

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3022

### Royal Docks North Woolwich Road Funding 2022-24

#### Executive summary:

In August 2018, Mayoral Decision (MD) 2338 approved expenditure of up to £212.5m for the Royal Docks Enterprise Zone Delivery Plan to deliver an integrated and catalytic package of projects that are identified under the five strategic objectives of Place, Connectivity, Economy, Activation and Promotion.

This Mayoral Decision requests approval of a further £21m investment to implement the major capital works for the North Woolwich Road and Silvertown Way improvement scheme; and to transform this traffic-dominated major route into a Healthy Street. The decision also seeks approval for the Greater London Authority to enter into a series of funding agreements with the London Borough of Newham (LBN) to fund the delivery of the capital works.

The overall EZ investment towards this project will total £25,960,000, which includes previous endorsements of £4,960,000. In addition, available section 106 funding of £2,780,000 will be invested in the scheme by LBN. LBN is also seeking internal approvals for an additional £5.5m Community Infrastructure Levy (CIL) grant to complement the funding package. Further development contributions may become available in the next few years.

#### Decision:

That the Mayor approves:

1. the investment of a maximum of £21m in the delivery of the North Woolwich Road and Silvertown Way scheme, funded through the Royal Docks Enterprise Zone Delivery Plan budget
2. that the Greater London Authority enters into a series of funding agreements, for a maximum total amount of £21m for the London Borough of Newham to deliver the works.

#### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

3/10/22

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The Royal Docks Enterprise Zone (EZ) Delivery Plan identified North Woolwich Road (NWR) as a key project within the Connectivity theme. This is a strategic corridor that underpins connectivity into and within the Royal Docks. The scale of change required to make this an effective route can only be achieved through substantial upfront investment from the public sector. The investment would radically transform a 3.2km traffic dominated road, rebalancing it in favour of pedestrians and cyclists, according to TfL's Healthy Streets approach, and support the long-term strategic regeneration of the Royal Docks. This project reflects the changing nature of the area, with large-scale residential communities being developed alongside industrial land.
- 1.2. It is proposed that a funding package of £21m is approved to deliver the scheme and released to the London Borough of Newham (LBN), according to the indicative cashflow set out in Table 1 at paragraph 2.7, below.
- 1.3. The overall EZ investment towards this project will total £25,960,000, which includes previous endorsements of £4,960,000. In January 2019, DD2297 approved expenditure of £460,000 to cover the initial professional detailed design and transport modelling fees to initiate the North Woolwich Road project. In March 2020, DD2464 approved expenditure of £1m to progress the next stage of detailed design work during 2020-21. In March 2021, DD2524 further approved £3.5m for the next stage of technical and design work required to progress the North Woolwich Road project during 2021-22.
- 1.4. In addition, available section 106 funding of £2,780,000 will be invested in the scheme by LBN. LBN is also seeking internal approvals for an additional £5.5m Community Infrastructure Levy (CIL) grant to complement the funding package. Further development contributions may become available in the next few years. The additional investment is subject to LBN's Cabinet approval.

#### **2. Objectives and expected outcomes**

- 2.1. The rationale for investing in the comprehensive redevelopment of the NWR is set out in the Royal Docks EZ Delivery Plan 2018-28 and the relevant Programme Initiation Document. Key objectives include the following:
  - Improving community experience – NWR connects both existing and emerging residential and employment sites. The NWR scheme will support the mental and physical wellbeing of local residents and employees, by creating a safe and enjoyable environment that allows permeability between communities.
  - Enhancing economic opportunities – NWR is a traffic-dominant environment, making it difficult for the local centres located along it to feel like places or destinations. The route should act as a high road where residents and visitors are encouraged to dwell. This increase in footfall will provide an uplift for existing businesses and encourage further commercial and employment opportunities.
  - Increasing development desirability – The improvement of NWR will raise the attraction of the residential and commercial units within neighbouring development sites. This increased desirability will improve the viability of vacant land in the area, facilitating further development to come forward (helping to deliver much-needed affordable housing, as well as housing and employment space).

