

LEAP Board

Date of meeting: **27 June 2018**

Title of report: **Royal Docks Enterprise Zone Delivery Plan**

To be presented by: **Daniel Bridge, Royal Docks Programme Director**

Cleared by: **David Lunts, Executive Director – Housing and Land, GLA; and
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Classification: **Public cover report with reserved appendices
(commercially sensitive information)**

1 Executive Summary

1.1 This report provides an update to LEAP on the final Royal Docks Enterprise Zone (EZ) Delivery Plan as recommended by the Royal Docks EZ Programme Board and asks for LEAP endorsement of the Delivery Plan.

2 Recommendations

2.1 It is recommended that the LEAP Board:

2.1.1 Endorses the Royal Docks EZ Delivery Plan Report (Appendix B) and Business Rates Income Growth Report (Appendix C) and the interventions and approach to delivery as proposed in the Delivery Plan;

2.1.2 Endorses the overall budget envelope for the five-year delivery period and approves the initial budget requirement as set out in the private cover report at Appendix A; and

2.1.3 Agrees the recommendations set out in the private cover report at Appendix A.

3 Introduction and Background

3.1 In March 2016, the London LEP endorsed a series of recommendations setting out key recommendations relating to the collection, allocation, funding, delivery and governance in respect of the EZ business rate income.¹ This included the principle that there will be a 'first call' on the business rate income

¹ <https://www.london.gov.uk/moderngovmb/ieListDocuments.aspx?CIId=245&MIId=5557&Ver=4>

to pay for essential infrastructure and regeneration schemes identified in the Royal Docks: Unlocked, 2037 Economic Vision (2016) up to the value of £380m.

- 3.2 In February 2017, a total expenditure of £3.5m for the financial years 2017-2019 was approved under Mayoral Decision 2049 to: fund the establishment of the Royal Docks Delivery Team; enable the preparation of the five-year detailed Delivery Plan and funding strategy; and implement a package of early delivery projects and initiatives. It was agreed that the Delivery Team would appoint a multidisciplinary consultant team to prepare the Delivery Plan which, once completed, would be presented for agreement to LEAP by the EZ Programme Board.
- 3.3 Since then, the Royal Docks Team have been working with AECOM to develop the five-year Delivery Plan for the Royal Docks Enterprise Zone. A briefing session will be held immediately before the LEAP Board meeting to provide members with a more detailed overview of the work undertaken to develop the Delivery Plan, a summary of which is set out below.

4 Issues for consideration

Royal Docks EZ Delivery Plan

- 4.1 Since September 2017, the Delivery Plan has been prepared and developed in three main stages. The EZ Programme Board has played a vital role in the approach to and development of the Delivery Plan with Board members engaged at each of the following key stages of the commission:
- 4.1.1 *Project Mobilisation:* The consultant team presented their approach and detailed methodology at the EZ Programme Board meeting in September 2017, providing the opportunity for the Board to question and shape the approach.
- 4.1.2 *Stage 1 Options Report:* The initial stage of development required the team to define a set of working parameters and to establish a set of strategic objectives. This was undertaken alongside a programme of engagement with development partners, stakeholders and local community groups. Under each strategic objective, a package of priority projects was chosen based upon both existing proposals, as well as newly developed proposals.
- 4.1.3 The Delivery Team then presented the findings of the Options Report to the November 2017 Board meeting which recommended a range of interventions and packages. The Board were asked to approve the preferred package to take forward to stage 2. The Board requested that further thought be given to ensure that cumulatively, the individual interventions were of sufficient scale and ambition to maximise the potential of the Enterprise Zone. It also requested that more work be

done to develop the proposition around creating a strong local economy 'business eco-system' underpinned by an understanding in the demand for commercial space in the area.

4.1.4 *Stage 2 Draft Strategy and Cost Review:* The Delivery Team worked with the consultant team to address these points which was incorporated in the Draft Strategy and Cost Review Report for the Board to review at the January 2018 meeting. This allowed the Board to make a more informed decision as to what interventions should be taken forward and scoped in more detail for inclusion in the final Delivery Plan. In addition, a draft 20-year cashflow was produced which provided an overview of the forecast income and expenditure and therefore the potential funding requirement of the Delivery Plan.

