

**Regeneration Committee  
26 November 2014**

**Transcript of Agenda Item – The London Legacy Development Corporation**

**Gareth Bacon AM (Chairman):** The main item of business today is to talk to the London Legacy Development Corporation (LLDC) and the Growth Boroughs.

Can I thank firstly David Goldstone, the new Chief Executive at the LLDC for coming. It is your first appearance in front of the Assembly, in that guise, anyway. Dr Brickell is a regular attendee at these meetings. Thank you. It is good to see you. Lord Mawson, thank you ever so much for coming. Your presence is much appreciated. Councillor Nicholson, thank you very much as well for giving your time. Kim Bromley-Derry, the Chief Executive of Newham, has given very generously of his time for LLDC-related matters. Thank you for coming. Sir Robin Wales, we very much appreciate your attendance, too. I thank all of you.

We have questions for you in order. Following the [John] 'Biggs Principle', which actually he sets very well at the Budget and Performance Committee, the Chair takes the first question. In this case I am going to take the first two, actually, and they are both aimed at you, Mr Goldstone, as the newly appointed Chief Executive. The first one is: what are your ambitions for the LLDC in the short, medium and long term?

**David Goldstone CBE (Chief Executive, LLDC):** OK. Thank you, Chair, and I suppose I should say that I am similarly pleased to be here and it is a particular pleasure having recently joined the LLDC as the new Chief Executive. It is a family organisation and the legacy programme and the aspirations for the transformational impact on East London that the Games were intended to have, I have found in really good shape. What I have not done is come in thinking, "We need to completely change direction and change the strategy". It is working well. Really good progress has actually been made and, in that sense, due credit should be given to my predecessor, Dennis Hone [former Chief Executive, LLDC], because really good work has been done and a lot of the plans and ambitions are in a really good place. As I say, I have no plans to make any dramatic change to that strategy or approach.

The focus has been on the Park [Queen Elizabeth Olympic Park] as an area and the Park, the place and the people are the three elements of the strategy. Making the Park a visitor attraction is part of it. We have world-class venues. We have had a fantastic initial response. We are well past 3 million visitors since the Park started opening last year, but it fully opened only this year. However, in terms of long-term impact, the work on building communities, the work that is already going on in housing - at Chobham Manor and we are about to let contracts for the second phase of housing at East Wick and Sweetwater - and the fundamental long-term work around building communities and the impacts on jobs and schools, those plans are all in a really good place and have made really good progress.

For me, one of the things that is really important - and it is partly reflected by the group around the table here - is the relationships with the local partners. I do not feel like we can do any of it by ourselves. I see colleagues from Newham extensively, as well as the other host boroughs, and am working with Hackney, Tower Hamlets, Waltham Forest and the Lee Valley [Regional Park Authority] as our neighbour on the Park and with the partners we have actually just delivering services on the Park. A lot of the investment and a lot of the

regeneration and a lot of the jobs come from our contractors and our supply chains that are providing services on the Park.

Looking forward, the really big game-changing development will be if we can take forward the 'Olympicopolis' development, as the Mayor has christened it, but if we can bring world-class educational institutions and arts and cultural institutions to Stratford, it will really take forward the opportunity to create a whole new centre in London, which I suppose was the underlying ambition from the Games. If we can bring University College London (UCL) and the Victoria and Albert Museum (V&A), the fashion college and Sadler's Wells, then that is a really transformational impact that will have a long-term benefit in terms of opportunities, in terms of jobs and in terms of aspiration. That is the thing I am very focused on that we should be able to deliver. This is a short-term aspiration to get that in place and then it will be a long-term programme to actually deliver it and achieve the long-term benefits.

**Gareth Bacon AM (Chairman):** When your predecessor appeared I think probably in his final appearance in front of the Assembly - though to the Budget and Performance Committee rather than this one - he remarked that the danger for the LLDC was that central government particularly and local government may view the East End of London as having already had its fair slug of cash for investment purposes and that sources of funding may start to dry up, which would obviously prejudice the ongoing operation of the LLDC.

What negotiations have you had? I appreciate you have been in post for only slightly under two months. Have you had any negotiations yet with central Government or is that going to be left until after May, just to pick a month at random?

**David Goldstone CBE (Chief Executive, LLDC):** There are two parts to that. Our primary funding relationship is with the Greater London Authority (GLA). We are a mayoral body and so on. What we are trying to achieve, in a sense, to mitigate the risk you described and that Dennis [Hone] spoke about before, is to make our own operations or our own business in effect financially sustainable in its own right so that we are not going to draw on public funds going forward. That is what the long-term plan we are submitting to the GLA as part of the budgeting process later this week is aiming to achieve. It anticipates effectively that whilst, for example, for the Olympicopolis there is upfront investment, in the long term in terms of capital receipts from land and property, the partners coming in and the operational revenues we are going to generate from the usage of the Park, the usage of the stadium and all the venues and the Park facilities, we can actually be sustainable and repay that investment and make a positive contribution. Therefore, in terms of our own viability and the draw on public funds question, that is an approach that our plan already reflects.

Clearly, how much is invested in London against the rest of the country is a political debate and we will receive the outcomes of that and it would not be appropriate to comment on the arguments, for me, on what is effectively a political question. However, where we are making a strong case and we have been in discussions with the Government is in relation to the Olympicopolis development specifically. For that to go ahead it does need some Government financial support and so there have been detailed conversations about that.

**Gareth Bacon AM (Chairman):** Yes. We will be exploring that a bit later in the meeting. John Biggs, you indicated?

**John Biggs AM:** I just had a question about the capital side of this relationship. I understand your answer as far as it has gone, but I think a lazy person would assume that the land around the Olympic Park belongs to you as the development corporation, whereas in reality it belongs to City Hall and there is a memorandum giving money to the Department for Communities and Local Government (DCLG) and the [National] Lottery and other people as the land is disposed of. Why do you not have a memorandum with City Hall as an urban

development corporation (UDC) would have had with a government previously that talks about the capital assets and how they are going to be deployed? There are plenty of things you could do with the capital which would be very useful for the regeneration of the area and yet one gets a sense we have to go with a begging bowl in order to get bits of receipts from the land that you already sort of own.

**David Goldstone CBE (Chief Executive, LLDC):** If I can say, the first part of that question was --

**John Biggs AM:** If you disagree with me, go on.

**David Goldstone CBE (Chief Executive, LLDC):** I politely could amplify or maybe clarify the first part of what you said there. We own most of the land on the Olympic Park itself.

**John Biggs AM:** It depends what you mean by 'we'.

**David Goldstone CBE (Chief Executive, LLDC):** You said the land around it is owned by the GLA. The land around it is in a mixture of ownership. There are some parts we do own. There is a lot that is owned privately like the Lend Lease and London Continental Railways (LCR) joint venture. Westfield, obviously, is key land but is privately owned. The Olympic village site is privately owned. We have land interests, for example, around Hackney Wick and around --.

**John Biggs AM:** The question is: what do you mean by 'we'? Who are the 'we'?

**David Goldstone CBE (Chief Executive, LLDC):** Sorry, the LLDC owns the land.

**John Biggs AM:** The LLDC owns the land.

**David Goldstone CBE (Chief Executive, LLDC):** What I was referring to there was LLDC-owned land. There is land, clearly, that the GLA itself owns and there is land that is in multiple other public - including the neighbouring London boroughs and the private sector - ownership. The memorandum in relation to the repayment of receipts relates predominantly to the land on the Olympic Park that we own and, for the capital receipts and the proceeds we generate from the development of land, that memorandum of understanding (MOU) is something we recognise and is effectively in the financial plans that we share with the GLA as part of the budgeting process.

I do not think that is driving the behaviour. It has been understood. Actually, I was at the Government end of this discussion in my role in the lead-up to the Olympic Games and I am happy to say I do not see any disconnect or conflict between the approach the Government anticipated and that we are taking, which is that the role of the development corporation is to develop the Park and the area around it. We are the planning authority for the land that we do not own, but we are not the landowner, as I said, because there are multiple others. We drive our behaviour by the maximum impact on regeneration and achieving the development objectives, out of which we generate the proceeds from which the repayment to the Government and the Lottery is generated. However, it is not the driving force, if you like, and was not intended to be.

**John Biggs AM:** If I could just clarify that, it would keep me very happy as a constituency member and also as Chair of the Budget and Performance Committee of the Assembly. You are absolutely clear that the land belongs to the LLDC and that there is no risk that the GLA will see it as a corporate asset, some of the receipts from which should be deployed elsewhere in London, for example?

**David Goldstone CBE (Chief Executive, LLDC):** The land we own is owned by the LLDC, but the LLDC is a mayoral body. The land ownership sits legally with the LLDC. We are a mayoral body. With the proceeds, under the MOU you referred to, part goes back to the GLA and what the GLA does with that is a matter for the GLA, as opposed to the part that goes back to the Government.

If you are making a point about the land ownership and our freedom to manage it and to maximise the benefits, we have that land ownership. It is in the LLDC's name and not the GLA's name. That is certainly my understanding. However, we are a mayoral body and therefore the Mayor obviously has a right. For example, the Mayor could direct us to do certain things. Subject to those sorts of powers that are used rarely, operationally, we use the land to generate the maximum regeneration benefit for the area.

**John Biggs AM:** Would you indulge me with one tiny final question? I think we have all known various UDCs in the past and they have had fairly permissive MOUs with the Government, which has said, "This is your asset. Get on with it", unless it is above a certain threshold. The impression is that with the GLA it is a less permissive arrangement and things have to go through an Investment and Performance Board at City Hall, for example, and therefore the Mayor takes a greater detailed interest than would be the case under the UDC model.

**David Goldstone CBE (Chief Executive, LLDC):** It is a different model to a UDC with a relationship with central Government. We were established and the legislation sets up the LLDC as a functional body of the Mayor. We are a functional body but we are not the GLA. Therefore, there is an arms-length relationship but the Mayor is our Chairman and the Mayor has powers to direct. However, we have been set up in the way we have so that we can operate, subject to those roles, independently and maximise the regeneration objectives. It is different to a UDC's relationship with central Government, which I am not going to claim any great expertise on. Our direct relationship is with the Mayor, not with a central Government department. That is the fundamental difference.

**Gareth Bacon AM (Chairman):** Thank you.

**Navin Shah AM (Deputy Chair):** Yes. You mentioned in your comments both viability and financial sustainability. Along the way, if you were unsuccessful in having an ongoing commitment from central Government, what sort of Plan B are you likely to have?

**David Goldstone CBE (Chief Executive, LLDC):** As I have referred to, the financial commitment we are anticipating from the Government or hoping to receive confirmation of is in relation to the arts, cultural and educational developments at Stratford Waterfront. If that was not forthcoming, we could look at those plans again and it would clearly be in doubt as to whether we would be able to take them forward.

Our plans, as I have described, effectively in the long term are to be self-sustaining through the receipts and revenue we generate. We have that relationship with the GLA that is supporting our funding and supporting effectively the cash flow consequences of early investment to achieve long-term sustainability, but we are not otherwise dependent on Government support.

**Navin Shah AM (Deputy Chair):** You are very confident that if you had issues with the Government commitment, you have enough there to sustain the project and the whole viability?

**David Goldstone CBE (Chief Executive, LLDC):** Of the overall programme we have developed, yes.

**Gareth Bacon AM (Chairman):** Do you have any plans to change the way the LLDC operates? You said in your opening remarks that you are very content with what has been done so far. Looking off into the future, do you think it should be changed in any way?

**David Goldstone CBE (Chief Executive, LLDC):** Olympicopolis is a massive change. In itself, it is a massive opportunity. The intention is that it has a transformational impact in the local area. It puts a new requirement on us. It enhances and amplifies the extent to which we need to work to optimise the benefits of what is a new opportunity with the local communities. It may be something Paul [Brickell] will want to come in on, but one of the things we are already working on is how the institutions coming into arts, cultural and educational facilities engage with local communities to maximise the benefit and to optimise what they can achieve and achieve together, rather than it feeling like a new thing arriving and being imposed, which is what we do not want it to feel like. There is a lot of work already going on about how we work together with the local community groups who are already there in arts, cultural and educational fields to maximise the synergy and maximise the opportunity, rather than have it feel like a threat. That is not a new development. It is an amplification of how we are already working, but it is in relation to a really fantastic and extensive new challenge and new opportunity.

**Len Duvall AM:** Can I just come in and just follow up on that particular question? On the first steps - before we talk about how the institutions engage with the communities - is it a done deal with those various cultural institutions that they are going to come and arrive on that site? I am just a layperson in that sense, but is it about some of your negotiations with Government? There needs to be someone in Government co-ordinating all of those institutions to arrive at a decision.

**Gareth Bacon AM (Chairman):** Can I ask you to just pause on that, Len? We are going to get into the Olympicopolis in a moment.

**Len Duvall AM:** Sorry. I just thought we had opened it up. Before we started listening to what Paul [Brickell] is going to say, I just wanted to be clear about what steps are being taken to make it a done deal.

**Gareth Bacon AM (Chairman):** Yes. That is actually your question and so, if you can keep that in your head for a few more minutes, we will come back into it. We would like to hear from our colleagues in the boroughs then as well. Murad, you were going to ask about revenue funding.

**Murad Qureshi AM:** Yes. I am going to touch on an immediate concern, revenue funding, and address the questions to Paul [Brickell] first. We understand the LLDC is facing a revenue shortfall in 2015/16. Has the LLDC identified specific budgets that would be cut if the Mayor decides to reduce additional funding proposals?

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** Thank you. We have been working with the GLA very closely for a good number of months now on the 2015/16 revenue budget, which of course forms part of the long-term business plan that has been agreed by our Board and goes to the GLA on Friday formally. There is no revenue gap for 2015/16 in there and so we are very comfortable that we are delivering the programme we had always intended to deliver this year, which is very good news. I am not looking for a Plan B because I am confident that we do not need a Plan B in 2015/16.

If I were looking further ahead, however, I would say that in another five to ten years, the long future, one of the key things is that what we do in terms of jobs, skills, community engagement and all those sorts of things is that we do them in such a way that there is a sustainable long-term future. I can give you a couple of examples of that and you might want to say something more generally.

**David Goldstone CBE (Chief Executive, LLDC):** It is worth bringing out the examples.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** For example, one of the things that has happened since the last time we met is that you know our park management contract is with GDF SUEZ Cofely with Renaisi and Groundwork as partners in the consortium and what we have done with them is to establish a community interest company called Our ParkLife. That is already beginning to bring in private sector funding from Cofely but is also open to other funding. They will lead increasingly on our volunteering programme and on some elements of the training in the Park like grounds maintenance and the horticulture programme. That is an entity that will begin to grow and bring resources increasingly over the years to that particular task.

