design Guide It may have been considered that the project costs could have been reduced by delivering only a transport interchange which would achieve the desired outcomes. This option was discounted as the extent of the turning circle required for bus services and associated parking would require the demolition of the existing station building therefore requiring this full scheme which includes NSIP funding.

	There is no further opportunity to increase scope and deliver improved outcomes as the interchange provides opportunity for all current transport modes.
2.9. Options if funding is not secured	**Do nothing** Omitting the high quality passenger transport facilities and bus/rail integration will generate excessive car travel to the area creating congestion adversely affecting air quality, which in turn will have an adverse impact on attracting investment and maximising productivity. The Stanford le Hope area cannot supply the required skilled labour and the new transport facilities are required to support/facilitate this growth. This would otherwise have an adverse effect on attracting the required skilled labour to the area. It may also have a significant impact on employer choice of location due to potential lack of labour supply and increasing difficulties with journeys. **Do minimum** A do minimum solution will involve providing local bus services, not capable of stopping on the station forecourt. The preferred option is the Do Optimum. This is the only option to deliver the infrastructure and benefits which are essential to accommodate the local growth potential. The Do Nothing option may adversely impact on the efficient development of the area.

3. ECONOMIC CASE

The economic case determines whether the scheme demonstrates value for money. It presents evidence on the impact of the scheme on the economy as well as its environmental, social and spatial impacts.

3.1. Impact Assessment

Context and Rationale

Stanford-le-Hope (SLH) station is a vital component in providing access to new jobs at DP World London Gateway and Thames Enterprise Park.

The promoters have estimated that the proposed sites will support 14,000 jobs. Based on consultation with Thurrock Council, there is limited labour capacity within the borough, which means a significant proportion of the labour demand will be met by supply from outside of the borough.

As stated in the DP World London Gateway Travel Plan which forms part of the planning consent, a minimum of 10% of all employees (at least 1,400 in total) will be required to be non-car users. To achieve the Travel Plan target, is assumed that most non-car users will need to travel via Stanford-le-Hope (SLH) station, as this is the main hub for public transport in the area.

However, modelling by Aecom states that the station gateline is already operating at full capacity, and no additional users can be safely accommodated at peak times. There is also currently no provision or space at SLH station to allow for interchange activities of a sufficient scale required to transfer large numbers of workers to DP World London Gateway and Thames Enterprise Park. There are currently no direct public transport links to the sites at DP World London Gateway and Thames Enterprise Park. A pedestrian assessment can be found in Appendix E.

Intervention is therefore needed to increase station capacity and to enable the transfer of passengers to the two employment sites. Based on the 10% modal share target, at least 1,400 additional jobs are expected to be reliant on the expansion of SLH interchange. While shift work at DP World London Gateway and Thames Enterprise Park means that some of these users may not be at peak times and hence not affected by station capacity constraints, lack of interchange facilities would still mean that onward transfer to DP World London Gateway and TEP for these users would not be possible. This is supported by the letter from Thurrock Council in Appendix I.

As part of the appraisal process a number of options have been considered:

1) **Do Nothing Option.** No change to the existing situation. Stanford-le-Hope Station would remain as it is with no expansion. The station gate line is already at capacity based on current usage levels; therefore no increase in PM peak time passenger numbers could be accommodated. The DP World London Gateway Travel plan stipulates that 10% of workers should arrive by non-car modes.

2) Do Minimum. Improve transport connections between the rail station area and DP World London Gateway/Distribution by operating a shuttle bus. A 12m rigid bus cannot stop or turnaround on the existing station forecourt. This option would not improve capacity within the station itself, and hence would not allow any additional peak time demand to be accommodated.

3) Do Something. Improve transport connections between the rail station and DP World London Gateway/Distribution by operating a 12m rigid bus that is able to stop and turnaround on the rail station forecourt. Construct a turnaround suitable for a single 12m rigid bus at the front of the existing station in order to allow this traffic movement. Again, this option would not improve capacity within the station itself, and hence would not allow any additional peak time demand to be accommodated.

	4) Do Optimum. New Multimodal Interchange and station buildings as per the scope in section 1.5. While the 'Do minimum' and 'Do something' would enable more efficient and effective transfer of passengers from the station the employment sites, they would not address station capacity. Only Option 4 would address station capacity and enable the 1,400 additional users to be accommodated. The full logic chain for the preferred option (benchmarked against the do nothing option) is set out below.

Impact Assessment

The assessment was informed by HM Treasury Green Book Guidance, the HCA Additionality Guide and other Treasury Guidance documents which enabled the impacts and the forecast costs and benefits to be estimated. The benefits of the scheme were quantified by estimating Gross Value Added (GVA).

It was assumed that due to the location and type of land use at DP World London Gateway and Thames Enterprise Park that employment will be most closely linked to the Transport and Storage sector. Based on this assumption; GVA per employee for this sector was estimated using Annual Business Survey 2016 data. The average GVA per employee in the transport and storage sector is £61,200.

As stated above, at least 1,400 gross jobs at DP World London Gateway and Thames Enterprise Park are dependent on the improvements to Stanford-le-Hope station. No adverse impacts are expected.

As per HM Treasury Green Book Guidance, additionality factors have then been applied to estimate the number of net jobs supported. The table below shows which additionality factors were used in estimating the number of net jobs supported by the scheme.

Additionality Factors		Source	Rationale
Leakage	50%	HCA Additionality Guide - Table 4.3	A high leakage factor has been applied. This reflects an expectation that many of the 1,400 additional jobs will go to people living outside the SELEP area, given the fact that there is limited capacity within the local Thurrock labour market, and that the fact that Stanford-le-Hope station provides strong connectivity to areas outside the LEP area (particularly London).
Displacement	25%	HCA Additionality Guide - Table 4.8	A low displacement factor has been applied. This reflects the expectation that while there may be some displacement effects within the SELEP area, these are likely to be relatively low, given the relatively specialised nature of jobs being considered.
Multiplier	1.44	HCA Additionality Guide - Table 4.12	A regional level multiplier for B2 / B8 uses has been applied, given the expectation that many of the jobs created are expected to be industrial in nature.

Based on the above the total net jobs supported by the scheme will be 756. How this was calculated is shown below.

