

Regeneration Committee

8 October 2013

Transcript of Item 6: London Legacy Development Corporation

Gareth Bacon (Chairman): I now turn to item 6, which is the main item on the agenda for today. Firstly, can I welcome Paul Brickell, who is the Executive Director for Regeneration and Community Partnerships at the London Legacy Development Corporation (LLDC), and also Neale Coleman, who is the Deputy Chairman of the LLDC? Welcome to you both and thank you for giving up your mornings to enlighten us, which I am sure you will do with your customary aplomb.

As is tradition in these things, the Chairman tends to take the first question to open it out, so the question that we would like to explore is what progress you have made to date with the transition from the Olympic and Paralympic Park to a new town in the heart of the East End. I think possibly both of you could have some input on that, so we will start with you first, shall we, Neale?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Obviously, our immediate task after the Olympic Games was to complete the substantial capital work programme that is needed to transform the Park as a whole from a place where we could host the Olympic and Paralympic Games to give us the foundation for what you talk about in terms of a new town. But fundamentally to make sure that the venues are open to the public and for community and elite use, that all the necessary further works to connect the Park to its surroundings - which is a lot of work in terms of new connections, new bridges, new roads - is complete, and to complete a very large amount of landscaping work there.

We wanted to do that while also trying to give people access to the Park as quickly as possible. In that regard, we did two things. One was to put on a very ambitious programme of events in the summer including a major anniversary athletics event in the stadium and that was broadly welcomed and successful. We had nearly three quarters of a million people through the Park for those events. The other thing we decided to do was to try to open the northern part of the Park and the Copper Box Arena in advance of the rest of the Park, and they opened on schedule in July.

I am pleased to say that the Park is being extremely well used. I think in September we had more than 100,000 people coming to the Park. There has been a great welcome for the terrific new playground we have opened for children and for the café facility we have put in there. At the Copper Box Arena, we have had more people joining up to join the gym than anticipated by quite a long way. We have had a whole series of events in there, big boxing events, big basketball events. We have a basketball team in there. We have a netball team in there. We

have a handball team in there. So, generally speaking, we are pleased with the way that is going.

Alongside that, we managed to complete two very important pieces of business in terms of the venues in the Park. One was coming to an agreement with West Ham United that they would become the main concessionaire and long-term anchor tenant in the Olympic Stadium. I am pleased to say we are well onsite with the works needed to convert the Stadium now.

The other, crucially, was the deal with the iCITY consortium and with British Telecom Sport to make sure that the broadcast centre and the media centre had the future that particularly the London Borough of Hackney has been arguing for for many years as a real focus for digital employment. I think some of you went around the British Telecom (BT) studio and they have done an absolutely incredible job there. It is amazing what they have done there. We have also obviously done the deal for Loughborough University to move in there starting next year. We think those sorts of foundation pieces are in good shape and now I think we need to look forward to the future.

There are probably just two things I should pick out now at the risk of going on for too long. One is that we have decided that we want to try and accelerate the delivery of new housing in the Park. I think in the past people have talked about a very long-term programme of work in the Park stretching out to 2030. We think, given both the overriding need for more housing and the opportunity to deliver more quickly, that we should proceed more quickly with that. We have come forward with a plan to develop housing on the west side of the Park - and there will be 1,600 new homes there - more quickly than before with the aim of making sure that instead of that housing being delivered and finished by 2029, we bring that date forward to 2023, by about six years.

Founded on the actual success of the Olympic Games and the change in perception of the whole area that the Olympic Games brought, the great connectivity it has and the opportunity that there is there, we have started to look again - and I think this again will have been touched on by Dennis Hone [Chief Executive, LLDC] in your visit to the Park - at the opportunity perhaps to rebalance the development plans for the Park and perhaps to look at a greater element of economic and employment-related uses, particularly in the south of the Park. Necessarily that means doing slightly less housing, although I think it is in the scheme of things slightly less, but we think there are some opportunities to really get much more economic impact, to put in some big job creators there. That is something we have been very much encouraged to do by the local boroughs, all of whom want us to look at maximising the opportunities for economic and job growth and new opportunities for local people.

I should probably stop there. That is a sort of overview of actually where we are at the moment.

Gareth Bacon (Chairman): Many thanks for that. Paul, did you want to add anything to that?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): One element I would add is we have been struck by and encouraged by the quality of

the relationships that are forming between our operators and managers on the Park and the organisations outside. You saw a bit of that when you came, really, so the way in which Greenwich Leisure Ltd (GLL) and the Copper Box are working with schools and community groups outside and leading them into activity and new activity, linking them with the clubs and the idea that some of those kids might become professionals.

The other example was BT Sport where they have - and I think you saw this when you were there - this idea that BT Sport had been talking to the little cafés and restaurants in Hackney Wick and have the idea that they might be marketing, or are marketing, the evening out, which is that you are in the studio audience but you go for your meal there and you get a boat with a local company between the two. I think that is really encouraging. They have really caught hold of our ambition to have a seamless connection not just physically but in social, community, but also business terms and I think that is really very encouraging.

Jennette Arnold OBE (Deputy Chair): I am just wanting to ask Neale first. I absolutely welcome what you have said because I have been a visitor to the Park over the summer and it is lovely. There is a great buzz there because it is a fabulous open space.

I am just trying to understand. How should we be looking to judge success? In a way, the Park, what is not to be successful about? Fabulous space, well managed. If that continues, that is a success. But that is only one aspect of the whole project. How will we be able to judge the economic regeneration of the area and when should we start to look for success markers?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I think, yes, that is a good and challenging question. You are right, first of all, that the foundation of this is the continued successful management of the Park and the venues. If we do not get that right, we will be in a mess, and we do have some challenges there. We have to particularly get the Stadium back into use and make sure that we run a whole stream of events there besides football. That is going, I think, well.

In terms of the broader issues, there are obviously some specifics. I think I would pick out three things, really. One is we want to get some big attractors committed to coming onto the Park. I think people will know that we are in discussions, for example, with University College London (UCL) about the potential for them perhaps to look to do some major development on the Park linked to how they see their future. We are in those discussions. They continue. We hope they will be successful. But nailing one or two of those sorts of discussions is very important and I think will send out a big signal, so that is one thing.

Then I think we need to demonstrate that this is not just about the Park. There are two things about that. One is the surrounding areas and Paul has already mentioned Hackney Wick and I think we have some exciting plans for Hackney Wick. We are working very closely with the local borough there to bring forward regeneration, to improve the station, to link it into the Park, really to preserve as much as we can of the character and vibrancy of the area while bringing forward further development on the land we and others own there. Similarly, down in the south at Three Mills and Bromley-by-Bow, we really want to crack the longstanding problem of creating a genuine town centre down there, dealing with the issues of increasing connectivity

across the A12 and trying to do some of those things. There is another big issue obviously around the future of the Carpenters Estate, so there are those three challenges for us in terms of demonstrating that we can do something outside our area. We are very focused on that. Linked with that obviously is the work that is being done around social and employment initiatives and Paul can say more about that. I think a lot of good work is being done on apprenticeship schemes, on employment schemes, work with schools and so on.

Finally, the third thing, there is a bigger ambition here and it is the ambition around the concept in the Mayor's Plan that the boroughs attach great importance to of convergence, which is a broader ambition for the whole of east London to look to ways in which we can over time, over a 20 to 25-year period, improve the quality of life in east London so that it is the same as in the rest of London measured by a range of indicators. Development here and in Stratford, we think, can play a very central role in helping to achieve that. The way that convergence agenda goes and the way in which development in this area contributes to that is another important way in which you will be able to judge the success or failure of what we were trying to do.

Jennette Arnold OBE (Deputy Chair): Thank you. It is just that this is something that we will keep referring to because I think we could talk more about the relationship with the growth boroughs. For instance, you talk about Hackney, but the development of Hackney Wick and area has been on the borough's agenda and everybody's agenda for the last 20 years. I am just trying to get a sense of the additionality that we are going to get in that area.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I agree with you. It has been around for a long time. I think we are making some real progress with Hackney Wick now. It is one of the things that I am, frankly, most pleased about. That really is as much down to Hackney, the borough, as it is to us. They are really committed to working with us. We now have money. We have finance agreed from the London Enterprise Panel and from other sources to do the improvements at Hackney Wick Station that the borough has been looking for for a long time, to do the underpass under there, to extend the platforms so we can get them much closer to the Park. Also, the iCITY development gives us a very real opportunity, I think, to spread some of the economic uses that are there over the water into Hackney Wick. Certainly the people at iCITY are very committed to doing that. Paul has already talked about the BT Sports supply chain. We are going to do the same with the Loughborough supply chain. We can create some real opportunities for people who are in Hackney Wick to contribute to that.

We have also had a load of really good discussions led by the design team of LLDC with some of the small businesses, with some of the restaurants and cafés, with some of the artists and gallery owners in Hackney Wick about how we can use both our planning policy and other tools to make sure that we retain what is most exciting about the area. It is a difficult balance because obviously we are getting development pressure in there now. We need to make sure we get the right sort of development there and we do not ruin the area. We have done a lot of work there. There are more artists per square foot in this little square in Hackney Wick than there are in any other part of Europe and we need to make sure that we build on that strength and that we do not lose it.

Jennette Arnold OBE (Deputy Chair): Thank you.

John Biggs (AM): Yes, I wanted to punch the bruise, if you like. Obviously, I have an interest because my constituency contains most of the Olympic Park.

Jennette Arnold OBE (Deputy Chair): Not all.

John Biggs (AM): There is a very small part of the Olympic Park. There is a significant part in Jennette's constituency.

Jennette Arnold OBE (Deputy Chair): You just heard about the important bit.

John Biggs (AM): Anyway, it is not about a competition for that, but obviously it is about the underlying objectives behind the Olympic Games. You have said all the right things, Neale, about convergence and about integrating and about raising quality of life across the wider area and the implicit stuff about cliff edges and all that sort of stuff. However, when I read your board papers and I look at your business plan, it is overwhelmingly about the Park, the nice parklands and the venues and very underwhelmingly about the wider integration in the wider communities.

I suppose my key question is: when the Olympic Games were bid for, one of the most attractive parts of the bid was about the regeneration of east London and everyone repeats the same mantra about that being so important. How do you make sure at the LLDC that you do not get diverted by the very worthy and important job of getting the Park running from the bigger picture about how everything you do integrates the wider regeneration and improving the quality of life for local people?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Our board papers may give that impression. I do think it is a false impression. Certainly the great bulk of the energy that is going into the organisation at the moment is not so much going into the Park and the venues. I think the Stadium is a big test for us. We need to get that right. But we are trying to get into almost business-as-usual there. Most of what we do and most of the energy in the board and elsewhere is absolutely focused on these broader regeneration issues.

