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| **Royal Docks Economic Purpose** |
| A Report by Hatch Regeneris |
| November 2019 |

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**What is the Royal Docks Economic Purpose?**

This report sets out the ‘Economic Purpose’ for the Royal Docks for the coming decades, identifying the ultimate economic goals and objectives that the Royal Docks Team and its partners will pursue for the area.

It draws on the findings of a six-month research programme which has included the development of a detailed economic evidence base for the Royal Docks and for Newham, and an extensive programme of consultation with local businesses and institutions, residents, delivery partners and wider stakeholders.

The report builds directly on the direction of travel set out within the Royal Docks Economic Vision (2017) and Royals Docks Delivery Strategy (2018-2023). It forms part of a wider suite of documents which together provide a clear steer on the focus of delivery activities over the next five years and beyond: the Royal Docks & Beckton Riverside OAPF, the Royal Docks Public Realm Strategy and the Royal Docks Culture & Placemaking Strategy.

It sits alongside the London Borough of Newham’s new Economic Strategy, with delivery within the Royal Docks integral to the achievement of the Mayor of Newham’s aspirations to build wealth and prosperity within the Borough’s communities.

**An Evidence Based Approach**

A detailed economic evidence base has been produced to support the development of the Royal Docks Economic Purpose.

The evidence base provides an up to date and granular assessment of the performance of the local economy, the characteristics of local communities, and the current role of the Royal Docks and Newham within London. It acts as a repository for all relevant statistical information on the Royal Docks and Newham and is presented as an online resource to ‘democratise’ access to information across all communities.

The full evidence base can be accessed at this [link](https://app.powerbi.com/groups/me/reports/22c0af1c-c4e9-4cb8-a33b-268e165ce356?ctid=e354cba3-2efc-41cb-9647-b0588f9346ab).

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# Royal Docks Economic Purpose

“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”.

A Nationally Significant Opportunity

The Royal Docks is one of London’s most important growth locations. Identified as one of the largest Opportunity Areas in the draft New London Plan, and designated as London’s only Enterprise Zone, the area has the capacity to accommodate over 30,000 new homes and 40,000 new jobs over the next two decades.

Delivery on this scale is integral to London’s future economic vitality and competitiveness. It also offers considerable opportunity for Newham’s communities: providing a new focus for culture and participation; new business and employment opportunities; enhancing access to homes and infrastructure; and improving the quality of amenities and services.

There are however, significant challenges to overcome to unlock the opportunity and to realise the full benefit for local communities and for London as a whole:

* **The scale of the opportunity and the complexity of the area:** the Royal Docks covers an area of more than 1,000 hectares, and comprises more than ten distinct major development opportunities. Delivery on this scale presents a considerable coordination challenge, not least given the varied priorities and timescales of different investors.
* **Securing economic critical mass:** while the Royal Dock’s is already an important hub of employment, the scale of the opportunity is such that ‘transformation’ is required in the economic identity and function of the area. In the context of strong growth aspirations across London’s 38 Opportunity Areas,establishing a clear narrative on economic purpose from the outset is critically important to reinforce the case and steer the delivery of commercial and employment space on the scale envisaged.
* **Diversity and inequality within existing communities:** Newham is home to one of London’s most diverse, international and fastest growing communities. While progress has been made over the last decade in linking residents to emerging employment opportunities in the Borough, significant inequality persists locally, with Canning Town, Custom House, and North Woolwich among the most deprived locations nationally. Needs and challenges faced within these communities are complex and changing, and focused action is needed to encourage participation and to increase prosperity.

In recognition of these challenges, and the importance of the opportunity, the Royal Docks Team has been established to guide delivery within the Royal Docks. A joint venture between the Mayor of London and the London Borough of Newham, it is tasked with working with developers, businesses and residents to unlock investment and to maximise the benefits of this for local communities, and for London as a whole.

The presence of bespoke delivery arrangements, and a significant public sector funding pot of of £212.5m over the period to 2023, marks the Royal Docks as unique in London and sets the basis for long commitment and investment.

### A Distinct Economic Purpose and Role

The Royal Docks Economic Purpose provides parameters to frame delivery across the area over the coming decades.

At its foundation, it focuses on the need to create jobs and establish **economic critical mass** within the Royal Docks, and to do this in a way which is distinct in London.

In securing critical mass, it emphasises the importance of **social and environmental outcomes**. This recognises not only the explicit needs of local community, and London as whole, but also market demand, with increasing investor focus and appetite for more ‘responsible’ and ‘meaningful’ forms of investment. Newham Council’s borough-wide community wealth building objectives and separate commitment to promote the Royal Docks as a ‘beacon’ of the green economy in London (as part of its response to the climate emergency), underpin this part of the Economic Purpose.

Finally, its aims to support and **enhance the Royal Dock’s and Newham’s links with the world**. The Royal Docks is a naturally international place, in a borough with London’s most international population. Post Brexit, London will need to be more international, cementing its position as a (or the) global city, and the Royal Docks should be at the forefront of this.

A number of specific economic roles have been identified for the Royal Docks:

1. A global enterprise and innovation district: in looking to secure critical mass, the Royal Docks should position itself as a global enterprise and innovation district, building on: it’s existing international connections (via transport, businesses and the population), its access to knowledge (both locally via UEL and more broadly across London), demand generated by the eastward movement of London’s creative and innovation economy and by foreign owned enterprises looking to locate in London, and Newham’s commitment to exploring new approaches to respond to environmental and social challenges.
2. London’s home for social and environmentally minded companies: the growth and evolution of the Royal Docks economy must be positioned in the context of wider social and environmental outcomes: recognising the focus of both the Mayor of Newham and the Mayor of London on the climate emergency and in supporting greater equality and fairness within communities. In recognition of this, and increasing investor appreciation of and demand for wider impacts beyond commercial and economic, the Royal Dock’s should establish a clear ethos and position as London’s home for socially and environmentally minded companies.
3. A culture and leisure hub for London: located at the heart of London’s fastest growing sub-region for culture, and at the gateway to the Thames Estuary Production Corridor, the Royal Docks has a role to play as a visitor destination for the city. Culture and leisure have an important role to play in ‘placemaking’ and in supporting inclusive, productive and sustainable growth. With the water and sense of ‘openness’ providing one of London’s most distinct environments, the Royal Dock’s offers unique potential in this regard.
4. An economic & social resource for Newham & East London’s residents: The Royal Dock’s has long been an important resource for local communities, with a history of industry and employment. It is crucial that this role is protected and enhanced and that local residents and businesses derive clear and lasting social and economic benefit as delivery progresses. This means providing residents with access to high quality local services and amenities, and helping local residents and businesses to access economic opportunities within the area (be it jobs or workspace).

Covering over 130 hectares, the Royal Docks is a large spatial area which comprises a number of distinct neighbourhoods and hubs of activity. While providing overarching parameters for future growth and change across the Royal Docks as a whole, the Economic Purpose recognises the importance of ‘localising’ delivery. Action and investment must recognise and enhance local distinctiveness, tailoring the response to local contexts and opportunities. The spatial response is explored in detail in Chapter 5.

***Figure 1.1. Economic Geographies Across the Royal Docks***

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Delivering the Newham Economic Strategy

The Royal Docks has an integral role to play in supporting the delivery of the Newham Economic Strategy, which aims to deliver on the Mayor of Newham’s community wealth building objectives.

The strategy sets the objective for Newham to become recognised as “the most inclusive local authority area in the country, capitalising upon and retaining investment into the borough whilst giving local people more control over their economic future”.

It aims to embed community wealth building and participatory principles across the public and private sector across Newham, in so doing defining ‘value’ and ‘impact’ in a way which better balances social and environment outcomes with economic and commercial. Implicit within this is a focus on inclusive economy over inclusive growth: prioritising bottom up approaches to increasing levels of inclusion and prosperity, and tailoring responses to respond to locally and thematically specific challenges.

Adopting New Approaches to Delivery

The scale of the opportunity, its longevity, and the presence of the Royal Docks Team to steer delivery provides a significant opportunity to innovate, test new approaches and take managed ‘risks’ within the Royal Docks.

Over the next two decades, the Royal Docks should become established a place where innovation is encouraged and as a place which provides learning for policy makers, practitioners, and communities across London and beyond.

As a starting point, embedding environmental and socially focused principles at the heart of the Economic Purpose offers opportunities to test new approaches to development and models for regeneration. The concept of inclusive economy is central to this.

A commitment to robust evidence and insight will be integral to delivering against this objective: adopting a granular and longitudinal approach to understanding how the Royal Docks and its communities area changing and the role and impact of policy and delivery in influencing this.

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# The Royal Docks Today

The presence of ‘city’ anchors such as City Airport, Excel and the University of East London, along with the wider base of local enterprise and talent, provides a strong foundation for growth in the Royal Docks. However, levels of critical mass in the economy are currently relatively low and action is needed to stimulate demand and to address deep rooted social and community challenges which are acting as barriers to participation.

Current Economic Role: Global Connections

For over a hundred years, the Royal Docks has been an integral part of the London economy, at the forefront of industry and providing connections and a gateway to the rest of the world.

**Current Position: At a Glance**

1. 34,000 jobs & 2,500 businesses
2. Around 30% of Newham economy (jobs)
3. 48% of Royal Dock’s residents were born outside the UK (London 32%).
4. 15 minutes and 45 minutes – future travel time from Custom House to the West End and Heathrow
5. 9 million - combined annual visitors through ExCel and City Airport alone.

The economic footprint of the Royal Docks[[1]](#footnote-2) is now much smaller, but it continues to play an important role as a local employment hub accommodating over 34,000 jobs across a range of types of businesses and activities.

The current economic character and function of the Royal Docks remains heavily influenced by its connections with London and the world.

Over the past two decades, links to central London and Newham have been transformed by the arrival of, and subsequent extension of, the Docklands Light Railway and the arrival of the Jubilee Line at Canning Town. The arrival of the Elizabeth Line at Custom House in 2020/21 will enhance these connections further, providing direct links to the West End and Heathrow, and opening up access to the Royal Docks from South East London and East Kent.

The Royal Docks is also home to a number of important ‘city’ assets which support London’s global links and competitiveness: the ExCel Centre (which hosted 4 million visitors in 2018), London City Airport (which accommodated 4.8 million passengers in 2018), and the University of East London (with students spanning 120 nationalities).

Finally, the Royal Docks is located within one of London’s fastest growing and most internationally connected populations: over 48% of Royal Dock’s residents were born outside of the UK, and a nearly third of residents have a first language other than English.

Implications for the Royal Docks Economic Purpose

##### The diverse global connections of the Royal Docks, via its assets, its people and its institutions, provide the foundations for a genuinely distinct identity within London.

##### London’s future status as a global city hinges on its ability to connect people, share knowledge, and trade goods and services across the world. Given its connections and opportunity, the Royal Docks has potential to be an important fulcrum for the city as it redefines its position in the world over the coming decades.