Gross jobs	1,400
Jobs minus leakage	700
Jobs minus displacement	525
Jobs plus multiplier	756
Total net jobs	**756**

Based on information provided by the promoter of the site, it is assumed that the total number of jobs will be split evenly over 15 years until 2031. As shown in the table below, this equates to 50.4 net jobs being supported per annum.

Estimated net jobs per annum

16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31

50	50	50	50	50	50	50	50	50	50	50	50	50	50	50

As the jobs created will be permanent jobs and will last for longer than 12 months, a 5-year persistence was also accounted for, thus reflecting the GVA generated every year over a 5-year period. The total GVA generated up to 2031 would be over £200 million. However, to adhere to HM Treasury Green Book Guidelines, a 3.5% discount rate had to be applied year-on-year to reflect the present value benefits (PVB) which equates to £148 million.

Total gross jobs (until 2031)	1,400
Net jobs (until 2031)	756
Net jobs per annum (until 2031)	50.4
GVA per person (Transport & Storage)	£61,200
GVA per annum (Transport & Storage)	£3,085,574
Value of benefits (until 2031)	£200,562,319
PVB discounted @ 3.5% p.a. (until 2031)	**£148,868,030**

To calculate the Net Present Value (NPV) of the scheme all associated costs also had to be considered over the same 15-year appraisal period. The total bid for SELEP funding equates to £7.5 million and total funding equates to almost £12.1 million. However, as with the benefits, the cost also had to be discounted to reflect present value costs (PVC). Optimism bias also had to be considered when estimating project costs. As per Table 1 in the HM Green Book Supplementary Guidance; Optimism Bias was set at 44%, to reflect the project being a civil engineering scheme. Based on these assumptions the PVC is £15.9 million. This is a very conservative approach as no mitigation for optimism bias was applied.

Value of costs (until 2031)	£12,067,000
Value of costs inc. optimism bias (44%) (until 2031)	£17,376,480
PVC discounted @3.5% p.a. (until 2031)	**£15,865,963**

Based on the above the net present value (NPV) of the scheme would be £133,002,047. The scheme has a cost benefit ratio (CBR) of 1: 9.4, which demonstrates strong value for money.

A number of sensitivity tests were run, to test the robustness of the economic case under different scenarios. These demonstrate that the scheme delivers strong value for money, even if more conservative assumptions are applied:

- Sensitivity Test 1: as a result of shift patterns at DP World London Gateway and Thames Enterprise Park, only 50% of additional demand is at peak times and hence affected by peak time station capacity constraints. As such only 700 jobs (50% of 1,400) are dependent on the station improvements. This is a very conservative scenario in terms of expectations around shift patterns. Under this scenario, the scheme continues to demonstrate high value for money, with a CBR of 1: 4.7.
- Sensitivity Test 2: a non-car mode share of only 8% is achieved. As such only 1,120 jobs (8% of 14,000) are dependent on the station improvements. Under this scenario, the scheme continues to demonstrate high value for money, with a CBR of 1: 7.5. However, given the nature of the planning obligations, failure to meet the 10% mode share target may put future development at risk.
- Sensitivity Test 3: a higher non-car mode share of 15% is achieved, delivering 2,100 additional jobs. Under this scenario, the scheme delivers even stronger value for money, with a CBR of 1: 14.1.

Sensitivity Test	PVB	PVC	NPV	CBR
1. Only 50% of demand at Stanford-le-Hope station is at peak times; dependent jobs are 700.	£74,434,015	£15,865,983	£58,568,032	1: 4.7
2. Only 8% non-car mode share is achieved: dependent jobs 1,120 rather than 1,400.	£119,094,424	£15,865,983	£103,228,441	1: 7.5
3. 15% Mode Share Achieved rather than 10%. 2,100 dependant jobs rather than 1,400.	£223,302,046	£15,865,983	£207,436,062	1: 14.1

3.2. Outputs

Based on the existing planning consent and information provided by the promoter of the site the scheme will help support over 800,000m^{2}of employment floor space.

This will lead to 1,400 additional jobs at both DP World London Gateway and Thameside Enterprise Park being supported.

Gross Jobs (Direct)	1,400 (1,200 – LG / 200 – TEP)
Floor space	Over 800,000 m^2

3.3. Wider benefits

There are currently two options for the footbridge location that are under review, one serving only rail passengers and the other to include use by the public.

The public use option for the proposed station and interchange will include a new footbridge and lift facilities available for public use. This will deliver travel time benefits for commuters, local residents, and people accessing the local school which is in close proximity to the crossing.

The passenger modelling analysis completed highlighted the current situation caused by the level crossing whereby queues form awaiting trains to clear the area. The wait time at the level crossing can be up to 25 minutes at certain times of day; without intervention this situation is expected to become more severe in future years as a result of an expected increase in freight train movements relating to expanded operations at DP World London Gateway.

The project also supports the Thurrock Council targets for transport modal split with the benefit of encouraging the use of public transport instead of private cars. The wider benefit of this strategy is that it will support sustainable growth reducing the potential for strain and congestion on local roads.

3.4. Standards

The stakeholder requirements include specific targets to ensure that the development is sustainable including the following:

- Target a BREEAM Excellent rating

- Adopt best practice station design to develop carbon neutral station.
- Station design should include LED lighting, heat pump, heat recovery, PV (or other onsite power generation), rain water harvesting and be thermal efficient
- Energy and water costs should be zero (or near zero)

The station buildings will be constructed in accordance with the c2c Station Design Guide.

The station and footbridge design will comply with Railway Group Standards and Network Rail Company Standards.

3.5. Value for money assessment

To demonstrate value for money, a cost benefit ratio (CBR) has been undertaken. The overall CBR for the scheme is 1: 9.4, which shows high value money for SELEP. The cost per job based on the 1,400 jobs supported from DP World London Gateway and Thames Enterprise Park is £8,619. This also suggests high value for money based on HCA Cost Per Job Best Guidance Note benchmarks.

