

**LTGDC RESPONSE TO THE CONSULTATION ON THE QUINQUENNIAL REVIEW OF
THE URBAN DEVELOPMENT CORPORATIONS**

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Executive Summary

Delivering Regeneration for East London

London Thames Gateway Development Corporation with its development, planning and compulsory purchase powers, its local focus and its skills and experience, is uniquely placed to deliver the regeneration that East London desperately needs.

LTGDC was set up because existing arrangements were not adequate to deliver strategic and lasting change in these deprived areas; if anything the need is now even greater. LTGDC has made great strides over the past five years to deliver sustainable regeneration and East London needs LTGDC to continue to deliver so that these areas are not left further behind and the significant opportunities are fully realised.

LTGDC does not focus merely on developing sites but supports housing and economic growth across the area through cross-boundary investment in transport, education, skills, culture, open spaces, public realm and health. LTGDC is in the best position to realise the major opportunities that straddle local authority boundaries and to deliver a comprehensive approach to regeneration, particularly in the current climate.

LTGDC knows how and what is needed to deliver in the recession. It has proved its maturity, responding rapidly to the current economic climate by developing a revised plan that will deliver the agreed programme and ensure the swift return of private sector investment.

LTGDC has a highly skilled and professional team – the largest single team of skilled regeneration practitioners in London. In the last five years LTGDC has demonstrated strong leadership and co-ordination and has gained the confidence of stakeholders and partners.

LTGDC is well established in East London and has widespread support from both private and public partners alike. In a recent independent audit, 70% of stakeholders were supportive of LTGDC's role as the lead regeneration agency in east London and many said that the organisation was better than others operating in the area. Indeed, more than half expressed the view that LTGDC's life span should be extended beyond 2014, now that it is in its delivery phase, and 50% said that there was also logic in extending its boundaries. LTGDC is clearly seen as the body which can co-ordinate and deliver regeneration across its area.

Performance

LTGDC has taken a leading role in the regeneration of east London. It has delivered detailed regeneration frameworks for its two areas and secured support from regional and local Government. It has developed masterplans for key areas of intervention, and supported the local authorities in producing policy guidance.

LTGDC has invested £133 million across its locations in the four years to 31st March 2009, each year spending in line with its budget.

It has granted planning permission for almost 10,000 new homes and commercial developments generating almost 10,000 jobs. LTGDC provides sound planning decisions and has a 100% success rate in defending its decisions on appeal. It takes a positive and proactive stance to dealing with applications and has a 97% approval rate. Through planning

agreements and its discounted standard charge it has agreed more than £60 million of contributions to infrastructure.

Across its eight key locations it has started to deliver a significant change.

- It has assembled over 30 hectares of land – at Rainham Broadway, at Rainham Station, on the A1306 at Rainham, on the A1306 at South Dagenham, at Hindmans Way and Chequers Lane in South Dagenham, at East Street, London Road, Axe Street, Abbey Road and Jenkins Lane in Barking, at Silvertown Way in Canning Town and on the Aberfeldy Estate. The majority of this land has been cleared ready for development.
- It has secured development partners for the creation of the 125,000 sq m London Sustainable Industries Park which will ultimately generate 5,000 jobs and secured its first occupier, Cyclamax.
- It has established the Institute for Sustainability which is already undertaking a number of research projects underpinning the Thames Gateway's claim to be an eco-region.
- It has secured a partner for the development of a new town centre with 1200 homes and 30,000 sq m of commercial space in Canning Town.
- It has created a number of new education facilities : The Financial Services Skills Academy in Poplar which opened in 2008 and a new construction skills academy in Rainham opening in September 2009. It is adding to new facilities at three BSF school projects, Rokeby School opening in 2010 and St Pauls Way School and Eastbury School opening in 2011.
- It has helped the local authority secure the development of a new Health Centre and the new Barking Town Centre scheme of 500 apartments, a hotel, retail units and a library. It has refurbished a warehouse for creative industries in Barking as the first stage of a larger development.
- It has invested in improved visitor facilities for the RSPB at Rainham Marshes and for Lea Valley Regional Park in Bow Creek.
- It has worked with the ODA to deliver a new lock at Three Mills and a new visitor centre at Pudding Mill.
- Later this year it will open a new inward investment marketing suite overlooking the Olympic Park.

The Future

LTGDC is now in its main delivery phase bringing about a change to areas which have suffered enormous neglect and transforming them into places where people want to live and work.

LTGDC will invest over £100 million gross in the next 18 months, and the following projects depend upon its continued intervention.

- New Birkbeck University/UeL campus in Stratford.

- Olympic public realm investment in Stratford and Hackney Wick.
- Future phases of the Sustainable Industries Park.
- The research centre for the Institute for Sustainability.
- A new campus for Havering College.
- A new library, transport interchange and homes in Rainham.
- A new town centre for Canning Town.
- New homes and creative space in Barking.
- Landmark retail, a school, park and homes at Bromley by Bow for 2012.
- A new park in the Lower Lea Valley and new connections.
- Further investment in schools.

With the opportunities offered by the Olympic and Paralympic Games, the next five years are critical and the LTGDC has the strategic overview, specialist knowledge, strong leadership and established partnerships that will maintain momentum and deliver regeneration to an area so desperately in need.

A 'trickle down' approach to delivery did not work for Canary Wharf and will not work here. But the combination of a national body, the HCA (with a London board) and LTGDC will ensure sustainable regeneration is achieved for all areas in East London.

LTGDC has made enormous progress in the last five years and is committed to completing its programme. LTGDC is best placed to keep its "foot on the pedal" and deliver a lasting legacy that will truly benefit East London.

Recommendations

LTGDC makes nine recommendations to ensure the potential of East London is delivered.

- Hold firm on adopted policy for the Thames Gateway
- Ensure funding continues to be made available for mid range interventions
- Maintain the momentum
- Don't diminish the capacity
- Review LTGDC's boundaries
- Increase LTGDC's delegated financial authority
- Streamline approvals
- Clarify and communicate roles of public sector agencies
- Agree a phased transition

1. Introduction

The purpose of this document is to provide the London Thames Gateway Development Corporation's (LTGDC's) response to the consultation paper on the government's Quinquennial Review of the Urban Development Corporations. The scope of this consultation is described as:

“examining the future of the UDCs, in the light of what they have achieved since they were established; whether changes locally or regionally affect the continuing need for a UDC; the impact of the changing national context, particularly the establishment of the Homes and Communities Agency; and whether greater freedom might enable the UDCs to operate more effectively.” (page 4)

This response seeks to address the key issues in a structured way and is supported by key documents that have recently been commissioned to evaluate London Thames Gateway Development Corporation's performance.

Whilst the government's review considers the three UDCs established between 2004 and 2005, this response is primarily concerned with matters relating to London Thames Gateway Development Corporation, although some conclusions apply equally to the other Corporations.

LTGDC welcomes the review. Indeed, the Corporation had begun the process of identifying the scope for its own mid-term evaluation some time ago, and independent consultants were appointed earlier in 2009 so that their findings could inform the CLG Review, the Corporation's response and assist the board with forward planning. The Executive Summary of the Mid-Term Review and Evaluation which has been undertaken by Regeneris Consulting and Rocket Science is attached as Appendix 4. The full report will be made available to CLG separately.

The following supporting documents are attached in the appendices:

- Appendix 1 : Narrative on the history of the Thames Gateway
- Appendix 2 : Sustainable Communities : An Urban Development Corporation for the London Thames Gateway Decision Document, May 2004
- Appendix 3 : LTGDC Stakeholder Survey (Executive Summary)
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2. Creation of LTGDC

History of London Thames Gateway

The area of East London that now forms the western end of the Thames Gateway was identified for growth in Abercrombie's London Plan of 1944, in the Greater London Development Plan of 1980, in the East Thames Corridor Study of Development Capacity for the DoE in 1993 and in the Mayor's London Plan of 2004. Each of these documents charted the availability of large tracts of 'brownfield land' relatively close to the city centre where London's growth could be accommodated without developing in the green belt.

This policy approach has been supported consistently by national and regional government as a means of accommodating the commercial floor space and the homes London needs to maintain its pre-eminence as a global economic force.

The Sustainable Communities Plan (Sustainable Communities: Building for the Future) published in February 2003 addressed the challenges of a rapidly changing population and set out a long term action plan to deliver successful communities for all. This was followed swiftly by the first progress report, Creating Sustainable Communities: Making it Happen, in July 2003 which set out a package of public and private finance to deliver 120,000 homes and 180,000 jobs in the Thames Gateway area by 2016 and proposed that a new East London Urban Development Corporation involving local partners should be set up to co-ordinate delivery in East London Gateway (Stratford and the Lower Lea), one of the five priority areas identified.