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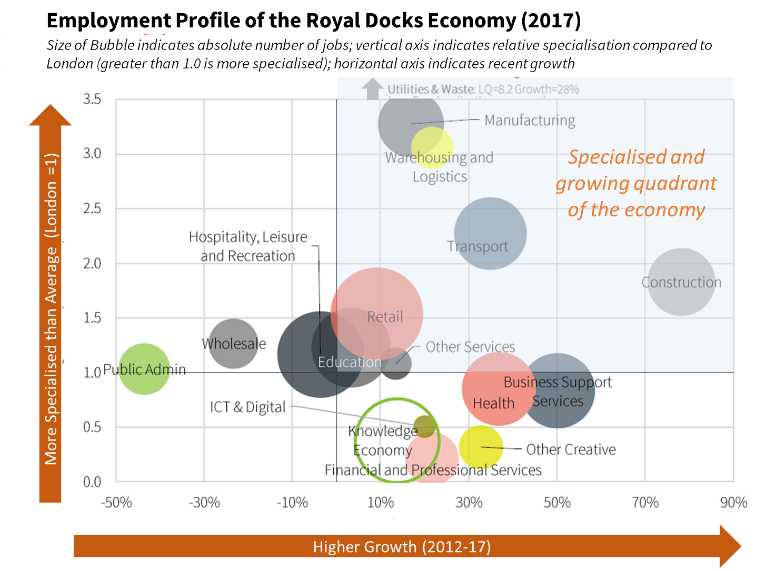
1. Employment and Business in the Royal Docks

**Current Position: At a Glance**

1. In total there are 0.6 jobs per resident in the Royal Docks (0.4 across Newham and 0.9 across London)
2. The largest employment sectors in the Royal Docks are retail, education, hospitality, leisure and recreation – providing 16,500 jobs in total
3. Manufacturing, warehousing and logistics, and transport are the area’s strongest employment ‘specialisms’, reflecting the ongoing industrial role of the area (combined jobs of 6,000)
4. Concentration of employment in more productive ‘knowledge’ activities less than half London average
5. 64% of current commercial space within the Royal Docks is classified as ‘industrial’ (B1c, B2, B8), compared to 38% across Newham.

Over the past decade, both the Royal Docks and Newham have experienced strong economic growth: in the Royal Docks, the number of jobs has increased by around 9,300 (growth of 39%), while in Newham the number of jobs has increased by 23%. Growth has been spread broadly across the economy, with a contraction in employment in only a small number of sectors.

While this demonstrates strong momentum, economic ‘density’ remains comparatively low, and the profile of the economy continues to be orientated around industrial and service activities, with the activities of a number of the Royal Dock’s major institutions at the forefront of this: manufacturing (Tate & Lyle), transport (City Airport), education (University of East London) and hospitality & recreation (hotels).

Historically, the Royal Docks has played less of a role as an office location: currently only around 6% of commercial space locally is characterised as office space and partly reflecting this, the local concentration of activity in more productive ‘knowledge’ activities is less than half the London average.

Despite this, the Royal Docks benefits from access to a highly enterprising population across Newham, and there has been recent growth in creative enterprise, locally partly as a result of the new flexible workspaces such as the Silver Building coming online. The area also benefits from access to a highly talented labour market: in terms of degree level qualifications alone, there are 120,000 people across Newham and 3.2 million across London. This provides a significant resource to draw from in growing and evolving the economy.

Implications for the Royal Docks Economic Purpose

##### The Royal Docks economy has long been characterised as a place of industry and production and recent decades have also seen growth in local service and hospitality activities (partly linked to City airport and Excel).

##### Despite recent growth, the area lacks economic critical mass and density, particularly within more ‘knowledge intensive’ sectors and activities. The development of a more balanced and productive economy will be important in ensuring that future growth reflects evolving demand within London and nationally, and in helping to build long term economic resilience.

1. The Royal Docks Community

The Royal Docks is home to 80,000 people, just under a quarter of the Newham population.

The area comprises a number of long-standing residential communities (Canning Town, Custom House, Beckton and North Woolwich). These neighbourhoods are centred around existing high streets / town centres and act as the focal point for the current amenity offer across the Royal Docks. In addition, the area is also home to a number of newly established residential communities (such as at Thames Barrier Park and Britannia Village), and still emerging residential communities (such as at Royal Wharf and Barrier Gardens East). The amenity offering within these newer centres is generally less concentrated.

The population has grown rapidly over the past decade, reflecting the delivery progress already made within a number of the Royal Docks’ identified growth locations, most notably at Canning Town and Royal Wharf.

**Current Position: At a Glance**

1. Population of 80,000 people
2. 15% turnover in the Newham population over the past year
3. Unemployment rate in Newham of 5% (on a par with London average)
4. Average household income of £31,000 (£36,000 across London)
5. 22% of Royal Dock’s neighbourhoods within 10% most deprived nationally.

The Royal Docks is home to a diverse and relatively young population and is characterized by a relatively high level of ‘transience’. Nearly half of all residents were born outside the UK, a third of residents don’t have English as a first language, and an estimated 15% of the Newham population changed over the past year.

While there is considerable talent within the local population and levels of economic participation have increased over the past decade, levels of worklessness and relative economic deprivation remain relatively high.

School performance across the Borough has shown strong improvement in recent years, the proportion of residents with higher level (and degree level qualifications) remains below the London average. The average Newham household income is only 86% of the London average, and 22% of neighbourhoods with the Royal Docks are classified as being within the 10% most deprived neighbourhoods nationally. Across Newham, levels of civic participation are comparatively weak: with some of the lowest volunteering levels across London, and low levels of residents registered to vote.

Despite the overall improvements in connections between the Royal Docks and London over the past two decades, barriers still exist in local connectivity. This is particularly the case in terms of north to south connections from the Royal Docks to the rest of Newham, and for communities in North Woolwich and Beckton which remain comparatively isolated.

Implications for the Royal Docks Economic Purpose

##### The diversity and talent of the local population is a considerable strength and opportunity for the Royal Docks. However, communities such as Canning Town, Custom House, Beckton and North Woolwich are also characterised by significant barriers which are constraining social participation and inclusion.

##### The complexity of these challenges means that targeted and tailored action will be needed to respond: from the bottom up and from within. The success of the Royal Docks over the coming decades will to a large extent be judged on the extent to which local communities access the benefits of growth and secure a tangible uplift in prosperity and inclusion.

1. Royal Docks Assets and Anchors

As highlighted previously, the Royal Dock’s is home to a number of important economic assets and anchors which underpin the local economy via the jobs they provide, the role they play in attracting visitors to the area, and the role they play in projecting an image and identity of the Royal Docks to external markets (across London and the world).

Several of these are arguably ‘city’ assets which serve an important and distinct role for London, over and above their local footprint. These include:

**Asset ‘Embeddedness’: At A Glance**

* + - City Airport – 64% of people working on site live in East London and 42% in Newham
    - Tate and Lyle – 160 local residents employed, with average salaries £8,000 above Borough average
* **City Airport:** serving an important role for London in providing connections to many of Europe’s leading business hubs. Over 4.5 million passengers pass through the airport every year, and it is a key local employer with over 2,300 staff on site.
* **Excel**: now established as London’s largest International Convention Centre, and estimated to support 25% of the city’s inbound business tourism.
* **The University of East London**: an institution embedded in the Borough for over 100 years and which now supports 19,000 students.

Alongside these ‘city’ assets, other locally important employment anchors include the London Borough of Newham (located in Dockside on Royal Albert Dock), and Tate and Lyle (a significant land owner across the North Woolwich area, and employing over 800 people in skilled and technical occupations).

All five of these assets and anchors are active partners in the evolution of the area and are playing an active role in the pursuit of social and community outcomes. City Airport for example has a bespoke programme which focuses on local employment and procurement and which provides tailored outreach and education to schools across the area.

The Royal Docks is also home to a considerable physical asset, in the body of water which makes up the Docks. Covering an over 300 hectares, for the past 50 years this asset has been heavily underutilised, but set within a densely built and populated environment offers significant space and potential both a recreation resource for local residents, and as a focal point for the London visitor economy.

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Implications for the Royal Docks Economic Purpose

##### The role of the Royal Docks’ economic assets and anchors already extends beyond their direct economic footprint: they all play a significant role in influencing both the identity of the area, and all state a commitment to socially and environmentally responsible objectives.

##### Given their spatial, economic and social footprint, these assets and anchors have an integral role to play in the evolution of the Royal Docks over the next two decades, acting as advocates for the area, as partners in delivery, as drivers of innovation and economic evolution, and as leaders in delivering tangible outcomes against the objectives of the Economic Purpose.

# Positioning the Royal Docks for Growth

There is capacity to more than double the size of the Royal Docks economy through the delivery of new homes and commercial space. To catalyse growth on this scale, and to do so in a way which supports the evolution of a balanced and resilient economy, will require a proactive approach and long-term commitment.

Headroom for Growth Within the Royal Docks

The Royal Dock’s and Beckton Riverside Opportunity Area is one of the most important Opportunity Area’s identified within the Mayor’s draft new London Plan.

**Indicative Growth Capacity Across the Docks**

* + - ABP – 800 homes and 16,000 jobs
    - Gallions Quarter – 800 homes and 100 jobs
    - Beckton Riverside – 5,000 homes & 10,000 jobs
    - Great Eastern Quays – 800 homes and 100 jobs
    - Albert Island – 1,500 jobs
    - Thameside East – 3,000 homes and 8,000 jobs
    - Barrier Park East – 800 homes and 100 jobs
    - Royal Whaft – 3,400 homes and 100 jobs
    - Silvertown Quays – 3,000 homes and 21,000 jobs
    - Thameside West – 4,500 homes and 4,500 jobs

In total, capacity has been identified for over 30,000 homes and over 41,500 jobs across the Opportunity Area – accounting for 6% of new homes and jobs across all of London’s Opportunity Areas. The Royal Docks is an instrumental part of the wider Thames Gateway Growth Corridor, which accounts for 27% of new homes and 17% of new jobs across London (and which is the largest identified ‘growth corridor’ outside of the central activity zone).

Delivery on this scale would effectively increase the size of the Royal Docks economy by 125%: a scale of growth transformational for both Newham and London, and fundamentally changing the role that the Royal Docks plays within the city.

Implications for the Royal Docks Economic Purpose

While the Royal Docks has experienced a strong level of economic growth in recent years, a significant departure from ‘business as usual’ will be required to stimulate demand on the scale needed to meet new capacity, and to serve the needs of the growing population.

In part, the challenge is one of coordination: the Royal Docks is one of London’s largest Opportunity Areas by land area, and, with at least 10 major development opportunities, there is an immediate need to align the aspirations and plans of multiple developers and to curate the types and phasing of space coming forward.

Alongside coordination activities, work to position the Royal Docks to external audiences and markets will be crucial in establishing a single and clear narrative regarding the opportunity: both for the Royal Docks as a whole, and for its constituent places.

Understanding Demand and Evolving a Balanced Economy

In supporting the growth and evolution of the Royal Docks economy, it is important that a balanced approach is taken: recognising that as delivery progresses there will be multiple drivers of demand and that each of these will have different implications in terms of the types of jobs and activities supported, and in terms of spatial requirements and support needs.

The ultimate objective should be to establish a diverse, resilient and ‘sticky’ economy: where businesses can put down roots and have confidence that their investment is for the long term. In practice, this necessitates the evolution of a strong and networked business ecosystem comprising a balance between larger employers and institutions which anchor the economy and help to establish reputation and identity, alongside a community of smaller businesses which create vibrancy and excitement.