The detailed scoping and implementation planning for each of the Stage 1 shortlisted projects included the production of Project Initiation Documents (PIDs). These PIDs will enable the Delivery Team to hit the ground running once the final Plan has been approved, having set out: the scope, programme and risks; and requirements for resources, budget, engagement, governance and procurement. The PID development has also given the Delivery Plan refined expenditure forecasts and allowed a refined Funding Strategy to be developed to accompany the Plan.

4.1.5 *Stage 3 Final Delivery Plan Report:* The EZ Programme Board and Royal Docks Advisory Board were asked to review the final working draft of the Delivery Plan at the June 2018 Board meetings. The Delivery Plan has now been finalised along with an evaluation and monitoring framework which will enable the EZ Programme Board and the LEAP Board to monitor progress of the Delivery Team's implementation of the Delivery Plan and evaluate its impact.

Spatial Framework

4.2 A spatial framework underpins the Delivery Plan strategy and ensures the Delivery Team concentrates investment in the areas that will deliver maximum long-term value for the EZ and wider area. This includes:

4.3 *Unlocking Development:* A priority for the Delivery Team will be to enable the successful delivery of the key development sites across the EZ. The sites at Royal Albert Dock, Albert Island and Silvertown Quays represent considerable private sector investment in the Royal Docks (delivering investment of £5bn through 7m square feet of commercial floor space) and will need to be supported by a co-ordinated and comprehensive package of public investment in promotion, place-making, transport infrastructure and activation to help bring them to life.

- 4.4 *Maximising Key Gateways:* Another priority for the Delivery Team will be to capitalise on the unique circumstances and assets that we have in the Royal Docks to drive transformation. Three strategically important locations at Custom House Interchange (Elizabeth line), London City Airport and Royal Victoria Dock have been identified as important gateways to the Royal Docks. These will be a priority for intervention within the Delivery Plan period with investment focussed on enhancing the overall environment, offer and user experience.
- 4.5 *Connecting Corridors and Communities:* Whilst the Royal Docks is well served in terms of transport infrastructure with excellent road, rail and air links - the public realm offers very poor permeability (in terms of walking and cycling) across the different sites in the Royal Docks. Significant investment is required to ensure proper linkages and safe and attractive routes between these areas as well as enabling effective integration between existing and emerging communities. Three priority corridors have been identified for investment and improvement within the Delivery Plan period. These are Custom House to North Woolwich Road, Northern Dock Edge and North Woolwich Road to Canning Town.

Strategic Objectives

- 4.6 In addition to the spatial framework, five cross-cutting strategic objectives have been identified, to help drive and deliver the Royal Docks cohesive transformation and ensure it remains a place delivering long-term economic and social value. Outlined below are the key interventions that will be delivered through the five-year Delivery Plan.
- *Place:* Transforming the Royal Docks into a modern 'Great Estate' for London; by creating a platform for growth, investment and activation. Investing in spaces for people and improving the public realm in a way that reflects the area's unique landscape and heritage;
 - *Connectivity:* Boosting capacity and connectivity to support movement to and through the Royal Docks, making it one of the most accessible places in London to do business and get around as well as providing improved digital connectivity.
 - *Economy:* Supporting the growth of a fully diverse and competitive economy and strengthening the area's reputation as an international centre for innovation, enterprise and trade;
 - *Activation:* Establishing the Royal Docks as an outstanding place to live, work and visit; by nurturing local creative talent; enhancing cultural facilities and curating a world-class programme of events and activations to help put the area on the map; and
 - *Promotion:* Helping to re-establish the Royal Docks as a globally significant London centre – utilising distinctive marketing campaigns

and inward investment to draw businesses, people and visitors into the area.