- Delivering Healthy Streets objectives – The NWR scheme will encourage active modes of transport and be an exemplar of the ‘Healthy Streets’ agenda.

2.2. The expected outcomes include:

- the width of the road narrowed to a minimum of 7.5m, to reduce the dominance of vehicles, slow down vehicle speeds and make it safer for pedestrians
- wider pavements to provide more space for pedestrians, and to include additional elements such as seating, cycle parking, and new planting and trees
- safer crossing points at key locations and along desire lines, to make it easier to walk and cycle to key local destinations, green spaces, and other amenities
- new separated cycle lanes in both directions, and where possible including planted areas between cycle lanes, pedestrianised areas and the road
- additional cycle parking at key locations – for example, near DLR stations and local amenities, and in new public spaces
- improved local routes and connections to places that people want to visit, and that facilitate access to public transport
- new road layout and bus stop locations so that bus services are more accessible and run more smoothly
- reconfigured junctions to improve road safety for all road users, and to introduce new public spaces
- new soft and hard landscaped public spaces for people to meet, and for community activities
- more greenery, trees and planting, where feasible.

2.3. The Royal Docks EZ Programme Board previously endorsed a funding package for a total of £4,960,000, which received GLA approval as part of DD2297, DD2464 and DD2524. In line with these approvals, the activities completed to date include:

- first phase of interim measures completed – October 2020
- preferred option identified based on traffic modelling – January 2021
- public realm and landscaping overarching approach and concept designs developed by 5th Studio, JCLA and Studio Dekka, drawing from the Royal Docks Public Realm Framework and Design Guides (Spring 2021)
- Newham Design Review Panel workshops (February to April 2021, and May 2022)
- one-to-ones with local developers delivering schemes along the route (June to August 2021)
- community engagement on concept designs (Summer 2021)
- second phase of interim measures completed, including temporary cycle lanes (Summer 2021) and temporary wayfinding (early 2022)
- RIBA Stage 2 report finalised by 5th Studio (Autumn 2021)
- phase 1A works started on site, in line with the opening of the new Oasis Academy (January to September 2022).

- 2.4. The scheme is being delivered in partnership with LBN, as the Royal Docks Corridor (made up of North Woolwich Road and Silvertown Way) is part of the local highway network, and as the Highway Authority, LBN are best placed to deliver the works, and manage the new improved infrastructure.
- 2.5. The main scheme will be delivered in phases between 2022 and 2024, as indicatively illustrated in the attached plan at Appendix 1. The scheme has been designed based on the budget currently available; however, its scope could be expanded to incorporate additional public realm enhancements if more budget became available – for example, additional section 106 funds.
- 2.6. It is proposed that the funding is released according to the indicative cashflow below. The Royal Docks team (RDT) is working closely with Finance to refine this cashflow. This is based on LBN's current projections, but the cost plan is currently being refined. It will be continuously monitored and further refined throughout the delivery stage.
- 2.7. Please note that the GLA retained part of the funding approved through DD2524 to cover expenditure related to public realm design work, and a landing package to support the relocation of City Hall. It is proposed that the remaining portion of that funding package is used by the GLA to monitor the scheme delivery, as set out in the table below.

Table 1: Indicative project cashflow

<b>Financial year</b>	<b>EZ funding</b>	<b>CIL funding (LBN)</b>	<b>S106/S278 (LBN)</b>	<b>TOTAL (all funding sources)</b>
Pre-2022	£0.96m (paid to LBN) £220k (GLA direct expenditure)		£1.13m	£2.31m
2022-23	£3.5m (to be paid to LBN) £50k (GLA direct expenditure)	£5.5m	£0.2m	£9.25m
2023-24	£16.5m (LBN) £130k (GLA)		£1.45m	£18.08m
2024-25	£4.5m (LBN) £100k (GLA)			£4.6m
<b>TOTAL</b>	<b>£25.96m</b>	<b>£5.5m</b>	<b>£ 2.78m</b>	<b>£34.24m</b>