*Table 3.1. Sources of Economic Demand for the Royal Docks*

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| Source of Demand | Type of Activity | Contextualising Demand Levels | Implications for the Royal Docks |
| **1.**  **Local amenities / services** | Retail, food and drink and leisure uses to serve needs of growing population and business community | Based on 30,000 new homes, potential demand to support around 8,000 additional service and amenity jobs locally | Importance of coordinating activities of developers to curate the supply and quality of amenity space across the area to match growing demand. Integral in creating sense of place for both residents and businesses. |
| **2.**  **Growth within existing business base** | Mix – although current business base skewed towards industrial, leisure, hospitality and public sector activities | Based on current business numbers and size, if every firm grew by a fifth this could add c.7,000 jobs locally, with equivalent demand for additional space | Working with existing businesses to understand growth aspirations, and where necessary provide support (space, investment, regulation) |
| **3. Encouraging enterprise** | Mix – and dependent on types of space provided. Demand strongest across creative production and creative service | 500 businesses starts ups last year in the Docks; average size of 5 after 5 years – equating to 25,000 jobs over a decade. But in reality, on average only a third survive past 5 years, and many will ‘grow’ on elsewhere. | Working with developers and workspace operators to ensure pipeline of workspace at a variety of specifications and price points; focused support for start-up and scale up; focus on longevity and embeddedness. |
| **4.**  **Inward investment: national** | Mix – could be large scale business / institutions or smaller scale enterprises looking to relocate or grow | Continuing eastward movement of London economy: both SMEs & larger firms. (e.g. Stratford in attracting institutions, inc. c.2,500 jobs at East Bank). But need to consider the net benefit to London (growth vs displacement of activity) | Curation of workspace supply to meet needs of creative enterprise; collaborative work with city partners to identify possible institutional anchors; focused support to help businesses put down roots. |
| **5.**  **Inward investment: international** | Mix – could be larger or smaller scale businesses looking to touch down in London / UK | Average size of investment to the UK is relatively small – 36 jobs. Important role of transformational / ‘anchor’ investments. e.g Google to King’s Cross, Apple to Nine Elms. | Focused work with London & Partners to sell the Royal Docks opportunity, purpose and ethos, targeting commitment and investment from foreign owned enterprises; aftercare support to help businesses put down roots. |

Understanding External Drivers and Influencers

The scale and long-term nature of the opportunity at the Royal Docks means that consideration of (and alignment with) external and macro-level drivers will be of crucial importance.

External drivers will be broad in nature and diverse in scale (ranging from the global down to the local), and will ultimately play an influential role in determining the scale, speed and nature of growth within the Royal Docks.

While some factors will bear a direct influence on the Royals Docks (such as planning policy), in other instances the influence may be indirect (such as the relative success of competitor areas in attracting anchor occupiers, and changing consumer demand and trends).

Importantly, these drivers are highly dynamic and will change over time. In the short term, global economic uncertainty is perhaps the factor which has potential to exert most influence over the Royal Docks, impacting on investor and developer confidence, particularly in terms of supply of and letting of commercial space. It is also important to note that delivery within the Royal Docks will take place across multiple planning and political cycles (locally, and across London the UK) – necessitating the proactive work between policy and delivery partners to ensure both consistency and, where needed, agility.

*Table 3.2. Summary of External Drivers and Influencers*

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| **Macro and UK Influences**  *…impacting directly or indirectly on economic role of the Royal Docks* | **Regional & Local Policy Drivers**  *…more direct influence on local growth potential* |
| * UK macro-context, in evolving global economy * London’s necessary position as a global economic hub post Brexit * Economic re-balancing within the UK: focus on supporting growth across the midlands and the north, along with growing trend of out-migration from London to the regions * Climate change and resilience; future proofing current and future development and economy * Dominance of knowledge economy, and continuing emergence & evolution of tech, innovation and creative sectors * Changing working patterns impacting on demand for space * Changing consumer demand – retail, and leisure experience | * New London Plan and Mayoral Good Growth Policy * Newham Mayoral Policy – Community Wealth Building * Supply and cost of space – driving demand eastwards * Transport & connectivity constraints; challenges in funding strategic infrastructure upgrades * Challenges and uncertainty facing London developer market * Highly competitive London environment – 40+ opportunity areas competing for investment. |

Capitalising on Economic and Sector Demand

Implications for the Royal Docks Economic Purpose

Delivery within the Royal Docks is likely to transcend multiple economic and policy cycles, alongside wider evolution in consumer and commercial demand.

Long term consistency in vision and ethos will be important for the Royal Docks in giving external audiences and markets confidence in the opportunity. That said policy makers and delivery partners will also need to adopt a flexible and agile approach to respond to ebbs and flows in the market and to future proof delivery.

London has experienced a period of rapid economic growth since the 2008 credit crunch and the subsequent economic downturn. Over the past decade, the city has reaffirmed position at forefront of UK and global tech, creative and financial and professional service sectors. While current uncertainty relating to Brexit and the UK’s future trading relationship represents a considerable threat, the critical mass and enduring ‘attractiveness’ and ‘identity’ of the London brand are expected to help protect the city’s economic resilience and position.

National, regional and local policy priorities regarding economic growth have been evolving to reflect evolution in economic drivers and in sector demand:

* Nationally, the government’s Industrial Strategy establishes a number of ‘foundations of productivity’ which will underpin future growth: ideas, people, business environment, places, infrastructure. Four grand challenges cut across these: AI and data economy, future of mobility, clean growth and ageing society.
* In London, the Mayor’s draft New London Plan and Economic Development Strategy identify a number of focus sectors for growth in the city – financial and professional services, digital and tech, creative production, life sciences, low carbon.
* In Newham, the Local Plan focuses on the need to continue to provide industrial capacity for London, while supporting growth in office sectors in growth locations such as Stratford and the Royal Docks. The emerging Royal Docks and Beckton OAPF supports these aspirations, highlighting the ongoing importance of the area as an industrial location (with over 250ha of land designated as ‘Strategic Industrial Location’), alongside aspirations to support growth in office activities and within the visitor economy, and to support a stronger local amenity sector. More recently, the green economy has been identified as a key priority for the Borough as part of its response to the climate emergency, with the Royal Docks providing a possible focal point for investment and innovation.

Recent years have also seen a number of marked spatial economic trends within London – most notably the ongoing ‘eastward’ movement of business and employment, particularly within creative and cultural sectors. While in some cases this trend reflects proactive policy (for example the largescale supply of new office space in Stratford, and development of the East Bank concept), there has also been a more organic trend of small and creative enterprises moving north and east from Shoreditch and the City Fringe in search of new (and more affordable) space, and culturally vibrant and diverse places.

Implications for the Royal Docks Economic Purpose

In stimulating demand, the Royal Docks will need to respond directly to wider economic and sector trends, both across London and nationally. However, in pursuing long term growth aspirations, the approach will need to ‘look beyond’ sectors: focusing instead on the bigger picture in terms of business needs and expectations, and adopting an approach which allows flexibility and dynamism to respond to opportunities as they emerge.

In the first instance, the Royal Docks will need to focus on establishing a clear ethos and identity, providing the right types of spaces, and creating attractive places to encourage business to touch down. Thereafter, ensuring longevity will be the priority: encouraging businesses to put down roots and establish networks and clusters, and marking the Royal Dock’s as a ‘sticking point’ within the wider eastward movement of the economy.

Consideration of growing and evolving demand within some of London’s most important growth sectors – and implications of this for the Royal Dock’s is provided in the table overleaf.

*Table 3.3. Snapshot of Evolving Demand within Key Sectors*

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| --- | --- | --- | --- | --- |
|  | **Trends** | **Requirements** | **Sites** | **Opportunity** |
| **Logistics** | * Online retail and consumer demand driving demand for final mile services * Technological increasingly leading to more sophisticated premises – increasing automation * Significant pressure on space across London as a result of loss of industrial space and local policy emphasis on housing and more ‘aspirational’ sectors | * Accessible and well connected to strategic networks * Large sites and purpose built facilities * Typically lower skilled employment – drivers and warehouse staff, but some higher skilled opportunities linked to tech | * Industrial estates * B8 - Shed and warehouses of varying sizes (depending on location in supply chain) * Increasing flexibility and testing of new models | ✓✓✓  Demand is strong, and an important sector for Newham and London. Significant strategic industrial designations across the Opportunity Area. While typically providing lower density and productivity opportunities, will to provide an important source of jobs over the short & medium term. |
| **Advanced**  **Manufacturing** | * International demand * Technological advancements (e.g. robotics, 3D printing) opening sector to low volume, niche and smaller firms * Skills gaps hindering potential development due to R&D requirements. | * Close to existing skilled workforce * Typically require a larger plot with purpose built premises * Good comms and access to large and growing markets and key customers * Quality work environment * May require government support | * Industrial estates / local sites * Major Business Park * Spaces - B1b (R&D Space) and B2 (Industrial & Manufacturing) | ✓✓✓  Currently small scale, but a priority sector for growth in London; existing manufacturing strengths, industrial space /land, transport, and HEI means there is some limited potential for growth (e.g maritime engineering) |
| **Creative Production** | * Growth in the maker economy being driven by tech innovation in the means of production (e.g. 3D printing) * Online retailing gives SMEs a new platform to sell products * Increasing automation will see creative talent set up new businesses * Flexible & collaborative working. * Evidence of strong demand in London for certain types of production spaces – e.g. film studios | * Close to skilled workforce * High propensity to cluster * Accessibility to labour, customers and markets * Flexible premises * A range of relevant resources and tools for production (e.g. 3D printers, machinery, workshop space, kilns etc) | * Industrial estates * Town centres and high streets * Spaces – mixed B Class (Makerspaces); B2 (Industrial & Manufacturing); sui-generis (e.g film studios) | ✓✓✓✓  Sector rapidly developing across London (e.g. TEPC). Currently relatively small scale, but a priority sector for growth; existing manufacturing strengths, space and proximity to transport, and HEI means there is good potential for growth |
| **Green / Low Carbon** | * Sector is at the heart of Government policy to reduce emissions, drive innovation and add high value added jobs * Climate change and sustainability * Creating energy security * Technology and innovation * Competition from overseas. * Focus on clean tech, green building and circular economy | * High propensity to cluster * Access to leading technologies and an innovative environment is important * Presence of centres of excellence and skilled labour * Excellent infrastructure and accessibility to labour, customers and markets * Often require government support to grow cluster | * Business Park type locations * Industrial estates / local sites * B1b - R&D Space & B2 - Industrial & Manufacturing | ✓✓✓✓  Priority sector for growth across London – and for Newham.  Integral as a cross cutting theme (futureproofing buildings, economy and mobility) – along with potential for green enterprise. |
| **Life Sciences** | * Regulation and governance – increasing public health expenditure * Ageing population * Increased consumer demand for health-related products * Changing models of care / living * Telecare / telehealth set to better manage people’s health and support older people’s independence | * Propensity to cluster * Access to leading technologies and an innovative environment * Presence of universities, hospitals, researchers and skilled labour important * Excellent infrastructure and access to labour, customers and markets * Quality work environment * May require gov support | * Business Park type locations * Universities / hospitals * B1b - R&D Space | ✓  Currently limited presence locally but a priority sector across London  Limited opportunity, given lack of specific research institutes, and focus elsewhere |
| **ICT, Digital & Creative Services** | * 5G; e-commerce; rising embeddedness of tech technology (e.g. games, mobiles, shopping, IOT) | * High propensity to cluster * High quality facilities in a prestige location for HQ * Excellent infrastructure * Accessibility to labour, customers and markets * Access to research institutions Low operating costs * Government support * Home working reducing need for space / more flexibility | * Business Park type locations * Town centre locations * Spaces – B1a and B8 (data centres) * Small flexible workspace; meanwhile spaces | ✓✓✓✓✓  Rapidly developing sector across London and a key focus for national government  Potential for strong growth in the sector in Docks area reflecting delivery of office space and proposed transport improvements |
| **Financial and Business Services** | * One of the most resilient sectors through the recent recession * Technology creating new dimensions to the sector * Challenges from overseas markets (especially with Brexit) * Increased financial regulation placing pressure on sector. | * High quality facilities in a prestige location for HQ functions * Good quality facilities for staff * Appropriate skills availability * Good transport links for staff (including public transport) * Low operating costs becoming increasingly more important * Rapid market access | * Business Park type locations * Town centre locations * Spaces – B1a * Traditionally larger footplate, but increasing flexibility | ✓✓✓✓  A key focus for London and national government  Potential for strong growth in the sector in Docks area reflecting delivery of office space and proposed transport improvements - but also strong competition elsewhere in London |