The other thing that has begun to happen really is that you will remember I talked last time about how we established Echo as another community interest company, which is a business-to-business time-banking company and is actually doing some really interesting work on business-to-business support. They are linked with us and they have been able to leverage in the last couple of weeks a £150,000 private sector investment into that task.

A third example I would give is the Bromley-by-Bow Centre, which of course Andrew [Lord Mawson OBE] has been intimately involved in founding and so forth.

However, because of this point that David [Goldstone] made, which is that we are now at the stage in development where we have quality institutions coming in from the outside and we are able to introduce them to the quality organisations that are all around the Park, again, they have just been able to leverage in for the next years £350,000 of private sector investment behind the task of getting local people aware of the opportunity both in the Park and in those institutions - jobs and so forth - and also the sectors of work that they are a gateway to.

Those are some examples, really of the two different ways we work, one directly working with Our ParkLife and the other just being influencers and supporters of community organisations and small business around the outside. It is going to bring over the years additional income to do some of the things we do in five or ten years' time.

**David Goldstone CBE (Chief Executive, LLDC):** The general point I would pick up is that there is not a gap in the budget. We cut our cloth according to the funding available. However, it is not only about our budget. A lot of what we are doing is trying to be a catalyst and to leverage in other investment and other development support that will achieve those objectives in the way Paul [Brickell] described. Therefore, there is not a gap in our budget and we have to cut our cloth accordingly, but our budget is only a bit of the story of how we achieve the objectives.

**Murad Qureshi AM:** I accept that the premise of my question may not have been correct.

**David Goldstone CBE (Chief Executive, LLDC):** It was –

**Murad Qureshi AM:** It was just there was an indication from the mayoral guidance on the budget that there may be an issue, but I am glad to see that that is resolving itself and you will be meeting the Mayor's Office on this matter on Friday.

You mentioned the Park. That is quite an interesting one. I note parks around my end of town are increasingly used for commercial reasons, concerts and what-have-you. Is that not the way the Olympic Park will be going to support its revenue commitments. The Royal Parks are increasingly hired out.

**David Goldstone CBE (Chief Executive, LLDC):** Yes, absolutely.

**Murad Qureshi AM:** You are not going to be doing that on the Olympic Park?

**David Goldstone CBE (Chief Executive, LLDC):** That is a point which probably Robin [Wales] and Kim [Bromley-Derry] particularly might want to play in because one of the major emphases of the stadium and the South Park areas will be commercial revenue generation. There are opportunities elsewhere, but that will be a big focus for that and they may well want to bring into play. Of course, the trick there is to get the right balance between commercial uses and community uses, both of the big set-piece stadium space and of the smaller spaces in the South Park. As I say, that might be something you want to amplify.

**Murad Qureshi AM:** Yes.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** It is twofold, really. There is a revenue return to the LLDC, but Newham and now Hackney separately have made investments first into the stadium, which we talked about before, and we have also made investments into the South Park. Therefore, the expectation is that a percentage of the return comes back to the borough as well. The whole idea of that is around what I would describe as 'activation' within the South Park and the stadium to drive commercial footfall and to be able to, firstly, support a revenue stream for the LLDC and in realistic terms enable us to create a revenue stream that we can then use for community benefit.

Also, the activity on the Park needs to have an element of community benefit associated with it as well. Therefore, it is not just about the commercials. It is also about doing things that actually are free at the point of access for our local community. Certainly, even in the stadium, part of the arrangement was for 100,000 tickets per year for things like West Ham matches, which are free at the point of access for our residents. That would also be true for the South Park as well. It is quite a substantial financial investment being put into the LLDC to make that work and to facilitate that as well.

**Murad Qureshi AM:** Thank you for that, Kim. Robin, I am sure you are aware that the recent UK Active [People] Survey suggested that in Newham you have four out of ten residents classified as physically inactive. For some reason, you find yourself as the least active borough in England. Are those kinds of programmes going to be affected, given that that obviously is something that needs to be addressed?

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** I will tell you why that is. If you are poor, you are less active. It is blindingly obvious and I am not entirely clear quite why people thought that was surprising. What I will say is that we have been very clear that we have a concept of resilience and we are very clear that that is what the borough is there to drive: people doing things for themselves. Much of what we do now is spending on that. For example, we give every kid a free musical instrument and three years free tuition on the grounds that we want them to pick up skills. Every kid in Year 7 is taken and given 20 sports to try and we then pay clubs to try to keep the kids. We are doing what we can. Since the bid was announced and since we began to get into discussions, we have multiplied the number of coaches in Newham by a factor of ten. There are ten times more coaches and there are three times more clubs.

The problem is that the three-times-thirty measure is nonsense. If you ask me, I go running fairly regularly and it is three times thirty or maybe two-and-a-half times. What is that? What does it mean if you have kids and

you are doing stuff with kids? What is three times thirty? We have a preferred measure. We do ask people whether they consider themselves fit and we have seen a big increase in that over the last ten years.

We have invested heavily in infrastructure and we have spent a lot of money on our sports infrastructure. Now what we are doing is we are moving to a huge programme in neighbourhoods and we are putting lots of stuff in and millions of pounds are being spent through our neighbourhoods. The aim is to get people active through that and doing things.

Sometimes when you ask the question about three times thirty, do you mean running or actually just walking or doing stuff? If you have kids and we know that many have little kids, it is a lot of work and you are putting a lot of energy into it. It is more complicated than just that measure.

However, it is a fact that changing people and the way they do things is the most difficult thing you can do in politics. Build a stadium. You can do that. Build things. Make things. Build housing. You can do that. Changing what people do and what their lives are like is actually why we are in politics and it is fabulously difficult to do. In the East End, 150 years of poverty continues today. Thus convergence for us is a concept of trying to catch up just with the London average. That is all we want to catch up with, but we are miles behind it.

Partly, the measure was a bit silly. Partly, yes, we know that people who are poor are less likely to do things. We are trying to find ways of engaging people in a different way, but it will take generations. It takes a long time to shift some of this. We have been doing the Every Child programme for six years now with music and the sport thing has been running for about two or three years. We do other things. We do theatres or we are about to. One of the things we have done with the Olympicopolis is we have been in negotiation with Sadler's Wells to do dance for everybody and that is every child. One of the things that I love about local government is you do a pilot there and then nothing happens and there are only a few kids. Therefore, it will be every kid who gets a chance to do dance and we will try to get them active that way. We have a pretty good story to tell. We have seen some significant improvements. However, we have still a long way to go in terms of moving people forward.

I will also say that if you take, for example, the sport, actually the most important thing you can do for people's health is get them into work. Yes, public health is never spent on getting people into work and it was not spent on activity. It was spent on other things. If we get 4,500 or 5,000 people into work through Workplace, our jobs brokerage - which we think is the biggest in the country - that will get people active and doing stuff. That is important, too.

It is a complicated thing and we have a story that is pretty good to tell, but it is challenging. One of the key things will be that London is not one homogenous place. Those of us from the East End know that there is a huge amount of work to be done with populations there. We are much more like the core cities of England than we are like the west of London because there are more people out of work in the East End than in any other part of the country and so we have a lot more to do. We have a story, but it is challenging and will take some time.

**Murad Qureshi AM:** OK. I am glad to hear that the programmes you have to deal with physical inactivity are not going to be affected. Kim, you wanted to come in?

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** Just quickly and directly related to the Park, we have some fairly large programmes with the Lawn Tennis Association (LTA) at the Tennis Centre that we invest in and we are one of the top ten with the LTA in terms of investment in tennis participation. We



have the same programme with athletics and part of the legacy is around the Beagles being on the community track and moving from the Leisure Centre in Newham so that we can develop a centre of excellence for cricket with the Essex County Cricket Club at our Leisure Centre. We have the same programme with the Aquatic Centre as well in terms of sports participation and swimming participation. Also, as part of the legacy, it is about linking into the major championships that are going on in the Park. In terms of athletics, we link it back to the Beagles and sports participation. We are a host city for the Rugby World Cup and we are investing heavily in our local rugby clubs with hundreds of thousands of pounds. At the moment, we have an extra 50,000 young people playing rugby, directly linked into the Rugby World Cup. With the championships in the Hockey Centre, we have invested in the local clubs in terms of their pitches so that they can directly benefit from the major championships that are going on.

It is quite interesting. In terms of sports participation, it is significantly higher. However, if you use the measure of 30 minutes three times a week, it actually drops away. Our club membership is much, much higher and activity is much higher. It is a nuanced picture.

**Murad Qureshi AM:** I am glad to hear that. My only concern is - and, again, this is from my end of town with the Royal Parks - that I have seen many local estate teams and pub teams priced out of using the pitches for football, cricket, hockey and rugby because, clearly, the Royal Parks are charging more than they have done previously. I hope that does not actually happen in the Olympic Park.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** It certainly will not happen in relation to the activity. The thing I did not mention is the mass participation in London that we have as part of our contractual arrangement with the Park, which is for 20,000 runners and many free places for Newham residents to run in. It is still early days and we are developing the relationship, but certainly the opportunity is there.

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** Just picking up the question of costs and things, we were the first people to do free swims for kids in England and I think we were the first to do it for older people as well. What we have done with our neighbourhood policy now is we have put youth, community, sport and everything down to a local area where then local members have the power to make decisions about getting active. If price is a factor, then they should vary that price. If on the other hand we can get people from Canary Wharf coming and booking some of our pitches, we will charge through the nose. Otherwise, it is about recognising what people are doing and, if they are trying to do good things, we are putting that decision much more locally based. With 330,000 people, it is too big to do that on a Newham-wide scale because you want to maximise your take but at the same time you want to do things that work for kids and local people. That has been devolved down and they will be able to do that. I do not think we are doing much and it would be much bigger in the next year or two if we try to pick up on that.

We had a plan. The plan was to invest heavily in our facilities and then try to use the whole thrill of the Olympics. We long believed that it was not the infrastructure that was important. The really important thing was to get people enthused in London and then to use that to try to jump off.

I will say that the cuts make life much more difficult. We have the largest cuts in the country in Newham. And Hackney, to be fair, has the second largest, although they may argue it is the other way around.

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** Something like that, Robin!

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** but we would recognise that they are wrong but it is pretty close, and Tower Hamlets has the third. When you are having that, it is really hard to sustain this.

**Murad Qureshi AM:** We know that and I note that you are going to be using a bit of price discrimination with the corporate sector to subsidise the community. That is something that needs to be fully investigated and I am sure you will do that.

**Gareth Bacon AM (Chairman):** Thank you, Murad. We are going to move on and talk about the Olympic Stadium and Navin is going to do that.

**Navin Shah AM (Deputy Chair):** Speaking at our Budget and Performance Committee, Dennis Hone said that the LLDC would need to incentivise the operator to fill what he described as the 'dark days'. Can I raise this question to Robin and Paul [Brickell] to start with? How will you be incentivising the operator of the stadium to ensure that it is used to maximise its capacity - to avoid those dark days, as Dennis put it - and also what key performance indicators might you establish to measure the performance?

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** Kim [Bromley-Derry] will do it in more detail, but one of the things we have done is partly by buying into the South Park, we have created a capital fund that can be used to change the stadium so that it can be used for other things like Ivy League cricket with people who drink a lot and baseball and other things. We are investing and looking at opportunities and looking at all sorts of things we might do there in the South Park.

One of the things we just asked for is a review of the developments around the South Park to see what the South Park will look like at the end so that we can work out how that will work for concerts and other things. It is not just a stadium. It is on to the South Park and the whole thing that works there. Therefore, we have made funds available and we have said we want to look to develop. As we are 35% shareholders in the stadium and the South Park, we are keen to work with the LLDC to do that. It is fair to say that my Chief Executive [Kim Bromley-Derry] spends altogether too much time trying to make this work.

**David Goldstone CBE (Chief Executive, LLDC):** We find that time he has spent on it very helpful because he is working with us. We do manage the stadium and the South Park effectively through a joint venture between Newham and the LLDC.

To answer the question, we are at the final knockings of completing a contract with the operator out of the competition that Dennis [Hone, Chief Executive, LLDC] was talking about. We have not announced the outcome of that yet. We are just in the final commercial negotiations and so I would not want to go into the specifics, but I can say and reassure you that what Dennis referred to there is what the contract will provide. We think we have a world-class operator that we will be announcing very soon. It is commercially incentivised to maximise the activity and the revenue that is generated from activity in the stadium and it is exposed to considerable commercial risk if it fails to do so. Both the stick and the carrot of downside commercial outcomes if it does not and rewards if it does are going to be reflected in that contract, but we are just in the final stages of negotiating it. I hope to be able to make an announcement very soon and so we are not a long way away, but those principles that Dennis articulated are reflected in the agreement we are expecting to complete very soon.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** I was just going to add that there is the commercial element of it, but one of the things which is stressed in the negotiations with the operators is that obviously there is a commercial incentive and they need to be incentivised to make sure that actually there

is a financial return, but there are also incentives in there to make sure that there is the broadest participation in the stadium as well. There are community elements of this and certainly the operator we have been in negotiation with has a very strong record on making sure that there has been community participation. It goes back to that accessibility issue. Absolutely, you need to drive the commercial return for them and for us, more importantly, but we also want it used every day and we want the local community, the London community and the community across the country to be able to access the facilities and use them and to not just have to pay to go to events. They have their place, but it is not the only component.

**Navin Shah AM (Deputy Chair):** Before Paul [Brickell] comes in, I am pleased to hear your strong comments about development of the community besides the revenue-generating events. You mentioned the key performance indicators (KPIs) for those kinds of commercial revenue-generating events, which I believe you said, would be part of the contractual requirement. In terms of safeguarding and ensuring that the community side of it is also delivered, how do you do that? Will that be, again, part of a contractual requirement or will you have that in this set of KPIs, which you can monitor to make sure they perform?

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** There are two elements. As part of all our agreements in the E20 Partnership, there are community days specified. There are ten community days in the stadium and ten community days in the Park as part of those agreements in E20. They are then passported through to the agreement with the operator.

Over and above that, though, we have specified that even when running commercial events, we have an expectation of being mindful of the local community. If you are organising concerts, is there ticketing available to the local community? Where there are 'fallow days', for want of a better description, those should be built into the diary and there are a set number of days and KPIs related to purely commercial activity, not least people and people's jobs. Paul [Brickell] has a lot more to do with that, but actually this is about making sure that everyone in the local community benefits from this operation and certainly jobs are a key component of that as well. Obviously, when we go public and when we announce we will be able to go into the specifics, but there are quite strong elements which are community-focused.