Cost Benefit Ratio (CBR)	1: 9.4
Value for Money VfM	Very High
Cost per job (indirect)	£8,619 (Low)
SELEP Leverage Ratio	Ratio: 0.62 Equivalent to 62% of all scheme funding)

A number of sensitivity tests were run, to test the robustness of the economic case under different scenarios. These demonstrate that the scheme delivers strong value for money, even if more conservative assumptions are applied:

- Sensitivity Test 1: as a result of shift patterns at DP World London Gateway and Thames Enterprise Park, only 50% of additional demand is at peak times and hence affected by peak time station capacity constraints. As such only 700 jobs (50% of 1,400) are dependent on the station improvements. This is a very conservative scenario in terms of expectations around shift patterns. Under this very conservative scenario, the scheme continues to demonstrate high value for money, with a CBR of 1: 4.7.
- Sensitivity Test 2: a non-car mode share of only 8% is achieved. As such only 1,120 jobs (8% of 14,000) are dependent on the station improvements. Under this scenario, the scheme continues to demonstrate high value for money, with a CBR of 1: 7.5. However, given the nature of the planning obligations, failure to meet the 10% mode share target may put future development at risk.
- Sensitivity Test 3: a higher non-car mode share of 15% is achieved, delivering 2,100 additional jobs. Under this scenario, the scheme delivers even stronger value for money, with a CBR of 1: 14.1.

3.6. Options assessed

As part of the project feasibility assessment, four options were considered as follows:

1). Do Nothing Option. No change to the existing situation. Stanford-le-Hope Station would remain as it is with no expansion. The station gate line is already at capacity based on current usage levels; therefore no increase in PM peak time passenger numbers could be accommodated and no interchange facilities can be accommodated.

2). Do Minimum. Improve transport connections between the rail station area and

DP World London Gateway/Distribution by operating a shuttle bus. A 12m rigid bus cannot stop or turnaround on the existing station forecourt

3). Do Something. Improve transport connections between the rail station and DP World London Gateway/Distribution by operating a 12m rigid bus that is able to stop and turnaround on the rail station forecourt. Construct a turnaround suitable for a single 12m rigid bus at the front of the existing station in order to allow this traffic movement

4). Do Optimum. New Multimodal Interchange and station buildings as per the scope in section 1.5.

A SWOT analysis was undertaken of each option.

1)Do Nothing Option

Strength

- Zero cost option

Weaknesses

- Provides no additional public transport capacity between the rail station and DP World London Gateway Port and DP World London Gateway Logistics Park
- Provides no solution to the size of the existing rail station and facilities which are not suitable for the projected passenger growth

Opportunities (External)

Threats (External)

- Loss of funding allocated to c2c via NSIP for station redevelopment to meet future demand
- Potential to limit economic development and investment into the area due to poor transport connections and station facilities
- No additional support to housing developments and job creation by DP World London Gateway Port, the DP World London Gateway Logistics Park and indirect supply chain jobs
- Public and stakeholder criticism due to lack of investment to support the growth in jobs, housing and rail passenger demand
- Criticism due to lack of support for modal shift from private car use to public transport

2)Do Minimum Option – Introduce shuttle bus service

Strength

- Low cost option with limited capital expenditure
- Provides immediate public transport passenger capacity via the shuttle bus

Weaknesses

- Existing forecourt would only support a minibus shuttle service
- Provides no solution to the size of the existing rail station and facilities which are not suitable for the projected passenger growth
- Limited capacity of shuttle bus alone to cater for the long term passenger projections
- Responds only to DP World London Gateway Port and DP World London Gateway Logistics Park flows and does not improve taxi, cycle and car interchange for passenger growth created by housing and indirect employment opportunities

Opportunities

- Conserve the environment by supporting the modal shift to public transport
- Limited, compared to full scheme, reduction in the risk of road congestion by supporting the modal shift to public transport

Threats

- Loss of funding allocated to c2c via NSIP for station redevelopment to meet future demand
- Potential to limit economic development and investment into the area due to poor transport connections and station facilities
- No additional support to new housing developments and job creation by DP World London Gateway Port and the DP World London Gateway Logistics Park
- Public and stakeholder criticism due to limited investment to support the growth in jobs, housing and rail passenger demand
- Criticism due to limited support for modal shift from private car use to public transport

3)Do Something Option – New Turnaround

Strength

- Lower cost option than the full scheme as no works proposed to the station building
- Improves interchange by providing a turnaround for a 12m rigid bus with limited drop off facility

Weaknesses

- Provides no solution to the size of the existing station and facilities which are not suitable for the projected passenger growth
- Limited capacity of shuttle bus to cater for the long term passenger projections
- Does not meet stakeholder aspirations as there is no provision for bus parking or waiting. The shuttle bus would block the forecourt and there would be limited free access to car/taxi drop off or other bus services
- Provides limited opportunity for local bus services to stop at the station in the future (depending on demand) due to potential congestion of single lane turnaround .
- Responds only to DP World London Gateway Port/DP World London Gateway Logistics Park flows and does not improve taxi, cycle and car interchange for passenger growth created by housing and indirect employment opportunities
- Project construction works may be disruptive to rail passengers

Opportunities

- Construction project may create temporary local jobs
- Conserve the environment by supporting the modal shift to public transport
- Limited, compared to full scheme, reduction in the risk of road congestion by supporting the modal shift to public transport

Threats

- Loss of funding allocated to c2c via NSIP for station redevelopment to meet future demand
- Potential to limit economic development and investment into the area due to poor transport connections and station facilities
- No additional support to new housing developments and job creation by DP World London Gateway Port and DP World London Gateway Logistics Park.
- Public and stakeholder criticism due to limited investment to support the growth in jobs, housing and rail passenger demand
- Public opposition to planning application in relation to the new transport interchange to the rear of existing residential properties
- Criticism due to limited support for modal shift from private car use to public transport

4)Do Optimum Option – Full scheme

Strength

- Provides a new station and facilities suitable for the proposed passenger growth