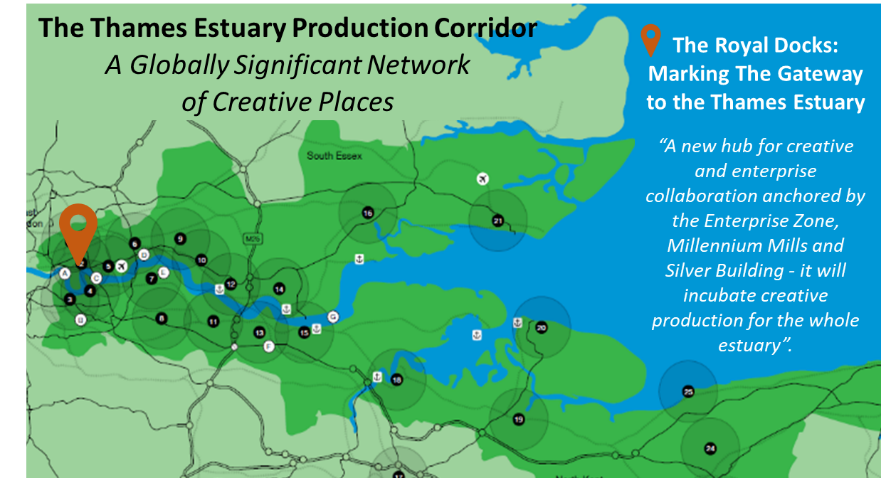
Understanding Regional Competition…and Synergy

The Royal Docks is situated within a highly dynamic economic environment across London.

Across London, there are nearly 40 Opportunity Areas of various sizes and contexts – with capacity for over 470,000 homes and nearly 690,000 jobs. Ten of the largest and most relevant Opportunity Areas to the Royal Docks are introduced in the table overleaf. A number of these are established economic hubs which provide strong learning for the Royal Docks. At King’s Cross for example, the focus on placemaking and on accommodating major anchor institutions (Central St Martins and Google) has proved highly successful in evolving a place which supports and attracts a vibrant mix of communities.

**Focus On… Thames Estuary Production Corridor**

A new GLA and South East Local Enterprise Partnership initiative positioning the Thames Estuary as a globally leading cluster of creative and cultural production activity. The Royal Docks is at the gateway of the estuary and is identified as a transformational hub for enterprise and innovation. This offers an opportunity to work with partners across the sub-region to establish momentum, build critical mass, and secure investment.

While many of these locations will be competitors with the Royal Docks for investment, it is also important to note areas of synergy. As highlighted previously, the last decade has seen a large amount of momentum in the evolution and growth of the east London economy, with the area becoming increasingly recognised as a hub for culture and creativity. While underpinned by eastward movement of creative enterprise, creativity and culture is being positioned at the heart of many of the areas largest developments and Opportunity Area’s - from East Bank in Stratford (Olympic Legacy Area), to the Greenwich Design Quarter and the Woolwich Creative District. Major cross area initiatives such as Fashion District and the Thames Estuary Production Corridor are further reflective of the momentum across the sub-region.

Beyond London, the UK economic context is also increasingly competitive. All 37 of England’s Local Enterprise Partnership (LEP) Areas have been tasked with establishing Local Industrial Strategy’s which identify areas of economic specialism and which establish a clear focus for future growth and investment. The government’s ongoing focus on strengthening economic prosperity within the north (the Northern Powerhouse) and the Midlands (the Midlands Engine), along with strategic transport investments such as HS2 are targeted at redefining economic geographies and balance across the UK.

Implications for the Royal Docks Economic Purpose

In responding to competition across London and the UK, it is important that the Royal Docks establishes a clear identity which differentiates it to investors both within the UK and the world. The growing recognition and identity of the east London economy helps in this regard, and the availability of space and resource locally offers significant opportunity for the Royal Docks to capitalise on and push forward this momentum.

*Table 3.4. Snapshot of Economic Aspirations of Selected Comparator Opportunity Areas*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Current Context** | | | **Opportunity** | | |
| **Jobs Change (13-17)** | **Knowledge Economy (% jobs)** | **Economic Density** | **Potential** | **Focus and Identity** | **Assets** |
| **Brent Cross and Crickle-wood** | +3% | 7% | 0.6 | Status: ready to grow; 9.5k homes; 26k jobs | No clear identity or sector focus | Revamped BX shopping centre and destination; new Thameslink station |
| **King’s**  **Cross**  **& Euston** | +46% | 32% | 1.9 | 4.3k homes; 63.5k jobs; Status: Maturing & Ready to Grow | Knowledge Quarter; KX has forged a strong and identity based around quality of place | Major business and research anchors; university; transport hubs; consumption offer |
| **Olympic**  **Legacy** | +32% | 15% | 0.4 | 39k homes; 65k jobs; Status: Maturing | Clear identity founded on Olympic Legacy, and emerging East Bank concept | Major HE presence, major cultural anchors, emerging commercial anchors; significant consumption and recreation assets |
| **Isle**  **of Dogs** | +20% | 66% | 2.6 | 29k jobs; 110k jobs; Status: Underway | established identity as heart of London’s financial service sector; weaker ‘place’ identity  Focus: financial & professional; global corporates | Existing financial and professional agglomeration; major retail offer; connection |
| **Greenwich Peninsula** | +20% | 11% | 1.2 | Growth Potential: 17k & 15k; Status: Maturing | Focus: creative activities and design  Identity: clear identity emerging around concept of Design District | Established cultural consumption offer (O2) & identity; wider economy relatively nascent |
| **Canada**  **Water** | -30% | 13% | 0.6 | Growth Potential: 5K homes; 20k jobs; Status: Ready to Grow | Focus: no specific economic focus  Identity: no clear identity as yet | Waterfront setting and good connections, but no significant economic assets |
| **Croydon** | +4% | 29% | 2.5 | 14.5k homes; 5k jobs; Status: Ready to Grow | Focus: emerging tech and creative focus  Identity: aiming to recast historic identity to better reflect scale of aspiration and economic evolution | Metropolitan town centre, some large anchor employers, emerging workspace sector |
| **VNEB** | +22% | 14% | 0.8 | Growth Potential: 18.5k homes; 18.5k jobs; Status: Underway | Focus: no specific economic focus but pitching as an international business centre and a centre for arts & culture  Identity: branded as Nine Elms on the South Bank; but overall identity not yet clear | Major anchors including. BPS, American Embassy, Apple; new transport links |
| **OPDC** | +15% | 12% | 3.5 | Growth Potential: 25k homes; 65k jobs; Status: Nascent | Focus: no specific sector focus – although transport links will support aspiration for a professional services and corporate district  Identity: economic role and identity currently unclear | HS2 & Crossrail; Brunel & Imperial; long standing manufacturers in Park Royal |
| **Wembley** | +11% | 11% | 1.5 | Growth Potential: 14k homes; 13.5k jobs; Status: Underway | Sector Focus /USP: no clear sector focus  Identity: long established and global identity; strong placemaking focus to broaden reach and audience | Wembley Stadium & Arena; connections; improving consumption offer; civic hub |

**KEY**: Red – performance weaker than Royal Docks; Green – performance stronger than Docks; Orange – performance equivalent.

**1. Jobs Change (2013-17):** Royal Docks = +10%; London = +14%; **2. Knowledge Jobs as a % of All Jobs (2017):** Royal Docks = 11%; London = 31%; **3. Economic Density (Ratio of Jobs to People, 2017):** Royal Docks = 0.4; London = 0.6

In Summary: Establishing Long Term Foundations for Growth

**Defining the Royal Dock’s Offer**

Local distinctiveness:

* + - International identity and links
    - Economic anchors and assets
    - Physical connections
    - Space and flexibility
    - True physical distinctiveness – water and sense of scale and openess
    - Delivery: governance mechanism, financial commitment (public and private sector), longevity

Wider offer:

* + - East London momentum – investment and economy
    - London – young population and creative workforce; scale of labour pool; access to HE and capital; global standing and identity.

The Royal Docks is a transformational opportunity for Newham and London, in terms of the homes and city infrastructure that it will provide, the opportunities it will create for local residents, and the role that it can play in supporting London’s role on the global hub for business.

However, growth on the scale envisaged represents a significant departure from ‘business as usual’ and proactive and highly targeted action will be required to catalyse economic demand, to ‘future-proof’ and ensure longevity, and to position local residents and businesses at the forefront of the opportunity.

A balanced approach will be required which supports the evolution of a diverse economy, helping existing businesses to remain and grow, new businesses to start up, and investment into the area from businesses looking to relocate or looking to invest in the UK. Establishing local critical mass, sense of place and economic vibrancy will have a crucial role to play in underpinning the attractiveness of the area to existing and future residents and businesses.

# Focusing Delivery and Investment

A total public sector investment package of around £57 million has been ringfenced for actions and interventions to catalyse growth in the local economy and delivery against the Economic Purpose. Four action areas have been identified which will form the focal point for investment: innovation and capacity building via the Good Growth Fund, employment and skills, business support and workspace.

Focal Points for Action

The Royal Docks Delivery Plan 2018-2023 was developed to provide an initial steer on delivery focus for the Royal Docks Team. From an economy perspective, the Delivery Plan identified four projects areas (ECO1 - Good Growth Fund, ECO2 – Employment and Skills, ECO3 – Business Support, and ECO4 – Workspace), each with an accompanying Project Initiation Document (PID).

While the Delivery Plan continues to provide the starting point in progressing delivery, the Economic Purpose has enabled further development and refinement of thinking regarding the targeting of investment. This reflects both an evolution in the Newham policy and political context (particularly the development of Community Wealth Building objectives), and the development of a more granular economic evidence base. It enables a more mission focussed approach to the evolution of the economy as well as one, which responds to Newham’s aspirations for inclusive economy.

Recommendations have been made to focus or tweak delivery activity, to deliver clear outcomes for the Royal Docks, Newham and London. A summary of proposed adaptations is provided in the table overleaf with further detail outlined in the remainder of the section.

These reflect a number of strategic considerations:

* There is a need progress delivery during 2020 to stimulate economic activity in the Royal Docks
* There is potential to redistribute budgets on the basis of new evidence and insight
* Projects should better reflect inclusive and Community Wealth Building objectives as well as Newham’s aspirations for a Green New Deal
* Much of the funding provides the flexibility to explore new and innovative delivery approaches and models

It is important to note that while the focus on projects explicitly linked to the Economy theme of the Royal Docks Delivery Plan, there are obvious overlaps with wider areas of investment associated with the other core themes, notably Place and Connectivity.