There is always this very difficult balance in regeneration between creating new opportunities and inevitably increasing land value, and making sure that you are not leaving the existing people in the area behind, that it is meaningful for them and that you are genuinely creating the opportunities for them. It is not an easy problem and not one where I think anyone has come up with a perfect solution.

However, if you look at the area and what we are trying to do in terms of the broader regeneration of east London, the fundamental objective has been in the London Plan right from the very first London Plan and carried on through all iterations of the London Plan. It is that the centre of Stratford should become a huge new metropolitan centre for London. I think we are making very good progress with that. We have the fantastic connectivity. We have Crossrail

coming in. We have retail development there. We desperately want to see the commercial development come forward on the International Quarter, which will be a really big job generator there. One of the things we are now trying to do absolutely is to try to spread that, particularly the employment growth, right into the heart of the Park, both on the waterfront site and on the site to the south of the Orbit, where we think we could see employment uses rather than residential uses. I think all that is fundamentally about regeneration and about new jobs.

Equally, we are spending a lot of time on Hackney Wick, a lot of time on Three Mills, which are complex and difficult regeneration issues. We are working closely with the boroughs and other stakeholders and, if necessary, we have powers we can use. We have our planning policy. If necessary, we have our compulsory purchase powers. We are very focused indeed on that work as well as on the work in the Park itself.

John Biggs (AM): I have just one quick supplementary. We have some more detailed questions later on, so I was looking at a high-level answer to this. Average household incomes in my constituency are amongst the lowest in London. When they look at the signals in the sales bump and in the media, they get a very clear signal about the Olympic housing - and I will ask a more detailed question later on - that it is not for them and that it is unaffordable. This bloke I know who may work in this building was quite interested in looking at the affordable housing and he looked at the rent levels and said, "Whoa. It is not going to work for me". He is a local bloke, he lives in Stratford and it is out of his reach. Regardless of the intentions, the signal is given that it is a different product and it is not really for local people.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I do not really understand that because, if you look at the housing that has been built, the big housing development that has been built is obviously the Olympic Village and East Village. While half of that housing is being offered at market rents, which I agree are probably outside the range of a lot of local people, half of that is affordable housing and all the rented housing in that is at target rents. It is not at affordable rents. So it is well within the grasp of people on low incomes.

Similarly, the planning consent that we have for the rest of the housing in the Park does provide for more housing to be provided at target rents as well as at affordable rents and has some quite stringent elements in it to ensure that where we are talking about affordable rents, particularly for larger units, we are talking about much closer to 40% of market rent than a higher level. Again, I think those homes will be affordable. One of the things we are placing an awful lot of stress on both in our development at Chobham and in the development we are trying to bring forward on the other side of the Park is to increase the amount of family housing, to increase the amount of traditional houses and to make sure that the target rent and affordable element also has a lot of that type of unit in it.

You have to remember we are talking here about contributing perhaps in the long term 7,000 or 8,000 homes. That is not going to solve east London's housing problems or London's housing problems.

John Biggs (AM): We are going to explore this in greater detail later on. I am more interested at this point in the signal that is given, given the objectives that lay behind the Olympic Games.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I think the signal that we have given is, as I say, the fact that we have the biggest single housing development in the area that is there now, it is about to be let now and all the rented housing is at target rents, so it is not at all outside the reach of people on low incomes. We have preserved in our planning consent continued provision of housing at those rents and looked to restrict the rental levels for the affordable rent product to something that will be affordable, particularly with the larger units. I think that sends out a signal that, insofar as we can, we are at least very conscious of the issues around affordability.

John Biggs (AM): Thank you very much for indulging me, Chair.

Gareth Bacon (Chairman): It is always a pleasure to indulge you, John. Moving on to the thorny subject of finances, how confident are you that with the current funding that is in place you can deliver the regeneration schemes that you just talked about?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): This is a challenge for us as it is, I think, for all public sector agencies at the moment in that we are going to have to do more with less. We recognise that and that is something we are working through at the moment. We think the overall economics of the Park and the development we are looking to do over time is to try and ensure that we work our way towards the Park becoming self-sustaining. We think that has to be our objective and we also think it is doable.

In practice, parks do not normally operate without revenue support and we have in place an underpinning commitment at the moment from the Mayor to provide at least £10 million a year towards our revenue costs. I think over the next four, five or six years we will reduce our requirement for revenue support significantly. However, in the shorter and medium term, we will need to look for further support and to make sure that we can, at the same time, both reduce our costs and increase our income. We are doing that. We are doing that across the board, but we are being careful to make sure that we do not compromise the major regeneration programmes and initiatives that we are doing.

I think Paul might want to say something about this, both because I am talking too much and also because one of the things which he does in terms of taking charge of those regeneration programmes is to have quite a big emphasis on how you can make them more sustainable without constantly needing to draw in money from them.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Certainly on the social-economic development programmes that we have - we might talk more about jobs in a minute, and I will glide over it - one of the things we have done with the apprenticeship programme in construction is invent something with REDS10, our partners, and BAM Nuttall, which is quite new and means that for the first time we are seeing significant numbers of young people in east London coming through for apprenticeships in the

construction industry and going out and being ambassadors for that. Actually, we have invested in that but we cannot go on investing in that because we will not be there forever. However, what has been very encouraging is that it has worked so well, that it has been taken on by our development partner, Taylor Wimpey, in the next phase as part of their offer to us. They came in and bid that and we will not have to pay any more for that, so we have grounded that approach to apprenticeships in the construction business in the next set of contracts. I know that there are other people across east London and across London in general who are also adopting that same model. I think actually it is not only that we are trying to embed in that case an initiative and mainstream it, if you like, but actually we are also trying to prove a principle so that other people across the capital catch on.

I think of a number of our sports programmes and the programme of disability sports. Again, our job is to be a development corporation, to develop ideas and to develop relationships and then leave those with those operators who come after us to continue with those things. I think we see ourselves as promoting development, not just in terms of building things, but in terms of new ways of working, new sets of relationships that will carry on without us having to continually provide it with money.

Gareth Bacon (Chairman): The business plan assumes quite a large drop-off in 2015/16 to generate around about £9.5 million. In your answer just now, Neale, you talked about the Park becoming self-sustaining in five to six years' time, which obviously is beyond that point. What measures are likely to be in train in terms of both increasing income and decreasing cost between 2015/16 and the Park becoming self-sustaining in five or six years if that is it?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): One thing that presents us with a little bit of a problem at the moment in terms of looking too far ahead is that I talked earlier about running the Park, becoming business-as-usual and whatever, but we are only at the first stage of that. We have not taken over the whole of the South Park yet. For example, we have an ambitious business plan for the Olympic Stadium, which requires us to get substantial income in from a range of sources for naming rights, catering and the like. To an extent, obviously none of those things are nailed down and we are at risk on all of those and we have to achieve those.

I think we can do that, but those are challenges and we have to be successful in increasing our income and meeting the targets we have set ourselves for income from the Park. We are looking to procure over the next 12 months an operator to run the South Park and the Olympic Stadium. That is a very important piece of procurement for us to try to make sure that we get someone in who can work with us to maximise commercial opportunities and to bring in more money. Equally, as we develop housing and as we develop commercial space on the Park, we are looking to bring in income from that in the form of ground rents and estate service charges. Particularly, as development increases, our income increases.

We also hope that over time our costs can be brought down further. Inevitably, they are going to be at their highest when we begin to open the Park. Just to give you one example, we are budgeting for quite a significant spend on security in the Park in the early years and that is because we think it is absolutely vital the Park is seen as a very safe place to come. That is

certainly how it works at the moment. We are paying money to the police and we have our own security people there and it means that at the moment I think it is working very well. If the Park were not to be perceived as a safe place, that would be fatal for its future. We are, for example, putting in more CCTV over time and I think we are looking again over the period to 2015/16 and 2016/17 to quite sharply reduce the amount of money we would spend on security in terms of the physical presence onsite. Again, that is something we will have to judge as we go along.

From a combination of a very commercial approach to our venues and to the Park which I think we have to take, through to looking sharply at our costs and particularly from new sources of income from development on the Park, that is the way in which we do project over time and we want to do it as early as we can. If you ask me the earliest possible year we could perhaps look to do this, I suppose I would be thinking more like 2018/19 or 2019/20 when we might be looking for the Park to become genuinely self-sustaining in terms of income.

Gareth Bacon (Chairman): Some of the costs. At the moment, the grounds maintenance, for example, in the Park is to a very high standard and in large areas of it. Would that be one of the things that you would look to scale back on?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I do not think we would. A lot of that, we are tied into long-term contracts. We are doing some benchmarking around that at the moment because obviously we could adjust that. We are doing some work with the Royal Parks at the moment to make sure that our costs are broadly in line with the sort of levels that they achieve. We think that there are some fundamentals and the Park being safe and being maintained to a high standard is part of making it safe, and the venues being accessible, successful and affordable for local people. I think if we start to compromise any of those things, we will be getting into difficulty and turning our back on what people expect from the legacy of the Olympic Games and from the Park.

Gareth Bacon (Chairman): I am pleased to hear it, not least because I would agree with you. One of the things that we discussed on a very informal basis when we did the tour of the Park at the beginning of September was really how the budget gap would be closed. It did not seem that there were any hard-and-fast solutions and it did not seem that there was anything ruled in or out. There was mention of the fact that with 7,000 or 8,000 new properties on the Park, a service charge of £1,000 per property would pretty much close most of that gap. Of course, with the provision to provide at least half of those new units as being affordable, that might take that out of the affordable range, particularly for local people.

How much of your thinking is going to be around things like that or around things like negotiating a new settlement with the Mayor and the Greater London Authority (GLA)?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I think probably both is the answer. In the short run, we are talking to the GLA about how we need to fill the gap in the medium term. You are right that we cannot allow estate services charges to put us in a position where that makes the housing, that otherwise

would be affordable because the rent levels are reasonable, become unaffordable because they have excessive service charges on them.

At the same time, when we look at the market rent housing, essentially that is something to an extent that we would look to the partners who are developing that to build into the way they price their product. We are looking to generate significant income from that source because, to be honest, that is the only way we can make the Park self-sustaining over time. That is something we have to do carefully. We have worked that through pretty successfully in the initial stages with Taylor Wimpey, the developers of our first housing scheme at Chobham Manor, and it will obviously be also a challenge for us to work through in the process we are about to start to procure partners for the next big phase of housing on the Park.

