Regeneration Committee site visit to the Royal Docks, 16 December 2014
Summary

Attendees

Assembly Members	Gareth Bacon AM (Chairman), Murad Qureshi AM, John Biggs AM
Assembly staff	Katie Smith, Jo Sloman, Adam Wildman, Alex Csicsek
Visiting	Simon Powell (Assistant Director, Strategic Projects and Property, GLA) Dan Bridge (Principal Development Manager, GLA) John Miu (Executive Director, ABP London) Neil Robinson (Director of Global Communications, ABP London) John Hughes (Group Development Director, Notting Hill Housing) Sally Raphael (The Silvertown Partnership) Phil Davidson (Commercial Manager, Barratt London), and Tom Keeling (Barratt London)

Purpose of visit

The Committee visited the Royal Docks to receive a briefing on how the development of the Royal Docks will support regeneration in the surrounding area. The visit will inform the Committee's meeting on the regeneration of the Royal Docks in early 2015. The tour started at the Greenwich Peninsula before crossing to the Royal Docks by cable car. Members received presentations from ABP, Notting Hill Housing, and The Silvertown Partnership, before walking to Waterside Park to visit the Barratt Homes development.

Overview – the Royal Docks and wider geographical context

The GLA describes the Royal Docks as part of an 'arc of opportunity' for regeneration, which includes the Olympic Park and Greenwich Peninsula.

Greenwich Peninsula

There are 110 HA of development land at Greenwich Peninsula, 80 per cent of which is owned by the GLA. A new master planning exercise is currently underway and will review the development parameters set in the outline 2004 planning permission.

Chinese developer Knight Dragon is the GLA's development partner on the Peninsula. There are currently 1300 new homes under construction. The GLA expects 750 apartments to be completed between March and September 2015. The original development agreement includes provision of 38 per cent affordable housing; however, as part of negotiations to accelerate delivery of the current phase, the affordable housing element has reduced to 25 per cent affordable housing (by habitable rooms). AEG is developing a new Intercontinental Hotel, adjacent to the O2, which will include London's largest ballroom. A new designer outlet village is also proposed as part of the Arena proposals. Both developments will capitalise on visitor footfall to the O2.

Royal Docks

Following development, the Docks have a population potential of 20,000 people. A new bridge will be built as part of the new Crossrail station at Custom House.

The GLA has landholdings at Silvertown Way, where a development including 30 per cent private rental housing is planned. Members heard that this is the first site where the GLA approached the market with a specific development request.

The GLA also has landholdings with development potential at a site currently used for waste transfer.

Specific development sites

Royal Albert Dock – Advanced Business Parks (ABP)

ABP described the Royal Docks as 'London's most exciting new district.' ABP is the development partner for Royal Albert Dock (RAD) and the company plans to market the site to Asian businesses to connect with each other. The idea of a 'HQ economy' is a well understood term in China. This concept involves a critical mass of businesses moving to the area at the same time, creating economic momentum. ABP also establishes business associations, so that businesses can network.

The development of RAD will create up to 20,000 new jobs. ABP is aiming to attract companies in the financial, high tech, life sciences industries, responding to demand from Chinese businesses looking for a place to trade abroad. The GLA estimates that it will generate £6 billion to the UK economy. While ABP's marketing will focus initially on China, ABP is working with Savills to market RAD to other Asian markets, including Hong Kong and Malaysia. ABP told Members it has established a new initiative, ABP International Alliance, in September 2014. This will provide a range of activities, including assistance to remove barriers to companies setting up new businesses.

ABP considers the RAD site as complementary to Canary Wharf and the City, rather than in competition with these established business districts. ABP noted that its business model will differ from Canary Wharf, as RAD will be a mixed development. RAD will provide enterprises an opportunity to mix with other similar businesses, but also western companies. ABP estimates that office rental will cost around 50 per cent that of West End sites, and that they will also cost less than Canary Wharf.

ABP Beijing was the developer's first project. 50,000 people are working in the new district, which contains 400 buildings and is worth more than £1 billion. In addition to building the development, ABP told Members that the company stays and manages the area, including leisure facilities and restaurants. ABP also has other developments in Shenyang, Qingdao, and South Yangtze (where it has recently started building).

RAD is ABP's first development outside China. ABP told the committee that there was a lot of interest and competition in the procurement process and that Chinese companies see London as a business-friendly location. ABP tells businesses that east London has a young and diverse workforce.

Approximately 80 per cent of the RAD site will be office development, with supporting retail. The site will include a main street for business. ABP will use different architects, creating varying building designs. ABP also plans to open up the waterfront and include public squares.

ABP aims to be on site in 2015 (subject to permission) and to complete Phase 1 of the development at the same time as Crossrail opens. The developer expects that it could complete the whole site within ten years. There is no residential element in the first phase, but future residential development will be designed for those working at the Docks. ABP expects that businesses will be interested in purchasing residential development alongside office buildings. ABP plans to sell some buildings, and sell approximately 40 per cent. This is attractive to companies who want their own buildings.