In November 2003, government launched a consultation on the establishment of an Urban Development Corporation for London Thames Gateway. It stated:

"with particularly difficult sites, the focus and special powers of an Urban Development Corporation will be required to deliver the necessary change and maximise private investment" (page 5)

The consultation sought views on the area the UDC should cover, the scope of its planning powers and its relationship with the London 2012 Olympic bid. The consultation results generally reflected the mood of the key stakeholders in East London; that at last the government was serious about the Thames Gateway project, had announced a proper budget to begin delivery, and was creating the appropriate mechanisms to make strong progress in the most challenging areas. The responses to the consultation were summarised in the May 2004 Decision Document (attached as Appendix 2) which concluded that:

"Ministers believe that the UDC has the right powers and focus for the regeneration task in the London Thames Gateway" (para. 8)

"Ministers have decided that 10 years is a more appropriate indicative lifespan for the complex regeneration challenges the UDC will face in the London Thames Gateway" (para 11)

"Ministers will ensure that, through Board membership and the UDC's guidance and targets, the UDC works closely with local authorities to deliver sustainable regeneration" (para 14)

"Ministers have considered this issue [LDA role in the context of the 2012 Olympic bid] and believe that the LDA should retain the lead role in supporting the Olympic bid process. In

other areas of the Lower Lea Valley - where the LDA has significant land holdings - the LDA will work on behalf of the UDC to deliver the current EDAW masterplan which represents the current shared vision for the area” (para 18)

“A similar arrangement will apply in respect of working with partners in the Barking/Havering Riverside. The UDC will develop a strategy for that area and invite existing public and private sector landowners including English Partnerships, the LDA and the London boroughs, to work with it to deliver the strategy. In both areas – the Lower Lea and Barking/Havering – the UDC will wish to exploit the delivery capacity that already exists within the LDA and EP to achieve timely development on key sites. The UDC will therefore not necessarily seek to deliver regeneration on the ground itself, but will take a lead in determining the strategy for development and will be held accountable with its partners in the public and private sectors for achieving comprehensive and integrated development” (para 19)

“Ministers concluded in the light of consultation that, at this stage, the UDC should concentrate on the two large development opportunities in the Lower Lea Valley and in Barking/Havering Riverside...” (para 29)

“Ministers are satisfied that planning powers are of considerable importance to the effectiveness with which a UDC can deliver regeneration” (para 36)

Overall, there was general support, especially amongst local authorities, for a UDC that would deliver sustainable regeneration. Ministers believed that the UDC had the right powers and focus for the regenerative task in the London Thames Gateway.

Delivery in London

Delivering regeneration in London, but particularly in East London, has proved a complex process for decades, with or without London government in place.

The challenges presented by the decline of London’s docks were initially tackled by a grouping of East London local authorities attempting to secure the twin objectives of retaining dock activity and introducing new employment sectors, but without the necessary powers, land, money and cross borough agreements to make progress. The intervention by the Greater London Council, whilst bringing more focus, still failed to address the increasing severity of the changes taking place. As a consequence Government introduced new legislation to establish special purpose vehicles to deal with these sorts of situations – Urban Development Corporations.

The context in East London is different today, the local authorities now have years of regeneration experience, and London government has once more prioritised East London for growth. However, there are the continuing issues of land ownership, resources, and cross-borough working that present challenges to progress.

With the notable exception of the LDDC period, progress in East London has been characterised by single major project investments, such as Greenwich Peninsula and Stratford City, rather than by a sustained comprehensive approach to wider area regeneration. Only with the establishment of LTGDC in 2004 did government realise the need for better co-ordination and leadership in delivery to release the enormous potential offered by East London.

The other key lesson from history is how long regeneration takes. Canary Wharf celebrated 20 years of development in 2008, and Greenwich Peninsula 10 years. No-one was under

any illusion in 2004 that the London Thames Gateway 'project' would be other than a lengthy commitment. The mechanisms needed to maintain progress would change over time, and as with the Isle of Dogs, once the 'tipping point' of development volume had been reached, some areas would move forward with their own momentum.

Establishment of London Thames Gateway Development Corporation

The LTGDC was established by government in May 2004 with an indicative life of 10 years and the Board met for the first time in November 2004.

The Board's level of democratic accountability is unusual for a Non Departmental Public Body in that 6 of its 13 strong Board are elected members of local and regional government: five members are nominated by its host boroughs (Tower Hamlets, Hackney, Newham, Barking & Dagenham and Havering) and one is nominated from the Greater London Authority.

LTGDC did not become fully operational until the middle of 2005 following the appointment of the Chief Executive and the other members of the Executive team.

The Order giving LTGDC substantial development control powers came into effect in October 2005 (parts of Stratford City and the Olympic Park were subsequently excluded and development control powers were given to the Olympic Delivery Authority (ODA) in September 2006). The Order established LTGDC as the local planning authority for strategic planning applications relevant to its purpose. Householder and minor applications remain with the relevant Boroughs. Plan-making powers remain with the local authorities.

LTGDC was given powers to regenerate its area through the acquisition (using compulsory purchase powers if necessary) and reclamation of land. However no land was vested in LTGDC. A significant amount of land in LTGDC's area was in public sector ownership, most notably the LDA (see map in Appendix 7). There was considerable discussion on whether this land should be vested in the Development Corporation but it was decided that *"the UDC would develop strategy and lead where existing agencies had significant land holdings and capacity and would be held accountable... for achieving comprehensive and integrated development"* (Decision Document para 17)

From the earliest days of the set up of the Development Corporation two things became apparent:

1. The decision not to vest any existing publicly owned land in LTGDC was a major impediment to swift progress; and
2. Leading on the strategy for regeneration (as determined by government in paragraphs 18 and 19 of The Decision Document) would be difficult without any plan-making powers and it would therefore take time to work with the policy making bodies to secure their agreement.

Both of these issues required LTGDC to be more reliant than anticipated on the 'goodwill' and co-operation of other public sector agencies; an initial period of seeking consensus on the challenges, priorities and projects for each area became essential.

In the 'set up' period, the new Board and Executive produced a document that provided a clear 'statement of intent' for the Corporation. This process involved extensive stakeholder interviews and workshops with invited representatives from partner organisations. This culminated in the production of 'Engines for Growth' in 2005.

‘Engines for Growth’ set out how LTGDC would go about its business:

“The Corporation will confront – head on – the challenges we face delivering the vision in London Thames Gateway. We will work with our partners and stakeholders to join up initiatives, establishing an informed set of priorities and timescales. We will take a firm but fair lead in overcoming barriers and resolving conflict. Regeneration Frameworks for the Lower Lea Valley and London Riverside will identify the necessary public sector interventions, the timescales and the responsibilities of the organisations involved. The Frameworks will enable the Corporation to coordinate, direct and monitor activity and spending. The Corporation will intervene to engineer growth by breaking through the barriers to improved transport, new utilities infrastructure, a suitably skilled workforce and the availability of developable land and suitable accommodation. We will support, guide and assist partner agencies to deliver projects.

The Corporation will look to the private sector for energy and imagination. We will work with land owners, developers, contractors and investors to lever in private investment. We will work with inward investment specialists to attract business and support relocation. The Corporation will fully utilise its planning powers to assemble sites for high quality development. We will work with local authorities, the Mayor and GLA family, and the Government to determine planning applications as quickly as possible, according to clear and published principles. We will encourage an early dialogue with landowners and developers to help them formulate proposals that match up to our vision, are realistic and can be implemented practically. Our process for reaching planning agreements will be co-ordinated and transparent. With our partners we are investigating how to pool contributions so we can direct essential infrastructure to where it is needed most.” (page 27)

The development of strong relationships with a wide range of public and private stakeholders is something of which the Corporation is especially proud. LTGDC has demonstrated how it is different from UDCs that have gone before, is committed to ‘holistic’ regeneration and not just land and buildings, supports local authorities in achieving their objectives for their own communities and aims to achieve high quality in everything it does.

3. Performance of LTGDC

The consultation asks how successful LTGDC has been in securing the regeneration of its area; assembling land and preparing sites for development; creating private sector confidence and maximising private sector investment; encouraging existing and new industry and creating an attractive environment and ensuring social facilities to encourage people to live in the area.

This section considers how LTGDC has evolved to deliver an effective and comprehensive approach to regeneration across each of its functions, thereby establishing the foundations for the regeneration of its area and answering the questions posed.

The review and evaluation of LTGDC's activities undertaken by Regeneris and Rocket Science seeks to provide an objective assessment of LTGDC's performance to date against the objectives it was set by government. This report is being made available to CLG and the Executive Summary is attached at Appendix 4.

Regeneration strategy

Soon after establishment in 2006, LTGDC produced regeneration frameworks together with fully costed delivery plans in partnership with the GLA family and the boroughs for both the Lower Lea Valley and London Riverside. The strategies provide the basis to transform the areas and create vibrant high quality sustainable communities with thriving economies.

The production of the frameworks revealed a number of conflicts between the Mayor, the boroughs and public sector agencies which had to be resolved in order to gain consensus and support for a unified sub-regional vision. This work was effective in ensuring that regeneration of the areas was considered in a strategic context and that realistic delivery plans were agreed. Management groups for the Lower Lea Valley and London Riverside were established by LTGDC to provide a forum for the public sector stakeholders to agree investment priorities, resolve conflict and ensure progress on delivery of the vision. These continue to meet at least quarterly.

Policy development

To give policy substance to the Lower Lea Valley Regeneration Framework, LTGDC worked with the Mayor to produce an Opportunity Area Planning Framework which was formally adopted by the Mayor of London in 2007. LTGDC is currently working with the GLA to produce an Opportunity Area Planning Framework for London Riverside for adoption by the Mayor in 2010.