*Table 4.1: Royal Docks Delivery Plan, 2018-23, Indicative Areas for Spend*

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Existing Focus**  **(Delivery Plan 2018-23)** | **Proposed Evolution (Economic Purpose)** | |
| **Focus** | **Project Areas** |
| **ECO1.**  **Good Growth Fund** | Budget - £22m  Focus on building community links and supporting evolution to a more diverse and resilient economy. | Budget – £21m  Reorientating funding to balance a ‘traditional’ enabling offer with more risky innovation (challenge) funds linked to urban, social and climate challenges. Opportunity to provide ringfenced investment to support local participation in existing urban/amenity centres. Support for ‘enabling’ investment across other project areas to help realise holistic ambitions. | 1. Innovation Hub (£4m) 2. Innovation Challenge Fund (£4m) 3. Participatory Fund (£4m) 4. Core Good Growth Fund (£9m) |
| **ECO2.**  **Employment & Skills** | Budget - £4m  Jobs brokerage, training, internships and advice – focus on higher skilled employment opportunities and Workplace Plus concept. | Budget – £7m  An opportunity to pilot a reformed Newham Workplace product, based on review of delivery currently underway. Providing a great range of experience and opportunities for candidates as well as enabling SMEs to better engage with the programmes. Activity will be co-curated with young people as well as levering in enhanced engagement of local businesses. | 1. Staff resource for coordination 2. Internship & apprenticeship pilot 3. Careers engagement with schools 4. Piloting new outreach |
| **ECO3.**  **Business Support** | Budget – c.£9.9m  Support to retain and attract businesses, with focus on SMEs. Business ambassadors programme, business support programme, £5m grant / loan programme. | Budget – c.£8.9m  A Programme more focused on stimulating business growth within the Royal Docks by drawing in cohorts of high growth microbusinesses and international SMEs – with a potential focus on green innovation. Closer links to the provision of space, particularly for Youth Enterprise, with enhanced involvement of developers and landowners providing space. Specific resource to support ongoing dialogue and engagement with business. | 1. Green Business Accelerator Programme (£6m) 2. Green and social loan fund (£2m) 3. Business Connectors (c.£900k) |
| **ECO4.**  **Workspace** | Budget - £20.3m  Ensuring supply of flexible and affordable workspace – Creative Land Trust, Silvertown Flyover Space, Workspace Acquisition Fund. | Budget – £19.3m  A more significant focus upon the curation of the overall space offer, ensuring that there are a continuum of spaces to retain growing companies in the Docks. Includes more effective and progressive use of public assets alongside partnered (with developers) funding of spaces in new development to support local and young businesses to locate in new spaces. | 1. Workspace investment fund (£19.3m) |

ECO1. Royal Docks Good Growth Fund: Innovation and Challenge

The Royal Docks Good Growth Fund is an opportunity to ensure that public investment into the Royal Docks is agile and is able to benefit from the best emerging local ideas as well as the best new thinking on social, urban and environmental evolution. It will enable the Enterprise Zone to be more responsive to current and existing challenges, including helping to incentivise relocation.

Investment Parameters

The current Delivery Plan PID identifies the need the for the GLA and Royal Docks Team to establish new decision-making infrastructure to identify and select catalytic projects, to support the wider objectives of the Royal Docks and development sites. Parameters include:

* Following the overall objectives set out in the GLA’s Good Growth Fund Prospectus
* Targeting projects that “Develop civic infrastructure, back small business, create workspace, drive innovation”
* Provide investment to “Bind together disparate Royal Docks sites”
* Deliver “projects that are permanent in nature” rather than smaller meanwhile projects
* “10-15 catalytic projects” which “contribute to a distinctive character for the Royal Docks.

Generally, the project as described within the 2018-2023 Delivery Plan aligns well with the Economic Purpose and updated evidence base.

The fund should, however, focus on encouraging innovation and supporting new approaches to delivery that specifically target social and environmental challenges. Linked to Newham’s plan for a borough Green New Deal, this is an opportunity to provide a stimulus and foundation of the Royal Docks as an incubator for the best ideas and innovation in relation to social and environmental change.

The opportunity for flexibility should not be overlooked, particularly when it comes to addressing uncertainty within the economy in the coming years. The scale of the fund helps set the area apart from other places in London and this present an important opportunity to help differentiate the area in terms of the investments made and the delivery models adopted.

Linked to emerging plans for monitoring and evaluation, it will also be important to ensure that all projects build in the highest standard of data and evidence collection, supporting the role of the Royal Docks as a ‘lab’ which provides projects of insights which are of value to Newham and London.

Delivery Focus

While in many cases funding will be used to support distinct projects and ideas, it may also be used to support ‘enabling’ investment across other project areas to ensure holistic ambitions (particularly regarding social and environmental outcomes) are embedded and realised.

To help balance outcomes and flexibility, partners should consider splitting the fund to focus on three areas of activity:

1. **London Good Growth and Social Integration Hub at the Crystal** – Supporting the delivery of a hub for social innovation at the Crystal, bringing together prominent thinkers and organisations to develop new solutions for the city. While the hub would have regional remit, it would be primarily focused on responding to challenge and opportunity within the Royal Docks and its communities. It would engage (and possibly be delivered by) third party innovation partners. It would link to other economy projects (employment and skills, business support and workspace) and could also act as a ‘welcome’ point to the Dock’s providing ongoing information on the delivery process and a clear place where people can go to access information or opportunities.
2. **Innovation Challenge Fund:** Linked to the Social Innovation Hub, a rolling fund with a number of thematic call outs to invite organisations from Newham, London and further afield to generate new and innovative ideas and approaches. This could include targeting specific environmental and climate challenges, alongside more local social and community wealth building activities. In pursuing a more a more flexible and innovative approach may wish to identify a third party innovation partner who can support recipients of funding to adopt new proposals and develop new behaviours.
3. **Participatory Fund:** Ringfencing a proportion of funding to support grass roots participatory activities in communities within amenity centres (Beckton, Canning Town, North Woolwich and Custom House). This will enable residents to play a role in developing their own responses to Royal Docks opportunities as well as addressing deficits in local provision which limits growing in local economy and social capital.
4. **‘Traditional’ Good Growth Fund Activities:** A more ‘traditional’ Good Growth Fund approach focusing on early animation and supporting catalytic projects which will enable opportunities and address barriers to delivery in the regeneration of the Royal Docks and its sites. This may complement / support delivery within other project areas – particularly in terms of Workspace (ECO 4), and also across the place and connectivity themes. In the case of more ‘fixed’ Good Growth investments, a number of areas of potential focus have been identified via consultation. While providing a starting point, this list will evolve over time (driven in particular by participatory activities with local communities):
   * Providing free spaces for youth enterprise within new developments / public assets
   * Expediting an amenity offer across the area (with a focus on amenity offering a social good)
   * Exploration of water-based innovation projects at Albert Island
   * Development of spaces to support urban agriculture and food production innovation
   * Wider initiative to support green and creative enterprise across the area (see also ECO3).

Outcomes: Contributions to Economic Purpose and Success Measures

The Good Growth Fund action area cuts across the Economic Purpose: supporting the evolution of the Royal Docks as a place which is known for innovation and as place which is committed to social and environmental outcomes. It will help to build capacity within the local community to play a more active and participatory role in the evolution of the area, and provide learning on ‘what works’ for the rest of Newham and London.

Success will ultimately be measured in terms of absolute levels of community participation in the evolution of the area and in local democracy; in the extent to which funding and delivery is ‘devolved’ into the Royal Dock’s places and communities; and in the progress made in responding to major ‘challenge’ topics identified via the process.

Immediate Actions

Immediate actions for year 1 include:

* Work to define the specific activities and remit of the Social Innovation Hub, aligning this with broader workspace, business support and employment and skills programmes; and, based on this, development of the business case
* Engagement with GLA (including the Social Integration Unit) to position the hub for the city (i.e. securing Mayoral support for the initiative and avoiding risk of duplication)
* Identification and contracting of third-party innovation partner to lead on the hub
* Development of a framework for the Innovation Challenge Fund and Participation Fund
* Design of Royal Docks Prospectus for the traditional Good Growth Fund, and first call for proposals

Beyond this, year two would see the establishment of the Hub and launch of the Innovation Challenge and Participation Funds, along with a second call for proposals for traditional Good Growth Fund.

*Table 4.2: Innovation and Challenge: Inspiration and Precedents*

|  |  |
| --- | --- |
| Example | Summary and Relevance |
| **Seoul Citypreneurs**  Seed and challenge funding | Seed track and growth track funding for ideas around specific challenges facing the city. These are defined each year and have included:   * Healthy and active aging * Developing skills * Green consumption and production |
| **Innovation Growth Lab** | A global laboratory for innovation and growth policy, bringing together governments, researchers and foundations to trial new approaches to increase innovation, accelerate high-growth entrepreneurship and support business growth. Seeks to provide better evidence of change and positive interventions. |
| **London Co-Investment Fund** | The fund provides early stage equity funding for London SMEs as part of a portfolio of investments. Beginning in May 2019, the fund has already supported investments in a range of enterprise which blend commercial viability with positive economic or social outcomes. |
| **Purple Shoots** | £500-£3000 loans to support individuals with initial business ideas. Limited terms and risk with wraparound non-financial support. Money is invested locally with the development of local capacity a key outcome. |

ECO 2. Employment and Skills: Realising Local Talent

Delivered successfully, the Royal Docks will support over 40,000 new jobs. These will vary across sectors, skills and pay levels, providing significant opportunities for local people. Currently, after a decade of successful delivery, Newham Council is reviewing and repositioning its employment brokerage model: Newham Workplace. This provides the ideal time to pilot and embed new ideas, which not only connect local people to good employment and training opportunities, but also provide a comparative advantage to employers looking for a skilled motivated workforce.

Investment Parameters

The current Delivery Plan PID focusses directly on addressing the barriers between larger employers and those furthest from the labour market. It arguably does not reflect the complexity of the local economy and the opportunity to lever more value from the SME economy. Specific points of note include:

* A focus “career level jobs within the royal docks business eco-system”
* Targeting candidates who are “individuals with drive and potential but lacking academic record”
* Recognising the need for “high-level buy in from employers”.

In the context of Newham’s Community Wealth Building objectives, and in the context of the significant barriers to economic and social participation which exist within local communities, the Employment and Skills delivery area is fundamentally important to the future success of the Royal Dock’s.

Given the need to connect residents to opportunities within the Royal Docks, and to spread the benefits to the whole of the borough, there is a clear rationale to allocate additional funding to Employment and Skills delivery, over and above the £4m currently ringfenced and roughly equating 1% of total public investment.

There is also a case to rename to project area to provide a clearer link to opportunity, place and progression. This might include a Royal Docks brand/sub-brand to promote the opportunity and the area to the wider population.

Delivery Focus

Much of the final employment and skills programme will be informed by the review of Newham Workplace which is currently ongoing, and which will provide clear recommendations on how delivery should be orientated across the Borough.

However, fundamentally, focus should be placed on developing a needs-based delivery model which at its core sets an objective of making it as easy as possible for local people to access jobs in the Royal Dock’s and as easy as possible for local businesses to employ them. While focus will need to continue to be placed on supporting those further from the labour market and with the most complex needs, supporting residents to access higher skilled employment opportunities and to progress in careers is an equally important opportunity and challenge – particularly so in the context of the targeted growth and evolution of the local (and east London) economy.

Three main areas of delivery focus have been identified:

* Building the pipeline (supply of jobs): proactive work with current and future employers across the Royal Docks to build collaboration and consistency in the employment and training ‘offer’ to local and Newham residents. Recruitment support provided via the reformed Newham Workplace should be recast as an incentive for businesses locating in the Royal Docks, providing access to a ‘work ready’ local workforce. Action should focus both on existing employment ‘anchors’ and also the local small business community:
  + Working with existing anchors and assets (e.g. Tate & Lyle, City Airport, UEL and Excel) to develop an initial committed pipeline of employment, internship and work experience opportunities and to embed the role they play in providing leadership from an employment and skills perspective. Employers forums and employment ‘ambassadors’ could help drive consistency and enhance visibility
  + Working with smaller businesses (where relevant via business space providers) to develop the foundations for shared apprenticeship and internship models.
  + Influencing the evolving practices of developers and landowners to ensure that their projects support the objectives of this plan. Support developers to understand and communicate the business benefits of local recruitment and the programme emerging from the Workplace review.
* Readying the workforce: action to respond to the varied needs of local residents: particularly young people, graduates and those furthest from the labour market. This should include scoping and developing a more positive and engaging approach to young people’s careers, giving young people ownership in the development of the service, and scoping the development of higher-level apprenticeships linked to the specialisms in UEL (Built Environment, Engineering, Accounting and Business Management) and emerging sector specialisms in the local economy. UEL, Newham College, local schools will all act as key partners in developing a consistent offer which is adaptable to changing needs over time.
* Connecting communities: developing proposals to address issues of physical connectivity which may act as barriers for residents accessing opportunities in the Royal Docks. This could involve new models of community transport to support local residents and workers to get to the Royal Docks and move around within the Docks themselves.