**Gareth Bacon AM (Chairman):** When you talk about ticketing being available to the local community, are you talking about preferential pricing or free ticketing?

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** A combination. It depends on the event. It depends on the demand. However, that is certainly the expectation within this. In previous operations on the Park, we have ensured and the LLDC has ensured that when wireless was being developed there was a component of accessibility for local people as part of those agreements as well. It has actually always been a strong component of the development.

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** Paul wanted to comment on jobs, I think.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** I will start.

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** You go first, yes.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** I was going to pick up on that point, really. A commercial day is not lost to the community, is it? The more commercial events in there and the more people who come in and spend money, the more jobs in the stadium

and operating it and the more people coming through Stratford and indeed through Hackney Wick and spending their money in local businesses and so on. Actually, this is also a significant economic generator for the locality for jobs and business. We would expect - because we do it in all our negotiations and contracts - that there will be KPIs that relate to local employment, to apprentices and so forth.

However, I would say that the most important thing is not just to have it in a contract somewhere but is to build the relationship. That is what we have always done: build close relationships with our operators. Then we think, "Hang on. We have this asset. How are we now going to sweat it in terms of local jobs and so forth?" The earlier discussions about that are really encouraging. This is going to be a really exciting three-way congregation between Newham, us and the operator about how we sweat this asset in terms of local benefit on the days - and there needs to be many of them and the more of them the better - when they are making money out of this place.

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** That is right. Why did we invest in the stadium? We do want community benefit. Some things will just be community benefit and we think that is good. We hope to have our sports day in the stadium on one of our ten days. That is just community benefit and not gain.

Sometimes in the public sector we are too shy to say we want to make money as well. We will be very happy to see a significant profit coming out of this. I do not mind if there is a concert that does not appeal to my residents if we are making money out of it because we will use that for the community. Every pound we get is used for community benefit if we are sensible about how we spend our money. Therefore, I have no problem saying for each event, if it is just about money-making, it is great because it is of benefits to our residents. Jobs, always. Then sometimes there will be people performing who some in my community might like and I might not but, hey, what the heck, it will be a benefit in terms of tickets. Therefore, it is a mixture. Sometimes we are a bit too reluctant to say that generating a surplus or a profit is not a bad thing because we are going to spend it on good things. I am very keen to make a lot of money, the more money the better, because I know I can spend it better than the LLDC can.

**David Goldstone CBE (Chief Executive, LLDC):** Let the record show that we share the objective. It is a common objective.

**John Biggs AM:** That was very diplomatic.

**Navin Shah AM (Deputy Chair):** Has there been any further development regarding Tottenham Hotspur using the stadium in 2017/18? Particularly now given the rising cost of the stadium, is it more important that Tottenham Hotspur is encouraged? Who wants to take that?

**David Goldstone CBE (Chief Executive, LLDC):** The headline answer is, no, there has not been any approach from Tottenham Hotspur. I cannot remember whether it was this Committee or the Budget and Performance Committee in September who asked about that --

**Gareth Bacon AM (Chairman):** It was the Budget and Performance Committee.

**David Goldstone CBE (Chief Executive, LLDC):** -- but there has been no approach.

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** I will give you a different answer. I would love Tottenham Hotspur to come if the money is in it. I would love to do it. I was asked once, "Would you not like Tottenham Hotspur to be the key team in the stadium?" I said, "No, we want

a big team”, and so I am glad we have West Ham in there. From my point of view, all I would care about is whether it can fit in with what we have agreed with West Ham and whether we can make money out of it. We should always be minded of that and always be minded to look to see how we make a benefit. I have no problem from where I sit saying that we would welcome Tottenham Hotspur playing in West Ham’s stadium. I’m only saying that to annoy you, John!

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** Just to reaffirm, E20 has had no formal approach from Tottenham Hotspur.

**Len Duvall AM:** If you are maximising income, you should not be waiting for them to come to you. You know they are out looking for a stadium. You should be making an approach to them and saying, “Do you want to discuss it with us?” It is for them to say. If that is the rhetoric that you are telling us, that is where you are and I take it and it is quite a good approach to have in terms of that, but you should be making approaches to them, not being passive and waiting.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** It would be wrong to say there have been no conversations, but I am emphasising again that there has been no formal approach from Tottenham Hotspur.

**Gareth Bacon AM (Chairman):** Yes. I think we understand what you are saying.

**Len Duvall AM:** Transparency is quite important and UDCs in the past have not been that transparent. There is an ongoing discussion in the GLA about the GLA family and the level of transparency that should be required. Clearly, you live in a world of some commercial issues. Stadiums have massive public funds in them and of course some of the negotiations you have done – particularly, let us say, with West Ham – have rankled others. There is a rankling about how these are not open in terms of what deal has been done.

When do you think you will be in a position to publish the exact arrangements that you have with the key anchor tenant in a transparent way that the public can access if they want and commentators can, rather than innuendos and chucking out issues around deals? Is that never going to happen or do you see it happening and when do you reckon the timeline for that will be?

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** We probably have to take that one away and just reflect on it because there are elements of the arrangement that inevitably, when they become the anchor tenant and they take their place in the stadium, we will be able to be completely transparent about and be able to articulate. That may well be the whole arrangement. I am not suggesting that we would not want that to happen.

However, as we go through that process, we are taking legal advice on what could be commercially challenged or a breach of the contractual arrangements. Rather than just say, “I think this is what we will be able to say and this is what we will not be able to say”, our aim is that as soon as the tenant takes their place we will be able to, hopefully, be as transparent as we possibly can be, except for things which are subject to potential legal challenge.

**David Goldstone CBE (Chief Executive, LLDC):** We completely accept not just the principle of the benefits of transparency and I had long conversations with the Budget and Performance Committee in my previous role at Transport for London (TfL) about how we improved and enhanced the information that we made public in that context.

**John Biggs AM:** You should at least be reassured that you are marginally less bad than TfL on transparency.

**David Goldstone CBE (Chief Executive, LLDC):** Thank you. There is a principle to recognise there about commercial interests.

**Len Duvall AM:** You are about ten times better than TfL. Praise you, but go on.

**James Cleverly AM:** Praise indeed, praise indeed!

What we cannot do is make public information that affects the commercial arrangements we have entered into or, more importantly, actually compromises our commercial position or our joint commercial position in future arrangements. Because the intention with the stadium is to make it a multiuse arena with multiple users and it will have concession or tenancy-type arrangements with multiple partners and because we are only just bringing in the operator that is going to be the lead organisation in instigating those arrangements, to publicise the information in the near term would compromise our ability to negotiate. There are things in those agreements that affect some of the other agreements and vice versa. That is a principle we have used in a number of other --

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** If I can add, you will appreciate that if we tell everybody what the day rate is and what everyone else is paying, it then compromises our ability to populate the stadium with content whilst we are still in the process. I do not think we should, given that we are just about to announce the operator, compromise their ability to get the best commercial deal they possibly can in the open market. Once we are through that process and we have the stadium populated with content, inevitably that will become a matter of record which we will then be able to talk about. At the moment, if we talk about who is paying what for what in terms of users, it would compromise the operator's ability to get the best commercial deal for the LLDC.

**Len Duvall AM:** I understand that about the daily rate and those issues and the ability with that, but it is the exact deal and the arrangement with a key anchor tenant about who is doing what or who is replacing what. From an outsider's point of view, I could have said, "Was the roof really part of the wider issues or was it part of the football issues and the grounds that you proposed?" I have seen stories about those issues. I could equally have said - not that I wish to - "Actually, West Ham, you pay a proportion of this".

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** That is clearer. We have been working with that.

**Len Duvall AM:** You say it is clearer and people are open to reductions and sensible commercial confidentiality, but there are some issues of transparency. Let us take it away from this now. Some of the issues around commercial confidentiality do not seem to make sense on some of the basics and it is the basics of the arrangements that rankle and are causing people to get exercised. At some stage, on the transparency issue, it just seems to me that you start off how you mean to go on. Do you know what I mean?

To be fair, Kim, I could be waiting forever and day. I think you will do well on this thing and I want you to do well on it, but it could take some time.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** What we will do is take that back and look at what is in the public arena because some of what you have just been talking about can legitimately be in the public arena and it may be that it is not in the public arena at the moment. Perhaps we just need to

refresh what is in the public arena and what is not. In terms of who is responsible for what and things like that, that is quite legitimate to be in the public arena.

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** I would love to publish everything. I am driven insane by the crap that people talk around this issue: we are giving money to West Ham or we are doing this and that. From my point of view, this is an issue that is of interest to the public and the sooner we can publish it the better politically for me.

From where I sit, one of the issues is publishing limited amounts so that people get only part of a story. I have a political view about making sure that stuff that is published gives a proper story. I have two papers here, one with what I can say and one with what we have actually done. I am dying to publish what we have done because it is a really, really powerful story and it is enormously frustrating. The sooner we get clear of getting the operator and getting some of the other things in place the better, from where I sit. I can assure you of that. What I do not want is a part-story that then will be misplayed by people who choose to misplay it, but I am desperate to see stuff out.

Maybe we could talk about having something in camera and talk about doing something so that people can at least have some of their fears allayed and get some sense of it. Maybe that is worth doing so that people - and certainly you - can understand it. Honestly, I am dying to get it out, particularly the bit where when we win the Champions League we get extra money. I can release that. I think we can reveal that, can we not?

**Gareth Bacon AM (Chairman):** We might take you up on that, actually, Robin.

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** There can be nothing wrong with sharing some of that on the grounds that it is kept in camera.

**Gareth Bacon AM (Chairman):** Yes, we can do that. As an example of what Len Duvall was just talking about, when your predecessor, Mr Hone [former Chief Executive, LLDC], appeared here for the last time, there were rumours going around that the roof was more complicated than the £154 million deal. I think it was *The Guardian* that published a story saying it was going to cost an extra £15 million and that the burden would fall on the taxpayer. We put that to Mr Hone and he said, "We do not recognise that figure". Did he not recognise that figure because it was actually £35.9 million rather than £15 million? These things dribble out into the public domain and it creates the sort of cynicism that Sir Robin [Wales] has just described. The public purse gets hit time and time again and, because people are not given the entire picture at once, it creates an air of cynicism.

**David Goldstone CBE (Chief Executive, LLDC):** What you cannot do in these sorts of situations is have a running commentary of a commercial negotiation. We had a commercial negotiation in the context that the stadium roof-works are an incredibly complicated engineering challenge. We have said publicly that it is the largest single-span cantilevered roof in the world and so it has not been done on this scale and in this way before. It is a complicated challenge. The contract always anticipated a negotiation about this because this element was not part of the fixed-price agreement.

I am not going to comment on how the press reported a number. The press reported a number. It was not a statement about an agreement. Once we had an agreement, we made a statement and we put in the public domain what the outcome of that negotiation was and that was the right way to do it. We had a discussion with the contractor in relation to something that we always knew was going to have to be resolved. When we reached the end of that negotiation and not before, we announced what the outcome was. Therefore, I would not comment on where *The Guardian* got a number from or what the speculation in the room was.

I am quite happy that the agreement we did reach was appropriate for the public money we are using and the use of our budget because it was an issue that needed to be resolved. There was a cost and we negotiated to a sensible point that I am happy with in terms of our accountability for the budgets we manage. I would not commentate on it in the process of a negotiation. We announced it at the end as soon as the agreement was reached. The announcement went out on the day that it was agreed formally through our governance [procedures].

**Gareth Bacon AM (Chairman):** Did you still want to come in, Murad?

**Murad Qureshi AM:** In some ways, you have covered the point that I was going to make on the stadium. I just want to - as a spectator - though just argue. Is a roof for a stadium really necessary, given that I suspect most fans are not too perturbed about not having a roof?

**David Goldstone CBE (Chief Executive, LLDC):** In terms of Premier League Football, not necessarily -- I go to a stadium where, if I go to the second or third tier on the north stand, I do not take a ticket because I cannot see the roof. I have got a bias as a fan and a spectator that it actually helps. Making sure the prima donnas actually run around in the rain is not a bad thing.

**David Goldstone CBE (Chief Executive, LLDC):** It is not a complete roof. It is limited.

**Gareth Bacon AM (Chairman):** I do not really want to necessarily go down that particular path.

**Murad Qureshi AM:** OK. All right.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** There is a very, very quick answer to that.

**Gareth Bacon AM (Chairman):** Very quickly, then.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** In order to build a FIFA (Fédération Internationale de Football Association) category 4 stadium, all the fans have to be covered. With other stadiums that is not true, but for new stadiums it is. All this does is it goes just slightly beyond covering every fan in that stadium with the seats brought forward. Remember that you have retractable seats and the stadium has to come further than it would have done just for a normal athletics mode. That is why it needs the roof.

**Gareth Bacon AM (Chairman):** That is a very conclusive answer. I am glad you are here for that! Thank you very much.

Len, you are going to lead on the plan.

**Len Duvall AM:** Can I begin with you, David? It is a very exciting plan. Really, can you just set the scene for the Committee? There are some questions I would like to bring in the boroughs on this. In setting the scene, can you also talk about the difficulties with the different potential partners coming together and the co-ordination from central Government against the background of austerity?

**David Goldstone CBE (Chief Executive, LLDC):** The first thing is that, as you say, it is an incredibly exciting plan and with the multiple partners we are bringing together, it is an opportunity and is almost the



defining feature of the excitement of the plan. I see it more as an opportunity than as a challenge or a difficulty because so much of the economic benefit is the fact that we are co-locating and bringing together world-class institutions with overlapping and complementary interests. Therefore, there is a synergy benefit that is part of the absolute opportunity we are trying to generate.

This is not, first and foremost, if you like, in a lead sense, a Government project. The Government is not co-ordinating the partners. That is something we are doing. It is a project on the Olympic Park land and it is a project that is within our regeneration and development responsibilities. Looking forward, it is fundamental to achieving and maximising those opportunities. It is the LLDC team that has been liaising and co-ordinating bilaterally individually with the individual partners and we will be taking them forward as a group.

What we are hoping to achieve - and the business case we have submitted to the Government makes, we think, a strong economic case - is the Government supporting the project and looking for the financial support that is needed to make the project work as it is currently scoped. We are hopeful that there will be an announcement when the Chancellor makes his Autumn Statement. It is not a done deal yet and it does not get confirmed or not until we hear an announcement from the Government.