John Biggs (AM): I did have a financial question and I do not want people to go away from this meeting thinking I am some sort of shroud-waving doom-monger or something. I was a great fan of the Olympics, it is just the purpose of scrutiny is to ask challenging questions. It is not for us to praise you in public or indeed in private. I do not do that very often, either, do I? I am here to stand up for my constituents.

The question I have is this. There is a lot of good stuff happening. There is an elephant in the room in my mind, which is the financial memorandum for repaying the lottery and various others. If one looks at the London Docklands Development Corporation (LLDC), they had land vested at pretty low values and were able to trade that land to achieve their regeneration objectives. You could sell it to developers and get the money back and recycle it into other objectives.

With the Olympic legacy, there is a sort of massive vampire squid - that is a term I heard the other day in relation to an investment bank - which is in the shape of a government which wants to suck the value out of the land and get its money back. We do understand the history of why that happens but it would be a lot easier for us if there was not such an onerous need. Is there any progress on renegotiating that memorandum to recycle a greater value of the land for the regeneration of the area, which was after all an objective?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I do not think we are proposing to renegotiate that agreement at the moment and I do not think that is probably the best approach to this question.

At the same time, I think we have made progress in the discussions we have had with colleagues in Government about this. The LLDC's statutory purpose is to secure the regeneration of its area. It is not its purpose to pay back money to Government or to do anything that like. That is not its statutory purpose. It is to secure the regeneration of the area. We are going - and it would probably be unlawful for us not to - to exercise the discretions that we have for that primary purpose but to do them for some other financial and unrelated purpose.

I think that is understood in Government. This was an issue which was addressed in the National Audit Office's (NAO) report on the Olympic Games and in the Public Accounts Committee's discussions around the Olympic Games where there was a suggestion that a greater

degree of priority should be given to some of the repayment obligations. I think in their response to the Public Accounts Committee (PAC) on that, the Department for Culture, Media and Sport (DCMS) were very clear that the timing of land sales in the Park was a matter for the LLDC and that there were a whole range of regeneration considerations which we had to have regard to - levels of affordable housing, promoting jobs, general regeneration in east London - and that all of those things could affect the timing and quantum of receipts. Our view is that that is an acceptable context within which to continue to plan for the future.

John Biggs (AM): That is very helpful. As a footnote to this, the LLDC retains the freehold of land and will dispose on long leases?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): That is certainly our current intention.

John Biggs (AM): OK. If, for example, there was a slug of land that was worth £10 million, then the presumption that that would go straight back to the lottery or whoever is mistaken. As we all know, you can recycle the value of land into other objectives such as affordable housing and other benefits, the Community Infrastructure Levy and all those different attributes which help to create the balance sheet.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Yes, I think it has always been clear on the face of the agreement we have with them that if the receipts are reduced because of section 106 obligations or the Community Infrastructure Levy (CIL) or whatever or because of the nature of the agreements that we enter into, if you like, that is how it is.

John Biggs (AM): Therefore you will assiduously avoid the highest bidder in the pursuit of regeneration objectives?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): We will assiduously pursue the best value-for-money regeneration course. I think that is what we will do. I think we will try and get the best possible value-for-money outcome from our development programme and obviously that will mean taking a broad view of value because we are a regeneration agency.

John Biggs (AM): I am sure in my role as Chair of the Budget and Performance Committee that we would be very interested in seeing some of the numbers on that, but let us not delay.

I really want Paul to say something, actually, because Neale does all the talking for us. Neale earlier on did talk about the shift in the balance somewhat away from housing towards jobs and regeneration, jobs in the economic development, so the opening question is: what should be the right balance between the focuses of supporting new housing development and jobs and growth? You have sort of begun to answer it, but your philosophy has changed on this?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): I think the philosophy has only changed really because of the impact of the Olympic

Games. I think the penny dropped with a whole lot of us that business was very interested in this part of town and that the numbers of people who wished to come here were great.

I think you have already mentioned the universities and I think we have been very interested, too, in the universities that have come. Loughborough already has its boots on the ground, UCL Partners has its boots on the ground and both of those are organisations which are very committed to generating new business and attracting new business, so some of those university tenants that are already there are likely to generate new jobs already by themselves. I think that in a sense we are realising what was a long-held ambition, which was to generate as many jobs as possible there.

The other point of course is you can generate as many jobs as you want, but if we do not make those jobs for local people, east Londoners, or we do not equip east Londoners to get those jobs, then actually the broader convergence objective will not be reached. We have also put a great deal of energy into making people feel that those jobs are for them. You said something about people feeling that the homes are for them. We have certainly put a lot of energy into having people understand that those jobs are for them. The jobs are there now and there are jobs that will come in the future.

John Biggs (AM): OK, I will pick that up one while you have mentioned it, then. During the Olympic Games, there were a number of programmes which were about skills and employability delivered through borough units such as Workplace. The funding for those has reduced quite considerably since the Olympic Games. Are you providing support for projects such as those?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): We are. In terms of the jobs that are available, they fall into various phases. We have had the construction phase that is still going on, the transformation phases. There will be future construction phases through the neighbourhoods. Then there are end-user jobs if you like in the venues and in the management of the Park, which are beginning to come on stream now. Then there are the jobs that will be in the neighbourhoods, in the schools, in the health centres and so forth, jobs in iCITY, in the businesses that come in in the future.

Just briefly to take those in turn, we have exceeded actually our own expectations on construction. I think we are running now at something like 40% or 41% of the workforce so far has been from the host boroughs. We know because we spoke to people face-to-face that 85% of those have been residents for longer than a year, so this is not people coming just to work on the area. We have hit every target that we wanted to hit.

One that we worried about was the employment of disabled people in the construction business, which is tough, as you know, but we have exceeded that target too now. That is really by absolutely using the model that was developed by the borough job brokerages and developed by the London Organising Committee of the Olympic and Paralympic Games (LOCOG) for the temporary jobs. The key is always to work very closely with employers and to anticipate the jobs that employers are going to bring forward far enough in advance that you can then go to the borough job brokers so that they can speak to people and get those people trained. We are investing in the relationship with employers and backing up some of the specific training that is

needed - we are not doing the training ourselves but we are investing in it - and required to get people up for those jobs.

That has panned through into the early work on the venues. The Copper Box, for example, has only 60 jobs but 90% of those people are from the local area and that is because we worked very closely. We had to push them a bit, actually, but we worked very closely with GLL and with the borough job brokerages to achieve that. I should say on construction the key has been BAM Nuttall and Balfour Beatty. As our tier one contractors on the Park and the Aquatic Centre respectively, they have been absolutely fantastic in understanding our ambition and our objectives and working with us. We have been able to put bits of investment in where we have needed to.

John Biggs (AM): OK. I think we can note that in the evidence that you gave to the Regeneration and Communities Committee in Parliament, various speakers were presented and they were very encouraging. Private sector-led regeneration schemes - I suppose actually Stratford City would be a good example - have achieved quite a lot in terms of employment targets. Do you feel you are doing better than those?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): I would say we have been doing better than Stratford City. We have learned a lot from Stratford City.

The key has always been to be absolutely clear there, as we have been in the Park, with employers about what our priorities are and what the difficulties are. I will go back to construction. Construction is really difficult to get local people into because the skill base is not there, so you really do need long notice periods. You really do need to prepare people very carefully. That means having a relationship where you can talk to people early enough to get the information you need.

We are in the middle of doing the next piece of work, , which is to anticipate as far as possible the next mix of jobs that come in on the Park. We are working very closely with the iCITY consortium to do that not just in the Park but actually more broadly in east London. We are working with the boroughs to try to determine as closely as we can what kind of jobs are coming in over the next year or two years so that we can get people ready for those jobs and actually to take that work back into schools. We are doing quite a lot of work with schools, again, with the boroughs and others, getting into schools and as early as primary school, saying to the young kids, "This is a part of London that is changing, these are the kinds of sectors that have arrived or that are arriving and these are the kinds of careers you could aspire to. Incidentally, here is just half a generation above you who is already getting those jobs", and to use that to inspire kids, which has always been the purpose of the Olympic Games, really. It was to inspire the next generation not just in sports but in the idea that they might have a future in this part of town.

John Biggs (AM): Just in passing, do you or any of your contract partners use zero-hour contracts?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): We do not use zero-hour contracts. There will be down in the supply chain some zero-hour contracts. We have worked really hard to try to understand what happens in the supply chain. Again, construction is very interesting. Our tier one contractors have the London Living Wage, so on and so forth. It is everything you would expect that we are signed up to.

As you know, once you get into a subcontracting network, both in construction but also in service businesses, it gets much harder to figure out exactly what is going on. In construction, actually, the London Living Wage is the least of it. There is the National Minimum Wage you have to worry about and there are certainly zero-hour contracts, pay-as-you-earn tax (PAYE) issues and all sorts of things, which is why we have worked with our contractors to set up a voluntary accord with the agencies that supply subcontractors to make sure that we address some of those working practices. That has been quite successful.

John Biggs (AM): It will be interesting to hear offline about that accord and also about the resources you have for skills and training.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Just to say it is a very live issue with us.

John Biggs (AM): I am interested in the construction of your contracts, the shape of your contracts and how you are encouraging small and medium enterprises (SMEs) to bid for work within those contracts.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): We have always been very clear that we wanted SMEs to be involved as operators and as managers. We have been clear that the door was open to social enterprises whether they are local or other. I think one of the things is simply to signal that very strongly. We have also been very clear that we are commercial and we want commercial results. We are not from the school of thought that thinks a social enterprise is a business that loses money. It is a business that makes money and puts it back into its own social ends.

We were really encouraged from the early days when we let the contracts for the estate management. What happened was a number of the bidders came forward as quite large national or multinational companies but as part of consortia where they brought local companies in. Balfour Beatty WorkPlace is one. The contractor for the estate and facilities management brought with them Renaisi and Groundwork, two small businesses locally, to add that dimension that we were clearly asking for. They were not the only people who did that, incidentally, but they were the major ones, so I think signalling that is very important.

The other thing we did early on was make it really clear that we were going to break up our catering concessions into small lots and we were going to invite small businesses. We were really pleased with the response when we put the first of those tenders out which was for Timber Lodge, the lodge in the North Park. That was a contract again that attracted a lot of small businesses and it was won by the Camden Society, a north London-based social enterprise, running the café but in partnership with Community Links, which is as, you know, a small

charitable business in east London, to help run the community facility that is attached to the café. That is another very good example.