Specific areas for initial delivery linked to the above three themes are:

1. Initial staff resource to support ongoing dialogue and coordination with employers and intermediaries (for SMEs)
2. Development of a bespoke Royal Docks internship and special apprenticeship pilot
3. Careers engagement with schools and initial programme development
4. Piloting new outreach into existing Royal Docks neighbourhoods, testing new approaches to measuring the broader impact of the reformed Workplace.

Outcomes: Contributions to Economic Purpose and Success Measures

Employment and Skills actions and investment will directly deliver against the socially focused objectives of the Economic Purpose, in particular ensuring that the Royal Dock’s maximises its role as a social and economic resource for local residents. It provides a direct link to Newham’s community wealth building objectives: connecting local residents to jobs, tailoring local education and training to responding to emerging demand, and helping to build and enhance career progression.

Success will ultimately be measured in terms of the number and diversity of local residents accessing employment within the Royal Docks; the number and diversity of residents with improved skills and experience; overall levels of economic activity and employment across different communities; and, ultimately, comparative levels of prosperity and participation.

Immediate Actions

* Agreeing the proposed increase in the size of the funding allocation
* Appointing the employment and skills coordinator
* Adapting to the findings of Newham Workplace review, and based on this, developing a clear action plan for the allocation of resource
* Initial work to engage larger employers and workspace providers in scooping the future employment and skills offer
* Developing the apprenticeship and internship programme
* Laying the foundations for engagement with schools and community outreach in year 2 and beyond.

*Table 4.3: Realising Talent: Inspiration and Precedents*

|  |  |
| --- | --- |
| Example | Summary and Relevance |
| **Eric Fest** Careers for young people | Alternative careers fair; jointly curated with young people; focus on experience and positivity around careers. Relevant and interesting careers advice for creative and digital industries. Wrap around long-term advice to support progression |
| **Heathrow Early Careers and Internships** | Heathrow Airport offers a range of 10-12 month paid internships in various elements of airport operation. They are career focussed providing the basis for candidates to secure access to a range of experiences and make positive choices about their future in a supportive environment. |
| **Go Sutton** Overcoming connection barriers | A new TfL pilot. Provides an on demand app based bus service link residents from the poorest connected parts of the borough to town centre, employment areas, hospital and other amenity, |

ECO 3. Business Support: Building a Balanced Economy

To attract the scale of market demand needed to meet future commercial space capacity (c.40,000 jobs), the Royal Docks need to be (and be perceived as) one of London’s most prominent and dynamic business locations. It needs to do this in a way which balances domestic and international investment alongside supporting companies to start, locate and grow in the area. Successful delivery will safeguard the commercial future of the Royal Docks.

Investment Parameters

The current Delivery Plan PID sets out a small number of distinct activities as well as the potential for partners to use the fund to support on-site business activities. This includes:

* The ‘Royal Docks Ambassador Programme’ of bigger Royal Dock’s companies assembling to provide business representation and stewardship within the area
* Significant focus on early stage start up activity and ‘initial diagnostic’ supporting local residents in ‘how to start a business”
* Support is tailored to the needs of specific industry sectors
* Workshop-based provision to deliver specific entrepreneurial support.

To support the focus and aspirations of the Economic Purpose, the business support element delivery should be more active and enabling, with a clearer statement of intent.

It needs to balance the needs of local small business, but also be a stimulus for innovation and inward investment. Evidence suggests that business start-up rates in Newham and the Royal Docks area are relatively good, but that levels of scaling and survival are low. It also needs to evolve to more closely reflect the role that Royal Dock’s businesses will need to play in delivering the council’s community wealth building objectives.

Delivery Focus

Three main areas have been identified for initial focus and investment:

1. Green Business Accelerator Programme: Again linked to Newham’s Green New Deal and aspirations to instill an environmentally focused ethos across the Royal Dock’s, this will seek to develop a targeted programme to establish the area as a testing ground for innovative and green enterprise. This might include:
   * Identifying spaces to accommodate (and ideally cluster) early state green innovation businesses, developing a critical mass of these companies through focused support, knowledge exchange programmes and scale-up and spin-out programmes
   * Recruiting a small cohort of start-up green enterprises with high growth potential. Build a three-year programme of support with spaces, support and finance to support rapid growth within the Docks, positioning these as the focal point of the future cluster.
2. Business Loan Fund: a new loan fund targeted at supporting local businesses to grow and scale up within the Royal Docks, and focusing specifically on businesses demonstrating a green or social focused ethos or proposals. The Opportunity Investment Fund model developed in Haringey and now extended across the Upper Lea Valley offers an interesting template and learning.
3. Business connectors: funding for to lay the basis for future support activities, and to instill the focus and ethos of the Economic Purpose within the local economy. The role(s) would be to develop and maintain dialogue with companies as well as supporting outreach into the rest of Newham. Specifically this would include:
   * Working with larger Royal Docks companies to support them to localise their supply chain and workforce, connecting them more effectively with local companies. Over time this would evolve to include meet the buyer support as well as a role as business figureheads for the Royal Docks.
   * Working with small businesses in the Royal Dock’s to establish a central clearing function for smaller Royal Docks companies to engage with positive economic activity locally. This could include a shared approach to CSR or the sharing or internships and apprenticeships (linking to ECO2).
   * Enterprise workshops and outreach in Newham Neighbourhoods to attract local residents and youth entrepreneurs to the Royal Docks. This would need to align with wider Employment and Skills activity (ECO2), and aspirations to provide space for youth enterprise locally (see ECO1).
   * Working with Newham Council officers to identify a ‘providers list’ of Newham professional services companies to provide support to start-up, growth and new arrival companies in the Royal Docks area, and establish a pipeline of Newham businesses and entrepreneurs wishing to take on space in emerging amenity locations (to respond directly to the to the needs and aspirations of existing community.
   * Providing wider business support signposting services, with a specific focus on finance for growth. This could be public (London Co Investment Fund) or through longer term routes to Venture Capital and Business Angels.
   * Inward Investment: ongoing work with London and Partners and developers to promote a clear and consistent message regarding the Royal Dock’s ‘Opportunity’ and regarding its emerging economic hubs. Specific focus should be placed on:
     + Establishing the pipeline: working with London and Partners to establish a Global SME Task Force, to identify the small businesses to locate in the Royal Docks.
     + Aftercare: working with developers to develop enhanced aftercare for companies touching down, with a focus on promoting ethos, local links, and longevity.

Outcomes: Contributions to Economic Purpose and Success Measures

Business Support action and investment has a fundamental role to play in establishing economic demand and balance within the Royal Docks: from local services and amenity operators, to industry and production, to creative enterprise and to corporate and institutional anchors. It will help existing residents to establish businesses, support existing businesses to stay and grow, and secure new investment from elsewhere within the UK and globally. It will also support Newham’s community wealth building objectives via the support of stronger business networks and community connections.

Success will be measured in the size and diversity of the local economy; the scale and breadth of global links; the depth and nature of local economic networks; levels of economic output and productivity; and long-term economic resilience (measured over multiple decades).

Immediate Actions

Immediate actions for year 1 include:

* Initial evidence / knowledge / information building on the local business base; building knowledge on suppliers and supply chains
* Early engagement – listening and learning; one to one and programme of events
* Development of basic business support signposting tools and information (links to London Growth Hub and wider support)
* Defining engagement plan for subsequent years, including outreach into neighbourhoods
* Business plan for the Green Tech Accelerator Programme
* Business plan for the Loan Fund
* Early coordination with Newham and other Royal Docks team members on the Workspace Strategy and evolution of Workplace (building in cross cutting links)
* Continued work with London and Partners to understand and develop scope for global inward investment activities and place marketing
* Scoping of ‘after care’ support package / programme – including the case for future specialist resource

Beyond this, the focus for year 2 would be ongoing delivery, building on the actions identified in year 1. In addition, more proactive outreach work to target enterprise and participation within Newham Neighbourhoods.

*Table 4.4: Building the Economy: Inspiration and Precedents*

|  |  |
| --- | --- |
| Example | Summary and Relevance |
| **Incredibol Bologna** | Each year it invites applications to participate in a 4 year business support programme. Businesses form a cohort with access to a network (including university, Academy of Fine Arts, Chamber of Commerce, entrepreneurs, consultants, incubators, training providers) which offer free services to cohort. Companies and entrepreneurs get ongoing support and subsidized space, with a focus on peer to peer support. Legacy support and access to finance is offered at the end of the programme |
| **Power to Change** | Power to Change is £150m fund set up by government to support community businesses to establish and grow. Community Businesses are trading companies run by local people for their own benefit. This can include community transport, local pubs, zero waste shops, leisure facilities etc |
| **Atlanta FDI and Aftercare** | Atlanta have focused their business support and FDI budgets on creating an offer which provides ongoing support for companies. This “Welcome Network” engages new international arrivals. It uses a service provider directory to routinise contact, and set goals for ongoing contact with companies. The city has focused on selling its diverse population as a positive attractor for global SMEs, |
| **Bethnal Green Ventures Tech for Good Programme** | https://bethnalgreenventures.com/app/themes/outlandish/public/img/logo.pngTech for Good is an cohort based investment and business support programme for tech companies to support early stage business ideas with a strong social or environmental purpose.  Typically offering funding of £20,000 for a 6% equity stake in the business, companies then get space, support and mentoring to help them develop ideas. Funding is allocated on the basis of  3 themes – Sustainable Planet, Better Lives and Fairer Society. |

ECO 4. Workspace: Stimulating and Curating the Supply of Space

Expediting the delivery of workspace will play a crucial role in establishing the Royal Docks as a successful business location. It is a tangible area of activity over which the Royal Docks Team can have direct influence. Workspace should be seen as integral to the business support offer and part of an ‘activity-curated’ offer that de-risks growth for Royal Docks companies.

Investment Parameters

The current Delivery Plan PID is built around three interventions which aim to ensure a strong pipeline of spaces across the Royal Docks:

1. Creative Land Trust – Identifying space for the delivery of one of London’s first Creative Land Trust spaces, enabling low cost creative workspace in perpetuity.
2. Silvertown Flyover – Developing proposals for conversion of business space beneath the Silvertown Flyover.
3. Workspace Acquisition Fund – A flexible fund to enable the Royal Docks team to intervene and deliver ensure balance in cost and types of workspaces, delivered on a commercial basis.

These are all relevant investments which could have a significant impact on the future supply of space across the Royal Dock’s.

However, given the breadth of delivery activity across the area and the large capital cost required to deliver workspace, it is important that the Royal Dock’s Team has a clear mechanism to identify the opportunities where a clear market failure exists and where the public sector investment can deliver the greatest added value. It is important that projects delivered by the Royal Dock’s Team act to stimulate / catalyse the market, rather than to create competition.

