

REQUEST FOR DIRECTOR DECISION – DD2515

Royal Docks Place & Workspace Fees

Executive Summary:

In August 2018, Mayoral Decision 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 that are identified under the strategic objectives of Place, Connectivity, Economy, Activation and Promotion.

Significant progress has been made in the delivery of development and regeneration in the Royal Docks since approval of the Enterprise Zone Delivery Plan in 2018. However, the development and placemaking strategy must be kept up to date to reflect the evolution of the Royal Docks and new opportunities to accommodate further development and regeneration. This approval seeks investment for three key areas.

- Fees to update the development and placemaking strategy for the Royal Docks with a particular focus on (i) the role of the water in the Royal Docks; (ii) local centres and high streets; and (iii) new areas of further improvement and intensification;
- Further fees for ongoing design consultancy advice to support continued work across the Royal Docks Public Realm; and
- Fees to continue strategic property consultancy advice to support further investment decisions for workspace projects.

In accordance with the London Economic Action Partnership (LEAP) governance and funding responsibilities for all Royal Docks EZ projects, the investment set out in this decision request was considered and endorsed by the Royal Docks EZ Programme Board on 25 November 2020.

Decision:

The Executive Director of Housing and Land approves:

1. expenditure of £785,500 to (i) update the development and placemaking strategy with a particular focus on high streets and the water use strategy; (ii) undertake further design and feasibility work for two new intervention areas; and (ii) provide ongoing design consultancy advice; and
2. expenditure of £100,000 on consultancy advice to inform further investment decisions by the Royal Docks Team to support SME business growth, including refurbishing and acquiring new property.

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: Rickardo Hyatt

Position: Executive Director Housing and Land

Signature:



Date:

23 February 2021

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 MD2338 approved expenditure of up to £212.5m for the Royal Docks Enterprise Zone (EZ) Delivery Plan through prudential borrowing (but repaid through business rates from within the EZ) 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. This consists of a £155m capital and £57.5m revenue split to fund projects for the five-year delivery period from 2018/19 to 2022/23. MD2338 delegated authority to the Executive Director for Housing and Land to approve, through Director Decisions, the detailed spending proposals for the interventions that are to be funded.
- 1.2 Since the approval of the Enterprise Zone Delivery Plan in 2018, significant progress in delivery has been made across the Royal Docks. The majority of sites now have a secured development partner and planning consent, contributing to the delivery of 12,000 homes and 7m sq. ft of commercial space. This has been central to delivering the aspirations and objectives of the Enterprise Zone including new homes, genuinely affordable homes for Londoners and opportunities for business and employment.
- 1.3 Furthermore, since the approval of the Enterprise Zone Delivery Plan in 2018, the Royal Docks Team has engaged extensively with partners, stakeholders and the community to better understand their needs, as well as the potential of the area. Detailed work has been commissioned to deliver a Public Realm Framework, Design Guides, Economic Purpose and Cultural Placemaking Strategy for the Royal Docks. This work has been used to inform the development of the Royal Docks and Beckton Park Opportunity Area Planning Framework (OAPF).
- 1.4 Over the next ten years, the Royal Docks will continue to change dramatically to deliver on its targets for 60,000 new jobs and 25,000 new homes., This change will be accelerated by the Royal Docks becoming the home of London Government in 2021 and reinforced by the commencement of development on a number of sites including Silvertown Quays, Albert Island and Thameside West
- 1.5 This ongoing change will create opportunities for further regeneration, development and placemaking activity as well as increase delivery of residential, commercial and employment floorspace. To (i) further inform the development of the OAPF in guiding this change; (ii) identify opportunities for development and investment and (iii) develop an approach to delivery and build a case for any further investment, it is important to review the development and placemaking strategy for the Royal Docks. This review should have a particular focus on a number of key issues and gaps identified through the Royal Docks Team's work to date, those being (i) the role of the water in the Royal Docks; (ii) local centres and high streets and (iii) areas of further improvement and intensification.
- 1.6 The Royal Docks Team has also worked with the London Borough of Newham to develop the statement of Economic Purpose for the Royal Docks. This emphasises the role of the Enterprise Zone (EZ) in developing the infrastructure to support business growth, including the provision of more space for SMEs through refurbishment and acquisition. This also provides an opportunity for a return on investment for the EZ. This curation of a range of spaces across the Royal Docks offers opportunities to a variety of companies, whilst maximising collaboration and minimising competition between providers.
- 1.7 In January 2019, DD2297 approved expenditure of £100,000 to appoint consultants, JLL, to help develop a workspace strategy and provide property advice (i.e. market information and valuation reports) to support investment decisions in workspace opportunities, balancing the objectives of the EZ in maximisation of commercial opportunity alongside the creation of affordable workspace. This workspace investment is and will be facilitated by GLA Land & Property (GLAP).

