

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2643

Title: Royal Docks Food and Beverage Procurement Specialist

Executive summary:

In August 2018, the Mayor (under cover of Mayoral Decision (MD) 2338): approved expenditure of up to £212.5m for the Royal Docks Enterprise Zone (EZ) Delivery Plan to deliver an integrated and catalytic package of projects under the five strategic objectives of Place, Connectivity, Economy, Activation and Promotion; and delegated authority to the Executive Director of Housing and Land to approve, through Director's Decisions (DD), the income and detailed spending proposals for each project that is to be funded within this initial £212.5m expenditure budget envelope.

This DD seeks approval to spend up to £150,000 in revenue funding to procure a specialist partner to define, own and deliver against the Royal Docks' food and beverage needs, challenges and ambitions. The work will include writing, and supporting of the initial delivery of, a strategy and setting up and managing a Royal Docks Food and Beverage Partnership Group over four years.

In accordance with Royal Docks EZ Programme Board governance and funding responsibilities for all Royal Docks EZ projects, the investment set out in this DD was considered and endorsed by the Royal Docks Officer-Level Programme Board on 10 March 2023.

Decision:

That the Executive Director of Housing and Land approves spend of up to £150,000 in revenue funding to procure a specialist partner to define, own and deliver against the Royal Docks' food and beverage ambitions.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Tim Steer

Position: Executive Director, Housing and Land

Signature:



Date:

27/11/2023

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The Royal Docks is one of London's most distinctive economic locations, and one of its largest regeneration projects, with the potential to generate 35,000 additional jobs and 4,000 new homes within the Enterprise Zone (EZ). The Mayor of London and the Mayor of Newham are jointly leading the regeneration of the area through its EZ status, which is funded through the ringfencing of business-rate income collected within the EZ. The EZ is projected to deliver over 7m square feet of commercial space, primarily at three key development sites: Royal Albert Dock, Silvertown and Albert Island.
- 1.2. The former London Economic Action Partnership (LEAP) Board endorsed the Royal Docks EZ Delivery Plan in June 2018. The Mayor approved (under cover of MD2338) expenditure of up to £212.5m for the Royal Docks EZ Delivery Plan to deliver an integrated and catalytic package of transport infrastructure, connectivity, economic development, placemaking, estate management and creative programming projects that will deliver the cohesive transformation of the Royal Docks and accelerate the delivery of EZ commercial space.
- 1.3. The economic purpose of the area is outlined in the Royal Docks Economic Purpose Report, jointly commissioned by the London Borough of Newham (LBN) and the Royal Docks team (RDT) in 2019. The report states:

“Over the next two decades, the Royal Docks will become established as a nationally significant hub of enterprise, employment and culture. It will be recognised as a testbed for environmental, social and technological innovation. It will be globally fluent and internationally focussed, harnessing the potential of Newham's diverse community.”

- 1.4. This definition of the EZ's economic purpose takes into account the need for the Royal Docks to create jobs in a distinctive way, recognises the wider need to include environmental and social issues in the making of economic decisions and captures the potential for the Docks to be a home for international business and culture.
- 1.5. The Economy strategic objective within the Royal Docks EZ Delivery Plan aims to invest in and deliver projects across four overarching programmes of Good Growth; Employment and Skills; Business Support; and Workspace. The request for expenditure up to £150,000 revenue, the subject of this decision, will come out of the Economy budget approved under cover of MD2338, to procure a specialist food and beverage (F&B) partner to work in the Royal Docks for four years to define, own and deliver against the Royal Docks' F&B ambitions. The work will include writing, and supporting the initial delivery of, the strategy and setting up and managing a Royal Docks Food and Beverage Partnership Group over four years.
- 1.6. Whilst the external economic environment has changed significantly since its publication, the impetus of the London Food Strategy (2018), which sets clear priorities from the Mayor of London, remains as valid as ever. In his foreword to the Strategy, the Mayor stated:

“I want every Londoner to have access to healthy, affordable, good food – regardless of where they live, their personal circumstances or income.

“As Mayor, I want to put good food at the heart of London's approach to healthy living and to create a sustainable food system. I also want to equip Londoners with the skills they need to pursue rewarding, interesting jobs in our booming food sector – one that contributes almost £20bn to London's economy and accounts for over 10 per cent of jobs in our city.