We will do more of that. I think if you open the door and you make it clear that is what you want, people will apply. Actually, what you find out there is there is a lot of really good quality commercial businesses, small, that are doing the job.

John Biggs (AM): OK. If I can burrow a bit further into this SME question, Paul, so slice into the iCITY question. One of the storylines of the Olympic Games is that quite a lot of SMEs which were perfectly happy trundling along in the area were extinguished by the Olympic Games. They were acquired. They had to move out. Jobs disappeared. An important part of the legacy is to create a fabric in which there are a substantial number of new SMEs located within the legacy Park and its fringe areas. You spoke about Hackney Wick as a very exciting area. I think we all know there is big development pressure and that has eased off a bit, but there is a risk of housing developers snapping up sites and squeezing out businesses and so on.

Are you clear in your objectives as to how you can preserve the fabric of SMEs in reasonably affordable space as part of the legacy?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): I think you have already alluded to it so I will not elaborate but in Hackney Wick particularly, but also in Fish Island. Those are the main two locations.

Yes, clarity about how we use our planning powers to keep conditions that allow them to flourish as well as bringing new business into the empty land that is there. That is one. Two: I have been very encouraged by the ambition of the iCITY consortium to fill that space with small businesses and I think we will be seeing as they bring their plans forward actually some very exciting configurations of the iCITY space in order to do that. I am really very encouraged by that and we will see.

John Biggs (AM): You almost have my script in front of you here, not that I ever normally follow it. Can you update us on the discussions about the next steps in iCITY, then? So we have the headlines .

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Before I do, I would just add that the final thing with that, now that land is becoming available and released from transformation, is the interim use. The meanwhile use is very important to us. I think we have two aims for that. One of them is about animating the routes in and out of the Park, but the other actually is to attract small business in who can begin to work on an interim basis and will then be the businesses that move into our retail and commercial space in the neighbourhoods as we open them. We want to try and establish that habit of small businesses moving in, working and then moving into our future space - early doers, really - so that we do not end up with either empty retail and commercial units in our neighbourhoods or units that go for other uses.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I have to be a little careful about stealing iCITY's thunder here because they are about to submit a planning application and in the wake of that they will have obviously quite an ambitious marketing campaign around the space that they have available. They have not actually shown us the guts of the marketing campaign yet, although we have been through some of their ideas, as Paul says, about what they are going to do with their work to the broadcast centre and the media centre.

Obviously, we have something like 40% of the total space let to three big tenants and a smaller tenant. We have BT Sport. We have Infinity signed up as the datacentre provider there. We have Loughborough signed up and we have Hackney Community College signed up in association with Loughborough, so we have those four tenants in place. They are focused on the broadcast centre.

So far, there are no lets on the press centre there. iCITY continues to talk to a whole range of people who are interested in coming and taking space there. There is a real demand and they are very excited about the extent of market demand there. They are looking at a broad range of potential users. There are obviously some big spaces in the press centre that can be taken. There are whole floors there and I think they are looking at businesses with a focus on innovation, links with Loughborough and other universities in the area and close by. As I say, no further lets are settled. There are a lot of discussions going on and I am confident we are going to see some really exciting employers moving in.

At the same time, they are looking at the potential in the broadcast centre to create a whole range of space for smaller businesses including very small businesses. There are some really imaginative ideas about how you can use the gantry spaces on one side of the block and we will see that when their planning application comes forward shortly. There is just a big buzz around the place. With BT, Paul has talked about some of the things they are doing. The encouraging thing is that both iCITY and all the occupiers are really committed to working with us on some of these broader objectives.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): The key purpose of Loughborough coming here is to take the research that they are bringing and use it to create start-ups. In fact, I am going up to Loughborough tomorrow to look at what they have done up there in terms of their business start-up and incubation and growth unit. That is what they want to do here.

The final thing I would say is actually we have 50,000 square metres of consented commercial workspace down at Pudding Hill Lane, which people tend to forget is part of our land. We are beginning now, as that becomes available after we stop using it for logistics, to talk about what that is for. I think we are beginning to have some quite interesting thoughts about that.

John Biggs (AM): I have two other tiny things. The first is: the other massive development in the area is of course the International Quarter which, because it sits next to Stratford City, might get forgotten. It is the biggest potential supplier of jobs in the whole Olympic Park. It is not actually your development, is it?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): No. The land is owned by Lend Lease, there is a joint venture between Lend Lease and London & Continental Railways.

John Biggs (AM): There are potentially 25,000 jobs there. Do you have tentacles into it in terms of your remit?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): We are obviously the planning authority but also we try and work very closely with all the major private sector landowners in the area, so Lend Lease and LCR but also obviously Westfield, Inter Ikea and others. There is development coming forward on the International Quarter. There is a new hotel where a deal has been done that will come forward there. They are looking at bringing forward their residential. Obviously, they continue to try to look for opportunities to begin the commercial development there. Anything that we can do to support them in that we try to do and we talk to them about that. It is very important for the area that we do succeed in getting some of that commercial development away and I hope that will happen. I would have thought it unlikely that they are going to build speculatively in the commercial space there, so it is a matter of continuing with their marketing to try to attract tenants to the site.

John Biggs (AM): My other little question is about the Carpenters Estate and that is torn between various other uses that people intend for it and the existing community on the estate. Do you have a position on Carpenters?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I am not sure what you mean by "a position". The land there is owned by the council. The council has tenants and leaseholders on that land. There are freeholders on that land. I think the primary responsibility for coming forward with proposals for that area is with Newham.

John Biggs (AM): As the development corporation, you have a perfect right to have your own sweeping plans for the area, but you are abstaining from that. You are passing it back to Newham. Is that what you are saying?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I think it would be strange in exactly the same way as if we were to go and tell Lend Lease what sort of offices to build on their site, which we do not. I am not, in the first instance, going to go and tell Newham what to do with their site.

They did have proposals, as you know, which have now been abandoned for bringing a university to the estate and they are now, I think, thinking again about the options for that site. We expect them, when they have finished thinking about that and have some firm options in mind, obviously to come and talk to us about them and we are waiting for them to do that.

John Biggs (AM): OK. I thank you, Chair. I worry about the continuing uncertainties.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): We agree. I think it is important that the future of the estate is resolved and we hope and expect that Newham will be in a position to come and talk to us soon about what they are going to do.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Obviously, there is a formal process for thinking about it through the generation of our local plan. Carpenters Estate is in our area but the Stratford Island site, for example, is outside the area and there will be ideas coming forward from that that will go to Newham. Again, it is important to see Stratford as one place. We certainly see Stratford as one place, even the bits that are outside our area.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): We have some quite narrow points of view. I do not think it is for us at this stage to get directly involved in, if you like, the landlord-tenant issues that there are there, which are primarily for the council. Clearly, we would want to see development there planned in association with development on the Park. For example, it would be extremely helpful for the future of the Park and the general development of the area if any plan that did come forward for the estate also facilitated new routes from Stratford Station directly into the Park. We would want to work with them on master-planning that in due course.

John Biggs (AM): Thank you, Chair.

Jennette Arnold OBE (Deputy Chair): I just wanted to be specific now because I want to talk about black and minority ethnic small businesses, not just because it is Black History Month. But the Mayor last night at a meeting here with a full Chamber of black businesses was nodding and agreeing that one of the things that we should be looking at, especially the Mayor himself and his strategies and policies, is to unpick these hurdles that small black and minority ethnic businesses meet. We talked about the large contracts and we have heard talk about breaking those down.

In this area the Pakistani business community is one of the largest business communities in the country and very able. Not far away we have one of the largest Jewish business communities in the country. It is sat in the middle of one of the largest Vietnamese communities, Afro-Caribbean and black communities. I am sorry if I have missed anybody out. These are vital businesses that have been here in these areas, that actually transformed these areas. My concern is that they will not get an opportunity to be part of the growth of this area from now until 2030. What positive discussions are you having with businesses from these communities? If you have not, do you have a plan to?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): I have talked about our commitment to opportunities for small businesses and the way that has begun to happen.

Jennette Arnold OBE (Deputy Chair): Black and minority ethnic businesses. This is an area where the population is in the majority?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Hang on. My argument is going to be that I think the key thing is to open up to small businesses, actually, and I would be amazed, then, if black and minority ethnic (BME) businesses then do not take advantage of that. I am going to use that because of the employment. I cannot point to something where we have not seen a result yet because we do not have those businesses. However, if you think of the kinds of businesses that we are going to need in the neighbourhoods, they are going to be serving 7,000 homes in the retail spaces there and commercial spaces.

Let me just wind back to employment. In employment, we have busted every target we ever expected, so I can tell you that once you open up the market to local people, we end up with 63% of our workforce being from BME groups, which is what you would expect.

Jennette Arnold OBE (Deputy Chair): We are not talking about your cleaners. I am not talking about your manual jobs. I am talking about your accountants. I am talking about your surveyors. You have here a diverse community with all these skills, with businesses.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Yes. I am confident that once we begin to have numbers of small businesses active in the Park, once we get the rest of our small contracts let, which will not be many, actually, but once we get those neighbourhoods open and businesses moving into those neighbourhoods, we will see the full reflection of local businesses that you would expect.

The one thing that we have done at the moment, for example, in the festivals that we had where we had an opportunity to get some small businesses in through the concession work, to be the stores, to be doing the catering concessions, to be the acts on the small stages, as is appropriate for small acts. Actually, if you went to those festivals, the two of them really, the Create Open East Festival and also the National Paralympic Day, you saw businesses active there that were reflective of the diversity of east London that you have talked about. At the one opportunity we have had so far to work with our partners like Create and with our partners in the boroughs to get small businesses in there, they were reflective of the community. I am very confident that as we go forward and are looking for the permanent businesses that will come and occupy space in the Park, we will see the same thing happen.

Jennette Arnold OBE (Deputy Chair): I will come back to this another day because I would like some figures as well. I would like us to move away from talking about seeing BME jobs in terms of service. I would like to be seeing how companies from many ethnic communities who are in finance, who are in investment, are involved in this area and at this stage.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Yes. What I am saying to you is all I can ask you to do is judge us so far on the only thing you can judge us on: the workforce that we have, which is reflective, and on the small

businesses that have been involved in the events we have run because those are really the large volumes where we have been successful.

I think you are absolutely correct that we need to see that then reflected in the permanent businesses that move into the Park and move into our facilities afterwards. I am very confident that we will work as hard to make sure that they reflect the diversity of east London as we have already worked. I am sure and am very confident that in two, three, four or five years as those businesses increase in numbers in iCITY or in the neighbourhoods, we will see the diversity that you have talked about reflected and that it will not just be the low-level businesses. It will be small businesses acting across the range because that is what we have seen in jobs and in the businesses that we have had for our temporary events.