While focusing on upcoming developments and new spaces, it is also important that existing spaces such as Newham Dockside, The Crystal and Tate & Lyle’s peripheral industrial sites are not overlooked. It is also important that a holistic definition of ‘workspace’ is adopted, considering opportunities within local amenity and service centres alongside more obvious spaces coming forward within new employment hubs.

The phased and long term nature of delivery across the Royal Dock’s means that ‘Workspace’ will need to be a highly dynamic and ‘rolling’ area of activity, which is able to respond to quickly to changes in development activity and evolution in market demand and opportunity. It will also be important to adopt an area based approach, recognising that opportunities and the need for intervention will vary significantly from one neighbourhood to the next over time.

Delivery Focus

The initial priority is to develop a clear internal workspace and asset strategy, setting out the types of spaces required and developing clear delivery models to achieve this. It would explore:

* Approaches to coordination of workspace, and scoping of delivery models
* The different spectrums of potential Royal Docks Team involvement – the spectrum of investment, control and typologies
* The spatial approach; phasing considerations (e.g. balancing demand and mitigating oversupply / undersupply); sector demand; and fit out specifications.
* Terms for the subsidy of spaces (focussing upon local companies and those who can demonstrate social and environmental outcomes), lease arrangements which reflects these positive outcomes, a initial list of workspace providers and innovation partners, and examine the need (and mechanism) for centralised management of workspace.

This Strategy will inform the core budget for ECO4 – the Workspace investment fund.

1. **Workspace investment fund**: capital funding for to support direct intervention delivery of workspace (either full or in part). Early areas for focus would be dictated by the contents of a clear Strategy, but might include:

* Catalysing supply of workspace in the Royal Victoria Dock area: the Royal Victoria Dock area present the most immediate and important opportunity for the Royal Docks team to support the supply of workspace, given a number of specific spaces in the pipeline, and role that the area has to play in terms of early activation with the Royal Docks. Delivery activities should include:
* Prioritising the development of a clear plan for the future of the Crystal, scoping opportunities for occupation over the next five years as a spark for activity. This should consider providing space for activities specifically targeted within the Economic Purpose – including green enterprise (see ECO3), youth enterprise (ECO1) and social innovation (ECO1)
* Reassess the case for investment in the Flyunder scheme, considering the market failure for investment in the workspace element of the project and the feasibility of restricting public sector investment to the proposed public realm enhancements
* Further scoping of the pipeline of wider opportunities across the area (including Brunel Street Works, Pump House and space within Thameside West), considering the potential to develop a ‘hub and spoke’ model linked to the Crystal (providing additional curated start-up and grow in space), and the case for and nature of public sector intervention.
* Curation of space within future developments: working proactively with developers, landowners and agents to map the pipeline of spaces coming forward, with a focus on minimising risk of oversupply within specific time periods and neighbourhoods. Where relevant, arrangements should be developed to share risk with developers on the delivery of subsidised spaces for start-up, community business and youth enterprise. Collaboration with ABP should form an immediate priority in this regard, both to activate space and to stimulate market interest.
* Supporting supply of spaces for industry and production: alongside new spaces, work with existing landowners to support the evolution of spaces for industry and creative production. This should consider the provision of ‘messy’ art space at scale as part of the Creative Land Trust project, support the evolution of high-quality light industrial spaces alongside office and studio development, and work with Newham Council to pilot arrangements for the use of public sector spaces to support early stage enterprise within existing town centre spaces. Exploring the potential to use vacant space at Tate and Lyle should be an initial priority.

Outcomes: Contributions to Economic Purpose and Success Measures

The Workspace action area will play a defining role in determining the future size and balance of the local economy, the quality of local employment opportunities, and the vitality of the local enterprise economy. It will help coordinate the delivery and phasing of space, provide guidance on fit out and specification and, where relevant, inform the definition of flexible pricing models and delivery models.

Success will ultimately be measured in terms of net commercial space delivered, long term occupancy rates (taking into account the length of void periods), overall rental yields and returns, the diversity of businesses located within the space and levels of business satisfaction.

Immediate Actions

Immediate actions for year 1 include:

* Development of an internal Workspace and Asset Strategy to support deliver over the period to 2023 and beyond
* Initial scoping of potential future uses of the Crystal and elsewhere within the Royal Victoria Dock area
* Early engagement with other developers and landowners across area to establish pipeline of space (existing, repurposing, forthcoming); identify investment or support needs; establish lines of communication; set out clearly the Royal Dock’s teams aspirations
* Initial scoping of formal delivery structures – could include an early workspace steering group bringing together key actors across the area to share knowledge and ensure alignment.

*Table 4.5: Curating Space: Inspiration and Precedents*

|  |  |
| --- | --- |
| Example | Summary and Relevance |
| **International House, Brixton** | Socially responsible, publicly owned workspace. Clear conditions on company ethos, living wage etc. Mix of market, affordable and free spaces; mix of private and charity tenants; free space for youth enterprise. |
| **Amsterdam Noord** | 15 year strategy to incubate small companies from a variety of sectors with a focus upon specific diversity groups. Civic assets are mixed with business space to promote footfall. ‘Bottom up’ approach has given the area provenance and attracted major HQ investment. The area is also one of the biggest locations in the city for VC investment. |
| **Building Bloqs** | Building Bloqs is an open access maker space in Enfield. Working on a membership model, there are spaces for wood work, a foundry for metal work, Fashion space and Kitchen facilities. This reduced the risk and capital costs for business, whilst creating a community of like minded companies who can provide and benefit from peer to peer support. |

# Building Local Distinctiveness

The Royal Docks comprises a number of distinct neighbourhoods and emerging hubs of activity. Delivery and investment will need to recognise and enhance local distinctiveness, tailoring the response to local contexts and opportunities.

Focusing Delivery within The Royals Docks Places and Assets

Covering an area of over 1,000 hectares and with a distance of over 2.5 miles from the Crystal on the western edge of the area to the Albert Island on the eastern edge, the Royal Docks and Beckton Opportunity Area, is not a single spatial or economic entity. There exists a number of residential and economic locations which are distinct in their current characteristics, and in terms of their future opportunity and potential.

Three spatial and economic tiers have been identified within the Royal Docks; these are mapped in Figure 1.1 (Chapter 1) and provide an initial filter via which to better define and tailor the response:

1. New Economic Hubs: new and emerging developments including Royal Victoria, Connaught, Royal Albert Dock, Albert Island, Silvertown. The focal point for future economic growth and employment within the Royal Docks.
2. Amenity Centres: the existing neighbourhood hubs of North Woolwich, Canning Town and Custom House. A focus on building physical, economic and social connections between these and new and emerging opportunities.
3. Economic Assets: the existing economic anchors which underpin the local economy, including City Airport, Excel, and the University of East London. A focus on embedding these within the evolution of the area, and maximising the role they plan in delivering local and city value.

Focal points for investment across the Royal Docks’ places and assets are summarised in the table overleaf and then explored in more detail in the rest of this chapter. Again, it is important to note that while the focus is on activities explicitly linked to the Economy theme, there are obvious overlaps with wider areas of investment being developed for the other theme area.

The intention is that this initial mapping of ideas form the basis for the creation of a new and ever evolving pipeline of projects, developed and delivered in partnership within the community and wider partners across the area.

***Figure 5.1. Indicative Focal Points for ‘Economy’ Investment by Place, Asset and Project Area***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | EDO 1 –  Good Growth Fund | EDO 2-  Emp.& Skills | EDO3 –  Business Support | EDO 4 –  Workspace |
| ***Emerging Economic Hubs*** | | | | |
| **Royal Victoria** | * Social innovation / green enterprise at Crystal * Testing of new amenity and street market offer to animate area for locals and visitors |  | * Cohort of new businesses receiving growth support * Identify spaces to accommodate early state green innovation businesses | * Future plans for Crystal * Early work to secure pipeline of range of workspaces to encourages clustering |
| **Connnaught Area** |  | * Scoping of potential academy for hospitality |  | * Interim / temporary retail & leisure spaces to test new ideas building on demand from visitor economy |
| **Royal Albert Docks** | * Expediting amenity offer, involving local, young businesses where possible * Pioneer investment in workspace | * Early pilot location for reformed Workspace | * Targeted inward investment aimed at FOEs plus aftercare * Embedding UEL links– knowledge & skills. | * Use of space as hub for start-up and youth enterprise * Long term asset strategy for Newham Dockside |
| **Albert Island** | * Funding for maritime focused innovation projects | * Integration of IOTT & reformed Workplace |  |  |
| **Silvertown** | * Prioritising activity to animate area and provide new amenity spaces via meanwhile uses | * Reformed Workplace readying residents inc. outreach with schools & college | * Targeting of cultural production anchor * Focused enterprise and aftercare support | * Investment in new types of ‘green’ business space * Coordination of workspace pipeline and amenity offer. |
| ***Existing Amenity Centres*** | | | | |
| **Canning Town** | * Investment in participatory activities targeted at residents with most complex needs and barriers | * Activities under reformed Workspace to prepare workforce for opportunities |  | * Monitoring of success of Caxton Works and lessons – proactive work to stimulate demand if needed |
| **Custom House** | * Investment in participatory activities targeted at residents with most complex needs and barriers | * Activities under reformed Workspace to prepare workforce for opportunities | * Targeted support to encourage residents to set up businesses / test business ideas – benefiting from enhanced Crossrail footfall | * Diversify high street (e.g creative and community hubs) to diversify offer; develop public sector asset strategy as part of response. |
| **Beckton** | * Investment in participatory activities targeted at residents with most complex needs and barriers | * Activities under reformed Workspace to prepare workforce for opportunities | * Developing pipeline of Newham businesses and residents wanting to take on space in new town centre | * Scoping of new workspace typologies via masterplans * Early scoping of town centre demand and mix |
| **North Woolwich** | * As above * Piloting community transport * Delivery of London Regen Fund Create London project | * Activities under reformed Workspace to prepare workforce for opportunities | * Targeted support to encourage local residents to set up businesses / test business ideas | * Developing spaces to support urban agriculture and food production - possible links to Tate and Lyle |
| ***City Anchors and Local Assets*** | | | | |
| **City Airport** | * Supporting community transport initiatives | * Partners on reformed Workplace to develop an initial committed pipeline of employment, internship and work experience opportunities | * Local supply chains – inc. meet the buyer |  |
| **Excel** | * Supporting community transport initiatives | * Local supply chains – particularly via events | * Coordination of future space supply via masterplanning |
| **UEL** | * Potential partner on youth enterprise via expertise & Knowledge Docks | * Evolution of ‘Knowledge Dock’ , linking with business at ABP and Albert Island |  |
| **Tate and Lyle** | * Supporting community transport initiative; potential host of youth enterprise space | * Continued focus on local supply chains – inc meet the buyer | * Re-use of vacant industrial space (either temp activation or longer term strategy) |
| **LB Newham** | * Supporting community transport initiative | * Renewed local procurement commitment via CWB | * Long term asset strategy for Newham Dockside |

a. New Economic Hubs

These are the locations where future growth and development will be focused. There is a need to work with developers to steer delivery to ensure coordination and consistency, and a need for focused and proactive action to secure commitment and investment:

* **Contribution to Royal Docks Purpose:** They will be the main focal point for delivery against growth targets, helping to ensure delivery of balanced places and economies which serve both the amenity needs of local residents and businesses, along with wider economic demand. A focus on place-shaping and identity building and the creation of opportunities to deliver Newham community wealth building objectives.
* **Focal Points for Intervention:** Partnership development (local and global), workspace curation and investment, targeted inward investment, focused skills interventions.