Masterplans have subsequently been developed by LTGDC in association with the GLA family and borough partners for the main areas where intervention is required including Canning Town, Bromley by Bow, Sugar House Lane, Hackney Wick/Fish Island, Thameside West, Poplar Riverside, the River Roding, the A1306 corridor and Rainham Village. The Canning Town and Bromley by Bow work has now been adopted as policy by the local boroughs while the River Roding work has been given status through the Corporation-funded AAP for Barking Town Centre and the A1306 corridor and Rainham Village work is being given policy status through an SPD. Work continues on the others to refine them in the light of evolving local and regional policies and investment decisions.

As an example of this work the Corporation directly funded and resourced a Land Use and Design Brief for Bromley by Bow which has been adopted by Tower Hamlets, provided the

Corporation's emerging policy backdrop for the Trad/Pelican Wharf planning appeal and is acting as the foundation for compulsory purchase activity designed to produce a new district centre for the Lower Lea Valley in Tower Hamlets. More detail on Bromley by Bow is set out in the case study below.

CASE STUDY **Bromley by Bow**

Land at Imperial Street at Bromley by Bow in Tower Hamlets is a good example of the strategic, integrated leadership on planning provided by LTGDC. The Corporation refused planning permission for a development of several hundred flats at Imperial Street which prejudiced comprehensive development and the implementation of the Mayor of London's Opportunity Area Planning Framework. The importance of the appeal was demonstrated by the then Secretary of State recovering it for her own determination. In dismissing the appeal, the Secretary of State agreed with the Inquiry Inspector that the proposal put forward by the appellants was flawed and 'its implementation in a piecemeal fashion through the development of sites based on current land holdings would fail to secure the regeneration strategy envisaged.'

She further agreed that 'LTGDC has the powers and means of implementation to secure the comprehensive redevelopment sought in the Bromley by Bow area'. The Corporation has demonstrated this by funding and leading on the preparation of a Land Use and Design Brief to bring forward a new district shopping centre, primary school, housing and open space and worked with Tower Hamlets to enable it to be adopted as planning policy by the Borough.

The Corporation is now about to use its compulsory purchase powers to bring forward the district centre as part of a comprehensive development and is working closely with a potential developer who is working up a planning application including the district centre, the school, the open space, the housing and a library/learning centre.

In relation to transport, the Corporation produced its Transport Vision in 2008 and is currently working with Transport for London and others to develop a business case for a new station at Beam Park and a strategy and implementation plan to facilitate development along the A12 in the Lower Lea Valley and improve crossing points so as to remove barriers to accessibility. The Corporation is also supporting proposals to extend the Docklands Light Railway to Dagenham Dock and investigate the possibility of a Barking to Royal Docks Busway to supplement East London Transit Phases 1A and 1B. The Corporation is part of the group overseeing the development of Transport for London's East London Transport Strategy.

Investment

To 31st March 2009, LTGDC has invested **£133.5 million** of capital **across its 8 key project areas**, of which 60% has been invested directly and 40% through grant funding, mostly to the local councils. In each year of its existence LTGDC has spent in line with its budget.

LTGDC has a further allocation of **£80 million** of central Government funding for the period **2009-11**. To date LTGDC has acquired 30 hectares of land for redevelopment and has agreed terms to acquire a further 10.5 hectares. LTGDC expects to generate a further **£65m by recycling capital receipts** from land sales (£30m over the period 2008-11) to make the best use of its funding and maximise its gross investment in the area.

The key areas for intervention across the Lower Lea Valley and London Riverside were identified in the regeneration frameworks. Those that should be delivered by LTGDC were

selected through an exhaustive process of identifying where market failure was most significant, not being addressed by other public sector agencies and where intervention would lead to sustainable outcomes. These include five areas for revitalisation where communities will be expanded around existing transport nodes (Canning Town, Bromley by Bow, the Olympic Arc (Hackney Wick and Stratford), Barking and Rainham), two environmental projects necessary to provide much needed open space and local connections (London Riverside Parklands and Lea River Park) and major investment in employment (Dagenham South).

In addition, LTGDC has made a number of investments to improve education and skills in its area. As well as funding new higher and further education facilities it has both a revenue programme and a capital programme to support local schools. This is part of the holistic approach to regeneration taken by LTGDC. It does not focus merely on sites but supports housing and economic growth across its area through its strategic influencing (see section below) as well as cross boundary investment in transport, education, skills, culture, open spaces, public realm and health. The successful integration of education into regeneration is rare but very effective. An Executive Summary of an evaluation of education standards in East London is attached at Appendix 6.

A full description of the project deliverables is provided in Appendix 5: Regenerating East London: A report on progress and future activities.

A brief summary on each of LTGDC's key project areas is set out below:

Canning Town (see case study below)

LTGDC will create a vibrant new commercial centre with retail, office, community space and residential accommodation that maximises the opportunities offered by its proximity to Canary Wharf and the City. The plans for the centre include over 1,100 residential units and 30,000 sqm of commercial space. The potential for the centre will be enhanced by better pedestrian connections to the north through the removal of the roundabout under the A13 flyover which currently creates a significant barrier to movement. These initiatives will help support the local authority in its housing renewal and regeneration of the Canning Town and Custom House area which involves, in total, the demolition of 1,700 existing homes and their replacement with 11,000 new homes.

To date, an area of 2.3 ha has been cleared for development and a developer partner selected to develop the new town centre. All necessary design and feasibility work has been completed for the removal of the roundabout below the A13 and the slip roads in order to re-integrate the communities currently divided by this infrastructure and CIF funding has been secured to enable a start of construction later this year.

Olympic Arc

LTGDC has a programme of interventions to maximise the physical legacy of the London 2012 Games for the adjacent communities. Much work has focussed on integration with the Olympic Park and using legacy activity planned for the Park to build on drive regeneration in the areas around the Park. Specifically, LTGDC is planning the provision of new infrastructure in Stratford, Hackney Wick and Fish Island in order to harness investment interest from the private sector.

Design work for the upgrade of Stratford High Street is complete and works will commence January 2010. Further public realm enhancement works will also commence in the area next year.

The 'View Tube' visitor and community centre is now open and the 'View' a new inward investment and marketing suite will open in October 2009.

Bromley by Bow

LTGDC's strategy is to secure a comprehensive regeneration of three areas: Hancock Road/Imperial Street at Bromley by Bow; the Sugar House Lane/Three Mills triangle; and the Ailsa Street/Lochnagar Street area. It will do this by assembling the land which is in fragmented ownership, using compulsory purchase powers if necessary.

Building on the planning achievements at Bromley by Bow (see case study below), LTGDC is working with landowners to bring forward comprehensive development and has made significant progress with a planning application anticipated before the end of 2009.

Design and approvals have now been secured for a new junction on the A12 at Lochnagar Street and works will commence 2010.

Lea River Park

LTGDC will transform the Lower Lea Valley into a high quality and sustainable mixed-use city district, set in an unrivalled landscape with new high quality parkland and waterways. Central to this is the extension of the Lea Valley Regional Park south along the Lea river valley to the Thames. The extension south from the Olympic Park will connect local communities and create a range of leisure and recreational opportunities for residents and regional visitors.

LTGDC funded the upgrade of Bow Creek Ecology Park as the first stage in the Lea River Park project. It has now completed the design for the next stages of the Lea River Park with major construction work involving enhanced open space, new access routes, bridges and landings, to commence in 2010.

LTGDC was a lead partner in the new water impoundment works at Three Mills Lock which opened in June 2009 allowing commercial water freight to access the Olympic Park.

Barking Town (see case study below)

LTGDC will revitalise the town centre by leading projects that improve the transport services, provide new retail and leisure provision, create new space for cultural industries and secure new housing.

Expert advice and funding was provided for the acquisition of sites in the town centre to enable the development 500 apartments, a hotel, retail units, a lifelong learning centre, a family health centre and new public realm. LTGDC has also supported TfL in delivering East London Transit by relocating the market square and funding the upgrade of public realm. Works are due for completion January 2010.

LTGDC has assembled most of the site for a new creative quarter comprising 7000 sq m of accommodation and over 200 apartments. Planning permission has been received and a

development partner is being sought. The first building acquired has been refurbished and is now occupied by theatre, arts and design companies.

Rainham Village

LTGDC is revitalising an historic village enjoying good transport connections to central London and redeveloping the outdated commercial premises along the gateways to Rainham and London Riverside Parklands.

LTGDC has funded the rebuilding of access roads to local business areas and acquired a number of sites necessary to deliver its vision. It is well advanced on the design of a new library and transport interchange in the village centre that will be delivered in 2010. To the west of the village, along the A1306, LTGDC is assisting Havering College deliver a new campus on its land. It has leased a building to Havering College which it has refurbished for its Construction Skills Academy, opening September 2009, and has agreed the sale of a site for future development of the campus.

South Dagenham

LTGDC's ambition is to secure the regeneration of vacant and underused former industrial land south of the A1306, creating new employment opportunities and a new image for the area. Work underway will enable South Dagenham to become the centrepiece of London's Green Enterprise District and will be fundamental to the Thames Gateway's claim to be an economic Eco-Region.