However, we have made really good progress with the partners. We have what we are calling 'heads of terms of agreement' with each of the partners and those are non-binding, non-contractual statements of understanding of commercially how we would go forward if the project goes forward. We are at an early stage and so they reflect that early stage of development, but we have heads of terms that are either signed or at a point of largely being agreed with all of the partner organisations. We have an understanding with the Government about how the funding and the overall oversight would work, but that is contingent on a decision on the funding.

**Len Duvall AM:** The decision on the funding side is not of the partners because you have already negotiated that and you think you have that done. It is what, then? What is the ask from the Government? "Do not cut me"? What will you say to the Government? What are you actually asking for from the Government?

**David Goldstone CBE (Chief Executive, LLDC):** It is a case for some Government support for the cost of the project.

**Len Duvall AM:** Capital?

**David Goldstone CBE (Chief Executive, LLDC):** Yes.

**Len Duvall AM:** OK.

**John Biggs AM:** Is it something like university capital funds? Sorry.

**David Goldstone CBE (Chief Executive, LLDC):** Again, once there is a decision, the mechanism would work, but it could well work just as a grant as part of the GLA settlement. It would not need to be direct to the institutions because, as I say, we will be taking forward the development. All of this is part of what will be resolved once there is a policy decision, if you like, to make the support or not.

**Len Duvall AM:** Presumably, that policy decision will be taken after a general election?

**David Goldstone CBE (Chief Executive, LLDC):** Not necessarily.

**Len Duvall AM:** Do you think before?

**David Goldstone CBE (Chief Executive, LLDC):** It may well be before. It is quite possible that it will come through in the Autumn Statement next week but, as I say, that is not a certainty. It is a possibility.

**Len Duvall AM:** It is possible. OK. If we come on to budgets, I have a question for Lord Mawson about budgets, but can we just bring in the boroughs? The value of this project probably is very considerable and is wider than the Olympic Park as a visitor destination for your particular boroughs in terms of that. You are partners. You are definitely a partner in Newham and you are a partner and you are decision-making.

What are the risks that you see with this project in terms of timescales? What is the ambition for your individual boroughs about this project, the timescales for it and the potential risks?

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** Chairman, through you, certainly from a Hackney perspective and looking at it in that context - and David alluded and referred to all of this earlier on in the meeting - it is about ensuring that we do not end up with a set of spaceships landing that then create their own gated community and reject most of the advances that are coming from the communities around them.

From a Hackney perspective again, the relationship with the V&A has been very strong. For the last two years, a very close collaboration has been going on within the borough with the V&A, predominantly focused on the creative tech and creative digital community in Shoreditch, Dalston, Hackney Central and indeed Hackney Wick. That relationship has directly influenced what it is that the V&A is now proposing as a centre for digital art and design and there will be a substantial exhibition space. In other words, it gives the V&A a campus from which to embrace this new art form, this new form of expression and all of the technology that is associated with it. Certainly from the perspective of the Hackney community, this is a very, very worthwhile offer.

In regards to the dance community, what we should perhaps recognise is that the Here East development that sits within what was the broadcast centre and the press and media centre, one million-plus square feet of commercial space, is moving ahead and is well advanced. On that basis, we have a number of companies that are already in residence and in production, led by BT Sport and their production facilities. They are over 80,000 square feet of production facilities which are advanced state-of-the-art television facilities. That has grown and, indeed, the market share is beginning to grow.

As we see across the rest of the capital, television and film production has been allowed to in effect dispose of its assets within central London, all for commercial development. In terms of its future, there is no production base left in the capital. At the moment, production has to travel to the fringes of London and indeed, for example, where Twickenham Studios were, they have now just been closed down to be turned into a housing estate. This is not a satisfactory proposition for London's position and role within the television and film production industries. An entire infrastructure is being run down. At the moment, the BBC and ITV have a significant set of production issues. It is having a direct impact on their baseline costs in terms of production. London has an opportunity to be able to grasp that and take facilities such as Here East and Three Mills forward as potential centres for the future of television and film production within the capital itself in terms of both live broadcast - audience shows, for example - and pre-recorded, whether it be drama, comedy or light entertainment. At the moment, BT Sport has shown the way with that.

Alongside that, it should also be recognised that in Here East there is 250,000 square feet to come forward with some of the most resilient and advanced data centre facilities. It is absolutely vital that that gets realised and it is well on track to being realised. The reason for that is what is happening in places like Shoreditch,

Dalston, Hackney Centre and Hackney Wick. What is going on within those creative tech communities is advanced innovation, pushing at the boundaries of software development and applications. Those communities of small and medium-sized business, which are now being joined by larger corporations - Amazon moving into Shoreditch, for example - to become part of these communities, demand that access and proximity to that kind of computing power and data storage.

Where we are with the technology and strategy board was our ambition a number of years ago and this has been thought about since 2000 and so here we are 14 years down the line and we are now beginning to realise it. The reason why that data centre is absolutely crucial in this location and in this part of East London is because of our role around the creative tech sector and the industries that are forming and shaping around that. It is to do with the next iteration and the next advances in artificial intelligence (AI). That is what is going on and it needs this kind of capacity to be able to take that innovation forward. There is every indication that East London will become one of the leading destinations in the world for the next steps around AI as well as day-to-day applications through the new digital science, the new digital networks and the new digital community. This is a great position.

All of this is intertwined with the media sectors. You cannot disengage. Bringing dance into that community - whether it is Wayne McGregor Random Dance within Here East and the broadcast centre itself or whether it ends up being Sadler's Wells literally just a short walk away - is absolutely vital.

However I must say - and if I could just refer back to John's [Biggs AM] point around the capital assets, memorandums, agreements and so on about how we can use those assets - that that is now becoming ever more crucial. Hackney is about to enter into a joint venture with the Development Corporation. Len, if I can just pick up on your transparency remarks, which were well made, the first step towards this joint venture was formally agreed - certainly at the London Borough of Hackney's end - at the Mayor's Cabinet. That is a public minute. There is an exempt section of course, but it is nevertheless a public minute. There is a public paper that underpins this memorandum of understanding. The idea is that we would be entering into a full-on regeneration-led agreement and partnership within the Hackney Wick neighbourhood and the new centre around Hackney Wick Station just outside the Olympic Park. We have defined the red line. We will be using assets that were required by the previous UDC alongside those from the commercial sector. Should it be required, the London Borough of Hackney will intervene and will either require assets to unblock any resistance to development, Chairman, or indeed, should it ever be required, mobilise compulsory purchase order (CPO) powers. That is just another example of building on this quite long relationship through both of the predecessors - the Olympic Delivery Authority (ODA) and the Olympic project - all the way through to where we are today.

The freehold of the North Park and the freehold of the new Canal Park have now reverted back to the London Borough of Hackney within the Olympic Park itself and so that freehold ownership is back in the hands of the people of Hackney, as it should be and as was indeed originally negotiated. East Marsh, which was a large car park, basically, to serve the Games, has now been fully reinstated. That required a strong and close relationship to do that. There were problems indeed - technical problems - that needed to be resolved. They have all been resolved and East Marsh is pretty much ready. We are almost there. The grass is almost ready to take football and rugby back on to East Marsh.

We have also brought forward a primary school and that should be opening up around September 2016 time at the start of the new academic year. We are working with Mossbourne Academy, which is based in Hackney, to bring forward the leadership required for the delivery of a primary school, but working together with the Department for Education and the local education partnership to bring forward the development of a new

primary school. These kinds of relationships have been well worthwhile for Hackney and we are looking to a future where we can collaborate together.

The risk - and it goes back to John's [Biggs AM] well-made point - is around affordability and that is crucial. The neighbourhood centre project in Hackney Wick is around affordable workspace predominantly leading that charge. It is vital that that creative arts and culture-led community that is already established in that area can look to the future with some confidence and still be part of this new regeneration and this new town centre that will emerge around that station. The risk is that the lottery dominates, the payback dominates and we start to end up in such a commercialised regeneration environment that affordability at best reduces and at worst is almost non-existent. Therein lays the risk going forward.

If we are going to end up in this joint venture, which we will be, then that clearly needs to be thought through in quite a detailed fashion. As we move forward to actually deliver this regeneration, what we do not want to find is that we have excluded half a community which actually we are there to try to serve and to create - as Robin [Wales] was pointing out - their ongoing development around convergence and the delivery of convergence and prosperity.

At the moment, one of the indicators that is failing across the host boroughs - or the Growth Boroughs, as they are now known - as a whole is that we are falling woefully short in terms of even the median income levels for those in work. Wages are low. It is a low-wage economy. That is not acceptable. We must bring it up to the London average at the very least and if not, of course, exceed it. There we have a real challenge and Robin [Wales] remarked about work and jobs being the driver and the thing that can deal with the housing overcrowding issues, which is still a risk at the moment, and deal with the health issues. Again, some of those health indicators are still a risk and it is a generic issue and it is to do with public health as much as it is to do with the National Health Service and, as Robin was saying, as much as it is to do with work, jobs and lifestyle. Thanks, Chair.

**Len Duvall AM:** Could I hear from Newham?

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** Simplistically, we are working on the basis that these are neighbourhoods of the individual boroughs. They are not just a Park. Our approach has been that we need to be fully engaged in what is going on in Newham because quite a large proportion of the Park is in Newham and that needs to be sympathetic with everything else that is going on. In a sense, we are inextricably linked. We are responsible for licensing on that Park. We are responsible for health and safety with anything that goes on in the Park. There is the road adoption strategy. The roads will belong to the local authority and there are issues around involvement in planning. Regardless of the physical assets, we bind together with the LLDC in relation to that.

We also want it to be permeable with the rest of the borough as well and that is a really key issues. A lot of our conversations increasingly are around what is happening on the high street in Newham, where the land ownership is both LLDC and Newham. Can we work together in relation to the Carpenter Estate and Rick Roberts Way where we both own land and also in terms of the development of the assets? We are already heavily involved with the V&A in terms of talking about how the borough can work closely with them. That is true of Sadler's Wells and all the other facilities. We see that this is around maximising the benefits. If we just sit back and let it all happen, then we will not be able to maximise the benefits.

The one thing I would say just to finish my bit is that we lobbied very strongly after the Games that this should not just be a big housing estate. This needed to generate jobs and growth and drive the economy for the local borough. Certainly I know that the other Growth Boroughs were in exactly the same boat. It very much

shifted after the Games from a predominance in housing development to a predominance in terms of jobs and that is a really powerful story. When we talk about stories, it is easy to forget that the original plans were about housing. I am not saying we do not need housing, but there are large amounts of other landholdings around the Park that can be developed into housing.

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** In fact, if I pick up the original plan, it was the boroughs that said, "We are not happy". Paul [Brickell], I think you were there at the meeting when the boroughs said, "No, enough with the housing. We want jobs". That is the hard thing to do. Housing we can sling up. We can build housing. We intend to build housing in Newham and we have set up a company to do that. That is not the difficulty. It is getting the jobs, attracting the jobs and prioritising those jobs. To be fair to the Mayor, I think he got that. One of the reasons we are now driving forward on jobs is because the boroughs stood up.

There is also an issue here that we have to recognise that the LLDC is a sunset organisation. There is a point at which, rightly, the boroughs will say, "Come on, this is still here. This is us. This is part of where we live. What are we going to do about it?" If I just point you to, for example, the Thames Barrier Park, which is run by the GLA and is a shambles, we have actually offered to run it. My worry is the LLDC, if we are going to do something and think about how we exit, we will end up with the same sort of thing, which is badly run. People are not looking at it. It is nice and it is fun at the moment. Everyone wants to look at it. However, once stuff is built, once we have seen the developments and once things have happened, people will not be so interested anymore, except those of us who live there. There is an issue and a challenge with that.

You see development in the boroughs and you see what Hackney is doing, which is extremely exciting. We originally tried to get UCL into Carpenters and I am extremely glad they are going into the Park. We can make an awful lot more money. However, the developers we are talking to see the opportunities. Development comes out and moves out and we can begin to see stuff moving from Hackney. We are getting a lot of residents from Hackney now moving for Forest Gate and indeed moving to Walthamstow and Waltham Forest. We are seeing that movement and the opportunities will come. Do not just think the Park; think Carpenters, think Pudding Hill Lane, think down the Lee around Cody Road, think down into the Docks. There is lots of opportunity and land and opportunities to develop, indeed, out into Barking if you think long enough and hard enough and think about the transport you need to make Barking - or Barking and Dagenham, John [Biggs AM], sorry - work in the future. We are talking to the LLDC about some of that - I am just looking at Paul [Brickell] to make sure, yes - and about some of the things we might do in Carpenters and some of the things we might take forward to be proactive about attracting those jobs and opportunities that will make a difference.

However, when you start to attract institutions of the quality that we are talking about, it changes people's views on things. The trick is to make sure that you do not just import lots of people who earn more money and drive up the average wage and drive it up so we hit convergence by importing people. The trick for us has to be how we make sure there is housing that people can afford on a lower income. Part of our resilience agenda is saying that people who work on low incomes - that is we come from - are the people we are most interested in because quite often people on higher incomes can look after themselves but people on lower incomes sometimes need a bit of support in terms of rents and other things. That is the key for us. Generally, the high quality jobs are great, but now what you are doing about the skills aspect? What you are doing about getting the low skills jobs. What you are doing about making sure people get access to that in a capital city that is subject to international competition for jobs, especially lower paid jobs? The big challenge London has is in terms of that.

The developments that are coming are good and it is good that we are working together, but also there should be something here about when the LLDC exits. I would urge you to consider and look at the Thames Barrier Park as a place in Newham, an over-spec park run by the GLA. It is run very badly. We care about it, but we live there. Nobody seems to care about it and we have made offers to say we will run it for some land. Give us some land we can build some housing on and we will do you a swap. That is an issue you may want to come back to and thinking about the exit strategy on the Park.

**Gareth Bacon AM (Chairman):** Dr Brickell, you are waiting very patiently.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** Very quickly just on some of the benefits things and picking up your point on the relationships, Guy [Nicholson] has indicated how proactive - and actually Kim [Bromley-Derry] too - the V&A are being building local relationships. You mentioned Sadler's Wells going up. We are in the process of brokering more of those relationships.