Jennette Arnold OBE (Deputy Chair): I am sure you do not mean it with the phrasing “low level”. It is not about that. Every job is valued. I just think that there is a mind-set that I will not accept that says there are certain jobs that certain communities do. I am looking for an openness and an understanding.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): I think that is absolutely right. It is interesting you say that because, if you look at BT Sport, for example, they have the workforce in high-level technical jobs. They have recruited a workforce that is at a high technical level. It is not reflective of east London. What is very interesting there talking to BT Sport and iCITY is what will be crucial is the relationship with Hackney Community College and the apprentices so that in three, four, five or ten years’ time as the next generation comes in to take those high-grade technical jobs, that will look like east London. I think we have a real job to be done, but what encourages me really strongly is that the people who run BT Sport and the people who run iCITY share the ambition that you have set out there.

Jennette Arnold OBE (Deputy Chair): I can assure you that I have already been and had a discussion with Andrew Campling [General Manager for London] from BT and said to him that the profile of his staff to date did not reflect that locality --

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): No, it does not.

Jennette Arnold OBE (Deputy Chair): -- and so that is something I will be staying on the case of.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I think that is right. That is very helpful, actually, to us as we work with them to change that.

Gareth Bacon (Chairman): They did acknowledge what you are saying on the site visit that we went on and they did talk about joined-up thinking before going off into the future and that was part of the reason for getting two tenants like that in the same building.

Nicky Gavron (AM): I was going to ask about the Cultural Quarter but I see it is a question in its own right. Just summing up what Jennette said last night, one of the points made by the audience and some extremely high-powered businesses was that small and medium-sized enterprises are locked out and BME enterprises are locked out of contracts. One of the ways forward in terms of procurement might be if they -- bundled? Is that the expression?

Jennette Arnold OBE (Deputy Chair): Unpicked or unbundled.

Nicky Gavron (AM): It was more bringing themselves together so that they could actually bid as consortia. I think that was what the bundling meant. I wonder how much of that is encouraged.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): I think, as I indicated earlier, we have encouraged that, yes. There are a number of both things. So an example of unbundling. Both things are ways of working. In terms of unbundling, for example, we took a look at our catering contracts across the Park and we could have said, "We will hire one big company to run all the catering out of all our venues and all of the temporary catering in the South Park Plaza once it is open", but actually we took a very clear decision not to do that but to unbundle that big contract --

Nicky Gavron (AM): Sorry, I am getting it wrong, then. It is not consortia.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): No, it is both of those things. This is an example on the catering contract. We could have let one big contract. A very big company would have got it. We decided not to do that. We decided to say, "We will let the contract for Timber Lodge, which is the North Park Hub, as the first one and then we will let the other catering concessions that we have individually".

Nicky Gavron (AM): Yes, I really liked eating at Timber Lodge.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Exactly. That is run by the Camden Society, which is based in north London actually but is a small business, a social enterprise, in partnership with Community Links, which is a small charity business which runs out of Canning Town. That is an example where they now are doing that and you saw it is good quality stuff they do there. But they are running that place because we unbundled the contracts. Now, as we let the contracts for the other venues and the outdoor concessions on the Park for catering, they will go to a constellation of small businesses. That is one thing.

The second thing is the consortia example, so if you are managing a park, you really have to have one business manager in that park. Otherwise, your finance for one thing will go to shot, so your quality goes. The whole thing will be a mess. However actually, you can let the contract in a way that says, "We are really committed to having the local in here, because actually we think your business managing the Park, cutting the grass, doing the security, first of all needs to understand the local conditions and needs to understand the young people who might come in and do good things or bad things in the Park, needs to understand how to make sure that local people can get the jobs, to make sure that local community organisations can do

the volunteering, which also helps you with security". So, because we have put such a high premium on that, we include it in the scoring mechanism for marking the bidders and we included that as a high score that it would be local, what we found is that a number of the bidders came forward with a big multinational company at the core but in partnership with local small businesses, not just in a lip-service partnership but in a genuine partnership, so a business relationship between big and small. The people who won that, the Balfour Beatty WorkPlace in partnership with Renaisi, which is a small business based in Hackney, and Groundwork East London, which is a small charitable business, part of the Groundwork family but operates across east London, those three together are doing that piece of work for us and that is why we are able to now drive up the number of local employees in that consortium because they have those things.

I think there are two things you can do. Both of the things you have said are right. Where appropriate, unbundle the contracts so that small businesses can bid for them. Where that is not appropriate, like we have to manage this Park as a whole, you make it really clear that you expect to see a local understanding and a local dimension in the delivery. The experience we have had is that that drives people towards including small businesses in their bidding consortia.

Gareth Bacon (Chairman): When you put your contracts together for tender, do you give them a steer pretty much along the lines of what you have just said? Do you actually speak to them and suggest that they go to local businesses to partner with them as a way of getting into that or is that something you leave to them to intuitively work out for themselves?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): We tell them what the evaluation is.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Yes, we tell them what we want. We tell them what we expect to see. Actually, if you are looking at the procurement, you will say, "OK, we need some local knowledge here". Then, in the scoring mechanism, you can value that in the scoring, up to a certain extent. Obviously, commercial finance is important, too, as you have talked about, so it is about getting a balance.

We have not broker marriages but we have made it very clear. What is interesting actually is you get a big company looking around the areas and seeing the players they might go into business with. We have seen one or two examples where actually they did not win the bid but they had gone off and done other things together, which is rather nice.

Gareth Bacon (Chairman): Yes, that is quite a beneficial by-product.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Yes. Actually I think there are in east London a lot of small businesses that have become very open to the idea of business relationships because that is particularly helpful where you have charitable businesses that have been cutting their teeth and becoming more aware themselves of the need to generate revenues. They have lost their fear of working with big businesses, they have moved from accepting money from big businesses on the basis of

corporate social responsibility money and started looking for opportunities to have genuine business relationships in which they bring something to the party.

Nicky Gavron (AM): Like trading arms?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Yes, for charities.

Jennette Arnold OBE (Deputy Chair): Neale, the Committee heard when we visited the site in September that the LLDC would like to see the Park and Stratford become a cultural destination. You, it is reported to me, at a staff meeting said that you want to create a new Southbank as part of the LLDC. This is what you told staff and they have reported it back to us.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I am being spied on?

Jennette Arnold OBE (Deputy Chair): Yes. Now, can I say to you now? Let us put this perspective. The Royal College of Arts is investing in Battersea, we have the Southbank regenerating itself nicely, we have the King's Cross Cultural Quarter with Central Saint Martins and now we have a new Stratford Cultural Quarter. To what extent is this sort of thinking now about shortage of space or about financial sustainability or about the need for there to be that cultural offer in the area?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): It is one of the things which the Mayor is personally very committed to here. We are really looking to try to make Stratford, Stratford Town Centre and the Park a big destination, for it to have a big destination offer. We think there are some fantastic opportunities in the Park to do that.

We have, for example, a terrific site which we will be seeking to develop in the medium term on the waterfront at Stratford, which is where the water polo venue was during the Olympic Games. If you think about it, if you went to the Olympic Games, when you crossed the big bridge, it was the site immediately to your right. It fronts onto the river down there. It is very close to transport. It is potentially very accessible directly off that bridge and in other ways as well. You could imagine that site being extremely attractive for a range of commercial development, for it being a place which is very lively, which has a lot of leisure destinations, which has the bars, which has the restaurants. The ability to do that and to really make that exciting would be enhanced very considerably if we could look at putting some very significant cultural attractors on that site. If you brought people there in large numbers, perhaps particularly if you were able to do that around the two ends of the site, it could be a very exciting way to really draw more people into Stratford.

We do want to do that. We are very keen to see that and it is not just about the Park and it is not just about the big things that one would immediately think of as cultural attractions. For example, we have actively encouraged Westfield to develop and bring forward the plans that they have announced in embryo to put a major snow sports centre in central Stratford which we

think, and Westfield thinks, could attract millions of extra visitors a year to the area. No doubt Westfield hopes they will do some shopping while they are there. So, yes, we want to do that.

We are at a relatively early stage of thinking that through and talking to potential partners, but we are trying now to look at the sorts of people we might work with in doing that, particularly on the most attractive parts of the site. We think that in the right way, with the right partners, with the right support, that could have a very big economic impact as well as being an exciting way to develop the Park.

Jennette Arnold OBE (Deputy Chair): But you are looking and thoughts have been about a university and clearly that brings students and brings that sort of energy. Does it bring culture?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Yes, I think it does. I think it brings learning. It brings education. It brings excitement to the area. I think there is a very direct link potentially between developing a big higher education offer on the Park and the sorts of cultural offers that one might bring there. If you look at what is happening at iCITY, I think some of the exciting things that are happening there are around the creative businesses that go there, the businesses that are about design but also the businesses that are about making things. London's economy is changing fast. We all know what the big growth areas in the economy are. A lot of them are about creative businesses in the broadest sense of that term. I think that is really one of the things we want to push as being part of the future of this place. It is where that sort of thing will happen, whether it is new design businesses, whether it is new cultural businesses, but all of those potentially can link and cross-fertilise with a higher education presence on the site. I know that is something which the higher education partners we are talking to are potentially very excited about.

Jennette Arnold OBE (Deputy Chair): Just a moment, Paul. If I can just stay with Neale, we know - and you made reference to them in your answer to John [Biggs] - that the International Quarter, which is on the south side of the development, and LCR, which is a Government-owned company - so it seems to me you could have a really stronger relationship with them than maybe Lend Lease - are bringing in a four-star hotel. Does that come with its own casino? We know some cultures come with hotels. We will not go there.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I think hotels are very important to the area and they would be very important to the area as a destination. When people come for events or to visit the area, currently they go and they stay in local hotels. We have built some. In the area we have seen significant hotel development off the back of the Olympics. It is a substantial job creator. Also, as I say, if you want people to come to the area, if you want tourism to be about east London as well as west London and central London, we need a very good quality hotel offer.

Jennette Arnold OBE (Deputy Chair): Are you talking to them, both Lend Lease and LCR, about work in that cultural offer within their area as well?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): We are certainly talking to Lend Lease and LCR and Westfield and all the other

big landowners about our developing ideas for the Park so that they understand what we are trying to do and so that we understand their development plans. Obviously, they have their own commercial interests but, broadly speaking, most of what we are doing is to be welcomed by them because it is creating new opportunity. It is increasing the potential they have for using their sites or the attractiveness of their sites to occupiers and tenants.