LTGDC has acquired 15 hectares of land on which to develop the first phase of the London Sustainable Industries Park and accommodate a research centre for the Thames Gateway Institute for Sustainability. Once complete, the London Sustainable Industries Park will offer 125,000 sq m of BREEAM Excellent standard business space for leading environmental technology companies on a landscaped 25 hectare site. Construction will commence in 2010.

Heads of terms have been agreed with the park's first occupier, Cyclamax, a waste to energy business that will occupy 3.5 hectares and a planning application will be submitted in October 2009. Negotiations with other potential occupiers are at an advanced stage and in September 2009, a leading business park investor and developer was appointed by LTGDC to act as its developer partner.

London Riverside Parklands

LTGDC is providing a network of green spaces, open spaces and connections readily accessible to the public across the London Riverside area. The nature reserve at Rainham Marshes, managed by the RSPB, provides 645 hectares (an area twice the size of Hampstead Heath) of park and wetlands.

Since 2006, LTGDC has invested in improvements to access roads, new footpaths, visitor infrastructure and the education centre, to facilitate for the first time public access to the RSPB's nature reserve. This long term programme is an integral element of East London's 'green grid' and the Thames Gateway Parklands.

Schools programme

From the very beginning LTGDC made a decision to focus on “education-led regeneration” turning a poor education into a high quality offer which would attract and retain people who have a choice on where they live. LTGDC has so far supported three secondary schools (Rokeby, St Paul’s and Eastbury) with major capital grants totalling nearly £4m to enhance their planned BSF programmes, to assist them to deliver educational transformation. In parallel to this programme the LTGDC is also allocating £500k of revenue grants to schools in its area. The strategic priorities are to raise achievement, increase aspirations and improve employability skills. Schools closest to the eight priority areas are identified, and the majority of funding is allocated to those schools where the LTGDC is also providing a capital grant. One example of this approach is Rokeby School where GCSE results (A*-C) have risen from below 20% to nearly 50% in the past few years, and the Maths & English grades have been transformed.

CASE STUDY: *Canning Town*

LTGDC has worked alongside LB Newham to develop a vision for Canning Town which takes into account the changing nature in East London as well as the arrival of the Olympic Games in Stratford. LTGDC guided the Local Authority through the initial stages of the project and on to delivery, further refining the vision. Our aim is to create a vibrant new commercial centre in Canning Town with retail, office, community space and residential accommodation that maximises the opportunities offered by its proximity to Canary Wharf and the City. Another hub at Custom House is planned to coincide with the delivery of Cross Rail including connection and way-finding improvements in the existing housing area. The plan for the area involves, in total, the demolition of 1,700 existing homes and their replacement with 11,000 new homes, the creation of two new centres and a variety of infrastructure improvements. The Canning Town & Custom House project constitutes the 6th largest regeneration scheme in the UK.

LTGDC led on all feasibility and masterplanning work which the local authority has used as a basis for Supplementary Planning Guidance which LB Newham formally adopted in 2008. The Canning Town Masterplan & SPD was shortlisted for the Mayor's London Planning Award as best conceptual project. Other elements of work are now feeding into LB Newham's LDF process.

In parallel to undertaking the feasibility and masterplanning work, LTGDC has led and funded site assembly works make them ready for development. This work has significantly de-risked the sites and turned LB Newham's former housing land into an attractive proposition for private development partners to take forward.

LTGDC has made available up to £20m to assist LB Newham to clear former local authority residential blocks to make way for the new Canning Town centre. This includes the purchase of freehold and leasehold properties, demolition and site enabling works. To date, approximately £12m has been spent, and an area of 2.3 hectares out of a total 6.4 hectares has been cleared.

LTGDC worked with the LB Newham to set up a developer panel to develop out the individual sites as these become vacant or cleared. Most recently, Bouygues was selected from the developer panel in June 2009 to develop a £600 million town centre opposite Canning Town station. Upon completion the town centre will house an estimated 1,100 new mixed-tenure homes and around 30,000 sq m of retail, offices, leisure facilities, a supermarket and public open space. The redevelopment of the site, will provide up to 500 jobs throughout the 10 year construction phase. Start on site for the first phase is scheduled for late 2011.

At Area 3 in Custom House LTGDC provided £2 million to finance the clearance of the site in order to accelerate its development. Countryside, in partnership with William Sutton Housing Association, has now received detailed planning permission for 649 residential units and a new primary school.

LTGDC has funded the London Development Agency to assemble the Silvertown Way site, and we will work with the London Development Agency to bring forward the cleared 2.43 hectare site to the market.

To support the delivery of a new Town Centre, LTGDC is leading on all works related to the removal of the A13 Roundabout in Canning Town which foresees a radically improved pedestrian environment. which included undertaking the technical work, producing the planning application on behalf of LB Newham, and securing on behalf of LB Newham £18m CIF funding. The project has now successfully transferred to LB Newham as Highways Authority, and the works on the re-modelled junction will start at the beginning of 2010.

CASE STUDY: Barking Town

The Corporation identified the opportunity for a remodelled town centre in Barking, offering its local community improved public transport links, better shops and potentially 6000 more homes, as well as serving new communities at Barking Riverside. However the lack of a comprehensive vision and planning strategy prompted LTGDC to recruit staff, based in the Borough and to devote resources to prepare a statutory Area Action Plan.

LTGDC provided expert advice and £1.5 million of grant funding for the acquisition of sites to enable the development of **Barking Town Square** comprising 500 apartments, a hotel, retail units, a library and a new Family Health Centre. LTGDC has also provided £1.3m funding for new public realm at Barking Town Square and public art such as the Secret Garden and the Lighted Lady. The final phase of **Barking Town Square**, comprising 250 apartments, is due for completion late 2009.

LTGDC funded and led the River Roding Masterplan on land west of the town centre adjoining the A406. Key elements of the masterplan including transit and busway proposals and new bridges were fed into the AAP.

The **Cultural Industries Quarter (CIQ) is a key part of the masterplan**. This will comprise 7,000 sqm of accommodation for creative industries and 218 apartments. LTGDC has now acquired 5 of the 7 land interests required for the development and is commencing compulsory purchase of the rest. Investment in this project to date is £8.5 million. The first phase has already been delivered directly by LTGDC in the refurbishment and occupation of a formerly derelict warehouse of historic significance. A development partner to deliver the new build element will be appointed in 2009.

LTGDC has supported the construction of the **East London Transit** phase 1a through its £1.7 million funding of the new market square in London Road and a £2.7 million grant funding agreement to TfL to allow the upgrade of public realm works along the route through Barking Town Centre. Works started on East London Transit in January 09 and are due to complete in January 2010. The Corporation is investigating with TfL the development of a Barking to Royal Docks Busway passing through the CIQ site and across Fresh Wharf where major housing development is proposed to link Barking Town Centre with Excel and London City Airport

In 2008 LTGDC commenced the masterplanning of the **Barking Station** area which seeks to solve the present passenger and transport congestion around the station and integrate future expansion of public transport services.

The **Barking Interchange** masterplan is due for completion by the middle of 2009 and will be adopted by the London Borough of Barking and Dagenham as a supplementary planning document in March 2010. Feasibility work is being carried out on the initial interventions which comprise improved DDA access, increased ticket gate capacity and concourse area and aesthetic enhancements. Work on these could commence in 2010, dependent upon funding priorities.

As part of the development of Barking Town Centre, LTGDC is preparing to boost the facilities at **Eastbury School** and also planning to work with **Thames View Infants School** to assist them manage the additional capacity required at the school from the increased population in the area.

LTGDC is assisting the proposed Local Housing Company in Barking to deliver a redevelopment of the William Street Quarter (formerly The Lintons estate) a 2.6 hectare site adjacent to the town centre creating 460 new homes.

Economic development

In 2006 LTGDC produced an Economic Development Strategy (EDS) for its area based on existing analysis, stakeholder feedback and a market assessment. The EDS which identified the priority key economic development opportunities has been updated a number of times. LTGDC economic development activity has focussed on bringing together a number of public sector agencies with the private sector to deliver across the following areas:

1. **Business Tourism:** LTGDC with the LDA jointly commissioned a study on business tourism opportunities in East London and is leading the work on this with the five Host Boroughs Strategic Regeneration Framework group.
2. **Innovation and enterprise:** Following the success of the London Borough of Barking and Dagenham's Local Enterprise Growth Initiative, the UDC has played a leading role assisting the borough devise a programme of work and implement change and has supported enterprise projects in schools with its education revenue grants.
3. **Creative Industries:** In two of the UDC's areas there is the potential for significant growth in this sector. In Barking the UDC is delivering a Creative Industries Quarter, having already opened the Malthouse, and plans are emerging on how to retain and grow these industries in Hackney Wick & Fish Island.
4. **Environmental technologies:** One of the highest priority growth areas for the UK, London and the Thames Gateway, The Development Corporation has put significant effort to leading this agenda for East London and the Thames Gateway. The main areas of focus have been on delivering the Sustainable Industries Park, the Thames Gateway Institute for Sustainability and various projects to support environmental technology business growth.
5. **Financial and business services:** The Development Corporation has worked closely with Canary Wharf Group from its establishment. Despite the economic downturn the prospects for these sectors are still strong. Local employment rates in Canary Wharf are poor, so the UDC part-funded the National Skills Academy for Financial Services.
6. **Logistics:** Logistics is a sector which offers a lot of opportunity for East London but is not viewed favourably by local authorities. The Development Corporation has been working to identify areas for economic growth which are supported locally and commissioned a report for London Riverside which is guiding discussions with providers about the expansion of this services and infrastructure in this location.