Just very quickly then on UCL doing the same, the little kind of illustration to me of how this will be is that UCL is placing in the Ludwig Guttman Centre, which is the health centre in the East Village and was the drug testing centre in the Games, a UCL Partners' unit. UCL Partners has moved in there. UCL is funding a Professor of Primary Healthcare and as a unit they are working very closely with the local authority and working very closely with the Newham Clinical Commissioning Group (CCG) to get research and evidence as an idea in the Newham general practitioner (GP) community. They are generating GPs who are tuned to research and asking questions about what you should be spending your money on in population health. What should you be spending your money on in public health? What is the evidence that this intervention works? It is something that in East London in general we have been crying out for. Vast quantities of money are spent on things which may work but there is no evidence for it.

UCL has already bought that into the heart of the community and embedded it with the key organisations leading those areas. It is those sorts of benefits that we are just starting to explore which are going to be very exciting, really. All of those institutions signed up so far - V&A, Sadler's Wells, UCL - we are not dragging them. We are not even actually offering brokering relationships. They are out there leading.

Andrew [Mawson] used to use this phrase before the Games of 'creating golden threads of connection' between the inside and the outside, which is a lovely image and it is what we are doing. We are weaving that kind of network of golden threads.

**John Biggs AM:** I have two tiny questions. I thought that was a very impressive presentation from Guy [Nicholson] and Robin [Wales] and the hangers-on, but there are two questions. One is about the memorandum.

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** I will use that description -- I was referring to the LLDC as the hangers-on. I have two tiny questions. One was about the memorandum and the lazy answer is yes to this but there may be a more thoughtful answer, albeit a very short one. Should the memorandum be revisited? Guy [Nicholson] has identified a risk that equity will be sucked out of the area by the memorandum to the DCLG? How pressing is that as a priority for the boroughs?

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** Yes.

**John Biggs AM:** It is a big deal for you?

**Sir Robin Wales (The Mayor of Newham and Chair of London's Growth Boroughs):** It is a huge deal. How can you take money out of the East End when the East End is still a major area of poverty and unemployment and we are still trying to drive convergence? Everybody is saying we have to have convergence and then you are going to take money out of the East End. It is the same issue as the London Enterprise Panel (LEP) taking the money from the Docks. It has to be addressed. We have to be spending money to make the East End and to channel it.

Come back to Paul's [Brickell] issue about proving that it works and then spending the money on things, but do the research first. Yes? We are all up for that.

**John Biggs AM:** OK. That is very helpful. We may discuss that in other places in greater detail. The second question is about how most of us went to visit the Park Royal [and old Oak Common] proposed Mayoral Development Corporation (MDC) area. I was quite impressed as I went there by the sheer scale of the Imperial College development there. Up till now, I have had it in my mind that the UCL thing in Stratford would be relatively modest, but are we talking about something of a similar scale to Imperial in West London? That is a couple of faculties, bit of student housing as well and a sort of middle-sized university campus, in other words.

**David Goldstone (CBE, Chief Executive, LLDC):** I do not know the size of the Park Royal proposal, but what UCL has in mind in Stratford is very significant. It is a significant academic and research base. We are trying to focus on most jobs and economic value-generating activities rather than the student housing, but there is student housing as well.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** Yes, the ambition is the same and you are right. This is about significant academic research and teaching elements coming. The other interesting thing is - and we have been talking about this particularly in relation to other bits of Stratford, Pudding Mill Lane and so forth - what you use the commercial workspace that is still there for. What we really think is there is an opportunity to get the bioscience and technologies commercial workspace that London so desperately needs that fits perfectly with what UCL and its links to the Crick require and the space where those bioscience businesses particularly can grow. In a number of years' time, you might see quite a big campus. It might not all be run by UCL, but it will certainly be there because UCL is there and it will be very closely linked in academic and commercial terms. We have very ambitious views of what could happen.

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** Just to pick up on that, John [Biggs AM], alongside that, Loughborough University as of September of next year will be based in the Here East complex. They have also brought forward now the opportunity, which they have accepted, to use this as a satellite faculty for the Advanced Propulsion Centre. What is quite interesting is that we are talking about a relatively small scale but very, very specialised and actually I would perhaps suggest that if we are having that kind of specialism - it does not have to be about advanced propulsion - and having those specialisms in specific and distinct faculties with whomever may be actually running those faculties is probably slightly more advantageous for the future, certainly of East London, than necessarily playing host to 10,000 students arriving on a student campus.

Certainly what the Loughborough experience has enabled us to do is to connect that to the local further education college, the Hackney Community College, and build around that an entire apprenticeship programme to come forward which locks into academia but is actually around vocational training. Suddenly we will start to create opportunities for those at entry level into the jobs market to actually engage with some of these advanced technologies that are coming forward at a vocational level and then move on into work. Those kinds of relationships are quite strong and quite powerful and if UCL - and I am sure UCL will probably respond

to this as their conversations and negotiations continue - can also look towards that kind of relationship with Newham Further Education (FE) College, for example, and others, then the future could be quite bright for all of this.

**James Cleverly AM:** Sorry, it has come up a number of times and we seem to be drifting into the Here East set of questions.

**Len Duvall AM:** I think mine leads probably on to your set of questions around jobs and issues. It is really to Lord Mawson around constrained budgets, employment and skills. What can the LLDC do to support the boroughs in terms of their vision and issues? What is the special thing that you think you can do, the LLDC, working with those boroughs about maximising those skills bits and those job opportunity bits?

**Lord Andrew Mawson OBE (Chair, Regeneration and Communities Committee, LLDC):** Before I answer that, I am just conscious it is the first time I have spoken to this Committee. Can I make one or two general points? In a sense, I suppose I am the only person on this side of the table who, whilst I am a Director of the LLDC, has spent the last 30 years working in the communities around the Park. In a sense, I suppose that is where my experience is rather than in the public sector.

**John Biggs AM:** I think Robin [Wales] and Guy [Nicholson] have, for the record.

**Lord Andrew Mawson OBE (Chair, Regeneration and Communities Committee, LLDC):** In the sense of outside the public sector and so it might be just helpful if I just show some of that.

It is certainly 30 years ago. I am conscious of 30 years because it was the 30th anniversary of the Bromley by Bow Centre last week, actually. We began very, very small and today it has grown to have 50 businesses, four health centres, about 34,000 patients and a whole range of projects where we have been exploring how you actually innovate and develop integrated communities. A lot of the challenge of what we have been talking about is how we join the macro and the micro developments around the Park so that local people in local communities become part of what is happening in the Olympic Park.

I suppose the other thing just to say is that I have been involved in the legacy of the Olympic Park for about 16 years and it has had many ups and downs. Just as a general point, as a person working in the community, we have made massive progress actually in terms of legacy. I agree with what David [Goldstone] is saying because having run quite a lot of projects in my life, it is all about the team really and having a team of people from different backgrounds on the same page with a very clear vision. Where we are is a very exciting place and, hopefully, as you can hear, there is a lot of common ground. There is a very experienced team of people in place and, yes, there is a lot still to do. On the home front, we are all conscious of the scale of the project. However, actually, if you have a good team and you have a very clear vision and you understand it - by the way, it has also been very helpful to have all-party support for this project because it is a big project and it is a long-term thing - and if those things come together, the opportunities are very immense, really. That part of East London for 150 years, a very long time, has been very fragmented and very disconnected and I suppose a lot of my work in detail has been in the micro about how we make these kinds of connections. The good news is there is a real openness to learning what has worked and what has not worked and to build the kinds of relationships where some of these opportunities are starting to happen.

I will just illustrate it a bit because I do think illustrations might be helpful. Outside the Olympic Park, in the local community, they have started to link into some of the big macro developments in the Olympic Park. Over the last three years - over six years, actually - one of things I have been developing is a street in Tower Hamlets called St Paul's Way which, six years ago, had had a terrible murder and some very difficult stuff with



a dysfunctional school and health centre, etc. By bringing health and education and a range of things together, we have created a very successful school that earlier in the year was given 'outstanding' in every regard by the Office for Standards in Education (Ofsted). Five years ago, we had only 35 families applying as we were in the bottom ten in Ofsted. This year we have had 1,200. We built a whole science curriculum with one of the first Faraday Centres in the country actually in the school and have just built a lab in a new £60 million health centre across the road funded by the Wellcome Trust, which is researching diabetes and is directly linked to the 11,000 patients and into the science curriculum in the school. The young students, many of them Bengali, are researching into the genetic disposition of diabetes and all those things.

This summer, I have just finished my third science summer school with Professor Brian Cox [British physicist], who has become our patron. We met four or five years ago. His interest was how Britain becomes the best place to do science and engineering in the world because we are all very conscious that we are short of a million engineers in this country. They are probably not going to be found in Surrey; there is nothing wrong with Surrey, but actually probably in the heart of our inner cities. How do you join the dots between the science and engineering curriculums in school and business and all of that stuff?

This year, on our third attempt, just to give you a sense of what has gone on, we began with 200 entrepreneurs on level 39 at Canary Wharf leading in technology and engineering with young people from the school taking part in all of that. The event was then opened by The Rt Hon Vince Cable MP, Secretary of State for Business, Innovation and Skills, with a whole range of presentations over two days by leading scientists and engineers in this country with ten practicals and a big parents' reception. If you are going to want to get your children into leading Russell Group universities, actually if you are Bengali and your parents have never been to university, you need absolute buy-in from the family. Of course, the event finished off with the Chief Executive of the Royal Society talking about some of the history of some of these things and about Michael Faraday [British scientist] and all the stuff.

I mentioned that because part of that is that scientists over the last three years from UCL have started to take part in that programme which has been really fascinating because some of these are some of the top people in the world. One of them, Jon Butterworth [Professor of Physics, UCL] working at the European Organisation for Nuclear Research (CERN) and it was really fascinating to learn about that with 250 children. This year we had 30 schools from East London taking part and, of course, it was really great - David [Goldstone] had not quite arrived at that point - to have Dennis Hone at the family event describing in the evening - he had just agreed the heads of terms on the UCL development - the exciting relationship between UCL and the Olympicopolis developments and this school and some of the other schools in terms of linking a world class university and its research, the science curriculum and technology curriculum in schools and of course business development, not just as we can hear in the Park, but actually right down the Lower Lee Valley. We are all very conscious - and this is just one example - of the kinds of relationships that are starting to develop. We opened a sixth form only two-and-a-half years ago and we have just had our first Bengali young person from this school go on to become a doctor. All of our sixth form, the same children in what was a failing school, have gone on to Russell Group universities. A whole range of relationships are taking place with Queen Mary's [University] at the moment, who lead the trust.

My point about just illustrating that is we are very aware that these kinds of projects, if we create continuity, ultimately will lead to jobs, opportunities and skills because often what is not there are the connections and what we are discovering in this one school, now linked to other schools, is a fantastic talent pool. I left school at 16 and I did science many years ago and I am conscious as I do this how out of touch I am with science, but I remember this year sitting listening to two young people at 16 giving presentations on hormone therapy and different things in science which I knew nothing about, and Brian [Cox] leaning across to me and saying, "You

do realise those two young people are absolutely brilliant?" What I am saying is if we are to really create the skills and the education and opportunities, it is about joining the dots. These things are starting to happen.

I have played a role with UCL. I actually had very good meetings with Michael Arthur [President & Provost Professor, UCL] about all of this. I think he gets all of this conversation. Is there more to do? Yes, there is more to do and we need to build relationships at the top of these organisations and in the middle of these organisations and drive it right into the curriculum into the next generation of young people in our schools. As I say, for me, I find it rather encouraging that these kinds of fine-grained relationships are starting to come together and if we all purposely keep continuity and work away at it, who knows where we will be in five or ten years' time? I am trying to illustrate what it starts to look like in connecting business research and the talent pool that actually exists around and increasingly in the Olympic Park and it is all about people and relationships.

**Gareth Bacon AM (Chairman):** OK, I am quite keen to move this on. We have some weighty topics still on the agenda.

**James Cleverly AM:** Guy, I am going to come back to you, if I could, actually. You spoke very passionately about the employment opportunities and Sir Robin [Wales] has touched on this as well, particularly with regard to Here East, and I would like to concentrate on that, if I could. You have partially answered the question and I am going to give you the opportunity to expand upon this particular bit. Obviously we have now a number of tenants signed up; there are still others to come. How confident are you that after the initial phase of good news we will still be able to get local youngsters particularly, but not exclusively, employed in the organisations that are going to be the long-term tenants of Here East?

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** Yes, thank you, James. It is a very, very personal question indeed. One thing that we have certainly learnt through experience over the last pretty much ten years is that as a council the London Borough of Hackney, like all other councils, has seen dramatic reductions to its operational budget. It has had substantial sums of money removed from its use in terms of skills and employment, and that may be acting as a broker, for example, as a job brokerage, or it might be about more intimate relationships between education, residents and employers. Sir Robin made great mention of the fantastic work that he has led on in Newham around keeping a job brokerage in play and so, whatever the buffeting and all the hits that we have all taken in our own particular boroughs financially, keeping the focus on some form of brokerage organisation that is connecting employers with residents is absolutely vital.

Perhaps, if I may be so bold as to say on behalf of both of us at least, it has proven that actually the Government's work programme is inadequate and wholly irrelevant, to be quite frank, to residents across certainly Hackney, and I will leave it to Robin and Kim to talk about Newham. It has increasingly fallen back on the boroughs to actually enable those outcomes to be brought about, connecting employers with residents and vice versa, and inevitably into that comes the whole business about skills, whether it is do with life skills, whether it is do with vocational skills or academic skills. When you overlay the changes and the improvements that we have brought about locally through the school system, both primary and secondary, where we are now actually actively engaged with local businesses in the curriculum and shaping the curriculum, specifically at this stage around coding and learning about the language of computing.

As secondary schools consolidate and move from the General Certificate of Secondary Education (GCSE) and start to embrace A Levels for those who have that academic talent, then, as Andrew was mentioning, what then happens to those young people is they move on into further and higher education. Some extraordinary results are coming about; there are some great personal achievements taking place. The challenge is still

around vocational skills. How can we ensure that vocational skills can come out with an equal qualification to that of an academic degree, for example? Certainly within the world of work that is emerging across the East End of London now, there are some fantastic opportunities for the next generation as they go through school and then out into work, but we need that further education support in and amongst that. Working with the employers in somewhere like Here East is absolutely vital.

Our job brokerage in Hackney is called Ways into Work. We have a Ways into Work officer based within Here East. We certainly see for the long term that presence is vital in making sure that as new tenants come in - both to begin with but crucially, as you say, the longer that they are there - relationships do not peel away and the next thing we will find - as you rightly pointed out - is that there is no local engagement and there is very little local employment opportunity coming forward because we do not have a relationship any more. We certainly as a council see this is for the long haul. It starts now. It starts with all of the convergence work and all of the job opportunities that are created through just the physical convergence work that is going on. That already is beginning to move into the job opportunities that start to come into being around those new tenants.