	• NSIP Board have confirmed that funding is secured specific to the Stanford le Hope project • Creates a new public footbridge and lifts facilitating an alternative route across the rail tracks to the level crossing • Fully accessible interchange and station facilities provided as part of the scheme • Meets stakeholder transport interchange objectives by improving cycle facilities, taxi drop off, private car drop off and bus facilities • Provides opportunity for local bus services to stop at the station in the future (up to double decker - depending on demand) as bus parking positions are available **Weaknesses** • Project construction works may be disruptive to rail passengers **Opportunities** • Public use of the new station footbridge and lifts may reduce travel time for passengers who would otherwise have to wait at the existing level crossing until all trains had cleared. Based on station assessments a significant queue can otherwise develop • Supports modal shift from private car use to public transport • Conserve the environment by supporting the modal shift to public transport • Reduce the risk of road congestion by supporting the modal shift to public transport • Opportunity to improve passenger safety in relation to vehicle movements at the front of the station by designated walking routes and desire lines • Construction project may create temporary local jobs **Threats** • Funding has been allocated by NSIP Board to the project but this is subject to the government autumn spending reviews prior to Control Period 6. • Public opposition to planning application in relation to the new transport interchange to the rear of existing residential properties • New footbridge and lifts reliant on Network Rail track possessions and isolation availability **Assessment of Options** Under the do nothing option, the station will not be able to accommodate any additional commuters associated with the DP World London Gateway and Thames Enterprise Park developments given that the station is already at capacity and there are no interchange facilities. The London Gateway Travel plan stipulates that 10% of workers should arrive by non-car modes; [redacted] While the 'Do minimum' and 'Do something' would enable more efficient and effective transfer of passengers from the station the employment sites, they would not address station capacity and would not allow the 1,400 additional jobs at DP World London Gateway and Thames Enterprise Park to be accommodated. Hence the GVA benefits attached to these 1,400 jobs would not be realised and value for money of the intervention would be weak. Only Option 4 (do optimum) would address station capacity and enable the 1,400 additional users to be accommodated delivering a strong economic return and value for money.
3.7. Scheme assessment	To assess the impacts of the scheme the forecast costs and benefits of the scheme were estimated.

The benefits of the scheme were quantified by estimating Gross Value Added (GVA). It was assumed that due to the location and type of land use at DP World London Gateway and Thames Enterprise Park that employment will be most closely linked to Transport and Storage sector. Based on this assumption; GVA per employee for this sector was estimated using Annual Business Survey 2016 data. The average GVA per employee in the transport and storage sector equates to £61,200.

While it has been estimated that 1,400 gross jobs will be supported by SLH, as per HM Treasury Green Book Guidance additionality had to be considered to calculate the number of net jobs supported. Therefore, Leakage, Displacement and Multipliers were applied to the total number of gross jobs. The table below shows which additionality factors were used in estimating the number of net jobs supported by the scheme.

Additionality Factors		Source	Rationale
Leakage	50%	HCA Additionality Guide - Table 4.3	A high leakage factor has been applied. This reflects an expectation that many of the 1,400 additional jobs will go to people living outside the SELEP area, given the fact that there is limited capacity within the local Thurrock labour market, and that the fact that Stanford-le-Hope station provides strong connectivity to areas outside the LEP area (particularly London).
Displacement	25%	HCA Additionality Guide - Table 4.8	A low displacement factor has been applied. This reflects the expectation that while there may be some displacement effects within the SELEP area, these are likely to be relatively low, given the relatively specialised nature of jobs being considered.
Multiplier	1.44	HCA Additionality Guide - Table 4.12	A regional level multiplier for B2 / B8 uses has been applied, given the expectation that many of the jobs created are expected to be industrial in nature.

Based on the above the total net jobs supported by the scheme will be 756. It has been assumed that the total number of jobs will be split evenly over 15 years until 2031. This equates to 50.4 jobs being supported every year. As the jobs created will be permanent jobs and will last for longer than 12 months, a 5-year persistence was also accounted for to reflect the GVA generated over a 5-year period.

Therefore, the total GVA generated up to 2031 would be close to £231 million. However, to adhere to HM Treasury Green Book Guidelines, a 3.5% discount rate had to be applied year-on-year to reflect the present value benefits (PVB). Once the discount rate has been included the PVB was reduced to £148 million.

To calculate the total value of the scheme all associated costs also had to be considered over the same 15-year period. The total bid for SELEP funding equates to £7.5 million and total funding overall equates to almost £12.1 million. However, as with the benefits, the cost also had to be discounted to reflect present value costs (PVC). An optimism bias also needs to be considered when estimating project costs. As per Table 1 in the HM Green Book Supplementary Guidance; Optimism Bias was set at 44%, to reflect the project being a civil engineering scheme. Based on these assumptions the PVC is £15.9 million.

Based on the above the net present value (NPV) of the scheme would be £133,002,047. The scheme has a cost benefit ratio (CBR) of 1: 9.4, which demonstrates high value for money.

A number of sensitivity tests were run, to test the robustness of the economic case under different scenarios. These demonstrate that the scheme delivers strong value for money, even if more conservative assumptions are applied:

- Sensitivity Test 1: as a result of shift patterns at DP World London Gateway and Thames Enterprise Park, only 50% of additional demand is at peak times and hence affected by peak time station capacity constraints. As such only 700 jobs (50% of 1,400) are dependent on the station improvements. This is a very conservative scenario in terms of expectations around shift patterns. Under this conservative scenario, the scheme continues to demonstrate high value for money, with a CBR of 1: 4.7.
- Sensitivity Test 2: a non-car mode share of only 8% is achieved. As such only 1,120 jobs (8% of 14,000) are dependent on the station improvements. Under this scenario, the scheme continues to demonstrate high value for money, with a CBR of 1: 7.5. However, given the nature of the planning obligations, failure to meet the 10% mode share target may put future development at risk.

- Sensitivity Test 3: a higher non-car mode share of 15% is achieved, delivering 2,100 additional jobs. Under this scenario, the scheme delivers even stronger value for money, with a CBR of 1: 14.1.

Sensitivity Test	PVB	PVC	NPV	CBR
1. Only 50% of demand at Stanford-le-Hope station is at peak times; dependent jobs are 700.	£74,434,015	£15,865,983	£58,568,032	1: 4.7
2. Only 8% non-car mode share is achieved: dependant jobs 1,120 rather than 1,400.	£119,094,424	£15,865,983	£103,228,441	1: 7.5
3. 15% Mode Share Achieved rather than 10%. 2,100 dependant jobs rather than 1,400.	£223,302,046	£15,865,983	£207,436,062	1: 14.1

3.8. Transport KPIs – NOT APPLICABLE

Key performance indicators	Unit	AM Peak – Weekday	PM Peak – Weekday	Interpeak – Weekday
Congestion relief road schemes				
Congestion relief through public transport, demand management and others				
Access to development site schemes				
Structural maintenance schemes				

3.9. Assumptio *List all assumptions made for transport modelling and approach. WebTAG sets out assumptions*

ns	*that should be used in the conduct of transport studies.* *In addition, please list any further assumptions supporting the analysis.*
3.10. Sensitivity tests	*Set out your sensitivity tests considering risks, uncertainties and sensitivities associated with the project*

3.11. Appraisal summary

Provide positive and negative impacts of the scheme in the table below. Please adhere to WebTAG guidance.