LTGDC has taken an increasing role in co-ordinating inward investment in the area with Gateway to London, Think London and Invest Thames Gateway. LTGDC has made a significant contribution to aligning local partners in order to secure a greater share of London's inward investment by delivering the new marketing suite branded "The View".

Development Control

A protocol was concluded with the Boroughs in 2005 (and subsequently refined) to enable them to retain the planning application fees and provide a basic administration and assessment service to the Corporation as well as provide their own comments as consultees. The LTGDC provides expert advice on pre-application discussions and the

application process, culminating in a detailed report with recommendations to its planning committee.

Planning approvals granted

Since planning powers were granted at the end of October 2005, up to the end of the last quarter (end-June 09) the Corporation has determined **507 planning applications with 492 approved and 15 refused**. This is an **approval rate of 97%**, significantly in excess of average local planning authority performance. This has resulted in approval for **9524 residential units** (2366 of which awaiting S106 conclusion) and development capable of generating **9742 jobs** (2283 of which awaiting S106 conclusion).

Planning performance

The Corporation has been taken to appeal on 12 occasions and has a **100% success rate** in defending its decisions on appeal. This has included two notable public inquiries on the Trad site, Pelican Wharf, Bromley by Bow in Tower Hamlets and the Kingsway International Christian Centre proposals on London Development Agency land at Beam Reach 5 at Rainham in Havering. In both cases, the decisions on the appeals were made by the Secretary of State and were comprehensively in support of the Corporation's position.

Speed of handling major planning applications has varied from 50% in 13 weeks in 2006 down to 20% in 2007 and rising to 50% at the end of 2008 with a slight drop to 43% in mid-2009. These figures are below the Government target of 60% for all planning authorities. This is because the threshold for Corporation jurisdiction over residential planning applications is 50 units rather than 10 units for Council planning authorities, and for commercial development, the Corporation's threshold is 2500 square metres rather than 1000 square metres. In practice many Corporation planning applications are for hundreds or more than a thousand residential units and frequently as part of major mixed use developments. A large number require environmental assessments and therefore have a 16 week time limit for determination, in excess of the 13 week government target.

LTGDC performance on speed of handling applications is comparable or superior to planning authorities with similar powers. In the last quarter April-June 2009 LTGDC performance reached 100% (3 applications determined). In addition a further 2 applications were determined in accordance with timetables agreed with applicants under signed Planning Performance Agreements (PPAs). PPAs are increasingly being agreed by the Corporation with applicants who recognise that it is not possible to determine the complex applications they are bringing forward within 13 weeks.

Planning Obligations Community Benefit Strategy

The Corporation has provided strategic leadership in the development and implementation of a S106 Planning Obligations and Community Benefits Strategy with standard charges. The Planning Obligations Community Benefit Strategy (adopted in March 2008) is designed to contribute to the essential infrastructure required for the regeneration of the area. It provides a straightforward and transparent process for developers and encourages stakeholders to participate in determining the expenditure of contributions. The Strategy was the result of much background research into infrastructure requirements and several rounds of consultation. The Strategy calculates the charge per dwelling that is justified as a contribution towards the significant infrastructure needs of the area, which is known as the Standard Charge. However, with an awareness of development viability and the need to stimulate and encourage development in the regeneration area, the Corporation has

adopted a Discounted Standard Charge. The Deferred Standard Charge is the mechanism to ensure that the discount is recaptured if the viability assumptions justifying the original discount prove unwarranted. No deferred charge is required from developments of less than 100 units or units completed within 3 years of the grant of planning permission, which incentivises early implementation.

This system effectively sets a discounted rate, with the discount recaptured subject to sales values increasing from those anticipated when the legal agreement was originally signed. The rationale behind this is to strike the right balance between stimulating development and achieving the infrastructure that creates sustainable communities, based on justified infrastructure charges.

This system relies on the pooling of contributions so the Development Corporation has established Management Groups and Developer & Landowner Liaison Groups for the Lower Lea Valley (LLV) and London Riverside (LR). These groups play a role in agreeing how funds are best utilised although the final decision is ultimately made by the LTGDC board.

The Strategy and charges are currently under review in light of the prevailing economic climate and in order to incorporate any refinements from the first year of operation. It has been recognised as good practice in this area and the Corporation has been approached by the Planning Advisory Service (PAS) to contribute to guidance on “Planning in a Recession”. The Strategy has helped LTGDC continue to maintain effective dialogue with developers despite the financial downturn. The strategic approach has provided opportunity for more holistic infrastructure planning and the various liaison groups have ensured a more transparent process. Work is now underway to develop similar processes in Thurrock and West Northamptonshire, and several of the Boroughs are adopting similar strategies for areas outside of the Corporation’s boundaries.

To date approximately **£44 million of contributions** to infrastructure have been agreed through this strategy together with approx **£15 million from other S106 agreements**.

Integrated planning and development powers

Having development control powers and the development function in one organisation is a major attractor for potential inward investors. The Development Corporation has dealt with dozens of businesses seeking to expand or relocate to East London. Often the confidence that the Development Corporation can provide on planning is a key determinant in their investment decision.

The benefit of having planning powers, development powers and compulsory purchase powers in one organisation is most clearly demonstrated in the case of Bromley-by-Bow (see case study above) and the Creative Industries Quarter (CIQ) in Barking. At the CIQ a development is being brought forward by the Corporation, planning approval has been given by the Corporation’s Planning Committee and compulsory purchase powers are about to be used to complete the Corporation’s assembly of the land. The scheme itself delivers housing, creative and employment floorspace, significant public realm improvements and part of a major new public transport link.

Strategic Leadership and Influence

LTGDC provides leadership and co-ordinates strategy and delivery across the public sector. It has developed strong relationships with its public sector stakeholders and involved itself in many important projects that require leadership or support rather than simply a financial

contribution. In fulfilling this role the Corporation has provided the catalyst for partners to come together and realise major opportunities; examples include:

- Olympic Fringe – after failure by the boroughs, ODA and LDA to deliver an Olympic Visitor Centre, LTGDC delivered an inward investment marketing suite securing the commitment of 10 public sector agencies to pay for its use. Working with the ODA, LTGDC commissioned Leaside Regeneration to deliver “The View Tube”, a new public viewing facility. LTGDC harnessed the commitment of several agencies (ODA, LDA, British Waterways and Department for Transport) to deliver Three Mills Lock which provides a permanent head of water through the Olympic Park and allows water freight to access it.
- Olympic Legacy – LTGDC has spent a considerable amount of time working with the Olympic bodies and local authorities to plan for legacy within the Olympic Park and integration with the surrounding areas. Work with the ODA, LDA and Olympic sponsors has led to a number of wider legacy projects. The Development Corporation is also playing a lead role in mapping and programming key investment opportunities with the Olympic boroughs and CLG to ensure timely and co-ordinated interventions in site development and public realm.
- Sustainability – LTGDC has led work with the ODA and LDA on extending the Olympic Combined Cooling Heat and Power infrastructure as the first stage towards a renewable energy network for the wider Lower Lea Valley.
- Health and Education – through its work on housing forecasting, LTGDC has been able to provide robust information to inform decisions on future social infrastructure needs, and a quarterly update on delivery prospects.
- Barking Riverside – LTGDC has worked closely with the development company and others such as the local authority, TfL and the LDA on design, planning, energy efficient infrastructure systems, and securing new transport connections, e.g. ELT 1(b).
- The Institute for Sustainability - LTGDC and Arup were the driving forces behind the establishment of the Thames Gateway Institute for Sustainability (the Institute) The Institute is an independent, private sector-led charity created to significantly advance the UK's ability to provide solutions for a sustainable future. Its aim is to become: “A world-class centre of excellence for independent sustainability research, demonstration and knowledge dissemination”. The Institute currently has operational funding commitments of over £15m and is projected to facilitate £30m+ of research based activity in the Thames Gateway over the next three years. Institute partners include: Arup, IBM, QinetiQ, Siemens, Veolia, Imperial College and University College London.

The Institute and partners will deliver low carbon development best practice in a large number of projects, Inward Investment from world class academic and private organisations, major regeneration programmes focussing on SME support and education and skills programmes and a Research Centre at the London Sustainable Industries Park which will be the hub for an international network of organisations delivering best practice in sustainability

The Corporation has also, as planning authority, been able to take strategic leadership on major infrastructure projects such as the proposal to site a large prison at Dagenham, various waste treatment plants and the first phase of the Thames Tideway Tunnel project involving a tunnel from Abbey Mills on the River Lea to a substantially extended Beckton Sewage Treatment Works. Here the Corporation identified early on the conflict between the sewage treatment works at Beckton to treat the raw storm water sewage currently discharged into the Lea and the Thames and the potential impact of increased odour from the expanded works on regeneration opportunities in the area. A joint report was commissioned with Thames Water on the options for extending the works including covering over large amounts of the structures to limit odour impact.