It is work that needs to be resourced and at the moment we are trying to balance that within our own budgets and trying to make sure that we can resource officers to be that frontline engagement. This leads us on to a conversation perhaps about skills budgets and the future and where councils should sit alongside the LEP, for example, in terms of being active promoters and facilitators of that particular agenda because at the moment there is a disconnect.

**James Cleverly AM:** I am going to touch upon that in just a moment. I want to broaden it out, if I could, and I am particularly interested in that point of convergence between the artistic, digital and commercial because we know what Here East is going to be driving. We have a bit of notice; we have known that there have been construction skills required in this transition phase. That gives us a bit of breathing space. We know what kinds of tenants we are going to get. What is happening with regard to making sure local young people are skilled up so that they can plug into those jobs?

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** You can talk about Here East and I will describe what we did before. Again, it is Here East first.

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** I will be brief, Robin. James, in direct response to your question, we are running a number of apprenticeship initiatives and paid intern initiatives that are connecting residents in Hackney with the creative tech and digital arts creative community and there is a broad range of opportunities. We have an initiative which is focused on paid internships, using local businesses across the whole creative sector, not just the creative tech sector, far from it, but across fashion, across media, across digital media and across music. The list is quite extensive. Those initiatives again rely upon a council taking the lead in brokering, advocating and bringing people together, businesses with residents, and offering up that structure, I suppose, that can enable this to happen and then making sure it continues and that we do not lose momentum.

The Hackney 100 initiative is rapidly turning into a Hackney 500 initiative within the space of 12 months. The demand across the community for young people to engage with the sector is quite extraordinary and we are responding to that demand. Equally, it must be said that the business community within the arts and within the creative and cultural sectors across Hackney and all of its various town centres has been equally as committed to engaging with the local community. Many of the people working in these industries are also residents of Hackney, people of all ages and different circumstances, and that is driving a great social change around things like the Comprehensive Spending Review (CSR), for example, where we are perhaps going back

to an approach to CSR which is about something meaningful. It is to do with helping companies grow. It is about increasing prosperity and reaching out across the community for others to bring their talents into that business and prosper from that increased prosperity and from that increased productivity. That is the approach that has been taken by this new generation of entrepreneurs.

What I should just add is that we are not ignoring those who want to be entrepreneurs, either. That is seen as a valuable job as much as perhaps learning a skill and becoming part of this new digital economy. For entrepreneurs, there is a different set of support arrangements that we are building around that offer. Again, it involves secondary schools and indeed using some of those business mentors across the local economy to support that kind of support, advice and perhaps mentoring. It is beginning to transform the relationship. Interestingly - and just as an aside - it is beginning to transform the relationship between ourselves and City companies, for example, which of course is a just a stone's throw away in the Square Mile, certainly for Hackney. It is raising the bar and that is good. That is as it should be.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** I will talk about what we did. We have to understand the nature of what we are trying to do and then we will talk a wee bit about skills, which is utterly broken in this country, and I do not believe much of what I hear on skills.

However, let us start: we recognised the most important thing was to build relationships with employers. If you are taking the unskilled jobs - because for the very high-skilled jobs, employers will recruit for that themselves and they are not going to come down to the council - you can do some stuff around lower-skilled jobs. Certainly for unskilled jobs, we took a view that said, "We need to understand what the needs of employers are". To do that, we embed people in employers and then what we do is present people to employers to make sure that they are the right people.

To give you an idea, if we send CVs out for our residents, 2% get jobs. When we present to employers, 90% to 95% of the jobs are filled by our residents. The reason that is important is because if you are an employer and you have somebody coming from Poland, halfway across Europe, who works really hard and has a great CV, they are going to get the job every time. However, when you present people, those people can get those jobs. We have long taken the view that in London the challenge for unskilled jobs or lower-skilled jobs is international competition and we have to outcompete. In Workplace we spend £6 million a year, which is really difficult because of the cuts, but we think this is the most important thing we can do. About 4,500 to 5,000 people a year get work. Half of them are long-term unemployed who have never worked and that is the key group we are after because if we are going to converge with the rest of London we need to get 20,000 people into work from Newham who have never worked or are long-term unemployed and so you are talking about 10, 15 or maybe 20 years because people move around.

Interestingly, we do a lot of research. When we get people into work, they are much more likely to be in work and 74% are in work six months to a year later. We way outperform the Department for Work and Pensions (DWP). To give you an idea, DWP put 350 young people into work in two years. We put 3,500 young people into work. DWP as a system is broken, because it starts from having three organisations running it instead of saying, "What is it employers want?" People ask me, "How many jobs are you after?" The answer is, "It will be what it will be. It will be what we manage to get the employers to do". You start with the employer. You start with them and work out what they want. We present people. The great advantage of what we do is that because we have a relationship, we get the repeat jobs. We did not get all the jobs in the Westfield; we got thousands extra; Forever 21 did all sorts of things.

By the way, none of you would be their key demographic. They would not welcome you, mate, I am telling you. They took one look at me and said, "Please do not come", and John Lewis said, "But we would like to

come in, mate". However, then the repeat jobs come back, and in fact if I use the word 'swamped' appropriately, we have just been swamped with a whole bunch of Christmas jobs in Workplace because people recognise that we have changed. Basically, anyone who has been resident in Newham for a year can access the services. We had to change that a wee bit and lower it a bit. That works, we have proved it works and it will work in any place with low-skilled jobs if you build the relationships with employers. Interestingly, one of the big things our Chief Executive does is to build relationships with employers and partners. It is a big part of what we do because that is how you get access.

The next step of course is to say, "What about skills? How do you develop skills?" The truth is our skill system in this country is totally broken. You follow the money, you get them through the qualifications and it can mean absolutely nothing to business. We have done a lot of research on this. I go back to Paul's reference: one of the things we are very big on in Newham is research and understanding. We have a very substantial research team to understand what it is that makes the difference and how it works and trying to identify the skills that will make a difference and start with employers. On retail we set up The Skills Place, where we insisted the employers led and insisted that they were telling us what they wanted. It is not upskilled we want; it is to develop the particular offer which suits the employers, fine. We have to think about how we take that forward.

One of the things we are looking at is we have been and looked at the German system, which is just light years ahead of us. You see, 'apprenticeships', frankly, we use the word a lot and much of what we talk about in apprenticeships is a load of nonsense because things have changed from the days. Those of us who are of a particular age remember what apprentices were; they are not the same thing. For example, we are discussing construction and we want apprenticeships, but why do you start with a 16 or 17 year-old? Why not take someone who has worked in construction for five years and built a skill base and then add to that skill base? The Germans will have you working in a place under a master craftsman and then you will go back in to do six weeks' training a year, but they recognise that you are getting on-the-job training as well. We need to think differently if we think about skills and we are trying to build it differently.

We know that people, academic staff and our teachers understand that. They have been through the academic system and when people say half of our people should get degrees, I say, "Why? What is the point? Surely they should get skills". We should say, "You know what? Those skills are pretty good". The Germans will have you do skills and get up to master craftsman and that is entry into university if you wanted because they recognise that that is just as good as going through an academic course. It is about valuing skills for themselves. I do not want parity with academia; I want skills to be valued as a completely separate ability that we should actually recognise as really important. It is what is wrong. Many of the problems we have are that we do not have those skills and we have lost many of those skills. I am not talking about at the very high level because, again, our academic institutions I am sure will take people through that, but it is that middle level.

The research says that if kids can remember six names of employers at school, then they are much more likely to get into a skills kind of operation and so we are doing stuff around that. Then we are trying to look at a different kind of model in terms of, if you have skills, trying to push that up. However, the problem is that the big funding just follows the qualification.

Can I tell you about a dinner I had with our academic people - I will be very quick - and our businesses? I said, "What is it, business, that you want for your unskilled jobs?" They said, "We want people who want to work. We want the attitude and we will train them". Interestingly, I ran a warehouse for British Telecom (BT) in Canning Town once and I had exactly the same, and our very nice academics said, "No, no, you want level 3 qualifications", and the business people were going, "No, we do not. We want them to want to work. To have English would be good because then they can understand if things are dangerous. That is what we want and

we will train them ourselves". Indeed, that is what I did when I worked for BT. I did not want warehouse people; I wanted people who I could train to be warehouse people. We are broken. The skills issue is very interesting and challenging.

The last comment I would make on entrepreneurship is we have now a programme - and we are starting to get some of them out - where we are taking all the services we do in Newham and looking to see if we can put them out as small businesses, community interest companies, mutuals or whatever with a view to developing a culture that involves entrepreneurship within the local authority because we are crap at it. We think we understand it. I always love seeing people doing entrepreneurial courses in academia. You can get a qualification in entrepreneurship and you think, "That is a really useful thing to have, isn't it?" We are looking to do something very proactive because we think that skills are narrowing. We think that is another part of what we need to do, which is find ways of creating opportunities for people to do entrepreneurship, not learn about it but to do it and learn about it. We put the fourth company out last week and so we are looking to take everything out. It is a big, big programme, which, by the way, is how we are managing to meet the challenge of the savage cuts being imposed by this Coalition Government. I thought you would like that.

**Gareth Bacon AM (Chairman):** I enjoyed that very much indeed. I would like to thank you for that thoughtful contribution.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** Just simply, you are right. Here East and the Olympicopolis are all about skills. You are right, too, James. We do have a bit of time.

Just very quickly, two things. One of the other assets we have placed locally - and it was why Newham got Birkbeck in - is that Birkbeck is really good at working with people in work, young people and older people, upskilling them and reskilling them and so to have them embedded is very good.

I suppose for me the most important thing on my mind is we have to get the next round of European funding right in East London, that bit of it that is spent in East London. We have to spend the European Social Fund (ESF) intelligently in East London this time around. We have started talking with Hackney and Newham particularly about this and with the GLA and the LEP, but you know what this stuff is like and you know what the rules that surround European funding are like. It is very, very difficult to target in exactly the same way, but we have a happy moment. We have the time, as you said, of a year or two or three before these jobs kick in and we have a year or two or three to get the European Social Fund round up and going. That is critically important and we are going to have to crack that with GLA colleagues.

**James Cleverly AM:** Tying that up nicely, actually, with regard to funding apprenticeships, skills and that kind of stuff, the new mayoral model for Greater Manchester sees that apprenticeship money devolved to the Manchester mayor. I suspect we will have little chance of getting it devolved right down to borough level, but would you be supportive of a call to have that kind of money devolved down to the London mayoral level?

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** Two things, because Councillor Richard Leese [Leader, Manchester City Council] came and talked to us just last week. First, they will devolve it down to borough level or down to a council level and, second, we have organisations. The Growth Boroughs would be very happy, I think, to say, "Yes, OK, we can operate locally". If you run it at a London level, it would be just as stupid as running it from Westminster. If you come to an area like this, we might say something like, "Do you know what, Hackney? You probably know more about the digital stuff that is going on because they are all in your borough. Why do you not take that? Do you know what, Newham? You have the retail stuff you know more about than anybody else". That is the whole point: you bring it down

to a local level and we can do things differently with it. Therefore, yes, we are desperate for London to get it, but London needs to devolve it. If it does not, it will not work either.

**Len Duvall AM:** Sorry, can you just clarify that? Newham would be responsible for running all retail apprenticeships across the borough?

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** We might indeed do that. That would be up to us to decide.

**Len Duvall AM:** Where is the localism case in that?

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** If you bring it down to Growth Boroughs and if you give it to Growth Boroughs, we will look across our area and say, "What is the best way of organising ourselves to deliver?"

**Len Duvall AM:** Just to your area?

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** Yes, I will recognise that there are certain things that Hackney has that it would be nuts not to have them lead on it; absolutely daft not to.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** We are already doing quite a lot of work with our colleagues in the Growth Boroughs and a slightly broader coalition of boroughs because we are looking at a population base of around two million in East London, which is twice the size of the devolved model for Manchester. It is quite interesting that even London is too big to do this. Therefore, we think coalitions of boroughs or clusters of boroughs, supported, working with the GLA and other colleagues, with actually a focus around one to two million is probably more effective in terms of creating a direct access between local residents to jobs because, although there is lots of mobility around London, it tends to be based in particular parts of the city. You do not get huge mobility from west London to East London. You do get large mobility around East London and we think that is a much more effective approach to take. Obviously we need to work with all the partners to be able to deliver that and get support for it and so it is almost a double devolution, perhaps, that we are looking for.

**Gareth Bacon AM (Chairman):** There is probably broad support for that around the table, actually.

**James Cleverly AM:** It is not even really quite a question, but the point that Len [Duvall AM] brought up was partially answered by yourself there, Kim [Bromley-Derry]. One of the things that boroughs are very, very good at is looking after their local patch because that is their core responsibility, but actually what we are increasingly seeing is that Hackney is digital London to a very, very large extent. When I started my digital company, we went out of our way to get a postcode in Shoreditch because for a fairly nebulous small company it is quite useful to be there, obviously, for a number of reasons, in retail. Whilst I am not going to argue with you about whether it would or could be devolved to boroughs, I am still thinking that there might be opportunities to have it certainly lower than national Government level but perhaps slightly bigger than borough level, and Len's idea of saying, "In this sub-regional area, we are the black belts on digital, we are the black belts on retail."

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** I was not clear. Sub-regionally, we would say devolve sub-regionally in East London and then we will handle how we do that within sub-regions. For example, if you are doing retail, I do not really think you would spread from East

London over to west London, but in East London the Growth Boroughs are together. We are bidding, we want to get that and, if that is sensible, then we will organise it sensibly. It is not one-size-fits-all. You do something different in south London; you do something differently in north London. It would be whatever fits.

**Gareth Bacon AM (Chairman):** That is something we could pitch for.

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** It is - sorry, Chairman - through itself. It is the double devolution, whether it is to a sub-regional entity - Growth Boroughs being that, a constituted body - so that public funds can be safely allocated to such a constitution and then disseminated out across individual boroughs, or whether indeed it is through some kind of London Councils proposition to individual boroughs. Where the debate comes, which Robin [Wales] and you were both picking up on, is that then what happens with centres?