“Good food strategies can improve people's lives in many ways, from addressing the rise of diet-related diseases to supporting start-ups and building stronger communities. Food can bring high

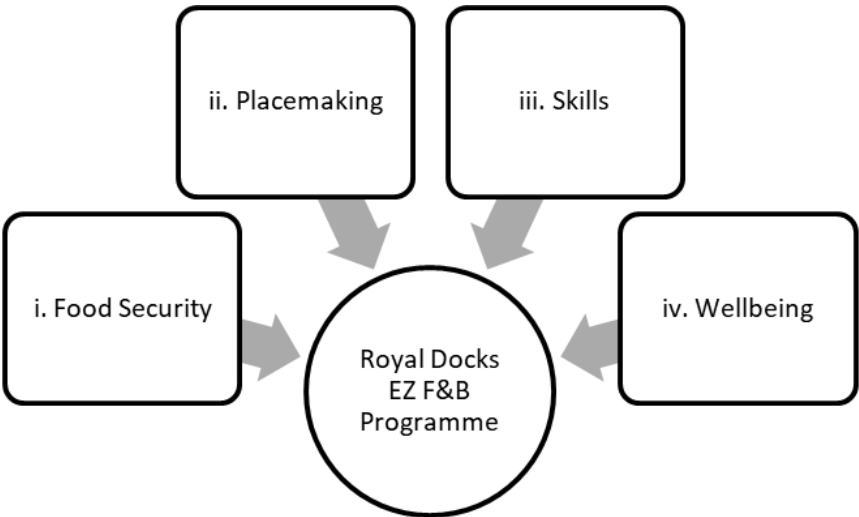
streets back to life, protect the environment, boost tourism and attract inward investment. Emerging food technologies can also give us fresh ways to solve London’s evolving food needs.”

1.7. The London Food Strategy identifies the following six priorities:

<p>Good food at home and reducing food insecurity. Addressing poverty and deprivation as a means of supporting healthy eating and increasing food security.</p>	<p>Good food economy, shopping and eating out. Minimising the promotion of unhealthy eating options, and supporting value-driven food businesses and social enterprises.</p>	<p>Good food in community settings and public institutions. Supporting local community food activity as a means of addressing social isolation and intra-community relations.</p>
<p>Good food for pregnancy and childhood. Reversing high childhood-obesity levels by reducing exposure to unhealthy food and supporting healthy habits in early years.</p>	<p>Good food growing, community gardens and urban farming. Supporting urban farming.</p>	<p>Good food for the environment. Making our food system more resilient and sustainable.</p>

The Project

1.8. Within the context of these core strategic plans, there are four interlocking themes of relevance for the Royal Docks that a comprehensive and coordinated F&B programme can help to address.



Food Security

The Newham Young People and Food Security Strategy (LBN, 2021) reflects Newham Council’s commitment to addressing food security, acknowledging that COVID-19 has accelerated a trend towards this as a result of widening income inequality and deprivation over the past decade. Newham Council announced the strategy as “a bold and broad plan to tackle food poverty and holiday hunger faced by almost one third (32 per cent) of Newham’s children”. COVID-19 has furthered this issue by disproportionately affecting low-income households in east London. And now the current cost-of-living crisis is hitting lower-income households the hardest, with the bottom 10 per cent of the population, in terms of income, being faced with an inflation rate of 10.9 per cent – three percentage

points higher than the inflation rate of the richest 10 per cent. When the cost of basic food items increases, those on low incomes are affected most.¹

The RDT aim to help ensure that communities in and around the Royal Docks have a more secure food environment.

Placemaking

A significant driver of this F&B programme is the aim to help create successful places in the Royal Docks. An F&B offer – which is a critical part of a broader cultural appeal – is a key part of this. The Royal Docks Culture Strategy sets the ambition for the area to become the engine room of London’s creative and cultural sector, the quality, scale and location of the F&B offer helps sustain activity and gives confidence to newcomers and visitors to the area. This is especially important in the western end of the Docks, around City Hall, where there will be increased footfall, political focus and activity in the coming years as the GLA embeds itself and development activity continues. But in other areas too, a high-quality F&B offer can help the development of new neighbourhoods and their identities.

The RDT aim to create a vibrant, high-quality F&B offer across the Royal Docks to deliver high-quality placemaking.

Skills

Investing in local communities, especially young people, is at the heart of the Mayor of Newham’s community wealth-building agenda, and the ideals of good growth within the London context. Principally, this is about providing opportunities for young people through skills and training, ultimately leading to worthwhile and high-value careers. The hospitality sector has taken a disproportionate hit from COVID-19 and Brexit, with common acceptance that vacancies have been harder to fill than for any other sector. Historically, it has relied on EU migrants; as such, Brexit and COVID-19 have led to significant skills shortages. There is scope to support a pipeline of existing and emerging hospitality opportunities in the Royal Docks.

The RDT aim to help local people respond to the demand for higher value career paths in London’s hospitality sector, resulting in higher pay, promotion and receipt of additional qualifications.