Regeneration Capacity

There is little doubt that LTGDC has developed the largest single team of skilled regeneration practitioners in London. Over the last four years, LTGDC has recruited a highly skilled team of professionals specialising in the following areas:

- Planning:** development control, transport and planning policy formulation, compulsory purchase;
- Development:** land acquisition, housing development, social housing, commercial development and investment, project management, project finance, programme management;
- Economic Development:** inward investment, education and skills;
- Communications:** public affairs, marketing, public relations;
- Finance and Operations:** programme management, project finance IT, business planning, accounting

Through training and skills development this team has learnt to deliver regeneration in an integrated manner working across organisational boundaries. Furthermore, its knowledge of the London Thames Gateway area and working relationships with the many organisations involved in delivering the various aspects of regeneration built up over the last few years is unrivalled.

Efficiency

The Development Corporation has been set up with a high proportion of costs delivering front line services, (Development, Planning and Economic Development), and a low level of overheads. An agreement was reached with the National Audit Office that significant staff costs could be capitalised against projects. The administration overhead, (including Board costs), is less than 20%.

4. Changing context over the last five years

It was always understood that East London would experience significant change as the Thames Gateway initiative progressed; indeed the very purpose of establishing delivery vehicles was to accelerate that change. Whilst certain elements of the changing context were entirely predictable due to investments that were committed, such as CTRL (High Speed 1), others were not. The bid for the 2012 Olympic and Paralympic Games had been made when LTGDC was established but the result was not announced until July 2005. The recession was never contemplated. It is the mark of good regeneration to respond rapidly to changing circumstances; usually these adjustments require changes in priorities, movement of resources, and a degree of flexibility as activity settles down on its amended course. What is not appropriate is a wholesale abandonment of the long term strategy or the established mechanisms that have started delivering it.

The consultation on the quinquennial review refers to events that have occurred since LTGDC was established, noting in particular the impact of the recession on the UDC's current Corporate and Business Plans, the creation of the Homes and Communities Agency and the intention to create an Olympic Park Legacy Company. This section examines in detail the aforementioned events as well as examining other changes in LTGDC's operational environment that should be considered in terms of future delivery arrangements.

Characteristics of the UDC area

In the November 2003 consultation on the formation of LTGDC, the Government described the following characteristics of the proposed UDC area: disparate land ownership, large scale potential across administrative boundaries, major environmental challenges, local infrastructure/access issues, major programme management requirements, marketing/inward investment challenges, significant community cohesion/serious skills deficit, and the scale of contamination/groundwork issues. It is therefore appropriate to revisit the area's characteristics that informed the creation of LTGDC, consider how the context has changed and what the implications are for London Thames Gateway.

- (i) **Disparate land ownership** – East London was characterised by significant concentrations of brownfield and under utilised land in a multitude of ownerships, requiring land assembly.

The LDA has completed the land assembly for the Olympic Park but there are still large parts of the Lower Lea Valley in fragmented ownership which will require LTGDC to use CPO powers. Rampant land speculation around the Olympic Park has, until the impact of the recession, severely hampered LTGDC's ability to assemble land at financially and economically viable cost.

The land ownership in London Riverside is less fragmented but there are some areas where land assembly is required, e.g. South Dagenham where LTGDC is at an advanced stage in assembling land for the London Sustainable Industries Park.

- (ii) **Large scale potential across administrative boundaries** – major development opportunities straddle local authority boundaries and this has historically precluded a comprehensive approach to delivery of regeneration.

The LDA has assembled the site for the 2012 Games and construction of the Olympic venues and Stratford City is underway. But significant potential for cross

boundary regeneration still exists and LTGDC is involved in delivering a number such as the Lea River Park, East London Transit, the Inward Investment Marketing Suite, the Lower Lea Valley utilities network, Three Mills Lock and Olympic public realm.

With the huge injection of public funds in the Olympics the next three years are the critical period to maximise benefits from this investment. In London Riverside, the potential released by LTGDC investments is starting to stimulate private sector interest in the area. Again, it is vital delivery continues.

- (iii) **Major environmental challenges** – London Thames Gateway has a negative environmental image but also the unrealised potential of significant waterways and green spaces.

The largest sites (the Olympic Park, Stratford City and Barking Riverside) are benefitting from wholesale redevelopment. Outside these, the environment remains poor; the public realm is old and inadequately maintained; power lines, sewage works, waste recycling sites, and low grade industrial uses blight the landscape. Significant focussed effort is needed to tackle these impediments to the area's renewal.

- (iv) **Local infrastructure/access issues** – there are major barriers to moving around within the area plus inadequate local public transport, cycle and pedestrian routes.

The Lower Lea Valley has benefitted from massive investment in new rail links since 2003 with investment in High Speed 1; DLR to City Airport and Woolwich; DLR three car upgrade and the Jubilee Line upgrade but local access is still poor. London Riverside will benefit from East London Transit but is still largely inaccessible and has suffered from the cancellation of the Thames Gateway bridge and the DLR extension to Dagenham Dock.

- (v) **Major programme management requirements** – the scale of regeneration opportunity and complexity and interdependency of projects needs very strong programme management competencies.

The Olympic Park, Stratford City and Barking Riverside benefit from well resourced dedicated management teams. There is still significant regeneration required outside this area but a lack of capacity in the boroughs, the LDA and HCA.

- (vi) **Marketing/inward investment challenges** – ensuring clear and consistent marketing of the development opportunities in East London.

The promotion of East London is working better through the efforts of Gateway to London, Think London and Invest Thames Gateway but there are still major challenges of co-ordination and dissemination of the message. LTGDC has had to take a more proactive role in marketing East London opportunities; this is likely to continue.

- (vii) **Significant community exclusion/serious skills deficit** – East London displays significant levels of deprivation across all key indicators.

Although much has been done to address these issues, East London still remains far behind the rest of London. This tends to emphasise how deep-seated the problems are and how long sustainable regeneration takes. LTGDC will need to work with the boroughs to support the 'convergence' agenda.

- (viii) **Scale of contamination/ground work issues** – the nature of the previous uses on many key brownfield sites presents major decontamination, many in areas of environmental sensitivity adjacent to major water courses.

Although the Olympic Park, Stratford City and Barking Riverside areas have now been remediated, there are still significant areas of contamination where sites are still in industrial use or awaiting redevelopment. LTGDC will need to remediate many of these sites in order to attract the private sector to redevelop them.

What the above analysis demonstrates is that the rationale behind tackling East London's challenges with a dedicated organisation was sound. Whilst significant progress has been made, the same challenges remain and a 'tipping point' has not yet been reached where sufficient progress has been made to allow the public sector to withdraw from intervention and rely on natural market forces.

The Recession

Being a relatively small organisation, LTGDC is flexible and is able to adapt rapidly to change. In particular, LTGDC has proved its maturity through its speed of response to the impact of the recession. There have been several significant changes to the financial environment in which LTGDC operates. The biggest impact of these changes has been the forecast reduction in the projected level of receipts from £117m to £34m over the 2008-11 period, due to a reduction in land values and to a deferral of receipts from developer partners. Other impacts have included delays to delivery of outputs such as housing and jobs and the reduced number of potential development partners to bring schemes forward.

In response to these changes, a detailed review was undertaken by the Executive and Board towards the end of 2008 to identify the impact of the new environment on LTGDC's programme and to develop a revised plan that would allow LTGDC to deliver as much of its programme as possible. The Board of LTGDC determined a course of action to ensure schemes continued by phasing delivery (e.g. Canning Town, where a viable first phase has been engineered) and taking some additional risk. Additionally it decided to prepare for the upturn by continuing with its comprehensive area based approach to place making to make the area more attractive to investors by investing in social and physical infrastructure.

The Homes and Communities Agency

The Homes and Community Agency is the national agency for housing delivery and regeneration. The aim of the agency is to work nationally but support the ambitions of local partners to provide better places to live, through the 'single conversation'. Given the current challenges to housing delivery in the country, the agency is currently focussed on accelerating housing delivery.

LTGDC has worked very closely with the HCA's predecessors, The Housing Corporation and English Partnerships, and continues this good working relationship with the new agency. LTGDC has always believed that its work is complementary to that of the HCA. Its past experience is that it has supported the agency's work on housing delivery through its

development control role and through its work with local authorities and other public sector agencies in ensuring that supporting infrastructure is delivered. For example, on Barking Riverside, there has been a very strong relationship between the two organisations and LTGDC has supported Barking Riverside in securing ELT 1(a), investing in improved public realm, lobbying for the DLR extension to Dagenham Dock, helping secure CIF funding for ELT 1(b), funding TfL to provide proposals for Renwick Road grade separation, facilitating research projects with the IfS, delivering environmental upgrades to key gateways and, now, considering means to provide working capital for infrastructure. From LTGDC's experience, it is already clear that the combination of the HCA (a national body with a London Board) and LTGDC (an East London focussed delivery agency) is an extremely powerful one. LTGDC is able to provide additional expertise, experience and resource to allow the HCA to deliver on its 'single conversation' with the boroughs. The differing responsibilities complement each other well, and common Board membership assists that understanding.

Olympic Park Legacy Company

The redevelopment and regeneration of the Olympic Park is one of the largest, most ambitious and longest-term regeneration tasks this country has ever embarked upon. At the heart of this project is the creation of new communities centred on the Olympic parkland and venues.