***Figure 5.2. New Economic Hubs – Economic Role and Focus***

|  |  |  |  |
| --- | --- | --- | --- |
|  | Local Economic Role | Contribution to Purpose | Focal Points for Intervention |
| **Royal Victoria** | ‘Gateway’ and ‘demonstrator’ function. A place with the flexibility to accommodate new ideas and thinking, feeding back to London. A focal point for visitor and amenity offer (Excel, links to North Greenwich and new interpretation and cultural consumption). | Focal point and stimulus for activity; hub for green enterprise and social innovation; lifestyle/ ‘leisure’ economy; proof of new economic models | * Initial testing / piloting of workspace strategy * Prioritising future plans for the Crystal (potential hub for green enterprise and social innovation) * Identifying pipeline opportunities for business spaces to encourage clustering * Housing cohort of new businesses receiving growth support * Enhanced, diversified amenity and visitor offer |
| **Connaught Area** | Capitalising upon arrival of Crossrail and growing excel visitor numbers, alongside links to Newham populations. A focal point for the meeting of commercial activity, visitor economy and Newham’s international demographic. | Supporting the Royals Dock’s function in serving the leisure needs of local residents along with the wider business and leisure visitor economy. | * Potential location for an Academy for Hospitality * Interim/temporary retail spaces to test new ideas * Physical connections to communities to the north and between Royal Victoria and Royal Albert Dock |
| **Royal Albert Docks** | The first test of Royal Dock’s evolution as a modern business district. Internationally focussed business and enterprise, anchored by global connectivity and East London’s diverse workforce. Space for London and international and SME’s with global focus. | The most immediate opportunity to catalyse growth and investment. Hub for internationalisation and evolution of a new type of business location. | * Inward investment plan linked to FoE SMEs. * Long-term partnerships with growth countries * Enhanced knowledge exchange and links to HE * Investor aftercare (business practice, tax, H&S) * Target links to diverse Newham Communities * Potential hub for start-up and youth enterprise * Early pilot location for reformed Workspace |
| **Albert Island** | A focus for water-based activity, proving regionally significant business employment and training in marine and maritime based engineering industries. A trailblazer for water-based innovation. | A direct response to sector demand and links to industrial past; economic value from water; visible links to HE; practical career and training opportunities; innovation routes. | * Funding for water-based innovation projects * Integration of the London Institute of Transport Technology into reformed Workplace and Business Support interventions * Enhanced development of maritime skills offer linked to London and the wider Thames Estuary * Further development of links to UEL and long-term strategy for Knowledge Exchange |
| **Silvertown** | Developing a business identity focused around culture, creativity and production, and linking back to past and current manufacturing (Tate & Lyle) heritage. | Initial animation projects to inspire / excite. A key provider of jobs and identity. Important residential hub and labour source. | * Inward investment – targeting anchor tenants and providing aftercare * Clear workspace strategy to curate supply * Linking Newham businesses to amenity spaces * Roll out of reformed Workplace model with c. 20,000 jobs in the offing * New models of leasing to stimulate investment * Test new types of ‘green’ business spaces. |

b. Existing Amenity Centres

These are established centres for local retail, services and amenities located within densely populated residential. Each of the communities are characterised by deeply embedded socio-economic barriers and challenges of transience and physical and social peripherality.

* **Contribution to Royal Docks Purpose:** all of these areas act as ‘gateways’ to the Royal Docks, and so have an important role to play from a spatial and identity perspective. These locations also have an important role to play in providing services to existing and new communities, and as focal points for linking residents to new opportunities.
* **Focal Points for Intervention:** the development of social capital and participation models; actions to enhance local amenity through citizen led actions; support for community business to support local services; and local investment to support environmental enhancement and placemaking (e.g North Woolwich Roadd) and local masterplanning (e.g. Beckton).

***Figure 5.2. Existing Centres – Economic Role and Focus***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | | Local Economic Role | Contribution to Purpose | Focal Points for Intervention |
| **Canning Town** | Initial gateway to the Royal Docks and important physical links to Newham Neighbourhoods. A strengthened town centre function. | | Ongoing investment providing further opportunities to strengthen community and create economic and social opportunity. Important amenity centre for existing and new residents and businesses. | * Focus on enhancing participation levels * Ongoing improvement to town centre including innovation in public sector asset strategy to diversify uses * Improve local amenity through citizen led actions * Feedback on industrial mixed use at Caxton Works |
| **Custom House** | Gateway to Excel and Royal Docks once Crossrail is operational. Local amenity hub with potential to draw greater benefit from proximity to Excel. | | As with Canning Town, a focal point for activities to link Royal Docks opportunities to local residents. Opportunities to enhance the quality of the amenity offer for residents, visitors and businesses – along with local identity and environment as a key gateway. | * Actions to enhance the quality of the local centre * Innovation in public sector asset strategy to diversify uses * Targeted outreach activities to connect communities to emerging opportunities and to enhance participation |
| **North Woolwich** | An important residential hub and source of workforce and skills for the Royal Docks. Gateway role for airport arrivals and role in providing local services and amenities for new and emerging communities. | | Focal point for activities to connect communities to emerging opportunities and enhance physical and social connections to lesson sense of isolation and peripherality. | * Targeted outreach to enhance social capital and participation * Improvements in North Woolwich Road environment * Community focused transport initiatives to connect residents |
| **Beckton** | Reinvention as a more modern industrial location, capitalising upon growing need and demand within the city. New town centre serving the demand across the northern side of the Royal Docks. | | Potential significant hub of employment within the wider OAPF area and providing much needed industrial capacity for London. Reinforcing the scale and quality of the amenity offer for local residents and employers. | * Masterplan wider industrial area * Further work to scope and define the scale and nature of the town centre – bearing in mind the evolving nature of high streets across London. |

1. City Assets and Local Anchors

These are the existing ‘city’ assets and local anchors which already underpin the Royal Docks’ identity, economic role and global links. In the case of the ‘city’ assets they are also play a crucial in London’s overall competitiveness.

For now, the list of assets focuses on those which are already established in the area; over time though the list will grow – for example the expected role of the forthcoming London Institute of Transport Technology at Albert Island in providing skills for the future:

* **Contribution to Economic Function:** Important delivery partners in helping to shape the vison and in the delivery of investment (not least via own land assets); a direct role in the delivery of community wealth building objectives showing leadership in local employment, training and supply chains; advocates in promoting the area.
* **Focal Points for Intervention:** joint masterplanning activities where development opportunities exist; delivery partners in Workplace 2.0; focal points for and leaders in business networks; use of joint resource and networks to promote the area globally.

***Figure 5.3. City and Local Anchors– Economic Role and Focus***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Economic Role** | **Contribution to Purpose** | **Focal Points for Intervention** |
| ***City Assets*** | | | |
| **City Airport** | Key employer and crucial role in bringing people to Docks. Long standing commitment to and track record of working with Newham to achieve local community outcomes. | Promoting the Royal Docks as a business location; continuing to prioritise community engagement and opportunity; engaging on expansion plans to maximise benefit & minimise adverse impacts. | * Collaboration on expansion plans * Collaboration with reformed Workplace, supply chain and business support initiatives * Place marketing. |
| **Excel** | Key attractor of visitors to Docks from around the world; crucial role in London business and events tourism; underpins local hotel sector; role as a amenity hub when open. | Engaging collaboratively on masterplan and growth aspirations; promoting the Docks to international markets; supporting local supply chains and employment. | * Collaboration with Royal Docks master-planning * Place marketing and active work with L&P * Collaboration on employment and supply chain initiatives. |
| **UEL** | Significant HE asset, with strong base of local students alongside global links. Increasing focus on employer engagement (e.g. Amazon web services tie up) and graduates careers. | Active partner in skills and training activities with a focus on getting graduate and residents career ready; linking business with HE and fostering knowledge exchange. | * Partner on business collaboration and knowledge transfer * Core partner in skills & employment initiatives. |
| ***Local Assets*** | | | |
| **The Water** | Defines the identity of the Royal Docks but highly under-used. Opportunities to enhance role as a recreational, leisure and visitor resource. | Focal point for visitor activities and leisure and recreation opportunities for local residents; central to overall identity and image | * Promoting greater access to Dock edge * Investment in water-based assets/ attractions. |
| **Tate and Lyle** | Key local employer (and land owner) with long term commitment to area and strong community links; important links to industrial heritage of the area. | Active partner in land use planning and supporting meanwhile uses; ongoing commitment to working with local community to support wealth building aspirations. | * Exploring use of vacant industrial space / sites * Collaboration with reformed Workplace and on supply chain and business support activities. |
| **LB New-ham** | Key hub of employment within the Royal Docks, creating demand for local services and amenities. | Leadership in community wealth building via to employment, procurement and asset strategy. | * Development and delivery of CWB strategy and embedding of principles |

# Innovation in Delivery

To differentiate itself in London and globally, the Royal Docks will need to embrace new delivery approaches. A long-term commitment and an ethos of innovation and agility will be needed to ensure action and investment continues to evolve to match local need and market demand.

Delivery Principles

The delivery of projects will only be part of the process which will secure positive change and outcomes in the Royal Docks. The level of funding available through Enterprise Zone status, alongside the scale of aspiration of partners means that the Royal Docks Team, Newham Council and partners need to set a high standard in the way projects are delivered.

To inform this and provoke new practices a set of principles have been identified to support delivery:

* **Build foundations for long-term participation and local involvement**. Projects should not be imposed upon people and places. All delivery partners must seek to constantly support local citizens to develop their individual and collective capacity to develop ideas and participate (and ideally lead) delivery.
* **Understand and balance ‘value’**. Positive economic outcomes should not just be defined by core economic metrics (Land Value, Jobs and GVA). It is important that partners take a broad view of what they value and ensure that measures of wellbeing and life satisfaction are given equal billing in measures of success.
* **Innovate and Prototype**. From initial pioneer projects, it is vital that partners use resources to experiment and develop new approaches. This is important to the agility of the project but also to its contribution to the evolution of new approaches in London as a whole.
* **Respond to new investor motivations (environmental and social).** Institutional investors are increasingly focusing upon investments which respond to the preeminent challenges that society faces. The Royal Docks needs to ensure that it fully embraces environmental and social objectivities to ensure the area is more investable in the long term.
* **Enhance existing assets.** There are already existing, under-utilised assets in the Royal Docks, many of which are in public ownership. These should be deployed alongside new spaces to maximised the short-term capacity and opportunity for action.
* **Remain Footloose and Agile.** The next five years are likely to be one of significant uncertainty. It is important that partners remain aware of broader economic and social trends (positive and negative) and are able to respond appropriately.
* **Communicate and Report Back.** Many of the adaptation in projects focus upon enabling innovation and testing of new ideas. To be successful this approach must gather insights and reflection to feed back to local partners and London as a whole.

Tracking Change

Understanding the efficiency and effectiveness of investment is essential for any public spending decision. This is particularly important for the Royal Docks given its scale and strategic importance to London. It is vital that robust mechanisms are put in place to ensure that delivery performance is understood. This means developing an embedded approach to collecting robust and granular information on ‘change’ which can be used to:

* Tailor delivery to maximise value and impact
* Learn lessons for future delivery (both in terms of the targeting and focus of investment)
* Celebrate achievements and successes
* Support case making for future investment.

Given the long-term nature of the programme there is an important opportunity now to develop and invest in ‘best in class’ and innovative approaches to tracking change, which play an active role in shaping the ongoing evolution and transformation of the Docks.

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1. Defined for statistical purposes throughout this chapter as the broader Royal Docks and Beckton Riverside OAPF Area (see figure 1.1) [↑](#footnote-ref-2)