Jennette Arnold OBE (Deputy Chair): It is an area that we are interested in because it does need a cultural offer and it does need to be distinctive of that area. I am just not sure what it is going to be.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): We hope to be able to clarify that over the next year. I am not in a position to say anything very definite now, but we are talking to people.

John Biggs (AM): The National Gallery would look quite good in Stratford.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Indeed and why not?

John Biggs (AM): Why not, indeed. We should be thinking ambitiously like that.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Also, in addition to being about the large and the set piece, it is about the small and the diverse again. The Southbank is fun but probably a lot of people do not ever walk in the big buildings. They just enjoy what is happening there. If you think of Stratford Rising, which is the grouping of cultural organisations in Stratford, down the Stratford High Street, the Cultural Interest Group in Hackney Wick and Fish Island, there is an enormous amount of organisations there which are about performance and about song and dance and those activities. Across the canal, on the opposite side of the canal from the Stratford waterfront that you are talking about, is the South Park Plaza that we are building at this moment, the idea of which is this promenade between the canals north of the Orbit, which also then has spaces for performance whether it is individuals, groups, schools, clubs or any of those diverse cultural organisations. I already know that Stratford Rising organisations and other organisations are just waiting for the day they can begin to inhabit those spaces and bring the small and the lively as well as the set piece cultural institution.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Just as a bit of a distinctive element in it perhaps, if you look at the Southbank, it is an exciting place. It is a great place. Lots of people come there. The catering and restaurant offer is very chain-like. That is not what we would want to encourage, frankly, here. We want something that was much --

Jennette Arnold OBE (Deputy Chair): The foodie centre of the world with the world's foods.

John Biggs (AM): I should put a plug in for Birkbeck College, of course, of which I am a governor, which is based up at --

Gareth Bacon (Chairman): Do you have an interest there?

John Biggs (AM): I do not get paid so --

Jennette Arnold OBE (Deputy Chair): But the area already has its own university, the University of East London.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): John is right to talk about that because that is about to open, I think.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): It has opened.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): It is going to have its official opening shortly.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): The point is we have four universities there as we speak: we have the University of East London in a great partnership with Birkbeck, we have Loughborough with boots on the ground and we have UCL Partners, which is a consortium of medical schools and hospitals, about to move into the East Village. There is a suddenly a university cluster there bringing in a lot of life. You know Birkbeck has a very great cultural offer and is a big cultural attractor in itself.

I would say one of the interesting things about the University of East London (UEL) is how welcoming it has been to that, to all of the above, and has decided to collaborate and be open-hearted to its benefit, actually, rather than to close down opportunities. UEL has been a great catalyst in the area.

Nicky Gavron (AM): Just before I get into more detail, is there anything either Neale or Paul would like to say on the progress of house building or the plans for the Park? Is there anything general?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Yes. As you know, we have secured one development partner for the Chobham Manor site, which is a site that we hope in total will provide about 850 units. We are working very closely with them towards them submitting the planning application for their first phase of housing very shortly. That first phase is going to be around 260 homes --

Nicky Gavron (AM): Beginning next year?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Yes, it should be onsite next year. One of the things that we have managed to do successfully in discussion with them particularly is to really encourage them - again, there is a signal in this - to maximise the amount of family housing that is in that development. Out of

the 260-odd units, around 200 will be three, four or five-bedroom properties. That is really a significantly larger number than one would normally get.

As I have said, in terms of the affordable offer here, in this first phase we are running at slightly under 30¹. If you take the 260 units, we have not settled this finally, but we are looking at most of the affordable being for rent, so probably 36 of the homes being social rent and target rents, 35 being for affordable rents and a relatively small number of shared ownership units, perhaps 8 shared ownership units.

Nicky Gavron (AM): Can I just stop you in your tracks? Of the rent, how many of those are family?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): The majority of those are the family units.

Nicky Gavron (AM): Three, four and five?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): No, they are three and four, the rented units, so something like 49 or 50 of them are three and four-bedrooms. I think we are relatively pleased with that mix in terms of really pushing the family housing but also pushing the rented element in the affordable. We hope that will go onsite next year. That is where we are with that.

The future phasing of that obviously to an extent depends on how well their first phase goes and how quickly they can sell the market homes. We would hope that the second phase will follow on pretty sharply and we will start talking to them about the detail of that as soon as we have this first phase out of the way.

As I said, the other thing that we are looking to do - and I have talked about this already - is to go to market with a much bigger scheme on the west side of the Park, the housing that is broadly in front of the International Broadcast Centre (IBC) on the other side of Waterden Road and the housing that is in Tower Hamlets and on the Sweetwater site to the south there. We are looking to start that procurement by going out for initial expressions of interest in October and to do a full Official Journal of the European Union (OJEU) procurement starting sometime probably around next February. We are expecting that we will be looking for a significant amount of private market rent in that housing because we are, as I say, looking for developers and partners who will commit to a rapid delivery of that scheme as a whole.

Nicky Gavron (AM): Is bringing it forward by --

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): We are bringing it forward compared with our original plan. If you take a look at both sites, originally we would have completed everything by 2029. We are now looking to complete by 2023.

¹ Following the meeting, the London Legacy Development Corporation clarified that the percentage of affordable housing in Phase 1 of Chobham Manor is just under 30%.

Nicky Gavron (AM): How many homes are you talking about there?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): About 1,600.

Nicky Gavron (AM): Yes. Of course, up till now, I do not really think the affordable rent regime has really bitten, so to speak, but it is now really coming in. What will that mean for those 1,600 homes?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): This is something that we are obviously talking to the boroughs about now because we will need to look at a detailed offer in terms of the affordable in the same way as we have settled at Chobham. It is fair to say that the boroughs have a number of concerns and priorities, all of which we have to respond to. One is that we should stick to the agreement that is embodied in our existing consent around the relative shares of shared owners of tenure, so shared ownership, affordable rent and social and target rents.

Nicky Gavron (AM): And that would be? Just repeat it again.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): It is a 30:30:40 split in the consent, 30 social, 30 affordable and 40 intermediate and that is embodied in our consent.

Nicky Gavron (AM): OK. Is that over the whole site? Is that a 60:40 split?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Yes, this is site-wide. All this relates to our existing planning consent, the so-called Legacy Communities Scheme consent.

Nicky Gavron (AM): So 40 private and 60 affordable?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): No, we have a site-wide target to achieve 35% affordable housing across the site as a whole in our consent. We have a minimum requirement that we produce 20% affordable housing across the site. Obviously we have a viability review built into the process as we bring forward each phase. When we do those reviews we will have to look across the board at the mix, in terms of bedroom size, the total quantum of affordable housing and the split between the different types of affordable. What I am saying is the boroughs are saying to us one thing they want us to stick to very clearly is that 30:30:40 split in terms of the types of tenure we are bringing forward.

Nicky Gavron (AM): A range?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): A range between—

Nicky Gavron (AM): 20 to 30.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): 20 to 35. But our target across the site is 35.

Nicky Gavron (AM): Across the whole development?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Right. Our target across the site is 35. That is our planning consent.

Nicky Gavron (AM): When you say "site", sorry, is this --

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): The whole development. I mean site-wise. I mean everything.

Nicky Gavron (AM): The whole lot?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I mean all the housing development we are planning to do in the park and we have an outline consent with section 106 that has those provisions in it. Obviously as individual schemes come forward we have to make detailed applications or reserve matters applications which specify exactly what we are doing in terms of design and everything else, but also in terms of the affordable housing offer. That is what we have done on site, we are about to complete that in terms of the first phase of Chobham Manor and we have started to talk to the boroughs about the new scheme that we are planning for the west side of the park.

Nicky Gavron (AM): When you say market rent, you want to do a lot of market rent there. That is instead of the homes for sale?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Yes. We will see what the market wants to do, but that is essentially for the private element. We are looking for a greater element of market renting within the private element of the development, because we think that will make it more likely that we can accelerate the development and also to an extent it will mean that the development will compete less - if you like - with the offer at Chobham, which is essentially where the market units are on offer for sale.

Nicky Gavron (AM): Do you anticipate that the affordable rent is going to be at the upper end, 70%, 80%?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): No, I do not think so. I think that again is something that the boroughs will want us to address through the viability review mechanism that we have. Again, our planning consent requires us to do that. We have maximum levels for --

Nicky Gavron (AM): Sorry, your planning consent requires you?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Our planning consent requires us to look at the percentage of market rent applicable to the affordable rented units as part of the viability review mechanism for each zone that we bring forward. We have to have regard to the adopted policies in the development plan, but we also have in there some maximum levels for Chobham, which we set out in the planning consent and which we are specifically asked to have regard to.

For example, the four and five bedroom properties - and I do stress these are a maximum that we are supposed to have regard to - the planning consent provides a cap of 50% of market rents and for three bedrooms 60% of market rents. I am not saying those are the levels we will come in at, because those are specifically set out as being agreed maximum levels for Chobham. It will obviously vary according to the size of units. When we talk to the boroughs now about this stage and when we are looking at the planning parameters for this development we will be looking at the overall quantum of affordable housing, the quantum of the mix, in terms of unit sizes and types, the split between different types of affordable offer, and the rent levels for the affordable rent product. Obviously to an extent there are trade-offs between those elements.

Nicky Gavron (AM): Yes. In the trade-offs do you think there might be a much higher proportion of one and two bed flats at 80% of market rent?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): No, I think we are very committed to making the initial scheme --

Nicky Gavron (AM): I am not talking about Chobham Manor now.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): No, I am talking about this scheme as well. All our discussion around this is that we will continue to try to drive up the percentage of family housing on this site as well. We are still looking in terms of the way we see this scheme at the moment. It is still running at levels of family housing in excess of 60% of the total product here. Again, we are at an early stage, but we are very clear that we do want to maintain the emphasis in this scheme on family housing and also on providing a significant number of traditional family houses as part of the scheme.

Nicky Gavron (AM): That is very reassuring, that is the 1,600. What about the rest?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): The rest we are at a very early stage and frankly, not thinking too hard about at the moment - that is not quite right. We are at a much earlier stage. This is where you get an interplay between the discussions we were having earlier about the balance between jobs and homes on the site. If you look at what we are talking about here, we are talking about really completing the housing development in the northern part of the park. We are talking about the Chobham site, the sites in Hackney and the sites in Tower Hamlets. The rest of the housing sites in the park, in terms of the Legacy Communities Scheme I think are all in Newham and

there is a substantial site to the south of the Orbit. There are other sites in the Pudding Mill Lane area and there is a Stratford waterfront site, which I talked about earlier. In all those cases those are precisely the sites where we are now thinking about increasing the level of alternative uses potentially. For example, if we are able to come to a deal whereby a major university moves to the site to the south of the orbit and the other side of the river there, then we will not do residential there. It will mean there will be a consequence that across the park as a whole we will do less residential.