The Olympic Park Legacy Company will take responsibility for the business planning and marketing of the Olympic Park, venues and commercial opportunities leading up to 2012; the management of the Olympic Park and venues after 2012; the redevelopment of sites in the Olympic Park used for temporary facilities during the Games, and their integration with retained venues; and working with partners to secure economic and social benefits and improvements in the areas of deprivation surrounding the Olympic Park.

The priority for the Company is to deliver the development of the former Olympic site as a high quality, sustainable mixed community as well as securing long term development of the venues and parklands in ways which provide national and local sporting and cultural value commensurate with their Olympic heritage.

LTGDC is leading on a number of projects in the areas surrounding the Olympic Park to ensure that the surrounding communities maximise the opportunities that will arise from the huge investment in the Park. It is imperative that the momentum that has been created is maintained. The period to 2012 is the time when the Olympic spotlight will be on these areas and they cannot afford to lose out on the opportunity.

LTGDC already has a good working relationship with the ODA and the LDA on Olympic fringe projects. Indeed, it has agreed responsibilities for delivery of projects in the Olympic fringe with the LDA, delivered the Three Mills Lock and the View Tube project with the ODA and been closely involved in negotiations around the nature of Olympic investment (e.g. the IBC/MPC) on the surrounding area. LTGDC has started a dialogue with the Olympic Park Legacy Company and expects to develop a strong and clearly defined working relationship. Both parties are agreed that the Olympic Park Legacy Company must focus its efforts on the Park while LTGDC focuses its efforts with the boroughs on rest of the Lower Lea Valley.

Olympic Host Borough MAA

The formation of the Host Boroughs' unit and the development of a Strategic Regeneration Framework (SRF) and moves towards an agreement with government of a Multi-Area Agreement (MAA) demonstrate some nascent ability of the boroughs to act strategically at a

policy level. However, the boroughs' delivery capacity and skills have not increased to match the ambitions being set out in the SRF. LTGDC's experience in working closely with the boroughs over the last four years confirms that the boroughs do not have the skill sets, resources or capacity to deliver the major interventions required to deliver a transformation of the area. LTGDC's resources, expertise and leadership are needed to support the boroughs in delivering massive change over a relatively short time until the 'tipping point' is reached and they can accommodate a more normal rate of change in their boroughs.

Planning powers should be returned to the boroughs once all local planning policies have been adopted and the boroughs can demonstrate their capacity to process applications expeditiously and ability to determine them on a strategic basis.

The Olympic and Paralympic Games

In itself, the 2012 Olympics will not deliver regeneration for East London outside the Olympic Park. Trickle-down does not work (witness Canary Wharf). The opportunity to secure a legacy outside the Park and leverage the huge investment in the Park exists in the period to 2012 and needs significant cross-borough intervention, now. If East London is to reap the dividends of the £9.3 billion Olympic Park investment, it needs the impact that a locally focussed time-limited, well resourced and skilled regeneration agency can deliver working in partnership with the boroughs.

It is probably worth repeating that government determined the need for a strong local delivery agency with planning powers to deal with the deep-seated problems in East London and bring forward large dysfunctional areas for development during buoyant economic conditions. Market failure has increased since this time while the opportunities afforded by the investment in the Olympic Park and supporting infrastructure have grown. The rationale for an Urban Development Corporation is logically now even stronger than in 2004.

Options for the future

The consultation for the quinquennial review sets out a range of different options for the future. For the numerous reasons set out above LTGDC strongly recommends that it should continue in its current form. Change now will delay or even destroy the prospects for the regeneration of the area at this critical time.

An Urban Development Corporation with its development, planning and compulsory purchase powers delivered by a skilled and experienced team with adequate funding and strong sponsorship is uniquely placed to accelerate the speed of regeneration in a difficult economic environment.

5. Stakeholder Opinion

In March 2009 LTGDC commissioned London Communications Agency to undertake a stakeholder perceptions audit to gather feedback on how the Development Corporation was perceived to have performed. A total of 50 stakeholders across national, regional and local government, politicians, businesses, developers, housing associations and education providers were interviewed. Respondents answered anonymously and an Executive Summary of the report is provided in Appendix 3.

Overall this audit has produced a positive set of results. It is clear stakeholders view the organisation as very professional with good leadership and the right skills to deliver regeneration in East London. While some stakeholders expressed frustrations about the

LTGDC's delivery on the ground, most recognised that the organisation had faced a number of challenges, including the time involved in assembling land, the economic environment and the crowded market place in which the organisation operations.

Building on this, more than half of stakeholders expressed the view that the LTGDC's lifespan should be extended now that it is in its delivery phase. Half also said there was logic in extending the LTGDC's boundaries.

Positive responses focused on the professionalism and knowledge of staff and the LTGDC's collaborative approach to working. The organisation is clearly seen as the body which can co-ordinate and deliver regeneration across several administrative boundaries.

The strong support for the organisation is apparent from the fact that 84% of stakeholders thought that the LTGDC had performed 'well' or 'neutral' in its performances as the lead regeneration agency in East London, despite the inherent challenges. Two thirds of stakeholders expressed a desire for LTGDC to be more interventionist.

A final very clear message arising from the audit is that two thirds said the LTGDC is a good organisation to work with – many in fact held the view that the LTGDC was better than other organisations operating in the area.

6. Recommendations

The LTGDC Board has considered the conclusions from the Stakeholder Survey and the Mid-Term Review and Evaluation Consultation. It is of the view that LTGDC is only relatively recently into its main delivery phase, (having started with no land, limited resources and, in certain cases, a less than wholly positive political climate) but that enormous progress had been made. It believes there is a very clear rationale to allow LTGDC to continue its work without interruption. Future progress could be enhanced by some changes to working arrangements and the following recommendations are being made to government to ensure London's potential is realised.

a. Hold firm on adopted policy for the Thames Gateway

Shahid Malik, Parliamentary Under Secretary of State in CLG, states in the Thames Gateway Annual Report 2008/9

“The regeneration of the Thames Gateway has never been more important. Continued investment by the Government in jobs, housing and infrastructure are helping the region weather the current recession and will help it play a key role in the recovery of the Greater South East and the UK as a whole. We can justly be proud of the major progress made over the last year. Together we can meet the challenges we face in the current economic climate and secure the Thames Gateway’s long term success.” (page 3)

LTGDC believes that government objectives for the Thames Gateway have been generally consistent over a long period of time, and still withstand the test of close scrutiny. Those objectives, set out in some detail above, have remained constant through periods of prosperity and recession, with the result that in East London, much is in place to secure the permanent regeneration of large areas and achieve the convergence to the London average on indices of deprivation that has eluded the sub-region for so long.

b. Ensure funding continues to be available for “mid-range” interventions

PriceWaterhouseCoopers LLP and Jones Lang LaSalle are currently commissioned to provide government and its agencies with an assessment of progress with the major developments in Thames Gateway, review their prospects in the light of the recession, and advise on any appropriate actions that government or its agencies could take. Thus far PWC has focussed on the five economic transformer projects, namely Crossrail, Canary Wharf, Stratford City, Ebbsfleet, London Gateway. The second stage of the work, commenced in late August 2009, is looking at large projects or packages of projects that will make significant contributions to realising the overall ambitions for the Thames Gateway. These include areas such as South Dagenham, where PWC has already identified the Sustainable Industries Park to be of strategic importance; interestingly it also picks up on the ‘stalled’ nature of development in the Royal Docks and suggests development viability and delivery should be reviewed there as a priority. LTGDC is assisting PWC with this second stage work.

There is little doubt from the initial findings that the need for sustained government investment and guidance is essential to the continued delivery of the Thames Gateway; what is perhaps most notable is the potential need for government’s further intervention in the five economic transformers.

In contrast, one of the consequences of various ‘rationalisations’ of regeneration funding programmes in recent years has been that, within East London there are relatively few

regeneration 'pots' from which to support medium scale "mid-range" regeneration activity. Whilst the major public investments in the big schemes continue, for example the Olympics, major infrastructure (like Crossrail), schools and hospitals, most of the mid-range programmes that focus on clusters of sites, town centres, the environment or employment have few options for support unless prioritised within LTGDC's programme.

It is clear that these 'mid-range' interventions are becoming increasingly important to support the success of the major economic transformers and realise the overall ambition for the Thames Gateway.

c. Maintain the momentum that has been started

The LTGDC current Corporate Plan 2008/11 has been carefully reviewed and agreed with CLG and local stakeholders in the light of the changing economy, the downturn in investor interest, the longer timescales for receipts, and the opportunities for timely investment in preparation for the upturn. The critical issue during this period is to maintain the momentum that has been started, building on successes such as the Sustainable Industries Park, Barking Town Centre renewal, the Creative Industries Quarter and Canning Town.

East London has from time to time been characterised by political complexities that have mitigated against consistency of policy and good progress with schemes. LTGDC has been able to chart a course through these complications and balanced the contributions of the democratically elected representatives on the Board with the government's expectations of LTGDC to achieve what's best for the wider area. This ability to prioritise within competing requirements is very valuable; it enables the UDC to place its resources where they will have maximum benefit and encourage the partner agencies to complement this investment with their own contributions.

d. Don't diminish the capacity and ability that has been established

As has been rehearsed earlier in this submission, LTGDC was set up because the existing arrangements were not adequate for the task. The London-wide responsibilities in the Mayor's family risked a limited focus on East London, and the boroughs welcomed the introduction of a new entity with the ability and resources to help them deliver in their most challenging areas.