### **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 reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership status.
- 3.2. The Royal Docks Team are currently undertaking an Equality Impact Assessment (EQIA) of the Royal Docks EZ Delivery Plan to ensure the relevant characteristics of the Equality Act 2010 are considered by the GLA and its delivery partners. The EQIA will determine whether any persons with protected characteristics will be unduly impacted by the activities anticipated by this Decision and the course of action to mitigate any impacts. Appropriate action will be taken to mitigate identified impacts.
- 3.3. When considering the needs of the existing community and those that will be affected by the proposed scheme, any activity will look to minimise disadvantages to all protected characteristic groups within society. The new road layout will provide substantial benefits to local people, and particularly those with protected characteristics, in terms of improved accessibility to new employment opportunities, local services, amenities and green space. This decision is therefore expected to have positive impacts on persons with a protected characteristic under the Equality Act.

#### 4. Other considerations

- 4.1. There are no conflicts of interest to declare from any of the officers involved in drafting and clearing this paper.

##### Key risks

- 4.2. The project supports a range of Mayoral policies and strategies, including the Mayor's Transport Strategy, TfL's Healthy Streets, Good Growth objectives, the Royal Docks EZ Delivery Plan, and the emerging Royal Docks and Beckton Riverside Opportunity Area Planning Framework.
- 4.3. The key project risks and mitigation measures are set out in the table below. All risks are owned jointly by the GLA and LBN. A detailed risk register is being kept by LBN Highways, who will regularly update it and present it to the project steering group.

<b>Risk description</b>	<b>Probability (low, medium, high)</b>	<b>Impact (low, medium, high)</b>	<b>Mitigation</b>
<b>Utilities:</b> Location of services/utilities presents technical difficulties in delivery and cost.	Low	Medium	Surveys carried out to gather information on location of services.
<b>Procurement:</b> Procurement of contractors does not achieve best value.	Low	High	LBN procuring work through newly set up framework.
<b>Interfaces alignment:</b> Not aligning with bordering development sites, station upgrades and Silvertown Tunnel, causing redundant works or areas not being incorporated into the scheme.	Medium	Medium	Close communication with aligning schemes to ensure programmes and designs correlate. LBN has recently set up a construction coordination group to manage this.
<b>Section 106 contributions:</b> Delay in development schemes coming forward, thus section 106 obligations are not triggered and NWR does not receive adequate funding.	Low	Low	Current budget profile is based on section 106 funding that has already been secured. Additional funding may be secured at a later date and added into the scheme's budget.  Close communication with developers and their programme to identify when funding may be available and plan accordingly.
<b>Disruption</b> to residents and businesses due to the scale of the project and other development schemes in close proximity.	Medium	Medium	Ongoing engagement with stakeholders so that they're aware of timescales of works. LBN's construction coordination group will also help address this.
<b>Cost control</b> over the implementation period.	Medium	High	The current budgets are based on estimates produced by LBN

Costs to date are based on current known detail and assumptions, with finalised costs outstanding, leading to potential cost overrun.			<p>Highways, with contingency included. These are being continually reviewed and refreshed as new detailed design is undertaken. Procurement will ensure best value is achieved, and additional expenditure by contractors will be subject to LBN's and RDT's approvals at every step.</p> <p>Cost inflation risk is being mitigated by an accelerated delivery programme over two-and-a-half years.</p> <p>The RDT will be appointing an Independent Monitoring Engineer to monitor delivery and interrogate the cost plan at every project stage.</p>
---	--	--	---