Category of impact	Impacts typically monetised	Impacts that can be monetised	Impacts currently normally monetised
Economy	Business users and providers	Reliability regeneration Wider impacts	Townscape heritage Biodiversity Water Security Access to Services Affordability Severance
Environment	Noise; Air Quality Greenhouse Gas	Landscape	
Social	Commuting and other users Accidents Physical activity and journey quality	Reliability option and non-use values	
Public accounts	Cost to broad transport budget Indirect tax		

3.12. Transport value for money statement – *See guidance*

	Present values in 2010 prices and values
PVB	
PVC	
NPV = PVB – PVC	
Initial BCR = PVB/PVC	

3.13. Value for money summary - *worked example*

Please identify the category of VfM based on Benefit Cost Ratio (BCR) of the scheme using monetised impacts in line with WebTAG guidance.

VfM assessment should take into account qualitative and quantitative impacts in 2 stages:
I) Construct 'adjusted' BCR
II) Take into account all impacts that could not be monetised

VfM statement report should include:
I) VfM category
II) PV of benefits, costs and range around BCR
III) Summary of assessed benefits and costs, including assumptions that influenced the results
IV) Assessment of non-monetised impact
V) Key risks, sensitivities and uncertainties

	Assessment	Detail
Initial BCR	1.5 (BCR)	Estimated using WebTAG guidance
Adjusted BCR	1.9 (BCR)	Includes estimates for reliability impacts
Qualitative Assessment	Largely beneficial	There is strong evident of impacts relating to severance and security benefits
Key risks, sensitivities	Risks reflected in VfM conclusion	Cost estimates are not final. Higher optimism bias rate applied to account for uncertainty in cost estimates
VfM category	Medium/high	Qualitative assessment suggests BCR may be high. Medium/high value for money is judged appropriate as it is not possible to distinguish between the two categories with any certainty.

4. COMMERCIAL CASE

The commercial case determines whether the scheme is commercially viable. It presents evidence on risk allocation and transfer, contract timescales, implementation timescales and details of the capability and skills of the team delivering the project.

4.1. Procurement

A number of procurement routes were considered, however Cambridgeshire Council had recently undertaken a procurement process to develop a framework to be used by various local authorities to procure highways and infrastructure projects. Upon review of the appointed framework contractors it was clear that numerous organisations had significant rail infrastructure experience that would be applicable to the project.

Undertaking a stand alone procurement route was not considered to be efficient in terms of the programme or cost, based on the framework that Thurrock Council already had access to.

The project design and build contractor has been procured using the Eastern Highways Alliance (EHA) Framework Contract. Tenders were invited from framework contractors with relevant experience of delivering projects in the rail environment. Contractor experience was tested at procurement in terms of the following key questions:

- Outline your understanding and experience of railway industry regulations and procedures providing details of your approach to ensuring compliance to industry standards and design guidance
- Provide single page case studies of three contracts that your company has undertaken within the last five years for the provision of similar or same value and complexity as required under this mini competition. At least one of these case studies should demonstrate capability to deliver new footbridges with lifts working under a Network Rail Asset Protection Agreement (APA).
- Demonstrate your understanding of the key risks associated with this project. For each please provide a description, an indication of the potential severity and description of the measures that could be put in place to mitigate the risk or manage it if it occurred.

The project has been let as a NEC 3 Engineering and Construction Contract (ECC) Main Option C - Target with Activity Schedule including Early Contractor Involvement (ECI). Thurrock Council (TC) is the Contracting Body and Morgan Sindall is the Supplier.

The first stage is for Morgan Sindall to provide pre-construction design services to develop the recommended feasibility design option and to propose a Target Price for Stage 2. Stage 2 is for the detailed design and construction of the developed design to the agreed Target Price established under Stage 1.

4.2. Commercial dependencies

The commercial dependencies of the scheme to trigger funding drawdown cover two key areas.

The first area relates to the funding applications. The project is dependent on third party funding which includes NSIP in CP6. The validation of the existing funding allocation is key to the final scheme delivery.

	The full funding triggers are also reliant on securing consents. These include Network Rail technical assurance for the new footbridge and importantly Planning Permission.
4.3. Commercial sustainability	The proposed new station and transport interchange will be constructed within the c2c lease area and Network Rail land. Upon completion the facilities will be transferred to c2c in order to operate and maintain for the length of the current franchise at zero cost to other stakeholders. c2c will be responsible for asset management of the deliverables as part of their existing national rail franchise agreement. This will transfer at the end of the existing franchise.
4.4. Compatibility with State Aid rules	The funding for this scheme does not constitute state aid.
4.5. Commercial viability	The commercial viability of the scheme has been determined by considering: The type of contract and acceptability to the market Key contractual terms in terms of risk transfer The sustainability of cost estimates. **Contract** - The project has been let as a NEC 3 Engineering and Construction Contract (ECC) Main Option C - Target with Activity Schedule including Early Contractor Involvement (ECI). This is a standard and widely utilised contract within the industry for these types of projects. The procurement of the design and build contractor has already been completed and secured market interest. The associated future timescales for stage 2 are highlighted in the project plan. **Risk transfer** - The risk allocation was considered at the beginning of the project and it was decided to appoint a design and build contractor with Early Contractor Involvement (ECI). This route allows the contractor to be involved with the project at an early stage and assist with buildability during design. The design process has been utilised to reduce risk at an early stage. The design and build procurement route further transfers risk to the contractor from the instructing client. **Cost** - The project budget has been reviewed in detail during feasibility and more recently by Morgan Sindall (D&B Contractor). Potential cost overruns will be covered by Thurrock Council. Thurrock Council are the lead applicant. A costed risk register has been developed to verify the level of contingency proposed to be allocated for the project. A letter from the Council's S151 Officer can be found at Appendix H.