- 1.8 The scope of services undertaken by JLL include (i) commercial advice on acquisitions and refurbishment; (ii) monitoring and reporting on market trends and activity; and (iii) inputting into the development of a strategy for workspace in the Royal Docks.
- 1.9 Much of the early stage investment has focused on disparate sites around the Royal Victoria area and has built on the early activation and success of the Silver Building. Much of the consultancy advice from JLL is commercially confidential but some examples include the following:
- Silvertown Flyunder – commercial advice regarding a lease for an affordable workspace provider;
 - The Crystal – commercial advice provided to surrender Siemens PLC’s lease to enable better use of the building in supporting wider regeneration principles; and
 - Royal Docks Workspace Strategy – JLL input into the wider strategic approach to workspace provision and curation across the Royal Docks.
- 1.10 The initial £100,000 approved consultancy spend has now been used to deliver the strategy and early stage investment. £100,000 further investment is now requested to continue this work.

2. Objectives and expected outcomes

Updating our development and placemaking strategy

- 2.1 The Royal Docks Team proposes investment in commissioning expertise to support the delivery of an update to our development and placemaking strategy. . This will focus on three key areas:
- **Local Centres and High Streets:** The Royal Docks covers over 400ha and is in reality made up of a series of distinct established communities and new emerging neighbourhood highstreets and local centres. Each of these communities, neighbourhoods and centres have the potential to contribute towards the economic and cultural potential of the area, provide social infrastructure and high-quality public realm for residents and visitors to enjoy. Now is an appropriate time to review existing and emerging neighbourhood highstreets and centres to better understand and define their local function, what they will include, how they will respond to future development and how they will contribute to the wider economic, social and cultural ecosystem of the area.
 - **The Role of the Water:** The Royal Docks are 5km long, have over 158ha of water that is surrounded by publicly accessible, traffic free Dock edge public realm. Although the Docks are used by some, such as youth water charities, open water swimmers and floating hotels, it is a dramatically underused asset and is perceived by some as a barrier to connectivity and placemaking. However, there is an opportunity to create access to and make use of the asset to support growth, innovation, activation and the generation of a commercial return to the EZ. Now is therefore an appropriate time to create a strategy that will support effective utilisation, management and planning of use the water and set a blueprint for future partner engagement that will complement and contribute to the function and quality of existing and emerging neighbourhoods and centres of activity.
 - **New Interventions:** Outside of existing development sites, there are several areas in the Royal Docks in which further intervention would lead to enhanced regeneration and placemaking outcomes and lead to the delivery of additional commercial and/or residential floorspace. Two such key intervention areas have already been identified. Connaught North (see plan at Annex 1) has been subject to some high level masterplanning, highways and commercial advice that demonstrates the potential to deliver a significant amount of commercial and residential land primarily through rationalisation of the existing highway. Furthermore, Western Gateway (see plan at Annex 2) will be subject to significant investment in sites, infrastructure and public realm – including the relocation of City Hall – and a coordinated approach to delivery and investment would maximise regeneration outcomes and drive forward a major cluster of workspace

opportunities. Undertaking further masterplanning, feasibility and strategy work now will maximise the benefits realisation.

- 2.2 It is anticipated that this work will primarily be internal facing for the Royal Docks Team and would form an important evidence base and tool in decision making. However, some outputs may be public facing to support workstreams such as informing the development of the OAPF, the selection developer partners, attracting investment or promoting and explaining plans for the Royal Docks.

Public Realm Consultancy Advice

- 2.3 Further fees are also requested to extend consultancy advice on public realm through retention of the existing design consultants to support the Royal Docks Team in their role as guardians of the vision of the public realm established in the Public Realm Framework. This will be of particular importance as such large-scale investment opportunities come forward. This is in accordance with the call-off contract in place with the consultant which includes a further phase of works to act as retained consultant. Extension of the contract will be the subject of further discussion and approval by TfL Procurement. Should TfL not approve an extension to the contract, the Royal Docks Team will look to procure a consultant through a competitive procurement to act in the role of guardians of the vision and principles of the PRF.

Workspace investment

- 2.4 As previously set out, the early stages of support for flexible and affordable workspace to support SMEs has focused on disparate sites around Royal Victoria. However, the view of the Royal Docks Team and LB Newham is that further work can be undertaken to link the Royal Victoria area to Canning Town as a gateway to the docks through increased activity provided by workspace. In later years, further work will be required to influence the workspace offer across sites such as Silvertown Quays. The scope of services will continue to follow the approach JLL has taken to date as set out in paragraph 1.8.
- 2.5 It is anticipated that the scope of works identified for later stages as set out in para. 2.4 above is proportionate to the £100,000 further investment requested and allows the Royal Docks Team to be agile in drawing down advice to support their activities.