Just as an experience, Create London, which is pretty much the only arts legacy that is left standing out of the 2012 project, now runs a Create Jobs initiative. A very similar discussion was happening within this arms-length public body social enterprise, which was, "Does Create London get involved in jobs in the creative and cultural sector and placing young people into those job opportunities or training and apprenticeship opportunities in west London as it does in East London?" Actually, the answer was no. It is just unable to be resourced. It is too big a task. Local communities through government are actually the ideal model, with 250,000 people or 300,000 people and the economies to suit. Then, if there is an expertise or an experience that can be transferred somewhere else, so be it, but that is perhaps where the LEP, for example, could really be of great value by looking at that picture across the capital.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** That is where you should have an input. We have London government with the Mayor and with the GLA. If we are doing stuff locally and there are pan-London things, then that is the point at which it seems to me the discussion comes in. Pan-London, that is our role because we are the constituted Government body and so that is how it should work: with us doing the best things in the best places.

**Gareth Bacon AM (Chairman):** OK, Members, I am a bit conscious of time marching on. We have two weighty subject areas left to cover and one slightly less weighty one. Could I ask you to keep your questions to the point and could I respectfully ask guests to be relatively compact in your answers without in any way taking any of the value out? The next one is convergence in the greater boroughs, which is a subject that John is very keen on.

**John Biggs AM:** I am keen on this. Can I just park the question before I ask my question? It is something came up the other day, which is probably the need for us to think harder about co-ordinating our FE colleges. There is no time to answer that now, but that might be an example where if every college trains bricklayers, then we will have too many and we will not have enough information technology (IT) people and so on. There is stuff like that we can think about.

Another one which I wanted to park is about Workplace, which is fairly well funded in Newham, but the other boroughs are relatively modestly endowed in terms of their work creation. I think that is a fact.

However, that leads into the question to Robin, which is about convergence. Our briefing note tells us that eight of the 19 convergence indicators are not on track, some are making progress but as not as planned, and in some the gap between the Growth Boroughs and the rest of London is growing. Can you tell us which



convergence indicators are moving in the right direction and which cause you concern? We talked about media learning earlier on.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** We can send you the details. I could read them out to you now if you like, but the worry is that employment and skills are the key and, again, investing so that people can do things for themselves is important.

There are some broad health things that are just luck rather than anything else, and one or two of them are if your life expectancy is increasing, it is to do with people moving in and out. You do not get that in one year, but by and large we are seeing some movement. Education, skills and employment are the key ones from which I am expecting to see a benefit in health. There are health inequalities we want to take and there are things you can do, but to do that, you affect the population. We can send you the details. My take would be that things are going on in East London and by and large we are very optimistic - I am always optimistic, mind - that we can move forward on these things. If you listen to the story we are trying to do, we will see some improvement.

The one concern I have on convergence is that we will converge by bringing middle-class people in. Not that I have anything against middle-class people, but that means we will rise up and that may leave people who are poorer not moving forward and so we need to get a bit cleverer as well about measuring the movement in people who are poorer because it is them we want to lift up. I have always taken a view that I want Newham to look like London and so I want more middle class. We have the smallest number of Band D class properties in London. I want people to come in and challenge and try to drive up education standards but, equally, I want to make sure that people who are working on low incomes are benefiting. John, it is a measurement issue there as well. We are happy to send you the details of that.

**John Biggs AM:** That might make sense in terms of our pressures. Did Kim want to add something?

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** Sorry, just a general comment around convergence. Unfortunately for East London, we are always playing catch-up in a sense. The gap sometimes moves and so it is a moving target, particularly given the mobility that we are now seeing in the city with new entrants into East London from either outside London or from the centre of London. I do think there is a broad conversation to have about the equity in terms of funding and the only example I would give is public health. I will pick two boroughs and this is grossly unfair, I know, but I am going to do it. The per capita public health allocation in Kensington and Chelsea is £135 per head. In Newham it is £75 a head. You are not going to tackle convergence unless you get some sort of proportionate funding to those areas that potentially suffer the worst health outcomes. We see that actually perpetuated across a whole range of funding. That is a bigger issue; it is a broader issue.

**James Cleverly AM:** There are lots of other funding streams where you have significantly more than other boroughs though, are there not?

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** I am talking particularly about the convergence issue.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** I am happy to talk about inner London. I am happy to talk about a whole bunch of things, none of which we get. I am also happy to talk about the biggest cuts anyway, which is us, although, as I say, Hackney and Tower Hamlets are the other big ones. On any measure, even the very difficult measures to take from the Government, we have had massive reductions. The reason we have more to spend occasionally is that of course we have more

poverty and more challenges, but we have had a really, really tough time. Keeping spending £6 million on employment is not easy.

**John Biggs AM:** Yes, you have made that point. I agree.

**Gareth Bacon AM (Chairman):** Guy wants to say something briefly and then I will pull it back a bit.

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** Sorry, if you would not mind, Chairman. Thank you, John. Convergence has got itself into a very, very intriguing sort of position. There is undoubtedly a focus on delivering on convergence within the context of the geography of the Olympic Park - that has not shifted - where we have a concentrated resource and we have concentrated partnership working going on. Some of it is about new builds; some of it is about intervening into existing communities. Within that very defined geographical area - which is the London Corporation's area and zone of operation - and perhaps to the fringes, literally the immediate fringes, it would be absolutely proper to say that convergence sits still at the heart of the thinking and that the legacy proposition that we had built in the run-up to 2012 through that bid document about what was to happen after the Games were hosted still remains intact.

The issue is what has happened in terms of mayoral leadership and in terms of central Government leadership beyond the Olympic Park zone. When you look at it across the rest of the boroughs, we have convergence that had slipped and slid, not because of a lack of focus from a local government perspective but because of the lack of focus from those leading both regional government and indeed central Government.

**John Biggs AM:** OK. That feeds very neatly into my question to Robin and then possibly to the LLDC, which I was unnecessarily rude to earlier on in calling you 'hangers-on' because you are a very important part of this. Who is responsible for convergence? A number of us in this room were part of what is called the Olympic Park Regeneration Steering Group (OPRSG), which was then abolished and which pulled together the Government, City Hall and local and LLDC stakeholders.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** All of us, John. The Mayor said that he is committed to convergence and all the boroughs are committed to convergence. The answer is everything we do, everything.

**John Biggs AM:** All right, but how often do you meet the Mayor to talk to him about convergence?

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** Not very often. I will be fair for a moment, unusually. Holding him to account here and saying, "What are you doing about convergence? Where are the sums of money?" We talked about the money going back to Government from the Park and we are saying, "No, it should not happen. The money should be spent trying to make a difference", but I will always come back to Paul's [Brickell] comment about proving that it is making a difference because sometimes we spend money and do not make a difference.

However, he has said he is committed to it, to which our question would then be, "Prove it with the resources that you are putting into East London. Prove it with the thinking around that and prove it in terms of what you are doing". After making the commitment to it, which we welcomed, and it is very good that he did, you should be asking him and saying, "What are you doing about that?" Certainly we would keep pushing on individual things. For example, for us one of the biggest things we could have done was build the bridge at Gallions [Reach] seven years ago, which would have made a massive difference to employment.

**John Biggs AM:** Perhaps we do not have time to go there.

**Gareth Bacon AM (Chairman):** They have done that in Newham.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** And Greenwich and Havering and Redbridge.

**Gareth Bacon AM (Chairman):** And certainly not Bexley.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** I did not say Bexley!

**John Biggs AM:** All right, let us focus on the Growth Boroughs. I think we all agree, rather like sliced bread or whatever we refer to, that everyone thinks convergence is a fine thing. Everyone signed up to it, the Government did, the Mayor did, the boroughs did. Everyone supports the principle, but there is not necessarily a transmission belt to make it happen.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** Well said.

**John Biggs AM:** What is the role of the LLDC in this? You are my greatest friend, by the way. I regret what I said earlier.

**David Goldstone CBE (Chief Executive, LLDC):** One of the things the Mayor has done in contributing to this is having a development corporation for this purpose and everything we do is about trying to achieve the objectives that we are all talking about that will contribute long term over convergence.

**John Biggs AM:** Does your remit cover the entirety of the Growth Boroughs?

**David Goldstone CBE (Chief Executive, LLDC):** No, of course not, and that is why Robin's [Wales] answer was absolutely right: it is all of us together. We have a bit to play because we have not just the land we own but we have the development and planning responsibilities for a significant area of this. Therefore, we have a role to play working alongside and we cannot do any of it, as I said right at the beginning, on our own. We have to work with the Growth Boroughs, but we have a contribution and part of what the Mayor has done is to get established and support the LLDC in our objectives. That is something the Mayor has done, but he knows and we know we have to do it working together with all the organisations that are involved, but it is absolutely fundamental to what we do. We were discussing it yesterday, actually.

**John Biggs AM:** How often does the LLDC at board level receive a report on convergence and your progress towards that core objective?

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** Andrew [Mawson] might want to say something about this because he chairs the committee which receives that part of it, which is our contribution towards it.

**John Biggs AM:** You do that regularly?

**David Goldstone CBE (Chief Executive, LLDC):** We have a regeneration committee that Andrew chairs that meets quarterly.

**Lord Andrew Mawson OBE (Chair, Regeneration and Communities Committee, LLDC):** It is ongoing. Just being very practical about it, convergence is all about building successful neighbourhoods. What I discovered a bit earlier is when we have been working on Bromley-by-Bow and now right across Poplar, where there is a whole range of programmes and developments, St Paul's Way is one street, a great example of linking what is now a very successful school, sorting out what was a dysfunctional health centre, 500 homes, by the way.

**John Biggs AM:** None of those things are the responsibility of the LLDC. It is your role at the LLDC I am talking about.

**Lord Andrew Mawson OBE (Chair, Regeneration and Communities Committee, LLDC):** If you would give me time to answer it, we are building five new villages and actually just last night, for example, we gave planning permission to phase 2 of Chobham Manor. A lot of the discussion in the LLDC is all about how you build successful neighbourhoods and how we make them integrated and what the relationship is between the housing and enterprise and health. All these things are a continual, ongoing discussion. Certainly, as a person who is absolutely committed to building integrated places that are sustainable, it is something I worry about a lot. There is a fantastic opportunity on the Olympic Park to lead the way on some of that because there is potentially in time exemplars that have implications more widely in the Lower Lee Valley and more widely in London, actually. We have a great privilege to really work on those issues.

**David Goldstone CBE (Chief Executive, LLDC):** What we are doing on the new communities on the park - Chobham Manor, East Wick, Sweetwater - is part of what we are doing to help convergence because it is introducing higher-quality neighbourhoods and sustainable communities that will help meet all those objectives. The Board certainly has all those issues on its agenda and has done recently. Olympicopolis again we have talked about and I do not want to go back over it, but it is about creating opportunities in employment and long-term value growth and upskilling. All those again contribute to those objectives and it is something that the Board has looked at recently and regularly over the last few months. Everything we are doing is for that purpose and therefore everything the board looks at is to contribute to that, but we can do only our bit and it is working together.

**John Biggs AM:** I do not doubt for a second your sincerity in this, but just back quickly to Robin and Guy [Nicholson], then, and featuring Kim [Bromley-Derry] as well, tell us what we could do to help the Mayor to do this better.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** I will give credit to LLDC and say that they have tried very hard on jobs, they have tried very hard on partnership and they have tried very hard on many things. I see it as an area where we have opportunities. I have talked about surplus and doing community stuff and that where we have those powers. That is one. Where it is not going to work - and we had this discussion at the Board - is housing because we are not running the social housing and the nature of how we have traditionally got social housing has by and large disappeared or reduced. I believe there is a model that we are working on which is you rent at market rent and you reinvest the profit into creating affordable or subsidised homes that people can then live in.

I do not think that is where we are going there, and our concern in terms of the housing element is that we will not get enough in terms of social housing out of it or housing that it is - I do not want to use the word 'affordable' - subsidised to the extent that people can then afford the rent. That is a better way of trying to describe it. The jury is out on that and I do not think that is necessarily the LLDC's fault, although I do think a different model that looks over a 20-year period and says, "Let us take the money and the profit from it and keep reinvesting". I am desperate to avoid the sale of the assets of the LLDC. Rather, we should be using

them to create investment or money to invest in the future and invest so that we can move towards getting some of that.

However, I will say I do think that the LLDC comes with good intentions and I have to give credit for some of the work Paul [Brickell] has done and some of the work that has been done. That sounded less generous than I meant it to sound! I wanted to sound more generous than that. I do not mean it quite as ungenerously.

**John Biggs AM:** You make me sound nice, actually!

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** I am trying!

**Gareth Bacon AM (Chairman):** I have to say that is quite an achievement!

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** As a suggestion, John, just in response to the question about what perhaps the Mayor could do, you mentioned the Olympic Park Regeneration Steering Group where we had many, many arms of Government around the table, all focused on one very clear set of regeneration objectives. Certainly what would perhaps be the most helpful step that the Mayor could take would be about creating a Growth Borough convergence steering group and to take that legacy forward around that table. I would perhaps also suggest that it is worth exploring who from central Government should be there and which organisations and institutions should be there from both the public sector and possibly even the commercial sector and certainly local government of course would be present amongst that. That, I suspect, would be the most effective way of bringing convergence back to the centre of the agenda and across all levels of Government.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** Just a very quick comment I have is for the GLA to take the same approach around landholdings as it can within its power as the LLDC has in terms of the collaborative approach with the local authorities. There is a large amount of GLA land in East London that is not being developed at a fast enough pace.

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** Or in partnership.

**Kim Bromley-Derry (Chief Executive, London Borough of Newham):** Or in partnership, and to take a similar approach with some of those landholders would be a really powerful approach to accelerating convergence.

**John Biggs AM:** OK, thank you.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** We would love to joint-venture on some of the land the GLA has with a long-term view and we have suggested that.

**Len Duvall AM:** It does beg the question: did we get the boundaries right and should the boundaries have been widened out? We are all getting on very well together. It comes across. Do you know what I mean? If we get the boundaries right, then, to do joint ventures, is this MDC working? It comes across that it is working. Are you shaking your heads no or not?

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** Len, in response and speaking from a Hackney perspective obviously, the boundary works well. It was a boundary that we lobbied for and we were very keen to ensure that we did have a regeneration initiative in play in that

particular part of the borough. From our perspective it works well. From our perspective, subject of course to everybody signing on the contract in the month ahead or so, the joint venture proposition that I described earlier is perfect.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** We have a different view. Landholdings is what it is about and in the case of Hackney we have that land freehold and so that is that. Where we have land and work together. For Carpenters, we will work together on that and that will be fine. However, to then look beyond that to, for example, the Docks, where the GLA has land, I do not consider that the GLA is working with us in a way that might work more effectively. As I say, we would like to invest in land. Housing, I am talking about. The development of commercial opportunities is not something we are very good at and we believe that people can do it better, but we would say there are issues around that. The only thing is you would not have extended it because you would not have taken the bit near West Ham where you have the mosque issue because you ran away from that.