On the waterfront site, the waterfront site obviously is the site which is closest to the transport. In all the planning stuff we have been doing so far that is where you may see a greater percentage of smaller units, because essentially that is where we will want to build at significantly higher densities, because it is right on top of the transport, and it would be wrong not to do that. That does not mean there will not be family housing there, but plainly that is where we may go higher than we are elsewhere and it butts up against the commercial development that we are looking to see in the International Quarter. Again, the precise disposition of that may be effected by the discussion we have just had, for example, about the cultural offer on the sites. At the moment the consent is essentially a residential consent with some commercial, largely leisure type uses along the waterfront. It may be that we will want to see some more of that site used for other purposes. To an extent that is up in the air at the moment. What we are very keen to do is to push on with delivering the big scheme, the 1,600-unit scheme I have talked about. That is our priority at the moment.

Nicky Gavron (AM): Sorry, Neale, earlier you talked about service charges. If you are involved in being a tenant either for affordable rent or social rented homes, you do not normally pay service charges. Are service charges going to be charged to those?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): We are still working on this. I think we would not want to do that. We need to work with the developers we have here to provide - as far as possible - an inclusive offer, so people understand what the rent, what you now have to pay is, whatever you want to call it, but it is an inclusive all-in charge. So that they know that upfront. I think that is the approach which the owners of the Olympic Village, East Village, have taken in their offer to the market of the rented units that they are putting out there, that there is one cost and the only other costs you have to think about, in terms of where you live, is your utility bills.

Nicky Gavron (AM): So there is one rent?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): That is what I think we would want to do.

Nicky Gavron (AM): All the affordable housing has one rent?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Yes. I think we would want to do this, frankly, not just on the affordable housing, we would want to encourage the people we are working with to do it on the market rent as well.

Nicky Gavron (AM): Does that mean you are including the service charge in the rent?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Yes. You are right to pick this out as an area where we need to do more work. We need to get this right. What we cannot allow to happen is to make commitments to the rent levels being affordable and then to sort of bung an extra bit on top so they are no longer affordable. We have to avoid that happening. Equally we have to make the schemes viable. There is a balance to be struck there, but what we will not do - I emphasise this - we will not compromise the overall affordability of the units, either in terms of the units which we are committed to letting at target rents, or the units that we are letting at affordable rents, in the context of the caps I was talking about a moment ago.

Nicky Gavron (AM): I do not know enough about your exit strategy, but this affects it, does it not? If you are not really getting the value that is needed?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Well, no. Obviously there are extreme positions here. If you really wanted to develop this site out with primary regard simply to maximising eventual returns and you were only interested in that you would adopt a very different approach and strategy to the one that we are adopting here. You would be much more aggressive about your planning negotiations, in terms of affordable housing. You would probably be looking to do development at a much slower rate so you could benefit from increases in land value overtime. You would not be talking probably about bringing a university to the site or bringing cultural institutions to the sites, because you would almost certainly get higher receipts in the long run from just purely residential development.

Everything we are doing does have an impact on the overall receipts we get and on the values of the site. We think it is the right approach, given as I said earlier that we are charged with the regeneration of the area. That is our fundamental statutory purpose. I also believe that we will still, through adopting this approach secure very significant receipts overtime. All our modelling suggests that - notwithstanding the things I have talked about; notwithstanding our commitments to affordable housing and now looking to this - we will still bring in very substantial receipts as a result of our plans.

Nicky Gavron (AM): One last question, if you will forebear it. Just going back to the social rent, are you talking about affordable rent at a target of the social - I do not know, 40% or whatever, I do not know what you would call the target rent - or are you talking about proper social rent with security of ten years?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I am talking about proper social rent. That is our commitment as I understand it, to provide social rented housing. That is built into our consent because there are some particular factors that we need to have regard to. There are issues about obligations that were entered into when various people were re-housed in the run up to the Olympic Games, where we have to provide nominations back, and those clearly have to be on all fours. They need to

be social rent essentially. Also because, I think, we have envisaged whether this will happen or not, but we also need to look at the potential that there may be for us to provide accommodation for people to be re-housed from estates in the area where there are other regeneration schemes going. As I say, that may or may not happen, but it was another important part of the justification for including this 30% of social rent within the overall affordable --

Nicky Gavron (AM): 35%.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): 30% of 35% it is, let's be clear. : I am not trying to claim it is more than it is.

Nicky Gavron (AM): All right, thank you.

James Cleverly (AM): I will throw it out between you, because I am conscious that you might need a rest for the vocal chords. Paul, can you just tell me where the thinking currently lies with regard to the fringes of the area? As we have discussed, as well as the things that people recognise as the Olympic Park there are a number of areas spreading quite deeply into the boroughs. Can you just take me through the thinking on that?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Without being too flippant, I think our first thinking is to try not to think of them as fringes anymore because the park - and indeed our area - is a part of an exciting new piece of the City that is developing in all sorts of ways. It is jewel, but it is a jewel in the crown, the crown is quite important as well. In practical terms, in physical terms we have already been talking quite a lot about Hackney Wick. The physical links into Hackney Wick from the park are not bad. We just opened H10 bridge last week and we have more bridges to come, that is not too bad. I have mentioned that the businesses inside and outside are beginning to relate to each other, which is very good. Some things about Hackney Wick do not work, we need them to work, both for the businesses in iCITY, the businesses that will come into the Hackney Wick area, and for the sake of the people who live in Hackney Wick and the people who will come into our new neighbourhood. That is why the practical step we are taking is to take that station development forward, which makes a new entrance and creates disability access which it is not really suitable at the moment, and, because we have now raised the money for that, it will be into planning later this year and we will motor ahead. That programme with a fair wind should be complete in time for the businesses to arrive and the houses as we built them.

We also are just looking at what we do in the area around the station, we know we own land there, and what is the best use for that land. We are at the moment doing a master plan on that, looking at the values. Do we need to work with other land owners around the edge? Neale mentioned that people are bringing forward all sorts of schemes or thinking about schemes, how do we integrate those with what we are doing and integrate with the park? You see Hackney Wick, if you like, being that whole piece of existing Hackney Wick, the canal and East Wick, our new development in iCITY. That is one place. Then we are also looking about how you do the next piece of connectivity. What does not work there is the connection across the A12 to Victoria Park and north towards Homerton, that piece. We are looking at that. We

are doing a lot of active study work, but I am also pleased when we say we are doing study work that we are doing something as well practically in the station.

Moving further down, the next piece that is a problem is Bromley-by-Bow. As you probably know there was the ambition again to connect the existing communities of Bromley-by-Bow across the A12 there, which is very divisive, that Bromley-by-Bow station to the land which is largely empty. A lot of derelict land but there is a Tesco store which people have trouble getting to. A long bus journey just to go 100 yards, if you have your shopping. Then to Three Mills, which is our land and then you are into the Inter Ikea site, which gets you into Stratford. Again, we are working with the borough and Transport for London (TfL) and London Underground to bring forward the improvements to that station. It is not big enough to cope with the number of people who are living there already. It is not disability accessible. We are working with them on that. Then we are re-looking at what can happen to that district centre. You may remember that there was a proposal that was built around the idea of an expanded Tesco which bought the bigger store, a cluster of smaller businesses, new primary school - which is desperately needed in that area - along with new homes. All on the canal side setting. That fell through. That all fell through. It got planning permission but it failed at the compulsory purchase order (CPO) inspector. We are re-looking at that. We think that Tesco is now locating there and staying there. So what can we do with them and other landowners around? We have got a number of studies.

James Cleverly (AM): Specifically with regard to that, I want to pull us back north in a second in terms of conversation, but while we have got to the Bromley-by-Bow, can you just expand a little bit on why that CPO did not come through, but more importantly what we can learn from that, both in terms of a revised plan for that area and other lessons or lessons that we learn from other parts of the area?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Obviously it was a previous organisation, a slightly different organisation, the last LLDC that promoted that CPO. You will refresh my memory probably, but as far as I remember the inspector was not convinced that proper due regard had been given to the location of the firms that were there. There are a number of jobs on one of the sites. There were a number of jobs associated with Tescoonline business, which he thought might get lost. Actually, the Tesco's online business jobs went anyway. It is about looking at the business, one business that was already there and finding a place where they could relocate to, and that was why it fell through, as I understand it.

The lesson: it is a big opportunity lost, but that is history. What we have to do is to re-look at a world where Tesco is probably not going to move their store because their business model has moved on. So what can we do with Tesco and the other landowners in that area in order to bring forward a different scheme which brings those derelict land portions back into use, which deals with the problem that the A12 carves through that area, prevents people who live in Bromley-by-Bow from getting to Stratford actually very easily and getting to the Lea. That is what we are actively doing at the moment.

James Cleverly (AM): This is one of things that I am keen to explore a bit further. The concern that has been kicking around for quite some time, long before Olympic Games time, and it still is in existence. I think some of the questions highlighted the ongoing concern about this. I think we all feel pretty confident, very confident that this will be a really wonderful part of London. The concern however is that we might create a kind of invisible barrier which does not allow or encourage the existing communities in this part of east London to really feel part of this. And to create or to encourage the mixing of the new communities that are going to be created there and the existing communities around it what is going to be done - I am sure we will come up with a better phrase than 'fringes' - but what can be done with regard to both the physical barriers: A12, railway lines, etc, and the emotional barriers in terms of embedding this in the geography where it sits.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): I have touched on the physical connections and where we are confident that we are okay. Where we can improve things. Where I am worried, Bromley-by-Bow is where we have to crack that, that is why we are working so hard to think about that piece of connectivity. The Leaway, which I will not talk about, is another important way of linking our area in the park, all the way down the spine of the Lee to the Thames with linkages from all of those communities, so West Ham, Plaistow, Canning Town on the one side. Hackney Bow, Bromley-by-Bow down to sort of Poplar on the other side, connecting those things. There is a physical connectivity. In terms of the emotional, and I think that is right, because you can build connections but people will not use them if there is not the connection in their minds and in their hearts. That has been very much the forefront of our thinking from the very beginning. Although the jobs piece that we talked about is about jobs, that has also been about getting local people to feel that they had a place in the park even when it was shut. Because there will be kids working there as apprentices, there will be people working there who would go back into their communities and be saying, "Well, look, I'm in the Park already doing this job". It was about a point, but it was also about having the sense that people were already in there. It is why during the period of the Park closure we spent a lot of time on tours, whether it was boats or buses or the Orbit tours, not just to a wider public but we did an awful lot of work with local communities, local schools. We still have been doing boat trips for schools, even though they were closed to the public just to get people in there even before it was open.