3 Equality Comments

- 3.1 Under section 149 of the Equality Act 2010 (the “Equality Act”), as a public authority, the GLA must have ‘due regard’ to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership status.
- 3.2 When considering the needs of the existing community and those that will be affected by the proposed projects outlined in this paper, any activity will look to minimise disadvantages to all protected characteristic groups within society. This decision is therefore not expected to have any negative impact on persons with a protected characteristic under the Equality Act.
- 3.3 The Royal Docks Team has appointed an inclusive design consultant who will assess public realm proposals to ensure they are equitable for all protected characteristic groups. This will be supported by the Accessibility and Inclusive Design Guide that is currently under finalisation and will guide delivery of these public realm works.
- 3.4 The workplace strategy will also seek to deliver a range of workspaces suitable for differing business needs, supporting diversity in Royal Dock’s business and services benefitting both employees as well

as the end user. Advice received from consultants to support investment decisions will also be subject to equality assessments.

- 3.5 All consultants procured to undertake the work will have been drawn from the TfL Framework Panels. Members of these panels will have needed to demonstrate their commitment to equality and diversity to join the panel.

4. Other Considerations

Risk and issues

- 4.1 A key risk in the delivery of this work will be ensuring buy-in by stakeholders and ensure alignment with the statutory policy framework for the area. This will be managed through a clear and robust stakeholder engagement strategy and approach at all stages of development.
- 4.2 The main risk to the workplace investment is that without the specialist advice and consultancy support, the investment projects proposed in the Delivery Plan will not be able to proceed, further funding decisions will not be possible and there will be a delay in the benefit to the EZ.

Mayoral policies and strategies

- 4.3 This project will support the implementation of a number of the Mayor's policies outlined within the New London Plan, A City for All Londoners, Healthy Streets Approach, London Environment Strategy and is aligned with the Mayor's Equalities Framework to consider the requirements of relevant equalities groups.

Consultation

- 4.4 Structured consultation has been undertaken with communities and other stakeholders in the delivery of the Royal Docks Public Realm Framework and associated public realm projects. Such consultation will continue to take place for new public realm projects brought forward.

Declaration of interest

- 4.5 The author of the report has no interest that would be advantaged by the works proposed.
- 4.6 As the Assistant Director who would typically clear this report is also a Director of the Royal Docks Management Authority (RoDMA) for which some of the proposed investment would be on land that RoDMA owns, the Head of Area (North East London) has cleared this paper in accordance with GLA policy. This Head of Area is not a Director of RoDMA, nor is aware of any other conflicts of interest with these proposals.
- 4.6 The Executive Director who has approved the Decision and those who have reviewed it from a financial and legal perspective are not Directors of RoDMA and are not aware of any other conflicts of interest with these proposals.
- 4.7 In relation to the proposed investment relevant to RoDMA, the interventions are to undertake significant regeneration and placemaking works to deliver the vision and objectives of the Royal Docks. The investments do not remove obligations from RoDMA.
- 4.8 There are not expected to be any financial or fiduciary conflicts which could arise but this will be kept under review and in the event that they do arise the relevant officer who is also a Director of RoDMA or has another identifiable conflict of interest will not be involved in the detailed implementation of the Decision.

5 Financial comments

5.1 This decision requests approval for funding of up to:

- a) £785,500 revenue expenditure to develop a strategic masterplan and undertake further design and feasibility work to support the delivery of three new intervention areas and to provide ongoing design consultancy advice; and
- b) £100,000 to extend the existing contract to provide consultancy advice to support further investment decisions by the Royal Docks Team to support SME business growth, including refurbishing and acquiring new property.

5.2 This expenditure will be funded from within the £212.5 million approved delivery plan budget confirmed in MD2338 and majority of the costs will be incurred in 2021/22.

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 which 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; and
- 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, 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 3 (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, develop a procurement strategy with TfL Commercial (if valued over £100,000) and seek a call-off from a suitable framework where possible or, if not, undertake a formal tender process to procure such services in relation to all contracts for services with a value above £150,000 before the commencement of the services.

6.5 Section 1 of this report also indicates that the GLA intends to vary existing contracts for services. Officers should seek support from TfL Procurement as required when varying any contracts and ensure that variations are properly executed before using such services.

7 Planning delivery approach and next steps

7.1 The projects proposed in this package have largely independent programmes but the below is an overall guide to activities in the coming months:

Activity	Timeline
<i>Workplace Investment</i>	
Ongoing commercial advice from JLL	January 2021-2023
LEAP and GLA investment decisions	Q3 2020 – Q4 2022
<i>Place Investment</i>	
Royal Docks Placebook	Q1 2021
Connaught North Masterplan	Q2 2021
Water Use Strategy	Q2 2021
Western Gateway Masterplan	Q2 2021

Appendices and supporting papers:

Annex 1 – Connaught North area

Annex 2 - Potential Western Gateway masterplan area

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 either be published within one working day after approval or on the defer date.

Part 1 Deferral:

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

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:

Steve Sheasby has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Neil Hook 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.

✓

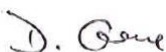
Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 25 January 2021.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

23 February 2021