Wellbeing

This Food and Beverage programme puts food at the heart of responding to wider determinants of health and wellbeing. Well Newham – 50 Steps to a Healthier Borough provides a holistic approach to addressing health inequality within the borough, acknowledging that health is shaped by individuals’ and communities’ social and economic circumstances. It estimates that 50-80 per cent of an individual’s health is determined by factors other than health services. This is also a critical part of the council’s commitment to community wealth-building. Whilst many of the 50 Steps are highly relevant, Priority 6 is to create a healthier food environment, within which Step 25 is about implementing a Good Food Retail plan and Step 26 is becoming a Sustainable Food City. The links with broader environmental issues – such as cleaner air, community-growing opportunities, biodiversity, quality early-years education and active travel – are self-evident and relevant to local wellbeing.

The RDT’s ambition for the Royal Docks as a place is for it to have a Healthy Food Environment, and to become a Sustainable Food Place.

- 1.9. This decision form seeks approval to procure a specialist F&B partner to work in the Royal Docks for four years. It is expected that the accompanying F&B programme will last for a similar period (with many projects being self-sufficient from that point on).
- 1.10. There are ambitions for both capital and revenue funding that could be accessible to the programme (subject to application and approval) following successful adoption of the strategy and accompanying

¹ <https://www.newham.gov.uk/news/article/663/plan-to-end-holiday-hunger-and-child-food-poverty-launched-by-newham-council>

programme. There is also an expectation of match funding to be secured by the specialist partner (working in partnership). Separate approvals will be sought for any work as a result of the strategy.

1.11. Key partners will be needed on programme and individual-project levels, as detailed below:

<u>GLA</u>	<u>LBN</u>	<u>Local stakeholders</u>	<u>Strategic stakeholders</u>
<ul style="list-style-type: none"> • Food Network • Regeneration team • Culture team • Highways • Property services • RDT colleagues 	<ul style="list-style-type: none"> • Food Champion • Regeneration team • Public realm • Estates • Highways 	<ul style="list-style-type: none"> • Royal Docks Management Authority • Royal Docks Learning and Activity Centre • West Silvertown Foundation • Local community networks • Tate & Lyle • ExCeL • Bühler Group 	<ul style="list-style-type: none"> • Operator • Newham Food Alliance • External sponsors (tbc)

2. Objectives and expected outcomes

2.1. The procured delivery partner will be required to deliver the following:

- Develop a Royal Docks F&B Strategy. Working with key stakeholders develop a succinct strategy of how the identified Royal Docks F&B themes will be addressed. Set timeframe and budget for the works required.
- Develop a Royal Docks F&B Programme. Based on the strategy, outline a programme of work with detailed and clear milestones on how each project will be delivered, including appreciating how the area will have its F&B needs met. The programme of works must have a Delivery Plan based on the complexities and budget.
- Set-up and administer a Royal Docks Food and Beverage Partnership Group. Define, manage and administer four strategic meetings per year after initial setup.
- Gain endorsement from the Royal Docks EZ Programme Board. Assist the RDT in writing reports and providing information/data to support strategy and programme.
- Become an umbrella delivery partner of the strategy, to engage and bring on board delivery partners and submit funding applications as necessary.

2.2. The RDT has already undertaken significant soft market testing to refine the ambitions and scope of work, as well as seek a range of potential partners, ready for a procurement. The RDT has begun discussions with colleagues at TfL Procurement regarding process and timescales associated with this activity.

2.3. The RDT has already put together an emergent steering group comprising of internal (to GLA/RDT) and external stakeholders to guide the project. It is considered likely that the Royal Docks Food and Beverage Partnership Group, as identified, will evolve from this group.