5. FINANCIAL CASE	
*To be completed in conjunction with the spreadsheet in **Part B***	
5.1. Total project cost and basis for estimates	The total project cost is estimated at £12.05m. The estimate was produced at feasibility stage by external consultants and has subsequently been verified by the Morgan Sindall (D&B Contractor) Stage 1 fee and Stage 2 initial estimate of construction costs. As part of the Stage 1 appointment, Morgan Sindall are currently undertaking further design and investigation in order to reduce the potential scheme risks.
5.2. Total SELEP funding request	The proposed SELEP funding request is for a £7.5m capital grant.
5.3. Other sources of funding	The remaining funding for the project is to be drawn from a number of sources: c2c made a successful bid to the NSIP Board for a £2.85m allocation to the Stanford-le-Hope scheme. NSIP have guaranteed the £0.85M in CP5. The remaining funding is allocated for CP6 (2019) though at the moment cannot be guaranteed. ALL CP6 funding will be applied for in Autumn next year as part of the rail industry submission for funding. The c2c/NR contribution is contingent on the availability of the £7.5m SELEP. DP World London Gateway funding is guaranteed and this contribution totals £550k. This forms part of the S106 agreement for the London Gateway development. Thurrock Borough Council funding, from other secured developer S106 agreements, is guaranteed and this totals £1.15m. The funding identified covers the full project costs and contingency. However it should be noted that the cash flow forecast for costs and funding do not match. Partners are petitioning the NSIP Board to bring forward the CP6 contribution to CP5 in order to align with project expenditure.

5.4. Summary financial profile – expand as appropriate

(£m)		16/17	17/18	18/19	19/20	20/21	Total
Source of funding – *List here the amount of funding sought*							
SELEP request		1.0	2.5	4.0			7.50
Thurrock Council contribution (applicant)		0.55	0.30	0.30			1.15
Third party Cont DP World London Gateway c2c		0.85	0.55		2.0		0.55 2.85
Borrowing							0
Local contribution total (leverage)							0
Total		**2.40**	**3.35**	**4.30**	**2.00**		**12.05**
(£m)	**Cost estimate status**	**16/17**	**17/18**	**18/19**	**19/20**	**20/21**	**Total**
Costs - *List here the elements of gross costs, excluding optimism bias.*							
Procurement		0.03					0.03
Feasibility							
Detailed Design		0.45	0.75				1.20
Management		0.11	0.12	0.18	0.01		0.42
Construction			3.46	5.19	0.22		8.87
Contingency		0.05	0.36	0.53			0.94
Other Cost Elements		0.06	0.27	0.22	0.04		0.59
Total		**0.70**	**4.96**	**6.12**	**0.27**		**12.05**
VAT		0.14	0.99	1.22	0.05		2.41
Total incl VAT		**0.84**	**5.95**	**7.35**	**0.32**		**14.46**

5.5. Viability: How secure are the external sources of funding?

Please provide evidence of the security of the specified third party contributions

Type	Source	How secure?	When will the money be available?
Public	*SELEP (This Application)*	*Subject to business case review*	*2017*
	Thurrock Council	*Funding is secure and budgeted*	*Funding is currently available*
Public	*c2c (NSIP Funding)*	*Funding has been allocated to the project but is subject to the Autumn funding applications for CP6*	*£0.85m available at the current time and £2m available in 2019*
	DP World	*Funding is part of existing S106*	*All monies available at the*

			agreement	*current time*

5.6. Cost overruns	Cost overruns will be met by Thurrock Council (Lead Applicant) as the DP World London Gateway S106 and c2c NSIP funding are fixed contributions. It is understood that SELEP contributions will be capped at the offer awarded
5.7. Delivery timescales	A detailed Gantt chart is included within appendix A that outlines the key project tasks and their interdependencies. The project risk register includes a number risks that may develop unless suitably mitigated and impact on timescales. Three of the high scoring risks are noted as follows – Town Planning – Planning Approval is required for the proposed project and there is a risk that objections may be received as part of the consultation process. The current programme is based on a single approved application. Utilities – The detailed design process will determine the impact on existing and proposed utilities. As an example if additional power is required it may create a need for a new substation which could cause delay. Rail Possessions and Isolations – Rail possessions and isolations will be necessary in order to construct the new footbridge/lifts. Existing restrictions have already been provided by Network Rail though the interaction with any planned rail infrastructure maintenance must be planned in detail. The project cost has been validated by Morgan Sindall's submission of their initial view on Target Price. This early contractor involvement is aimed at reducing risks and improving buildability. Morgan Sindall have significant rail experience and are already aware of the existing constraints surrounding possessions and isolation. The risk is that if the project is delayed as a result of the key risks, the construction costs could increase.
5.8. Financial risk management	The key risk to the scheme funding is the c2c (NSIP) CP6 allocation. Whilst the NSIP Board have confirmed the allocation to c2c and the Stanford le Hope project, it cannot be guaranteed until the autumn reconciliation of the CP6 budget by the DfT. The financial risk has been mitigated by the staged D&B procurement route as the project will not progress to Stage 2 unless funds are available. The cash flow forecast also shows a lack of funding in 2018/19 as a result of the timing of the c2c NSIP CP6 funding availability in 2019. C2c are petitioning the NSIP Board to have the £2mCP6 allocation brought forward to CP5. An allowance of £0.938 million has been made for contingencies within the project budget to cover financial risks during construction. Financial risk will be managed through the contract in conjunction with the contractor. Two risk workshops have already been undertaken with Morgan Sindall

	to identify, validate, apportion and quantify risks that are outstanding.
5.9. Alternative funding mechanisms	Loan funding will not be requested.

6. DELIVERY/MANAGEMENT CASE

The management case determines whether the scheme is achievable. It provides evidence of project planning, governance structure, risk management, communications and stakeholder management, benefits realisation and assurance.

6.1. Project management

A governance structure has been agreed by all stakeholders and is already in operation. The organagram highlights the key organisation, stakeholders and personnel. The Senior Responsible Officer role will be shared between Steve Cox (Thurrock Council) and Julian Drury (c2c). The project decision making process will stem from the Project Board within specific tolerances of programme, cost and quality. Tolerances will also be delegated to the project management team.