## 5. Financial comments

- 5.1. The Decision is seeking approval for expenditure of up to £21m to invest in major capital works on the North Woolwich Road and Silvertown Way improvements. The investment would be part of the Royal Docks Enterprise Zone Delivery Plan and is part of the Connectivity phase of the Delivery Plan. The majority of the funding would be released to LBN, as they are delivering the project in partnership with the Royal Docks. This is set out in table 1 above. The project is expected to be delivered between 2022 and 2024, and the profile for the spend are as follows: 2023-24, £16.5m and 2024-25, £4.5m. There is adequate headroom in the Connectivity budget to absorb this expenditure.
- 5.2. To-date approvals have been provided for a total spend of £4.96m from the Connectivity budget. It is estimate that the total spend for this project would be £25.96m. LBN is expected to contribute £2.78m of Section 106 funding and an additional £5.50m subject to LBN's Cabinet approval. The capital expenditure for which approval is sought will be funded from borrowing which will be repaid from future business rates retained within the Royal Docks Enterprise Zone.

## 6. Legal comments

- 6.1. The provision of financial assistance (including grant funding) for the delivery of infrastructure which unlocks new housing supply is permissible under sections 30(1) and 34 of the Greater London Authority Act 1999 (the GLA Act), if the GLA considers that doing this will further one or more of the GLA's principal purposes of: promoting economic and social development in Greater London and improving the environment in Greater London. The foregoing sections of this report indicate that it is open to the Mayor to take the view that the provision of up to £21m in grants to LBN will promote social development in Greater London.
- 6.2. In determining whether or how to exercise the power conferred by section 30(1) of the GLA Act, the GLA must:
  - 6.2.1. have regard to the effect that these decisions will have on the health of persons in Greater London, health inequalities between persons living in Greater London, the achievement of sustainable development in the United Kingdom and climate change and its consequences (sections 30(3-5) of the GLA Act)



6.2.2. pay due regard to the principle that there should be equality of opportunity for all people (section 33 of the GLA Act)

6.2.3. have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010).

6.3. In this respect regard should be had to section 3 above.

6.4. Section 31 of the GLA Act 1999 prohibits the Mayor from using his power in section 30(1)(a) of the Act to incur expenditure in doing anything which may be done by Transport for London, which on the face of it would prevent the GLA from incurring expenditure in providing funding for transport provision. However, section 31(5B) of the GLA Act provides that nothing in section 31(1)(a) shall be taken to prevent the Authority incurring expenditure in doing anything for the purposes of, or relating to, housing or regeneration. Accordingly, the GLA has the power to fund the proposed transport-related infrastructure within the Royal Docks.

6.5. Officers must ensure that all necessary and appropriate steps are taken, and suitable funding agreements entered into with LBN to formalise the provision of the grant funding before committing to the same.

## **7. Planned delivery approach and next steps**

7.1. The project is being progressed in partnership with LBN and governed and managed by a joint steering group including LBN, RDT and TfL officers. The improvement scheme will be delivered by LBN's Highways team, which holds responsibility for the day-to-day management and progress of the project. The scheme will be delivered in a series of phases, as indicatively illustrated on the plan below. The contractor will be procured by LBN, subject to RDT's approval, from their framework of contractors valid for the period 2021-25.

7.2. Once approved, the RDT will enter further funding agreements with LBN to progress with the agreed phased packages of works, and closely monitor milestones and spend. The RDT will provide progress updates to the EZ Programme Board and the London Economic Action Partnership Board at regular intervals.

7.3. The GLA will appoint an independent monitoring advisor to monitor the delivery of the scheme according to the project objectives, and the cost plan.

<b>Activity</b>	<b>Timeline</b>
MD Approved	September 2022
LBN Cabinet Approval	September 2022
Project start on site	Autumn 2022
Project completion	2024

## **Appendices and supporting papers:**

Appendix 1 – NWR Construction Phasing Plan

**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 either be published 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?** Yes, until 22<sup>nd</sup> September 2022, as LBN Cabinet is due to make a decision on this scheme on that date.

**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:**

Olga Di Gregorio has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Tim Steer has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Tom Copley has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 20 September 2022

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

*D. Gene*

**Date: 26/9/22**

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

**Signature**

*D. Bellamy*

**Date 26/9/22**