Little has changed and, if anything, the LDA's capacity and resources have been reduced by the focus on the Olympics to the extent that the UDC has taken on their land in several areas, including Rainham and Dagenham. This is now acknowledged by the LDA in its announcement earlier this year that it will divest itself of its land and move towards becoming a commissioning body.

The Homes and Community Agency is currently focussed on accelerating housing delivery during this difficult period. This is entirely appropriate given the current challenges to housing delivery in the country, and particularly in London. It is already clear that the combination of a national body with a London Board, and LTGDC - an East London focussed delivery agency - is an extremely powerful one. LTGDC is able to provide additional expertise, experience and resource to allow the HCA to deliver on its 'single conversation' with the boroughs. The differing responsibilities complement each other well, and common Board membership assists that understanding.

Conversations with the new Olympic Legacy Delivery Company have already identified clear delineation of responsibilities inside and outside the Olympic Park, and the prospects for a

strong and clearly defined working relationship are good. In particular there is agreement on the importance of regeneration in the Olympic 'fringe areas', to ensure the benefits are more widely spread and not rely on 'trickle down' which didn't work for Canary Wharf and won't work here. The Chair and Chief Executive of the Olympic Park Legacy Company are clear that their priority is to secure a sustainable future for the legacy of the five main venues and to secure the investment to deliver six new neighbourhoods over the next 25 years.

Without exception, the main agencies operating in East London are clearly able to define roles, capacity and abilities and provide a powerful combination of resources. As part of this LTGDC provides a significant leadership role and resource which is delivering a positive impact on the regeneration of East London. Any diminution of this capacity will adversely impact progress.

e. Boundaries

In 2004 the LTGDC boundary was drawn to encompass the major concentrations of brownfield land in East London, primarily to focus on new development opportunities on complex sites rather than renewal of existing housing areas. This was because in the majority of cases, housing estate regeneration plans were well advanced in the wider Lea Valley area and to some degree in London Riverside. The notable exception was the Gascoigne Estate in Barking, where no scheme was in place.

Since then, changes in circumstances have required the Corporation to invest in accelerating housing schemes (Canning Town and Barking Town Centre for example) and invest in projects outside its boundary for the benefit of regeneration in its area.

Whilst the boundary has not proved problematic there are areas outside LTGDC's area that could usefully be incorporated to promote co-ordination between potential Corporation investment and planning control; examples include Stratford Town Centre south of Stratford High Street and the area between East India Dock Road and Aspen Way.

However of more significant concern is the absence of a clear framework for the future development of the Royal Docks that lies between the LTGDC's two areas of Lower Lea Valley and London Riverside. The Royal Docks enjoyed significant investment in the 1980s and 1990s which saw the development of London City Airport, Docklands Light Railway, new roads and bridges, the University of East London, Excel exhibition centre and significant housing schemes. In the last ten years further investments in the Royals have extended the existing schemes referred to above but whilst there is a substantial 'gravity' of development in the area it remains a partially completed place with no real centre and the current vacuum of leadership and co-ordination heightens the 'unfinished business' feel of the whole area. This will prove costly to the progression of regeneration in surrounding areas unless tackled urgently. The Green Enterprise District being developed by the GLA family encompasses the Lower Lea Valley, The Royals and London Riverside, so it would be logical to align LTGDC boundaries with this. The Green Enterprise District is the UK's largest resource recovery opportunity and LTGDC development and planning powers would provide the private sector with the confidence to develop this area.

Furthermore, a Cross Rail station is planned for Custom House. Urgent focus is required in this area to agree how the potential of this new infrastructure can be harnessed and proper linkages made across to Canning Town to ensure this highly deprived area can benefit. Land assembly is required to enable the development of a transport interchange possibly allowing connections by bus transit (as proposed by TfL and LTGDC) to Beckton and

Barking. LTGDC is already working with Newham to secure land for the interchange.

For these reasons, LTGDC believes that serious consideration should be given to including the Royal Docks within the Corporation's area so that better advantage can be taken of the substantial investment made to date, a single framework developed rapidly, significant public landholdings brought forward into beneficial use and private sector confidence restored.

f. Clarity of roles

Government should take this opportunity to restate roles, and responsibilities for delivery. It is a necessarily complex institutional architecture and for the most part the leading players are clear of their roles. However, there is occasional confusion and jostling for territory. Government needs to take a strong hand and insist that all main players (LTGDC, HCA, ODA, LDA, OPLC, boroughs) enter into a Memorandum of Understanding about roles and responsibilities and are tasked with delivering co-ordinated investment plans.

The role, responsibilities and investment plans need to be clearly communicated to the private sector to enable them to better engage in East London's regeneration.

g. Delegated authority

LTGDC's delegation limit was agreed at £5 million in November 2006 following CLG's satisfaction with the governance arrangements and systems that it had put in place to manage project and programme activity.

LTGDC is now actively into the "delivery phase" and a higher internal delegation limit would enable projects and programme approvals to be dealt with more promptly. The extent of the current programme puts considerable demands in terms of speed of project approval if LTGDC is to meet its targets. LTGDC has shown itself to be a mature and professional organisation and one which is capable of managing projects. Its control systems and procedures have been regularly audited by the NAO as well as its internal auditors and found to be sound. LTGDC therefore seeks an increase in delegated authority for its Capital Programme from £5 million to £10 million on individual projects. This limit would bring LTGDC in line with other similar organisations such as the Regional Development Agencies and the Homes and Communities Agency.

h. Approvals

From 1st December 2008, HCA has had responsibility for securing delivery of the government's Thames Gateway ambitions. However, CLG continues to sponsor the UDCs. Under the Memorandum of Understanding between CLG and the HCA, the UDCs are expected to consult with the HCA on their Corporate Plan and Annual Investment Plans and to report on their performance and expenditure. Additionally, CLG consults with HCA before making decisions on project approvals for the UDCs. Whilst it is appropriate that there should be regular consultation and alignment of programmes between the various organisations, the current parallel processes lead to a slow and overly complicated approval process. The process of gaining approvals for project expenditure should be streamlined so that decisions come through more quickly and programmes can be expedited.

i. Forward Plan

LTGDC's immediate imperative is to deliver on its Corporate Plan but it will soon prepare for the next spending period, 2011/14, and consider its forward strategy.

The Board believes that investment priorities moving towards de-designation should be determined by the degree to which the objectives have been achieved. For example the London Docklands Development Corporation, de-designated south of the Thames first, followed by LB Newham and finally LB Tower Hamlets. The critical decision will be when de-designation is most appropriate for that location. This will be determined both by when a 'tipping point' has been achieved and by the receiving authorities' capacities and abilities in planning, project delivery and public realm management. LTGDC believes that a phased de-designation is required according to capacity of local partners and in a way that provides confidence that momentum will not be lost. Confidence has been built up in the UDC's planning service, and the implementation of the Planning Obligations and Community Benefits Strategy (see above), and this level of service needs to be maintained. Return of development control powers to LTGDC's host boroughs should be conditioned by the boroughs having developed and adopted a full suite of LDF planning policy documents and demonstrating that they have the skills and capacity to be able to deliver sound and timely planning decisions. For the Olympic host boroughs joint planning teams and committees will need to be in place to provide government with absolute assurance that there is consistency of approach across the entire Lower Lea Valley on all decisions regarding Olympic legacy.

7 . Conclusion

There have been some significant changes in the environment in which LTGDC operates since it was formed. The recession has created greater market failure and increased the need for strong public sector intervention.

London 2012 has brought huge investment in the Olympic Park and significantly increased interest in the wider area. Much of this interest has been welcome but some of the speculation has severely hampered development in the fringe area. To capitalise on the Olympic Park investment intervention is required to bring sites forward before 2012. The formation of the HCA and OPLC do not alter the need for a powerful locally focussed regeneration body to deliver change in East London.

The next five years are critical for East London. We must take a lead on the opportunities offered by the continuing investment in the Olympic and Paralympic Games, and the foundations for wider regeneration laid by the Development Corporation and other public sector agencies must now be taken full advantage of. LTGDC is firmly of the view that every effort must be made to maintain and enhance the existing momentum established in East London over the last five years. Strong 'traction' in has been established in key areas by LTGDC and its capacity to deliver mustn't be squandered. Significant institutional reorganisation so soon after establishing clear government policy and delivery arrangements is bound to disrupt progress, and LTGDC's stakeholders have emphasised the need for stability and consistency.

However LTGDC considers that a number of actions could be taken to improve delivery in East London by extending LTGDC's boundaries, increasing its autonomy and clarifying roles to better engage the private sector.

LTGDC has made it clear that a key element of its role is establishing robust forward strategies; at some stage in the future we will responsibilities will be transferred to appropriate agencies. This may not be across all the area at the same time, and key criteria will need to be met so that government is satisfied that the rationale that required our intervention no longer applies.

In the meantime, London Thames Gateway Development Corporation with its development and planning powers, its local focus, its skills and experience, is uniquely placed to continue to deliver the regeneration that East London desperately needs.