Evaluation and Monitoring

- 4.7 The purpose of the Evaluation and Monitoring Framework is to enable the EZ Programme Board and the LEAP Board to monitor progress of the Delivery Teams implementation of the Delivery Plan and evaluate its spatial, economic and social impacts over the next five years. In order to ensure that these benefits are being met, systematic and regular monitoring of baseline data and evaluation has to be planned for during the early stages of delivery.
- 4.8 The main components of monitoring delivery will be to demonstrate progress against the programme, milestones and resources, including:
- Monitoring of the planned capital and revenue investment;
 - Monitoring of the programme/schedule;
 - Monitoring key outputs and milestones;
 - Review of risks and mitigation; and
 - Annual or biennial spending reviews.
- 4.9 The second element is the evaluation of outcomes and impacts. Evaluating the impact of the Delivery Plan schemes against the original objectives offers practical insights for the Delivery Team that can inform work with local communities and stakeholders, planning and management of projects; as well as reporting on the interventions that have delivered the spatial, economic and social values to inform the preparation of the next five-year Delivery Plan. It is envisaged that a plan wide independent formative evaluation will be undertaken at the end of Year 2 of project delivery and a summative evaluation at the end of Year 4. Formative evaluation of projects will focus on providing information on how to improve or refine a developing or ongoing project, including a spending review, whereas summative evaluation will focus on the overall quality and impact of the Delivery Plan for the purposes of accountability and planning for future interventions.
- 4.10 The projects in the Delivery Plan should make a significant contribution towards the following:
- *Spatial*: Transforming the Royal Docks into a modern 'Great Estate' for London presents opportunities to break down existing patterns of severance and create a better connected, accessible and permeable place by investing in spaces for people and improving the public realm in a way that reflects the area's unique landscape and heritage;
 - *Economic*: The Royal Docks EZ will make a significant boost to London's productivity and contribute to the capital's continued economic growth. The EZ is scheduled to deliver over 35,000 jobs and £5 billion

of gross development value. The planned investment is intended to grow a business eco-system and ensure that the Royal Docks supports highly-skilled, highly-productive jobs and boost income levels for Newham residents and Londoners; and

- *Social:* Regeneration of the Royal Docks must deliver benefits to existing local communities. Development will help to improve local opportunities for jobs, training and promote better access to arts, heritage, sports and leisure programmes. Investment will promote social cohesion and make a considerable contribution towards meeting Newham’s convergence objectives.

Spatial	Economic	Social
<ul style="list-style-type: none"> • Improving accessibility, connectivity and permeability • Creating high quality public spaces which are safe, welcoming and inclusive • Improving digital infrastructure and boosting energy capacity • Long term asset and water stewardship 	<ul style="list-style-type: none"> • Supporting the growth of London’s economy • Growing a balanced business eco-system • Creating affordable workspace for SMEs • Promoting inward investment and support for businesses 	<ul style="list-style-type: none"> • Creating employment, training and skills opportunities for local people • Connecting and engaging with local communities • Promoting social cohesion through access to open spaces and activation • Improving local people’s prosperity and quality of life

4.11 Further information in relation to this item is set out in a private version of the report (Appendix A).

5 Equality comments

5.1 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; and
- advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.

5.2 The consultant team took into account the requirements of relevant equalities groups and ensured their needs were considered throughout the Delivery Plan commission. Further equality impact considerations and mitigations will be built into the projects as they move forward for implementation and procurement. Quality impact assessments will be undertaken to ensure the relevant characteristics of the Equality Act 2010 are considered by the Delivery Team. Impact assessments will determine whether any persons with those characteristics will be unduly impacted by the activities described in the Delivery Plan, and the course of action in order to mitigate any impacts.

6 Risks arising / mitigation

6.1 Further information is available in the private cover report at Appendix A.

7 Financial Comments of the Executive Director Resources

7.1 Further information is available in the private cover report at Appendix A.

8 Next steps

8.1 The next steps following consideration by the LEAP Board are summarised below:

Activity	Timeline
MD Approval	July 2018
Delivery Start Date	September 2018
Delivery End Date	March 2023

Appendices:

- Appendix A – Private cover report (reserved)
- Appendix B – Royal Docks Enterprise Zone Delivery Plan (reserved)
- Appendix C – C&W Business Rates Income Growth Report (reserved)

Please note that due to the size of the file, appendices B and C will be circulated separately from the main agenda pack.

Background Documents:

The following documents are available upon request:

- Project Initiation Documents for each project set out in Appendix A are available on request
- Mayoral Decision 2049 – available at <https://www.london.gov.uk/decisions/md2049-royal-docks-enterprise-zone-delivery>