Then a programme of projects, which we call the unfolding Park so that people would not feel in the communities around that one day it was shut and the next day it was open. I am very pleased it is open, but they would have found reasons already for wanting to kind of pile in there. That is why it has been very encouraging to see the Copper Box filling up with gym memberships or schools using the Copper Box or people drifting in, families, to use the Copper Box informally, because we had spent quite a lot of time preparing them to do that. Something like our Paralympic programme, which is partly about grabbing that desire that people had once they discover all these Paralympic sports to do them. We have a Paralympic programme which takes those sports out into clubs and schools and the surrounding communities in order that people can have taster sessions and get interested in them and follow them, whether they are able-bodied or disabled. One of the reasons for that is clearly to capitalise on Paralympic sports, but another reason is to say you can do some of these things in the Copper Box afterwards, or you can do these things in the park afterwards. Right from a year

back, two years back, to be saying to people there are all sorts of things that you can do in the park that will link your school, your club, your community with this park. I can give you other examples about horticulture or other activities.

James Cleverly (AM): One of the things that strikes me, and I do not pretend to know the area very, very well, but I know a bit. There is some fantastic housing stock in the local area, and being slightly euphemistic there is some less fantastic housing stock, pre-existing housing stock in the area. In terms of your relationship with the neighbouring boroughs and taking the points that Nicky [Gavron AM] discussed at length and some of the principles that I think are very, very welcome, in terms of the redevelopment of the park site, how is your relationship with those boroughs, in terms of exporting some of those philosophies into the surrounding area, so there is not a hard and visible, "Oh, this is where it starts"? Are the ideas, and we talked about the family homes with gardens, there has been a lot of lost green space in the areas around that and some of the newer developments - I say 'newer' - over the last few decades. Are the boroughs listening to these ideas, because I think they are very welcome and they are not necessarily ideas that we have seen.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): In terms of the green spaces and the environments, yes, we have a good relationship with the boroughs and with some of the key housing providers. One of the really important things here is not to think that everything special is inside and there is nothing outside.

Jennette Arnold OBE (Deputy Chair): Absolutely.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): That there is a two-way learning. I am really interested at the moment in working with some of those housing associations who have understood the value of green space and how you use green space to buy people into the area. What I mean is to help people be attached to their area. To get young people involved in the upkeep of their estates, loving the green spaces and using them rather than wrecking them, as the stereotype goes. We have some stuff to learn from them and bring into the park as we open up the park, this global park, but a park with all sorts of small spaces. The risk we have is that we get kids from all four directions coming in and fighting in the park. Let us stop that. We have an awful lot to learn from the East Thames Housing, Poplar Housing and Regeneration Community Association and others in terms of how they have used green space creatively in their management and development. We are busy building on those relationships actively now. That was part of why we ran the horticulture. Community Links runs a thing called Growing Links for us and it was to say, "Here is this park and here is the green space in your estate. What can you learn from each other? What can you do? What links can you make there?" We must not suck the life out of what is around and we must not imagine that creativity does not lie outside; it does.

I think one of the things we are really keen on is the idea that we have a park that we are going to manage and we have to do it to high quality, but we need to allow life to flood into it. That is what we are actively engaged with, and that is what these projects have been about.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Just to endorse everything Paul has said. He has talked about some of the local housing associations and providers. I think if you go down to Poplar now and look at what the Housing and Regeneration Community Association (HARCA) has done there, it is incredibly impressive. The way in which they have developed new housing, the way in which they have, I think, done great things with open space and green space, the way that they built in community facilities, the way they have bought health facilities in and the way they have done that with huge involvement from local people. We would be silly not to learn from them, there are others as well, but we have spent a lot of time going around Poplar, talking to Steve Stride [Chief Executive, Poplar HARCA] and others at the HARCA and I hope we will see them involved in the park as well.

Jennette Arnold OBE (Deputy Chair): You both talked about the great news about Hackney Wick station and the funding, but we were told at a previous meeting that you were looking for £10.5 million to take the development forward. This was around Hackney Wick and Fish Island. The announcement that the Mayor made was about eight point something funding. Can you just put on record why it was thought to be £10 million and we are now celebrating £8 million?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): It is £10 million. We have some other sources of funding for the scheme, including from the Op-Thames funding, which was funding that was secured from the Olympic Delivery Authority (ODA) as part of the Olympic Games. To that extent, that part of the legacy continues. By putting together all our packages of money we do have enough for the scheme, which is over £10 million.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): It is just over £10 million. The £8.5 million filled the funding gap, although the funding gap was bigger than what we had to start with. We now have the complete package of money.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): We already had the £1.5 million.

Jennette Arnold OBE (Deputy Chair): Oh, it -- was factually correct at £10.5 million?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Yes.

Jennette Arnold OBE (Deputy Chair): And that eight point something is going to be made with other --

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Yes, with OpTEMS funding.

Jennette Arnold OBE (Deputy Chair): No, that is good for the record.

John Biggs (AM): Do not believe a word the Mayor says.

Jennette Arnold OBE (Deputy Chair): Well, he does not do detail. The Mayor does not do details, so that is why we have to speak to these well informed individuals.

You have talked about people returning, and, I will just get absolutely slaughtered if I do not talk about the allotments. Is that you, Paul? You have reserved their site?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): There are two sites on the park where there are allotments. One is Eton Manor and one is to the east of Pudding Mill. We are busy building one lot at the moment, the north lot, and the second lot we will start building when that land becomes available.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I think that is right. Although, I believe Waltham Forest Council are considering whether they can persuade some of the allotment holders not to return to the park. That is entirely a matter for them and not for us, because we are a planning authority, and as far as we are concerned at the moment the existing planning consent is for allotments.

Jennette Arnold OBE (Deputy Chair): It is not Waltham Forest's allottees [allotment holders]. They belong to the site. They were only sort of put out to pasture in Waltham Forest.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): But it is Waltham Forest --

Jennette Arnold OBE (Deputy Chair): I think a promise is nothing to do with Waltham Forest. The promise comes from you.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): One of the sites to which they would return, that Paul has referred to, is in Waltham Forest.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): The park, our area of the park contains a little triangular land at the north, where you are pointing, which is Eton Manor, and that is where --

Jennette Arnold OBE (Deputy Chair): It is within the park?

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): Yes.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): It is the other side of the A12. It is in our ownership, but it is in Waltham Forest.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): We are building allotments there as we speak, that is in Waltham Forest, we are building allotments right now. Waltham Forest have always said that they did not wish there to be allotments there.

Jennette Arnold OBE (Deputy Chair): It is for another meeting, because I have looked at the New London Development Corporation (NLDC) board meetings and I noticed, and I should ask him, the Waltham Forest leader has not been at these meetings. Is it that there is nothing to talk about, convergence about Leyton, and the hockey centre?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): I have talked to Chris [Chris Robbins, Leader, Waltham Forest Council] on several occasions and been around Waltham Forest and kept in touch with him. I know that Dennis Hone [Chief Executive, London Legacy Development Corporation] in particular has met with Shifa Mustafa [Deputy Chief Executive, London Borough of Waltham Forest] to discuss a range of issues to do with Waltham Forest. We are absolutely committed to working with them, and I think we have pretty good relationship with them. The issue around the allotments is one where, frankly, it is not for us to speak, because Waltham Forest had never wanted to have allotments on Eton Manor. That continues to be their position. Our position is that our planning consent at the moment requires us to put allotments on Eton Manor. That is our current position, but if the council wants to do something about that they will have to do something about it.

Jennette Arnold OBE (Deputy Chair): so your promise for the return meant nothing then?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Well, no. Our promise means everything.

Paul Brickell (Executive Director for Regeneration and Community Partnerships, LLDC): We are building allotments now.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): We are building the allotments. We are doing it, we are sticking by what we said we would do. It is the local authority that does not want us to do that.

John Biggs (AM): Mine is one sentence, that, just for the record there are continuing discussions about the Traveller community as well, of course.

Jennette Arnold OBE (Deputy Chair): Oh, of course.

John Biggs (AM): I have been very involved with that for it feels like a decade now.

Jennette Arnold OBE (Deputy Chair): Yes, you have.

John Biggs (AM): That is a very long sentence. But we do not need to discuss it here today, but for the record it is an ongoing complication that the corporation has.

Nicky Gavron (AM): Going back to Neale, I just want to be absolutely clear for the record that on affordable housing it will not be the same configuration, but let us take, across the site, for every 100 homes between 7 and 12 will be social rent, between 7 and 12 will be affordable rent and between 7 and 12 will be part rent, part buy. The other 80 or 65% will be either market rent or a mixture of that and sale.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Assuming - as I do - that you are using the 20 to 35 as the range --

Nicky Gavron (AM): I am.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): -- then yes, that is absolutely right.

Nicky Gavron (AM): Because I think we need to put the rented homes into perspective.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): No, no, no that is absolutely right.

Nicky Gavron (AM): There are not a great many.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): It is our objective to get to the upper end of that range, because that is our target and that is what we will seek to do, subject only to making sure that what we are doing is viable and that we can get people to come and build the housing.

Nicky Gavron (AM): It could just be seven social rented homes out of 100.

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Yes, it could, but I do not think it will. I do not think there is any prospect that we will end up at the 20% number.

Nicky Gavron (AM): It could be 12 then?

Neale Coleman (Deputy Chairman, LLDC, and Advisor for Olympic and Paralympic Legacy, GLA): Indeed. But let us be clear, that is part of an affordable offer. I mean, the affordable offer as a whole is, as you know, significantly bigger than that. It is the case, but in the great majority of developments that are taking place at the moment there are not any such homes. I am just pointing it out that if you want to look at what we are doing, and I think for good reasons that I have talked about, in terms of the obligations that we have to the past, we have a planning consent that does require us to provide a significant proportion of the affordable housing we build at social rent.

Gareth Bacon (Chairman): Thank you very much for that.

Jennette Arnold OBE (Deputy Chair): Excellent.

Gareth Bacon (Chairman): I am going to bring that to a close. Members, can I ask that the Committee note the report and the discussion today and the LLDC submission which was sent to us and will be amended to the records and we thank you for that. Can I thank the guests for attending and giving evidence.