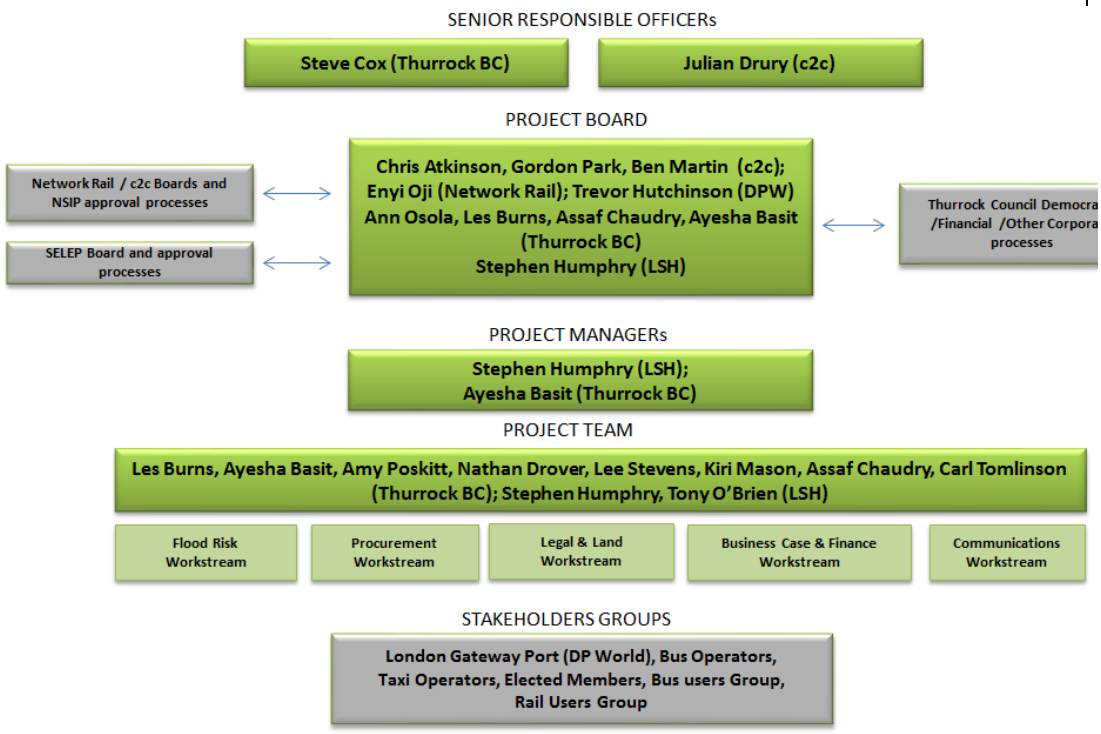
Project Board's Purpose

Serve as decision making body for Stanford-le-Hope Transport Package scheme delivery

Process Management

Control, manage by exception and delegate to the project management team
Meet quarterly or at key points in the project lifecycle

Governance Structure



Delivery Approach

Day-to-day scheme delivery would be project managed by Stephen Humphry (LSH) and Ayesha Basit (Thurrock BC). The project team resources would be organised to progress the following workstreams:

- Thurrock Flood Risk Lead will liaise with Environmental Agency to acquire Flood Defence Consent, Port of London Authority to acquire Marine Management Organisation Licence and land use consent regarding the culver or other bridging across 'Mucking Creek', and will work with internal parties to satisfy environmental impact assessment requirements;

- Procurement will follow the tender processes to ensure delivery of the 'Design and Build Contract', detail design, detail cost of build and contractor mobilisation;
- Legal & land will work to acquire land and resolve any boundary issues, and ensure that legal agreements and memoranda of understanding are established between the partners;
- Communications will work with internal Comms team to produce information for the public and produce Cabinet reports when and as required. They will also manage the expectations of the stakeholders - including Members - and consult them before releasing information to public. The Stakeholder Management Plan can be found in Appendix F;
- Business Case & Finance will manage all necessary information flow for development of full business case and will liaise with SE LEP's ITE and coordinate sign-off by SE LEP Accountability Board, and with c2c to acquire NSIP funding.

6.2. Outputs

The outputs of the project noted below will be monitored as detailed in section 6.3, Thurrock will be specifically responsible for monitoring job creation on a yearly basis in conjunction with London Gateway.

	16/17 – yr 1	**17/18 – yr 2**	**18/19 – yr 3**	**19/20 – yr 4**	**20/21 – yr 5**
Jobs (Direct)	35	35	35	35	35
Jobs (Indirect)	15	15	15	15	15

	21/22 – yr 6	**22/23 – yr 7**	**23/24 – yr 8**	**24/25 – yr 9**	**25/26 – yr 10**
Jobs (Direct)	35	35	35	35	35
Jobs (Indirect)	15	15	15	15	15

	26/27 – yr 11	**27/28 – yr 12**	**28/29 – yr 13**	**29/30 – yr 14**	**30/31 – yr 15**
Jobs (Direct)	35	35	35	35	35
Jobs (Indirect)	15	15	15	15	15

6.3. How will outputs be monitored?

The outputs will be monitored by Thurrock Council on a yearly basis in line with the travel plan monitoring undertaken by DP World London Gateway. DP World London Gateway will undertake a programme of monitoring that will include; staff surveys, review of flow data, car park surveys, review of actual against target mode shares and job creation. Thurrock will also review other key indicators including employment, housing and overall modal transport distribution.

6.4. Milestones

Key project milestones are listed below. For further information about the programme, including project stages, critical path and interdependencies between tasks please refer to Appendix A.

Project milestone	Description	Indicative date
Stage 1 Design Development	Commence work	1/11/16
Town Planning Submission	Pre-Application	January 2017
Stage 1 Complete	Developed Design complete	24/02/16
Town Planning Submission	Full Planning Application	05/05/17
Approval in Principle	NR F001 & c2c AIP	19/04/17
Stage 2 Target Price	Return	04/04/17
Stage 2 Start	Contract Authorisation	04/05/17
Stage 2 Detailed Design	Detailed Design Complete	28/07/17
Engineering Assurance	NR F002 & c2c	23/10/17
Construction	Mobilisation	24/10/17
	Demolitions	11/01/18
	Groundworks	08/02/18
	Buildings	23/04/18
	External Works	13/09/18
	T&C	13/09/18
	Entry Into Service	06/12/18
Practical Completion	Site works Completion	20/12/18
Defects Liability	Completion	05/12/19
Project Closure		20/12/19

6.5. Stakeholder management & governance

Project stakeholders who are involved in or will be affected by the project have been identified through early consultation during the start up and feasibility stages.