Gallions Quarter and Great Eastern Quays – Notting Hill Housing (NHH)

NHH is building two residential schemes at Great Eastern Quays (GEQ; on the site of a former pharmaceutical company), and Gallions Quarter (GQ; which NHH is acquiring from the GLA). NHH aims to create a new community in the Royal Albert Basin, joining the two developments together.

The development will create almost 1500 residential units in total, plus 9600 square metres of commercial and retail space. This will include in excess of 35% affordable housing. 154 affordable homes at GEQ will be delivered in March 2016. Part of the private housing element has drawn on development finance from the Homes and Communities Agency. The site will be built out in 3 phases, starting with the areas closest to the DLR and facing the dock, followed by latter phases along the river front.

Gallions Quarter will comprise 32 per cent family housing, and 40 per cent affordable homes. Family housing takes account of flood risk (habitable rooms are not on the ground floor). Level access from the podium provides lifetime homes. NHH told members the company is focusing on placemaking, to make it a desirable place to live. While the site currently feels empty, the development will include a mix of cultural and leisure sites, along with different types of dwellings. NHH aims to create character spaces, which are more people friendly. Traffic will be channelled along particular routes. The scheme will look similar to the Barratt development at Waterside Park, as it uses the same architects.

A new Combined Heat and Power plant will service both GEQ and GQ. There are two schools within walking distance of the new developments. A new school in the area is being discussed with the GLA.

NHH told the Committee that it will not prescribe who lives at the development, however, it will not promote buy to let ownership and the site will not be marketed abroad. The objective is to make the site attractive to owner occupation. Both developments will need to be managed to a high standard; NHH wants the new housing to encourage wealth creation.

NHH told Members that it is one of the biggest development partners for the GLA; investing around £500 million per year in housing, including private finance. NHH is selling a small amount of housing elsewhere in London, where there are problems with overcrowding. NHH told Members that the company is taking on private sale risk to maintain profits. All developments have to be self-sustaining.

Silvertown Quays – The Silvertown Partnership (TSP)

TSP is marketing the Silvertown Quays area as 'London on fast forward'. Its vision is for Silvertown Quays to become a home for leading edge creative industries. The partnership aims to maintain the history and reputation of the Royal Docks, which used to be known as the 'warehouse of the world.' TSP aims to bring back a sense of industry jobs, based on the ideas economy. TSP brings together three major partners: Chelsfield, First Base, and Macquarie Capital.

The site will be used for jobs and homes (two thirds of the site will be business buildings). The aim is to create 20,000 jobs once the development is completed. This will include 3,000 new homes. TSP has not yet determined the tenure mix for the site but it is working with Newham on a Section 106 agreement. High towers will not be included in the plans, due to being close to the flight path. There is potential for a new primary school, however, school provision across the Royal Docks is under discussion with the GLA, as schools are also planned for other areas of the site.

Flagship buildings will be constructed for brands looking for new spaces to interact with their customers (whose needs are changing as more people shop online). Brand hubs will have high ground and top floors, so that they can be flexible spaces. Silvertown Quays is already home to the Siemens Crystal (completed in 2012); the UK's most sustainable building. Other spaces at the site will be for standard commercial use.

Millennium Mills and 'Silo D' are the only old buildings on the site. Work has recently started at Millennium Mills to strip asbestos from the building before refurbishment can begin, through a £12 million award the LEP has received from the Department for Communities and Local Government. The building will provide space for tech and start-up companies, including those looking to relocate from West London and Shoreditch.

Part of the water area within the site will be built in, to allow a flow of people across the site. The plans include space for public realm, parks and gardens.

TSP told Members that there is strong support for the scheme amongst the community. The existing Britannia Village has been cut off, and the new plans will bring more vibrancy to the area. TSP expects the development to generate economic benefit worth £260 million, £33 million of which will directly benefit the local community.

The scheme as a whole is expected to take 10 years to build. A new bridge will be constructed as part of the first phase of development. Phase 1 of the scheme includes Millennium Mills, the brand pavilions and residential development (areas to the west of the site will be ready for the arrival of Crossrail in 2018). The first occupants will be on site in late 2017. The remainder of the development is likely to be completed in 2-3 phases.

Waterside Park – Barratt London

Waterside Park was previously owned by English Partnerships. Barratt London gained permission for a residential development in 2009, and started building in 2010. The site is due to complete in 2016. The GLA owns the freehold, which will transfer to Barratt on completion of the final unit. Barratt told Members that the company has maintained its commitment to the GLA despite commencing development during the recession.

The development comprises 780 units. The housing mix is approximately one third sale, one third private rental, and one third affordable housing. Of the 270 affordable units, 128 are intermediate homes, and 142 are for social rent. 18 units have four bedrooms (12 at social rent, and 6 intermediate). 50 three-bedroom units are for social rent. 30 per cent of units are classed as family housing. The development provides 55 per cent car parking and there is a car club for residents.

Barratt has developed its own management company, BRAM, which maintains each square for a year, before handing them over. There are regular meetings with tenants to discuss maintenance and any issues (such as requests for more bins). In addition to residents' meetings, there are social events such as barbecues to bring neighbours together, which also encourages residents to form their own management committees.