3. Equality comments

3.1. Under section 149 of the Equality Act 2010, as a public authority, the GLA must have 'due regard' of the need to:

- eliminate unlawful discrimination, harassment and victimisation

- advance equality of opportunity
 - foster good relations between people who share a relevant protected characteristics and those who do not.
- 3.2. Protected characteristics, under section 149 of Equality Act, are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.3. The implications of this proposal have been assessed against the public sector equality duty, and it is considered that it will have a positive impact. Whilst progress has been made over the last decade in linking residents to emerging employment opportunities in Newham, significant inequality persists locally. The EZ aims to create 25,000 new homes and 60,000 new jobs within the next 20 years and the Good Growth Fund's aim is to contribute towards that. No adverse implications for any group sharing a protected characteristic have been identified during this process.
- 3.4. The Royal Docks EZ Delivery Plan projects are aimed at implementing several of the Mayor's policies – such as the London Plan, A City for All Londoners, the Healthy Streets Approach, the Culture Strategy, the London Housing Strategy and the Transport Strategy. The projects are aligned with the Mayor's Equalities Framework to consider the requirements of relevant equalities groups. Impact assessments will determine whether any persons with protected characteristics will be unduly impacted by the activities described in this paper, and the course of action needed to mitigate any impacts.
- 3.5. LBN's Community Wealth Building strategy ensures that growth in the borough:
- is shared locally and held democratically
 - builds on internal strengths and opportunities
 - realises the potential of Newham's community, residents, businesses and voluntary sector.
- 3.6. The procured applicant and the RDT are jointly committed to ensuring there is an equality of access to opportunities through this project. This is in line with the ethos of community wealth-building, which is a core theme of the EZ programme.
- 3.7. A Royal Docks Food and Beverage Partnership Group will be formed made up of key stakeholders including local businesses (including SME's), community groups and LBN, ensuring that the community are represented. This will enable the specialist and (whilst the strategy is being developed) the delivery of the strategy to be inclusive and delivering for everyone.

4. Other considerations

Declarations of Interest

- 4.1. There are no known conflicts of interest to declare for those involved in the drafting or clearance of the Director's Decision (DD).

Risks Arising/Mitigation

- 4.2. The risks, and mitigating actions, are detailed in the table below:

Risk	Likelihood	Impact	Mitigation
Unable to secure a suitable partner due to the specialist scope of works	Medium	High	<ul style="list-style-type: none"> • Early soft market testing already undertaken • Encouraging partnership amongst partners and other stakeholders

			<ul style="list-style-type: none"> • A flexible delivery programme to reach market target
Budget may be insufficient	Low	Medium	<ul style="list-style-type: none"> • Flexible and reflective project management • Part of the scope is to work towards self-sustainability
There is a lack of stakeholder/ community ownership	Medium	High	<ul style="list-style-type: none"> • Early engagement with the local community and stakeholders • Scope includes development of a F&B Partnership Group consisting of local stakeholders, amongst others, to respond to this • Selecting a partner willing to form a partnership group is a mitigation against that risk; otherwise, the project may lack local support

Mayoral Strategies and Priorities

4.3. This programme will also help deliver the following Mayoral policies and strategies.

- the Mayor's Skills for Londoners Strategy
- the Mayor's Equality, Diversity and Inclusion Strategy, Inclusive London
- the Mayor's London Health Inequalities Strategy
- the Mayor's Economic Development Strategy for London.

5. Financial comments

- 5.1. The Executive Director's approval is sought to spend up to £150,000 revenue funding to procure a specialist partner to define, own and deliver against the Royal Docks' food and beverage ambitions detailed above. The spend is expected to be based on milestones over the 4-year contract and estimated to be equally spread across the four years from 2024-25.
- 5.2. The funding for this expenditure is expected to be from the ringfenced business-rate income collected within the Enterprise Zone, as agreed in MD2338. However, current projection shows that the forecast business rates receivable from the RD Enterprise Zone will be lower than originally projected, therefore there is a risk that there would be insufficient business rates income generated from the RD Enterprise Zone to fund the planned expenditure for the RD programme.
- 5.3. Any shortfall in income for future years would be met with available funds from the RD Enterprise Zone Reserve Account.
- 5.4. The spend for this decision is part of the GLA's 2024-25 budget setting process, which is still in progress. Therefore, to further mitigate against this risk of insufficient funding, a break clause should be included in the contracts, should funding not be available for future years.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Executive Director concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or that are facilitative of, conducive or incidental to the promotion

of economic development and wealth creation, social development or the promotion of the improvement of the environment, in Greater London.

- 6.2. In implementing the proposals in respect of which a decision is sought, officers should comply with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
 - consult with appropriate bodies.
- 6.3. In taking the decisions requested, the Executive Director must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, to advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sex, sexual orientation) and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Executive Director should have particular regard to section 4 (above) of this report.
- 6.4. Section 1 of this report indicates that the GLA intends to procure services. Section 9 of the GLA Contracts & Funding Code requires the GLA to engage with TfL Procurement and seek a call-off from a suitable framework where possible before the commencement of the services. Officers should ensure that a break clause as detailed in paragraph 5.4 above is included in the relevant contracts.

7. Planned delivery approach and next steps

- 7.1. The planned delivery approach and next steps for the project are outlined in the table below.

Activity	Timeline
Procurement exercise	Winter 2023
Start preparation of strategy	Spring 2024

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Abdul Awwal has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Simon Powell has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 27 November 2023.

✓

INTERIM CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

27/11/2023