The Project Manager has established an understanding of the influences, attitudes and likely project perception of the identified stakeholders and established the importance and influence of each, ranking them accordingly.

	The strategy for communication with the identified stakeholders is set out in the Project Stakeholder Management Plan. The stakeholders are grouped together where appropriate: • Key Stakeholder - Those with the most influence and who will be most affected by the project • Stakeholder - Those with a lower level of influence though may be resistant to change • Consultee - Those requiring regular communications on project progress and opportunity to comment on the project though unlikely to influence the project's delivery • Informed - Those to be made aware of the project and progress For each identified stakeholder the Project Manager with the support and direction of the Project Board will agree how best to engage with the indentified stakeholders, the information the stakeholder needs and the key messages that need to be communicated. The method, format and frequency of that communication and the sender of the communication is all documented with the Stakeholder Management Plan and reviewed at the monthly Project Board meetings. For each of the identified stakeholders the method and timing of the communications will be carefully planned and the perceived credibility of the issuer assessed to ensure the best chance of success. The plan will be maintained by the Project Manager and be under continual review to ensure their stakeholder communication needs are met. Key funding stakeholders identified have been invited to attend the Project Board. The Project Board meets on a monthly basis updating project progress and key decisions, the project manager prepares a highlight report which forms the primarily form of communication with email updates as the secondary form. The key statutory stakeholders include Thurrock Council, Network Rail, Environment Agency and Port of London Authority. Town Planning will be managed via a pre-application process Network Rail and NXET approvals have been instigated under Approval in Principle applications and will be progressed under Network Rail GRIP governance and NXET's equivalent technical assurance process. Key Statutory Stakeholders who do not already sit on the Project Board will be managed in accordance with their relevant consent procedures and associated guidance. The stakeholder management plan for the project is contained in appendix F.
6.6. Organisation track record	Thurrock Council are the project lead applicant. Over the past couple of years they have delivered £1m of hard and soft measures for the LSTF scheme funded through SELEP. They are currently in the process of delivering of the first tranche of £5m cycling infrastructure project. The A13 widening project is currently in development stage (£5m), a full business case is to be submitted to DfT in 2016 for approval of contraction phase (£85m). Lambert Smith Hampton (LSH) have been appointed by Thurrock Council as project managers due to their experience delivering construction projects in the rail industry since 1998. They are a c2c framework project management consultant and have delivered numerous projects on the c2c route. LSH managed the Thorpe Bay SMART station scheme and Southend East Station NSIP project to time and within budget on behalf of c2c.

	Morgan Sindall have been appointed as the Design & Build contractor for the scheme following a competitive procurement process. Morgan Sindall have significant experience in the rail industry working with both Network Rail and Train Operating Companies. In addition they have significant expertise in other types of infrastructure projects such as highways schemes.
6.7. Assurance	The link below provides evidence from the S151 Officer of the Thurrock Council financial statements and audit reports over a number years to demonstrate assurance. https://www.thurrock.gov.uk/council-finances-and-accounts/statement-of-accounts
6.8. Equalities Impact Assessment	The initial feasibility design was developed in accordance with Accessible Train Station Design for Disabled People: A Code of Practice 2011 that was issued by DfT. The outline design is currently being developed by Morgan Sindall and they will undertake an Equalities Impact Assessment and ensure that the design meets the new Design Standards for Accessible Railway Stations 2015 Code of Practise that was issued by DfT.
6.9. Monitoring and evaluation	The project will be monitored and evaluated by a number of parties - Lambert Smith Hampton, as Project Managers, will evaluate the project KPIs with the D&B Contractor on a monthly basis focusing on cost, programme, risk and safety. These will be highlighted in a formal monthly report and summarised along with lessons learnt in the completion report which will be issued to all stakeholders. The Project Board will monitor and evaluate the project KPIs based upon the management reports issued on a monthly basis against the specific tolerances that will be agreed. The Local Delivery Group including Network Rail and c2c will monitor the project on a monthly basis and a close out report will be required at the end of the project. This report will comment upon key performance indicators (KPI) including cost, variation, programme, safety and seek lessons learnt. The report will be formally issued to the Local Delivery Group and NSIP Board to disseminate to Network Rail and other Train Operating Companies. At a high level the project will be monitored and evaluated as part of the Framework contract. The on-going evaluation and completion report will be communicated to all stakeholders so that lessons learnt can be transferred. Finally, an exception reporting mechanism will be created to SELEP Accountability Board against the agreed project tolerances.
6.10. Post completion	The proposed new station and transport interchange will be constructed within the c2c lease area and Network Rail land. Upon completion the facilities will be transferred to c2c in order to operate and maintain for the length of the current franchise at zero cost to other stakeholders. c2c will be responsible for asset management of the deliverables as part of their existing national rail franchise. This will transfer at the end of the existing franchise. Any new land required will be transferred into the station lease and be subject to the same arrangements.

7. RISK ANALYSIS

Likelihood and impact scores:
5: Very high; 4: High; 3: Medium; 2: Low; 1: Very low

Risk	Likelihood*	Impact*	Mitigation
SEE RISK ANALYSIS IN APPENDIX B			

8. DECLARATIONS

8.1.	Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?	*No*
8.2.	Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors	*No*
8.3.	Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?	*No*

If the answer is "yes" to any of these questions please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded SELEP funding.

I am content for information supplied here to be stored electronically and shared in confidence with other public sector bodies, who may be involved in considering the business case.

I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete. I also declare that, except as otherwise stated on this form, I have not started the project which forms the basis of this application and no expenditure has been committed or defrayed on it. I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

8.4. Signature of Applicant	
8.5. Print Full Name	Ms Ann Osola
8.6. Designation	Head of Transportation & Highways
8.7. Date	11 January 2017