**Len Duvall AM:** It would be useful for our Committee and at some stage we might wish to follow up on joint ventures or another, different MDC. Are they delivery vehicles that accelerate where you want to be from A to B? I believe they can work in certain circumstances if you get the transparency and the democracy right.

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** Correct.

**Len Duvall AM:** and the elements of it, but the issue is whether you would consider another MDC in another part of Newham on the basis of the experience you have had to date?

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** No, but that is because nobody can buy land in Newham now. Stuff is moving. We are seeing stuff move. If I was talking about something like that, I would say, "What about transport out to the rest of East London? What about the extension of Crossrail out east so that we can actually make Barking and Dagenham work and we can do all sorts of things there?" That is a big issue. That is where you should be involved, but for the land in Newham now in terms of housing development, we are just busting a gut to work the people who own the land because we have a model that basically we build, we take the rent and then we invest that to keep getting subsidised housing. In the long run, we will be able to generate the kinds of communities that we want, so we want to work on that. I do not think we need people now kind of taking much of that off. It is transport, and particularly further east you might want to have a conversation. The answer is it worked, but it is 'kind of' worked. We do not need that model now. We can move on to out east.

**Cllr Guy Nicholson (Cabinet Member for Regeneration, London Borough of Hackney):** Thank you, Chairman. Len [Duvall AM], we learned from your experience around the Dome project, the Millennium project and the Peninsula and so on and so forth and that was an incredibly valuable lesson that we could lock on to and understand. Development corporations are the heavy lifting gear that can really help in those kinds of extreme situations, the Lower Lee Valley being one of those situations. In Barking and Dagenham now there are great opportunities that probably would benefit from that kind of heavy lifting gear and I say that reservedly because I have not spoken to our colleagues in Barking and Dagenham, but where that regeneration, as Robin [Wales] has pointed out, has moved on, the heavy lifting gear can move on to that next project. The joint venture that then can be brought about is perhaps the vehicle that needs to be reflected on and developed out a little bit more.

We are talking about sort of developed communities or developing communities both in a physical sense as well as in a social sense. There it is a more subtle approach that Andrew [Mawson] had touched upon in some of his submissions, where it is a more thoughtful, more neighbourhood-based approach, which might well

involve a coming together of land assets of some description or might well involve an additional revenue stream of some description, but it is very focused, very targeted and very sensitive to what the heavy lifting gear has managed to achieve when it was needed there.

**Lord Andrew Mawson OBE (Chair, Regeneration and Communities Committee, LLDC):** Just two practical points. One is that we have seen development corporations and obviously we have a very successful one there, but we have also seen ones that have not been too successful in the Lower Lee Valley and it is all about leadership, actually. The reason the boroughs have really moved on - because I remember 30 years ago when they needed to move on - has been about leadership and so that is an interesting point that is very, very important and Greenwich clearly knows about that.

The second point is in the Lower Lee Valley. There is a whole range of communities where convergence is starting to happen, but actually we do need to join the dots ever more from what is happening in the Olympic Park, which was a fantastic catalyst, and the developments that are happening down the Lower Lee Valley right into the Royals. Actually, as we can see from Olympicopolis, in time, if you start to connect that to science and technology and engineering businesses that begin to appear down that valley and maybe eventually in the Royals with some of the things that are going on, then you create real energy and opportunity and real convergence to scale. It is the relationship between those micro things and the macro developments.

What we need is a joined-up view of the world that understands what the next 10, 15 or 20 years looks like and for us to act in concert, which is about the public sector, if I am honest, and the social enterprise sector also - which runs some quite large things now - and the business community, understanding the narrative and working together to drive this stuff. I agree with a lot of what Robin [Wales] was saying about skills and all of that stuff. A lot of the theoretical stuff in communities I have worked in has not worked and we need to be far more practical about enabling it to work because the talent is there.

**Gareth Bacon AM (Chairman):** OK, I remind Members of time again. Murad's section is on housing. That is why I just remind you about time.

**Murad Qureshi AM:** I will be quick and try to get through at least what we have down here, Gareth. Robin [Wales] has already made his contribution on housing under convergence, particularly the type of housing he is keen to see in Newham. Can I just come to the overall question of the number really and come to you, Paul? I hear there are some revised plans for housing on Pudding Mill Lane and Marshgate Wharf. I think they are both in Tower Hamlets.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** They are both in Newham.

**Murad Qureshi AM:** What is the overall impact going to be on the volume of housing and on the results?

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** Marshgate is where Olympicopolis is going and so clearly there will be fewer homes. There will be homes, but there will be fewer. I do not know how many yet. That will come out in the next stage of design and so watch this space, really. As Robin [Wales] said earlier, that is wholly welcomed locally because for those sites, Newham's view has always been that Olympicopolis is a better use for that. That is the first thing: less housing on there.

We think that there is an opportunity to increase the housing numbers on Pudding Hill Lane and on Rick Roberts Way, which are the two sites in our ownership but outside the Park, and we are just beginning to look and see what that might be. Also, as Robin [Wales] indicated earlier, the success of the area leads us all to believe that there will be opportunities for more housing on some other locations and you mentioned Carpenters as being one of them. There will be less housing on Marshgate Lane. We think Pudding Mill Lane and Rick Roberts Way are part of the way to get more and there will be other sites.

The final thing I would say is about the mix. You remember the big play in our legacy was to see more family homes and the big concentration of family homes are in the north and so that is unchanged. There will still be that quantum of new family homes. Actually, I do not think Marshgate Wharf in itself affects the percentages of affordability. We are still going for 30%. What we are hitting so far is above 30% overall in the end and so affordability is not affected. I would just always add in that the important part of the mix, as you know, of family homes and affordability is also the social infrastructure and so we are building as part of the Legacy Communities Scheme (LCS) three schools on the Park. We are building them many years earlier actually than we said. We said we would have those three schools open by September 2016.

Then, at the Sweetwater element, which is in Tower Hamlets and which is just about to come forward, there is a health centre and a library. None of that social infrastructure that supports both the communities in the new neighbourhoods in the Park and the surrounding neighbourhoods is affected by the Olympicopolis proposals.

**Murad Qureshi AM:** OK. Give me some idea where some of it is going to be relocated. Just coming to the figure of overall affordable housing - without going into the issues about what is affordable or not - the target is 35%. You mentioned 30% and I understand at the moment the LLDC is getting about 28%.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** OK, the initial target was a range from 20% to 35% where 35% was the upper limit and 20% was the lower and that was what we were granted in the planning permission. We revised that upper limit earlier in this year and the planning committee agreed to take that down from 35% to 31%. The reason for that was that we are bringing the houses forward much more quickly and at East Wick and Sweetwater we are about to announce our development partners, whereas actually originally we were two or three years away from doing that. It was a trade-off, really, which we discussed with the Mayor and with the GLA and with partners including the boroughs, Hackney and Tower Hamlets, which is that you can get the homes sooner or you can wait for land prices to get up and have a more viable proposition and get your 35%. Therefore, we have already revised down to 31%.

On Chobham Manor, 28% is the percentage of affordable housing. That is the first neighbourhood. Remember the 35%, now 31%, is an average across the whole site and so each neighbourhood is different. Chobham Manor was always going to be 28%. It is 28% and that is fixed. We will announce what we are about to get on East Wick and Sweetwater, but you can imagine it is going to be around 30%. Therefore, we are delivering 30% affordable homes with the neighbourhoods that we are taking forward at the moment and the overall end state at the moment is 31%.

**Murad Qureshi AM:** That is interesting about the deals you are doing on affordable housing levels if the schemes are being brought forward and actually there is a value to time. Can you just explain to me what you are doing with the neighbourhood planning systems to orchestrate this? I understand you have submitted a Local Plan or you are going to. Sorry, you did on 21 November 2014 to the Secretary of State. Is that not circumventing some of the stuff that the boroughs are doing on this front?



**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** No. That is the Local Plan which we have a duty to bring forward for our area, which we have done. Clearly it is a Local Plan that builds very strongly on what the borough's Local Plans previously had been and there has been extensive negotiation with the boroughs about what that Local Plan says and so clearly it has to be in line because it has to pass evidence tests and things do not change that much or change a lot. The Local Plan is us bringing forward our planning policy, whereas what I was just talking about is our planning application.

**Navin Shah AM (Deputy Chair):** The question is how much of local communities have been engaged with this Local Plan.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** Extensively, both through the boroughs but also formally with the boroughs. There has been extensive engagement in the production of the Local Plan but also then through all of our community networks. Sorry, I am aware of time and I have probably talked to you before about the extensive community networks we have around, which sometimes are our groups, but sometimes we are feeding into groups that the borough has run where we talked to residents and we talked to businesses and so there it has been extensive. There is a statement of community involvement that you have to produce as part of the process of producing a Local Plan.

**Len Duvall AM:** This was envisaged for local authorities and for groups of residents who want to supplement the planning processes in local authorities. You accept you took the powers under the Localism Act that would have gone to a group of residents coming together and saying, "We would like an enhanced arrangement with our local authority in the Local Plan", or are we talking about a different plan?

**David Goldstone CBE (Chief Executive, LLDC):** We are a statutory planning authority and so we have to.

**Len Duvall AM:** Yes, I know you are statutory, but usually residents like me, if I lived in your area and I got 20 good folk to sign up to some petition, I could engage with you.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** If people came forward with proposals for a neighbourhood plan, we would talk to them, but you have to remember there are --

**Len Duvall AM:** They can still apply for that?

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** Yes, yes.

**Len Duvall AM:** You have not subsumed or taken away those --

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** In this respect, as David said, we are just like a local authority.

**David Goldstone CBE (Chief Executive, LLDC):** We are akin to a local authority.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** Actually, in our area, there are a number.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** You do not have councils that you can appeal to. You do not have a democratic structure they can appeal to. Sorry, you are not just like a local authority in respect of that.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** No, OK. In respect of the ability of residents to come forward with a neighbourhood plan, you have to remember actually there are only two. There is the Trowbridge Estate and that residential area and the Carpenters Estate and that residential area and you have Bisson Road. There are only three discrete areas where there are residents at the moment.

**David Goldstone CBE (Chief Executive, LLDC):** The formal position is the same, is it not?

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** The formal position is the same.

**Len Duvall AM:** Just for the record, Chairman, as a resident, if I lived in the locality and I got together with 21 others, I could apply to you under the Localism Act? You will facilitate that on the training and I would get some enhanced issue, as I would do if I went to my local authority in terms of that area, and that could still take place?

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** I believe that to be the case. We can check.

**Len Duvall AM:** We need to follow up on that and be very clear about that because if you have established a group of 21, the Committee would like to hear how you have established that group of 21. You are quite clear that you have not done that? That is fine. We will follow up. We will write for further clarity.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** There is an important point that you should not miss there. Yes, you may do that as a resident, but it is the democratic structure of a local authority. It is not the fault of the LLDC it has been changed, but also we have to understand that while there are communities there, there is also a wider community across, say, Newham, that would take a view about the opportunities in the Park and the opportunities in the area covered by the LLDC and might take a view that says, "Hey, you do not just want a few people trying to block things".

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** That is why when you asked had we consulted with the community I started by saying the primary relationship is -- I did not use that word, but I said that first of all we had consulted extensively with the boroughs for exactly that reason, and then we have used the borough network for residents and then we have spoken to our networks of residents.

**Sir Robin Wales (Mayor of Newham and Chair of London's Growth Boroughs):** That is true.

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** That is true and that is why I said it in that order.

**Gareth Bacon AM (Chairman):** That sufficiently covers those points, thank you. The final question of the day is a factual question and so it should be fairly straightforward and quick to answer, Dr Brickell. Working with TfL - this is picking up on comments that you made here before about interconnectivity and the barrier

that the A12 is forming - what progress have you made to ensure improved connections between Bromley-by-Bow and the Park?

**Dr Paul Brickell (Executive Director of Regeneration and Community Partnerships, LLDC):** Good progress. I am going to do Bromley-by-Bow, but I am also going to mention Hackney Wick because there has been progress there too, which is also an A12 issue. First of all on Bromley-by-Bow and one of the key pedestrian connections, to get the Bromley-by-Bow Station right, we worked very closely with TfL and London Underground to get that. We put a bit of money into it. London Underground Limited are raising a value and so at the Planning Decisions Committee, there was preview before the Planning Decisions Committee of the designs for that station. That is very, very good and that will improve pedestrian access to that bit.

Then, secondly, as part of Transport for London's A12 study and the Bow Vision work that they are doing around the Bow Roundabout, which is right there, we are very confident that we are going to be able to bring forward the junction there. There needs to be an all-movements junction probably and an upgraded traffic-light controlled pedestrian/cycle junction by the station from Talwin Street, actually. It is really important for people already living in Bromley-by-Bow who need to get across to the shops and things like that, but also very important for the development of those horrible derelict sites on the other side of the road and so the answer is that very good progress.

Just briefly on Hackney Wick, the station is key again, actually. We need to move the station nearer to the Park and we have worked very closely with TfL and Network Rail on that and with the London Borough of Hackney have secured the full funding for that, partly out of local section 106 money but also with a grant from the LEP, which is very, very good. We have done the designs. We have now planning permission for that station work and it is again an improved station that crucially creates a new north-south pedestrian/cycle route beneath the railway overlooked by the shops and the ticket office at the station and so that is very good.

Then the third thing that we have been working on with TfL and the London Borough of Tower Hamlets and the London Borough of Hackney is the issue of crossings across the A12 at Hackney Wick and Fish Island. Actually, the linkages into the Park are quite good there. It is the linkages across the A12 to Victoria Park, Bow and the rest of Hackney and that was something that came out very strongly from the House of Lords Select Committee on this subject and Oona King [Baroness King of Bow] was very good at pressing this case. We have done a feasibility side alongside TfL and the boroughs looking at what could be done. We have whittled down the options to an improved bridge, probably actually a pedestrian/cycle/bus bridge and broadly speaking at Old Ford Road coming across, an improved underpass at Wick Lane and a couple of other things that would make a greenway more negotiable at that point. We are just about to appoint a team to look at the designs for those in more detail, and again we are in discussions with TfL about how we might, between us all, fund those going forward. Actually there is quite a lot of progress and I am really pleased that with Bromley-by-Bow and Hackney Wick Stations at least, it is not just plans and we are going to build something.

**Gareth Bacon AM (Chairman):** Thank you. Can I thank all of the guests for attending for their very helpful contributions across the board?